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## MAIN DETERMINANTS OF YOUTH LABOUR MARKET IN SELECTED SEE COUNTRIES AND THE CASE OF MACEDONIA

### ГЛАВНЕ ДЕТЕРМИНАНТЕ ТРЖИШТА РАДА МЛАДИХ ЉУДИ У ИЗАБРАНИМ ЗЕМЉАМА ЈУГОИСТОЧНЕ ЕВРОПЕ И ПРИМЈЕР МАКЕДОНИЈЕ

**Summary:** *The aim of this paper is to elaborate the youth on the labour market in selected South-East European countries with special emphasis on Macedonia and particular reference to their present state. The analysis of Macedonian youth employment is accomplished with their educational and economic structure. The situation of the global youth employment remains unstable. Problems of long job progression and a lack of stable employment for youth exist almost all around the world. As a part of the labour force, young people can significantly contribute for increasing the economic development of the country with their knowledge and abilities. Methods of analyses and synthesis, deduction and induction, as well as descriptive statistics and comparison methods will be implemented in this research. The situation of young people on the labour market in Macedonia is illustrated by paralleling with labour market indicators at national level, as well as with South-East European countries. Recent researches show that many youth in the SEE region are not active in the labour market and Macedonian youngsters aged between 15 and 24 years old are more likely to be unemployed compared to the other age groups. Labour market in Macedonia is characterized by a relatively low activity of youth. The youth activity rate in Macedonia is lower than the European Union and the average activity rate in Western Balkan countries.*

**Keywords:** *labour market, Macedonia, South East Europe, Western Balkan, youth employment.*

**JEL classification:** *J40, J10*

**Резиме:** *Овај рад има за циљ истраживање тржишта рада младих људи у одабраним земљама Југоисточне Европе са посебним освртом на Македонију и тренутно стање у тим земљама. Анализа запослености младих људи из Македоније је извршена узимајући у обзир њихову образовну и економску структуру. Стање запослености младих на глобалном нивоу је и даље нестабилно. Проблеми са дугим чекањем на посао и недостатком сталног запослења младих присутан је широм свијета. Као дио радне снаге, својим знањем и способностима, млади људи могу да значајно допринесу убрзању економског напретка неке земље. У истраживању користимо методе анализу и синтезу, дедукцију и индукцију, те дескриптивну статистику и поређење. Мјесто младих људи на тржишту рада у Македонији илустровано је уз помоћ паралелног поређења са индикаторима тржишта рада у Македонији и земљама ЈИЕ. Новија истраживања указују на то да многи млади људи у земљама ЈИЕ нису активни на тржишту рада, а млади Македоније старости између 15. и 24. године још су мање запослени у односу на друге старосне групе. За тржиште рада Македоније карактеристична је релативно мала активност младих. Стопа активности младих у Македонији нижа је него у Европској унији и мања од просјечне стопе активности у земљама Западног Балкана.*

**Кључне ријечи:** *тржиште рада, Македонија, Југоисточна Европа, Западни Балкан, запосленост младих*

**ЈЕЛ класификација:** *J40, J10*

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## 1. INTRODUCTION

All around the world, young people make important contributions as producers, entrepreneurs, consumers, citizens, members of society. It is very common that the full potential of young people is not used because they do not have access to productive and decent jobs that match their qualifications and fulfill their aspirations.

Many young people are faced with high levels of economic and social insecurity. Their exclusion from the labour market may contribute to increased economic and psychological costs, thereby causing social conflicts. Although the challenge of employing young people is affected by the complex interaction of economic, social and demographic factors in developing countries, its global significance is clearly linked to the explosive growth in the number and in the participation of young people in the population of many developing countries in recent decades (Asaad and Levison 2013).

Globalization and technological progress have a major impact on labour markets around the world, and young people who are newly employed, are faced with a number of challenges related to this development. There is an increasing number of young people employed in the informal economy where jobs are usually characterized by uncertainty, low incomes and poor working conditions, and the reason for such employment is that young workers are unlikely to oppose to non-standard working conditions due to several reasons. First of all, many of the youth think that their jobs are temporary and that they will remain there until they finish their education, and therefore, they are more likely to express their dissatisfaction by changing the workplace than trying to improve the working conditions. Secondly, as a more vulnerable group of workers, young people are less likely to join together and seek higher salaries and better working conditions. Thirdly, many young workers have temporary or other insecure employment mechanisms, which do not give them a support for improving the working conditions (United Nations 2003).

In developed economies, youth unemployment can be related to the transition from school to work, different forms of discrimination, shortcomings associated with lack of work experience, cyclical labour market trends and a large number of structural factors. In developing countries it may be associated with insufficient growth and development and can affect those who do not participate in the benefits of globalization. In many poor communities, unemployment and work poverty are acute problems for many young women and men in the fight to earn income. A large number of poorly educated young people in rural areas can not progress due to the lack of support in terms of policies, infrastructure and inputs. Unfavourable position of young people in the labour market is largely rooted in their transition from school to work. The term "transition from school to work" is a relatively new supported concept that covers several long-standing issues related to education, employment, experience and training and appropriate policies (Ryan 2001). The labour market has become more flexible lately, and unions are weak. The informal sector is large, hence potentially it is providing job opportunities for young people (Petreski, Mojsoska-Blazevski and Bergolo 2016). As stable employment has become a longer and more complex process, the idea of being a young person also has undergone some modifications. The United Nations standard definition of a young person as an individual between the ages of 15 and 24 no longer covers the typical period of transition from education to employment, which was originally intended to be comprehensive (Ryan 2001). Lastly, more young people remain in education, moving to higher levels, and the transition process itself becomes longer, so that a significant number of young people are not ending that transition until their late twenties. In this context, it makes sense to extend age coverage, and therefore those aged 25-29 sometimes get involved in the analysis (O'Higgins 2017).

Today, young people are faced with a difficult process in trying to enter the world of jobs. The global recession has left its mark, and after the decline that lasted several years, the youth unemployment rate is rising again. Matsumoto et al. (2012) explicitly look at the role of macroeconomics in determining employment and youth unemployment and found that gross domestic product (GDP) growth is strongly linked to youth employment and it is inversed to youth unemployment. Policymakers, the development community and scientists increasingly recognize the importance of using the potential that young people have for growth, sustainable development and social cohesion. The aim of politics must be to cherish today's youth. This is an investment in the future of societies. This can be done by investing in their education with the greatest possible quality; supporting the opportunities for lifelong learning and training that enable for adjustment to technological changes and changes in the labour market; and provide them with social protection and employment services, regardless of their type of contract (ILO 2015).

In South East Europe, unemployment is more than twice as high for the youth as for adults. It is still particularly high for the youth. Many youth in SEE countries are not active in the labour market and many of them are in the informal sector, or chose to emigrate. Also, there are substantial differences in their labour market activity rates. For both youth and adults in Europe, unemployment is responsive to GDP growth, but particularly it is so in South East Europe. There is solid evidence that rising youth unemployment is closely associated with economic contractions, and employment with

expansions. Evidence suggests that the youth are disproportionately affected by large recession shocks both immediately and throughout the recovery. Many youth in SEE do not acquire the foundational skills that can help them succeed in a dynamic labour market, faced with the challenges in the quality and equity of the education and training systems (Andronova et al. 2016).

## 2. METHODOLOGICAL APPROACH

The aim of this paper is to recognize the characteristics of young people participating in the labour market and to analyze the situation of young people on the labour market in Macedonia and in the selected countries of South-East Europe (SEE), i.e. Western Balkan countries. For that purpose, data from the World Bank were used, and for a more detailed analysis of youth labour market in Macedonia, data from the Labour Force Survey were also used for the period from 2008 to 2016, with the analysis more closely preserving the current situation. In order to emphasize the diversity of young people in Macedonia, a division of young people in groups of 15-24 years and 25-29 years is made, as part of the youth in the group of 15-24 years are still included in the educational system, while most of the young people in the 25-29 age group are included in the labour market for the first time.

The main indicators used in this analysis are: activity rates; the unemployment rate and the employment rate as participation of employees in the working age population at the age of 15 years or more (according to the recommendations of the International Labour Organization - ILO and the recommendations of the European Statistical Bureau). The data from the Labour Force Survey authorize making an analysis of the employment of young people in Macedonia in addition to educational structure, economic status and structure and types of working hours. According to the economic status of the employees, young employees are divided into three categories: employees - persons working in state institutions, business entities in the social, mixed, cooperative and undefined ownership or with a private employer; self-employed - persons who have their own business entity, business, independently perform activity and work on agricultural property in order to earn income, while not employing other persons; and unpaid family workers, persons who work without a salary in a business entity, shop or agricultural property (owned by a member of their family).

The following methods are used for the analysis of this paper: descriptive statistics, method of synthesis and method of analysis, method of induction and deduction, and comparative analysis.

## 3. MAIN FEATURES OF YOUTH LABOUR FORCE IN SELECTED SEE COUNTRIES

Accession to the European Union remained the main challenge of the countries of Southeast Europe which today are facing the group of Western Balkans: Serbia, Macedonia, Montenegro, Bosnia and Herzegovina and Albania. In this paper Croatia as a part of the Western Balkan group but already a member of the European Union and Slovenia as the oldest member of the Union from the former Yugoslav republics are also analyzed.

Official data from the data base of World Bank, World development indicators, are used for analyzing the youth labour force participation rate, unemployment and employment rate. Data concerning the labour market are comparable with each other and are based on generally accepted methodology of the International Labour Organization.

Today there are about 22.5 million people in the analyzed countries of South East Europe, representing 4.5% of the population in the European Union which is about 500 million people. Only in Western Balkan Countries, which are not members but are in the process of EU integration, there are about 16.2 million people or 3.243% of the population in the Union. In the Western Balkans there are 2.8 million of the youth, representing 5% of the total youth population in EU where the youth account for 55.7 million.

The youth labour force participation rate is defined by ILO methodology in relation to the total youth population between 15-24 years.

As can be seen from the table, all countries have youth labour force participation rate below EU level. The lowest youth labour force participation rate of 28.3% is registered in Montenegro, followed by Serbia 28.9%, Macedonia 30.9%, Albania 31.2% and Bosnia and Hercegovina 31.7%.

Croatia and Slovenia, although EU members, have youth labour force participation rates which are drastically under EU average of 41.5%. According to the youth labour force participation rate, analyzed countries from the SEE deviate much from the EU average. One of the previous researches showed that there is a permanent gap between the average labour force participation rate calculated for Western Balkan Countries and labour force participation rate in EU for the period before and after Great crisis from the 2008 (Trpeski 2017, 34).

*Table 1. Youth performance in selected SEE Countries and EU in 2016*

Country	Participation rate (%)	Employment (%)	Unemployment (%)
Albania	31.2	17.4	33.6
Bosnia and Herzegovina	31.7	6.5	67.5
Macedonia	30.9	12.4	50.1
Montenegro	28.3	18.0	36.0
Serbia	28.9	14.1	33.7
Croatia	36.7	20.3	29.4
Slovenia	33.3	25.7	15.4
EU	41.5	32.7	19.5

Source: World development indicators.

Youth unemployment in Western Balkan Countries is higher than youth unemployment in European Union. Although there is a growth in youth unemployment in EU from 18.5% in 2006 to 25.1% in 2014, youth unemployment in Western Balkan Countries is higher than EU. In 2016 the highest rate of youth unemployment of 67.5 % is registered in Bosnia and Herzegovina, followed by Macedonia, where the youth unemployment rate is 50.1%, Montenegro 36%, Serbia 33.7% and Albania 33.6%. Youth unemployment in Croatia is 29.4% and is above EU youth unemployment, while Slovenia has a youth unemployment rate of 15.4% which is lower than the youth unemployment rate of 19.5% in the EU. In the past decade, youth unemployment in Western Balkan countries marks a divergence rather than convergence towards EU average (Trpeski 2017, 38).

Employment in Western Balkan Countries is lower than employment in European Union. From analyzed countries only Slovenia, as a EU member state, with youth employment rate of 25.7% is closer to the EU youth employment of 32.7%, while in Croatia, although a member of the Union, the youth employment rate of 20.3% is closer to the employment in Western Balkans. From the Western Balkan Countries, Bosnia and Herzegovina has extremely the lowest employment rate of 6.5%, followed by Macedonia 12.4%, Serbia 14.1%, Albania 17.4% and Montenegro 18%.

Employment in European Union has seen a downward trend and decreased from 52.4% in 2006 to 51.7% in 2014. But what should be particularly emphasized is that the employment in Western Balkan Countries does not mark a convergence toward the EU average, but otherwise, there is a trend of divergence (Trpeski 2017, 47).

#### **4. A BRIEF REVIEW OF YOUTH LABOUR MARKET IN MACEDONIA**

According to the Labour Force Survey on the rates of activity, as well as the employment and unemployment rates together, it can be seen that the population in Macedonia between the ages of 15 and 29 is significantly heterogeneous. The market for young workers aged 15-24 years is characterized by low activity rates of 29.8% in 2016, while the activity rate of young people aged 25-29 years of 76.6% is above the national average whose activity rate is 64.5%. Decreasing activity rate is a characteristic phenomenon for the entire population in Macedonia in the period of 2008-2016, but is most pronounced among the youngest (15-24 years).

The low rate of activity among young people is mainly due to broad education and the fact that most students do not work while studying. Apart from this factor as the main reason, other reasons for the low youth activity rate include engaging in household chores, injury, disability or illness that can prevent the engagement of the individual in the labour market, waiting for seasonal work, and reasons that imply a feeling of discouragement in the prospect of finding a job (ILO 2015).

Unemployment is a problem for the entire population in Macedonia. However, the youth are most affected by this problem. The unemployment rate among young people aged 15-24 is twice

higher than the general unemployment rate in Macedonia (15-64), which is 24% in 2016, while among young people aged 25-29 the unemployment rate is higher by 1.5 times. The unfavorable position of young people on the labour market in Macedonia can be seen from the comparison with the European Union, where the unemployment rate of young people (19.5%) is significantly lower than Macedonia (52.5%). Even in comparison with the average unemployment rate of Western Balkan countries (38%), Macedonia has the highest youth unemployment rate after Bosnia and Herzegovina.

*Table 2. Youth performance in Macedonia, 2008-2016*

	Participation rate (%)			Employment rate (%)			Unemployment rate (%)		
	15-24	25-29	15-64	15-24	25-29	15-64	15-24	25-29	15-64
2008	35.9	77.1	63.5	15.7	46	41.9	56.4	40.3	34
2009	35	77.5	64	15.7	48.3	43.3	55.1	37.7	32.3
2010	33.3	79.2	64.2	15.4	47.9	43.5	53.7	39.4	32.2
2011	32.1	78.9	64.2	14.4	46.8	43.9	55.3	40.6	31.6
2012	32.4	78.1	63.9	14.9	45.7	44	55.8	41.5	31.2
2013	32.5	77.2	64.9	15.5	45.9	46	56	40.5	29.1
2014	31.2	79.5	64.9	14.5	48.2	46	57.2	39.3	29.1
2015	31.2	77.6	64.9	16.4	47.3	47.8	46.8	39	26.3
2016	29.8	76.6	64.5	15.4	49.6	49.1	52.5	35.2	24

Source: Labour Force Survey, 2008 - 2016

One of more important reasons why unemployment tends to be greater among young people than adults relates to the existence of the so-called "working queues" because employers often prefer more experienced workers. Other significant factors refer to the higher levels of changing the workplace, to the redundancy policies based on the principle of "last-in, first-out" and to lower levels of job protection that are assigned to new workers (United Nations 2003).

The percentage of long-term youth unemployment in Macedonia is lower than in total population at the working age of 15-64 years (59.4% versus 81.3%). The reasons for this may include the higher mobility and adaptability of young people, the lower salary which is offered to young people rather than their experienced workers, as well as the fact that people aged 15-24 years return to education after unsuccessful attempts to employment (Eurostat 2009).

In 2016, 15.4% of young people aged 15-24 and 49.6% of young people aged 25-29 were employed in Macedonia. The percentage of the youth employed for those aged 15-24 is significantly higher in European Union (32.7% for the youth aged 15-24) than in Macedonia. From the Western Balkan countries, only Bosnia and Herzegovina had a lower employment rate for young people. Considering that there is overall moderate growth of employment in Macedonia in the period of 2008-2016, the first category of young people records variations, i.e., a decline in the employment rate in the period of 2008-2016.

Education is a central part of development strategies in most countries. Accordingly, enrollment rates in schools have risen dramatically in almost all developing countries, but despite the significant progress towards universal primary education and enrollment in high school, there are numerous challenges which have to be met. Many developing countries face the expansion of the young population, which has an impact on increasing pressure on education systems and the labour market. The transition of young people from education to work is burdened with specific challenges that are manifested by relatively low employment rates, high unemployment rates and high rates of young people who are neither in the employment, education or training process. The Table 3 shows the state of youth in the Western Balkan countries in relation to the rates of the youth that are not in the employment, education or training process.

As illustrated in the Table 3, it can be recognized that Macedonia, after Albania and Bosnia and Herzegovina, belongs to the group with a higher percentage of young people who do not participate in any of the listed processes, compared with Serbia, Croatia and Slovenia which have lower rates. Potentially any type of education or training (formal or non-formal) should improve skills and employability. People who are neither in employment nor in education and training are often disconnected from the labour market and have a higher risk of not finding a job, which could lead to poverty or social exclusion.

Table 3. Share of the youth not in education, employment or training, total (% of youth population)

	Albania	Bosnia and Herzegovina	Macedonia	Serbia	Croatia	Slovenia
2008	27,2	/	30,7	/	11,6	6,5
2009	/	/	27,7	21,6	13,4	7,5
2010	/	/	25,5	21,2	15,7	7,1
2011	30	/	25,2	21,6	16,2	7,1
2012	26,8	/	24,8	26,6	16,6	9,3
2013	30,5	/	24,2	19,8	19,6	9,2
2014	34,5	26,1	25,2	21	19,3	9,4
2015	32,8	27,7	24,7	20,1	18,1	9,5
2016	/	26,4	24,3	18,1	16,9	8

Source: World Development Indicators

In Macedonia, the information which shows that education is the best insurance against unemployment can be seen from the data from Table 4. From the total number of employees in 2016 aged 25-29 years, 52.8% are with secondary education, while 39% are with higher education. Only 7% of employees have primary education.

Table 4. Structure of employed people by educational attainment in Macedonia

	2008		2012		2016	
	15-24	25-29	15-24	25-29	15-24	25-29
Primary education	24.6	14	13.5	8.6	17.5	7
3 and 4 years of secondary education	66.9	61.4	71.5	52.4	72.7	52.8
University level education	5.6	21.3	15.3	37	15.1	39

Source: Labour Force Survey, 2008 - 2016

Although education clearly improves labour market opportunities, the percentage of highly educated young people in Macedonia is lower than young people with secondary education. This phenomenon can be explained by two key factors. First, it is the disagreement of university degrees with the demand of certain jobs in the labour market. Guidance and training in areas such as engineering and the physical sciences, which require more sophisticated equipment and technology, are often very expensive for many of the universities in developing countries. As a result, engineering and high-tech jobs remain unfulfilled. The second factor is the overall lack of jobs in the formal economy. The informal sector of the economy provides several opportunities for young people to find a job that corresponds their level of education. Young workers in SEE seem to constitute a larger share of informal employment than of formal employment (United Nations 2003). According to the Labour Force Survey, 35% of young people in Macedonia aged 15-24 are employed in the informal sector of the economy in 2016.

Table 5. The employed by economic status in Macedonia (structure in %)

	Employee			Self-employed			Unpaid family workers		
	15-24	25-29	15-64	15-24	25-29	15-64	15-24	25-29	15-64
2008	3.9	13.8	10	1.3	5.5	9.8	11.6	12.4	9.6
2009	3.7	13.8	10	1.3	6.1	9.5	11.4	13.8	9.6
2010	3.7	13.9	10	1.1	5.7	9.5	10.5	13.7	9.5
2011	3.1	13.3	10	1.5	6.3	9.7	11.2	13.2	9.5
2012	3.3	13.1	10	1.4	4.6	9.6	11	11.6	9.6
2013	3.3	12.3	10	2	5	11.5	11	13.4	9.7
2014	3	12.5	10	2	5	10.8	10.3	14.8	9.7
2015	3.3	12.6	10	2.1	3.5	10.6	10.4	11.8	9.4
2016	3	12.7	10	1.5	4.3	10.6	10.2	9.2	9.3

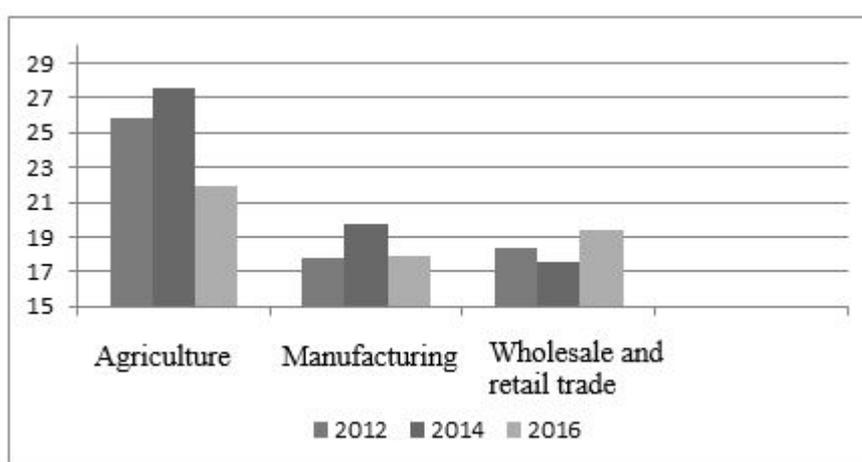
Source: Labour Force Survey, 2008-2016

The Macedonian labour market is influenced by strong segmentation, which means that certain social groups, such as young, less skilled workers and women, face a higher risk of unemployment and

inactivity than the rest of the workforce. It is assumed that the same segments of the labour market are most disposed to informal employment contracts or temporary emigration, where jobs are characterized by low security and lower wages compared to jobs in the formal sector (Nikoloski and Pechijareski 2017). The dualist economic structure means that the employment problem does not manifest through the high unemployment, but in the high rate of insufficient employment hidden in self-employment and in case of unpaid wages outside the formal segment.

In Macedonia, in terms of economic status, it can be noted that there are variations among young people who are employed. Namely, they can be employees, self-employed or unpaid family workers. As can be seen from Table 3, the largest percentage of young people aged 25-29 are involved in the labour market as employees. However, the percentage of young people employed as unpaid family workers (especially among young people aged 15-24) should not be neglected. This situation can be explained by the high participation of employed young people in the agricultural sector in Macedonia, and less often by setting up their own business (Graph 1).

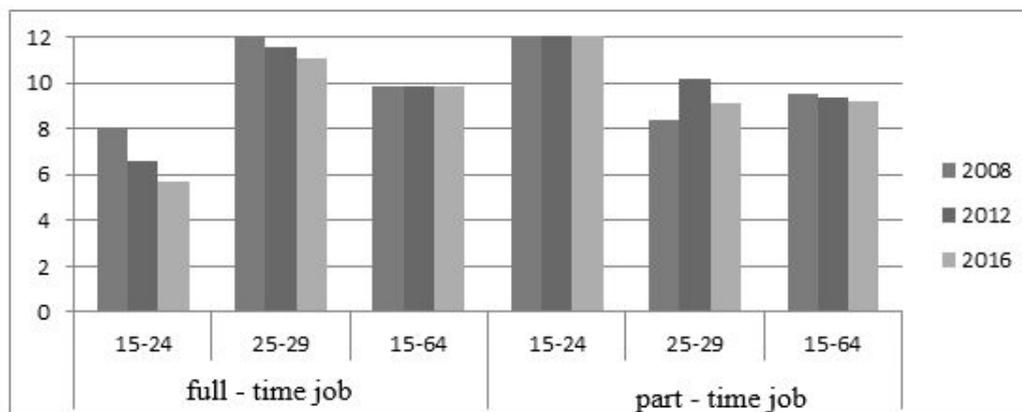
Graph 1. Share of employed young people (15-24) in agricultural sector



Source: Labour Force Survey, 2008 – 2016

Young people usually work as employees, but not all of them have permanent full-time work. For many young people, part-time work is considered to be a rebounding rate for permanent employment.

Graph 2. The youth employed with full-time and part-time jobs in Macedonia<sup>1</sup>



Source: Labour Force Survey, 2008 – 2016

<sup>1</sup> The values shown on the graph represent the percentage of young people (15-24, 25-29) in relation to the total number of full-time employees and the total number of part-time employees

In 2016, 14.8% of employees in Macedonia aged 15-24 worked part-time, mainly because they could not find full-time jobs (32% of them). 29.9% of employees aged 15-24 worked part-time because they were still in education. On the other hand, a greater percentage, or 50.8% of employees aged 25-29 who worked part-time, reported that they could not find a full-time job compared to employees aged 15-24. An interesting fact is the data on the greatest reason for working part-time between young people in Macedonia and the countries in European Union. In 2016, the most common reason (43%) why young people aged 15-24 in the European Union countries worked part-time is their involvement in education, while in Macedonia the most common reason (32%) of young people aged 15-24 working part-time is that they could not find a full-time job (Eurostat 2016).

## 5. CONCLUSION

Growing through rapid technological change and globalization, today's youth are faced with the challenge for doing their pathway through unpredictable times. The unemployment rate of young people has been increasing in the years following the financial and economic crisis, reflecting the difficulties faced by young people in finding a job. Educational attainment is an important differentiating factor when assessing the magnitude of unemployment rates. Ridden by overall high levels of unemployment and low labour force participation, along with a shrinking and aging work force, the labour market in SEE countries is not creating the job opportunities needed to boost living standards and growth prospects for the region.

In all of the analyzed countries, young people are the most vulnerable category in the labour market. Thus, in Macedonia, young workers (aged 15-24) are more likely to be unemployed than other age groups. Employment rates are quite low, and unemployment rates are quite high (52.5% for young people aged 15-24, a rate that is twice as high as the national unemployment rate in 2016). For comparison, in the European Union, the unemployment rate for young people up to 24 years is 19.5%. Young unemployed people are at a disadvantageous position on the labour market compared to other age categories of citizens. The most significant reasons for youth unemployment in Macedonia are related to the poor qualifications structure (a large number of young people who are unskilled or semi-skilled), the inconsistency between the needs of the labour market with the education system, the strict need of employers to employ people with previous work experience, as well as the growth of the "gray" economy, in which people are de facto employed, but they are still evidenced as unemployed to be entitled to health insurance.

Poor market conditions, as it seems, have contributed to particularly large increases in enrollment rates in a tertiary education, as studying is the most affordable alternative for young people in comparison with the years they have to go through to get their first job. Thus, in the academic year 2015/2016, the net enrollment rate in higher education is 28.26% compared to the previous school year, which is 27.01% (State Statistical Office 2016). Another alternative that is currently in great progress is the brain drain process for highly skilled and educated young people, which reduces the quality of human capital in Macedonia.

The labour market in Macedonia is characterized by a relatively low activity of the youth. The youth activity rate in Macedonia is lower than the European Union and it is below the average activity rate of Western Balkans' countries.

On the other hand the youth employment represents a more flexible segment of the labour market, with higher share of temporary contracts and informal employment. The majority of young people are employed, but the proportion of self-employed and family workers is not neglecting, too. This can be explained by the high participation of employed young people in the agricultural sector, but rarely by setting up their own business. However, youth entrepreneurship can be significant for improving the employment of young people, especially in conditions when they are able to work for limited wages. Young people in Macedonia are more likely to work part-time, mainly because they can not find a full-time job.

Many youth in the SEE region are not active in the labour market. Many SEE countries have high rates of young people who are not in employment, education, or training. Poor labour market outcomes in the SEE countries have negative consequences not only for young people in the region, but for growth, poverty and social inclusion at all levels of society – regional, country and individual. Young people end up bearing the brunt of both structural and cyclical vulnerabilities embedded in the functioning of the region's labour markets, and face more obstacles to get a job.

Since youth employment represents a more flexible segment of the labour market, with a higher proportion of temporary contracts and informal employment, labour regulations' reforms and labour taxation could have a positive impact on youth employment. In addition, there are other important constraints, such as inadequate skills, low level of entrepreneurship skills and access to productive inputs, as well as social norms and attitudes. This situation has direct and indirect negative consequences for the socio-economic development of Macedonia, since young people are part of the labour force that can significantly contribute to the more dynamic economic development of the country with their knowledge and creative abilities. However, not only the quantity, but also the quality of jobs is also important. Providing opportunities for young people to access decent jobs means more than just earning for living. This means enabling young people to receive decent and productive work in which their rights are protected, adequate income is created and adequate social protection is provided. Increasing investment in decent youth jobs is the best way to ensure that young people can achieve their aspirations, improve their living conditions and actively participate in society.

According to the policy frameworks, most of the existing measures are focused on developing skills and less on labour market policies. A high priority for supporting to the youth should be given through targeted policy measures in order to combat high youth unemployment and underemployment and to give them access to quality jobs. Short-term and long-term measures for better youth employment outcomes have to be taken by equipping young people with relevant skills and removing barriers to their employment in quality and adequate jobs in the formal economy.

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