

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA



International
Labour
Office



The MasterCard
Foundation

SWTS country brief

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The ILO Work4Youth project worked with the State Statistical Office of the FYR Macedonia to implement two rounds of the School-to-work transition survey (SWTS) in 2012 (July–September) and 2014 (July–October). The results of the first survey were published in S. Elder, B. Novkovska, and V. Krsteva (2013): *Labour market transitions of young women and men in the former Yugoslav Republic of Macedonia*, Work4Youth Publication Series No. 1 (Geneva, ILO) and the second round in N. Mojsoska-Blazevski and the State Statistical Office (2016): *Labour market transitions of young women and men in the former Yugoslav Republic of Macedonia: Results of the 2014 school-to-work transition survey*, Work4Youth Publication Series No. 37 (Geneva, ILO). Both reports are also available in Macedonian. The objective of this country note is to offer a general summary of youth labour market trends in the FYR Macedonia based on the SWTS. Youth is defined as 15–29.

Main findings of the ILO SWTS

Human capital and mismatch

- Almost all surveyed youth had attended school or a training programme at some point in their lives as of 2014 (only 1.5 per cent of youth had never attended any school). More than half of the youth population had completed school (57.5 per cent) while 38.7 per cent was still attending school in the same year. Young women in the FYR Macedonia have equal opportunities to young men in terms of access to education.
- SWTS results show a correlation between the levels of education and a young person's labour market transition: a young person with tertiary education is able to complete the transition from school to a stable/satisfactory job in 12.5 months, as compared to 37.1 months for secondary graduates.
- A majority of employed youth is adequately educated for the job they are doing (72.4 per cent in 2014). Yet given the high levels of educational attainment, not all educated youth is able to find a job that matched their level of qualifications; more than one in five (21.3 per cent) working youth were overeducated for their job in 2014 while only 6.3 per cent of young workers were classified as undereducated.
- In 2014, more than one-half (50.5 per cent) of current students in the FYR Macedonia showed a preference for future work in the government/public sector. While the attraction of public sector employment is understandable given concerns with job security, the ability of the sector to absorb a significant number of young workers is limited.

The ILO **School-to-work transitions surveys (SWTS)** are implemented as an outcome of the Work4Youth (W4Y) project, a partnership between the ILO and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promote decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market.

See the website www.ilo.org/w4y for more information.

Underutilization of the youth labour potential remains a top concern

- The youth labour underutilization rate in the FYR Macedonia was relatively high at 48.8 per cent in 2014, an increase from the 2012 rate of 46.2 per cent. The share of underutilized labour potential consisted of 13 per cent of the youth population in irregular employment (either in self-employment or paid employment with contract of less than 12 months), 25.9 per cent unemployed and 9.9 per cent inactive non-students.
- The youth unemployment rate decreased between 2012 and 2014 from 43.3 to 39.3 per cent, but remained at more than double the EU-28 average of 17.7 per cent in the same year (Eurostat, youth aged 15-29). The unemployment rate of young women was slightly lower than that of young men (36.5 per cent compared to 41.2 per cent for males in 2014).
- The most disadvantaged in finding work are those with the lower levels of educational attainment. The unemployment rate of youth with primary only education was nearly double that of youth with university education in 2014 at 58.9 and 33.1 per cent, respectively.
- Not only are youth unemployment rates high in FYR Macedonia, also a majority of unemployed youth are looking for work for a very long time. More than three-quarters (77.8 per cent) of unemployed youth had been looking for work for longer than one year in 2014 (up from 76.9 per cent in 2012).
- The share of youth neither in employment nor in education or training (NEETs) in the FYR Macedonia has seen an increase between 2012 and 2014 (from 30 to 31.9 per cent).

Low employment rates for youth remain a strong hindrance to the country's productive transformation

- Slightly more than one in three (35.2 per cent) youth in the FYR Macedonia was employed in 2014, a significant increase from 27.9 per cent in 2012. Young men are more likely to work than young women (employment ratios in 2014 were 38.4 and 31.8 per cent, respectively).
- Most young workers are in paid employment, yet 16.8 per cent still remained in vulnerable employment as own-account workers (3 per cent) or unpaid family workers (13.8 per cent). At the same time, 7.1 per cent of youth in paid employment were engaged without a written contract in 2014 and 23.4 per cent had a contract of duration less than one year.
- The services sector absorbs the largest portion of the FYR Macedonia's young workers (52.4 per cent of young male workers and 61.8 per cent of young female workers), followed by industry (33.5 per cent of young male workers and 25.8 per cent of young female workers) and agriculture (14.1 and 12.4 per cent, respectively).
- Informal employment affects almost a half of young workers in the FYR Macedonia; the informal employment rate dropped only slightly between the two years (48.4 to 48.1 per cent, respectively).
- Most of the employed young people worked full time in 2014 (89 per cent), and more than one-third (34.2 per cent) worked excessively long hours (48 hours per week or more).

Selection of data tables

Table 1. Youth population by educational status, 2012 and 2014 (%)

Educational status	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Never attended school	0.9	1.5	1.0	0.5	0.6	2.5
Dropped out before graduation or completion of school	2.7	2.4	2.2	1.9	3.2	3.0
Currently attending school	47.0	38.7	45.7	37.1	48.3	40.3
Education completed	49.5	57.5	51.0	60.6	47.9	54.2
Total	100	100	100	100	100	100

Table 2. Key youth labour market indicators – traditional distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Employed	27.9	35.2	30.7	38.4	25.0	31.8
Unemployed (strict definition)	21.3	22.8	24.5	26.9	17.9	18.3
Inactive	50.7	42.0	44.8	34.7	57.1	49.9
Total	100	100	100	100	100	100
Youth labour force participation rate	49.3	58.0	55.2	65.3	42.9	50.1
Youth unemployment rate (strict definition)	43.3	39.3	44.4	41.2	41.8	36.5

Note: The "strict" definition of unemployment refers to persons without work, available to work and actively engaged in a job search. The "broad" definition excludes the job search criteria. The youth unemployment rate is the number of unemployed persons divided by the youth labour force (employed plus unemployed).

Table 3. Key youth labour market indicators – alternative distribution, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
In regular employment	14.5	22.2	14.4	24.3	14.5	19.9
In irregular employment	13.5	13.0	16.3	14.0	10.4	11.8
Unemployed (broad definition)	24.5	25.9	28.4	30.2	20.2	21.3
Inactive students	39.3	29.0	38.4	27.9	40.3	30.1
Inactive non-students	8.3	9.9	2.5	3.5	14.5	16.8
Total	100	100	100	100	100	100
Youth labour force participation rate (broad definition)	52.4	61.1	59.1	68.6	45.2	53.1
Youth unemployment rate (broad definition)	24.5	25.9	28.4	30.2	20.2	21.3
Youth labour underutilization rate	46.2	48.8	47.2	47.7	45.1	50.0

Table 4. Distribution of NEET youth by composition, 2012 and 2014 (%)

Sex	2012			2014		
	NEET rate	of which:		NEET rate	of which:	
		Inactive non-students	Unemployed non-students		Inactive non-students	Unemployed non-students
Total	30.0	10.3	19.7	31.9	11.9	19.9
Male	28.0	5.0	23.0	29.4	5.7	23.8
Female	32.2	16.1	16.1	34.4	18.6	15.9

Table 5. Employed youth by status in employment, 2012 and 2014 (%)

Status in employment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Wage and salaried workers (employees)	66.7	79.6	62.5	78.0	72.2	81.7
Employers	0.9	2.1	1.0	2.5	0.7	1.5
Own-account workers	6.3	3.0	9.3	4.9	2.4	0.5
Contributing (unpaid) family workers	21.9	13.8	23.4	13.7	19.8	14.1
Other	4.2	1.4	3.8	0.8	4.8	2.2
Total	100	100	100	100	100	100

Table 6. Distribution of youth employment by sector at the 1-digit level, 2012 and 2014 (%)

Sector	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Agriculture	21.1	13.4	22.3	14.1	19.5	12.4
Industry	21.0	30.1	27.1	33.5	13.0	25.8
Services	57.9	56.5	50.6	52.4	67.4	61.8
Agriculture, forestry and fishing	21.1	13.4	22.3	14.1	19.5	12.4
Mining	0.4	0.4	0.7	0.3	0.0	0.4
Manufacturing	14.5	24.4	16.5	26.0	11.9	22.2
Electricity, gas, steam	0.0	0.2	0.0	0.3	0.0	0.0
Water supply	0.6	0.3	1.0	0.3	0.0	0.2
Construction	5.5	5.0	8.8	6.5	1.1	3.0
Wholesale and retail trade	17.2	16.9	15.5	16.3	19.4	17.6
Transport	3.3	5.3	4.2	5.8	2.1	4.5
Accommodation	7.5	8.1	9.6	8.5	4.8	7.7
Information and communications	2.7	1.8	2.6	1.0	2.8	2.9
Financial activities	2.3	0.8	1.9	1.0	2.8	0.4
Real estate	0.0	0.1	0.0	0.1	0.0	0.0
Professional scientific activities	2.7	2.5	1.9	1.3	3.8	4.1
Administrative and support activities	1.9	1.6	3.3	1.8	0.0	1.2
Public administration	0.0	5.7	0.0	7.9	0.0	2.9
Education	5.9	5.9	3.2	4.4	9.6	7.9
Health and social work	8.9	3.3	4.3	1.0	15.1	6.3
Arts and entertainment	1.9	2.9	1.4	1.3	2.6	5.0
Other services	1.3	1.6	1.5	2.0	1.1	1.1
Private households	2.2	0.0	1.3	0.1	3.3	0.0

Table 7. Young wage and salaried workers by type of contract, 2012 and 2014 (%)

Type of contract	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Written agreement	90.6	92.9	87.9	89.4	93.7	97.2
Oral agreement	9.4	7.1	12.1	10.6	6.3	2.8
Unlimited duration	69.2	70.3	65.5	70.9	73.5	69.5
Limited duration	30.8	29.7	34.5	29.1	26.5	30.5
– Less than 12 months	23.7	23.4	26.7	22.0	20.3	25.1
– 12 months to less than 36 months	4.6	4.1	3.8	3.9	5.6	4.3
– 36 months or more	2.5	2.2	4.0	3.1	0.6	1.1
Total	100	100	100	100	100	100

Table 8. Youth informal employment by composition, 2012 and 2014 (%)

	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Youth formal employment rate	51.6	51.9	46.3	51.2	58.6	52.8
Youth informal employment rate	48.4	48.1	53.7	48.8	41.4	47.2
<i>Of which:</i>						
– Informal employment outside the informal sector (share in informal employment)	56.3	77.6	55.9	76.1	57.1	79.6
– Employment in the informal sector (share in informal employment)	43.7	22.4	44.1	23.9	42.9	20.4
Total	100	100	100	100	100	100

Table 9. Employed youth by overeducation, undereducation or matching qualifications, 2012 and 2014 (%)

Qualifications match	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Undereducated	12.5	6.3	15.5	9.0	8.1	2.6
Overeducated	20.7	21.3	21.9	17.3	19.1	26.9
Matching qualifications	66.7	72.4	62.6	73.7	72.8	70.5
Total	100	100	100	100	100	100

Table 10. Youth unemployment rates by level of completed educational attainment, 2012 and 2014 (%)

Educational attainment	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than primary (including no schooling)	52.4	72.3	57.2	79.0	30.0	66.4
Primary	53.0	58.9	54.4	54.0	50.4	70.2
Secondary vocational	43.1	38.0	40.4	37.0	48.7	40.8
Secondary general	57.0	49.9	68.7	50.2	38.4	49.4
Post-secondary vocational	65.7	76.6	57.1	43.5	70.0	84.5
University and postgraduate studies	40.3	33.1	42.0	41.0	39.1	28.3

Table 11. Unemployed youth by duration of job search, 2012 and 2014 (%)

Duration of job search	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Less than a week	0.4	0.1	0.3	0.0	0.6	0.4
1 week to less than 1 month	2.4	2.4	1.2	2.9	4.1	1.6
1 month to less than 3 months	8.2	7.7	7.5	6.2	9.2	10.0
3 months to less than 6 months	4.5	4.6	3.1	5.2	6.5	3.8
6 months to less than 1 year	7.6	7.4	6.4	9.8	9.3	3.6
More than a year	76.9	77.8	81.4	76.0	70.2	80.6
Total	100	100	100	100	100	100

Table 12. Youth by stages and subcategories of transition, 2012 and 2014 (%)

Stage of transitions	Total		Male		Female	
	2012	2014	2012	2014	2012	2014
Total transitioned	16.4	23.9	17.3	26.7	15.5	21.0
Transitioned to stable employment	12.6	18.4	13.1	20.7	12.1	16.0
Transitioned to satisfactory temporary employment	1.7	3.3	1.9	3.3	1.5	3.3
Transitioned to satisfactory self-employment	2.1	2.2	2.3	2.7	1.9	1.6
In transition	40.3	43.9	43.5	44.9	36.8	42.8
Unemployed (broad definition)	21.7	21.9	25.5	25.9	17.7	17.6
In non-satisfactory temporary employment	1.6	2.9	2.4	3.4	0.7	2.4
In non-satisfactory self-employment	5.0	2.7	6.5	3.3	3.3	1.9
Active students	7.6	9.7	7.3	9.2	8.0	10.2
Inactive non-students with aim to work in the future	4.3	6.7	1.7	3.0	7.2	10.7
Transition not yet started	43.3	32.2	39.2	28.4	47.7	36.2
Inactive students	39.3	29.0	38.4	27.9	40.3	30.1
Inactive non-students with no plans to work in the future	3.9	3.2	0.8	0.5	7.3	6.1
Total	100	100	100	100	100	100

Note: Unless otherwise specified, the categories exclude current students.