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SOCIAL  
DIALOGUE

# ASSESSMENT OF THE FUNCTIONING OF THE TRIPARTITE SOCIAL DIALOGUE

Stojan Trajanov, Marija Ignatova – Gjoseva, Aleksandar Kostadinov



# **ASSESSMENT OF THE FUNCTIONING OF THE TRIPARTITE SOCIAL DIALOGUE**

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**REPORT ON THE FUNCTIONING OF THE  
NATIONAL ECONOMIC AND SOCIAL COUNCIL AND ITS RELATIONS WITH THE  
LOCAL ECONOMIC AND SOCIAL COUNCILS**

**March 2015**

Prepared by:

**Stojan Trajanov**





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## List of Abbreviations

FYROM	FYR Macedonia
ESC	Economic and Social Council
LRA	Labour Relations Act
EU	European Union
ILO	International Labour Organization
MLSP	Ministry of Labour and Social Policy
SSM	Federation of Trade Unions of Macedonia
KSS	Confederation of Free Trade Unions of Macedonia
ORM	Organization of Employers of Macedonia
LESC	Local Economic and Social Council

## 1. Introduction

In accordance with the definition of the International Labour Organization (ILO), social dialogue includes all types of negotiation, consultation, or simply exchange of information between, or among, representatives of government, employers and workers on issues of common interest relating to economic and social policy.

Social dialogue may be tripartite, between the government and the social partners, or bipartite, between the social partners - workers and employers.

The establishing and functioning of social dialogue requires the existence of a legal framework, institutional conditions, and other prerequisites for engaging into efficient and effective social dialogue.

The institutional conditions for efficient and continuous social dialogue require the existence of separate, independent, and strong organizations of the employers and organizations of the workers - trade unions with well-developed resources and capacities. However, there are also additional prerequisites that have to be met to enable engaging into efficient and effective social dialogue, such as the presence of political will, establishing and observing the workers' and employers freedom of association, collective bargaining, mutual cooperation and tolerance, and taking into account the interest of the social partners in the policy making and collective bargaining processes at all levels.

Social dialogue is an important and indispensable mechanism and means of reaching consensus on diverse issues within the scope of the economic and social policy.

Social dialogue in the country has been established and functioning at tripartite and bipartite levels for several years now. The tripartite social dialogue was established by the founding of the Economic and Social Council (ESC) at the national level, while the process for the establishment of the local economic and social councils (LESC), as tripartite consultative bodies at the local level, was initiated later on.

ESC at the national level is a tripartite body established by the Government of FYR Macedonia and its social partners (employers organizations and workers organizations – trade unions).

The current ESC of FYR Macedonia was established on 25 August 2010 by the signing of the Agreement establishing the ESC by the government and its social partners - the Organization of Employers of Macedonia (ORM), the Federation of Trade Unions of Macedonia (SSM), and the Confederation of Free Trade Unions of Macedonia (KSS).

The ESC is an advisory and consultative body of government that participates in the development and implementation of economic and social strategies and policies.

The ESC has a total of 12 members, where the Government of FYR Macedonia nominates 4 representatives, and the social partners (ORM, SSM and KSS) each nominate 4 representatives.

The legal framework governing the ESC was initially established by the Agreement on the establishment of the ESC, and, later on, provisions relating to social dialogue and the ESC were introduced in the existing Labour Relations Act (LRA). The Act includes several provisions relating to the association of employers and workers in their associations, which is the key prerequisite for the establishment and functioning of tripartite and bipartite social dialogue, as well as of collective bargaining. The LRA and the collective agreements, in accordance with the Constitution of the country and the Agreement on the establishment of the ESC, are the primary acts governing the establishment and functioning of tripartite and bipartite social dialogue in FYR Macedonia. The national legislation relating to social dialogue is aligned with the ILO Convention no. 87 concerning the freedom of association and protection of the right to organize, ILO Convention no. 144 concerning tripartite consultations, and ILO Recommendation no. 152 concerning the international labour standards.

The FYR Macedonia is a member state of ILO and has ratified the above mentioned Conventions. The International Labour Organization, apart from promoting the international standards, has provided, through a number of specific projects, immediate assistance and support to the promotion of social dialogue, drafting of the legislation, establishing, encouraging, and enhancing social dialogue at the national level, both in general and in the country, in particular.

## 2. Aim and methodology for development of the Report

The legal and institutional frameworks for tripartite social dialogue are essential prerequisites for the establishment of social dialogue. However, a continuous efficient and effective social dialogue requires enabling other conditions too. Tripartite social dialogue implies and requires independent and strong representative associations of trade unions and employers associations with well-developed resources and capacities, which shall regularly match the needs for a continuous and efficient social dialogue in the economic and social policy development and implementation processes. It shall also enable a better and higher quality exercise of the rights and interests of their members, employees and citizens.

In view of strengthening and enhancing tripartite and bipartite social dialogue in FYR Macedonia, both at the national and local level, as well as encouraging and promoting collective bargaining, ILO has launched the implementation of the project "Promoting Social Dialogue", funded by the European Union (EU).

The project consists of 3 (three) components, in particular:

1. Enhancing tripartite social dialogue at the national and local level;
2. Encouraging collective bargaining and establishing collective bargaining at the sectorial level; and
3. Establishing an operational amicable settlement of labour disputes.

Based on the analysis of the situation and the experiences relating to the set-up and functioning of the tripartite and bipartite dialogue in FYR Macedonia, the comparative experiences and good practices in other countries, the aim of the Project is to contribute to the strengthening the capacities of the stakeholders, and target groups to engage more efficiently and effectively in social dialogue, promotion of collective bargaining at its three levels, as well as to establishing an operational system for amicable settlement of labour disputes.

The project, i.e., the scheduled activities within its terms of reference, shall target a number of different entities, in particular: members of ESC and its expert service – Secretariat, Ministry of Labour and Social Policy (MLSP), local self-government units and other entities at the local level that participate in the LESC, State Labour Inspectorate, judges and lawyers dealing with labour dispute cases, trade unions, and employers organizations.

The present report is a part of the activities to be implemented within the framework of Component 1 of the Project “Enhancing tripartite economic and social dialogue at the national and local level”.

The aim of the present Report is to provide a review and analysis of the current legal and institutional framework governing the functioning of the ESC at the national level, as well as of the current state of action and the experience with the functioning of ESC at the national level, to identify deficiencies in problems in the current operation of the ESC, and to make recommendations for the improvement and promotion of the work of the ESC and to enable conditions for engaging into a more efficient and effective social dialogue.

The report has been developed based on a review and analysis of the applicable legislation concerning social dialogue in FYR Macedonia, desk research of documents, and materials pertaining to the day-to-day operations of the ESC, as well as meetings that the consultant has had with the representatives of the relevant stakeholders.

The consultant met with representatives of the MLSP, representative trade unions and representative employers organizations, ESC’s members and their deputies, and representatives of other registered trade unions and employers associations.

For these purposes, the consultant drafted a questionnaire, attached to the present report as Annex no. 1, which was previously approved by the ILO Project “Promoting Social Dialogue”. The consultant used the questionnaire at all meetings so as to obtain the information necessary to draft the present report. The interviews were made in person, at individual meetings with representatives of the stakeholders and the members of the ESC and its bodies, as indicated in the List of persons met, provided as Annex no. 2 to the present report.

### **3. Legal and Institutional Framework for Tripartite Social Dialogue in the FYR Macedonia**

The legal and institutional framework for the setting up and functioning of the national Economic and Social Council (hereinafter referred to as ESC) is laid down by the 2005 Labour Relations Act (LRA) and the Agreement on the establishment of the Economic and Social Council. The operations of the Economic and Social Council are regulated more closely by the Rules of Procedure of the ESC.

The Labour Relations Act (articles 246 and 247) provides the main legal framework relating to the setting up and the functioning of social dialogue at the tripartite and bipartite level in the country. The law lays down rules on the establishment of workers' and employers organizations, as well as rules on the collective bargaining and the labour relations between the workers and the employers. The law also provides the grounds for the establishment of the ESC.

In accordance with article 246 of the Labour Relations Act, the ESC is established for the purpose of defining and implementing coordinated activities with the aim to protect and promote the economic and social rights, i.e., workers' and employers interests, maintain a coordinated economic, developmental, and social policy, encourage social dialogue, negotiate and enforce collective agreements, and align them with the economic, social, and developmental policy measures.

The activity of the ESC has its grounds in the need for tripartite cooperation among the Government of FYR Macedonia, the trade unions and the employers organizations in view of resolving the economic and social issues and problems.

The Economic and Social Council:

- monitors, analyzes and evaluates the impact of the economic policy and its measures on the social stability and development;
- monitors, analyzes and evaluates the impact of the social policy on the economic stability and development;
- monitors, analyzes and evaluates the impact of the changes in the prices and salaries on the social stability and development;
- issues an elaborated opinion to the Labour Minister on issues and problems relating to the negotiation and enforcement of collective agreements;

- makes proposals to the government, employers, and trade unions, i.e. their associations at higher levels, to run a coordinated policy on pricing and salaries;
- issues opinions on draft laws in the field of labour and social welfare;
- promotes and encourages the need for a trilateral cooperation (tripartite social dialogue) among the social partners in view of resolving the economic and social issues and problems;
- encourages the amicable settlement of the collective labour disputes, and issues opinions and proposals to the Labour Minister on other issues governed by the law.

The law and the agreement on the establishment of the ESC lay down in greater detail the functions and competencies of the ESC. In accordance with these two acts, the ESC is a national tripartite body established by the Government of FYR Macedonia and its social partners (representative trade unions and representative employers organizations on the territory of the country).

The Labour Relations Act stipulates that the ESC shall be established by an agreement on the establishment of the Economic and Social Council. The signatories of this agreement are the government and the representative trade unions and the representative employers organizations on the territory of the country.

The agreement on the establishment of the ESC lays down in greater detail the competencies of the council.

The Economic and Social Council may establish boards and committees on specific matters within its scope of competencies. The Economic and Social Council adopts Rules of Procedure which govern its operations.

The agreement on the establishment of the ESC specifies the composition of the ESC. The composition of the ESC must be defined taking into account the appropriate representation of the social partners.

On 25 August 2010, the Government of FYR Macedonia, the representative trade unions (Federation of Trade Unions of Macedonia and Confederation of Free Trade Unions of Macedonia) and the representative association of the employers (Organization of Employers of Macedonia) on the territory of the country entered into an agreement on the establishment of the Economic and Social Council, published in the "Official Gazette of RM" no. 113/2010.

The Labour Relations Act also contains provisions concerning the representativeness of the trade unions and employers organizations for the purposes of their participation in tripartite social partnership bodies, tripartite delegations of the social partners, and for engaging in collective bargaining.

The law (articles 210 to 213-f) stipulates the conditions, criteria, and the method for determining the representativeness of trade unions and employers organizations. In accordance with the law, the representativeness of the social partners was established in 2010, and the social partners then proceeded and signed the new agreement on the establishment of the ESC.

The 2005 Labour Relations Act (LRA) has laid down for the first time the legal framework for the establishment and functioning of bipartite and tripartite social dialogue at the national level, but not at the local level.

### **3.1 Functions and Competencies of the Economic and Social Council of the FYR Macedonia under the Agreement on the Establishment of the Economic and Social Council**

In accordance with article 2 of the agreement on the establishment of the Economic and Social Council, the Economic and Social Council is a national tripartite body established by the Government of FYR Macedonia and its social partners, which is responsible for engaging into social dialogue for the purposes of enabling the conditions for economic and social stability and exercising the fundamental values of the country as a democratic and social state.

The Economic and Social Council has an advisory and consultative role in the development and implementation of economic and social strategies and policies in the country. The ESC deliberates and issues opinions, proposals, and recommendations to the government on certain issues in the field of:

- economic development;
- labour market policies;
- wage and price policies in the field of labour and social insurance;
- social protection;
- healthcare;
- environment;
- fiscal policy;
- working conditions, occupational safety, and health;
- education;
- culture;
- professional development, vocational training and other fields of economic and social interest of the employers and workers.

The ESC, within the scope of its competencies, issues opinions, proposals, recommendations, and conclusions upon its own initiative or on request of any social partner and the Government of FYR Macedonia. It determines the composition of the tripartite delegation at the annual International Labour Conference and of other tripartite bodies and establishes working bodies (boards and committees).

The ESC deliberates on and issues proposals for ratification of international labour standards, in accordance with the ILO Convention no. 144 concerning tripartite consultations, and it implements and monitors the compliance with the obligations arising from the convention.

The ESC issues opinions, proposals, and recommendations concerning draft laws and other regulations, national strategies, and programmes relating to the economic and social interests of workers and employers prior to their deliberation by the Government of FYR Macedonia, where its opinions concerning the laws in the field of labour, employment, pension and disability insurance, and occupational safety and health are mandatory.

The government, line ministries, and other public administration bodies take into consideration the opinions, proposals, and recommendations issued by the ESC and communicate follow-up information to the ESC in an adequate manner.

The ESC may issue opinions and proposals to the government and other competent authorities on economic and social issues upon its own initiative.

The government, line ministries, and other public administration bodies may seek the opinion of the ESC on specific issues.

Within its scope of competencies, the ESC has deliberated on and issued opinions and recommendations about specific legal projects in the field of labour relations, employment, occupational safety and health, pension and disability insurance, and social and child protection. The legal projects in question were drafted by the Ministry of Labour and Social Policy. The number of other line ministries which have sought the opinion of the ESC on legal projects in other fields is significantly smaller. The possibility provided by the agreement for issuing opinions and proposals relating to economic and social matters to the government and other competent authorities upon the initiative of the ESC, has not been exercised; furthermore, the government, parliament, members of parliament and other bodies or institutions have not sought the opinion of the ESC on specific issues.

By rule (article 3, paragraph 1 of the Agreement on the establishment of the ESC), it is mandatory to seek the opinion of the ESC when it comes to laws in the field of labour relations, employment, pension and disability insurance, and occupational safety and health. However, the practice shows breaches of the above referred provision of the agreement. That has been the case with the new law on the transformation of the labour relations, which has been initiated recently by the Ministry of Finance, but has not been notified to the ESC for deliberation, i.e. the ministry has failed to seek the ESC's opinion on the law.

In terms of the legal framework, it should be noted that there is a lack of an operational mechanism for continuous monitoring of the implementation of the opinions and recommendations issued by the ESC, as well as a lack of a mechanism for mutual information of the actors and stakeholders regarding the opinions and recommendations issued by ESC and the implementation thereof.

As opposed to the legal framework relating to national social dialogue at the bipartite and tripartite level, laid down by the Labour Relations Act and the agreement on the establishment of the Economic and Social Council, there is a lack of such a legal framework relating to social dialogue at the local level. The existing legal framework does not contain provisions on the composition, structure, manner of appointment, or other issues relating to the economic and social councils at the local level. It does not govern the matters relating to the cooperation, communication, and coordination between the national ESC and the local ESCs, which are some of the main prerequisites for communication and cooperation, i.e. the cause behind their poor mutual cooperation thus far.

### **3.2 Structure of the Economic and Social Council of the FYR Macedonia**

In accordance with the agreement on the establishment of the Economic and Social Council, the ESC is composed of 12 members, in particular:

- 4 members nominated by the Government of FYR Macedonia
- 4 members are nominated by the representative employers organizations on the territory of the country
- 4 members are nominated by the representative trade unions on the territory of the country

The ESC's members have a term of office of four years, with a possibility for reappointment. Each member of the ESC has a deputy.

ESC members who are nominated by the Government of FYR Macedonia are: Minister of Labour and Social Policy; Minister of Finance; Minister of Economy; and the Deputy Prime Minister of the Government of FYR Macedonia in charge of economic affairs.

Two trade unions have their representatives in the ESC, in particular: The Federation of Trade Unions of Macedonia (2 members) and the Confederation of Free Trade Unions of Macedonia (2 members).



One employers organization is represented in the ESC, in particular: The Organization of Employers of Macedonia (4 members).

The agreement sets forth the criteria for the election of the members in the cases when there are several representative trade unions and employers organizations, as well as for the expiration of the term of office of the ESC members.

### **3.3 Governance Structure of the Economic and Social Council in the FYR Macedonia**

The Economic and Social Council has a president and two deputies of the president.

The President of the ESC is the Minister of Labour and Social Policy, who is a member of the ESC by function. One deputy of the president is elected from the ranks of the members of the representative trade unions and the representative employers organizations.

The ESC members who are appointed by the government are: Minister of Labour and Social Policy, Minister of Finance, Minister of Economy, and the Deputy Prime Minister of the Government of FYR Macedonia in charge of economic affairs. The deputy members of the ministers who are members of ESC are their deputy ministers, while the deputy of the Deputy Prime Minister of the Government of FYR Macedonia in charge of economic affairs is a person appointed by him.

In terms of the governance structure and the current functioning of the ESC, the members of the representative trade unions and the representative employers organization, that is their members in the ESC, have presented two requests concerning the structure and the operation of the ESC.

The first request relates to establishing the principle of a rotating presidency of the ESC, under which the president of the ESC, in addition of the Labour Minister, should be elected alternately from the ranks of the representative trade unions and employers organizations, for a term of office set forth in the agreement on the establishment of the ESC. The acceptance of this proposal assumes, that is requires the consent of the ESC, as well as relevant amendments of the agreement on the establishment of the ESC.

The second request relates to an extended extent of the participation in the operation of the ESC, i.e., a higher degree of representativeness in terms of article 5 of the ESC Agreement. The request proposes, in particular, that, in addition to the Labour Minister, who regularly attends and chairs the ESC sessions, the sessions should also be attended by other ministers who are members of the ESC, so as to lend a greater support and weight to the conclusions and recommendations adopted by the ESC.

The operation of the ESC so far has shown problems and misunderstandings of the social partners in terms of recognizing or contesting the representativeness of the ESC members, but such problems and misunderstandings have been overcome following the adoption of the amendments of the Labour Relations Act in 2010. These amendments established the representativeness criteria for the trade unions and the employers organizations, and such criteria were used to establish the representativeness and elect the ESC members from the representative trade unions and employers organizations.

In this context, problems of similar nature may occur in the future, in the case of changes of the ESC members from the ranks of the representative trade unions and employers organizations, depending on potential changes related to the fulfillment of the representativeness criteria, i.e., the loss of the representative status, or the fulfillment of the representativeness criteria by other associations. This may cause problems relating to the number of members and the composition of the ESC.

The ESC Agreement lays down the competencies of the president of the ESC. The president represents the ESC before the competent authorities and the public; convenes the sessions of the ESC; makes motions on the agenda and governs the operation of the ESC; coordinates the work of the ESC and performs all other duties entrusted to him/her by the ESC. In the absence of the president, the ESC is chaired by one of the deputy presidents.

The ESC has no separate secretariat. It has a secretary of the ESC. The secretary of the ESC is a person who is employed in the Ministry of Labour and Social Policy and is appointed by the minister.

The organizational, administrative, and technical operations of the ESC and its working bodies are carried out by the Social Partnership Department within the Ministry of Labour and Social Policy. The expenses relating to the operation of the ESC and its working bodies are covered by the Ministry of Labour and Social Policy.

The limited human resources, the requisite premises, and the financial and technical conditions to support the operation of the ESC are the main limiting factors and bottlenecks in terms of the support to the current and more efficient operation of the ESC and the engaging into a more efficient and effective social dialogue.

This is of relevance not only from the aspect of preparing and holding the ESC sessions, but also in terms of the mechanism for cooperation of the ESC members and other bodies and institutions for the purposes of monitoring the implementation of the conclusions, opinions, and recommendations issued by the ESC. This imposes the need to provide an adequate level of financial and human resources.

Under the agreement, the ESC is drafting an annual operational programme, which may be supplemented in the course of the year. However, the ESC has not adopted an annual operational programme. The existence of an

operational programme is an essential prerequisite for the exercise of a continuing, efficient, and effective social dialogue and for a more operational and efficient functioning of the ESC. For this purpose, one of the priorities of the ESC, in accordance with the Operational Programme of the Government and the relevant line ministries, and the interest and currency of specific issues and projects in the economic and social sphere initiated also by the social partners, should be the drafting and adoption of the annual Operational Programme of the ESC.

The types of issues and projects that have been considered by the ESC, and the parties that have made the relevant initiative, are noted in the minutes of the ESC's sessions hitherto. The greatest number of issues and projects that have been considered by the ESC concern legal projects, proposals to enact new laws, or to amend and supplement existing laws in the labour and social sphere, as well as in other spheres (economy, healthcare, etc.). The most frequent proponents of the initiatives considered on the sessions of the ESC have been the ministries and other institutions, since they are the proponents of the relevant laws. The social partners, members of the ESC, have also made some proposals and initiatives for consideration of specific issues, while the number of such initiatives made by members of parliament is significantly smaller.

The ESC has deliberated on several proposals concerning amendments of the Labour Relations Act, among which the amendments relating to social dialogue, and those that are part of the process of alignment of the Labour Code of the country with the EU acquis, as well as a number of other projects related to the legislative amendments. In addition to the Labour Relations Act, the ESC has also taken up for consideration the following: Draft Law on Child Protection; Draft Law on Protection Against Harassment in the Workplace (Mobbing); Draft Law on Health Insurance; as well as proposals for amendments of: Law on Social Protection; Law on Occupational Safety and Health; Law on Peaceful Resolution of Labour Disputes; Law on Financial Assistance to Retrenched Workers Due to Privatization of the Majority State-Owned Enterprises; Law on Minimum Wage in the country; Law on Employment and Insurance in Case of Unemployment; Law on Mandatory Social Security Insurance, etc.

The ESC has also taken up for consideration specific information, reports, and other documents on certain issues and problems in the economic and social sphere. They included information concerning the ratification of the Instrument of Amendment of the ILO Constitution, ratification of specific ILO Conventions, and concerning the projects for alignment of the Labour Code with the EU acquis. The ESC made proposed its representatives who participated in working groups to draft specific laws (Law on Minimum Wage, Law on Occupational Safety and Health, Law on Protection Against Harassment in the Workplace (Mobbing)). The ESC has issued its opinions and recommendations on the laws and regulations referred to above.

### **3.4 Manner of Operation and Decision Making in the Economic and Social Council of the FYR Macedonia**

In accordance with the Agreement on the establishment of the ESC, the manner of operation of the ESC is governed by specific Rules of Procedure. The ESC has adopted Rules of Procedure that are mandatory for all ESC members and other participants in the operation of the ESC. According to its Rules of Procedure, the ESC works in sessions. The sessions are convened by the president of the ESC, and in his/her absence the sessions are convened by a deputy. The ESC's sessions are also convened upon a reasonable request in writing of one of the signatories of the agreement on the establishment of the ESC. The president is obliged to convene a session within a period of 10 days upon the date of the submitted request to convene a session. The sessions are convened as needed, and at least once every two months. The sessions are convened by forwarding an invitation accompanied by a draft agenda and working papers at least 8 days prior to the day of the session. A session may also be convened within a shorter period of time and without working papers. The Rules of Procedure regulates in greater detail other issues relating to the holding of the ESC sessions and to the manner of operation and the decision-making process at the sessions of the ESC.

The ESC, by rule, adopts its opinions, proposals, and recommendations by consensus of the total number of members of the ESC who attend the session. The working papers for the sessions of the ESC are prepared by the relevant bodies, i.e., proponents of the items on the agenda, that is, the competent ministries. The Economic and Social Council notifies its adopted documents to the government, the line ministries and other public administration bodies. Minutes are taken of each session of the council. Every ESC member is entitled to request the entry of his/her dissenting opinion, if any, in the minutes. The minutes are adopted at each subsequent session of the ESC. There are three standing working groups set up within the ESC, in particular: working group on labour relations and employment, working group determining the minimum salary in the country, and a working group determining the corporate social responsibility of the enterprises.

One of the comments relating to the day-to-day operations of the ESC concerns the short period of time from the delivery of the working papers for the session to the actual holding of the session of the ESC. The comment states that this period of time is too short and does not provide the ESC members with sufficient space and possibilities to make the necessary consultations with their respective memberships. There are requests to prolong this period of 8 days and that such a period should be observed.



Another issue, i.e. problem relating to the day-to-day operations is that in its operation so far the ESC has failed to include representatives of scientific and professional organizations, institutions, and associates despite the fact that the Rules of Procedure provide for such a possibility. The respondents stated that the reason behind the lack of engagement of such representatives is the lack of financial resources for such purposes, owing to the lack of a specific budget of the ESC. However, the respondents pointed out the need to include such representatives in the operation of the ESC even under such circumstances, and noted the potential for utilization of the opportunities and the interest of specific professional organizations, associations, and representatives thereof in the operation of the ESC on certain issues and projects without any remuneration.

Other problems and bottlenecks identified in the regular operation of the ESC are the need to strengthen the capacities and resources of the secretariat - the expert service, which performs the professional, administrative and technical work for the purposes of the ESC, as well as provides for the premises and the technical conditions for operation, improves the financial resources and establishes a mechanism for maintenance of records and monitoring of the conclusions, opinions, and recommendations adopted by the ESC that are notified to other bodies and institutions. It is necessary to enhance and promote the cooperation between the ESC and the other bodies and institutions, and to establish a system for communication, cooperation, and coordination between the national ESC and the local ESCs. Furthermore, ESC should encourage the process of establishment of LESC in those municipalities that haven't already established such local councils, and it should establish and operate a system for cooperation and coordination with the local ESCs.

### **3.5 Public Information about the Operation of the Economic and Social Council in the FYR Macedonia**

The Economic and Social Council regularly informs the public through press releases in the public media and other forms of information. The members of the ESC have the right to inform the public about the positions and opinions that have been placed on the agenda of the council's sessions. The ESC has its own website.

In practice the information is carried out by informing the public via the printed and the electronic media on the issues to be taken for consideration at the ESC sessions prior to the actual session, and by inviting representatives of the media at the sessions of ESC and disseminating information and press releases about the conclusions adopted by the ESC by the president and members of the ESC.

## **4. Findings of the Survey about the Setup and the Functioning of the National, Economic, and Social Council in the FYR Macedonia**

Within the framework of the terms of reference for the development of an analytical report on the functioning of the national ESC and its relations with the local ESCs, during the period from 22.12.2014 to 30.12.2014, using the developed and approved questionnaire, the consultant carried out interviews with representatives of:

- Ministry of Labour and Social Policy (MLSP);
- Representative trade unions - the Federation of Trade Unions of Macedonia (SSM), the Confederation of Free Trade Unions of Macedonia (KSS), and the Trade Union of Education, Science and Culture (SONK);
- Representative organization of employers that is represented in the ESC (the Organization of Employers of Macedonia (ORM);
- Business Confederation of Macedonia;
- ESCs members and their deputies.

According to the replies of all interviewees, the existing legal framework, laid down by the Labour Relations Act and the Agreement on the Establishment of the Economic and Social Council, provides sufficient and sound legal grounds for the setting up and functioning of tripartite social dialogue at the national level. The opinions presented in the interviews indicate that the functions and competencies of the ESC at the national level are regulated adequately. Its scope of competencies, institutional structure, composition, manner of operation and rules of procedure have been defined. The interviews have also pointed out that the current legislation does not present an obstacle either for the existence of a continuing and smooth social dialogue, or for social dialogue process and its outcome, as well as for the independence of the ESC's members. This arises from the rules and standards laid down by the law and the agreement in the establishment of the ESC, as well as from the presented views concerning the experience with the operation of the ESC thus far.

These statements and opinions are corroborated by the fact that every member of the ESC can make a proposal or initiative for discussion of a specific issue by the ESC, provided it is within its scope of competences, and the members have already exercised such options. All such initiatives have been accepted. The outcome of such initiatives, however, depends on the resulting immediate dialogue. The members of the ESC also act independently in the dialogue process,

and if the ESC does not accept their proposals, opinions, or recommendations, they have the right to a dissenting opinion.

As opposed to the legal framework for tripartite social dialogue at the national level, all interviews pointed out that there is a lack of a specific and rounded up legal framework governing social dialogue at the local level, despite the ongoing process for setting up local ESCs and the local ESCs already in place in a number of municipalities. They noted that the legislation concerning the local ESCs should be amended and supplemented. Furthermore, the interviewees provided specific recommendations as to how to amend the legislation. There have been specific proposals providing that the agreement on the establishment of the local ESCs has to be amended so as to define more closely the competencies of the local ESCs, their composition and structure, procedure for appointment of the members, and their operations, as well as the relations, cooperation, and coordination between the national ESC and the local ones. In terms of the legal framework governing tripartite social dialogue at the national level, the interviewees pointed out that the provisions in the Labour Relations Act concerning the representativeness of trade unions and employers organizations had a positive impact on the improvement of the institutional conditions for the constitution of the ESC, its day-to-day operations, and led to a more efficient social dialogue.

According to the majority of the respondents, the recommendations are monitored by delivering the minutes at each subsequent session of the ESC including an item on the agenda for follow up information on any conclusions adopted at the preceding session, and by information of the members of the ESC thereof by the President of the ESC. The current legal framework guarantees, inter alia, the autonomy and independence of the national ESC, as indicated by most of the respondents.

ESC at the national level does not have a separate technical secretariat. The administrative and technical work for the purposes of the ESC are performed by the Ministry of Labour and Social Policy, while, under the ESC Agreement, those tasks are performed by the Secretary of the ESC. There is neither any specific budget allocated for the performance of work for the purposes of the ESC, nor there are any provisions for additional human resources and funds for commission professional assistance of external experts and other professional scientific research institutions. Since the ESC does not have its own budget, there are no provisions governing the use of funds and the accountability and transparency of the use of funds for the purposes of the ESC. Most of the respondents have pointed out to the need for a specific budget of the ESC, which, in their opinion, is an important prerequisite for an increased efficiency and effectiveness of the ESC. It has a direct impact on the requirements of greater human resources for the operation of the ESC, and presents the main obstacle for the setting up and functioning of a separate technical secretariat of the ESC and for securing and financing its staffing. They have also noted the need for increasing the number of professional staff who, even under the current circumstances without a separate technical secretariat, provide their services to the ESC. Furthermore, the respondents indicated that there is a need to provide for adequate premises of the ESC.

#### **4.1 The Process of Issuing Opinions and Recommendations, Potential Bottlenecks in the Current Operations of the Economic and Social Council in the FYR Macedonia**

According to most respondents, the ESC, by rule, is involved in the initial stages of the adoption of laws. In the opinion of the respondents, it would be better if the ESC is always involved during the drafting of laws and other legal projects, although there were cases when it had been involved in such earlier stage. That was the case with the Law on Minimum Wage, the National Employment Strategy and its Action Plan, and some other projects, where the working groups drafting such acts included representatives of the social partners, or when proposals for the amendment of specific laws were initiated or drafted by the social partners. That was also the case with the proposals for amendment of the Labour Relations Act, which had been developed by the Organization of Employers of Macedonia, and where taken up for consideration by the ESC, the Law on Minimum Wage, and other laws and regulations.

Some members of the ESC suggested as a matter of procedure that the line ministries and other institutions that are submitting their proposals for legal and other projects to the ESC for consideration, should allow for a greater period of time from their notification to the ESC to the scheduled date of the ESC's session, so as to enable the members of the ESC to consult the relevant bodies and the membership of their organizations.

According to the respondents, the ESC sessions were held as needed. However, there are no legal or further obstacles to convene and hold a session of the ESC at any time upon an initiative of its members. The ESC usually holds five to six sessions per year. Thus, the ESC held six sessions in 2011, five sessions in 2012, five sessions in 2013, and six sessions in 2014. Apart from the comment about the short deadlines for delivery and consideration of the working papers, there have been no other comments in terms of bottlenecks relating to the ESC's sessions. As opposed to the positive opinions concerning the legal and institutional framework of the national ESC, some respondents expressed negative opinions, i.e., their dissatisfaction with the efficiency and effectiveness of the national ESC in comparison with the experiences of its counterparts in other countries, but failed to provide specific justification for that opinion.

According to the respondents, the communications and exchange of information between the ESC's members and its expert service is carried out through direct communication between the members and the professional staff performing the administrative and technical tasks, who deliver working papers and materials for the purposes of

the ESC, regularly submit the minutes of the ESC's sessions and provide information on the developments and the dynamics in the implementation of the conclusions adopted at the preceding sessions of the ESC for consideration, comments, proposals, and suggestions of the members of the ESC. The minutes from the sessions of the ESC, in addition to the conclusions and recommendations, also include a brief account of the discussions held at the sessions, and, following each session, the minutes are notified to the government, the line ministries and other competent bodies, as well as to the members of the ESC. The government, parliament, and other relevant bodies and institutions do not have any legal or contractual obligations concerning the information of the ESC about the actions taken on specific recommendations, advice, or opinions issued by the ESC. The ESC is regularly informed about its recommendations, opinions, and conclusions at each subsequent session, and, by rule, that is the first item of the agenda for the ESC's sessions. Furthermore, it has been noted that there is a formal and informal communication between the ESC and the line ministries and other institutions, immediately by the ESC's members, or via the expert service performing the administrative and technical operations of the ESC, and through the participation of representatives of the ESC in the work of the primary parliamentary Labour and Social Policy Committee. They noted the need for a regular higher degree of representation of all members at the sessions of the ESC.

Although there are no normative obstacles and restrictions concerning the cooperation between the ESC and scientific research institutions, such cooperation, according to most of the respondents, is practiced rarely. This is mainly owing to the insufficient financial resources and the fact that the ESC lacks a specific budget for such purposes. The lack of resources (human, financial, spatial, technical) was indicated as a limiting factor for the regular and for the efficient and effective functioning of the ESC. The ESC, in general, acted expeditiously upon specific requests, advice, opinions, or recommendations, as well as upon initiatives to take up certain issues for consideration. The above were accepted and discussed at the ESC's sessions. According to the majority of respondents, there are also no restrictions or obstacles precluding the ESC from making initiatives for consideration of specific issues or problems. That did not happen often in practice, but there were cases where certain issues were discussed upon an initiative of its members. Most of the respondents noted that the government accepted to a great extent the opinions of the social partners, but there had also been cases where such opinions were disregarded, or accepted only partially, that is, were not accepted in the form requested by the social partners, and indicated the need for greater scope of acceptance of their opinions and recommendations.

As regards the immediate communication among the members of the ESC, the respondents have opined that there is an ongoing communication and cooperation at a satisfactory level, and that there haven't been any obstacles that are restricting or precluding their mutual cooperation. Such cooperation is conditioned by their interests and by concrete initiatives, the degree of tolerance and the recognition of the social partners' interests.

It has been noted that the ESC's members from the trade unions and the employers organizations are cooperating and communicating directly, through their contacts within the various bodies, ESC's committees, commissions, or working groups for the development of specific legal and other projects, as well as by attending conferences, seminars, and workshops relating to various projects. According to the interviewed representatives of the social partners, there is a requisite level of mutual trust among the social partners, but occasionally they have dissenting or divergent opinions on certain issues, projects, or problems. Such divergences, or the cases where the social partners held firmly their opinions or interest, affected the course and the dynamics of social dialogue, in particular bipartite social dialogue, and the efficiency and effectiveness of collective bargaining at the national and branch levels. They have been resolving their misunderstandings through dialogue and negotiations, rather than by outvoting each other; hence, the agreement on the ESC provides for decision making by consensus, with the right to a dissenting opinion.

The respondents have also noted that more efficient and effective social dialogue, in particular the bipartite one, shall require greater resources of the social partners. The agreement on the establishment of the ESC and the Rules of Procedure do not provide for separate voting by the members of the ESC appointed by the government and those who represent the social partners, since they all decide jointly by way of consensus.

## **5. Recommendations for Encouragement, Enhancement and Promotion of Tripartite Social Dialogue in the FYR Macedonia**

The following recommendations are issued in view of enhancing and promoting tripartite social dialogue in the country:

1. To initiate a procedure within the Government of FYR Macedonia for amendments of the Rules of Procedure of the government's general secretariat so as to introduce an obligation, in accordance with article 3, paragraph 1 of the Agreement on the Establishment of the Economic and Social Council, for the government to consult the Economic and Social Council prior to deliberating upon laws in the field of labour relations, employment, social security, and occupational safety and health.

2. The Economic and Social Council should adopt an Annual Operational Programme, which would set forth the issues and projects to be taken up for consideration by the ESC, and would state the projects' types and the schedule for their consideration;
3. The provision in the Rules of Procedure of the ESC stipulating that the ESC shall convene sessions at least once every two months should be amended so as to reduce that period to at least once per month;
4. The deadline for convening and holding a session of the ESC laid down by the Rules of Procedure should be increased from eight to fifteen days, and such deadline should be more strictly observed;
5. The Rules of Procedure of the ESC should provide for a system – database on the operation of the ESC, and for a formal and systematized mechanism to monitor the implementation of the opinions and recommendations issued by the ESC;
6. The administrative and technical capacities of the secretariat – the expert service supporting the operation of the ESC should be improved;
7. The ESC should establish standing committees composed of a regular chairperson and a certain number of members from the ranks of the social partners, which should also include independent experts from the academic/scientific community and other professional associations to discuss specific issues and projects within ESC's ambit;
8. Adoption of a Rules of Procedure of the secretariat – the expert service of the ESC, which should lay down its competencies, tasks, and manner of operation;
9. To initiate a procedure for amendment of the Agreement on the Establishment of the ESC in view of introducing the principle of rotating presidency of the ESC;
10. To provide for an adequate level of human and financial resources to support the operation of the ESC, as well as adequate premises and technical conditions for the operation of the secretariat – expert service of the ESC;
11. To supplement the Agreement on the Establishment of the ESC in view of establishing the legal framework concerning the establishment and functioning of the ESCs at the local level, by defining their scope of competencies, composition, structure, manner of election and operation, and a mechanism for coordination, communication and cooperation between the ESC and the LESC;
12. To ensure a greater participation of the ESC members in the initial stages of drafting of legal projects and strategic documents in the fields within the ambit of the ESC;
13. To provide for an increasingly higher level of participation of the ESC members in the operation of the ESC and in supporting ESC's conclusions and recommendations within the ESC itself and before the competent bodies and institutions.

## **Annex 1 - Questionnaire on the Functioning of the National Economic and Social Council in the FYR Macedonia**

### **QUESTIONNAIRE**

#### **On the drafting of an analytical report about the functioning of the national Economic and Social Council and its networking with the local economic and social councils within the framework of the ILO project for promotion of social dialogue**

1. Do the provisions of the Labour Relations Act (LRA) and the Agreement on the Establishing of an Economic and Social Council (ESC) provide sufficient and solid legal grounds for the establishment and functioning of social dialogue?
  - at the national level:    yes    ☐                      no    ☐
  - at the local level:        yes    ☐                      no    ☐
2. Are there any other laws or collective agreements that contain provisions relating to the ESC and LESC?  
  
                    yes ☐                      no ☐
3. Does the current legislation lay down and make a distinction between the competencies of the ESC and LESC?
  - of ESC    yes ☐                      no ☐
  - of LESC    yes ☐                      no ☐
4. Which particular regulation (the Law or the Agreement on the ESC) requires more specific laying down, supplementing, or defining and delimiting the competences concerning the national ESC and the LESC?
  - the Law                      yes ☐                      no ☐
  - the Agreement            yes ☐                      no ☐
5. Are the existing regulations governing the issues relating to the mutual information, cooperation, and coordination between the national ESC and the LESC?  
  
                    yes ☐                      no ☐
6. In addition to the legal ones, are there institutional conditions for social dialogue at the national level?  
  
                    yes ☐                      no ☐
7. What are the capacities and resources of the social partners to realize a continual, efficient, and effective social dialogue and, in your opinion, are those capacities and resources sufficient?
  - Good                      ☐
  - Sufficient                ☐
  - Insufficient              ☐
8. Is the operation of the national ESC governed and, if yes, by which act:
  - By Law                                      ☐
  - By Agreement                              ☐
  - By Law and Agreement                      ☐
9. Does the ESC hold sessions:
  - at specific intervals                      ☐

- as needed ☐
- both at specific intervals and as needed ☐

10. How many sessions has the ESC held annually:

- In 2011 \_\_\_\_\_ sessions
- In 2012 \_\_\_\_\_ sessions
- In 2013 \_\_\_\_\_ sessions
- In 2014 \_\_\_\_\_ sessions?

11. How many, what type and which matters have been discussed by the ESC? (please list and explain!)

12. Who has taken the initiative to hold the ESC's annual sessions:

- the Government ☐
- The Ministries ☐
- the representative trade unions ☐

13. The representative employers organizations „Is there any act laying down the period of time prior to the session of the ESC within which the materials have to be submitted to the members of the ESC:

- which act \_\_\_\_\_
- which period of time \_\_\_\_\_?

14. Are the stipulated deadlines for submitting the materials to the members of the ESC prior to the sessions observed:

- mostly observed ☐
- partially observed ☐
- not always observed ☐

15. Does the ESC have its secretariat with relevant staff?

- Yes ☐
- No ☐

16. If there is a staff of the secretariat, what is the source of funding for the employees? (please state!)

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17. Is there a specific budget for the ESC?

- Yes ☐
- No ☐

18. If there is a specific budget provided, are the purposes for the use of the funds for the operation of the ESC defined?

- Yes ☐
- No ☐

19. Can external experts participate in the operation of the ESC? (Please give your opinion and comments!)

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20. How many of the matters/projects that have been discussed by ESC relate to:
- new legal projects or amendments of laws,
  - strategic documents (strategies, action plans, etc.),
  - analytical materials
  - information and other materials or matters? (please state)
21. Have there been any materials or matters prepared and discussed upon an initiative of the members of ESC taken at a session of the ESC?
- Yes ☐
  - No ☐
22. Is the ESC regularly informed and included in the preparation and the adoption of the legal projects in the initial stages of their drafting and deliberation, and whether the time allowed for the inclusion and the deliberation to the ESC has been sufficient? (please state your opinion and comments)
- 
23. Please state what is your knowledge, experience, and opinion relating to the functioning of social dialogue at the tripartite and bipartite level (please state your opinion and comments)
- 
24. Please state your proposals and recommendations for improvement and strengthening the capacities, resources, and the conditions for promotion of social dialogue within collective bargaining process: at the national level, branch level and at the employer level?
- 
25. Is there any cooperation between the ESC and the LESCOs, how is such cooperation carried out in practice and how it should be improved and promoted?
- 
26. Does the existing legal framework provide for the autonomy and independence of the ESC:
- fully
  - sufficiently
  - insufficiently
27. Are there any bottlenecks in the current operation of the ESC, what are those bottlenecks and what are your recommendations to improve the social dialogue of the ESC and LESC (please state your opinion and comments)?
- 
28. Is there any communication and cooperation among the ESC members and between the ESC members and the secretariat?
- Yes ☐
  - No ☐
29. How is the operation of the ESC governed, organized, and carried out? By which act, and what is the procedure in case of dissenting opinions of ESC members on specific matters or projects? (please state your opinion and comments)
- 
30. Are the discussions (minutes all transcripts thereof) forwarded to the relevant body or institution, if yes, how?
-

31. Does (and how) ESC keep track of its opinions and recommendations that have been forwarded to or refer to specific bodies and institutions?

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32. Can ESC invite representatives of other bodies and institutions to participate at its sessions when it discusses matters within their scope of competencies, or any other independent external experts?

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33. Is there any legal or contractual obligation or practice regarding the communication and the cooperation among ESC, other bodies and line ministries, and the ESC secretariat, and how is it carried out in practice?

34. Is the ESC cooperating with academies, national policy institutes or scientific experts, how often, and how is such cooperation carried out in practice?

35. Whether and to what extent the criteria for representativeness established under the Labour Relations Act contribute to the improvement of the institutional conditions and to an efficient social dialogue?

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36. To which extent does the government accept the opinions of the social partners?

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37. Is there any communication between the trade unions and the organizations of the employers at tripartite and bipartite levels and how is such communication carried out?

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## **Annex 2 – List of Persons Met**

1. Orhan Sherifi, MLSP, Secretary of ESC
2. Belinda Nikolova, ORM, Executive director, member of LESC Skopje
3. Svetlana Ristovska Antic, ORM, Secretary General
4. Pece Ristevski, SSM, President of the Trade union of industry, energy and mining of Macedonia and member of ESC
5. Angelko Angelkovski, SSM, Secretary General of SSM and deputy member of ESC
6. Slobodan Trendafilov, SSM, Head of the administrative service of SSM
7. Dojcin Cvetanovski, KSS – SONK, member of ESC
8. Rasko Miskovski, KSS
9. Mile Boskov, Business Confederation of Macedonia, Executive Director



**REPORT ON THE FUNCTIONING OF THE LOCAL ECONOMIC AND SOCIAL  
COUNCILS AND THEIR RELATIONSHIP WITH THE NATIONAL ECONOMIC  
AND SOCIAL COUNCIL**

**March 2015**

Prepared by:

**Marija Ignatova – Gjoseva**



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## List of abbreviations

ESA	Employment Service Agency
ESC	Economic and Social Council
EU	European Union
KSS	Confederation of Free Trade Unions
LEAP	Local Employment Action Plan
ILO	International Labour Organization
MLSP	Ministry of Labour and Social Policy
ORM	Organization of Employers of Macedonia
SSM	Federation of Trade Unions of Macedonia
LESC	Local Economic and Social Council
FYROM	FYR Macedonia
LRA	Labour Relations Act
USAID	United States Agency for International Development
YES Network	Youth Employability Skills – YES Network

## 1. Introduction

In accordance with the definition of the International Labour Organization (ILO), social dialogue includes “all types of negotiation, consultation, or simply exchange of information between, or among, representatives of government, employers and workers on issues of common interest relating to economic and social policy”. Social dialogue may be tripartite, between the government and the social partners, or bipartite, between the social partners - workers and employers.

The efficient and functional social dialogue requires the existence of strong and independent organizations of employers and workers with developed capacities and free access to relevant information. On the other hand, functional social dialogue requires political will, commitment, and the observers of the fundamental rights to the freedom of association and collective bargaining. It is the state that plays the main role in the development of policies that promote the free association of workers and employers and the functioning of social dialogue as a tool for reaching consensus on issues of common interests relating to economic and social policy.

The FYR Macedonia, as a democratic and social state, accepts and supports the concept that social dialogue is one of the leading principles of sustainable development, in accordance with the National Strategy for Sustainable Development<sup>1</sup>.

Social dialogue in FYR Macedonia functions at the tripartite and bipartite level. The tripartite social dialogue has been institutionalized through the economic and social councils (ESCs) at the national and local levels.

ESC at the national level represents a tripartite body, established by the Government of FYR Macedonia and its social partners with the aim to provide for the economic and social stability in the country and to realize the fundamental values of the FYR Macedonia as a democratic and social state. The current ESC of FYR Macedonia was established on 25 August 2010 by the signing of the Agreement establishing the ESC by the Government of FYR Macedonia and the social partners – the Organization of Employers of Macedonia (ORM), the Federation of Trade Unions of Macedonia (SSM), and the Confederation of Free Trade Unions of Macedonia (KSS). The ESC is an advisory and consultative body of Government of FYR Macedonia that participates in the development and implementation of economic and social strategies and policies. The ESC has a total of 12 members, where the Government of FYR Macedonia nominates 4 representatives, and each social partner (ORM, SSM and KSS) nominates 4 representatives.

The tripartite dialogue at the local level in FYR Macedonia is realized through the local ESCs (LESC). Currently there are a total of 9 LESC in the following municipalities: Bitola, Tetovo, Gostivar, Gazi Baba, Kavadarci, Kumanovo, Strumica, Stip, and the city of Skopje. LESCOs are established as advisory and consultative bodies of the municipalities for the purposes of establishing a democratic and social dialogue in the function of achieving lasting and stable social peace and active involvement of all social partners in the decision making process for the most important issues of economic and social relevance for the local community.

## 2. Aim and methodology for development of the Report

In order to be able to perform effectively their consultative and advisory roles in the process of local and national policy making, the ESC and LESCOs need to be recognizable for the quality of the advice they dispense for issues within their scope of competence. On the other hand, the effective tripartite social dialogue requires sufficiently strong, independent, and representative social partners that possess sufficient technical capacities to be able to act at an equal footing in the negotiations and consultations with the government.

In view of extending and enhancing the social dialogue in FYR Macedonia, both at the national and local levels, the International Labour Organization (ILO) has launched the implementation of the project “Promoting Social Dialogue”, financed by the European Union (EU). The project aims to strengthen the capacities of the relevant stakeholders and target groups in view of strengthening the social partnership and collective bargaining at industry, branch and company levels, as well as establishing a system for amicable settlement of labour disputes. The project activities shall target primarily the members of the ESC and its Secretariat, the Ministry of Labour and Social Policy (MLSP), the local authorities participating in the LESC, the State Labour Inspectorate, and judges and lawyers dealing with labour disputes. The project consists of three interlinked components, in particular:

1. Enhancing the tripartite social dialogue at national and local levels;
2. Encouraging collective bargaining and establishing collective bargaining at the sectorial level; and
3. Establishing an operational, amicable settlement of labour disputes.

The present report is a part of the activities to be implemented within the framework of Component 1 of the Project, in view of enhancing the tripartite economic and social dialogue at national and local levels. The purpose of the Report is to provide a review and an analysis of the current legal and institutional framework for the operation of the

<sup>1</sup> National Strategy for Sustainable Development in the FYR Macedonia SECTION II: **Strategic Baseline and Analysis (2009 - 2030)**, 4. Principles of sustainable development in FYR Macedonia, priority and hierarchy of objectives, 4.1 Guiding policy principles

LESCs, the functioning of the existing LESC, in particular in terms of the fulfillment of the objectives underlying their establishment, the relations between the LESC and ESC and the mechanisms for their coordination. Furthermore, the report should note the legal and institutional deficiencies that may preclude the effective, efficient, and coordinated dialogue at the local level.

The report was drafted based on existing documents and sources (desk research), as well as a series of meetings and discussions that the consultant made with representatives of the relevant stakeholders. In addition, a survey was organized among the members of the LESC in FYR Macedonia. The survey was carried out using a Questionnaire, attached to the present report as Annex no. 1, which had been previously approved by the ILO Project "Promoting Social Dialogue". The consultant used the questionnaire at all meetings so as to obtain the information necessary to draft the present report<sup>2</sup>. Taking into account the fact that the relevant LESC are spread throughout the territory of FYR Macedonia, the consultant was not able to visit all municipalities, therefore, some of the interviews with the LESC members were made in person, some by phone, and the greatest number of questionnaires were sent by e-mail. The survey results and the replies to the questionnaire are provided in Chapter 6. Results of the survey about the functioning of the tripartite social dialogue at the local level in FYR Macedonia.

### **3. Legal and institutional framework for the functioning of the tripartite social dialogue in the FYR Macedonia**

#### **3.1 Legal and institutional framework for the functioning of the tripartite social dialogue in the FYR Macedonia at the national level**

The legal grounds for the establishment and the functioning of the tripartite social dialogue in FYR Macedonia are: the Labour Relations Act ("Official Gazette of RM" no. 62/2005), the Agreement establishing the Economic and Social Council ("Official Gazette of RM" no. 113/2010), the ILO Convention no. 87 concerning the freedom of association and protection of the right to organize, ILO Convention no. 98 concerning the right to organize and bargain collectively, ILO Convention no. 144 concerning tripartite consultations, ILO Recommendation no. 152 concerning the international labour standards.

The 2005 Labour Relations Act (LRA) has laid down for the first time the legal framework for the functioning of the social dialogue at the bipartite and tripartite level. The law lays down rules on the establishment of workers' and employers organizations, as well as rules on the collectively bargaining and the labour relations between the two sides. The Law also provides the grounds for the establishment of an Economic and Social Council (ESC), which shall serve as a forum for tripartite consultations between the Government of FYR Macedonia and the social parties on economic, social, and labour-related issues. Chapter XXI of the LRA is dedicated in full to social dialogue and ESC. Articles 246 and 247 lay down a general framework defining the establishment, aim, powers, competencies, role, and structure of the ESC, leaving room to define more closely the functioning of the ESC by the Agreement establishing the ESC and the Rules of Procedure of the ESC.

In accordance with the LRA, the ESC is established for the purpose of "defining and implementing coordinated activities with the aim to protect and promote the economic and social rights, i.e., workers' and employers interests, maintain a coordinated economic, developmental, and social policy, encourage the social dialogue, negotiate and enforce collective agreements and align them with the economic, social and developmental policy measures". The ESC, in accordance with the provisions of the LRA, shall:

- 1) Monitor, analyze, and evaluate the impact of the economic policy and its measures on the social stability and development;
- 2) Monitor, analyze, and evaluate the impact of the economic policy and its measures on the economic stability and development;
- 3) Monitor, analyze, and evaluate the impact of the changes in the prices and salaries on the social stability and development;
- 4) Issue an elaborated opinion to the Labour Minister on issues and problems relating to the negotiation and enforcement of collective agreements;
- 5) Make proposals to the government, the employers, and trade unions, i.e. their associations at a higher level, to run a coordinated policy on pricing and salaries;
- 6) Issue opinions on draft laws in the field of labour and social welfare;
- 7) Promote and encourage the need for a trilateral cooperation (tripartite social dialogue) among the social partners in view of resolving the economic and social issues and problems;
- 8) Encourage the amicable settlement of the collective labour disputes, and

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<sup>2</sup> List of persons who were met, Annex no.2 to the present Report



9) Issue opinions and proposals to the Labour Minister relating to other matters governed by the present law.

The ESC is established by an Agreement entered into by the government, the representative trade unions on the territory of FYR Macedonia and the representative employers associations on the territory of the country. The LRA provides a margin of appreciation to the Agreement to define more closely the authorizations of ESC, its operation, the manner of convening and holding its sessions, the manner of operation, the structure, and all other details required for the smooth and successful accomplishment of the objectives behind its establishment. The LRA stipulates that the composition of the ESC should be defined taking into account the appropriate representation of the social partners, so as to provide for the equality of all participants in the social dialogue.

The current ESC of FYR Macedonia was established by an Agreement establishing the ESC, published in the Official Gazette of RM no. 113/2010 and signed by the Government, SSM, KSS and ORM in August 2010.

The President of the ESC is the Minister of Labour and Social Policy (MLSP) by function, while the Minister of Economy, the Finance Minister, and the Deputy Prime Minister of Government are in charge of economic affairs. The secretary of the ESC is a person employed in the MLSP and nominated by the Minister.

### **3.2 Legal and institutional framework for the functioning of the tripartite social dialogue in the FYR Macedonia at the local level**

The tripartite dialogue at the local level in FYR Macedonia has been established under the existing legal framework governing the dialogue at the national level. In particular, neither LRA, nor the Agreement establishing the ESC contain explicit provisions that refer to the tripartite dialogue at the local level. Yet, in practice it does not present an obstacle to the establishment and operation of the LSCs. In particular, a total of 9 LSCs, at the municipal level, have been established in FYR Macedonia thus far<sup>3</sup>.

One may conclude from the above that the provisions of the LRA<sup>4</sup> relating to ESC also apply to the establishment of the LSCs, and that, together with the Agreement establishing the ESC<sup>5</sup> and the ILO Conventions ratified by the Government of FYR Macedonia (ILO Convention no. 87 concerning the freedom of association and protection of the right to organize, ILO Convention no. 98 concerning the right to organize and bargain collectively, ILO Convention no. 144 concerning tripartite consultations, ILO Recommendation no. 152 concerning the international labour standards), they constitute the legal grounds for the establishment and operation of LSCs.

In regard to the practice so far, the procedure for the establishment of the LSCs in FYR Macedonia starts with the adoption of a decision on the establishment of a LSC by the Municipal Council. In order to provide for the legitimacy of the LSC and define its operation at the municipal level, the Municipal Council adopts a decision authorizing the Mayor of the municipality to sign the Agreement establishing the LSC on behalf of the municipality. The decisions on the establishment of LSCs adopted thus far by the municipal councils contain provisions defining the status of the LSC as an advisory and consultative body of the municipality that discusses matters, issues, opinions, proposals, and recommendations to the Municipal Council and other bodies, on issues in the economic and social sphere. Thus, the municipality itself seeks to consult the representatives of the social partners at the local level, via the LSC, on particular decisions in the economic and social sphere, prior to their adoption by the Municipal Council.

The decision of the Municipal Council on the establishment of the LSC, by rule, contains provisions laying down the structure of the LSC. Thus it is providing for the appropriate representation of all participants in the social dialogue and the application of the principle of equality.

Once the decision of the Municipal Council on the establishment of the LSC has been adopted, it is deemed that the formal and legal requirements for the establishment of the LSC have been met and the entire procedure for the establishment of the LSC is finalized by the signing of the Agreement establishing the LSC by the Mayor of the municipality and the official representatives of the social partners. In the practice, in most cases the text of the Agreement establishing the LSC is deliberated upon and adopted by the Municipal Council prior to its signing.

The Agreement establishing the LSC defines the tasks and objectives, the composition and the nomination of the members, the manner of operation, and decision making of the LSC.

In accordance with the Agreement establishing the LSC, Rules of Procedure of the LSC are adopted to define more closely the manner of operation and decision making of the LSC, the election of a President of the LSC and the

<sup>3</sup> In accordance with the Law on the territorial organization of the local self-Government of FYR Macedonia (Official Gazette no. 55/04), the local self-government units in FYR Macedonia are the municipalities and the city of Skopje as a separate unit. Therefore, the municipal level has been taken as the most appropriate one for the establishment of the tripartite economic and social dialogue at local level. There are 80 municipalities in FYR Macedonia.

<sup>4</sup> (Official Gazette of RM no. 62/2005) Chapter XXI, articles 246 and 247

<sup>5</sup> (Official Gazette of RM, no. 113/2010)

functions thereof, the election of a secretary-general of the LESC and the functions thereof, the manner of convening the sessions of the LESC, and its interactions with other organizations and individuals. The Rules of Procedure are adopted at a session of the LESC, which implies that it is an act adopted by the members of the LESC by means of reconciliation of their views and that, as such, it is applicable to all members.

## **4. Local Economic and Social Councils in the FYR Macedonia**

### **4.1 Introduction to the existence and operation of LESC in FYR Macedonia**

The Economic and Social Council is a relatively new tripartite institution that was established in the independent FYR Macedonia at the end of 1996. The initial ESC was established by the Agreement establishing the ESC signed by the Government, the Federation of Trade Unions of Macedonia and the Economic Chamber of Macedonia. However, the newly adopted LRA in 2005 had laid down for the first time the legal framework for the functioning of the social dialogue at the bipartite and tripartite level. The LRA set forth the rules on the establishment and representativeness of the trade unions and the employers organizations, and the Committee determining the representativeness of trade unions and employers organizations was established in February 2010. Two trade unions and one employers organization<sup>6</sup> had been granted the status of representative organizations at the national level, and those were the organizations that signed the Agreement establishing the ESC with the Government of FYR Macedonia in August 2010.

The first LESC in FYR Macedonia were established in 2010 in the municipalities of Kavadarci and Kumanovo. The LESC in the municipality of Kavadarci has a total of 9 members, of whom three from the local self-government, three from the Business Confederation of Macedonia<sup>7</sup> and three representatives of the trade unions<sup>8</sup>.

LESC Kumanovo was established by the signing of the Agreement establishing the LESC on 9 December 2010 and has a total of 9 members, of whom three members were from the local self-government and the Municipal Council, while the trade unions and ORM were each represented by three members. In accordance with the Rules of Procedure, representatives of non-governmental associations and organizations are invited at the sessions when necessary, depending on the topic under discussion. LESC Kumanovo was established with the support of a project of the United States Agency for International Development (USAID), and, within the framework of such support it published the manual "A Guide to Local Social Dialogue".

The end of 2010 saw the implementation of the USAID funded project "Youth Employability Skills Network" (YES Network), which aimed at helping young people acquire the relevant skills that would facilitate their transition to the labour market. For the purposes of better matching of the skills demanded on the labour market with the skills supplied by the schools, the YES Network project started to implement activities aimed at building the public-private dialogue by establishing the LESC. Within the framework of the support provided by this project six LESC established in the municipalities of Strumica, Stip, Bitola, Tetovo, Gostivar and the city of Skopje.

On 1 May 2013 SSM promoted its campaign for the establishment of LESC, which lasted for the entire year. SSM, together with the USAID's project YES Network, in June 2013 held the conference "Local Social Dialogue in FYR Macedonia – Challenges and Needs" in view of promoting the local social dialogue.

Currently there are a total of 9 LESC established in the following municipalities: Bitola, Tetovo, Gostivar, Gazi Baba, Kavadarci, Kumanovo, Strumica, Stip, and the city of Skopje. This occasion should be used to note that the municipality of Prilep also established an Economic Council as a form of local dialogue, which is composed of representatives of the business community and the local authorities, while the trades unions, as social partners, are not part of this Council, although the possibility for their participation at the sessions of the Economic Council is not excluded provided there is a need for that.

### **4.2 The role and the competencies of the Local Economic and Social Councils in the FYR Macedonia**

According to the practice so far, LESC in FYR Macedonia have been established so as to issue opinions, proposals, and recommendations on proposed decisions, strategies, and programs relating to the economic and social interests

<sup>6</sup> Confederation of Free Trade Unions of Macedonia, Federation of Trade Unions of Macedonia and Organization of Employers of Macedonia

<sup>7</sup> The Business Confederation of Macedonia was established as an association of citizens in 2001. In 2005 it was registered by the Ministry of Labour And Social Policy as an employers organization. In September 2009 it was re-registered in the MLSP as a Business Confederation of Macedonia ([www.bcm.mk](http://www.bcm.mk)).

<sup>8</sup> Source [http://www.ssm.org.mk/index.php?option=com\\_content&view=article&id=719&Itemid=168&lang=en](http://www.ssm.org.mk/index.php?option=com_content&view=article&id=719&Itemid=168&lang=en) and an interview with Mile Boskov, executive president of the Business Confederation of Macedonia.

of workers and employers, the labour market demand and the skills developed by young people, prior to their deliberation by the municipal Council.

What makes the tripartite dialogue at the local level expressed through the LESC distinct from the one expressed through the ESC is the fact that the LESC discusses issues of common interest that concern the local community and fall within the scope of competencies of the local self-government, that is, the municipality. The scope of competencies of the municipality is defined by the Law on Local Self-Government (Official Gazette of RM no. 05/02). In accordance with this Law, the municipalities, in compliance with the principle of subsidiarity, shall have the right to perform activities of public interest of local importance in their territory that are not excluded from their scope of competencies or do not fall within the scope of competencies of the central government<sup>9</sup>. The scope of competencies of the municipalities includes:

1. Spatial (urban and rural) planning, issuing construction permits for the construction of facilities of local importance, as defined by law, landscaping and urbanization of construction land;
2. Protection of the environment and nature - measures for protection and prevention of water, air, and soil pollution, protection of nature, protection against noise and non-ionizing radiation;
3. Local economic development - local economic development planning; setting developmental and structural priorities; local economic policy management; support of the development of small and medium enterprises and entrepreneurship at the local level and, within that context, participation in the establishment and development of a local network of institutions and agencies and promotion of partnership;
4. Communal activities - potable water supply; technological water supply; drainage and purification of effluent waters; public lighting; drainage and treatment of precipitation; maintenance of public hygiene; collection, transport and treatment of solid communal waste and technological waste; regulation and organization of local public passenger transport service; supply with natural gas and heating; maintenance of graves, cemeteries, crematoria, and provision of burial services; construction, maintenance, reconstruction, and protection of local roads, streets, and other infrastructure facilities; regulation of traffic regime; construction and maintenance of street traffic signalization; construction and maintenance of public parking spaces; removal of improperly parked vehicles; removal of damaged vehicles from public spaces; construction and maintenance of markets; chimney sweeping; maintenance and use of parks, green spaces, forest parks and recreational spaces; regulation, maintenance and use of river beds in urbanized areas; determining the names of streets, squares, bridges, and other infrastructure facilities;
5. Culture - institutional and financial support to cultural institutions and projects; promotion of folklore, customs, old crafts, and similar cultural values; organization of cultural events; providing incentives for various specific forms of creative work;
6. Sports and recreation - development of mass sports and recreational activities; organization of sports events; maintenance and construction of sports facilities; support to sports associations;
7. Social welfare and child protection - kindergartens and homes for the elderly (ownership, financing, investments, and maintenance); exercising social care for disabled persons, children without parents, and parental care; children with educational and social problems; children with special needs; children from single-parent families; street children; persons exposed to social risk; persons with drug and alcohol addiction problems; raising public awareness; housing of persons at social risk; exercising rights and education of preschool children. These competences shall be performed in accordance with the National Programme for Development of Social Welfare;
8. Education - establishing, financing, and administering primary and secondary schools, in cooperation with the central government, in accordance with law; organizing transportation of students and their accommodation in dormitories;
9. Healthcare - governance of the network of public health organizations and primary healthcare facilities, entailing representation of the local self-government in all boards of all publicly owned healthcare organizations; health education; promotion of health; preventive activities; protection of health of workers and occupational safety and health; health supervision of the environment; supervision over communicable diseases; assistance to patients with special needs (e.g., mental health, child abuse, etc.); as well as other areas to be determined by law;
10. Undertaking preparatory activities and measures for protection and rescue of citizens and property against war destruction, natural catastrophes, and other disasters and effects thereof;
11. Fire protection carried out by the territorial firefighting brigades;

In essence, the recommendations, advice, proposals, and opinions that the LESC should issue to the municipality where it had been established should be within the scope of competencies of the municipality listed above. However, this should not be construed as a restricting factor, but solely as a framework for the operation of the LESC.

The experience in FYR Macedonia shows that LESC are established for the following purposes:

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<sup>9</sup> Law on Local Self-Government (Official Gazette of RM no. 05/02), articles 20-23

- To establish, promote, and develop the social dialogue among the social partners and to reconcile their different positions and interests at the local level;
- To establish, promote, and develop the dialogue at the local level between the public and the private sector, in particular between the education system and the system providing support for employment, on one side, and the employers on the other;
- To encourage and support the private sector to engage in the dialogue;
- To establish and strengthen the matching of the labour market demand, as defined by the businesses, and the skills that young people acquire through the education system;
- To include the young people in the regional dialogue through their participation in the LESC;
- Exchange of opinions and information and reaching an agreement on important economic and social issues within the ambit of the local self-government (review of key developmental documents of the municipality that have an impact on the economic and social development of the municipality, including, in particular, the issue concerning the improvement of the employability skills of young people);
- Running joint initiatives for the amendment of the existing decisions and the enactment of decisions within the scope of competencies of the local self-government;
- Participation in the drafting of the legal solutions that affect the material and social position of the employed, unemployed, laid-off, and redundant workers, pensioners, youth, women, etc.;
- Material, economic, and social standing of workers and employers in the municipality;
- Development of collective bargaining, negotiation, and entering into collective agreements at the level of enterprises and institutions;
- Monitoring and evaluation of the local policies' impact on the economic and social stability, development and the living standard in the municipality;
- Monitoring the situation relating to the employment and proposing measures for promotion of employment and matching the skills' supply and demand;
- Reviewing and proposing measures for promotion of the quality of life of the local population;
- Promotion of methods for amicable settlement of collective/individual labour disputes at the local level;
- Mutual information on important matters within the scope of competencies of the social partners;
- Publication of journals, brochures, and other publications within the scope of the LESC.

LESC should monitor the situation and deliberate upon issues relating to the improvement of the economic and social status of the workers and employers in the municipality and issue its opinions and proposals, in particular on matters concerning:

- Local economic policy and measures for economic and social development and stability;
- Employment policy, in particular youth employment;
- Policy of prices and salaries;
- Competitiveness and productivity;
- Living standard and poverty;
- Development and promotion of collective bargaining;
- Encouragement of amicable settlement of the collective labour disputes;
- Improvement of working conditions and occupational safety and health;
- Protection of the working surrounding and the environment;
- Education and professional training;
- Healthcare and social welfare and security;
- Child protection;
- Protection of the elderly and of persons with special needs;
- Demographic trends;
- Privatization;
- Other matters in accordance with the internal acts of the LESC.

Furthermore, the Agreements establishing the LESC provide that they should also review the draft and proposed decisions and other acts within the scope of competencies of the Municipal Council that are of relevance for the economic and social interests of the workers and employers, employment, labour market demand, and skills developed among the youth, prior to their deliberation within the Municipal Council, and to issue its opinions on them. In fact, this is the most important provision that defines the powers and the role of the LESC as an advisory and consultative body of the municipality. Declaratively and formally, the municipalities that have established LESC are in a way committing themselves to consult the local social partners prior to making decisions and resolving problems in the economic and social sphere that are of interest of the local community. The Agreement went further and defined the manner in which the LESC issues its opinions. In particular, the LESC should notify its opinions to the Mayor and the Municipal Council, which, within a period of 30 days upon receipt of the opinion, should send feedback to LESC regarding the submitted opinion. Thus, there is a formal mechanism in place providing for the receipt of feedback by

the LESC concerning the actions taken on its opinions. Nevertheless, the tasks of the LESC do not stop here, since the LESC can, upon its own initiative, submit opinions and proposals relating to economic and social issues to the Mayor and the Municipal Council.

Taking into account the above, one may conclude that in formal and legal terms there are solid bases and clear rules and procedures established for the smooth operation of the LESC and for the performance of its tasks and duties.

However, the question as to whether and to which extent is this possibility exploited remains open. In accordance with the survey carried out among the LESC members in FYR Macedonia and the discussions with the stakeholders, the experience in the utilization of this possibility is very limited. An example of the case where the municipality requested the opinion of the LESC worth mentioning is the case of the municipality of Gazi Baba, which requested from the LESC to provide its opinion on the municipal budget, and this issue was discussed at the session of the LESC. By the completion of the present Report the consultant did not receive information as to whether and to which extent LESC's recommendations and suggestions have been taken into account in the adoption of the budget of the municipality of Gazi Baba, but this is still a good example to be followed by other municipalities.

### **4.3 Manner of operation and decision making of the Local Economic and Social Councils in the FYR Macedonia**

The manner of operation and decision making of the LESC in FYR Macedonia is laid down by the Agreement establishing the LESC, as well as by the Rules of Procedure of the LESC. The Agreement, and the Rules of Procedure, in particular, contain sufficiently precise and clearly defined provisions on the manner of operation of the LESC, as well as on its decision making process. In accordance with the acts referred to above, the LESC discharges its duties by holding sessions, through the operation of the working bodies established by the LESC, by contracting external experts, and through the individual activities of the LESC's members. The sessions of the LESC are public and are convened and chaired by the President of the LESC. The LESC shall be quorate to hold sessions when at least one half of the members are present.

The sessions of the LESC are convened and chaired by the President, and they are scheduled when necessary, but in any case at least once per quarter. The Rules of Procedure provide for the possibility to convene a session of the LESC upon an initiative of a member of the LESC, who, in such case, should notify a request to convene a session, accompanied by a statement of the reasons for the session, to the President in a printed or electronic format. If a session of the LESC is convened upon a request by a member, the President shall be obliged to convene the session of the LESC by the deadline date requested by those who made the initiative, or no later than 10 days upon the submission of the request.

The sessions of the LESC are convened by delivery of invitations, draft agenda, and working papers, where they should be delivered within a reasonable period of time allowing the members to prepare themselves for the session. In accordance with the survey conducted for the purposes of the present Report, the LESC members who were included in the survey held the opinion that they have sufficient time to prepare themselves for the sessions.

The preparations for convening the sessions of the LESC and setting forth the final draft of the agenda are made by the President, in conjunction with the secretary, upon previous consultations with the representatives of the social partners, and each member of the LESC is allowed to make proposals to amend and supplement the agenda.

In order to be able to hold a session, the LESC must have a quorum, which is laid down by the Rules of Procedure and customarily provides for the presence of at least half of the LESC's members. As a rule, LESC adopts its positions and decisions by consensus.

The Rules of Procedure also contain provisions on the proceedings within the session of the LESC, where the session is opened and chaired by the President, and it is mandatory to take minutes of the session that are to be adopted at the first subsequent session. As a rule, the minutes are taken by the secretary of the LESC and shall mandatorily include data on the number of the session, date, place, and time of the session, names of the present and absent members of the LESC, items on the agenda of the session, summary of each discussion, adopted positions, opinions, conclusions, and documents.

At its sessions the LESC takes positions, issues opinions, takes initiatives, proposes solutions in the form of recommendations, and decides on matters within its scope of competencies.

The analysis of the Agreements and Rules of Procedure of the LESC in FYR Macedonia leads to the conclusion that they lay down sufficiently precisely, clearly, and unequivocally the manner of operation of the LESC and provide a solid basis for the smooth operation of the LESC and the realization of the tasks and aims underlying their establishment. In terms of the application of these provisions and procedures in practice, the discussions with the participants in the tripartite social dialogue at the local level indicate that, in general, the LESC in FYR Macedonia are in compliance with the provisions on the manner of operation and decision making. The procedure for convening sessions and the deadlines for delivery of the session materials are observed, and minutes are taken at the sessions.



#### 4.4 Bodies of the Local Economic and Social Councils in the FYR Macedonia

The LESC in FYR Macedonia have a President, deputy President and secretary, and can also establish committees and standing and interim working bodies.

The function of the President of the LESC is rotating and it is alternately performed by the representatives of the local self-government (municipality), representatives of the trade unions and representatives of the employers. The President of the LESC performs the following functions:

- represents the LESC and popularizes its operation;
- drafts and submits an annual plan of operation of the LESC;
- implements the policy, conclusions, and decisions adopted by the LESC;
- convenes and chairs the LESC's sessions;
- makes proposals for the establishment of working bodies and appoints coordinators thereof;
- drafts and notifies an annual report on the operation of the LESC to the Municipal Council and the LESC;
- provides for the sustainable development of the LESC, and
- performs other tasks laid down by the Rules of Procedure or by a decision of the LESC.

The President convenes, opens, and chairs the session of the LESC and initiates a discussion on each item on the agenda. In the course of the session, the President proposes positions, opinions, initiatives, recommendations, and conclusions, gives and takes away the floor and maintains the order at the sessions.

The President of the LESC, at the beginning of the year, should notify a regular annual report on the operation of the LESC and a plan of operations for the subsequent year to the Municipal Council.

The function of a LESC President in the existing LESC is usually performed by a representative of the municipality, and there are examples where the President of the LESC is the Mayor or the President of the Municipal Council, while in some cases the President of the LESC is the LESC's member who represents the employers organization (e.g., in Stip), or a member who represents the trade unions (e.g., in Skopje).

The LESC secretary, who has a term of office of 4 years and is appointed by consensus of the LESC members, shall manage the organizational and administrative-technical operations for the purposes of the LESC. The LESC secretary is responsible for the preparation and record keeping of the minutes from the sessions of the LESC and performs the following functions:

- participates in the preparations, notification, organization, and holding of the LESC sessions;
- discharges administrative duties for the functioning of the LESC and maintains its archive;
- participates in the drafting of the annual report on the operation of the LESC;
- notifies monthly reports on his/her operation to the President of the LESC;
- makes suggestions and provides additional information on matters that require a consensus in terms of decisions and activities;
- provides for the sustainable development of the LESC;
- follows all events relating to the accomplishment of the common aims of the social partners and notifies the LESC President thereon; and
- Performs other tasks laid down by the Rules of Procedure or by a decision of the LESC.

In principle, the function of a LESC secretary is most commonly performed by a person employed in the municipal administration. In some cases, as, for instance, the case of the LESC in the municipality of Gazi Baba, the LESC secretary has no right to vote, taking into account the fact that he is not a LESC member, as laid down by the Rules of Procedure. In any case, having regard to the functions of the secretary, it is of particular importance for the person who holds this function to have access to sufficient technical and personnel capacities that would enable him/her to perform the function successfully.

The practice and experience thus far, as well as the consultant's findings from the discussions with the LESC members in FYR Macedonia, indicate that the secretaries are in principle up to their tasks. So far no case was noted where the LESC had not been able to discharge its duties due to a failure of a secretary to perform his/her duties. However, it was noted that in certain situations the interference of the secretary's day-to-day tasks and duties with the performance of the function of a secretary of the LESC could constitute a hindrance for the successful performance of the secretary's work. In any case, the lack of separate expert service that will be responsible for the organizational and administrative and technical operations for the purposes of the LESC may be detrimental to the operation of the LESC and the successful realization of the objectives underlying its establishment. On the other hand, the current frequency of the LESC's sessions raises the question as to how efficient and effective would such expert service be if it is to be established for each LESC separately. Therefore, one of the alternate solutions would be to establish a

common service responsible for the tripartite dialogue at national and local levels. In any case, this is a question that deserves special attention.

In view of the successful and efficient performance of the tasks within its scope of competencies, the LESC can establish committees. The committees can be established in different areas and on different topics, such as, for instance, labour and social rights; economic issues; issues in the field of labour and social welfare law; collective bargaining and amicable settlement of collective labour disputes; education and employment; protection of the workplace surroundings and the environment; occupational safety and health; youth. The role of the Committees is to provide for a professional and accountable review of the documents forwarded to them by the Council. In its functioning up to the present day the LESC has used the practice of establishing committees.

Furthermore, for the purposes of deliberating upon positions on specific issues within its scope of competencies, the LESC can establish standing and interim working bodies. Each working body should mandatorily include one representative of each signatory of the Agreement, and, depending on the topic covered by the relevant committee, it can include other external experts, that is, individuals, representatives of organizations or institutions with immediate interest in the field within the ambit of the relevant working body.

#### **4.5 Financing and providing conditions for the operation of the LESC**

In accordance with the Agreement establishing the LESC, the funds for the establishment and operation of the LESC shall be provided by the members, in accordance to their abilities, and based on a mutual agreement. Furthermore, the funding for the operation of the LESC may also be provided through donations, contributions, sponsorships by national and foreign legal and natural persons, and from other sources.

From the very beginning, when the USAID Project "YES Network" started to discuss the possibility for the establishment of LESC in the project's partner municipalities, one of the key issues raised in the discussions with representatives of the municipalities concerned was who would provide the budget for the operation of the LESC. The municipalities were not ready at that time to allocate funds from their budgets to the functioning of the local tripartite dialogue.

The practice and the discussions and interviews of the representatives and LESC members in FYR Macedonia indicate that none of the LESC has its own budget to finance its operation and implement its activities. Despite the fact that such appropriations would not be extensive, taking into account the advisory and consultative role of the LESC, unfortunately it appears that there is no willingness, i.e., possibility to provide the necessary funding.

Thus far, all expenses relating to the operation of the LESC, concerning primarily the organization and holding of LESC's sessions, delivery of invitations, printing of materials, etc. were covered by the municipality that had established the relevant LESC. The sessions of the LESC are held in premises provided by the municipalities, so that none of the LESC has its own premises or office space that can be used by its members.

The LESC that were established with the support of the USAID project "YES Network" had an opportunity to finance their activities through the project. In particular, so far a great number of activities were realized within the framework of the USAID project "YES Network". Each LESC that is supported by the project has a Strategic, i.e., Action Plan providing for activities that the LESC plans to realize or initiate in the forthcoming period. Some of the LESC have developed Local Employment Action Plans (LEAP) for their relevant municipalities, which are then adopted by the municipality, and, in a way enable the LESC to influence the development of the local employment policies. For the purposes of strengthening the capacities of the LESC members, so as to enable them to engage in an efficient and effective dialogue with the local authorities, a number of trainings have been provided to them, including introductory trainings on strategic planning, training in leader skills, decision making and conflict resolution, and there are plans to provide trainings on accessing the EU funds. Furthermore, there are ongoing activities for promotion of the operation of the LESC and the tripartite dialogue by organizing various public debates and events, developing brochures, flyers and LESC web pages (municipality of Strumica), as well as by organizing meetings of the LESC for the purposes of exchange of information and experiences.

#### **4.6 Composition and structure of the Local Economic and Social Councils in the FYR Macedonia**

In the light of the fact that in FYR Macedonia there is no specific legal framework that governs the establishment and functioning of tripartite dialogue at the local level, there are also no strict rules concerning the composition and

structure of the LESC. Since it is a common practice in FYR Macedonia to establish the LESC in accordance with the legal framework governing the national ESC, the structure of the LESC mostly matches the ESC's one. In particular, the LESC provides for the adherence to the principle of tripartiteness and adequate representation of the social partners so as to provide for the equality of all participants in the social dialogue.

Following these rules, the decision to establish the LESC defines the composition and the structure of the LESC, which are then mirrored in the Agreement on the establishment and the Rules of Procedure of the LESC. The total number of members of the LESC is not defined, taking into account the fact that there are no strict rules governing this matter, and varies from one municipality to the other.

As regards the appointment of the LESC members by the institutions and organizations that are entitled to participate in the operation of the LESC, it is up to the discretion of each partner to appoint and replace its representatives in the LESC within the term of office, in accordance with its internal documents and appointment rules. The LESC members usually have a term of office of four years, and it is advisable for each member to have his/her deputy nominated by the institution, i.e. organization that he/she represents.

The regular participation in the operation of the LESC and the attendance at its sessions is a right and obligation of the LESC's members and is of particular importance for the successful and efficient functioning of the LESC; hence, the Rules of Procedure stipulates that if a representative member of LESC shall fail to attend three consecutive sessions without proper justification, his/her membership in the LESC shall be terminated and the appointment of another representative shall be required.

The experience in FYR Macedonia indicates that all of the LESC established on the territory of FYR Macedonia are composed of the social partners represented by the representative trade unions KSS and SSM and the representative ORM<sup>10</sup>, together with the representatives of the local authorities.

The Municipal Council, in its decision of establishing the LESC, defines who shall be the representative of the local self-government in the LESC. These are typically people who are employed by the municipalities - in the municipal administration (most frequently those from the local economic development sector), while some of the municipalities (Kavadarci, Gazi Baba) have nominated their Mayors as their representatives in the LESC, as well as representatives of the Municipal Council (councillors, and in some cases the president of the municipal Council – e.g. in Gazi Baba). Thus, there is no consistent practice in these terms, although it would be better if the Mayor, or even the President of the municipal Council, is a member of the LESC. That would give the LESC a greater weight and provides for direct communication between the representatives of the social partners, on one side, and the Mayor and the President of the Municipal Council on the other.

The social partners are represented in the Council through the membership in the representative trade unions in FYR Macedonia (SSM and KSS) and the representative ORM, with the exception of Kavadarci, where the employers are represented by the Business Confederation of Macedonia.

In the majority of the existing LESC in FYR Macedonia, in addition to the regular members, there also exist members who participate in the operation of the LESC and represent the relevant local stakeholders through their organizations and associations, but are not representatives of the social partners. They are the representatives of the Employment Service Agency of FYR Macedonia (regional employment centres), representatives of the educational institutions operating on the territory of the municipality, representatives of NGOs working with the youth, representatives of youth councils (if any), etc. These members have a right to participate in the operation of the LESC, but with limited voting rights.

The idea to include additional members in the LESC arose from the specifics of the tripartite dialogue at the local level and the purpose behind the establishment of the LESC. For instance, those LESC that have been established with the support of the USAID's project "YES network" includes institutions and organizations that have impacts on the local labour markets due to the fact that these LESC have been established in order to match the supply and demand at the local labour market.

In any case, the sessions of the LESC may be attended by members of the LESC's committees, experts and representatives of other institutions and organizations in the field being the subject matter of discussion, in accordance with the Agreement and the Rules of Procedure of the LESC.

## **4.7 Functioning of the Local Economic and Social Councils in the FYR Macedonia**

The interviews with the direct participants in the LESC, as well as with the representatives of the social partners and other actors of relevance for the tripartite dialogue at the local level have led to the conclusion that a lot of work needs to be done in FYR Macedonia in order to enable the LESC to perform their role successfully and efficiently. First of all, it is necessary to raise the awareness about the need for a tripartite dialogue at the local level, as well as about the benefits of the dialogue both for the social partners and the local authorities, and even the local community taken as a whole, as well as the need to build the capacities of the LESC.

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<sup>10</sup> With the exception of Kavadarci where the employers are represented by the Business Confederation of Macedonia



The previous experience with the functioning of the LESC in FYR Macedonia has shown that the possibility for the Municipal Council to require the opinion of the LESC on matters within its scope of competencies is rarely exercised. Nevertheless there have been cases where, upon a proposal by the Mayor, certain issues have been discussed at LESC's sessions, seeking the members' opinion prior to taking the final decision – for instance, in Gazi Baba where the LESC, at its last session, discussed the budget of the municipality of Gazi Baba. There is still no information whether the suggestions that were provided by the LESC regarding the budget of the municipality have been accepted or not, but the very fact that the budget has been sent for deliberation by the LESC prior to being adopted by the Municipal Council is a good practice that needs to be applied by other municipalities that have established LESC<sup>11</sup>. Furthermore, the Rules of Procedure of the LESC stipulates that the LESC's members who represents the Municipal Council should notify the President of the LESC, prior to the next session of the municipal Council, of information about the items on the agenda of the session, so as to enable the LESC to see whether there are any items of interest related to the scope of the LESC, discuss such items, and provide an opinion to the municipal Council in due time. As in the previous case, the LESC do not exercise this possibility sufficiently.

The following municipalities in the country established LESC:

1. Kavadarci - The LESC of the municipality of Kavadarci was established on 18 January 2010 and has nine members, of whom three are coming from the local self-government, three are from the ranks of the employers, represented by the Business Confederation of Macedonia, and three members represent the trade unions. SSM, KSS and UNASM (Union of Independent and Autonomous Trade Unions of Macedonia) represent the trade unions in the LESC, each with one member. When necessary, two external experts are invited to participate<sup>12</sup>. LESC Kavadarci has held 18 sessions where it has reviewed and discussed current topics of relevance for the local community. LESC Kavadarci has realized certain initiatives, e.g., promotion of entrepreneurial learning in primary schools in cooperation with the local company implemented several infrastructural projects, such as the reconstruction of the town square in Kavadarci and the asphalt paving of the local road to Vatas. The President of the LESC Kavadarci is the President of the Council of the municipality of Kavadarci, while the Mayor is one of its members<sup>13</sup>.
2. Kumanovo - The Agreement establishing the Local Economic and Social Council in Kumanovo was signed on 9 December 2010. LESC Kumanovo has nine members, three from the local self-government, three from the representative employers organization ORM, and three from the representative trade unions. This LESC was established upon the initiative and with the support of USAID within the framework of its Business Environment Project. This LESC, within the framework of the USAID support, published the manual "A Guide to Local Social Dialogue". According to the information received for the purposes of drafting the present report, LESC Kumanovo has not been active at all for several years.
3. Strumica - The constitutive session of the LESC in the municipality of Strumica was held on 22 December 2011. This LESC was established with the support of the project "YES Network", financed by USAID, and has nine members, of whom three are representatives of the municipality of Strumica, three are representatives of ORM, and three come from SSM, while the external members who take part in the operation of the LESC are representatives of the ESA of FYR Macedonia via the Employment Centre – Strumica, the Trade Union of Agricultural Producers of Strumica, the Regional Chamber of Crafts, representatives of the secondary schools, and the Youth Council of the municipality of Strumica. LESC Strumica, with support from USAID's "YES Network" project, has developed its Strategic Plan, as well as a LEAP of Strumica, which has been formally adopted by the municipality of Strumica. LESC Strumica has also organized several public debates and workshops concerning mostly issues relating to the local labour market. With financing provided from the EU funds, it has developed a Social Inclusion Strategy of the municipality of Strumica, which has been defined in the LEAP as one of the measures aiming at the providing for social inclusion of the marginalized groups that are out of the labour market. Furthermore, based on the labour market analysis that had been made for the purposes of the LEAP, the municipality of Strumica, with the approval of the Ministry of Education of FYR Macedonia, introduced new vocations in one of its vocational secondary schools. LESC Strumica developed a plan of priority actions of the LESC for 2015, which was submitted to the USAID Project "YES Network" and to the Mayor, as recommendations for the municipality of Strumica.<sup>14</sup>
4. Tetovo - LESC Tetovo was constituted on 24 August 2012 by the signing of the Agreement on its establishing and holding the first constitutive session of LESC of the municipality of Tetovo. This LESC, too, was established within the framework of the USAID Project "YES Network". LESC Tetovo has 15 members – five of come from the local self-government (two members of the Council of the municipality of Tetovo and three employees of the

<sup>11</sup> Source: Member of LESC Gazi Baba, representative of SSM

<sup>12</sup> [http://www.ssm.org.mk/index.php?option=com\\_content&view=article&id=719&Itemid=168&lang=mk](http://www.ssm.org.mk/index.php?option=com_content&view=article&id=719&Itemid=168&lang=mk)

<sup>13</sup> Source: Mile Boskov, executive director of the Business Confederation of Macedonia.

<sup>14</sup> Source: Member of LESC Strumica

municipal administration), while the representative trade unions (KSS and SSM) and the representative ORM each have five representatives in the Council. In addition, representatives of the ESA of FYR Macedonia, through the Employment Centre in Tetovo, representatives of the secondary schools, the regional chamber of crafts, the local office of the Enterprise Support Agency, and representatives of the local non-governmental youth organizations also participate in LESC Tetovo. In the two years of its existence, this LESC developed its Strategic Plan and the LEAP of the municipality of Tetovo, which has been presented to and adopted by the municipality. Currently LESC Tetovo is working on the implementation of the initiative to introduce an award for the best socially responsible company in the municipality of Tetovo<sup>15</sup>.

5. Stip - The Agreement on the establishment of the LESC Stip was signed on 26 December 2012, and the constitutive session of the LESC in the municipality of Stip was held on 5 February 2013. In light of the fact that this LESC, too, has been established under the initiative of the "YES Network" project, its primary goal is to establish links between the unemployed youth and the employers. This LESC has nine members – three from the municipality, three from the representative trade unions (KSS and SSM) and three from the representative employers organization ORM. The following institutions and organizations also take part in the LESC: ESA, through the Employment Centre in Stip, Regional Chamber of Crafts – Stip, Textile Cluster, representative of the Temporary Employment Agency, representative of the NGO sector, representative of the University "Goce Delcev" in Stip, representative of the secondary schools, representative of the Youth Council of the municipality of Stip, and a representative of the Centre for Development of the East Planning Region. LESC Stip has developed its own Strategic Plan, as well as the LEAP of the municipality of Stip, which is pending adoption by the Municipal Council. LESC Stip has organized public events and debates on issues of interest for the local community.
6. Bitola - LESC Bitola was established on 30 May 2013. LESC Bitola has 12 members, where the local self-government, the representative trade unions (KSS and SSM) and the representative ORM each are represented by four members. In addition to the regular members, representatives of ESA, through the Employment Centre in Bitola, as well as representatives of the non-governmental organizations, in particular the youth organizations, chambers of crafts, business community, and the chamber of commerce, and representatives of the higher education institutions and other entities also participate in the work of the LESC. LESC Bitola, with support of the "YES Network" project, has developed its own Strategic Plan, as well as a Local Development Strategy of the municipality of Bitola, which has been adopted by the Council of the municipality of Bitola. LESC Bitola has developed promotion materials and organized workshops aimed at promoting the tripartite dialogue at the local level and informing the local community about its activities.
7. Gostivar - The Agreement establishing the Local Economic and Social Council of Gostivar was signed on 30 September 2013. LESC Gostivar has 15 members - the municipality of Gostivar has a total of five members, of whom three are coming from the Municipal Council and two are representatives of the municipal administration, ORM has three members, the Federation of Trade Unions of Macedonia has two members, the Confederation of Free Trade Unions of Macedonia has two members; the Employment Service Agency of the country – Employment Centre Gostivar, Chamber of Crafts – Gostivar, secondary schools, NGO sector, and the Youth Council participate in the work of the LESC with one member each. LESC Gostivar is open for cooperation with other entities and includes such entities in its work when it discusses issues within their scope of competencies. LESC Gostivar has adopted its own Strategic plan, as well the LEAP of the municipality of Gostivar, which has been formally adopted by the Municipal Council. So far the LESC has not been consulted by the Municipal Council.
8. Skopje – The LESC at the level of the city of Skopje was established in December 2013 as a joint advisory and consultative body of the city administration, the representative employers organization ORM and the representative trade unions (KSS and SSM). The role of this LESC is to monitor the situation and deliberate upon issues relating to the improvement of the economic and social status of the workers and employers in the municipality and issue opinions and proposals. The vision of this LESC is to become the key partner, initiator and driver of the promotion of quality of living of the citizens of Skopje, while its mission is to become a recognizable actor in the economic and social dialogue and the development of active policies and measures among all stakeholders on the territory of the city of Skopje<sup>16</sup>. LESC Skopje, with support of the USAID "YES Network" project, and upon request of the City Council, shall develop an Investors' Guide. So far it has not been consulted by the City Council.
9. Gazi Baba - The Agreement on the establishment of the LESC of the municipality of Gazi Baba was signed on 1 November 2013. This LESC has been established upon an initiative of the local self-government, and it, as all other LESCs in FYR Macedonia, is composed of representatives of the municipality, the representative trade unions (KSS and SSM) and the representative ORM, as well as other relevant actors represented by the ESA of

<sup>15</sup> Source: USAID "YES Network" project.

<sup>16</sup> Strategic Plan of LESC in the city of Skopje.

FYR Macedonia - Employment Centre Skopje, High-School Union of Macedonia, local youth NGOs, Centre for Social Work - Gazi Baba. It has a total of 12 regular members. One of the initiatives which has been discussed at the sessions of LESC Gazi Baba, and is currently being implemented, is the solution of the parking problem in the vicinity of the Alkaloid plant through a Public-Private Partnership. The LESC has proposed the organization of a wider public debate so as to arrive at a final solution. The LESC in this municipality has also discussed the municipal budget and issued relevant proposals and suggestions.

The Business Confederation of Macedonia has submitted an initiative for the establishment of a LESC in the municipality of Bogdanci, which should be realized soon, and the establishment of a LESC in Resen has also been announced. The municipality of Prilep has an Economic Council, as a consultative body of the Mayor's office, which is composed of representatives of the business community from the municipality and primarily discusses issues relating to the improvement of the quality of work of the local self-government, the public enterprises and overall economic development in the town.

## **5. Coordination, cooperation, and interaction of LESC with ESC and other bodies**

The legal framework relating to the tripartite economic and social dialogue in FYR Macedonia does not provide for any forms and instruments for cooperation, coordination, and exchange of information between ESC and LESC. As noted above, the existing legal framework does not provide at all for the establishment and functioning of tripartite social dialogue at the local level. However, it does not present an obstacle to the existence and functioning of the tripartite dialogue at the local level. In the discussions held with the relevant stakeholders and participants in the tripartite dialogue at national and local levels, as well as in accordance with the received replies on the questionnaire developed for this purpose, so far there were no cases noted of coordination, interaction, or any type of cooperation between the LESC and ESC. The interviewees only mentioned on several occasions the possibility of obtaining information about the operation of the ESC through the social partners who are the direct participants in the tripartite dialogue, but this is only a possibility, and not a common practice.

The Agreement establishing the LESC contains provisions relating to the interaction of LESC with other organizations and individuals, referring mostly to the stakeholders, external experts, and civil society organizations. In particular, the agreement makes it possible for the LESC, prior to making decisions on specific important issues, to seek the opinions, positions, and recommendations of the stakeholder organizations, experts, and civil society organizations that are immediately concerned or active in the relevant field, as well as to carry out its activities in cooperation with the relevant institutions and organizations, and to seek information and data necessary to perform its work. Furthermore, for the purpose of carrying out its activities, LESC can contract individuals or research groups composed of experts and cooperate directly with the stakeholder organizations.

The above indicates that in the country there is a lack of cooperation, coordination, and exchange of experiences and information between the ELSC and ESC, as well as among the LESC themselves.

The introduction of a legal framework that would define mechanisms of cooperation and coordination between the LESC and ESC, in particular in terms of exchange of information, should have a positive impact on the development of the tripartite dialogue. This may be accomplished by establishing a special committee within the ESC, which would be responsible for coordination with the LESC, taking into account the fact that, under the LRA and the Agreement establishing the ESC, the ESC can establish various committees and commissions. The other option would be to amend and supplement the agreement establishing the ESC by introducing provisions on the cooperation and coordination between the ESC and the LESC. This is particularly important since it would enable the LESC to indirectly, via the ESC, submit initiatives and proposals to the central government and encourage the settlement of specific national issues from the economic and social sphere. In this context, the issue of the coordination and cooperation among the different LESC, i.e., the establishment of mechanisms for exchange of information and experiences in the operation of the existing LESC, is particularly important. Within the framework of the activities of USAID's "YES Network" project, the members of the LESC that have been established with the support of this project will be able to attend joint meetings with their counterparts from the other LESC. Thus, the members of LESC from different municipalities shall have an opportunity to exchange directly their experiences and information concerning the functioning of the LESC, and such meetings may prove to be very useful in terms of encouraging ideas and initiatives for resolution of certain problems in the economic and social sphere of relevance for the local community, in particular to encourage the LESC and the local authorities to engage more actively in the local tripartite dialogue. However, this possibility is restricted only to some of the existing LESC, and the question whether this practice shall continue after the completion of the "YES Network" project remains open.

As regards the overlapping of competencies of ESC and LESC, such a case has not been noted in FYR Macedonia, despite the fact that both ESC and LESC have advisory and consultative functions. According to the legal framework, the institutional setup, as well as the practice, ESC, by its function, issues proposals, opinions, and suggestions on

draft laws and other regulations, as well as on national strategies and programmes relating to the economic and social standing of employers and workers, to the government of FYR Macedonia, while the LESC addresses its proposals, opinions, and suggestions to the municipality that established it, i.e., to the local self-government.

## **6. Results of the survey on the functioning of the tripartite social dialogue in FYR Macedonia at the local level**

### **6.1 Approach and methodology**

For the purposes of the present report, a Questionnaire has been developed so as to measure the level of satisfaction with the local tripartite dialogue by the actors who participate in the dialogue and its beneficiaries. The Questionnaire, which is attached to the present report as Annex no. 1, has been previously approved by the ILO Project "Promoting Social Dialogue". The Questionnaire is structured in two sections. The first section concerns the relations and cooperation between the LESC and ESC, while the second section concerns the functioning of the LESC.

In the course of all meetings held for the purposes of obtaining the information necessary for the development of the present report<sup>17</sup>, the Questionnaire was used as a guideline for the interviews. Taking into account the fact that the relevant LESC are spread throughout the territory of FYR Macedonia, the consultant was not able to visit all municipalities, therefore, some of the interviews with the LESC members were made in person, some by phone, and the greatest number of questionnaires were sent by e-mail.

In general, the replies to the questionnaire match the information obtained through the interviews with the representatives of the social partners and the representative of the USAID "YES Network" project, who is personally responsible for the LESC component of the project.

The analysis covered a total of 23 questionnaires, filled in by members of all LESC in FYR Macedonia (with the exception of LESC Kumanovo, since it has not been operational in years), taking into account the need to include representatives of all partners in the dialogue.

### **6.2 Results**

#### **6.2.1 Relations and cooperation between LESC and ESC**

This section of the Questionnaire contains questions concerning whether the LESC cooperates with ESC, how is such cooperation realized, how is such cooperation rated, whether the LESC receive information about the operation of the ESC, and whether there exists overlapping between the LESC and ESC.

The question concerning the relations and the cooperation between the LESC and the ESC was answered negatively by all respondents. In other words, as stated in Section 5 Coordination, cooperation, and interaction of LESC with ESC and other bodies of the present Report, the cooperation between the LESC and ESC is neither stipulated, nor implemented in practice.

There are no recorded cases from when the LESC received information on the proposals, opinions, advice, and recommendations that were discussed at the sessions of the ESC, or which the ESC submitted to the Government.

None of the respondents thinks that there are any overlaps between the ESC and LESC in terms of their competencies.

#### **6.2.2 Functioning of LESC**

This section of the questionnaire contains 23 questions that mostly concern the functioning of the LESC in terms of submitted opinions, proposals, and suggestions to the Municipal Council, requested opinions, proposals, and suggestions from the Municipal Council, participation of the LESC in the local policy making, financing the LESC, existence of a technical secretariat – secretary of the LESC and his/her responsibilities, bottlenecks in the cooperation with the municipality, as well as proposals and suggestions for improvement of the operation of the LESC.

To the question "Have your LESC submitted so far any proposals, opinions, advice, or recommendations to the Municipal Council?" (Question no. 7) - around half of the respondents replied that the LESC has submitted proposals, opinions, and advice. However, after additional consultations to clarify the essence of the question to the respondents, most of them replied that the practice of delivering proposals, opinions, and advice to the Municipal Council by the

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<sup>17</sup> List of persons who were met, Annex no. 2 to the present Report

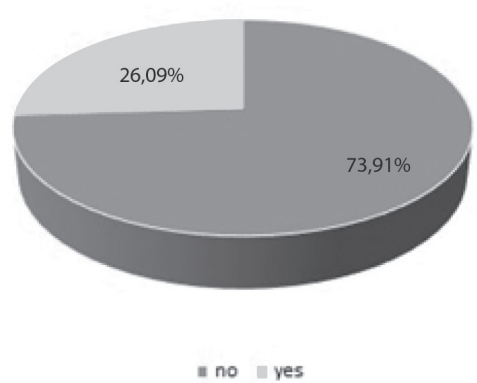
LESC is rather modest, and such cases are not documented at all. As regards the extent of the realization of these proposals, opinions, and advice (Question no. 8), the situation is the same as for the preceding question.

Half of the respondents answered positively the question relating to the participation of the LESC in the local policy making (Question no. 9).

In the case of the question "Has your LESC been consulted by the Municipal Council, and have you been asked to give a specific opinion or recommendation?" (Question no. 10), a majority of the respondents (17 out of 23) replied with NO (figure 1).

**Figure 1 – Has the Municipal Council sought the opinion of the LESC?**

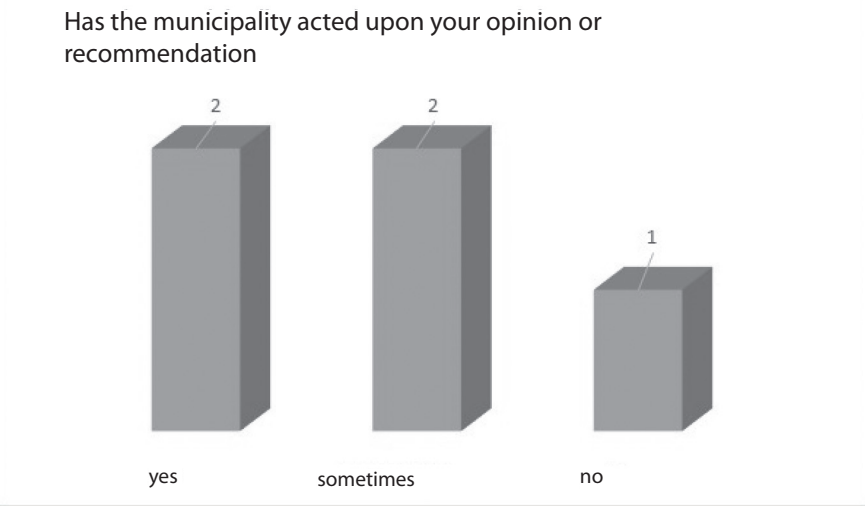
Has your LESC been consulted by the Municipal Council, and have you been asked to give a specific opinion or recommendation?



Out of those who answered positively to the preceding question, only one respondent provided an answer to the question as to how many times the LESC had been consulted by the municipality (Question no. 11) and stated that the LESC represented by him was consulted by the municipality only once.

To the question "Has the Municipal Council acted upon your opinion or recommendation?" (Question no. 12), 2 of the respondents replied that the Municipal Council had always acted upon the recommendation, 2 of them answered that it acted upon it sometimes, and 1 respondent answered that it had never acted upon the recommendation (Figure 2).

**Figure 2 – Did the municipality act upon the opinion, i.e., recommendation submitted by the LESC?**



All respondents provided a negative answer to the question "Does your LESC have its own budget?" (Question no. 13).



All respondents provided a positive answer to the Question no. 16 “Does your LESC have a secretary? As regards the responsibilities of the secretary of the LESC (Question no. 17), the answers provided correspond to the obligations of the secretary under the Rules of Procedure of the LESC. The secretary informs the LESC members about the sessions, prepares the minutes of the sessions of LESC, informs the members about the forthcoming events of relevance for the LESC, communicates with the YES Network, submits monthly reports about his/her operation to the President of the LESC, coordinates the technical work - coordination among the members, coordination between the LESC and the municipality, between the LESC and USAID, participates in the development of the agenda together with the President.

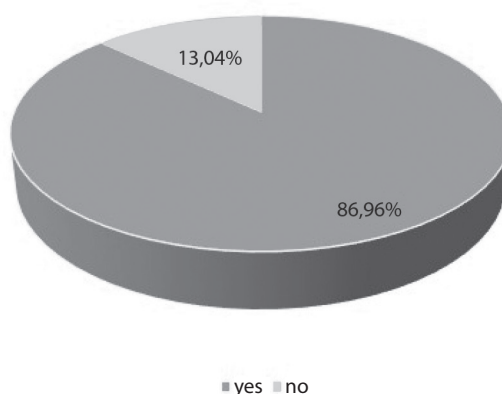
*The employee of the LED Department - deputy member representing the municipal administration, prepares the documents for the sessions and public debates, sends messages by e-mail, and contacts and informs the LESC members, takes the minutes of the sessions, develops presentations according to the needs and instructions of the YES Network and the President of LESC Strumica, etc. - Member of LESC Strumica*

When asked whether the LESC has an obligation to prepare reports on its operation (question no. 18), all respondents provided the same answer – all LESC have an obligation to prepare reports on their operation. As regards the type of the report to be developed and the responsible person for its development (Question no. 19), all respondents provided the same answer - the secretary and the President of the LESC have the obligation to prepare the report, and the reports can be monthly, quarterly, and annual.

As regards the planning of the LESC's sessions and the time afforded to the members of the LESC to get prepared for the session (Question no. 20), the majority of the respondents (20 out of 23) believe that they are being afforded sufficient time to prepare themselves for the sessions. Those who thought that they do not have enough time stated that the main reason was their work obligations, rather than the procedure for convening and holding sessions of the LESC (Figure 3).

**Figure 3 – Are you provided sufficient time to prepare for the sessions of the LESC?**

has sufficient time to prepare for the sessions

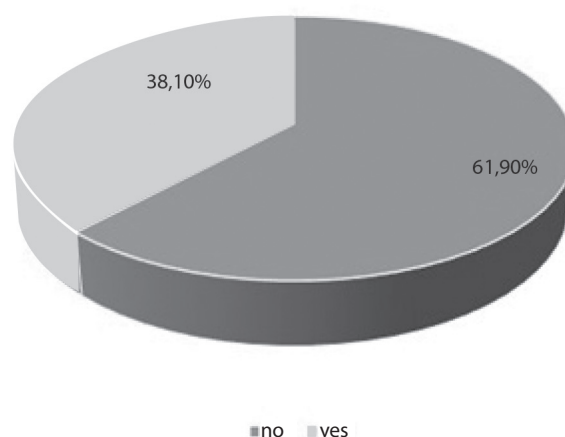


All respondents answered positively the question “Is, in your opinion, the LESC working independently?” (Question no. 22), i.e., they all believe that the LESC is acting independently.

Most of the respondents did not identify any bottlenecks in the operation and functioning of the LESC and in the cooperation with the municipality (Question no. 23). Out of the total number of 23 respondents, 13 did not identify any bottlenecks, 8 identified bottlenecks, and 2 did not answer at all. (Figure 4)

**Figure 4 – Have you identified any bottlenecks in the cooperation with the local municipality?**

identified bottlenecks in the cooperation with the municipality



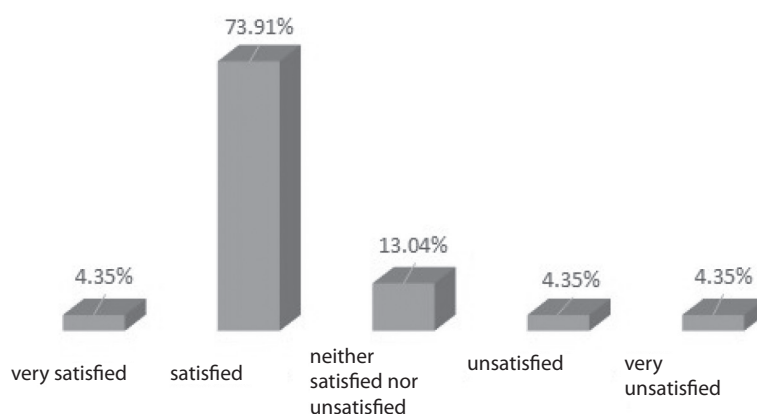
Those who identified bottlenecks in the relations with the local authorities stated that they were relating to the lack of a standardized system of communications and regular notification of the Mayor and the President of the Municipal Council, merely declarative support of the LESC's operation by the municipality, without providing for any purpose-restricted budget line for the activities of the LESC. Furthermore, one of the bottlenecks identified was the frequent absence of the LESC members - representatives of the business community.

The question "In your opinion, what needs to be changed so as to provide for a better and more efficient operation of the LESC?" (Question no. 25) was answered by 17 respondents. Some of the answers refer to the provision of technical and financial conditions for the functioning of the LESC by providing funds, i.e., a budget to finance the operation and the activities of the LESC and by providing premises for the LESC, as well as by establishing a secretariat that would employ a professional staff – secretary. Furthermore, the respondents hold the opinion that raising the employers awareness about the advantages and benefits of the active participation in the LESC would have a positive effect and lead to a more efficient functioning of the LESC. Within this context they propose strengthening the capacities of the participants in the local dialogue and encouraging them to engage in the dialogue, as well as a more active participation of the Mayors in the operation of the LESC and the possibility for networking the LESC in an official association, or building a common social platform for exchange of information where all members could publish their opinions.

As regards the level of satisfaction with the functioning of the LESC to the present day (question no. 26), most of the respondents (17) are satisfied with the functioning of the LESC so far, the options "very unsatisfied", "unsatisfied", and "very satisfied" each were selected by 1 respondent, while 3 respondents answered that they are neither satisfied nor unsatisfied. (Figure 5)

**Figure 5 – How satisfied are you with the previous functioning of the LESC?**

Satisfaction with the previous functioning of the LESC



The respondents stated the following reasons why they were: "unsatisfied" or "neither satisfied nor unsatisfied" (Question 27): lack of visible results of the operation of the LESC; lack of motivation of the members and lack of concrete actions; insufficient support by the municipality; failure to fulfil the goals laid down in the strategic plan; too long of a period between two sessions; lack of communication; lack of support for the realization of LESC's initiatives. The last question in the questionnaire (Question no. 29) "Please state your recommendations how to improve the operation of the LESC" was answered by 19 respondents. The LESC members who were included in the survey gave the following recommendations:

- Establishment of a mechanism for exchange of experiences of the LESC's and coordination with the ESC.
- More active involvement and participation of all participants in the LESC – holding regular sessions, commitment and dedication of the LESC members and more extensive and direct communications with the Mayor and the President of the Municipal Council.
- Greater motivation of the LESC members – Greater diligence, commitment and more active approach by making proposals to the Municipal Council for resolution of problems.
- Providing for the financial and technical conditions for the operation of the LESC – appropriation of funds from the municipal budget to finance the operation of the LESC, establishment of a technical secretariat with full-time professional staff and a greater focus on the sustainability of the LESC.
- Support from the municipality - The structure of the LESC's has been set up, but their success depends to a great extent on the voluntary efforts of the members. In those LESC's that have dedicated members, their work is neither recognized nor supported by the municipality, in the LESC's that enjoy the support of the Mayor, the relations among the main social partners are not good, and, in general, all LESC's are facing real problems arising from the very fact that the members themselves do not believe that the LESC's would survive the end of the donor assistance.
- Promotion of the operation of the LESC's - web pages, establishing channels for communication between the LESC's and the employers organizations and the trade unions.

*The Mayor hold the function of the President of the LESC and is attends the sessions regularly; a bit greater involvement of the Municipal Council is required - it should seek the LESC's opinion on the items of its agenda more frequently*  
– Member of LESC Gazi Baba

*It is all about the human factor and their interest in participating in the operation of the LESC and contributing with their authority. I think that the standing members have not grasped the significance and the function of the LESC; hence their lack of interest* – member of LESC Bitola.

*Continuation of the USAID support, Motivation of the members, Support from the Council of the municipality of Stip, Networking the LESC's in RM, Cooperation with NESC, Securing the support of other donors, Motivation of the members, Support from the Municipality of Stip, Cooperation with the NESC and LESC's in RM, Securing a stable support from the existing and new donors.* – Member of LESC Stip

## 7. Key findings

Based on the existing documents and sources (desk research) relating to the tripartite social dialogue at the local level, the meetings and the interviews with the representatives of the relevant stakeholders and the survey among the LESC members, one may conclude that the tripartite social dialogue at the local level in FYR Macedonia still requires further encouragement, promotion, and development.

The FYR Macedonia does not have a specific legal framework governing the tripartite dialogue at the local level, but, in practice, it does not present an obstacle for the establishment and the functioning of the tripartite dialogue at the local level, and as a result eight LESC's at the municipal level and one LESC at the level of the city of Skopje have been established. The establishment of the first LESC in FYR Macedonia in 2010 coincided with the establishment of the national ESC. The Agreement establishing the LESC and the Rules of Procedure of the LESC unambiguously define the objectives and the tasks of the LESC's, as well as their scopes of operations, the rules, and the manner of functioning of the LESC's. The LESC's Rules of Procedure provides sufficiently clear guidelines and rules that enable the smooth functioning of an efficient and effective tripartite dialogue at the local level.

LESC's are established as advisory and consultative municipal bodies and their aim is to promote the role and the importance of the social dialogue at the local level, and, in particular, to strengthen the mutual trust of the local authorities and the social partners in the realization of the common goals relating to the economic and social



development of the local community. In the realization of its goals, the LESC should issue opinions, proposals, and recommendations on proposed decisions, strategies, and programs relating to the economic and social interests of workers and employers, the labour market demand, and the skills developed by young people, prior to their deliberation by the Municipal Council. The past practice, as well as the interviews with the relevant stakeholders in this sphere, indicate that FYR Macedonia has a rather modest experience in these terms. The cases where the municipality has sought the opinion of the LESC about a particular issue to be decided are very rare, just as the cases where the LESC submit initiative to the municipality concerning the resolution of specific problems.

All LESC in FYR Macedonia have been established by the local authorities, in conjunction with the trade unions and the employers, and include in their operation other relevant local stakeholders such as representatives of the educational institutions, employment agencies, nongovernmental organizations, youth associations, and other local professional organizations and associations.

LESCs have a President and a secretary who is responsible for the organizational and the administrative operation of the LESC. The functions of the secretary are defined in the Rules of Procedure of the LESC.

The LESC have neither their own budget, nor their own premises where their members can meet, and in this sense they are completely dependent on the municipality.

In FYR Macedonia there is not a formal mechanism governing the cooperation between the LESC and the ESC, and the LESC members can obtain information about the operation of the ESC only via the social partners that participate in the ESC as members. So far there have been no cases of direct cooperation and communication between LESC and the ESC and vice versa. In terms of the scopes of competencies of the LESC and the ESC, there is no overlapping for the simple reason that the ESC operates at the national level, while the LESC operate at the local level.

Although the conditions for the establishment and the functioning of an effective and efficient tripartite dialogue at the local level are nominally present, one may still conclude that in practice they are not exploited sufficiently. The reasons for this are varied and include, primarily, the lacking motivation of the social partners to engage in tripartite dialogue at the local level, the lack of finances for the operation and functioning of the LESC, the lack of concrete, visible results of the work of the LESC, the lack of information and the low awareness about the importance and the role of the tripartite social dialogue<sup>18</sup>, etc.

Having regard to all of the above, one may conclude that FYR Macedonia still has to do a lot of work on the enhancement of the tripartite dialogue at the local level. The fact that the greatest number of the existing LESC has been established as a result of project initiatives speaks volumes about the need for greater promotion of the tripartite dialogue at the local level, in particular in terms of its significance and the benefits it may bring. This applies especially to the local authorities, since the establishment of the LESC in FYR Macedonia is strictly in the hands of the local self-government. On the other hand, however, much should be done to strengthen the capacities of the social partners so as to enable them and make them ready to make well-argued initiatives for the establishment of LESC. One of the ways to encourage the local authorities to establish LESC and promote the tripartite dialogue at the local level could be to adopt the relevant legal framework, which should be a stimulating factor, rather than a restricting one. Furthermore, the possibility for establishing links between the LESC and the ESC may have a positive effect on the establishment and the realization of the tripartite dialogue at the local level.

## **8. Recommendations for the promotion and development of the tripartite social dialogue at the local level in FYR Macedonia**

The existence of an effective, functional, and efficient tripartite social dialogue at the local level is an important factor that is conducive to a faster democratic, economic, social and political development of a country. In FYR Macedonia the tripartite social dialogue at the local level is present through the LESC established in eight municipalities and the city of Skopje. Attaining a higher level of functioning of the local tripartite dialogue shall require more work on the promotion of this concept, as well as on raising the awareness of its benefits for the local authorities and the local employers and traded unions, as well as for the local community taken as a whole, but also on providing for all the conditions that are necessary for its existence and functioning.

The recommendations that may influence positively the countrywide expansion of the social dialogue at the local level and its more efficient and effective realization, may be grouped in the following manner:

- Legal framework – Introducing the possibility for establishment of LESC in the existing legislation so as to establish the legal framework for the tripartite dialogue at the local level, which should stimulate the extension of the scope of existence of the LESC and encourage the mayors to take initiatives to establish LESC within their municipalities and utilize them purposefully.
- Capacities - Development and enhancement of the human and technical capacities of the social partners so as to enable them to engage more actively and proactively in the social dialogue at the local level.

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<sup>18</sup> Survey findings

- Cooperation - Networking of the LESC's and their linking and communication with the ESC, information and exchange of opinions, i.e., establishing mechanisms and channels for mutual communication among the LESC's, as well as for communication and information exchange between LESC's and the ESC; Cooperation among the social partners at the local level;
- Resources - Creation of an expert service or a technical secretariat, which would be in the function of the ESC and the LESC's and shall support their activities; Providing financial support to the functioning of the LESC's
- Promotion - Promotion of local social dialogue best practices; More frequent information of the public about the operation and the functioning of the LESC's; Improved access to information relating to LESC's – creation of a web page that would make publicly available all information pertaining to tripartite social dialogue at the local level.

# Annex 1 - Questionnaire on the functioning of the Local Economic and Social Councils in the FYR Macedonia

## I. The relationship and cooperation between the Local Economic Social Councils and the National Economic Social Council

1. Does your Local Economic and Social Council (LESC) cooperate with the National Economic and Social Council (NESC)?

Yes ☐ *move on to question no. 2*  
No ☐ *move on to question no. 4*

2. Please give a brief description of the cooperation:

3. How would you rate the cooperation with the NESC?

Very unsatisfactory ☐  
Unsatisfactory ☐  
Neither satisfactory nor unsatisfactory ☐  
Satisfactory ☐  
Very satisfactory ☐

4. Do you receive information on the operation of the NESC?

Yes ☐  
No ☐

5. Do you receive information on the proposals, opinions, advice, and recommendations discussed at the sessions of the NESC and/or submitted by NESC to the Government of FYR Macedonia?

Yes ☐  
No ☐

6. Do you think that the scopes of competencies of NESC and LESK are overlapping?

Yes ☐  
No ☐

## II. Functioning of LESK

7. Has your LESK submitted so far any proposals, opinions, advice, or recommendations to the Municipal Council?

Yes ☐ *move on to question no. 8*  
No ☐ *move on to question no. 9*

8. Have your proposals, opinions, advice, or recommendations been realized by the Municipal Council?

Yes ☐  
No ☐

9. Does your LESK participate in the local policy making?

Yes ☐  
No ☐

10. Has your LESC been consulted by the Municipal Council, and have you been asked to give a specific opinion or recommendation?

- Yes ☐ *move on to question no.11*  
No ☐ *move on to question no.13*

11. How many times has your LESC been consulted by the Municipal Council so far?

\_\_\_\_\_ *enter a number*

12. Has the Municipal Council acted upon your opinion or recommendation?

- Sometimes ☐  
Always ☐  
Never ☐

13. Does your LESC have its own budget?

- Yes ☐ *move on to question no.14*  
No ☐ *move on to question no.16*

14. Who is providing the funds for the budget of your LESC?

\_\_\_\_\_

15. Are those funds sufficient to cover all expenses for the functioning of your LESC?

- Yes ☐  
No ☐

16. Does your LESC have a secretariat (a technical secretary)?

- Yes ☐ *move on to question no.17*  
No ☐ *move on to question no.18*

17. Please list the responsibilities of your secretariat (technical secretary)?

\_\_\_\_\_

18. Do you have an obligation to prepare reports on the operation of your LESC?

- Yes ☐ *move on to question no.19*  
No ☐ *move on to question no.20*

19. What type of report do you have to produce (e.g., quarterly, semi-annual, annual) and who has the responsibility for its development?

\_\_\_\_\_

20. Do you think that the members of the LESC are provided sufficient time to prepare for the sessions of the LESC?

- Yes ☐ *move on to question no.22*  
No ☐ *move on to question no.21*

21. Please state the reasons why the LESC's members do not have sufficient time to prepare for the sessions of the LESC

\_\_\_\_\_

22. Is, in your opinion, the LESC working independently?

Yes ☐  
No ☐

23. Have you identified any bottlenecks in the operation of your LESC and in the cooperation with the local authorities (municipality) and NESC?

Yes ☐ *move on to question no.24*  
No ☐ *move on to question no.25*

24. Please indicate the bottlenecks in the cooperation with

Local authorities (municipality)

NESC

Other

25. In your opinion, what needs to be changed so as to provide for a better and more efficient operation of the LESC?

26. How satisfied are you with the previous functioning of the LESC and the tripartite dialogue?

Very unsatisfied ☐  
Unsatisfied ☐  
Neither satisfied nor unsatisfied ☐  
Satisfied ☐  
Very satisfied ☐

27. Please state the reasons why are you very unsatisfied, unsatisfied, neither satisfied nor unsatisfied with the operation of the LESC so far.

28. Do you think that your LESC has sufficient capacity to perform its function successfully?

Yes ☐  
No ☐

29. Please state your recommendations how to improve the operation of the LESC.

## **Annex 2 - List of persons met**

1. Orhan Sherifi, MLSP, Secretary of ESC
2. Belinda Nikolova, ORM, Executive director, member of LESC Skopje
3. Svetlana Ristovska Antic, ORM, Secretary General
4. Lidija Naskovska, SSM, Advisor to the President on projects and EU integrations
5. Slobodan Trendafilov, SSM, Head of the administrative service of SSM
6. Mile Boskov, Business Confederation of Macedonia, Executive Director
7. Virna Manasieva Gerasimova, USAID YES Network, Senior specialist on public-private dialogue
8. Tihomir Klimovski, President of LESC Skopje
9. Biljana Stojmanovska, Secretary of LESC Skopje
10. Saso Trajkov, municipality of Gazi Baba, Head of sector for local economic development

# **REPORT ON THE FUNCTIONING OF THE JOINT CONSULTATIVE COMMITTEE**

**March 2015**

Prepared by:

**Aleksandar Kostadinov**





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Figure 6: Impact of the JCC on influencing policy change and generating public support for policy change

Figure 7: Impact of the JCC on advocating for EU policies and monitoring transposition of the EU acquis by national decision makers

## List of abbreviations

BKM (BCM)	Biznis Konfederacija na Makedonija (Business Confederation of Macedonia)
CEU	Council of the European Union
CSO	Civil Society Organizations
EAFR	European Agency for Fundamental Rights
EC	European Commission
EESC	European Economic and Social Committee
ESC	Economic and Social Committee
EU	European Union
EUD	European Union Delegation
HLAD	High Level Accession Dialogue
ILO	International Labour Organization
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Assistance in Rural Development
JCC	Joint Consultative Committee
KSS (CFTU)	Konfederacija na Slobodni Sindikati na Makedonija (Confederation of Free Trade Unions)
MCMS (MCIC)	Makedonski Centar za Megunarodna Sorabotka (Macedonian Center for International Cooperation)
NEIC	National European Integration Council
OFA	Ohrid Framework Agreement
ORM (OER)	Organizacija na Rabotodavachi na Makedonija (Organization of Employers of Macedonia)
SAA	Stabilization and Association Agreement
SAC	Stabilization and Association Council
SEA	Secretariat for European Affairs
SONK (TUESC)	Samostoen Sinidikat za Obrazovanie, Nauka i Kultura (Trade Union for Education, Science and Culture)
SSM (FTUM)	Sojuz na Sindikatite na Makedonija (Federation of Trade Unions of Macedonia)
TACSO	Technical Assistance for Civil Society Organizations
UNODC	United Nations Office on Drugs and Crime

## 1. Background

It is widely accepted that the participation of the Civil Society Organizations and social partners represent important roles in facilitating the pre-accession negotiations and monitoring transposition of the EU acquis by national decision makers. At the fourth meeting of the Stabilization and Association Council on 24 July 2007, the country's request to form a joint consultative council with the European Economic and Social Committee (EESC) was met with a positive response.

Taking into consideration the importance of EU accession and having in mind the importance of social dialogue at the EU level, it is important to have commitment of the European Economic and Social Committee and representatives of the country's economic and social interest groups to strengthen dialogue and cooperation between organized civil society in the EU and the country.

The "Opinion of the EESC on Relations between the European Union and the Former Yugoslav Republic Of Macedonia: The Role of Civil Society" (hereafter abbreviated to Opinion), signed in Brussels on 12 March 2008, focuses on the country's civil society and its environment, opportunities and challenges, the social and civil dialogue in the country, the relations with the EU and the countries of the Western Balkans.

In addition to the Opinion signed in Brussels between EESC and the country, 150 participants (representatives of Western Balkans civil society organisations, EESC members, European and international socio-professional organisations, European civil society organizations, representatives of the governments of the Western Balkans, diplomats, EU institutions and international organisations) during the Second Western Balkans Civil Society Forum, held from the 4th - 5th of June, 2008 in Ljubljana, concluded to encourage the EESC to continue producing opinions on the situation of civil society in the various countries of the region and supported the establishment of Joint Consultative Committees with civil society organisations of the countries in the region.<sup>1</sup>

The Joint Consultative Committee comprises 12 members, six from EESC and six from Civil Society Organizations:

- Employers organization - two members;
- Trade unions - two members;
- Civil associations - two members and
- Observers not more than three members.

## 2. Purpose and objectives of the report

The purpose of this report is to assess the functioning of the JCC in FYR Macedonia. In order to establish the status of this process, we conducted both desk research and interviews with the members and observers in FYR Macedonia.

The objectives of this assessment are:

- to examine the mandate, responsibilities, structure and composition of the JCC;
- assess current legal and practical gaps in enabling the realization of effective and efficient results with the consultative bodies of the JCC;
- assess the impact of the JCC and its further influence.

## 3. Regulatory and institutional framework of the Joint Consultative Committee

### 3.1 Background of the JCC establishment

The FYR Macedonia was the first country in the Western Balkan region to sign the Stabilization and Association Agreement<sup>2</sup> on 9 April 2001, which entered into force on 1 April 2004. During the Irish presidency of the EU, on 22 March 2004, FYR Macedonia submitted its application for EU membership. On 9 November 2005, the European Commission issued a positive opinion on this application, and on 16 December 2005, the European Council decided to grant candidate status to the country.

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<sup>1</sup> Conclusions of the Western Balkans Civil Society Forum, Ljubljana 4-5 June 2008

<sup>2</sup> <http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=602>

In accordance with the rule 29(2)<sup>3</sup> of the Rules of Procedure of the European Economic and Social Committee, on 16 February 2007, the European Economic and Social Committee decided to draw up an own-initiative opinion on: *Relations between the European Union and the FYR Macedonia: The Role of Civil Society*.

The setting up of the joint body of civil society representatives was given full political support during the fourth meeting of the Stabilisation and Association (SA) Council on 24 July 2007, when both parties supported the creation of the Joint Consultative Committee at the ministerial level. During the 443rd plenary session, held on 12 March 2008, the European Economic and Social Committee adopted the opinion on: Relations between the EU and FYR Macedonia: The Role of Civil Society.

The first JCC meeting was held on 25 September 2009 in Brussels, when co-chairs were appointed and the Rules of Procedures were adopted. The JCC held the last meeting on 22 October 2013 in Skopje. Eight meetings were held so far, out of which four were held in Brussels and four were held in Skopje.

### 3.2 Objectives of the work of the JCC

Objectives of the work of the JCC are enlisted in the Rules of Procedure adopted by EU - The country Joint Consultative Committee. Under Rule 2: Aims and terms of reference, it stipulates that:

1. The JCC shall seek to prepare the ground for the enlargement of the European Union by promoting dialogue between the economic and social interest groups of both parties.
2. The JCC's area of competence shall encompass all economic and social matters relating to the Stabilisation and Association Agreement.
3. Within this area of competence the JCC may express its views in the form of reports or conclusions or through any other appropriate action.

### 3.3 JCC Rules of Procedure

The Rules of Procedure for the functioning of the JCC was adopted during the first meeting held on 25 September 2009 at the EESC in Brussels and amended on 19 April 2012 in Skopje. The document has 15 rules which stipulate composition, aims, working, financial provisions and other issues of the work of the JCC.

*Rule 1 – Composition of the members - 12 members, 6 from each party (EESC and the country).*

*Rule 2 – Aims and terms of reference.* The JCC seeks to promote dialogue between the economic and social interest groups of both parties, encompass all economic and social matters relating to the Stabilisation and Association Agreement and may express its views in the form of reports or conclusions.

*Rule 3 – Appointment of members.* JCC members are appointed for a two and a half year term and their membership at the JCC may be terminated or replaced by the representing organization (the representative bodies from FYR Macedonia are those organizations defined in the national Labour Code), and members can be represented by an alternate.

*Rule 4 – Permanent observers.* Permanent observers not exceeding four per each party may be appointed. Permanent observers from the social partners from FYR Macedonia can be appointed among trade unions and workers associations that have not been recognized as representatives in the Labour Code<sup>4</sup>.

*Rule 5 – Other observers* may be invited to attend JCC meetings for the purpose of participating in debates on specific topics.

*Rule 6 – Chairing the committee.* The JCC is co-chaired by one member from EESC and social interest groups from FYR Macedonia for a mandate of two and a half years. The co-chairs shall be responsible for the preparation, coordination and organisation of the JCC's work. They shall also ensure that the necessary work is carried out between JCC meetings.

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<sup>3</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010Q1209%2801%29&from=EN>

<sup>4</sup> In the Opinion of the EESC, states: "...development of and collaboration between existing employers associations should be facilitated and the legislative framework revised in order to establish clear criteria for their participation in the Economic and Social Council" (page 3). However, the Labour Code has been changed in the meantime and new criteria were introduced, including lower threshold for membership. Two more employer's organizations Makamtrans and the Business Confederation of Macedonia have participated as observers during the previous meetings. Business Confederation of Macedonia, recently submitted request for determination of their representative status.

*Rule 7 – Frequency of meetings.* JCC meetings are planned to be held twice a year, preferably at the EESC headquarters and in FYR Macedonia. JCC recommends that three out of five meetings are organized in the country in order to get media interest and draw wider attention.

*Rule 8 – Proceedings.* In order to make quorum, the majority of the members by each party must be present during the meeting. In order to adopt reports and conclusions, decisions are made by consensus. A vote could be held in case a consensus is not reached. In such case, documents are adopted by simple majority, whereby a simple majority must also be secured from each party.

*Rule 9 – Publications.* Joint declarations, reports, presentations and other informative materials are disseminated by the Secretariat of the European Economic and Social Committee and the Ministry of Labour and Social Policy of FYR Macedonia. Materials from the meetings, joint declarations and informational materials are available on the EESC web site<sup>5</sup>.

*Rule 10 – Agenda.* A draft agenda is drawn up by the co-chairs taking into account all proposals from the JCC members. The draft agenda should be sent no later than two weeks prior to the meeting. The draft agenda should be adopted at the beginning of the meeting.

*Rule 11 – Rapporteurs.* The JCC may decide to appoint rapporteurs. A decision also might be made by the co-chairs from outside meetings. In such case the JCC shall be notified at the next meeting. As a rule, EESC and the economic and social interest groups from FYR Macedonia shall each propose a rapporteur. The rapporteurs may be assisted by experts with specific competence in the areas concerned.

*Rule 12 – Secretariat.* The secretariat is jointly provided by the EESC (when the meetings are held in Brussels) and by the Ministry of Labour and Social Policy of the country (when the meetings are held in Skopje).

*Rule 13 – Financial provisions.* EESC and the government of FYR Macedonia shall bear the respective costs incurred by the attendance of their delegation in the meetings of the JCC, as regards travelling and hotel expenses, daily allowances and staffing costs. Costs of translating any documents into EU languages and conference interpreting should be met by the EESC, except costs incurred for technical equipment in FYR Macedonia.

*Rule 14 – Language.* JCC working languages are Macedonian and the official languages of the EU countries.

*Rule 15 – Revision of the Rules of Procedure.* A revision of the Rules of Procedure may be done with a decision by the JCC. In such case, provisions from rule 8 apply (by consensus or majority of votes).

### **3.4 Working relations between the JCC national consultative bodies and other interest groups**

The country's JCC representatives from the groups of employers and employees are directly involved in the work of the country's Economic and Social Council (from now on ESC) as constituents. ESC is a tripartite body composed of 12 members (four from each party) among the government and representative organizations of employers and employees. Participation of civil associations and observers is not envisaged in the work of the ESC and information to the public from the ESC work is shared through media and press<sup>6</sup>. There is no track record of formal working relations between JCC and ESC in the areas of social dialogue, initiation of public debates, preparing strategies, policies, joint meetings and any type of cooperation. The only contact between these two bodies is that the current mandate of the JCC national co-chair is overlapping with the vice president post at the ESC, and only interests of employees and employers organizations can be addressed to the ESC. There are limited chances for the JCC to have formal working relations with the ESC because under ESC competences, it envisages establishment of boards and commissions for certain issues within its competences and there is not envisaged cooperation between ESC and other bodies (CSO, experts and/or observers) other than representative organizations among employers and employees organizations.

Working relations among JCC and civil associations other than members and observers is visible in the work of the JCC. Civil associations and various interest groups among non represented organizations, for example representatives from the Chamber of Commerce of northwest Macedonia, participated during the first six JCC meetings, but representatives from the Federation of Farmers of the country were present during the first and the second JCC meetings. Other interest groups are allowed to participate and present their findings and deliver presentations during

<sup>5</sup> EESC regularly updates the web site on JCC works and members between FYR Macedonia and the EU, the information can be found here: <http://www.eesc.europa.eu/?i=portal.en.european-enlargement-fyrom>

<sup>6</sup> [http://www.orm.org.mk/index.php?option=com\\_content&view=article&id=74%3A2013-01-23-10-09-52&Itemid=105&lang=mk](http://www.orm.org.mk/index.php?option=com_content&view=article&id=74%3A2013-01-23-10-09-52&Itemid=105&lang=mk)

the open session of the meetings if they are in line with the topics defined for the meeting by the JCC co-chairs and members. This was the case during the 6th JCC meeting held in Skopje, when representatives from the Skopje-based CSO "Initiative for Social Change" presented a report on minority rights in a multiethnic environment.

In terms of working relations with other national and EU institutions, there is a track record from the JCC meetings that members of the European Commission/DG Enlargement/DG Agri have delivered presentations. JCC meetings are attended and meeting openings are typically introduced by the highest representatives, from the country's institutions, EU Delegation in FYR Macedonia and EU institutions representatives, which grants a high level of importance to the process. JCC co-chairs may invite experts/civil associations representatives to expose its view on the current situation in the country or EU during the open session meetings. This practice has been done several times in the areas of minority rights, transport policies, youth unemployment, corruption etc.

#### **4. Effectiveness of the JCC working relations with national and EU stakeholders**

As a general rule, each JCC meeting starts with the topic Path of the country towards the EU. Under this topic, political themes are discussed: visa liberalization, name issue with Greece and the necessity to resolve the name issue with UN mediation, neighbourhood relations and other commentary mainly related to the progress report issued by the European Commission. During this topic session, in case there have been improvements of the legislation in line with the EU directives between two JCC meetings, JCC members would notice and regard such reforms, such as (reform of the country's administration, labour code improvements, introduction of minimal wage, judiciary reforms, media freedom, involvement of the country's CSO in the European programs TACSO, ERASMUS etc.). Concerns over media expression, drawback in reform implementation, opposition boycott of the parliament, youth unemployment and other socio economic issues are observed and addressed to the relevant policy decision makers.

The second part of the meetings are thematic topics where participants debate over a pre defined topic and include expertise and presentations from national institutions, EU institutions or various interest groups (civil associations, chamber of commerce representatives, ministers and the EUD representatives) as observers.

**Table 1: Summary table of the conclusions and topics discussed**

First meeting 25 September 2009, Brussels	Second meeting 25 February 2010, Skopje	Third meeting 8 July 2010, Brussels	Fourth meeting 19 April 2011, Skopje
<b>1) Path of the country towards the EU</b> (visa liberalization, youth unemployment, CSO to contribute to the acquis, cross border cooperation)	<b>1) Path of the country towards the EU</b> (strengthening social dialogue, administrative capacity, call for resolution of the name issue with Greece)	<b>1) Path of the country towards the EU</b> (JCC urges for the Council of the EU to open the accession negotiations, dialogue with Greece, reinforce technical support by the Ministry of Justice in coordination with the working groups which monitor anti corruption policies, progress in the laws on civil service and public servants, improved law on citizen associations and foundations, welcomed reestablishment of the ESC, welcomed antidiscrimination law adopted and the need to amend protection of sexual orientation discrimination)	<b>1) Path of the country towards the EU</b> (JCC urges for the Council of the EU to open the accession negotiations, regional cooperation and dialogue with Greece, concern of the opposition boycott of the parliament, importance of public administration and judiciary reform, JCC welcome setting up of commission for protection of discrimination. 10th anniversary of Ohrid Framework Agreement.
<b>2) Impact of the financial and economic crisis in FYR Macedonia</b> (presentation by Mr. Bernhard Boehm)	<b>2) Economic and social rights</b> (cooperation between the government and the CSO and involvement of the CSO in drafting legislation, urge government to implement new law on social partners representation, economic and social council to be reinforced, welcomed launching of the TACSO- Technical Assistance for Civil Society Organizations)	<b>2) Transport policy</b> -future treaty establishing Transport Community between the EU and Western Balkan countries, called government to engage in dialogue with social partners in order to implement the upcoming treaty. JCC called the government to assess the needs of the workers in the process of restructuring the transport sector who might lose jobs and the European Commission to assist the transition period during implementation and to assist with the pre-accession funds. Set up regional social forum with ministries and Transport Community. Civil Aviation Authority to become an independent body and increase capacity of Committee for Air Accident. JCC called the government to better prepare transport projects especially in environmental impact assessment and the European Commission to support national authorities in this process and to study the feasibility of linking the Mediterranean sea with the Danube.	<b>2) Social dialogue</b> - JCC welcomes reestablishment of the ESC and expects that civil associations will be included. JCC requests that the ESC should provide its own budget for autonomous work. JCC welcomes Decent Work Country Programme signed by the ILO and the government. JCC calls European social partners to provide expertise and assistance to enlargement countries and share experience in the implementation of the acquis. JCC suggests that working bodies of the national parliament could invite social partners as observers during the meetings. Encourage social dialogue and collective bargaining to be extended to all sectors. To implement the law on labour dispute. <u>JCC calls European Social Fund and the ILO to increase assistance to social partners.</u> Encourage regional cooperation among social partners because of the similarity they face.
	<b>3) Social inclusion policies</b> (Ohrid framework agreement, Roma decade, adoption of law on equal opportunities)		
	The way forward ( <u>European Agency for Fundamental Rights to extend its mandate in FYR Macedonia, assess the implementation of Ohrid Framework Agreement</u> )		



Fifth meeting 18 October 2011, Brussels	Sixth meeting 19 April 2012, Skopje	Seventh meeting 13 March 2013, Brussels	Eight meeting 22 October 2013, Skopje
<p><b>1) Path of the country towards the EU</b> (call for resolution of the name issue, JCC express satisfaction for the reforms in the parliament, administration and improving the legislation for minorities protection. JCC reiterates worries on freedom of media and asks the government to refrain interfering with the media. Need of foreign investments.</p>	<p><b>1) Path of the country towards the EU</b> - call for resolution of the name issue, launch of the High Level Accession Dialogue -HLAD, JCC members call European Commission and the government to associate JCC members in consultations with civil society in the dialogue process, as well as in the monitoring of the EU reform agenda.</p>	<p><b>1) Path of the country towards the EU</b>- call for resolution of the name issue, welcomed the HLAD process achievements, decriminalization of libel, reinforced anti corruption legal framework. <u>With the previous recommendations of the JCC, the government initiated the procedure for participating as an observer in the EU Fundamental Rights Agency.</u></p>	<p><b>1) Path of the country towards the EU</b>- call for resolution of the name issue, welcomed the HLAD process achievements. JCC welcomes overall satisfactory level of legislative alignment with the EU acquis and calls EC to focus its financial assistance on implementation of the legislation adopted. JCC encourages government to improve the rule of law and recall for increased independence and impartiality of the State Commission for the Prevention of Corruption. JCC insists aligning the anti-discrimination legislation with the EU acquis regarding discrimination on the grounds of sexual orientation.</p>
<p><b>2) Rural development and employment.</b> JCC calls the European Commission to harmonise the definition of rural areas across all EU Member States so that fact-based policies and consistent comparisons with other countries can be carried out. JCC asks the government to address unregistered seasonal workers in rural areas. JCC requests the European Commission to simplify rules for financing projects and improve access to grants for local farmers. JCC participants suggest that the EC and government develop advisory services to rural population. JCC calls EC to increase assistance to CSO in rural areas.</p>	<p><b>2) Minority rights in a multiethnic environment.</b> JCC condemns incidents among communities. Insist that Ohrid Framework Agreement remains an essential pillar for democracy and rule of law. JCC asks the government to restart the process of population census and follow recommendations of EUROSTAT. JCC highlights that Agency for the Protection of National Minorities become functional. JCC asks for proper funding by the EU and national authorities for promotion of intercultural dialogue and tolerant society. JCC urges that the government increases the budget for implementation of Strategy on Social Inclusion of Roma 2012-2014 and stresses that assistance from the national authorities and the EU should be placed for supporting Roma women. JCC recalls more assistance for women and young people.</p>	<p><b>2) Progress in the policy areas covered by chapter 19 ("Social Policy and Employment")</b> JCC welcomes amendments in the labour law, introduction of minimum wage, alignment of the country with the acquis on health and safety at work and encourage the government to allocate more funds for active labour market policies. JCC asks EU and the ILO to provide assistance for strengthening capacities of the social partners. JCC welcomes the progress made by the Commission for Protection Against Discrimination and for being admitted as new member of the European Network of Equality Bodies.</p>	<p><b>2) Freedom of expression, freedom of the media.</b> JCC expresses concerns over media freedom. JCC welcomes the initiative of the EC to award investigative journalism in enlargement countries from 2014 and calls on aiming improvement of media freedom and freedom of expression.</p>



<p><b>3) Combating corruption.</b> Presentations on fighting corruption in FYR Macedonia. JCC noted that the government made efforts to improve legislature in fighting corruption, and judiciary had not completed high level corruption cases. JCC recommends introducing a code of ethics for the members of the parliament and more transparent political parties financing. JCC endorses the report on corruption in the Western Balkans by the United Nations Office on Drugs and Crime and requested training for law enforcement agents and judiciary on the local level.</p>	<p><b>3) JCC members agree to amend the financial provision of the JCC Rules of Procedures.</b> The amended provision will be implemented following a meeting with the Ministry of Labour and Social Policy.</p>	<p><b>3) Youth and education.</b> JCC members call national authorities to implement an action plan on youth unemployment developed in partnership with the ILO Decent Work Programme. JCC members encourage government to adapt a scheme similar to "Youth Guarantee" in the EU countries. JCC calls on the authorities in FYR Macedonia and the EU member states to invest in education, research and vocational education during the financial crisis. JCC is pleased with the progress made the country's access to the EU's Lifelong Learning and Youth in Action programmes and asks national authorities to bridge the gap between the educational system and the labour market needs. JCC advises national authorities to increase the rate of attendance of primary education in rural places and especially among Roma. JCC members call EC to extend multiethnic education through IPA funds and to further develop non formal education.</p>	<p><b>3) Youth unemployment.</b> Presentations on youth unemployment in FYR Macedonia and the EU. JCC urges that 2013-2015 National Action Plan on the Employment of Youth (NAPE) developed in partnership with the ILO is implemented. JCC recommends that governments of the EU member states and FYR Macedonia promote high-quality apprenticeships and traineeships to facilitate the transition from education to work and recommends that the country's government undertakes administrative steps requested by the EC in order to allow students to participate in Erasmus + programme in 2014.</p>
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During the past eight meetings, the JCC has made various recommendations to the EU institutions as well as the International Labour Organization (ILO). To name two successful examples:

On the fourth JCC meeting, held in April 2011, the JCC asked for assistance for the social partners in FYR Macedonia from the European Social Fund and the ILO in order to develop managerial capacities and negotiations skills and promote social dialogue. In October 2014, the EU-funded project, "Promoting social dialogue" was launched<sup>7</sup>.

In the conclusions of the second meeting, held in February 2010 in Skopje, the JCC called for the government and the Council of the European Union to take steps forward in extending the mission of the European Agency for Fundamental Rights to the country by granting observer status. On the seventh meeting, held in March 2013 in Brussels, the JCC announced that in line with the JCC recommendations, the government has started the procedure for participating as an observer of the EAFR.

According to JCC members, recommendations and conclusions are regularly reported in the European Commission progress report, which gives additional value to the work of the JCC.

Reports on the national situation were presented by both parties, FYR Macedonia and EU, which pertained to important issues. For example, presentations regarding rural development and employment were delivered on the occasion of the adopted Opinion of the European Economic and Social Committee on Rural Development and Employment in the Western Balkans<sup>8</sup>.

<sup>7</sup> [http://eeas.europa.eu/delegations/the\\_former\\_yugoslav\\_republic\\_of\\_macedonia/press\\_corner/all\\_news/news/2014/2014-10-21-socialdialogue\\_en.htm](http://eeas.europa.eu/delegations/the_former_yugoslav_republic_of_macedonia/press_corner/all_news/news/2014/2014-10-21-socialdialogue_en.htm)

<sup>8</sup> <http://www.eesc.europa.eu/?i=portal.en.rex-opinions.18291>

## **5. Recommendations making process - bottlenecks and way for improvements**

### **5.1. JCC involvement in policy making**

Involvement of the JCC in the policy making is low as assessed in the responses from the questionnaire carried out during the interviews. Most of the topics addressed during JCC meetings are related to social dialogue promotion, employment policies, youth unemployment, judiciary reforms, transport policies and there is no reference of JCC involvement in policy making. On the other hand, social partners represented in the ESC could influence some of the recommendations debated during the JCC meetings and engage in policy making related to JCC conclusions.

In order to promote JCC involvement in the policy making process, ESC/Parliament or governmental bodies should give opportunity to national civil associations, experts and observers from the JCC to take part in their work, forums and debates and to assure that JCC decisions/conclusions are considered. Another possible solution is to have the national JCC co-chair addresses the ESC and EU Integration Committee in the Parliament after JCC meetings in order to share and promote JCC decisions and conclusions to the wider public.

### **5.2 Frequency, organization and selection of issues for discussion during the meetings**

According to the Rules of Procedure, JCC meets should be held twice annually. Since the first meeting held in September 2009, there have been two meetings held annually except in 2012. The last meeting, the eighth, was held in October 2013 in Skopje. The Rules of Procedure stipulates that during the two and a half year mandate of the co-chairs and the members, three out of five meetings should be organized in Skopje in order to have a wider media reach.

Organization of the meetings is the responsibility of the two secretariats according to the place of venue. The EESC secretariat in Brussels is in charge of location selection, translation, technical equipment and other related issues, and the Ministry of Labour and Social Policy in Skopje is responsible for the same issues respectively when the meetings are held in Skopje.

Topics for discussions are debated and negotiated for nearly three months before the date of the meeting by the co-chairs and members and they reflect the current political and socio economic situation in FYR Macedonia and the EU. Once agreed, a joint agenda and conclusions are drafted. Conclusions are adopted in a closed afternoon session among members and observers.

### **5.3 Communication and information sharing**

Communication and information sharing is done during the process of preparation of the draft conclusions, usually three months before the date of meeting and directly during the JCC meeting when in a closed afternoon session conclusions are finalised through consensus or vote. Other forms of communications and information sharing are not visible in the work of the JCC as underlined by the participants.

### **5.4 Monitoring of the JCC recommendations**

From the track record and interviews with the members, the JCC has no mechanism and technical capacity to monitor the follow up of its recommendations. Although monitoring is not mentioned in the Rules of Procedure, informally this is done by the office of the national co-chair in a way that a person is delegated to engage in drafting the topics and programs for the upcoming meetings, it follows the topics already discussed and recommendations fulfilled by the national institutions. It depends on the willingness of the co-chairs to which extent to dedicate staff and resources for monitoring of the recommendations. Monitoring mechanisms are inadequate and there is no focal point or system to perform this task.

### **5.5 Collaboration with the academia, think tanks and research institutes**

The Rules of Procedure envisages possibility to invite experts during meetings, which provides a chance to collaborate with the academia, think tanks and research institutes. According to JCC responses during interviews,

this opportunity was not grasped in the past eight meetings. Lack of collaboration with the academia and research institutes is connected with the inexistent office space, budget and responsibilities.

## **5.6 Technical capacities of the JCC**

The JCC has two secretariats who coordinate and manage the work of the committee according to the place of meeting (Brussels or Skopje). The EESC secretariat in Brussels has two persons assigned to this position (administrator and secretary) and the secretariat in Skopje has one person assigned to this position on an associate level. One of the individuals from the MLSP who was involved in the JCC work since its initialization was moved to a different position last year, and this action has decreased the quality of the expertise in terms of JCC conclusion drafting capabilities, selection of important topics for discussion, and the capacity of the secretariat to organize and observe JCC meetings efficiently.

According to responses from the interviewed individuals, there is no standing committee and communication is done only when there is a need for drafting conclusions, organizing meetings and technical issues related to organization need addressing. Both secretariats from EESC and MLSP have collaborated since the establishment of the JCC.

## **6. Members of the Joint Consultative Committee**

The JCC has 12 members, six from each part, each belong to one of the three groups (employers, employees and civil associations). Representatives from FYR Macedonia belong to the representative organizations which are grouped in the following order:

### **Group I – Employers (2 members)**

- Organization of employers of Macedonia – ORM, 2 members

### **Group II – Employees (2 members)**

- Federation of Trade Unions of Macedonia – 1 member
- Confederation of free trade unions of Macedonia – 1 member

### **Group III – Civil Associations (2 members)**

- Macedonian Centre for International Cooperation – 1 member
- SEGA – Coalition of Youth Organizations – 1 member

### **Observers**

Permanent observers - Various groups of interest, chamber of commerce and civil associations.

Other observers may be invited to attend JCC meeting upon prior decision of the co-chairs.

Rapporteurs and experts may be invited according to the Rules of Procedure.

Civil associations are selected in way that the secretariat from the Ministry of labour and social policy sends invitation to the Department for Cooperation with the Civil Society Organizations (CSO) within the General Secretariat of the Government, and asks nomination of civil associations representatives. There had been a different approach in the beginning of the process, based on nominations from the "Civic Platform" which unites the 30 most influential CSO in the country. In the later period, the Civil Platform became non functional and the process was bypassed through the Department for Cooperation within the government.

The transparency of this process is arguable as there are no relevant sources or databases of CSO registers that may be used for fair and transparent civil associations nomination. Having members such as representatives of the MCIC and SEGA Coalition of Youth, ensures proper functioning of the JCC and representation from smaller regions is respected taking into account that SEGA is registered and operates in several other towns other than Skopje. Both civil associations representatives have track records of more than 10 years (SEGA was established in 2004) and MCIC (was established in 1993).

Members delegated for participation on the JCC meetings is on the highest level, (executive directors of the MCIC and SEGA are directly involved in the JCC work, as well as presidents or branch presidents of the employees and employers organizations) and most of the representatives are experienced, aware of the JCC process and its importance and their role in the process.

Technical capacities of the national JCC representatives are improving through networking with their counterpart from the region, conference meetings, workshops etc. Most of the national JCC representatives reported that they have experience in program implementation in the area of social dialogue in the past two years and with involvement of foreign partners and donors.

## 7. Impact of the JCC recommendations

JCC has limited impact on *public policies* and JCC members admit that the impact of the JCC is low to moderate based on the questionnaire responses. Impact on public policies is done mainly through the participation of representative organizations among employers and employees in the national bodies and work in the ESC, parliamentary councils and forums. Those social partners who lack representation according to the labour code have limited impact and no right to vote as full members. Civil associations remain to have status as observers in the NEIC, are not represented in the ESC and have limited impact on public policies.

In the country's parliament there exists a functioning National European Integration Council which is presided by the member of the main opposition party and deals with the issues of common interest from the area of European integration<sup>9</sup>. Members in the NEIC are comprised of nine members of the parliament and their deputies, six members from various government institutions, the country's Academy of Science and Art, the Union of Journalists and representatives from interest groups among chambers of commerce, civil associations and trade unions. During the parliamentary debates, as well as in NEIC work, JCC work and activities were not mentioned so far. However, members of the civil associations (members of the JCC) and trade unions are participating in the NEIC working sessions.

Track records on generating public support for policy change is limited due to the lack of monitoring and evaluation outcomes. Many requests addressed by the JCC to the government and national institutions are in line with the requests of the EU representatives. For example, the call to start the population census according to EUROSTAT recommendations remains without action; also it is unclear if the Agency for the Protection of National Minorities has become functional and cooperates with the CSO as requested on the sixth JCC meeting because of the lack of monitoring mechanisms.

In the work of the JCC there are recommendations advocating for EU policies as well as requesting assistance from EU institutions in order to fully and successfully implement such policies. An example is the establishment of Transport Policy in the Western Balkans<sup>10</sup> where the JCC called for the country's government to engage with social partners in order to implement the upcoming treaty and for the EU Commission to assist with the transition period for workers who might lose their jobs through the pre-accession funds.

Monitoring of transposition of the European acquis by national decision makers remains to be a weakness as the JCC technical secretariat in FYR Macedonia has no permanent staff, budget or offices dedicated to follow these issues. The institution that may monitor past work of the JCC and respective joint declarations from the meetings is the Secretariat for European Affairs. The Secretariat has established tracking mechanisms for the legislation adopted and to which extend is in line with the EU Directives.

Close collaboration among SEA and the JCC should provide information on which laws and recommendations made by the JCC are implemented and to assess the status of the legislation transposed.

## 8. Interviews with the stakeholders

A series of interviews and questionnaire fillings were conducted during the period 22 December 2014 - 20 January 2015. The research was done through interviews with representatives of the organizations involved. In FYR Macedonia, four of the representative organisations of trade unions, two employers organisations of which one is a JCC member and the other an observer, two members from the civil associations and two observers from the Ministry of Labour and Social Policy were interviewed. A Representative of the Confederation of Industry of the Czech Republic provided comments and completed a survey.

## 9. Results of the questionnaire

For the purpose of this report, a short questionnaire of eight questions was designed and sent to the relevant stakeholders in FYR Macedonia (please see in the annex) and the EU employers group. The questionnaire was filled by each group of members and observers from FYR Macedonia and EESC employment group. Due to time constraints and recent changes of human resources at the EESC technical secretariat in Brussels, only responses from the country's part and EESC employers group representative are taken into consideration. The questions follow the topics relevant

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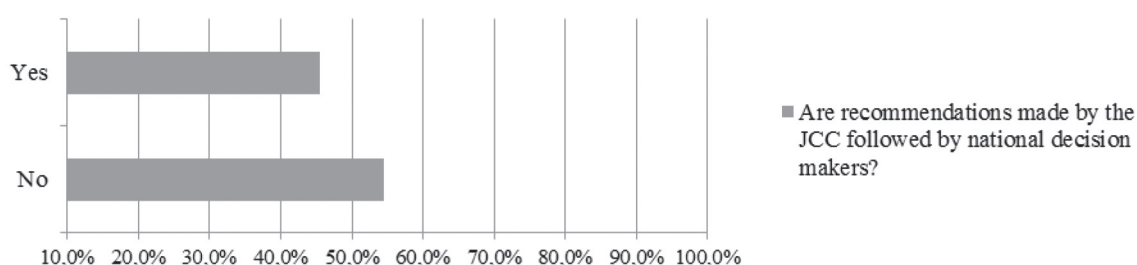
<sup>9</sup> <http://sobranie.mk/national-european-integration-council-2014-2018.nspx>

<sup>10</sup> Opinion of the European Economic and Social Committee on Transport policy in the Western Balkans

to JCC work and agenda from the previous meetings and focus on those principles that appear most applicable for the country.

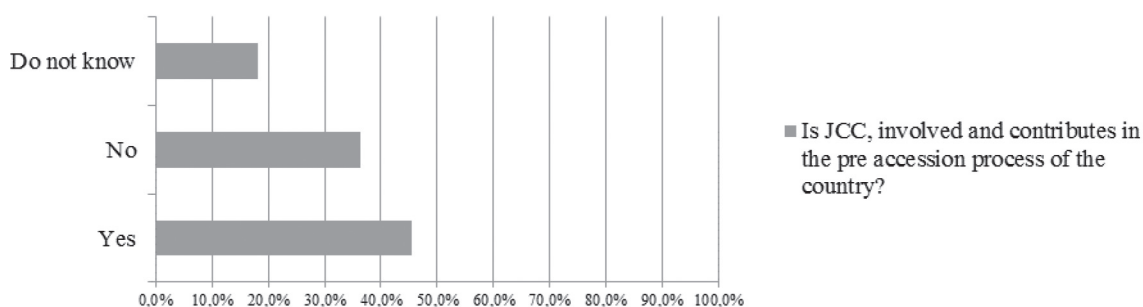
1. On question number one "Which Civil Society Organization do you represent?" eleven answers were received from all groups of stakeholders: employers organizations (2), employees organizations (4), civil associations (2), EESC - employment group (1) and observers (2).
2. Seven questionnaires were filled by the member organizations of the JCC and four by the observers.
3. On the question "How effective is the JCC work in relations to national civil society organizations/ Government?", six out of eleven respondents answered that the recommendations made by the JCC are not followed by national decision makers, and this answer is mostly present among civil associations and trade union members. Recommendations made by the JCC which are followed by national decision makers include: to increase capacity of Social Partner Organizations, to adopt legislative framework which can guaranty representativeness and involvement in the ESC, to involve CSO in EU integration process, to ensure freedom of media and effective use of pre-accession financial assistance.

**Figure 1: Are recommendations made by the JCC followed by national decision makers?**



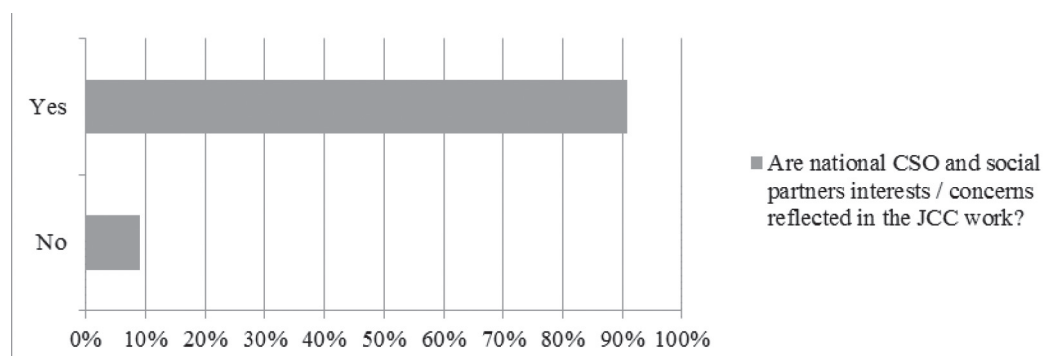
On the question about the JCC involvement in the pre-accession process as shown in figure 3, five respondents answered positively and named that: 1) The JCC is not directly involved in the pre-accession process, but the recommendations and conclusions formulated by the JCC contribute in the activities of the relations between EU and the government of FYR Macedonia. 2) The JCC is part of the integration process and it is set up by European Institution, hence its recommendations should be respected by the government and official bodies. 3) The JCC contributes in the pre-accession process in employment policies, IPA funds utilization and other relevant topics. 4) Sharing opinions and reports on various relevant issues brings more attention to specific topics on both sides.

**Figure 2: Is the JCC involved and contribute in the pre-accession process?**



On the question "Are national CSO and social partners interests reflected in the JCC work?" ten out of eleven respondents answered yes. Among answers received is that the social partners contribute in the writing of the conclusions, debate during the meetings and can propose topics of their interests.

**Figure 3: Are national CSO and social partners interests reflected in the JCC work?**

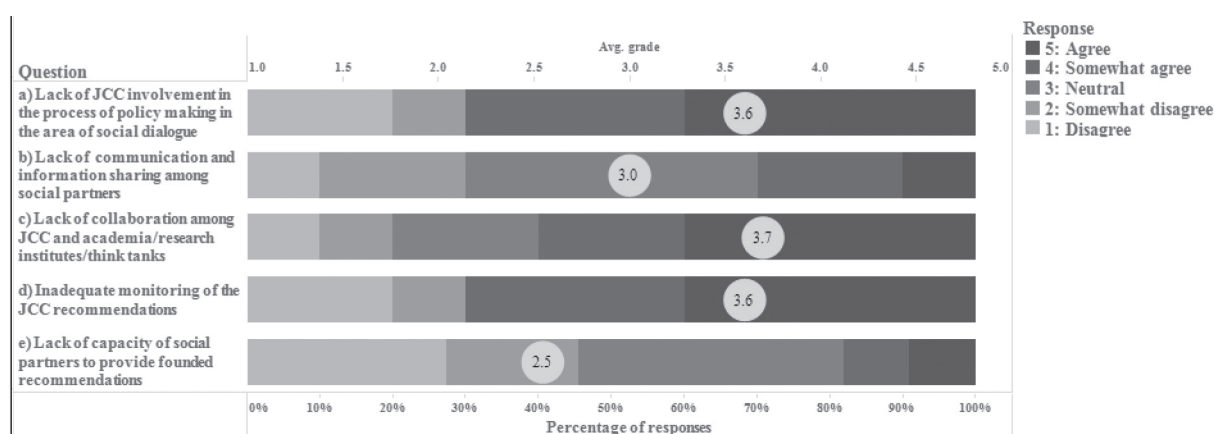


4. On the question number four "What are, from your organisation's experience or perspective, bottlenecks in the work of the JCC?" exists a set of questions aimed to identify possible bottlenecks and allows for recommendations to be made regarding improvement in procedure.

Lack of collaboration among JCC and academia/research institutes and think tanks was graded as the biggest weakness among selected questions as shown in figure 5.

Lack of JCC involvement in the process of policy making in the area of social dialogue and inadequate monitoring of the JCC recommendations are the second lowest graded questions, while capacity of social partners to provide founded recommendations was graded the highest.

**Figure 4: Bottlenecks in the work of the JCC**



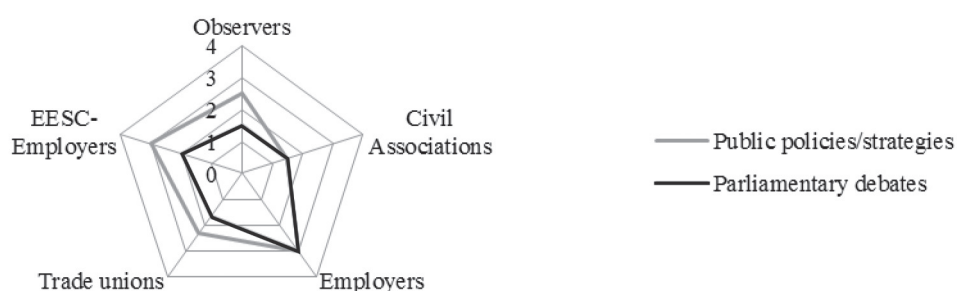
5. On question number five "Has your organisation in the last two years supported projects/ programmes within social dialogue in FYR Macedonia?" most of the respondents named projects where they participated as leaders/ implementers in projects related to social dialogue in FYR Macedonia. Two of the respondents named project donations received from the Slovak Aid, USAID, Progress etc. and one respondent named projects dealing with the anti-crisis measures prepared jointly with the government and prevention of work in a grey economy. There were no projects listed from the Instrument for Pre-Accession Assistance or EESC.

6. The impact of the JCC recommendations on selected issues:

As shown in figures 6 to 8, from the answers provided, on a scale from 1 to 4 (no impact-1, low impact-2, moderate impact-3, high impact-4) the impact of JCC work in selected areas can be measured. The average impact of the JCC on public policies is 2.5 or **low to moderate impact**. The average impact on parliamentary debates is 1.7 or between **no impact and low impact**. Results by affiliation are shown in figure 6.

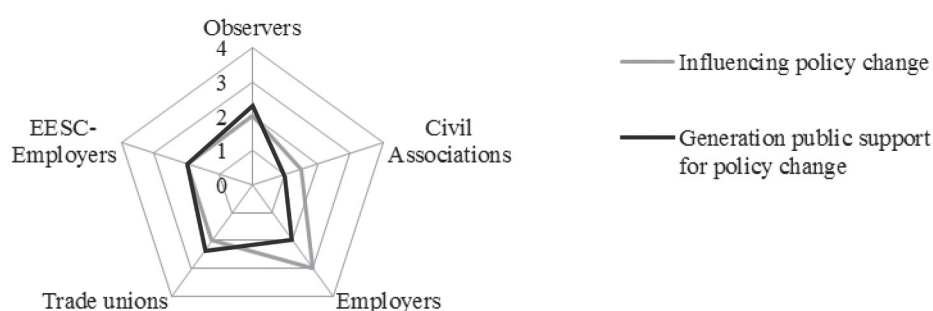


**Figure 5: Impact of the JCC on public policies/strategies and parliamentary debates**



On the question on "Impact of the JCC on influencing policy change" the average grade is 2 which corresponds with **low impact**. On the question "Generating public support for policy change", answers received are shown in figure 7 by groups of affiliation within the JCC. The average grade on this question is 2.0 or **low impact**.

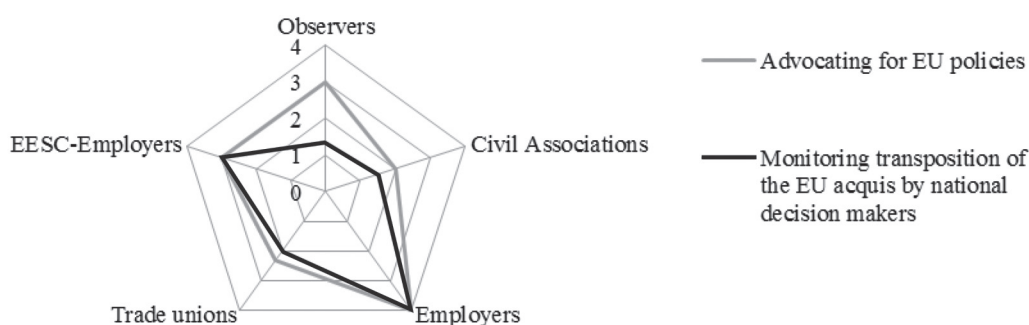
**Figure 6: Impact of the JCC on influencing policy change and generating public support for policy change**



On the question on "Impact of the JCC on advocating for EU policies" the average answer is 2.7 or **low to moderate impact**.

Monitoring transposition of the EU acquis by the national decision makers is considered to have an average of 2.0 or **low impact**. Results of affiliation by groups are shown in figure 8.

**Figure 7: Impact of the JCC on advocating for EU policies and monitoring transposition of the EU acquis by national decision makers**



7. Based on the answers received from the respondents on the "satisfaction from the functioning of the JCC", on a scale from 1 to 5, where: 1-dissatisfied, 2-somewhat dissatisfied, 3-neutral, 4-somewhat satisfied and 5-satisfied, the average given grade was **2.7** or between **somewhat dissatisfied and neutral**.

8. In the last, eighth, question where respondents were given an open response to provide useful information about the functioning of the JCC, two respondents mentioned that they are not informed why there had been no JCC



meeting for more than a year, one respondent requested representativeness in the JCC because only one employers organization is represented with two members, one respondent requested the inclusion of the civil associations in the work of the national ESC and one respondent proposed budget allocation for JCC work from the Ministry of Labour and Social Policy or Ministry of Economy for covering direct costs of the JCC work, especially when travelling to Brussels.

## 10. Key messages and recommendations

**Delayed starting of negotiations with the EU** is a concern that leads to lack of encouragement and lack of commitment from the stakeholders in the whole process. This issue is political and depends on political actors but has negative impact on the JCC work and its future functioning. The last JCC meeting took place in October 2013 and since then there has been no meetings organized. Organizing a JCC meeting in 2015 is highly important in order to resume the work and progress made by the JCC.

**Lack of financial means** for proper functioning of the JCC appears to be first on the list among issues mentioned among the JCC members. Financing of the civil associations in FYR Macedonia is regulated by the law on Civil Society Organizations and Foundations. The law stipulates financing of the CSO and most of the financial means are received through donations and grants targeted for specific programs. Funding from the government and institutions for the CSO is limited. Civil associations' membership in the JCC is based on volunteerism and only civil associations with big budgets can afford participation and bear the costs incurred for travelling to Brussels.

Employers and employees organizations have their own budgets funded mainly from membership fees. National social partners representatives see the process of the JCC functioning as a promotion of the country and the costs should be covered by the central budget through respective ministries.

There should be modus to be found in order to regularly finance activities of the JCC work through central budget sources or other sources (co financing, grants) and to overcome stalemate situations and motivate future work of the JCC.

The last amendments of the Rules of Procedure in the area of financial provisions offer a reasonable solution for the requests made by the national social partners, because travel and hotel costs, daily allowances and staffing costs will be covered by the country's government. Financing other activities (studies, experts) other than meetings are still to be covered by the members.

**Lack of technical capacities** is among top priorities addressed by the respondents. Need for further training and education about the JCC goals, developing negotiations and managerial skills would strengthen JCC capacities. Regional networking and sharing best practices is another option to be considered and this was requested during the fourth meeting.

**Lack of monitoring mechanisms and capacity** has a negative impact on the effectiveness of the JCC work. Having no established monitoring or evaluation mechanisms for recommendations addressed in the conclusions, tracking the legislation proposed and adopted by the national government remain unobserved. One of the possible solutions to overcome this weakness is to include representatives of the Secretariat for European Affairs and the parliament NEIC among permanent observers who can add institutional support to the process and broaden messages in the government and the parliament. Setting up a permanent technical secretariat composed of professionals would be an additional benefit that would strengthen the JCC and its capacities.

**Inclusiveness of the CSO** in the process of policy making. Economic and Social Council, Parliament and governmental bodies should give opportunity to civil associations, experts and observers from the JCC to take part in their work, forums and debates and to assure that their decisions/conclusions are considered in the area of socio economic policies and particularly in social dialogue.

## 11. References

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12. Opinion of the European Economic and Social Committee on Rural development and employment in the Western Balkans, September 2011
13. Opinion of the European Economic and Social Committee on Transport Policy in the Western Balkans, December 2010.

## 12. Annexes

### 12.1 Cover letter

#### Survey on degree of satisfaction of CSO representatives and social partners with the work of the JCC

Dear Madam/Sir,

The process of social dialogue in FYR Macedonia is gradually changing. Taking into account the commitment of the EESC and representatives of the country's economic and social interest groups to strengthen dialogue and cooperation between organized civil society in the EU and the country, there is a need to prepare the ground for the accession of FYR Macedonia to the EU. In this process, functioning of the Joint Consultative Committee with the EESC partners plays an important role.

It is widely accepted that the participation of the Civil Society Organizations and social partners represent important roles in facilitating the pre-accession negotiations and monitoring transposition of the EU acquis by national decision makers.

The EU funded the project "Promoting Social Dialogue" and a team of experts has developed a survey, which aims to assess the functioning of the CSO representatives, social partners and observers with the work of the JCC. The survey questionnaire, along with a brief introduction, is enclosed in this letter. I would be grateful if you could complete this questionnaire and return it in electronic form to ***aleksandarkostadinov@yahoo.it*** by **Friday, 16 January 2015**.

Our team working on the survey can be contacted for assistance in completing the survey via e-mail at *aleksandarkostadinov@yahoo.it*, or by phone at +389 71 530 343. After completion, the experts will analyze the responses received and present the results in a roundtable for validation. You will receive an invitation to the roundtable discussion.

Thank you, in advance, for your co-operation.

Yours sincerely,

### 12.2 Questionnaire on the functioning of the Joint Consultative Committee

#### Questionnaire on the functioning of the Joint Consultative Committee

##### Background

Within the context of the expected start of the accession negotiations, the European Economic and Social Committee highlights the key role of civil society<sup>11</sup>. Therefore, this opinion will focus on the country's civil society and its environment, opportunities and challenges; the social and civil dialogue in the country; the relations with the EU and the countries of the Western Balkans.

Regarding the political support, given on the 4th meeting of stabilization and association of EU and the country on the 24th of July, 2007, the stabilization and association council has given support for the request of FYR Macedonia in order a joint consultative committee to be formed with the European Economic and Social Committee.

In compliance with the conclusions on behalf of the participants on the forum of civil organizations of the Western Balkan, held from 4th - 5th of June, 2008 *Joint Consultative Committee* has been established. Also the civil organizations of the country have given their best during the establishment in order to strengthen the social dialogue and the cooperation among the representatives and the civil organizations, the social partners and the government.

The joint consultative committee of the civil sector of the country is consisted of 12 members, six from each of the contracting parties:

- Organization of employers of Macedonia - two members
- Federation of Trade Unions of Macedonia - one member
- Confederation of free trade unions of Macedonia - one member
- Civil associations - two members
- Observers not more than three members.

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<sup>11</sup> Opinion of the European Economic and Social Committee on Relations between the European Union and the Former Yugoslav Republic of Macedonia: The Role of Civil Society.

In accordance with the working rulebook,

1. JCC works on the basis for enlargement of EU through the promotion among the economic and social interested groups from the both sides.
2. JCC covers all of the issues form economic and social sphere related to the stabilization and association agreement.
3. JCC can give opinion in a form of reports or conclusions or through other adequate activities

## Process

This questionnaire should be filled in once by each **Civil Society member** of the JCC from both parties. The questions follow the topics relevant to the JCC work and agenda from the previous meetings and focus on those principles that appear most applicable for the country.

Responses to this **questionnaire** will be analyzed with assistance from the IPA project "Promoting Social Dialogue". Responses and results of the analysis will be shared with the respondents, and with the country's **relevant stakeholders** (Ministry of Labour and Social Policy, ILO and the EUD) and presented and discussed in an appropriate format.

## Questions

1. Which Civil Society Organization do you represent?

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2. Has your organization participated in JCC meetings as member /observer?

☐ Yes ☐ No

3. How effective is the JCC work in relations to national civil society organizations/government?

– Are recommendations made by the JCC followed by national decision makers?

☐ Yes ☐ No ☐ Don't know

if yes, please write any\_\_\_\_\_

– Is the JCC involved and contribute in the pre-accession process of the country?

☐ Yes ☐ No

Please explain:

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– Are national CSO and social partners interests / concerns reflected in the JCC work?

☐ Yes ☐ No

4. What are, from your organisation's experience or perspective, bottlenecks in the working of the JCC? (please rate from 1 to 5, 1-disagree, 2-somewhat disagree, 3-neutral, 4-somewhat agree and 5-agree)

a) Lack of JCC involvement in the process of policy making in the area of social dialogue

1                      2                      3                      4                      5

b) Lack of communication and information sharing among social partners

1                      2                      3                      4                      5

c) Lack of collaboration among JCC and academia/research institutes/think tanks

1                      2                      3                      4                      5

d) Inadequate monitoring of the JCC recommendations

1                      2                      3                      4                      5

e) Lack of capacity of social partners to provide founded recommendations

1                      2                      3                      4                      5

f) Other:

5. Has your organisation in the last 2 years supported projects/programmes within social dialogue in FYR Macedonia? If yes, please list (max 3) projects/programmes

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

6. How do you evaluate the impact of JCC recommendations in the following areas?  
(no impact-1, low impact-2, moderate impact-3, high impact-4)

a) Public policies/strategies

1                      2                      3                      4

b) Parliamentary debates

1                      2                      3                      4

c) Influencing policy change

1                      2                      3                      4

d) Generation public support for policy change

1                      2                      3                      4

e) Advocating for EU policies

1                      2                      3                      4

f) Monitoring transposition of the EU acquis by national decision makers

1                      2                      3                      4

g) Other: \_\_\_\_\_

7. Overall, how satisfied are you with the functioning of the JCC?

(please rate from 1 to 5, 1-dissatisfied, 2-somewhat dissatisfied, 3-neutral, 4-somewhat satisfied and 5-satisfied)

1                      2                      3                      4                      5

8. Please include any other information, which you think may be useful.

Thank you for filling out this questionnaire. Please return it, preferably by e-mail to:  
***aleksandarkostadinov@yahoo.it***

## 12.3 List of contacts

No.	Name and Surname	Affiliation	e-mail	Parties	Status	Country	S-I*
1	Mrs. Belinda Nikolovska	ORM (Organization of employers of Macedonia)	info@orm.org.mk	Employers	Member, Co- chair	MK	S+I
2	Mr. Tihomir Klimovski	SSM (Federation of Trade Unions of Macedonia)	info@ssm.org.mk	Employees	Member	MK	S
3	Mr. Jakim Nedelkov	Sonk (Confederation of free trade unions of Macedonia)	sonk@sonk.org.mk	Employees	Member	MK	S+I
4	Mr. Aleksandar Krzhalovski	Macedonian Center for International Cooperation	akr@mcms.mk	CSO	Member	MK	S+I
5	Mr. Zoran Ilieski	Coalition of youth organizations SEGA	zorani@sega.org.mk	CSO	Member	MK	S
6	Mrs Vladimira Drbalova	Confederation of industry of the Czech Republic	vdrbalova@spcr.cz	Employers	Group 1 member	EESC	S
7	Mr Rasko Miskoski	Confederation of Free Trade Unions (KSS)	contact@kss.mk	Employees	Member	MK	S+I
8	Mr Sasho Klekovski	Macedonian Centre for International Cooperation(MCMS)	sasho@klekovski.mk	CSO	Observer	MK	S+I
9	Mr Mile Boshkov	Business Confederation of Macedonia	mb@bcm.mk	Employers	Observer	MK	S+I
10	Mrs Maja Papatolevska	Ministry of Labour and Social Policy	mpapatolevska@mtsp.gov.mk	Secretariat	Institution	MK	S+I
11	Mrs Mirjanka Aleksovska	Ministry of Labour and Social Policy		Secretariat	Institution	MK	S+I

\*S – Survey only

I – Interview conducted

### EESC Secretariat

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