

Labor Market and Labor Migration in the Republic of Macedonia – changes and current situation

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Introduction

In the Republic of Macedonia labor market problems and labor migration abroad are issues with long history and with a strong mutual correlation. The labor migration abroad starts in the middle of 1960s and was caused by the significant growth of the unemployment. Since then up until now the high and growing unemployment was one of the main determinants of the emigration abroad and its transformation from temporary migration into permanent one.

High unemployment and underemployment were and remained one of the most difficult economic and social problems in the Republic of Macedonia. These are long-term problems because in the pre transitional period the country was faced with continuous increase of the unemployment and underemployment as well as of the scope of the labor force reserves. The labor market problems were significantly worsened in the period of transition when the unemployment rate recorded a dramatic growth (37% in 2005 according Labor Force Survey data). Besides its decrease in last year's today Republic of Macedonia is distinguished with highest unemployment rate, particularly youth unemployment rate, in the region and wider.

Emigration abroad from the Republic of Macedonia also has been a long-term phenomenon dating back in the 1960s, which was intensified in the last two decades. The World Bank data estimates that the number of Macedonian citizens in the receiving countries all over the world in 2010 amounts to 447,138 persons and the emigration rate is about 21.8%.¹ The mentioned World Bank data for migrants stocks in 2010 are only rough approximations. In the case of Macedonian migrants, they are underestimated regarding the overseas countries. If we include census data and official statistics of the USA, Canada, Australia and New Zealand, then the number of Macedonian citizens abroad amounts up to 545,000 persons, and the emigration rate is 26.5%.² This emigration rate can be considered as a roughly correct estimation of the current size of the Macedonian emigration.

¹World Bank (2011): *Bilateral Migration Matrix*, November 2010, <http://go.worldbank.org/JITC7NYTTO> (last access 1 December 2011).

World Bank (2011a): *World Bank Fact book on Migration and Remittances 2011*, <http://data.worldbank.org/data-catalog/migration-and-remittances>(last access 12 December 2011).

²Bornarova S., Janeska V. (2012): European Commission & GVG (2012): *Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe – Country Report Macedonia*, European Commission & GVG, p.4.

1. Labor market and labor migration in pre transitional period

Labor market changes in the pre transitional period were determined by the low level of economic development and the structure of the Macedonian economy, intensive process of deagrarisation and the population development.

Despite the increasing growth rates of Macedonian economy, due to its structure in which capital intensive industry prevails, the number of new jobs was insufficient to absorb the inflow of a new generation of labour force. In the same time starts intensive process of deagrarisation. In the period 1953–1961, the total agricultural population fell by about 97,000 and during the inter censal period (1961–1971) by about 64,400 persons. The largest extent of change occurred in the period 1971–1981. At the same time, while the data are incomparable,³ the reduction of the labour force is most apparent, because it reached about 265,000 persons. Such changes are the result of a fast process of industrialisation, as well as the intensive and spontaneous transfer of an agricultural into a non-agricultural population.

The population development in the pre transitional period was characterized by high growth of the total and working-age population that implicates large inflow of new generation of labor force (Table 1). In the same time the activity rates remained at a relatively low level (about 40%), and labor force participation rates decreased significantly. For this period is characteristic and large increase in the demographic reserve of the labor force.

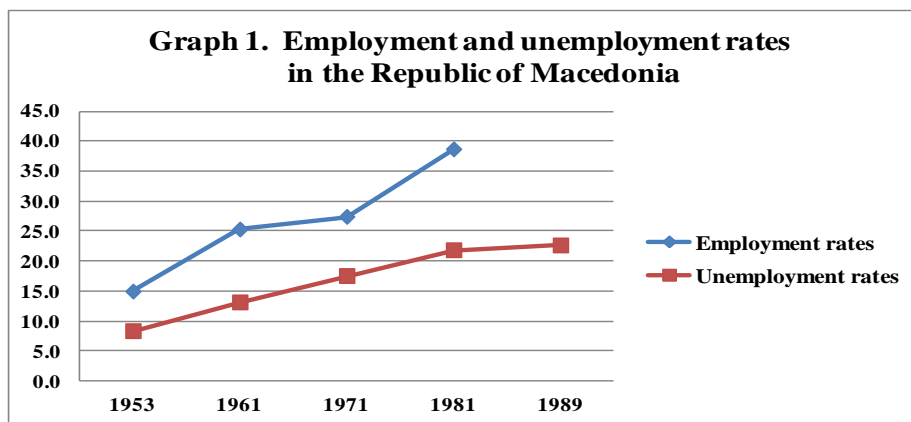
Socio-demographic data about the Republic of Macedonia							
	Number / rate				Increase / decrease (%)		
	1953	1961	1971	1981	1953-1961	1961-1971	1971-1981
1. Total population	1304514	1406003	1647308	1909136	7.8	17.2	15.9
2. Working-age population (15-64)	729453	789037	987899	1196413	8.2	25.2	21.1
3. Active population (labour force)	531903	554374	630346	750416	4.2	13.7	19.0
3.1. Economically active population	531903	554374	630346	750416	4.2	13.7	19.0
- Employed	108730	199312	270379	453378	83.3	35.7	67.7
- Active agricultural population	423173	355062	359967	297038	-16.1	1.4	-17.5
3.2. Unemployed persons	9884	30022	57364	126645	203.7	91.1	120.8
Crude activity rate (labour force in % of total population)	40.8	39.4	38.3	39.3			
Labour force participation rate (labour force in % of working-age population)	72.9	70.3	63.8	62.7			

Source: State Statistical Office, Republic of Macedonia, Censuses of Population 1953, 1961, 1971 and 1981.

As for the employment up until 1990s, although it was increased for about five times, the employment rates were relatively low. The unemployment in the Republic of Macedonia has been continuously evidenced since 1953. The number of unemployed between 1953 and 1965, beside the oscillations increased from 5912 to 36610 persons. Since 1965 starts long term and almost continuous growth of the unemployment. In the following decades, within

³ The data are not completely comparable due to the change in the definition of the agricultural population. In 1953, 1961 and 1971, the total agricultural population was defined according to occupation, and in 1981 and 1994 it was defined according to sector of employment.

the former Yugoslav Federation, it was an area with highest unemployment rates, which from the mid of the 1970s and during the 1980s of the last century amounted about one fifth of the total labour force⁴.



Source: Same as in Table 1

The changes in the scope and nature of emigration since 1945 correspond to the country's social and economic development stages, and the changes in the migration policies of the receiving countries. In this respect, in pre transitional period three periods can be identified⁵

✚ *The first period* (from 1945 to early sixties), is distinguished by intensive emigration of persons of Turkish nationality. The total number of emigrants in the period 1953-1961 is estimated at about 164,000 persons. According to the data of the Ministry of Internal Affairs, 127,000 emigrants who left the country and settled in Turkey in the period from 1951 until the 1st June 1958⁶ were of Turkish nationality. Unlike the emigration of the Turks, the economic, political and other types of emigration for Macedonian citizens during this period were forbidden and therefore carried out on an illegal basis.

✚ *The second period* (1961-1975), is characterised by the further emigration of Turks and the beginning of economic emigration (temporary employment abroad and permanent emigration to overseas countries). The contemporary emigration abroad started in the first half of the sixties with the change of the political attitude towards the international migration, caused by the economic reform and increased unemployment. The data of the Ministry of Internal Affairs show that during the period 1961-1971 about 47,000 persons permanently left the country (74% of them were Turks). According to the data of the Population Census in 1971, 56,449 persons were registered as Macedonian citizens abroad (96.4% of them were migrant workers)⁷. The majority of them were temporarily employed abroad through the Employment Agency.

✚ *The third period* (1976-1990), is characterised by a decrease of employment abroad in the period 1976-1985, and their re-growth in the second half of the eighties; more intensive return of migrant workers; reunification of families of those staying behind; increase of births

⁴As for those unemployment rates it should be pointed out that in the labour force i.e. employed the active agricultural population was not included.

⁵Janeska Verica, *Contemporary International Migration, the Emigration from the Republic of Macedonia and the Socio-economic Development*, Institute of Economics, Skopje, 2001, p. 166-172.

⁶These are data about deregistration of Turks in local offices of the Ministry of Internal Affairs. The number of Turks in 1953 amounts to 203,938 and in 2002 to 77,959 persons.

⁷Only a small part (2016 persons or 3.6%) of the total number of Macedonian citizens abroad (registered by the Population Census in 1971) were family members. This implicates that temporary and circular economic emigration of Macedonian citizens prevails within the emigration abroad.

of children of Macedonian parents abroad (self-reproduction of the migrating contingent) and gradual transformation of temporary stay into permanent one.

The total number of temporary employed persons abroad through the Employment Agency in the period 1967-1990 amounts to 84,567, of which 63.6% have left the country from 1967 until 1975, and 25.5% in the period 1985-1990. In the same period (1967-1990) the number of the registered returnees amounts to 55,245 persons⁸. The majority of them (73.5%) returned after 1975. In the inter-census period 1971-1981 the number of migrant family members increases from 2,016 to 42,958 persons. With the Population Census 1981, 19,528 persons were registered as born abroad.

Above mentioned figures shows that in the pre transitional period there was significant number of Macedonian citizens abroad with prolonged or permanent residence abroad. Established migration networks were one of the main determinants of the emigration in the period of transition.

2. Labor market and labor migration in last two decades

Since 1990 the Republic of Macedonia faced significant changes in terms of economic, demographic and social development. The real growth rates were negative from 1991 to 1995, and after an increase with more or less emphasized oscillations (real growth rates have negative values in 2001 and 2009) was noticeable. The GDP increased from 3523 in 1996 to 7504 in 2011 (million EUR at current rate), and GDP per capita (in EUR at current rate) from 1777 to 3376 respectively⁹. GDP per capita at PPP in 1999 was 27.0% and in 2009 it reached 36% of the EU average¹⁰. In the period 1990-2001 the real wages declined by more than 50%.¹¹

Perhaps the hardest impact came along with the painful process of privatisation, restructuring and bankruptcy of state-owned enterprises that caused a mass of people being left redundant and excluded from the labour market. The transition from socialism to a market oriented system lead to collapsing of many enterprises. In the course of few years, many socially owned enterprises have been privatized, and a huge proportion (over 200.000) of the population has become unemployed. Unemployment rates rose sharply and also in the past years remained at a high level. In these circumstances living standards eroded in many sectors of the population, while relative poverty rates (calculated as the percentage of persons whose expenditure is below 70% of median equivalent expenditure) increased from 19% (1999) to 30,4% (2011)¹². In summary, the cumulative effect of problems, arising from underdevelopment and the socially stressful process of transition, had a dramatic impact on the social status of Macedonian citizens in general. Unfavourable socio-economic development and particularly the great changes on the labour market were main determinants for the intensification of the emigration abroad.

⁸ These are data from the Employment Agency records on the number of returnees from those who were temporarily employed abroad through the employment offices.

⁹Source: National Bank of the Republic of Macedonia (www.nbrm.gov.mk)

¹⁰State Statistical Office, *Relative Poverty Line*, News Release No. 4.1.11.48, Skopje, 2011.

¹¹UNDP, *Support to Capacity Building in Social Development*, Project Document, Skopje, 1998, p. 2).

¹²State Statistical Office, *Relative Poverty Line*, News Release No. 4.1.12.50, Skopje, 2012.

2.1. Labor market features

Republic of Macedonia entered the transition period with more than 150 thousand unemployed persons and with the same number of over employed persons because of the administrative, but unproductive employment done in the previous period (especially in the 1980s).

Demographic trends in the Republic of Macedonia cannot be distinguished as significant factor for current labour market situation. Population census data show that within the last inter census period 1994-2002, the total population growth in the country and the working-age population was significantly decreased (3.9% i.e. 7.0%)¹³. According population projections data in last decade (2002-2011) these indicators amounts 1.8% and 5.2%.

Census data (1994 and 2002) for the active population are not comparable due to the different methodology that was applied referring to the economic structure of the population¹⁴. So, since 1996 the Labor Force Survey (LFS) is the only data source that provides comprehensive and more or less relevant information for the labor market changes in the Republic of Macedonia (Table 1). They show that in the period 1999-2012 the average values of crude activity rate amounts 59.1% and of the labour force participation rate 66.7%. In 2012 the values of these indicators amounted 56.5% and 63.9% respectively (Table 2). These indicators show that low activity of the population, and particularly of the working age population is one of the main features of the Macedonian labor market. For example in 2011 the labour force participation rate in Republic of Macedonia amounts 64.2% and in EU 27 71.4%.

	Working-age population (15-64)	Active population (labor force) (15-64)	Inactive working-age populatin (15-64)	Crude activity rate*	Labor force participation rate
1999	1336958	798819	538139	52.6	59.7
2000	1346921	804049	542871	52.9	59.7
2001	1369327	845888	523441	55.5	61.8
2002	1359203	812649	546551	52.6	59.8
2003	1388600	850900	537700	54.5	61.3
2004	1404606	825210	579396	52.2	58.8
2005	1416744	860027	556720	54.1	60.7
2006	1421180	883967	537214	55.1	62.2
2007	1432852	899257	533596	55.7	62.8
2008	1434801	911602	523198	56.3	63.5
2009	1439483	921055	518427	56.7	64.0
2010	1447957	930074	517883	56.9	64.2
2011	1454732	933389	521342	56.8	64.2
2012	1464036	935260	528776	56.5	63.9

* Share of the labor force in the population 15 and over.

Source: State Statistical Office of the Republic of Macedonia, Labor Force Survey, Statistical Rewuies, No. 2.4.2.08/410 (2001); 2.4.2.21/429 (2002); 2.4.3.13/453 (2003); 2.4.5.02/494(2004); 2.4.6.07/531 (2005); 2.4.8.06 (2007); 2.4.9.12/632 (2008); 2.4.10.04/651 (2009); 2.4.11.09/692 (2010); 2.4.12.11/727 (2011); 2.4.13.06/745 (2012)

¹³ Over the period 1981 and 1994, the growth of the total population in the country amounted 7.6%, the working-age population 10.7%.

¹⁴ In the Population census 2002 relating to the economic structure of the population was applied the same methodology as in the Labour Force Survey.

Another characteristic of the Macedonian labour market is the great scope of the inactive working-age population (more than 500000 persons), which implies the existence of a large demographic reserves of the labour force. In this respect indicative are data for the scope and share of the inactive working-age population aged 25-40 years, which in 2012 amounts 92000 persons i.e. 17.4%. Notable inactivity has been registered in the younger age groups (21.9% and 16.4% in 2012 for the age group 25-29 and 30-34, respectively), indicating the about 1/5 of the population that belongs to the core cohorts of the labour market is not active. It is young and middle-age population who have completed the process of education, and which is neither employed nor looking for job. The increase in inactivity of the youth could be related to the limited opportunities for job finding. According to ILO, the average duration for the youth to find stable and/or satisfactory job in the Republic of Macedonia is 72.6 months or 6 years.¹⁵ This is rather discouraging for many people, but also confirmed with high rates of youth unemployment in the country.

Emphasised oscillations in the total number of employed persons, i.e. the economically active population also is one of the labor market features of the Republic of Macedonia. LFS data shows that mainly they are caused by the great changes in the scope of the active agricultural population and the number of unpaid family workers in this sector (Table 3). The average number of the economically active population in the period 1999-2012 amounts 630932 person (out of them 127630 i.e. 20.2% are active agricultural population and 503302 i.e. 79.8% employed in other sectors). In this period about 66500 persons (in average) or 10.5% of the economically active population are unpaid family workers. About 90% of them are unpaid family workers in agriculture.

Table 3

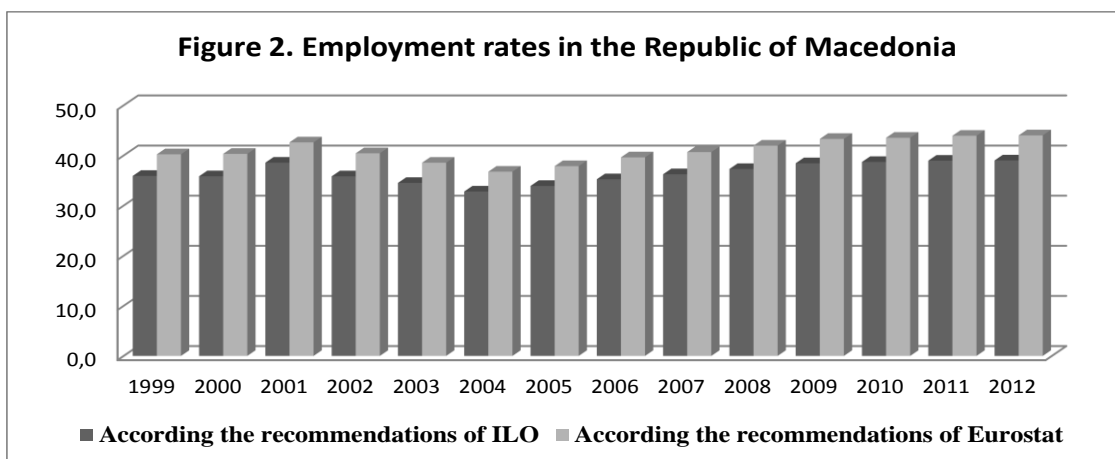
Economically active population (total employed) in the Republic of Macedonia, 1999-2012

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Economically active population - total	545222	549846	599308	561341	545108	522995	545253	570404	590234	609015	629901	637855	645085	650554
- Employed (without employed in agriculture)	429861	429875	450145	427760	425108	435387	439074	455919	482801	489517	513300	516334	524192	523662
- Active agricultural population	115361	119971	149163	133581	120000	87608	106179	114485	107433	119498	116601	121521	120893	126892
Unpaid family workers	56087	59789	86239	68698	62400	44600	56840	62199	59672	62632	64349	64111	61705	55336

Source: State Statistical Office of the Republic of Macedonia, Labor Force Survey, Statistical Reviews, No.: 2.4.06 (1999); 2.4.1.03 (2000); 2.4.2.08/410 (2001); 2.4.2.21/429 (2002); 2.4.3.13/453 (2003); 2.4.5.02/494(2004); 2.4.6.07/531 (2005); 2.4.8.06 (2007); 2.4.9.12/632 (2008); 2.4.10.04/651 (2009); 2.4.11.09/692 (2010); 2.4.12.11/727 (2011); 2.4.13.06/745 (2012)

LFS employment rates, calculated according the recommendations of ILO and according the recommendations of Eurostat, differs for about 4-5% (Figure 3). We evaluate that in the case of Republic of Macedonia Eurostat recommendations are more acceptable. According these indicators the employment rates are in range from 36.8% (2004) to 44.0% (2012).

¹⁵Global Employment Trends for Youth 2013: A generation at risk, International Labour Organization, 2013, p. 60



Source: Same as in Table 2

Great part of the active agricultural population are not registered as formally employed. Beside that in the period of transition significant increase recorded the number of employees in the informal economy. Having in mind all available data sources for the employment in the Republic of Macedonia¹⁶ we estimate that today the total employment amounts about 628000 persons (507000 persons in formal economy, 80000 unregistered agricultural workers and 75000 persons in informal economy), and employment rate approximately 50%.

In last two decades the number of unemployed persons and the unemployment rates encountered a huge increase. Their values are varying depending of the data source. As for the unemployment three data sources are available: Employment Agency registration of the unemployed persons, Labour Force Survey (LFS) and Population Censuses in 1994 and 2002 (Table 4). Based on the data from the Employment Agency of the Republic of Macedonia the registered unemployment has increased from 156323 (1990) to 391072 persons (2004), and after that noticed continuous decrease. So, since 2010 the difference between these data and LFS data was significantly decreased. Nevertheless, the number of unemployed persons and unemployment rates remains on high level by both data sources.

Having in mind that part of the registered (declared) unemployed persons are not active job seekers as well as the scope of the inactive young and middle-age population (about 92,000 persons) we estimate that the real figure of the unemployed persons today amounts about 250,000 persons, and the unemployment rate about 27%. It means that the unemployment in the Republic of Macedonia is extremely high.

¹⁶Data from: Registration, LFS data, Population censuses, Financial reports, Health Insurance Fond, Pension Insurance Fond, Agency for Promotion of Entrepreneurship.

Table 4**Number of unemployed persons and unemployment rates
in the Republic of Macedonia, 1990-2012**

Year	Registered unemployment		Labour Force Survey		Population census	
	Number	Unemployment rate (%) *	Number	Unemployment rate (%)	Number	Unemployment rate (%)
1990	156,323	23.6				
1991	164,816	26.0				
1992	172,089	27.8				
1993	174,848	29.3				
1994	185,906	32.0			186689	24.0
1995	216,222	37.7				
1996	235,135	40.9	251,489	31.9		
1997	250,508	34.5	288,213	36.0		
1998	275,232	35.9	284,064	34.5		
1999	332,812	40.5	261,451	32.4		
2000	366,211	42.7	261,711	32.2		
2001	360,340	42.8	263,196	30.5		
2002	374,144	43.8	263,483	31.9	283123	38.1
2003	390,361	45.3	315,868	36.7		
2004	391,072	45.4	309,286	37.2		
2005	359989	43.4	323934	37.3		
2006	366551	43.0	321275	36.0		
2007	357166	41.4	316905	34.9		
2008	343363	39.0	310409	33.8		
2009	341295	36.4	298874	32.2		
2010	321341	36.5	300439	32.0		
2011	281144	32.8	294963	31.4		
2012			292502	31.0		

Source: State Statistical Office of the Republic of Macedonia, Labor Force Survey; Population censuses 1994 and 2002; Employment Agency of the Republic of Macedonia.

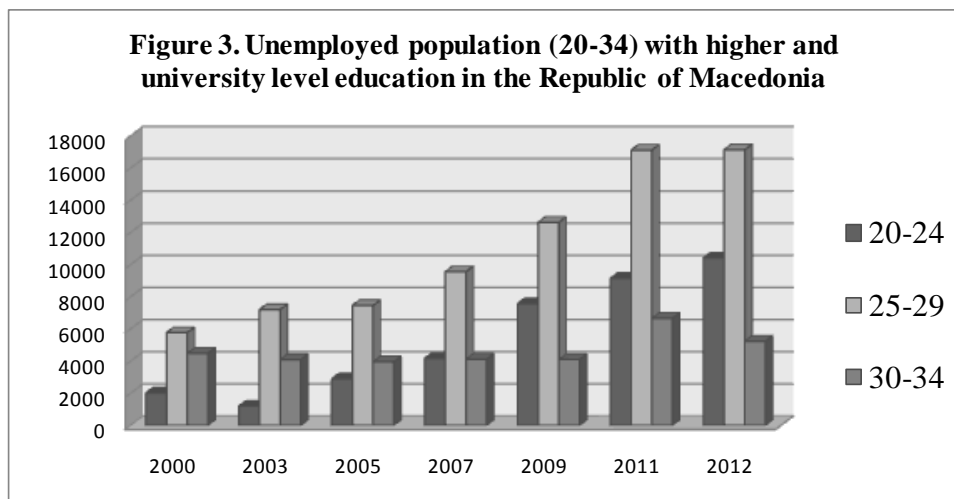
As main characteristics of the unemployment in the Republic of Macedonia could be distinguished:

➤ *High female unemployment.* In the period 2000-2012 female unemployment rates were in range from 38.4% (2005) to 30.3% (2012), and male unemployment rates from 37,0% (2003) to 29.5% (2001).

➤ *Rather high unemployment rates of the young population.* The share of the unemployed population aged 15-34 in the total unemployed population is particularly high and reached 50.5% in 2012, despite the declining trend from 64% in 2000. Unemployment rates of youth (by five-year age groups) in 2012 amounts: 53.0% (20-24), 45.1% (25-29) and 29.6% (30-34);

➤ *Significant changes in the educational structure of the young and middle-age unemployed persons.* As presented on the Figure 3, the number of the unemployed persons

aged 20-34 with university degree has significantly increased in the period 2007-2012. This reflects into increase of the share of the age group 20-34 in the total unemployed with higher and university degree from 59.8% in 2000 up to 72.2% in 2012. In terms of share of the total unemployed with higher and university education in the total unemployment, there was an increase from 7.8% in 2000 up to 15.5% in 2012. Changes in the educational structure of the unemployed were determined by introduction of the compulsory secondary education since 2008, as well as reforms in the process of tertiary education that have significantly increased the enrolment rates at the Universities.



Source: Same as in Table 2

➤ *There is certain mismatch between the supplied and demanded skills on the labour market.* In this context, Skill needs analysis (SNA) model for short-term labour market forecast in the Republic of Macedonia was established in 2006.¹⁷ With regards to the labour force with tertiary education, the results of the SNA in the period 2006-2010 show that there is continuous deficit for the following occupations: electrical engineers (courses: telecommunication, electronics, robotic management with technical systems); mechanical engineers; IT technicians; pharmacists, engineers in the textile industry; engineers-technologists and other.¹⁸ The shortage of mentioned professions is not caused by absence of relevant curriculums at the universities, but it is largely attributable to the lack of adequate or attractive jobs in the Republic of Macedonia, given that these profiles of tertiary educated persons are most often emigrating out of the country.

➤ *Longevity of the process of job-seeking is a serious problem of Macedonian labor market.* Statistical data about the long-term unemployment shows the share of the unemployment for 4 or more years dominates in the total unemployment. This indicator for persons aged 20-34 amounts 59.3% (in 2000), 64.4% (2005) and 50.3% (in 2012). In terms of five-year age groups, long-term unemployment also dominates, with notably high share in the total unemployment of the age group 30-34 ranging from 78.3% in 2000 up to 79.4% in 2005 and down to 65.6% in 2012.

¹⁷The skill needs analyses (SNA) model is based on the survey of a representative sample of companies (with 10 and more employees) in which interviews of persons in charge about the expected needs for labour force in next 6-12 months were conducted. The collected data were processed and put in a broader economic context for forecasting of the short-term needs of labour force on a local and national level. The Employment Service Agency (ESA) has used the SNA regularly since 2007. It identifies specific skills requirements in eight sectors once a year.

¹⁸ Employment Service Agency of the Republic of Macedonia: <http://www.avrm.gov.mk/>.

The analysis of the size and structural characteristics of the unemployment in the Republic of Macedonia shows that it could not be fully framed in the basic unemployment types: frictional, structural and cyclic. Its cause-consequence interrelation is characterising it as low-growth unemployment and structural unemployment. Based on its dimensions and the short-term and long-term consequences of such a huge unemployment, it is a complex and very severe problem to solve.

Concerning labour market issues since 2006 up until now in Republic of Macedonia were adopted and implemented following documents:

- ✓ *National employment strategy 2010*
- ✓ *National action plan for employment in the Republic of Macedonia 2006-2008*
- ✓ *National action plan for employment in the Republic of Macedonia 2009-2010*
- ✓ *National employment strategy 2015*
- ✓ *National action plan for employment in the Republic of Macedonia 2011-2013*
- ✓ *Operational plans for active employment policies and measures (for each year since 2007 up until now)*
- ✓ *Action plan for youth employment 2015*
- ✓ *Strategy for volunteering promotion and development 2010-2015 (and Action plan)*
- ✓ *Action plan for informal economy decrease for 2013 etc.*

The results of so far implemented strategies, action plans, programs, measures and activities were modest and did not contribute for significant improvement of the unfavorable situation on the labor market in the Republic of Macedonia.

2.2. Main characteristics of the labor migration

Unfavourable labour market changes as well as the overall unfavourable socio-economic situation since 1990 up until now were main push factor for a considerable rise of the emigration of Macedonian citizens abroad. Last two decades are distinctive period in which the highest emigration wave since the beginning of the economic emigration in the 1960s was noticed. This fact could be confirmed by the available (although not comprehensive) data from domestic and foreign sources. They show that the overall number of Macedonian emigrants abroad in this period may be estimated at more than 250,000 persons.

In this period *the Macedonian emigration can be classified in three types. Permanent family emigration or family reunification*, which started in the early nineties, still continues with relentless intensity. It was accompanied by a considerable intensity of permanent intellectual emigration. *Temporary and circular economic emigration (employment)* of Macedonian citizens in the neighbouring countries is also on the increase. Besides, there is a *temporary and circular economic emigration for other reasons*. In addition, a small number of Macedonian citizens have left the country *illegally or sought international protection* in other countries.

The Population Census in 1994 registered 173,611 Macedonian citizens abroad, of which 45,888 persons have left the country during 1990-1994. The census data of 2002 covers only the citizens who have been abroad for less than one year, and this number amounts to 35,123 persons. The regularly published data from the State Statistical Office on immigrants and

emigrants cover only citizens who officially report their stay abroad¹⁹. According to these data in the period 1994-2010 only about 8,000 Macedonian citizens have left the country. However, these data on the scope of the emigration abroad do not reflect the real situation.

Foreign data sources on outgoing migrants show that the emigration of Macedonian citizens in the last two decades has continued with undiminished intensity. It could be confirmed by Eurostat data on the international migration flows i.e. on immigration by citizenship. The data show an increase of the migration flows of Macedonian citizens in the European Union receiving countries, which in the period 2002-2009 amounts to more than 10,000 persons per year²⁰. As a result of the increased migration flows, the number (migration stock) of Macedonian citizens in the EU receiving countries from about 34,000 persons in 1996 reached 183,000 persons in 2012 (Table 5.).

Table 5

**Number of Citizens of the Republic of Macedonia in Particular Countries of Europe
(migration stock data according citizenship), period 1996-2012**

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
European Union	33984	54395	61511	71482	79271	107149	109493	119638	137369	189894	152905	169474	179879	191983	179887	184394	183031
Austria						13696	13202	14427	15288	15998	16275	16271	16529	16969			
Belgium				826		1119	2462	1747					2703	2931	3290	5976	7068
Bulgaria						1391							1373	1385	1449	1335	1223
Czech Republic					1170	921	761	845	843	821	1116	1277	1481	1817	1989	1854	1770
Cyprus																	
Denmark			834	1103	1415	1545	1694	1803	1898	1949	2024	2109	2185	2259	2337	2416	2499
Estonia																	
Finland		53	80	116	131	144	150	147	155	167	163	162	155	170	192	199	218
France				2073				2073		2839							
Germany	33984	38774	42550	46167	49420	51841	55986	58250	61019	61105	62093	66219	66433	66196	66651	70140	71517
Greece			44			747											
Hungary			26	34	43	41	39	32	50	52	56	62	77	81	128	144	141
Ireland														28	36	34	40
Italy		11596	13456	16647	21110	26051	28073	34019	51208	58460	63245	74162	78090	89066	92847	89900	85825
Latvia			1	1	1	1	1	1	1	19	9	3	3	3	2		
Lithuania						1					3	3	9	12			
Luxembourg						356											
Malta						25							23				
Netherlands		449	480	505	500	590	646	677	711	762	762	710	711	717	764	775	843
Poland							88						63	65	91	97	53
Portugal		1	1	1	4	22	24	27					44	51	19	20	11
Romania					1	1	120		120	121	121	121	121	120			142
Slovakia									388	185	204	580	651	349	421	488	392
Slovenia		2200	2412	2277	3565	4125	4323	3897	4057	4134	5122	5936	7448	7818	9087	8817	9079
Spain		19	33	56	92	148	209	273	305	354	424	408	471	530	509	549	538
Sweden		1303	1594	1676	1819	1925	1715	1420	1326	1304	1288	1338	1297	1434	1517	1660	1683
United Kingdom						2459				41621							
Other European countries	39611	45330	48723	51403	54597	56191	59136	60421	61141	61381			59664	58810	60165		
Iceland			3	6	10	16	17	20	18								
Liechtenstein	71	71	77	77	80	83	98	107	113								
Norway		113	140	178	207		289	341	334	373							
Switzerland*	39540	45146	48503	51142	54300	56092	58585	59953	60676	61008			59664	58810	60165		
Ukraine							147										
TOTAL	73595	99725	1E+05	122885	133868	163340	168629	180059	198510	251275	152905	169474	239543	250793	240052		

* Switzerland Migration Office data for 2008, 2009 and 2010

Source: Eurostat (2011): Population by sex, age and citizenship (migr_pop1ctz). in: <http://epp.eurostat.ec.europa.eu>; Council of Europe, Recent Demographic Developments in Europe; Switzerland Migration Office: <http://www.bfm.admin.ch/content/bfm/en/tools/kontakte.html>

¹⁹ Sources of the data on the movement (migration) of the population are the immigration and emigration records on the changes of permanent place of residence obtained from the regional offices of the Ministry of Interior of the Republic of Macedonia. On the basis of these data, the State Statistical Office is processing and publishing data on international migration (covers the movement of Macedonian citizens to and from other countries, as well as the movement of foreigners).

²⁰ Public statistics in the country are incomplete and only indirect estimations are available. In these circumstances, the scope of emigration could be approximated only through the foreign data sources from international institutions and receiving countries. But, not less difficult is the collection and calculation of the exact number of Macedonian migrants from destination countries' statistics. These data sources do not always report such data accurately.

In recent years, there has been an evident increase in the *temporary stay abroad*. In the absence of complete and relevant data, on the basis of a number of indicators, one can conclude that there is a significant increase of temporary emigration for reasons of employment, family matters, and schooling or on other grounds²¹.

The *re-migration trends* since 1990 register a tendency of decline. Census data show that the number of returnees from abroad decreased from about 20.800 (1981) to 14.000 persons (1994). The statistical evidence on returnees in the country is scarce, particularly concerning voluntary returns. Nevertheless, there is no evidence for the impact of economic and financial crisis on emigration and re-migration trends. World Bank and Eurostat data shows that since 2008 there are no significant changes in the migration stocks of Macedonian citizens abroad. In last year's their number has even increased, which means that there was an inflow of new Macedonian migrants and no return migration increase.

Having in mind all available data sources for the migration stocks according to citizenship, one can conclude that the five countries with the highest rates of Macedonian immigrants worldwide are: Australia, Italy, Germany, USA and Switzerland. Regarding the European Union in particular, the five countries with the highest rates of Macedonian immigrants are: Italy, Germany, Austria, Slovenia and Belgium (Eurostat data) or Sweden (World Bank data). Concerning the changes of the number of Macedonian citizens in the European receiving countries, the highest increase was noticed in Germany, Switzerland and Italy, where in 2010 220,000 (Eurostat and other data sources) or about 247,800 Macedonian citizens were registered (World Bank data). Regarding the Balkan countries, Slovenia and Croatia are distinguished as most important receiving countries with about 27,700 Macedonian immigrants in 2010.

From the analysis of the available census data and foreign data sources, several conclusions could be drawn on the **demographic and the socio-economic characteristics of emigrants**:

- ❖ From 1971 to 1994, the *share of family members* in the total number of emigrants increased from 3.6% to 49.5%, which means that temporary emigration has been gradually transforming into a permanent one²².
- ❖ The share of *emigrants from rural areas* was prevailing (68.1% in 1981 and 58.2% in 1994), even with the significant increase of the emigration from the urban areas. The emigration abroad from the rural areas after 1994 continues with the same intensity.
- ❖ As for the *gender structure of the emigrants*, a rise in the number of women, especially the active ones has been noticed. The share of women in the total number of migrants increased from 39.2% (1981) to 41.5% (1994). According to the Eurostat data in 2010, 44.0% of the 175,656 Macedonian migrants in the EU receiving countries were women (Eurostat, 2011). The increase of women migration is mainly caused by the increased family re-unification and intensification of the family emigration (dominantly permanent one) in the last two decades.
- ❖ The Census data about the *age structure* of the emigrants shows that a significant part of the active population of the country was abroad. The emigration rates of a certain age

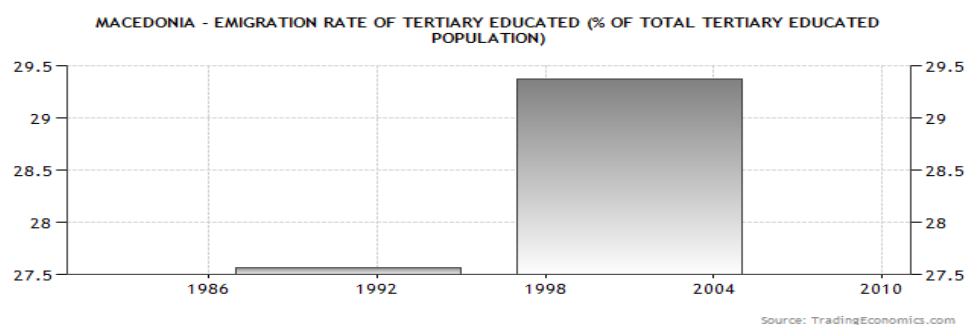
²¹Census data in 2002 showed that 35,123 persons had been abroad for a period of up to one year. Out of them 22,995 being either employed abroad or family members, and 12,128 stayed for other reasons (schooling, etc.).

²²

group (the share of emigrants of a certain age group in the total population of the same age group) in 1981 and 1994 respectively amounts to: 4,4% and 6,9% (children 0-14); 4,4% and 9,9% (young population 15-29); 5,8% and 9,3% (working-age population); 4,6% and 8,1% (women's fertile contingent 15-49). The Eurostat data in 2010 show that 16.8% of the registered Macedonian migrants in the EU receiving countries were children (0-14), 80.0% - working-age population (15-64) and 3.2% - aged 65 and over.

- ❖ The changes in the number and structure of migrants based on *education* are quite evident. There is a significant increase in the number of emigrants with secondary (including upper secondary) and tertiary level of education²³. Since 1990, the Republic of Macedonia experienced immense increase of emigration of highly educated persons (with tertiary level of education), which by all attributes could be treated as a "brain drain". At the beginning of the 21st century, according to some estimation, about 20% of the total number of Macedonian citizens aged 15 and over with university education is residing abroad.²⁴ World Bank data shows that in the period 1997-2005 Macedonian emigration rate of the tertiary educated persons was about 29.4% (Graph 2).²⁵ A recent study of the European Commission shows that according to the World Bank data, in 2000, the Republic of Macedonia was a country with highest emigration rate of tertiary educated persons (29%) among EU candidate countries.²⁶

Figure 3



In the last decade, particularly since 2005, the intellectual emigration from Republic of Macedonia has even further increased, as a result of the rise of the youth unemployment with tertiary level of education. This has been confirmed by the brain drain indicators of the World Economic Forum (WEF), ranking the Republic of Macedonia in the group of ten countries with highest intensity of brain drain in the period 2008-2012. More specifically, the Macedonian ranking has been as follows: 126 position out of 139 countries (2010-2011); 125 out of 133 (2009-2010) and 126 out of 134 (2008-2009)²⁷. According to the latest WEF data (2011-2012), Macedonia has been ranked 133rd out of 142 countries, indicating further threatening to the human capital of the country.

²³According to the census data, the share of migrants with primary level of education amounts to: 87.7% (1971), 83.1% (1981) and 56.9% (1994). At the same time the share of migrants with secondary level of education amounts to 11.0%, 11.7%, 32.0%, and of those with tertiary level education to 0.8%, 1.0% and 8.0% (State Statistical Office, 1971, 1981, 1996).

²⁴Verica Janeska, *Potential Intellectual Emigration from the Republic of Macedonia*, in: Economic Development, Journal of the Institute of Economics, 5, No. 1-2-3, Skopje, 2003, p. 67.

²⁵TradingEconomics.com: <http://www.tradingeconomics.com/macedonia/emigration-rate-of-tertiary-educated-percent-of-total-tertiary-educated-population-wb-data.html>.

²⁶*Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe* (VT/2010/001) – Synthesis Report, European Commission & GVG, June 2012, p. 58.

²⁷World Economic Forum, *Global Competitiveness Index Reports* 2008-2009; 2009-2010; 2010-2011; 2011-2012, <http://www.weforum.org>

❖ According to the nationality, the Macedonians and the Albanians have the largest shares of emigrants abroad. The number of migrants of Albanian nationality has been constantly rising, especially in the period 1981-1994. In this period, the increase of the share of migrants of Albanian nationality in the total number of Macedonian citizens abroad (from 22.1% in 1981 to 29.6% in 1994) was mainly caused by the family re-unification. This trend continued after 1994.

As for the temporary and circular migration, no relevant data about demographic and socio-economic characteristics of citizens who have sought international protection in other countries and returnees exist. A part of the young labour force from Macedonia emigrate for seasonal work in neighbouring countries (Greece, Montenegro), although there is no accurate data on the scope of this type of emigration²⁸.

Although contemporary Macedonian emigration abroad lasts for five decades, there was no official policy for these migratory movements. It is only in 2008 and 2009 that the Resolution on Migration Policy for the period 2009-2014 and the Action plan on the Resolution on Migration Policy for the period 2009-2014 were adopted for the first time²⁹.

In these documents set of measures and activities concerning emigration abroad are foreseen:

- ✓ Measures for consistent application of the legal obligation for the reporting of departures/arrivals of the Macedonian citizens upon leaving/returning to the country;
- ✓ Diaspora mapping and creation of a database for distinct categories of migrants (businessmen, scientists, students, artists, etc.);
- ✓ Supporting temporary emigration and circulation of the labour force, including staff with higher education;
- ✓ Measures for facilitation of return of citizens from abroad;
- ✓ Creation of policy for reduction of intellectual emigration and return of highly educated persons from abroad;
- ✓ Measures concerning legal transfer of remittances and its productive use;
- ✓ Mobilization of the development potentials of the Diaspora for improvement of the local economic development.

The implementation of these measures is ongoing and thus it is early to evaluate the overall effects of the implementation of these documents. Having in mind the main determinant of the contemporary emigration abroad, its reduction could be expected only if the current unfavorable socio-economic situation, especially in the labor market, is improved.

CONCLUSION

Up until now, there was no an employment-oriented strategy in the Republic of Macedonia, funded on a coordinated and integrated approach that the factors in the institutional and macroeconomic framework include both employment and labour-market policy interventions.

Having in mind the determinant of the continued unemployment growth in the country in the last several decades, the development and the economic growth are starting presupposition for its gradual alleviation. The role of the government in those circumstances should be

²⁸ There are indications that citizens seeking seasonal work abroad mostly originate from the rural population.

²⁹ Government of the Republic of Macedonia, *Resolution for the Migration policy of the Republic of Macedonia 2009-2014*, 2008, Skopje

Government of the Republic of Macedonia, *Action Plan on the Resolution for the Migration policy of the Republic of Macedonia 2009-2014*, 2009, Skopje

focused toward generating adequate conditions for the intensification of the market economy development. In the same time the social aspects should not be neglected because they are a basis for the success of the economic reform.

Concerning the complexity of the unemployment problem, it is necessary to define a consistent employment policy that will encompass several domains. Thereat, the attention should be focused on two basic presuppositions: accelerating the economic development and generating new jobs, more precisely in providing higher level of labor force demand. In this respect, of particular importance is the creation of the macroeconomic framework of the employment policy which assumes creation of mix of sectoral policies (monetary policy, fiscal policy, wage policy, education policy, the policy of small and medium business, regional policy, agricultural policy, industrial policy, foreign trade policy, social policy). All these sectoral policies should coordinate their goals, measures and activities and towards achieving employment growth.

The analysis shows that large and continuous emigration from the Republic of Macedonia has not contributed to the socio-economic development and alleviation of the labor market problems. The valorisation of the influence of the emigration on the labour market should be first seen in the context of the transformation of the temporary migrations into permanent ones, which leads to a loss of significant part of the human capital. The mutual rise of emigration and unemployment since 1971 unambiguously indicates that the problem of unemployment could not be substantially released nor solved by emigration abroad. This conclusion especially applies to the period of transition when the emigration abroad was intensified and unemployment reached enormous dimensions.

Given the current unfavourable socio-economic conditions in the country, it is unquestionable that the emigration of Macedonian citizens will continue in the future. The key challenges related to emigration are:³⁰

- Progress in terms of policy-making related to emigration, but weaknesses in terms of implementation of policies.
- Lack of reliable data on the scope of migration flows and structure of migrants and empirical research on the social problems and needs of vulnerable population groups affected by migration.
- High levels of permanent emigration (especially of the young and educated) and loss of significant part of the labour force.
- Insufficiently regulated temporary and circular emigration.
- Inadequately developed linkages with the Macedonian Diaspora in terms of their increased desirable involvement and contribution to the socio-economic development of the country.
- Lack of precise insight into the remittances inflow into the country due to the usage of the unofficial channels and their low level of investment in favour of the country's development etc.

³⁰ Bornarova S., Janeska V. (2012): European Commission & GVG (2012): *Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe – Country Report Macedonia*, European Commission & GVG, p.24.

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