

TORINO PROCESS 2018–2020

NORTH MACEDONIA

NATIONAL REPORT

Disclaimer

Republic of North Macedonia - national Torino Process report (NRF)

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BUILDING BLOCK A: COUNTRY AND VET OVERVIEW

A.1: Country background

A.1.1 Introduction

The Republic of North Macedonia ranks among the smallest and poorest economies of former Yugoslavia. Despite this, low wages and major improvements in doing business in the country have attracted sizeable amounts of foreign direct investment, strengthening export opportunities. To support export competitiveness, the North Macedonian denar is pegged to the euro, forcing the government to run prudent fiscal policies. This monetary regime is reflected in limited budget deficits and relatively low public debt. Unemployment is falling, reaching a historic low of 22.8% in the first half of 2017, but youth employment and long-term unemployment is still high, at 46 and 81% respectively.

A.2: Overview of Vocational Education and Training

A.2.1 Overview of VET: set-up and regulatory framework

At secondary level the Ministry of Education provides 2, 3 and 4 years programmes. Both 3 and 4 years programmes include special needs education versions of the programmes.

The two years programmes (vocational) start at theoretical age of 14/15 and are ISCED 3 vocational education programmes the education is carried out in upper secondary educational institutions, with professionalized teachers and different curricula for different field of study. After passing the final exam, the students acquire a Diploma for completion of upper secondary education for vocational training of 2 years of duration. The students usually continue to labour market, but if they want - they can continue the education at the same level ISCED 3, but at the educational programme that last 3 or 4 year of duration. The programmes are designed as part time educational programmes.

The three years programmes (occupations) are ISCED 3 vocational educational programmes. Graduates of three years programmes have access to 4 years programmes (after taking 5 differential exams) or to post-secondary education programmes at ISCED level VB.

The four years programmes (technical) are ISCED 4 vocational educational programmes. In both cases the education is carried out in upper secondary educational institutions, with professionalized teachers and different curricula for different field of study. Graduates of 4 years programmes have to pass a School Matura to acquire a Diploma for completion of upper secondary vocational education with 4 years of duration and they have to pass a State Matura, to access to ISCED tertiary levels (Bachelor studies ISCED VI A, VI B and vocational studies (ISCED V A). Alternatively they can access Post-secondary Programmes (ISCED V B), without the need to pass State Matura or can go to labour market. This is compulsory education, students are monitored for the whole duration.

Until May 2018, the Law on High Education, regulating the transition of students from secondary vocational education to higher education allowed enrollment at university studies with completed school matura of final exam. Such possibility marginalized the meaning of the state matura which is foreseen as a prerequisite to enter into higher education, and on the other hand, students' motivation to take state matura decreased. It resulted in reduction of the supply of graduated students with technical education qualifications, and on the other hand, it affected the reduction of quality of the higher education. The Law on Higher Education has been revised in May 2018 and Stata Matura has become a prerequisite for accessing higher education.

Legislation

Pre-school education is regulated by the Law on Child Protection adopted in 2013, which has been amended according to the needs. It put the early child learning and development in the focus and, in addition to public kindergartens, allowed other forms of services for child care and education. This encouraged the municipalities to open early child development centres where kindergartens were not available. Moreover, the law regulates the inspection system of child protection and introduces licencing based on additional training and exams. The Law is accompanied by 25 sublegal acts that define the rules for its implementation.

Compulsory nine-year Primary education was introduced in 2007 according to the Concept of the nine-year primary upbringing and education. The Law on Primary Education provides guarantees for this level of education to be free for all children aged 6-14 and for access of each child particularly through provision of free textbooks and free transportation for the pupils with a permanent residence at least 2 kilometres away from the nearest school.

Since the 2007-2008 academic year, secondary education is compulsory for all citizens under equal terms and conditions stipulated by the Law on Secondary Education, and the policy of enrolment in secondary schools was adjusted according to this requirement. The Law provides also opportunities for horizontal and vertical mobility of pupils. Free of charge textbooks and PCs for each pupil, free transportation or free accommodation in dormitories were provided in order to ensure the equal access to quality education for all. As additional support, free of charge portable PCs were granted to each teacher, and internet connection was established in all schools and dormitories. Amendments to the Law on Secondary education (published in the Official Gazette of the Republic of North Macedonia, No. 30, as of 19.02.2016). The most significant amendment is the detailed procedure for accreditation of Associations of teachers organizing competitions for students in all segments of education, as well as awarding such students. Furthermore, there were amendments as regards improvement of the inclusion of students with special educational needs and their enrolment in secondary education, regulation of transportation for student who attend school outside their place of residence, regulation of the procedure on the right to complaint for students regarding results on the external testing, assistance to students by volunteer tutors regarding the programs they are attending when they are not showing the desired results (students in higher education), regulation of sanctions for teachers showing unsatisfactory results in their work, regulation of promotion of teachers at higher educational cycles, regulation of the procedure for recognition of diplomas attained abroad, etc.

The main legal act for the tertiary sector is the Law on Higher Education (2008) which, among others, has provisions on harmonisation of the country's higher education with the Bologna process and the European credit transfer system, as well as establishes legal base for increasing the teaching staff and student's mobility. After adoption of the Law, 21 legal modifications were introduced in order to refine and improve its provisions.

A Law on Scientific Research (2008) regulates relations in the sphere of scientific research and international cooperation with regard to transfer of knowledge, research, training, and application. In 2013, a Fund on Innovations and Technological Development (FITD) responsible for coordination of activities in the field of innovation, was established according to the Law on Innovative Activities.

The Law for Adult Education was adopted in 2008, which was followed by issuance (or amendments) of a number of sub-legal acts regulating the procedures for verification of the programmes for adult education (non-formal education), standards for space, equipment and staff of the institutions for adult education. In 2011 another legal act related to the sector, i.e. the Law for Open Civic Universities for Lifelong Learning was also adopted.

The law on Vocational Education and Training was approved in 2006 and amended in 2015 (published in the Official Gazette of the Republic of North Macedonia, No. 145, as of 25.08.2015) to include

additional regulation of the misdemeanor procedure and the competences of the State Inspectorate for Education.

In addition, there are laws regulating activities of different structures of the education system, such as: Law on establishment of the University in Tetovo (2004); Law on Education Inspection (2005), Law on the Bureau for Development of Education (2006), Law on establishment of the State University “Goce Delchev” in Shtip (2007), Law on State Examination Centre (2008), Law on Establishment of the National Agency for European Education Programmes and Mobility (2007), Law on Establishment of the University of Information Sciences and Technologies “S. Apostol Pavle” (2008), Law on Establishment of National Agency for Nuclear Technologies in RM (2010), Law on the Pedagogical Service (2011), Law on Sports Academy (2014), Law on Teachers’ Academy (2015), Law on Teachers of Primary and Secondary Schools (2015), and Law on Establishment of the University “Majka Tereza” in Skopje (2015), and Law on Establishment of the University for National Defence, Security and Peace “Damjan Gruev” in Skopje (2016).

All those laws, since their adoption, have regularly been amended upon necessity. These processes, however, were initiated by different ministries, institutions or ministerial departments responsible for certain fields, and revision of one law was not accompanied with corresponding amendments in the others. Due to this, a comprehensive revision and harmonisation of the education legislation has become an urgent necessity.

A.2.2 Institutional and governance arrangements

The main actors involved in VET are the following:

The Ministry of Education and Science is responsible for the national politics in the sphere of education and science. Other than the regulation of financing, its main tasks lie in the management of the State Institutions and the control of the regularity of their work. The Ministry prepares the regulations for education and science, and it is responsible for their enforcing. The Department for European Union (3 units) is responsible for negotiation, coordination of projects and donors’ support, as well as for the implementation, coordination, monitoring and evaluation of the relevant IPA Components. Due to the specificity of Vocational Education and Training and adult education system structure in the country, no individual unit is responsible for these sectors within the MoES, coordination of this sector is a responsibility of the Unit for Secondary Education. There is disproportion between resources allocated to coordination of donors’ project and the resources allocated for the actual running of the TVET sector. The department of secondary education is seriously understaffed. This is well recognised by the national stakeholders and developing partners.

Within the Ministry of Labour and Social Policy, employment issues are coordinated by the Department for Labour Law and Employment Policies (4 units). These Units are responsible for elaboration, management, coordination, monitoring and evaluation of the National Employment Strategy and Action Plan on Youth Employment and for the employment measures of the Human Resource Development Operational Programme. The Unit for Social Inclusion in the Department for Social Protection is responsible for the preparation, coordination and monitoring of the National Strategy for Alleviation of Poverty and Social Exclusion 2010-2020. The MoLSP acts on grounds of an annual Operative Plan of active programmes and measures for employment and services on the labour market (with clear goals and outcome indicators), including calculated costs and defined sources of funding. The Unit for Child Protection is responsible for the aspects of Pre-school education, except the Programme for Early Learning and Development which is under the MoES - BDE.

The Vocational Education and Training Centre (VETC) established in 2007, is governed by a Management Board consisting of 9 members: one representative from the MoES, MoLSP, Chamber of Crafts, Chamber of Commerce each respectively, AoULSG/ZELS, and four representatives from VETC is responsible for the content of vocational education in terms of pedagogical research,

curriculum development, monitoring of programmes implementation and teacher training. In it performs the following activities:

- analysis and study of structure in our vocational education system;
- analysis and study of structure in our vocational education system and analysis of the separate levels of types of vocational education;
- projecting new system and conceptual solutions for the vocational education and other types of vocational education;
- Current innovation and suggesting new solutions in given education components (programmable, processed, organizational, technological, human resources, norms, etc.).
- research of developing trends in vocational education;
- research of human resources;
- preparing and supervising and developing occupational standards;
- development of national framework for vocational qualifications;
- development of education standards (education profiles, plans and programs) for vocational subjects:
- supporting the social partnership in all levels and phases of planning, development and realization of vocational education;
- supervision of the realization of vocational education programmes;
- teacher's training for vocational classes;
- counselling, and mentoring for vocational teachers;
- Cooperation with international institutions etc.

The Council for Vocational Education and Training is an advisory body which provides opinions on strategies for development of VET, proposes to the MoES amendments, supplements and new qualifications and occupational standards. In cooperation with municipalities submits to the MoES proposals for the development of the network of institutions.

The Bureau for Development of Education –is part of the Ministry but it has its own legal status is a body of the state administration subordinated to the MoES, assigned with performing expert tasks of significance to the development and promotion of upbringing and education in the country. BDE is responsible for monitoring, expert review, research, promotion and development of upbringing and educational activities in the field of pre-school education, primary education, secondary general and secondary art education, secondary vocational and postsecondary education, education of children with special educational needs, adult education, educational activities of student dormitories, as well as for the education of North Macedonian citizens' children abroad in relation of acquiring the language and culture. The BDE has 4 departments: for Curricula and programmes, Research in education, Professional development, Publishing. The headquarter of the organisation is in Skopje, but for providing professional advisory activities, instructional-mentoring work with teaching and management staff, BDE has 12 regional offices. The biggest responsibility of BDE is the development of curriculum and syllabi for primary and general secondary education (including the general subjects taught in vocational programmes). It is supported by the Pedagogical council.

National Examination Center (NEC), SEC is an independent structure subordinated directly to the GoRM but is funded through the BDE budget. It is responsible for the external assessment in the school matura and state matura. The first is the certificate for completion of the school year, which includes a certificate supplement. The state matura is an exam organized and implemented by NEC in cooperation with school commissions, which provide to successful students access to higher education.

The State Education Inspectorate (SEI) is a legal entity under the MoES jurisdiction. The SEI is responsible for supervision over the implementation of the education related legislation as well as for carrying out integral evaluation of the primary and secondary educational institutions and of LLL universities. This is being done for 7 areas (curricula, pupils' achievements, learning and teaching,

support to students, school climate, resources, improvement and management) in accordance with the internal instrument – Indicators for evaluation of the quality of the education process at education institutions. Besides, the SEI inspects pre-school institutions, however in the curricula aspect only, as well as universities from the legislation implementation point of view.

The Centre for Adult Education (AEC) was established by the GoRM in November 2008 and became operational in June 2009. The AEC is managed by a Steering Committee with 10 members representing MoES, MoLSP, Chamber of Crafts, Chamber of Commerce, AoULSG/ZELS, CAE. Main objective of the Centre is to *contribute to the achievement of socio-economic needs of the country, to meet the needs of the labour market and to assist individuals in their personal development*. Its main tasks are to promote the Adult education and coordinate cooperation with international institutions and other adult education organisations, to ensure quality particularly through establishment of standards and criteria for formal and non-formal adult education. Main tasks of the Centre are:

- To harmonize and integrate public interests and the interests of social partners in adult education in North Macedonia. It also coordinates the cooperation with international institutions and organizations in the field of adult education.
- To provide a quality education system for adults in accordance with European standards and practices through the establishment of standards and criteria that will provide formal and informal adult education and creating high quality and competitive workforce in the labor market with support of social partnership.

Council for Adult Education, is an advisory body that proposes strategic policies and actions in the realm of adult education. Its role in the Quality Assurance process is reflected in the following responsibilities of the Council stipulated legislation:

- To propose to the competent ministry a strategy for development of adult education in the context of lifelong learning;
- To propose annual action plans for implementation of the Strategy;
- To closely monitor the realization of the annual action plans;
- To propose financing of the programmes for adult education by allocation finances in the State Budget;
- To propose to the competent ministry national qualifications and standards of occupations;
- To propose, in cooperation with the municipalities, development of the network of public institutions for adult education

Local government – The municipalities are in charge of primary and secondary education, except for the secondary schools in the capital except for the secondary schools in the capital Skopje which are under responsibility of City of Skopje. The State provides financial resources for the education in the municipalities in a form of Block Grants.

A.2.3 Basic statistics on VET

The number of VET schools in North Macedonia is 87. It remained stable over the last 3 years. The number includes both VET schools and schools which provide VET programmes. Pure VET schools are around 40.

The percentage of students in secondary VET on the total upper secondary students is 59.6% in 2017, this is in line with the last 7 years. The share of gender gap in terms of participation quite low (63.7% for males and 55% for females). The number of enrolled in the different types of programmes is the following:

- Vocational programmes (2 years ISCE 3 programmes) 42596 students in 2017. There no real gender gap in term of participation (44% female students).
- Occupations programmes (3 years ISCED 3 programmes) 2922 students in 2017. This is the only type of programmes with a clear gender gap in terms of participation (79% of students are males).

- Technical programmes (4 years ISCED 4 programmes) 39674 students in 2017. Also in this case limited gender gap (45% female students)

In terms of number of students enrolled there's a clear decreasing trend (an average loss of 20% of students' population since 2012). This is in line with the evolution of the demographic structure of the country. The relative size of youth population (15-24) has decreased from 20% to 16.4% in the last 7 years.

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The number of students enrolled in the two strands of post-secondary VET (ISCED V A and ISCED V B) is negligible (1.82% of post-secondary students in 2016). This is a major shortcoming of the system considering the interest of vocational programmes graduates to continue their studies. The establishment of modern and effective post-secondary VET programmes is indeed one of the priorities of the new education strategy 2018-2025

Adult Education is under the is part of the educational system, and may be realized in vocational schools for acquisition of qualifications in the formal system, as well as vocational training implemented by an accredited provider of verified program. Adult Education Survey carried out in 2016 provided a very interesting picture of the population participating in adult training.

- Overall participation in education and training of population aged 26-64 is only 12.7%¹.
- Looking at data from a territorial perspective there's a clear gap between urban population (76% of the people benefiting adult education) and rural population.
- Even more interesting is the split according to educational background. 59% of the relevant population has tertiary and higher education background, 38% has a secondary education background and only 3%! Have a lower educational background.
- Out of the adult training provided the majority is non-formal (72%).
- Minimal gender gap is present in adult education participation (46% females).
- The status of the vast majority of people participating in adult education is employed (79%). Only 14% of the beneficiaries are inactive and only 7% are unemployed.

In 2017, expenditures on Education will comprise 25,492.8 million MKD² (around 414.5 million euro) or 12.4% of the State budget against 23,644.4 million MKD³ (around 383.3 million euro) or 12.1%, in 2016. This demonstrates that the share intended for education remains relatively stable during the last 5 years. Distribution of education budget as by the levels is presented in the tables below

Levels of education	Thousand MKD		Thousand Euro (approx.) ⁴		Growth 2016-2017, %
	2016	2017	2016	2017	
Pre-school and Primary Education	1,160,204	1,916,388	18,804	31,161	65.2
Secondary Education	1,116,846	1,314,261	18,101	21,370	17.7
Higher Education	5,794,356	6,030,399	93,912	98,055	4.1
Other Education not classified by level	19,301	28,939	313	471	49.9
Education support services	14,318,833	14,751,639	232,072	239,864	3.0
Research in Education	546,325	513,662	8,855	8,352	-6.0

¹ Adult Education Survey, 2016 – Source : State Statistical Office

²The Law on the 2017 State budget.

³The Law on the 2016 State budget.

⁴ For calculations, the following ECB rates are used: 1 euro = 61.7 MKD (as of January 2016) for 2016; and 1 euro = 61.5 MKD (as of November 2016) for 2017 and the following years.

Other activities in Education	163,739	256,091	2,654	4,164	56.4
Development programmes in Education	524,797	681,375	8,506	11,079	29.8
Total	23,644,401	25,492,754	383,216	414,516	7.8

A number of programmes including capital investments in Education are foreseen for 2017:

Programme	Thousand MKD			Thousand Euro (approx.)		
	2016	2017	2018	2016	2017	2018
Translation and publishing of professional literature (50 textbooks used in the top 10 Universities from the Shanghai list)	30.000	76.250	76.250	0.49	1.24	1.24
Equipment of laboratories (provision of modern equipment to the research laboratories of universities and public scientific institution)	205.000	20.000	-	3.33	0.33	-
Translation of books of renowned authors (500 professional and scientific books and textbooks used in the most renowned universities)	75.000	100.000	100.000	1.22	1.63	1.63
Construction of primary schools	125.983	200.000	200.000	2.05	3.25	3.25
Reconstruction of primary schools	25.500	50.000	50.000	0.41	0.81	0.81
Construction of sports halls in primary schools	276.072	384.497	1.411.531	4.49	6.25	22.95
Construction of secondary schools	35.000	25.000	30.000	0.57	0.41	0.49
Reconstruction of secondary schools	25.000	30.000	30.000	0.41	0.49	0.49
Construction of sports halls in secondary schools	71.948	20.732	25.036	1.17	0.34	0.41
Reconstruction of dormitories for secondary school pupils	2.100	5.000	5.000	0.03	0.08	0.08
Construction and reconstruction of dormitories university students	98.000	325.000	250.000	1.59	5.28	4.07

1. In addition, the following subsidies are foreseen to be allocated through the municipalities:

Type of subsidy	Thousand MKD		Thousand Euro (approx.)		Growth 2016-2017, %
	2016	2017	2016	2017	
Earmarked grants for Primary education	3,000	3,000	48.6	48.8	-
Block subsidies for Primary Education	8,800,000	8,870,000	142,625.6	144,227.6	0.8%
Block subsidies for Secondary Education	4,120,000	4,150,000	66,774.7	67,479.7	0.7%
Block subsidies for Child care	1,263,785	1,373,870	20,482.7	22,339.3	8.7%
Total subsidies	14,186,785	14,396,870	229,932	234,095	1.5%

The funds to be allocated from the State budget will cover the running cost of the education system (i.e. block- and earmarked subsidies, salaries, scholarships, procurement of goods and services, regular capital investments) and the cost of a number of development programmes. However, in order to meet the objectives established by this Strategy and cover the cost of the Action Plan, additional allocations from the State budget and also from other sources will be necessary

A.2.4 Vision for VET and major reform undertakings

The strategic framework in the field of employment and education (including skills aspects) is well developed. The Employment and Social Reform Programme and the Economic Reform Programme ensure the overarching policy framework that stimulates a cross-sectoral cooperation for policy

implementation and a mutual reinforcement of actions. The coordination among the main stakeholders and the active developing partners is carried out in the Education and Employment sector committee.

Specific sub-sector strategic documents contribute to the overall vision. The North Macedonian Government has recently adopted the Education Strategy 2018-2025 and the Ministry of Labour and Social Protection follows closely implementation of employment priorities, including Youth Guarantee, as set out in the Employment Strategy 2015-2020, Youth Employment Action Document 2016-2020 (revised in 2017 to include Youth Guarantee) and annual action plans for employment. Though employment strategy expires in 2020, the Ministry of Labour has already planned for 2019 inception phase for designing a new strategy post 2020.

Additional strategic documents have been developed for addressing adult education (Adult Education Strategy 2017-2020) and Lifelong Learning (LLL Strategy 2017- 2020):

The most recent and relevant strategic document is the Education Strategy 2018-2025. The GoRM considers education, training, research and innovations as key factors for strengthening the national economy and for the citizens' wellbeing. Within this context, the Strategy defines a vision of comprehensive, inclusive, and integrated education focused on the learner⁵, based on modern programmes for equipping future generations with knowledge, skills and competences in accordance with the needs of the democratic multicultural society, requirements of the Labour Market and the new challenges in the global scientific-technological environment.

According to this vision, the Strategy will be mainly targeted to the improvement of:

- Content of education and its relevance to the North Macedonia's society development priorities (particularly in terms of having productive and engaged citizens) and the needs of the labour markets, as well as acceptance of multiculturalism, interethnic integration, respect for diversity and democratic values;
- Education system infrastructure, including building facilities, equipment and teaching and supportive technologies in order to ensure appropriate learning environment in general and inclusion of pupils and students with special education needs in particular;
- Capacities of human resources including managers, teaching and support staffs;
- Quality and effectiveness of education process;
- Legislation, Management and Funding schemes.

The strategy has five pillars, pre-school, primary and secondary education – vocational education and training – higher education and research - on-formal education and adult education – horizontal issues of the education system. In terms of Education policy coherence with other policy strands, the strategy is relatively well connected to employment policy goals, the Ministry of Labour and Social Protection is recognised as one of the main collaborator in strategy's implementation. It include rather weak links to welfare, addressing social inclusion issues. More worryingly there are very few to economic development, growth and competitiveness although education and skills are crucial ingredients.

A detailed action plan is included for the whole period 2018-2025. There is a good level of detail, outputs, source of verification, deadlines, responsible institutions/organisations, resources; The use of the strategy to monitor progress in education reforms is however hindered by the following shortcomings in relation to the monitoring functions and policy costing:

Monitoring and evaluation system

- No clear reference to EU education benchmarks and MK performs against key indicators in education and training;
- no overall target/s indicators set (quantified targets);

⁵In this context, a learner is any participant in the education process.

- references to monitoring system are not enough, although action plan sets out clear output indicators and distribution of responsibilities;
- Education Information Management System/ skills observatory is in the making; this might affect baselines, evidence completeness and tracking of progress over years;
- The targets set in the action plans are often results of international support interventions. These do not help in monitoring the capacity of the national stakeholders of effectively running the reformed system. E.g. It's not important to know how many qualifications / occupational standards will be developed through IPA or WB support. What would be interesting to set targets on and monitor is how many the NQF unit / sector skill councils will develop on their own.

Policy costing

- Not very clear how actions were estimated. Activities like studies, analyses seems overestimated. For example for the monitoring of the strategy they allocate €500000; in addition to the creation of the M&E unit.
- Demographic trends will impact enrolments at all level of education; while adult population's level and relevance of skills would require increased outreach with lifelong learning measures. Such trends are not factored in the education policy costing and financing.
- The analysis of the impact of the reforms on the human resources of key stakeholders involved is missing. This is an issue for a country where scarcity of human resources in public institutions is already an issue (e.g. TVET VET Centre has competent but not sufficient staff already now before additional responsibilities are allocated to them as consequences of the reforms. This could be a serious bottleneck in the strategy implementation.

A.3: The context of VET

A.3.1 Socioeconomic context

As of January 1, 2017, the overall population of North Macedonia was estimated at around 2 million.⁶ There is still a positive population growth, but it has slowed down in recent years. The crude birth rate in 2016 (latest available data) was 11.17, whereas the crude death rate was 9.9. In the last decade (2007-2017), the share of young population (aged 0-19) in total population declined from 26.8% to 22.6%. In the same period the share of population aged 65+ increased from 11.2% to 13.3%. According to the UN population data, in 2017 the stock of North Macedonians living abroad was 534,720 individuals.⁸ This number seems high relative to the size of the population, however even in 1990 there were 430,000 emigrated North Macedonians. The number of immigrants in the country (stock data) in 2017 was 130,972, so that the net migration stock in 2017 was 403,748 individuals.

Latest GDP data for the 2018Q1 show marked slowdown of the economy. In particular, 2017 was a year of large political instability which has taken its toll on the economy. GDP growth in the first half of 2017 was negative, at -0.7%. After the new Government came into power and political stability

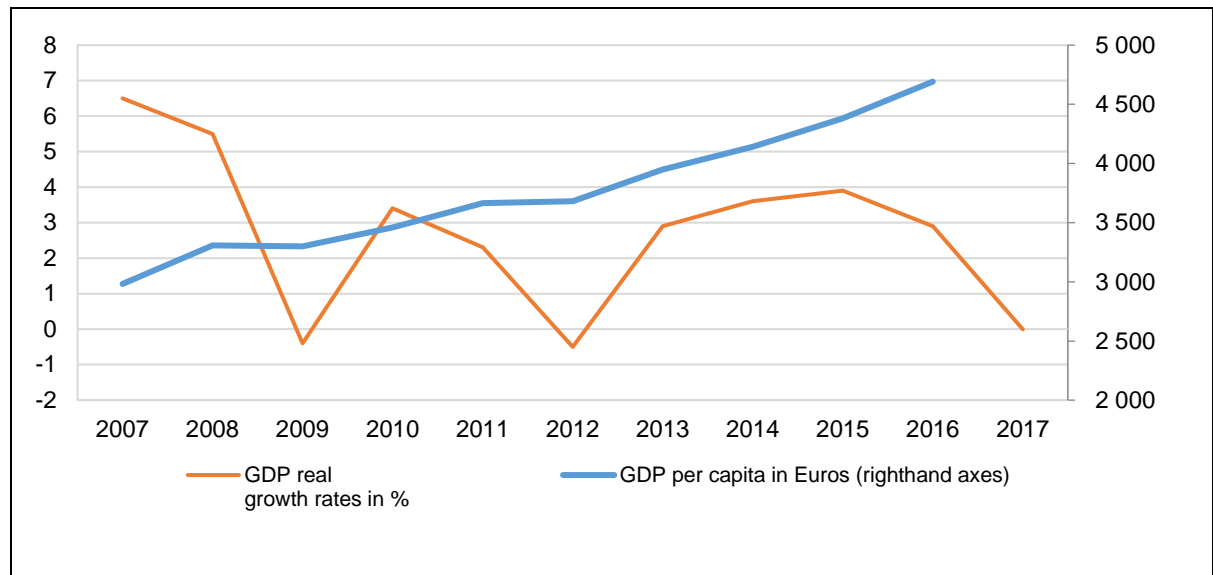
⁶ Data are from Eurostat, at: <http://ec.europa.eu/eurostat/data/database>. There is much discussion in the country about the quality of the data on population as the last Census of population was carried out in 2002. The 2012 Census was stopped after many problems on the field mainly related to the ethnicity of the citizens. In particular, the Ohrid Framework Agreement which the Government signed after the 2001 civil conflict prescribes special rights for the ethnic minorities based on their shares in the overall population which has led to misreporting of the population living in the country (i.e. trying to count the emigrated individuals). Since then, the Government did not manage to create better conditions for implementation of the Census which in many instances is used as a main critique for the official data. Moreover, the quality of the migration statistics is also quite low, which sometimes puts doubt at the Labour Force Survey data.

⁷ Number of live births occurring among the population during a given year, per 1,000 mid-year total population during the same year.

⁸ <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>.

returned, growth picked up, although at slow pace (+0.7% in the second half of 2017). The economic policies of the new Government are quite different than those of the previous one and should start showing their impact in 2018. However, the GDP growth in 2018Q1 was only +0.1%, with very large decline of the construction activity (-37% in real terms). This has led to a sizeable decline of the share of construction in value added from 13.8% in 2017Q1 to 8.6% in 2018Q1. Among the sectors with a large share in GDP, agriculture, manufacturing and trade recorded positive growth rates. Investments in 2018Q1 dropped by 9% on an annual level, as did the government consumption (-1.4%).

Figure 1 Annual GDP developments 2007-2016



Source: State Statistical Office, at: <http://www.stat.gov.mk/OblastOpsto.aspx?id=7>.

Despite the poor economic development, the labour market shows further improvements in declining unemployment and increasing employment rates. The level of unemployment (21.9% in 2018Q1) is still very high, especially for the vulnerable categories of citizens. The employment rate in 2018Q1 has slightly increased to 50.9% compared to 50% a year ago.

The main factor supporting the decrease of unemployment has been the increased of foreign Direct Investment. The main tool for attracting FDI has been the establishment of 15 Technological Industrial Development Zones. These provide a number of incentives which last up to ten years related to tax exemptions, grants for construction, aid for training employees and exemption for paying VAT⁹. The impact of TIDZs over the overall export is more than 30%.

A.3.2 Migration and refugee flows

External mobility

With an effect from 19 December 2009, citizens of the Republic of North Macedonia were allowed to travel to Europe without having to apply for visas at consular offices of EU Member-States in their country or in the neighbouring countries (Council of the European Union, 2009). This did not lead to a massive increase in the migration flows from North Macedonia to Europe. According to the UN population data, in 2017 the stock of North Macedonians living abroad was 534,720 individuals.¹⁰ This number seems high relative to the size of the population, however even in 1990 there were 430,000 emigrated North Macedonians. Based on rough calculations based on the evidence provided

⁹ Tracking economic Zones in the Western Balkans, OECD

¹⁰ <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>.

by the receiving countries the emigration rate in the last 20 years should be around 10000 migrants per year.

Remittances as percentage of the GDP have fluctuated from 1.5% to 4.1% in the last 20 years. No clear trend has emerged. In 2016 they represented 2.7% of GDP.¹¹

Internal mobility

In general, the contemporary migrant flows from/into and within the Republic of North Macedonia have been induced by several dominant factors, including the following ones: the unfavourable overall economic situation, especially the unfavourable situation on the labour market, the high participation of young population in the total number of unemployed persons, and the problem of unemployed, yet highly educated people, which has escalated both in volume and structure during recent years. Furthermore, highly negative demographic trends are also evident, as well as significant differences in regional economic and social development, which altogether have led to severe social differentiation within the society, inequalities and differences, regional demographic disparities, unequal and unsustainable territorial distribution of the population, poor quality of life, as well as an absence of social cohesion.

The places and regions hit by emigration flows, both internal and external, suffer a lack of workers, and there are unexploited physical resources, as well. Demographic structure of these regions is particularly affected leading to a very small share of the young population remaining. Quite the opposite, the places and regions to which immigrants migrate suffer a surplus of workers, leading towards unemployment, poverty, increased population density, as well as the decreased well-being of individuals and societies, otherwise known as the “quality of life”.

A.3.3 Education sector context

At secondary level the Ministry of Education provides 2, 3 and 4 years programmes. Both 3 and 4 years programmes include special needs education versions of the programmes. 59.6% of secondary students enrol in VET programmes.

The two years programmes (occupations) start at theoretical age of 14/15 and are ISCED 3 vocational education programmes; the education is carried out in upper secondary educational institutions, with professionalized teachers and different curricula for different field of study. After passing the final exam, the students acquire a Diploma for completion of upper secondary education for vocational training of 2 years of duration. The students usually continue to labour market, but if they want - they can continue the education at the same level ISCED 3, but at the educational programme that last 3 or 4 year of duration. The programmes are designed as part time educational programmes.

The three years programmes (vocational) are ISCED 3 vocational educational programmes. Graduates of three years programmes have access to 4 years programmes (after taking 5 differential exams) or to post-secondary education programmes at ISCED level VB.

The four years programmes (technical) are ISCED 4 vocational educational programmes. In both cases the education is carried out in upper secondary educational institutions, with professionalized teachers and different curricula for different field of study. Graduates of 4 years programmes have to pass a School Matura to acquire a Diploma for completion of upper secondary vocational education with 4 years of duration and they have to pass a State Matura, to access to ISCED tertiary levels (Bachelor studies ISCED VI A, VI B and vocational studies (ISCED V A). Alternatively they can access Post-secondary Programmes (ISCED V B), without the need to pass State Matura or can go to labour market. This is compulsory education, students are monitored for the whole duration.

¹¹ Federal Reserve Economic Data, fred.stlouisfed.org

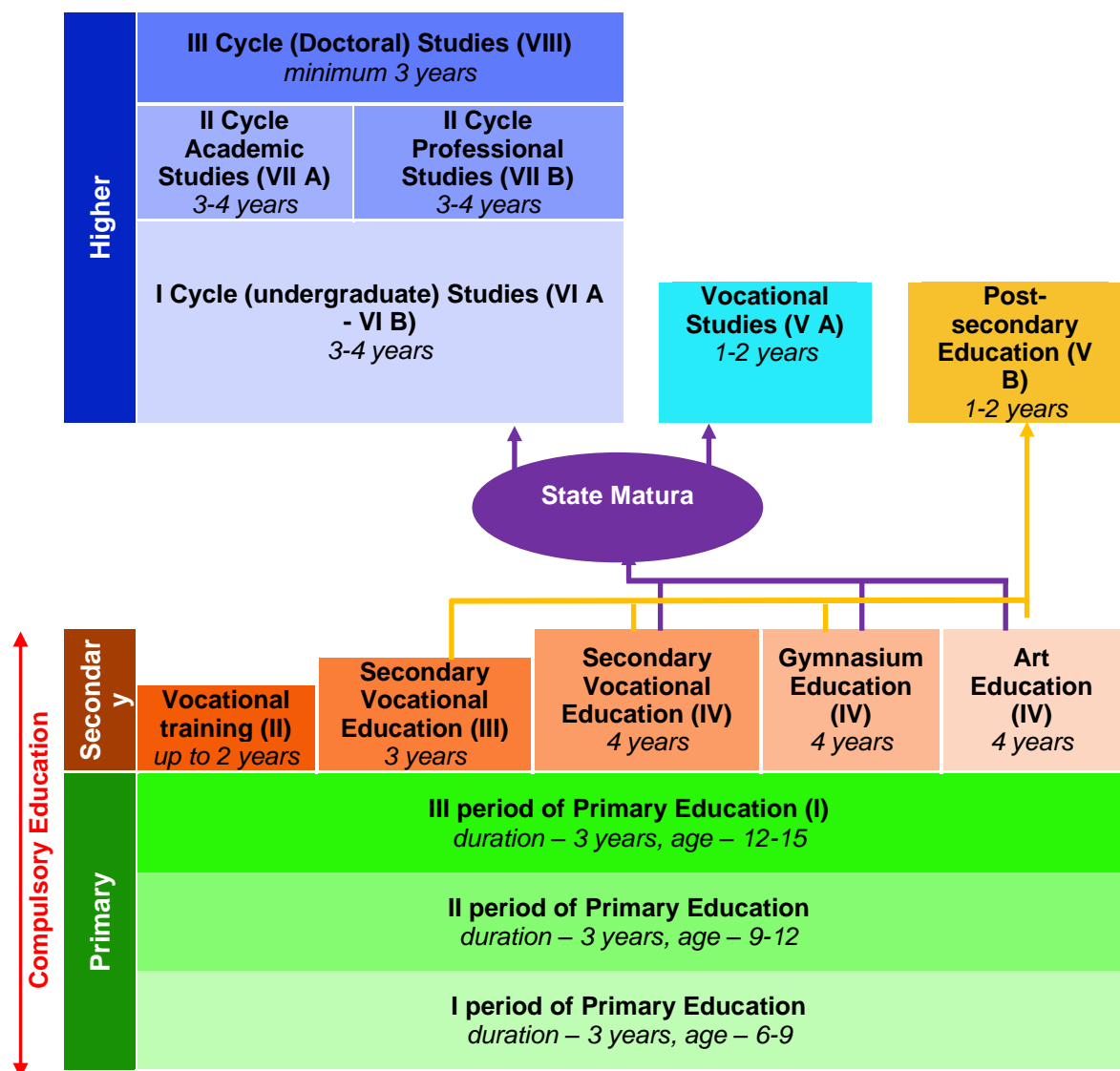
No pathways have been developed to move from post-graduate programmes to higher education.

Similarly to other countries in North Macedonia students see higher education as their favourite if not only educational choice. Educational attainment of active population register a constant increase of active population with high level education (24.9% in 2017, an increase of 25% compared to 2010). Similar trend is true for both genders but for females both value and trend are more evident (34.1% with an increase of 33% since 2010).

Secondary VET is seen by students more like a possible path to access higher education than a real opportunity to enter the labour market. A significant percentage of students (**evidence do be found**) of vocational programmes years apply for the final year of a technical programme in order to get the opportunity to apply for higher education. As it concerns graduates from technical programmes, around 60% (**data to be checked**) of them continue to higher education.

The number of students enrolled in the two strands of post-secondary VET (ISCED V A and ISCED V B) is negligible (1.82% of post-secondary students in 2016). This is a major shortcoming of the system considering the interest of vocational programmes graduates to continue their studies. One of the main issues with the current version of the post-secondary is the fact that no pathways exist with higher education programmes. The establishment of modern and effective post-secondary VET programmes is indeed one of the priorities of the new education strategy 2018-2025

Structure of the Education System in the Republic of North Macedonia (according to MQF)



Pre-school education

Age 0-6

A.3.4 Lifelong learning context

Lifelong learning has been priority for North Macedonia for a decade. Important actions have been taken and further policy developments are under discussions.

The first important step has been the approval of the Adult Education law in 2008. The law was amended different times to regulate the procedures for verification of the programmes for adult education (non-formal education), standards for space, equipment and staff of the institutions for adult education.

2010 the Adult Education Strategy has been adopted. Following the approval of the strategy several actions have been implemented.

- In 2011 another legal act related to the sector, i.e. the Law for Open Civic Universities for Lifelong Learning was also adopted.
- In May 2010 the programme for completion of secondary vocational education for adults has been introduced. The programme is still on-going, and from 2010 to 2017, approximately 2.000 adults finished, or are in a phase of finishing their secondary vocational education.
- In 2013 a monitoring programme for adult education has been established.
- Capacity building for AEC and adult education trainers has been implemented
- In 2018 AEC has facilitated the development of a roadmap for establishing a system of validation of non-formal and informal learning has been developed and in 2018 AEC has started coordinating the revision of adult education law to include VNFIL provisions.

From 2016, in parallel to the development of the Education strategy 2018-2025, the LLL strategy 2016-2020 and the new adult education strategy 2016-2020 have been under discussion. As of November the draft strategies have not been approved yet. Despite this is important to list the priority goals for 2016-2020 as these will be the main strategic directions that national stakeholder will take even in the absence of the formal approval:

- 1) Improvement of the attractiveness of and participation in adult education
- 2) Establishment of a system for quality development in adult education
- 3) Development of a system for validation of prior learning
- 4) Improvement of the organisation, management and financing of adult education
- 5) Establishment of a system for public adult education
- 6) Strengthening of research and developmental projects in adult education
- 7) Professionalization of the staff in the field of adult education
- 8) Monitoring and evaluation of adult education

Participation in lifelong learning (% aged 25-64) is low 2.3%. Adult Education is part of the educational system, and may be realized in vocational schools for acquisition of qualifications in the formal system, as well as vocational training implemented by an accredited provider of verified program. The Adult Education Survey carried out in 2016 provided a very interesting picture of the population participating in adult training.

- Overall participation in education and training of population aged 26-64 is only 12.7%¹².
- Looking at data from a territorial perspective there's a clear gap between urban population (76% of the people benefiting adult education) and rural population.

¹² Adult Education Survey, 2016 – Source : State Statistical Office

- Even more interesting is the split according to educational background. 59% of the relevant population has tertiary and higher education background, 38% has a secondary education background and only 3% have a lower educational background.
- Out of the adult training provided the majority is non-formal (72%).
- Minimal gender gap is present in adult education participation (46% females).
- The status of the vast majority of people participating in adult education is employed (79%). Only 14% of the beneficiaries are inactive and only 7% are unemployed.

There's no scientific evidence to assess the quality of current provision of adult education. However, despite the role formally allocated to VET Centre, AEC and State SEC, it is commonly recognised (specific reference is made in the draft adult education strategy 2016-2020) that quality of provision is one of weaknesses of adult education system.

In terms of funding, only 0.4% of the public spending in education is allocated to adult education and learning¹³

The current priorities for adult education in North Macedonia are the establishment of a system for validation of non-formal and informal learning (VNFIL) and the implementation of programmes for the completion of secondary education for adults with only primary education.

A.3.5 International cooperation context: partnerships and donor support

Donor coordination is facilitated by the MoES and the MoLSP in the context of the education and employment sector committee.

¹³ Reporting template for Member State progress reports for the Global Report on Adult Learning and Education (GRALE III) (914696)

<http://grale.uil.unesco.org>

BUILDING BLOCK B: ECONOMIC AND LABOUR MARKET ENVIRONMENT

This building block focuses on the demand for VET from the economic and labour market perspective. It collects information on labour market and economic factors that shape the demand for skills, and on the responsiveness of VET to these factors. This includes migration, skill gaps and mismatches, the transition to employment, and the role that VET plays in the promotion and development of entrepreneurship.

B.1: VET, economy, and labour markets

B.1.1 Labour market situation

The labour market is characterized by overall low activity and employment rates and high unemployment. Last annual figures available (2017) show an activity rate of around 65% of the working age population. Employment rate, though on increasing trend over the last years, amounted just 50.5% in 2017, well behind the EU average. The main factor triggering such low performance in activity and employment is gender divide in activity and employment, i.e. 26.7 percentage points and 20.3 pp, respectively, below their male peers.

Total unemployment is strongly decreasing in the country, reaching 22.5% in 2017, 12 pp down compared to ten years ago. Still youth joblessness remains a prominent issue, reaching 46.7% in 2017, one of the highest in the South Eastern European region. Share of young people not in employment, education and training amounted around 25%. Long-term unemployment is as well a key feature, affecting in particular low qualified. A key challenge for the North Macedonian economy is the significant level of inactivity, which does not seem to recede and it affects mainly women. This is worrying on the backdrop of demographic decrease¹⁴ and migration propensity. According to poverty related data, unemployed and inactive are the most exposed groups to the poverty risk (MAKSTAT¹⁵).

Education attainment is a key predictor of labour market participation, most active are tertiary and medium level educated, while those with low attainment are over-exposed to inactivity. On the backdrop of sharp increase in tertiary graduates, the clear cut between high versus low qualified propensity to unemployment has diminished; namely, the differences between low, medium and highly educated unemployment rates have declined over the last years. As stated before, women activity and employment rates reflects their precarious position on the labour market. Next to low participation, it seems in the case of women education is not such strong predictor for an improved position in employment. Female unemployment rates are almost similar for all broad education levels (low, medium, high) and women are often stuck in low skilled jobs.

Age is also a key feature of employment probability, like in many other countries young people being subject of poor and lengthy transition from school to work. The labour market insertion of recent graduates (ISCED 3-4) has improved over the last years, reaching an employment rate of 50% in 2017; still there is a large gender gap of around 10 pp. According to LFS data, education orientation seems to play an important role in predicting labour market outcomes, VET graduates reaching higher

¹⁴ Young cohort has decreased constantly since 2010

¹⁵ Sources: Eurostat and Makstat - Labour Force Surveys and Survey on Income and Living Conditions. 2010-2017 data are used in this subsection.

employment rates in contrast to their peers who finished general programme of medium level education (ISCED 3-4).

Sectorial structure of employment confirms the gradual transition to service orientation of the economy (around 50% share in total employment in 2017), whereas the share of industry remained constant (around 30%) and agriculture dropped down almost three pp from 2010 to 2017. Looking at vacancy rates from 2013 to 2017, strongest economic branches, generating around 70% of demand, are manufacturing; construction; wholesale and retail trained, repair of motor vehicles and motorcycles; transportation and storage; accommodation and food services. Knowledge based service sectors, such as information and technology, financial and insurance and professional, scientific and technical activities have grown fast over the last years, although total share in total demand remains rather low (around 10% in 2017).

Most predominant status in employment is `employee`, almost three quarters of the employed have such relationships on the labour market after a strong increase since 2014, and a corresponding decrease in self-employed workers. Gender discrepancies are visible with women higher propensity to work as employee (over 80%) or unpaid family worker (around 10%), and less as `employer` (just 2.6% as compared to almost 5.7% of men, LFS 2017).

Informality and precariousness affects large proportions of workers - almost one fifth working in informal contexts and vulnerable employment, one in three young person hold a temporary work contract, and women are overrepresented in the category of unpaid family workers. Labour market efficiency is found as rather weak. According to latest World Economic Forum assessment of key components of labour regulations (2016-2017), the Republic of North Macedonia ranked 95 out of 138 assessed countries. Negotiation and setting wages and rules on contract termination seem to be the most problematic aspects according to employers` opinions (ILO survey among employers, 2015).

Regional disparities are also affecting the labour force utilisation across the eight regions of the country. Three regions are particularly lagging behind in terms of employment and unemployment incidence, Northeast, Southwest and Polog. Regional discrepancies are quite large in employment of over 25 pp gap between best performing region (Southeast) and weakest one (Northeast). The latter one reveals a particular underperforming labour market where unemployment rate exceeds the employment rate. Not surprisingly, Skopje region leads in the average gross wage per employee. Skopje region generates over 40% of the gross domestic product, while the Northeast has a share of a bit over 5%.

High incidence of unemployment and inactivity, even among medium and highly educated, indicates a problem in matching supply and demand, exacerbated by weak education performance (e.g. PISA results; mismatched education programmes in secondary and tertiary levels) and low participation in lifelong learning (only 2.6% in 2017, LFS). Uneven distribution of employment opportunities from territorial perspective (e.g. lagging behind regions) might also explain coexistence of large un/under-utilised labour potential and skills workforce shortages (as claimed by employers).

Overall, key indicators such as activity, employment and unemployment are improving over the last years, though women and young graduates do not fully benefit of such positive trends. In spite of not having available comprehensive data sets on vulnerable groups, administrative sources and qualitative research reveal exposure to informal/precarious labour conditions, unemployment and inactivity of certain groups, such as members of Roma ethnic minority, disabled people, single parents, people with very low/no education attainment, former convicts, etc.

B.1.2 Specific challenges and opportunities: skill mismatch

Longish transition to employment among young graduates, unemployed or inactive reflect a mismatch of skills and job readiness. The analyses of the labour demand and supply show a relatively large

change in the structure of the jobs by occupation, industry, skills, with a shift towards intermediate and high occupations and qualifications levels over time. Most of the current and near-future demand is for secondary vocational educated, but at the same time the country witnessed a large increase in the supply of tertiary educated graduates.

There are many reasons explaining such mismatches, such as regional disparities in employment generation, low internal workforce mobility, insufficient access to lifelong learning programmes, unattractive wage and working conditions etc. It seems, however, the education system holds major part of responsibility. Last PISA results show a very weak performance in fundamental competences such as reading, mathematics and science (North Macedonia ranked 67 out of 70 participating countries). Such shortcoming may affect pupils, students and future workers over entire lifetime. Upper secondary and tertiary education does not provide fully relevant programmes for the labour market, if looking at available tracking studies or employers' opinions. As mentioned already, adults' participation in lifelong learning is very limited and on decreasing trend.

A recent ETF study on skills mismatch measurement in the country (2018, forthcoming) and previous studies done in the country show a horizontal mismatch within a range of 30-45% and vertical between 27-53%. Data also show labour shortages in fast-growing sectors, and export oriented sectors of the economy. The ETF study confirms 'high and persistent mismatches; relative deterioration of the position of the tertiary educated workers as a result of large increase of supply of such workers; that over-education phenomenon is higher than under-education; the mismatch is relatively small for workers aged 20-24 and 25-29; higher education is rewarded in the labour market as assessed by relative wages by education; the incidence of mismatch varies by economic sectors, etc. The over skilling, according to these calculations, is especially high for Service and sales workers and Skilled agricultural workers and to a lesser extent for Crafts workers and Plant and machine operators. Under education, on the other hand, is highest among managers, and less so for Technicians and associate professionals and the Clerical support workers' (ETF 2018, forthcoming).

Specific challenges initial VET system faces in responding to labour market and learners' needs can be summarised as follows:

- insufficient correlation of VET profiles and programmes to local and regional labour market needs;
- lengthy process of updating qualifications standards and reflection in educational offer, including update of teaching materials, equipment and teachers' training;
- limited provision of career guidance services and opportunities to organise or expand practical training and internships/traineeships.

B.1.3 Specific challenges and opportunities: migration

With an effect from 19 December 2009, citizens of the Republic of North Macedonia were allowed to travel to Europe without having to apply for visas at consular offices of EU Member-States in their country or in the neighbouring countries (Council of the European Union, 2009). This did not lead to a massive increase in the migration flows from North Macedonia to Europe. According to the UN population data, in 2017 the stock of North Macedonians living abroad was 534,720 individuals.¹⁶ This number seems high relative to the size of the population, however even in 1990 there were 430,000 emigrated North Macedonians. Based on rough calculations based on the evidence provided by the receiving countries the emigration rate in the last 20 years should be around 10000 migrants per year. No detailed evidence on the migrant's educational background is available but indirect

¹⁶ <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>.

sources profile them as mainly tertiary education graduates who don't find job opportunities in line with their qualifications in the country.

Internal mobility

In general, the contemporary migrant flows from/into and within the Republic of North Macedonia have been induced by several dominant factors, including the following ones: the unfavourable overall economic situation, especially the unfavourable situation on the labour market, the high participation of young population in the total number of unemployed persons, and the problem of unemployed, yet highly educated people, which has escalated both in volume and structure during recent years. Furthermore, highly negative demographic trends are also evident, as well as significant differences in regional economic and social development, which altogether have led to severe social differentiation within the society, inequalities and differences, regional demographic disparities, unequal and unsustainable territorial distribution of the population, poor quality of life, as well as an absence of social cohesion.

The places and regions hit by emigration flows, both internal and external, suffer a lack of workers, and there are unexploited physical resources, as well. Demographic structure of these regions is particularly affected leading to a very small share of the young population remaining. Quite the opposite, the places and regions to which immigrants migrate suffer a surplus of workers, leading towards unemployment, poverty, increased population density, as well as the decreased well-being of individuals and societies, otherwise known as the “quality of life”.

B.1.4 Specific challenges and opportunities: digital transformation

North Macedonia is deeply involved in the process of digitalisation in education. Policy makers understand the importance of mainstreaming digital skills from early age. In the last ten years several initiatives have taken place.

In the period 2009-2011, all members of the teaching staff of primary and secondary schools were trained to ensure their digital literacy and ability to apply ICT in the teaching process by using the operative system Edubuntu (mainly for the school subjects Mathematics, Physics, Chemistry and Informatics). From 2011 onwards, within the framework of the Computer for Every Child Project, the scope of hardware and software equipment was increased in primary and secondary schools and interoperability was allowed. Access to services for support and to educational multimedia resources on the Internet was ensured. Schools have been provided with Internet connection, classrooms linked with local Intranet networks and fast Internet access has been provided for all legal and natural persons participating in the education process.

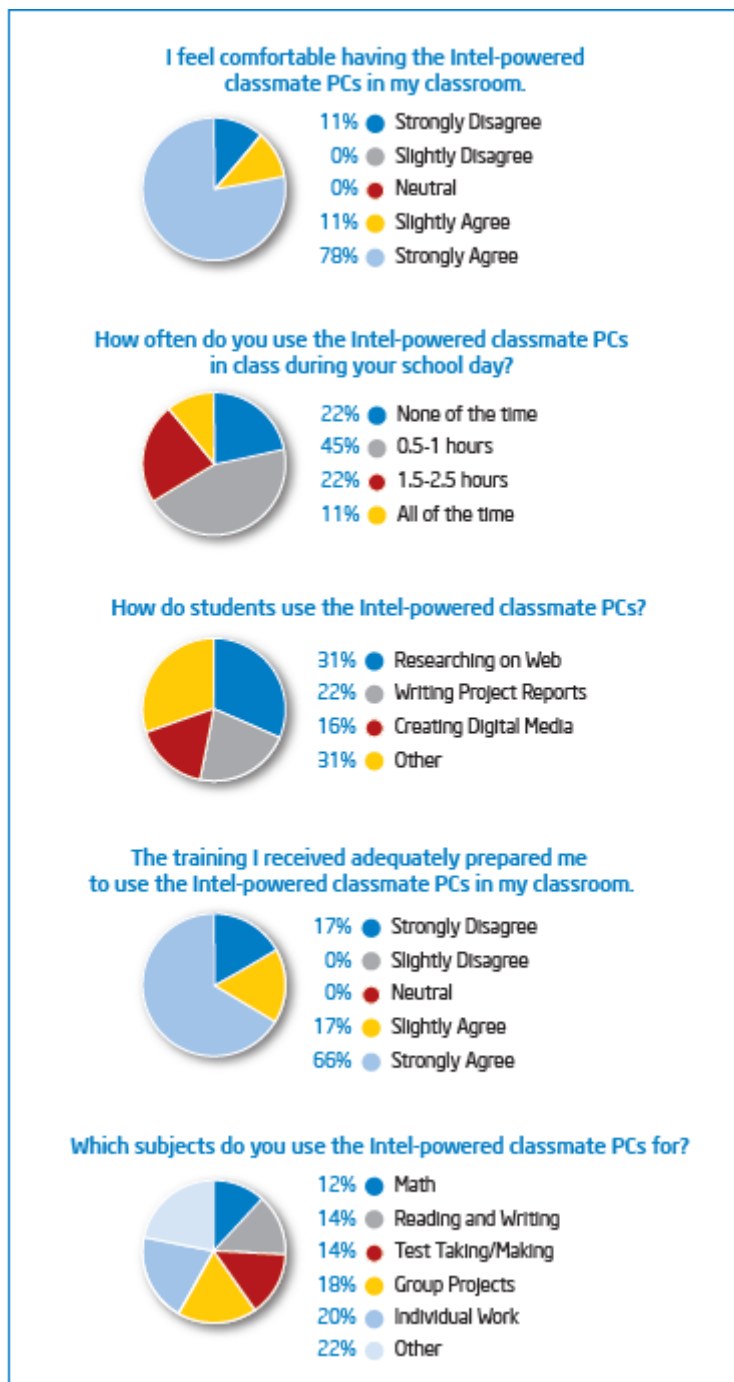
Curricula and the ICT-related subject programmes of primary and secondary education were reviewed and the volume of ICT education was increased by means of introducing mandatory school subjects in this area from the 3rd grade of primary school onward, and by allowing for continuous studying of informatics in all four years of secondary education. Digital contents have been designed for the school subjects: History, Musical Education, Art Education, North Macedonian language, and Albanian language. ICT literature has been created in North Macedonian and in the languages of the communities in regions and areas where a legal framework exists for this. A portal has been established where textbooks (licensed by the Ministry) have been published in PDF format.

Flexible forms of education and lifelong learning have been integrated by using the ICT in the existing system. A process of obtaining a continuous digital literacy has been provided for all professions by adjustments to the specific professional needs. Pupils who have left school and unemployed individuals are enabled to become digitally literate. An electronic journal has been introduced at primary and secondary schools in order to improve communication between teachers and parents, to allow for a fast and simple insight into information in the journal by teachers in the school, and to allow for centralised and fast statistical analysis by MoES and other state institutions. Several portals have been created to enable information and application for scholarships, to post educational videos, and to keep records of science and research activities and their application in the Republic of North Macedonia (projects, works and innovations).

The education strategy 2018-2025 will build on this success. A specific sub chapter of the action plan is dedicated to the objective of ensure wide use of ICT in education and training and digital literacy Main foreseen results are the following:

- Ensure use of ICT in learning process
- Establish a unified electronic platform of teaching, learning and methodological resources
- Establish an ICT Gymnasium (high school) and/or ICT classrooms specialised in computer science and mathematics
- Introduce modern ICT qualifications at the VET level

The actual implementation of the new ITC digitalisation policies faces challenges and some resistance in segments of the teacher population, but overall the degree of integration of the new digital tools has been positive. The diagrams below are the results of a survey of teachers participating in the Intel Learning Series Solution, an initiative which helped the allocation of a pc for every education primary student and supporting teachers' competences in using ICT tools.



B.1.5 Strategic policy responses involving education and VET

On the backdrop of relatively low demand and structural mismatches between supply and demand, the policy orientations and actions combine a wider range of economic reforms to improve business environment, stimulate growth and job creation, including lower labour taxation. Portfolio of active labour market policies aims at improving jobseekers' skills, through both formal and informal training, and chances to be employed through job subsidies, internship and self-employment stimulation (see more information under next question).

As of 2017, the new Government raised the minimum statutory wage to approx. 195 Eur that would influence the labour costs but ideally improve the employment attractiveness, reducing the risk of unemployment or inactivity trap. Addressing the needs of certain underrepresented groups on the labour market (women, young, Roma, disabled etc.) would require more comprehensive policy approaches. The Government is currently working, with support of donors, to (re)design the passive social benefit system, revise legislation, and reform the social care services (e.g. deinstitutionalisation and move towards community based social services) and expand children care infrastructure (to allow more women take up jobs). Raise awareness and anti-discrimination campaigns are implemented to help integration of most exposed groups such as Roma.

Government and social partners are working together to enhance labour market responsiveness of initial VET. The new Education Strategy 2018-2025 includes a wide set of actions focused on raising the quality of education, including better tracking of labour market outcomes of graduates (set out regular tracer studies; further develop the Skills Observatory), connect education programmes to sectors' demand through Qualification Framework, learning outcomes and qualifications' based curricula (the role of sector skills councils is also augmented in the process). School-business cooperation and work based learning are also prioritised. Stakeholders envisage as well a structural reform of VET provision network by establishing in a first phase three regional VET centres. Main reform driver is to make VET offer more relevant to local and regional needs, help learners' and graduates insertion on the labour market and enhance cooperation among local actors, being, schools, municipalities, continuous VET providers, enterprises, NGOs and other relevant parties. Regional VET centres are supposed to expand both their outreach (both pupils/children, young and adult learners) and educational offer to support transition to employment through career guidance services, traineeships/internships opportunities, initial and continuous training courses and services of validation of prior learning.

Ministry of Labour is also working on helping young people make a better choice in their career. A set of occupational outlooks are under development (to reach around 65 by 2020) and will provide youngsters with key information (demand, wage prospects, working conditions) and exemplified description of in demand jobs (videos, work tools etc.).

Another priority is expanding participation in lifelong learning by increasing the number of adults included in second chance education, among others. North Macedonia does not face high incidence of early school leaving, but certain groups, e.g. rural, people at poverty risk, Roma, have low attainment level with no prospects to get a job. In spite of legislation and strategic orientation, such second chance/remedial education courses do not cover significant number of participants (main reasons seem to be heavy procedures to organise such courses, limited resources and difficulties in retention and stimulation of participants to finalise their studies). As said before overall participation of adults in lifelong learning, including work related trainings, is extremely limited and decreasing over time. Explanatory factors could be insufficient awareness among employers and resources to invest in staff development activities; rather limited value added and innovation components of the North Macedonian economic activities (not requiring retraining, specialisation courses). Continuous training is mainly available to jobseekers, through ESA set of active labour market measures (see details in next question).

B.1.6 The role of VET in remedies through active labour market policies (ALMPs)

ALMPs are aimed at motivating and incentivising people to look for employment, making them more employable through retraining, expanding the opportunities for those who are inactive, etc. Are these or any other elements or approaches being implemented in your country? What is the coverage rate? Do ALMPs involve education and/or VET in any way (e.g. skills development through CVT in support of jobseekers), and if yes, how?

ALMPs remains the main instrument to address structural challenges on the labour market. Increase in overall spending can be reported over the last years, but insufficient staffing of the Public Employment Service (Employment Service Agency) and high caseload inhibit efficiency and effectiveness of ALMPs' implementation, including jobseekers' coverage. Several positive developments are noteworthy:

- introduction of a profiling system of jobseekers to help ESA staff target labour market policy interventions and prepare individual action plans for vulnerable unemployed;
- providing a standard set of activation services (mediation, counselling) to inactive persons (usually, social assistance beneficiaries) and devise focused programmes in partnerships with municipalities, civil society organisations etc.;
- design, piloting and future mainstream a Youth Guarantee like model of intervention targeting young jobseekers. The guarantee envisages each young person under the age of 29 who will be given an adequate job offer, an opportunity to continue education or be included in some of the internship or training measures within 4 months after completion of education or registration as unemployed (currently, the authorities are planning to expand the intervention model based on the findings of pilot phase, by using both national budget and EU IPA funding).

Main strategic background is included in Employment Strategy 2015-2020, Youth Employment Action Plan and ESA annual planning of activities.

Looking at the activation measures delivered over the last years, ESA puts accent on standard services (job matching and counselling), with most registered jobseekers benefiting from such services. The intense activation programmes, under the format of labour market measures, are covering only a fraction of jobseekers (around 7500 out of over 100,000 unemployed registered at the end of 2017). Main reasons are listed above, in particular very low ALMP expenditure per capita and quite often jobseekers' insufficient readiness to take up a job or an activation programme (in particular, long term unemployed or/and having very low education attainment, exposed to poverty and social exclusion risks). Around half of jobseekers participating in labour market policy (LMP) measures are included in training courses (training, retraining through specialised courses, including VET type). However, higher educated seem to benefit the most representing around 50% of training participants though their share in total unemployed is only around 10-12%. Particularly worrying is coverage of low with such programmes, almost negligible (67 persons in 2017). Most probably, entry requirement to have at least secondary education acts as a barrier in accessing many courses. The other types of LMP measures ESA offers are: employment incentives, start up stimulation and direct job creation schemes (internship scheme is covered here). Their share in total jobseekers attending LMP measures ranged from 18% to 11%, while number of disabled beneficiaries amounted to around 300 in 2017. Medium level educated (most of them VET) are more balanced represented in such measures (source ESA database).

Latest available assessments of ALMP effectiveness show that trainings and internships lead to highest employment probability. When looking at the annual transition rates from unemployment to employment, it seems the higher educated and young jobseekers are the most successful, followed by medium educated and women (these categories of jobseekers register the highest transition rates, source: ESAP project).

B.1.7 Identification of skills demand and its bearing on VET provision

The main actors involved in skills intelligence governance in the country are:

- the Ministry of Education, including its specialised departments or agencies, such as department overseeing NQF and sectoral skills councils, VET Agency, Institute for Adult Education, forthcoming Skills Observatory;
- the Ministry of Labour and Social Policy (Employment Policy Department)
- the Employment Service Agency (ESA),
- Statistical Agency of Republic of North Macedonia (MASTAT),
- Social partners (including through their participation in sectoral skills councils), NGOs, research bodies.

International organisations and donors are also actively contributing to creation and dissemination of skills needs, supply and demand analyses etc.

Systems for collecting data on labour demand as well as for forecasting future skill needs are still in developing phase, which constrains the education policymaking. Both short to long term forecasting of skills needs and supply were tested in the country. ESA is carrying out regular research on employers needs/vacancy monitoring. Within the Ministry of Labour and Social Policy, a number of analyses were developed, such as Occupational Outlooks (with ILO support) and long term project model was tested (HERMAC model).

The Ministry of Education prioritises the development of its education management information system, supported through the World Bank's Skills development and Innovation Support Project. A Skills Observatory will be established as department within the Ministry with the main aim to collect, interpret and disseminate key data on education offers in higher and medium education, information on curricula and skills development, information on jobs placement of graduates, cost of studies, links to information on jobs demand and economic development, forecasting of labour demand, etc. For the moment, the practical use of this platform and its proper functioning is limited since there is no separate unit in the organizational structure of the MES with an aim to work on harmonization of the data that is collected from various sources, data clearance and data analysis, to generate periodic reports for decision-makers and public. There is still a reluctance from the institutions in sharing of information especially due to, in some cases, legislative barriers and, in other cases, is low awareness among the institutions on the importance of timely submission of the data. As part of the activities of the Skills Observatory, the first tracer study for graduates of the VET and HE institutions, for the 2014/2015 cohorts was done. The project was supported by the European Training Foundation (ETF).¹⁷ However, as with most donor initiatives, the main challenge is to ensure sustainability and continuation of the projects. The Observatory has also undertaken activities to develop a system of skills forecasting. The first report of the future skills' needs was prepared based on a simple forecasting model coupled with the Delphi method for experts' opinion (see Petreski, 2016).

The MLSP developed the HERMAC model which provides a long-term labour market forecast (by sectors, occupations) and an analysis of mismatch levels of education of the population (ISCED) to occupations (ISCO). However, the practical use of this model has not been regular and no recommendations were drawn for labour market nor for education policymaking. The ESA employers' survey collects information about short-term recruitments over 6-12 months, the need for specific skills and occupational shortages. The purpose of this survey is to detect short-term occupational shortages (deficient skills or occupations) which are used to structure EA training programs. However, the usefulness of the survey for anticipating future skills needs is limited for several reasons (it is limited to short-term needs of skills; it is not relevant for higher education policymaking).

For the moment, there is no detailed and integrated analysis in the country of the LFS data, job vacancy data, surveys on adult learning, education supply (graduation, completion rates) etc. Thanks to IPA support, national authorities are planning to work on further connection of various administrative database (education, labour, employment, social insurance etc.) in move to exploit the wealth of information relevant for education and employment policies

In recent years, the Government has made efforts to increase the involvement of the trade unions and employers' organizations in the skills governance system, as to use their inputs into education and labour market policymaking. This has been done through different initiatives, such as NQF and occupational standards, in School Boards of the VET schools, management of the VET Centre and VET Council, Boards for Cooperation and Public Confidence in HEIs, sectoral committees for qualifications, etc.

The recent initiatives are in a good direction, though there is a need for greater coordination between labour market and education policymakers and other stakeholders, improving the capacities within state institutions for data analysis and "making sense of the data", and ensuring regular budget funds for these activities (ETF 2018, forthcoming).

With particular focus on VET planning to reflect demand, the legislation in the field calls for close collaboration with business representatives and local actors in defining programmes and enrolment plans. It seems, however, that in practice such recommendation is not always put in practice due to

¹⁷ Mojsoska-Blazevski, N. (2017) Tracing Secondary Vocational and Tertiary Education Graduates in the Republic of North Macedonia: 2016 Tracer Study Results. ETF Working Paper. Available from: http://www.etf.europa.eu/web.nsf/pages/2016_Tracer_study_results_MK.

low capacity of local stakeholders to express their skills needs, long term expectation and projections of demand etc.

The 2018 Economic Reform Program (ERP) states that within the VET, the focus is still on narrowly defined professional qualifications hindering the adaptability of the VET graduates to the changing structure of the economy (Ministry of Finance, 2018). The practical learning component is still low and/or not properly implemented, which reduces employment chances of the VET graduates (as employers mainly demand experienced workers). The VET education is non-attractive to students and it is still perceived as an avenue for the low-achievers.

One of the most important developments in recent years for the VET education -- as well as the higher education -- has been the adoption of the National Qualifications Framework (NQF) in 2014 which contributes to a clear definition of qualifications, facilitate the recognition of learning outcomes and improve graduate mobility at national and international levels. It can also play an important role in reducing skills mismatch by defining qualification standards and by including employers in the process. The development of the NQF is a work in progress which requires a lot of efforts from all involved stakeholders, employers playing a very important part. In recent years, 79 new qualifications for formal education and 5 standards of qualifications for non-formal education have been prepared. In addition, 34 special programs were developed within adult education, as a possibility for adults to acquire qualification, pre-qualification or additional qualification, based on the skills demanded by employers.

The cooperation with employers strengthened in recent years, so that employers provide practical learning to VET students to prepare them for future work. By 2017, 737 mentors were certified in companies and they are responsible for students' practical learning. Also, around 200 occupational standards were developed in collaboration with employers.

The following reforms are being implemented and planned in the VET education at present and on medium-term based on Economic Reform Program 2018 (ERP):

- Introduction of a modular approach in VET curricula;
- Further development of the National Occupation Standards, and greater involvement of employers in the process. Employers are still not engaged sufficiently in defining the knowledge, skills and competencies required to perform the tasks which is very important in preparing qualifications and the standards of qualifications which should improve the match between supplied skills and demanded ones;
- An assessment of the network and programs offered at VET schools, as to optimize (efficiency and effectiveness) of the VET system in terms of expenditures, relevance and labour market needs (on a local level). This analysis should be a base for establishment of Regional Centres of Excellence;
- Development of work-based learning which will help VET students to acquire practical knowledge thus improving their employability.

B.1.8 Supporting migrants and refugees through VET

B.2: Entrepreneurial learning and entrepreneurship

B.2.1 Job creation and VET

B.2.2 VET policies to promote entrepreneurship

In relation to Entrepreneurship and Entrepreneurial Learning North Macedonia had made great progress in last few years at policy level by developing a common vision across government, which was laid out in an Entrepreneurial Strategy and an Action Plan 2014-2020.

An Advisory Group, whose role was to translate the strategy into tangible engagement by all relevant actors, was formally established in November 2013 with representatives from Ministry of Education and Science (lead), Ministry of Economy, Ministry of Labour and Social Affairs, Bureau for Development of Education, Chambers of Commerce, employers' organisations, business support organisations, and education and training providers. In practice however, the Advisory Group has not met since June 2016 since after the change of government in 2017, the mandate of the Advisory Group has not been renewed. This has left North Macedonia in a vacuum of a supportive architecture for a joined-up approach to design, deliver and monitor government's strategic policy imperatives on

developing entrepreneurial skills as a key element driving innovation, growth and competitiveness of the North Macedonian economy.

In North Macedonia entrepreneurial learning is implemented across all levels of education as a compulsory subject with the exception of higher education where it is still an elected subject. Entrepreneurship key competences have been successfully incorporated into curricula across all levels through dedicated courses with learning outcomes and, for instance in VET, the key competences are incorporated in the learning outcomes of an elective course on business education.

North Macedonia's ability to innovate is its best indicator of long-term competitiveness, growth and prosperity and teachers are at the forefront of developing entrepreneurial competencies for an entrepreneurial society that thrives on developing innovations. At present teacher training in North Macedonia is focused on entrepreneurship education and no training programmes are in place to develop teachers' entrepreneurial way of thinking, support teachers in structuring and planning how they deliver the curricula, choosing delivery methods, in translating key competences into learning outcomes or assessment methods and tools for entrepreneurial competences.

While courses on entrepreneurship are widely available and practical experiences possible through visits to companies, guest speakers or internships, this is not reflected in career guidance. Entrepreneurship as a career option or coaching for students to implement a business idea or plan in practice, are not readily available as guidance is focused on providing information instead of looking for future opportunities.

Women's entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in North Macedonia, but to-date no policy or national mechanism is in place to support women's entrepreneurship as the Women's Entrepreneurship Strategy 2016-2020 has still to be finalised and published Ministry of Economy.

In North Macedonia non-governmental organisation (NGO) are leading collaboration from the bottom-up and have clearly positioned themselves as the relational governance mechanisms for facilitating women entrepreneurship. The process started under IPA 2017 with the YES foundation that aims to stimulate entrepreneurship and raise the level of employment among young people by strengthening their skills and competencies to start their own business. Currently the foundation is in the process of establishing a Council for Women Entrepreneurship, a non-hierarchical network that fosters collaboration among NGOs. The Council is not linked to related governance mechanisms, which it would need in order to address inequities and promote women's entrepreneurship effectively.

Modest financial incentives are made available by the Ministry of Economy to strengthen the capacity of business support organisations, NGOs or other associations supporting women's entrepreneurship. In 2017 the budget allocated was EUR 35.000 for which 44 application were received and 16 funded.

A growing number and diverse actors are engaging to support women entrepreneurs in North Macedonia. No dedicated portal, a one-stop-shop for women entrepreneurship, is yet in place to help women face some of the main challenges such as access to information on good practice, training, access to finance and networking. However, under the YES foundation project, there are plans to establish a national web-portal dedicated to women's entrepreneurship.¹⁸

¹⁸ Small Business Act Assessment 2018

BUILDING BLOCK C: SOCIAL ENVIRONMENT AND INDIVIDUAL DEMAND FOR VET

Building block C focuses on people – on the young people and adults who could, should or do participate in VET – and the demands and expectations they might have as actual or prospective participants in VET. The questions in this building block discuss problems and solutions in VET from the point of view of individual demand for education and training, structured along the lines of the social rights of individuals to access and participate in education and training, to enjoy equal opportunities to succeed there, and to find fulfilling employment.

C.1: Participation in VET and lifelong learning

C.1.1 Participation

The overall level of educational attainment of population has been historically low. In 2015, a large number of population at the age over 15 (38.32%) has unsatisfactory level of education; 2.03% of them do not have any education at all, 5.75% did not complete primary school, and 30.54% completed only primary school. Out of the remaining part, 6.16% completed 3-year secondary education, and 39.49% completed 4-year education, while 2.45% completed higher vocational education and 13.57% completed higher (university) education.¹⁹ Raising the educational attainment has been considered a priority for the government. The positive political goal of systematically raising educational attainment of population in the country has led to the decision of making secondary education compulsory (2008). In addition to this systemic reform, secondary legislation and regulation facilitates progression among the difference educational levels, making it particularly easy in the context of VET education.

The prioritization of inclusion policies may have contributed to some of the weaknesses of the current vocational sector. Indeed, at a superficial glance, evidence would describe VET in North Macedonia as a very inclusive and efficient system, which greatly facilitates progression, including access to higher education and; mainly for this reason, is attractive to students. At the same time policy makers recognize the perverse effect of some these characteristics and are trying to take action to better balance the inclusive role of education with the quality of the outcomes of the system.

Participation in VET:

According to the legislation, secondary education in the Republic of North Macedonia is mandatory; therefore, the doors to enter vocational education and training are widely open. Regulations facilitating the access to vocational education are still in force, as follows: free transport for students, free textbooks, introduction of tutors (higher education students) as assistance to pupils and students about programs.

Participation of youth in initial VET is very high. The percentage of students in secondary VET on the total upper secondary students is 59.6% in 2017, perfectly in line with the previous 7 years. The share of gender gap in terms of participation quite low (63.7% for males and 55% for females). The number of enrolled in the different types of programmes is the following:

- Vocational programmes (2 years ISCE 3 programmes) 42596 students in 2017. There no real gender gap in term of participation (44% female students).
- Occupations programmes (3 years ISCED 3 programmes) 2922 students in 2017. This is the only type of programmes with a clear gender gap in terms of participation (79% of students are males).

19 State Statistical Office, Labor market, Announcement from 2015, 2.4.16.02 /843

- Technical programmes (4 years ISCED 4 programmes) 39674 students in 2017. Also in this case limited gender gap (45% female students)

In terms of number of students enrolled there's a clear decreasing trend (an average loss of 20% of students' population since 2012). This is in line with the evolution of the demographic structure of the country. The relative size of youth population (15-24) has decreased from 20% to 16.4% in the last 7 years.

The number of students enrolled in the two strands of post-secondary VET (ISCED V A and ISCED V B) is negligible (1.82% of post-secondary students in 2016). This is a major shortcoming of the system considering the interest of vocational programmes graduates to continue their studies.

Efficiency of the VET system:

In both the three years occupation programmes (75.3%) and the four years technical programmes (87.1%) the completion rate is very high. The efficiency of the education system is confirmed by the early leavers indicator which has been steadily decreasing (15.5% in 2010, 12.5 in 2014 and 8.5% in 2017) Although no direct causal relationship can be made between the efficiency of the system and the very low results in the PISA, it is nonetheless contradictory that completion rate is so high when evidence of students basic knowledge of literacy and math is among the lowest among all countries participating in PISA (67 out of 70). The table below shows the wide gap between EU and North Macedonia in terms of students' performance in Reading, Math and Science.

Benchmarking - EU targets in education and employment²⁰					
	NORTH MACEDONIA		EUROPEAN UNION		EU OBJECTIVE
	<i>2010</i>	<i>2017</i>	<i>2010</i>	<i>2017</i>	<i>2020</i>
Early leavers	15.5	8.5	13.9	10.6	< 10
Tertiary attainment	17.1	30.6	33.8	39.9	≥ 40
Employment rate	48.1	54.8	68.6	72.1	≥ 75
Lifelong learning	3.5	2.3	9.1	10.9	≥ 15
PISA Reading	a	70.7	19.7	19.7	< 15
PISA Maths	a	70.2	22.3	22.2	< 15
PISA Science	a	62.9	17.8	20.6	< 15

²⁰ Source: Makstat, Eurostat, OECD

Employment rate recent graduates	47.9	50.0	77.4	80.2	≥ 82
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Progression

The political goal to increase educational attainment has been translated in flexible regulations which facilitate progression within VET and between VET and higher education.

The vocational education system provides horizontal and vertical movement of students which enables a transfer from one to another educational profile from the same or related occupation (horizontal permeability) and continuation of education at higher level (vertical permeability). The technical education syllabus provides for joint vocational subject for numerous related educational profiles, thus, apart from the rationalization of education, a facilitated horizontal and vertical permeability of students in the course of their education is enabled, and a basis for continuation of education at higher levels of the vocational education and training within the occupation is provided.²¹

Progression from occupations to technical programs - Students who completed vocational education for occupations can continue their education in the fourth year in the appropriate educational profile in the technical education by taking additional exams. Until the 2009/2010 academic year, in order to transfer to technical education, students who completed 3-year education for occupations had to pass exams for all subjects they did not study from first to third year, and subsequently they would start taking exams for subjects from the fourth year. From the academic year 2010/2011, students who completed vocational education for occupations may continue their education in the fourth year of an adequate educational profile in technical education by passing three general education subjects and 2 vocational theory subjects from the educational profile curricula of the transfer, in accordance with the overview of the vertical permeability of students from 3-year occupations and educational profiles to 4-year educational profiles. The Vocational education and training center creates the list of vocational subjects the candidate needs to pass to transfer to a higher level of education, and the Bureau for Development of Education creates the list of general education subjects the candidate needs to pass to transfer to a higher level of education. Reduction of differential exams required to transfer from a three-year education for occupations to a four-year technical education affected the increase of number of students who continued their education at a higher level.

Progression from technical to post-secondary programmes - technical education graduates, may continue their studies in the post-secondary education based on continuous programs or after two years working experience. There should be special conditions under which candidates who completed specialist education may enroll in high vocational education, but in practice, special entrance requirements have not been set yet, which affects the reduced attractiveness of the technical education.

Progression from technical programmes to higher education – In theory state matura determines access to higher education. This would lead to a disadvantage for VET graduates as graduates who are tested on theoretical subjects for which they attended a significant lower number of study hours. However, until May 2018, the Law on High Education, regulating the transition of students from secondary vocational education to higher education allowed enrolment at university studies with completed school matura for VET graduates. Such possibility marginalized the meaning of the state matura as a prerequisite to enter into higher education, and on the other hand, lowered students'

²¹ Project: *Modernization of Technical Education in the Republic of North Macedonia*, Structural and Functional Analysis of technical education, draft version, 2016

motivation to take state matura. It resulted in reduction of the supply to the LM of graduated students with technical education qualifications, and on the other hand, it affected the reduction of quality of the higher education. In addition, the facilitated access to higher education for VET graduates impacted the willingness of students to choose such educational path. This inconsistency has been corrected in May 2018 with the revision of the Higher Education Law. According to the revised regulations only people who have passed a state Matura or an international graduation examination can access higher education.

VET attractiveness

The lack of attractiveness of the VET system is considered one of the main problems of the sector. This is in line with most countries but it is not evident from students' choice. The share of secondary students who chooses VET secondary education (59.6%) is indeed high. VET remains a second choice, but the fact that secondary education has become mandatory and the easy access to higher education have made VET popular. What still has remained unattractive are the vocational qualifications per se. Students do not seek to enter the labour market once they acquired them. Graduates of occupations enrol in technical programmes, graduates of the four years programmes enrol in higher education or often become NEETs.

Lifelong learning

Participation in lifelong learning (% aged 25-64) is low 2.3%. Adult Education is part of the educational system, and may be realized in vocational schools for acquisition of qualifications in the formal system, as well as vocational training implemented by an accredited provider of verified program. The Adult Education Survey carried out in 2016 provided a very interesting picture of the population participating in adult training.

- Overall participation in education and training of population aged 26-64 is only 12.7%²².
- Looking at data from a territorial perspective there's a clear gap between urban population (76% of the people benefiting adult education) and rural population.
- Even more interesting is the split according to educational background. 59% of the relevant population has tertiary and higher education background, 38% has a secondary education background and only 3% have a lower educational background.
- Out of the adult training provided the majority is non-formal (72%).
- Minimal gender gap is present in adult education participation (46% females).
- The status of the vast majority of people participating in adult education is employed (79%). Only 14% of the beneficiaries are inactive and only 7% are unemployed.

The main priorities for Lifelong learning policies appear to be four:

- 1) Expanding the supply of adult education, through the allocation of additional resources and by stimulating the demand of continuing training.
- 2) Provide an answer to the need of inclusion of the lower educated population. 38.9% of North Macedonians above 15 years old have not completed secondary education. This is becoming a priority area of intervention as the low educated target group lifelong learnings not responding to the existing adult education offer. The result of the adult education survey in 2016 clearly shows that only 3% of the current beneficiaries of adult education programmes have low education.
- 3) Increase the quality of adult education. Despite the efforts of public authorities to develop an effective system of adult education the lack of experience of the providers is affecting the quality of the offer. This has been recognised by the main stakeholders and clearly identified as a priority in the draft adult education strategy 2016-2020. The lack of competence of

²² Adult Education Survey, 2016 – Source : State Statistical Office

trainers in andragogy is one of the factors to be addressed. On the other end the adult education stakeholders should benefit from the development of the competence based approach currently ongoing in the VET sector.

- 4) Develop an integrated system where learning can happen in different moments and in different forms, using the national qualification framework as a reference. Going over the distinction between formal and non-formal learning and providing opportunities for people to acquire qualifications over time using modular approaches and validation of non-formal and informal learning.

C.1.2 VET opportunities for vulnerable and marginalised groups

Roma

Roma population suffers from social exclusion similarly to the other countries in the region. Preschool enrolment rate largely differs among children from rural and urban areas as well as between Roma and non-Roma pupils. Only 14% of Roma children enrol to pre-primary educational facilities while this ratio is 29%²³ for non-Roma which remains well under the EU targets (95% by 2020). Children from non-majority communities, rural areas and children with special needs continue to face barriers in access to quality education, though measures have been introduced to support education of children with special needs. The enrolment rate of Roma to compulsory education is 78% which is 10% less than in case of non-Roma peers. Furthermore, the segregation of Roma children and the level of dropout rate is also considerable (around 20%). As the enrolment rates of Roma to both preschool and compulsory education is significantly low, the gap between Roma and non-Roma in terms of enrolment rate to secondary education even more significant (33% - 83%). The tertiary education completion rate of Roma is merely 3% compared to 30% of non-Roma. The challenges that Roma face, also appear later regarding access to employment. The unemployment rate of Roma is 49% compared to 19% of non-Roma.

C.1.3 Policies to improve VET access and participation

The most important policy decisions concerning VET access and participation have been making secondary education compulsory (2008) and facilitating the progression within the education system (2010 onwards). Recently the national focus in relation to initial VET has been moving from social inclusion (upbringing national educational attainment and ensuring minimal to educational standards to the whole population) to relevance and quality. The objective of the new policies is make VET attractive for different reasons than access to higher education, by creating purposeful participation. Creating a VET system which students are willing to join because they are certain of the value of the acquired qualifications. The idea is to move the focus from getting students in and out of vocational education to having graduates who meet standards required by labour market and society. The change of focus will inevitably creating tensions between the two policy objectives (social inclusion vs meeting tangible societal demands). Systemic reforms will be inevitably implemented by grades. There

²³ Estimates are produced by the World Bank and United Nations Development Programme, based on the UNDP-WB-EC Regional Roma Surveys (2011 and 2017). The sampling frame for Roma settlements was based on information from the most recent population census available in the country, using the lowest administrative units with the equal or higher than national average proportion of Roma population on its total population. By following a similar procedure as the 2011 survey, the 2017 Regional Roma Survey allows for a level of comparability across time. At the first stage of sampling, a list of settlements from census data was used. In a second stage, external or outsider's identification (local people, NGOs, and experts) was used to pinpoint areas where Roma households are located in a given municipality. In a third stage, the explicit willingness of the household's head to participate in a survey on Roma population (internal or self-identification) was requested. The sample was purposefully not representative of all Roma in these countries, but rather focused on those communities where the Roma population's share equals or is higher than the national share of Roma population, the "marginalised Roma". The "non-Roma" refer to non-Roma population living in close vicinity to the marginalised Roma and are not representative of the total population in the country. The sample size for each country in each year is around 750 Roma households and 350 non-Roma households. All figures shown are based on unweighted survey data. Data for Kosovo is only available for 2017.

will be some tension between the processes of setting ambitious standards and supporting students in achieving them.

The national stakeholders are moving through short term actions and medium long term reforms. As it concerns the former the focus has been giving visibility to the excellences that already exists. Many state competitions for various occupations and education profiles are being organised. The best students in any given qualification are being identified and rewarded (LEADER programme). TV commercial and shows are also used to promote vocational education.

In terms of systemic reforms the most ambitious is the establishment of the North Macedonian National Qualification Framework and the introduction of outcomes based education. Both initiatives should support the paradigm change towards the definition and assessment of standards, which should facilitate the evolution of education from the original inclusion perspective towards a more balanced approach where quality of VET and the new opportunities which stem from it (higher employability) becomes the new beacon for attractiveness. (Full details in section D)

In terms of progression the most important reform is the revision of post-secondary education. A concept has been developed and approved in 2010 and revised in 2017 but never implemented. The topic has been again recognised as a priority in the Education strategy 2018-2025 and included in the action plan. The reform of post-secondary is crucial in order to act as relief valve for education graduates of technical programmes who aspire to a higher level of qualification. Despite the limited relevance to the current needs of the labour market, these qualifications may be relevant for the regional and European labour market and potentially for foreign investors who may decide to invest in North Macedonia if they recognised that the necessary human capital is present. Additionally post-secondary education would reduce the overcrowding of traditional universities contributing to the improvement of quality of tertiary education.

The revised concept of post-secondary education has a strong focus on the world of work and little space for theoretical studies. Four types of qualifications are proposed in the concept note: Technological, Supervisory, Instructing and Autonomous. Master of Crafts has been identified as a separate type of post-secondary qualification. The current concept of post-secondary has been designed to be very close to labour market demands; the other side of the coin is that this concept has limited connection with higher education. No specific pathways have been identified to facilitate access of post-secondary graduates to higher education. This could limit the attractiveness of the new qualifications at the eyes of VET secondary graduates. The second main challenge which is probably the cause of the status of non-implementation of the new concept, is the fact that current system of (post) secondary is extremely small. Establishing a new model which can address a meaningful scale of the potential target group will require significant initiatives resources in terms of institutions involved, teachers to be trained, logistics etc. It is an initiative to build a new sub-sector of education rather than reforming it.

In terms of lifelong learning and adult education the social inclusive role of education remains a priority. The decision of making secondary education compulsory has addressed the low educational attainment of population in the future, but a big part of the population over 15 years old (38.9% in 2015) still doesn't have secondary education diploma.

Lifelong learning has been priority for North Macedonia for a decade. Important actions have been taken and further policy developments are under discussions.

The first important step has been the approval of the Adult Education law in 2008. The law was amended different times to regulate the procedures for verification of the programmes for adult education (non-formal education), standards for space, equipment and staff of the institutions for adult education.

2010 the Adult Education Strategy has been adopted. Following the approval of the strategy several actions have been implemented.

- In 2011 another legal act related to the sector, i.e. the Law for Open Civic Universities for Lifelong Learning was also adopted.
- In May 2010 the programme for completion of secondary vocational education for adults has been introduced. The programme is still on-going, and from 2010 to 2017, approximately 2.000 adults finished, or are in a phase of finishing their secondary vocational education.
- In 2013 a monitoring programme for adult education has been established.
- Capacity building for AEC and adult education trainers has been implemented
- In 2018 AEC has facilitated the development of a roadmap for establishing a system of validation of non-formal and informal learning has been developed and in 2018 AEC has started coordinating the revision of adult education law to include VNFIL provisions.

From 2016, in parallel to the development of the Education strategy 2018-2025, the LLL strategy 2016-2020 and the new adult education strategy 2016-2020 have been under discussion. As of November the draft strategies have not been approved yet. Despite this is important to list the priority goals for 2016-2020 as these will be the main strategic directions that national stakeholder will take even in the absence of the formal approval:

- 9) Improvement of the attractiveness of and participation in adult education
- 10) Establishment of a system for quality development in adult education
- 11) Development of a system for validation of prior learning
- 12) Improvement of the organisation, management and financing of adult education
- 13) Establishment of a system for public adult education
- 14) Strengthening of research and developmental projects in adult education
- 15) Professionalization of the staff in the field of adult education
- 16) Monitoring and evaluation of adult education

The Education strategy 2018-2025 also addresses adult education strategy. In particular, the action points identifies 7 intervention lines:

- Establish the VNFIL System
- Increase effectiveness of primary education for adults
- Support completion of secondary education by adults
- Expand the scope of programmes for adults with special learning needs
- Establish a sustainable model for completion of primary and secondary education by inmates and for participating in vocational training
- Increase awareness about the importance and opportunities of ALE at all levels of society
- Expand the ALE network with a specific focus on regional and local levels

Some of these actions are further development of ongoing initiatives. VNFIL has being under development for years (more info under C1.6). Measures to support completion of primary and secondary education are already being implemented by AEC.

C.1.4 Promoting VET access and participation for vulnerable and marginalised groups

Roma

Addressing the needs of Roma people is not easy for policy makers. Roma people do not declare themselves to avoid discrimination and no administrative register exists. Attempts at providing positive discrimination (dedicated quotas in universities, initiative suspended in 2016) have failed in the past because non-Roma population was falsely self-declaring Roma in order to benefit from the opportunity. The most successful initiative targeting Roma population's participation in education has been initiated by the Roma Educational Fund and it is now funded mostly by the North Macedonian government (70%). The initiative focuses on a system of scholarships for all secondary and tertiary

education. The programme involves members of the Roma community in the selection panels in orders to avoid misuse of the funds.

At national level a National Strategy for Roma (2014-2020) has been developed, including an action plan. This initiative received a lot of visibility and sparked some optimism on the willingness of the government to address systematically the Roma situation. However the implementation of the action plan has been limited up to now.

C.1.5 Flexible VET provision in support of participation in VET

C.1.6 Validation of non-formal and informal learning

The 2012 Council Recommendation on validation of non-formal and informal learning (VNFIL) is the basis for validation in the country. VNFIL has been integrated into broader national strategies for education and qualification system reform. Several laws and policy documents provide the legal basis for VNFIL, including the Law on MQF, the Law on Adult Education, the Strategy on Education 2018-2025, the Strategy on Adult Education, the Strategy on Non-formal and Informal learning, and the “Roadmap for implementing a system for validation of non-formal and informal learning in North Macedonia (MoES, CAE, 2016). Some legislation remains to be adopted and tools and systems e.g. in quality assurance, still need to be implemented to allow award of certificates.

The VNFIL system will comprise the four main blocks identified in the Recommendation i.e. identification, documentation, assessment and certification, and will provide conditions for a full qualification to be obtained on the basis of validated non-formal and informal learning experience. Validation processes and criteria comply with the adopted standards for vocational qualifications included in the MQF. Therefore, vocational qualifications obtained through validation would have the equivalent value with qualifications obtained through formal education programmes. The national system for validation will cover all sectors of education and training.

The HE Law stipulates that higher education qualifications may be awarded via VNFIL, but a quality assurance regulation is still to be adopted to implement this provision. Open educational resources are still not included as an important and beneficial tool, neither for administrators nor candidates for validation. Similarly, arrangements directed toward the use of EU transparency tools are needed to facilitate the documentation of learning outcomes.

Legislation and planned implementation arrangements provide for offices and other contact points where initial information and guidance will be provided for the potential candidates. It also focuses attention on quality training, guidance and counselling for validation practitioners, which will be provided by Centre for Adult Education (CAE).

A significant proportion of the general population belongs to various disadvantaged groups, including long-term unemployed individuals and those at risk of unemployment. Increased efforts are needed to improve their participation in lifelong learning and their access to the labour market. In this context, measures linked to Upskilling Pathways Recommendation are also needed, as well as establishment of skill audits.

Limited engagement so far of stakeholders, including social partners and some state institutions, and completion of necessary enabling legislation are the main obstacles to VNFIL’s full implementation. However the technical work done by the Adult Education Centre and the working group established for this purpose is very solid. The new Minister for Education and Science has created the new working group with objective to finalise the revised legislation by the end of November 2018.

C.2: Equity and equal opportunity in VET

C.2.1 Success of learners in VET

As mentioned under section C1.1 VET students are quite successful in both the three years occupation programmes (75.3%) and the four years technical programmes (87.1%) the completion rate is very high.

The efficiency of the education system is confirmed by the early leavers indicator which has been steadily decreasing (15.5% in 2010, 12.5 in 2014 and 8.5% in 2017). Early lever indicator show declining gender discrepancy (only 0.4% in 2017 from 4% in 2010) Although no direct causal relationship can be made between the efficiency of the system and the very low results in the PISA, it is nonetheless contradictory that completion rate is so high when evidence of students basic knowledge of literacy and math is among the lowest in Europe.

C.2.2 VET learners in need of additional learning and training support

C.2.3 Measures in support of equity in VET

C.2.4 Inclusive education and VET

Children and young people with special educational needs

The overall policy framework for people with disabilities is the Revised National Strategy for Equalization of Rights of People with Disabilities 2010-2018. The strategic objective of this paper is to improve the state of people with disabilities and bring them to a position of equal citizens who enjoy their rights and responsibilities. The Strategy envisages support for people with disabilities' organizations, their participation in the decision-making process on disability issues. The Government of the Republic of North Macedonia established a National coordination body for equal rights for persons with disabilities in the Republic of North Macedonia. Representatives of national disability organizations, ministries and institutions competent for this area participate in its work. The role of the National Coordination Body is in accordance with the Rule 17 of the Standard Rules for equalization of the opportunities for persons with disabilities and Article 33 paragraph (1) of the Convention on the Rights of the Persons with Disabilities.²⁴ In order to achieve better results, faster socialization and inclusion of students with special educational needs included in the secondary schools, the Ministry of Education and Science amended the Law on Secondary School which provides for establishment of an inclusive team composed of a pedagogue, or a psychologist, student's teacher, student's parent or custodian, defectologist, if employed in the school, and if necessary, the student's physician may be involved. The inclusive team develops an individual education plan for each student.

The new education strategy 2018-2025 aims at expanding the scope of programmes for adults with special needs. Targets for this action are slim (5 programmes introduced and 25 people involved); this action is nonetheless important as it show the determination of the policy makers in expanding the scope of lifelong learning beyond the traditional target (employed people with tertiary education from urban areas).

C.3: Active support to employment

C.3.1 Employability of VET graduates

Within the overall context of high youth unemployment and very low employment, young individuals in North Macedonia face very difficult and long transition from education to the labour market.

The ILO study on school-to-work transition of youth in North Macedonia, provides evidence of the difficult transition of young people from education to the labour market (Mojsoska Blazevski, 2016). In particular, the average duration of a young North Macedonian's transition from graduation (or school exit) to the first stable or satisfactory job is 31.2 months, or 2.5 years. It takes more time for young

²⁴ Ibid

men than young women to transition to a job, 37 versus 23 months, respectively. However, the vulnerability of young females in North Macedonia is related to the high share of them being in the category NEETs, 54% of the age group 15-29 (Mojsoska-Blazevski, 2016). In other words, the study shows that many young women do not start their transition to labour market after completing education, and remain as inactive non-students, without plans to enter the labour market at latter stages of their life.

When looking at LFS employment rates of recent graduates in North Macedonia, in 2017, only half of the graduates with secondary and tertiary education in North Macedonia managed to find a job up to three years after graduation, well below EU average. Data illustrate improvement in the country over the analysed period.

Tracer study - The first tracer study of the VET and HE graduates in North Macedonia²⁵ shows that young people are rarely well matched into their jobs (early in the career), although the matching is better for the young workers with tertiary education (Mojsoska-Blazevski, 2017). The extent of horizontal mismatch (i.e. mismatch of skills and field of study of a person with the job requirements) is present in about 45% of the cases of employed VET graduates. Less than half of the employed VET graduates (45%) reported that the knowledge and skills that they acquired during the education process are utilised in their current job (provided answers 4 and 5, on a scale of 1-5), i.e. were well-matched. 23% of students believe that their skills are useless for their current job and 30% answered to use the skills to a medium extent. Similarly, only half (52%) responded that their own field of study is most suitable for the job they hold. 22% stated that their job requires totally different field of study and 23% that their job does not require any specific field of study. The vertical mismatch seems to be of lower size, at about 34%, whereas 59% reported that their education/qualifications match the requirements of the job (the remaining share did not provide answer to the question). Vertical mismatch is mostly an over education (for 27%) and less so as under education (7%).²⁶

Almost 70% of the HE graduates reported that their qualifications and field of study are appropriate to the job they hold (horizontal matching). 13% of respondents stated that the job requires completely different skills (i.e. field of study) and additional 10% stated that the job does not require any specific field. In terms of the vertical mismatch, the matching is good in 57% of the cases. One fifth of employed HE graduates reported that they are under-educated for the job they held and 19% to be over-educated.

Both HE and VET graduates who reported that their job does not match their course of study were asked why they have still chosen to accept that particular job. In most cases their current job was seen as a stepping stone to a more appropriate job or the respondents reported that they have not found a more appropriate job.

Study of HE graduates transition to employment, European Commission (Mojsoska-Blazevski and Bartlett, 2016). The study showed that the extent of the horizontal matching is 65.3%. It also found evidence that horizontal mismatch is a key risk factor in pushing postgraduates into unemployment, and that having a well-matched job is important for their job retention. On the other hand, the study found large vertical mismatch of 53% reporting that their level of qualification is not matched to the requirements of the job they hold (one third of graduates hold a job that is above their level of qualification, while one fifth hold a job that is below their level of qualification). The probability that a graduate has a well-matched job increases in case s/he has good family connections, receive assistance from a well-connected professor, have lessons in small classes and are taught interactive skills, have control over the design of their study programmes, or follow a vocational programme. Matching is on the other hand hindered by gender or ethnic discrimination. The study found that the skill mismatches are partly related the insufficient number of jobs available to HE graduates, and to the population in general. Many HE graduates have to accept jobs that are not in sectors to those that are appropriate to their field of study, or that require a lower level of qualification to the one that they

²⁵ Since this study was the first of this kind implemented for both tertiary and VET graduates therefore findings should be treated cautiously due to certain limitation in implementation (e.g. rather low response rate). Strict comparison between VET and HE should be as well cautiously done as HE generate rather general qualifications while VET qualifications are very specific/narrow. In spite of its novelty and limits, the tracer study results hold when compared to other data and findings or studies pertaining to graduates transition, youth labour market situation etc.

²⁶ The difference to 100% is attributed to no response to these questions.

hold, hoping to obtain appropriate jobs at a later stage in their career hence employers are in a position of being able to hire highly educated people for jobs that have medium or low skill content.

C.3.2 Economic factors with an impact on transition

Research so far show several bottlenecks in the transition of youth from education to work

- low job demand, including lack of formal or good quality jobs;
- inadequate skills of the graduates/labour supply;
- lack of work experience of the young workers.

School to work transition is also seen to be increasingly linked to the existence of various types of skills mismatches. Young people, in comparisons to adults, face a number of challenges in entering the labour market due to their lack of work experience and the mismatch between the skills they have to offer and those required by employers (ETF 2018 forthcoming).

C.3.3 Overview of policies in support of employability and transition to employment

As mentioned in section B, main policy orientations to help young graduates get employment related to making education programmes more relevant to labour market needs, provide opportunities to gain work related experience through internships, and prioritise inclusion of young jobseekers in ALMP portfolio (e.g. Subsidized employment and start-up grants and loans; internship program for secondary- and tertiary-graduates).

The recently initiated Youth Guarantee programme (pilot in implementation during 2017-2018) aims as well at lowering the incidence of NEETs (still one in four young persons are exposed to this risk).

See more details in section B.

C.3.4 Career guidance

Career centers were established and part of the teaching staff of the school has been trained as career counselors in order to provide career guidance to students in those schools. Their work is supported by a developed and standardized tool – A Battery of instruments for professional orientation (BIPO). The education strategy 2018. In the Education Strategy 2018-2025 adopted a systemic approach, which plans to introduce/improve career guidance at all levels of education. Specifically for VET sector the action plan of the strategy foresee the development of a guide and the necessary tool as well as ensuring that at least one trained employee per school provides CG services.

Career guidance and counselling is continuously offered by ESA to jobseekers as part of its activation measures portfolio. The profiling tool of jobseekers helps counsellors in providing the best-fit advice and support to beneficiaries. Counselling sessions are offered with priority to jobseekers exposed to long-term unemployment and inactivity thanks to a policy initiative to enhance targeting of such vulnerable groups. See more details in section B.

II. 'Open floor'

III. Summary and analytical conclusions

BUILDING BLOCK D: INTERNAL EFFICIENCY AND OPERATION OF THE VET SYSTEM

Section D discusses efficiency in the VET delivery system. The IVET and CVT delivery system refers to all formal and non-formal VET provision in the country and all forms of input (tangible and intangible) into their operation. VET deliverables are the knowledge, skills and attitudes of VET graduates. Efficiency generally describes the extent to which the education system (and VET in particular) is delivering the maximum possible value with the minimum possible input.

Section D proceeds with a selection of key topics, such as the teaching and learning environment, policies for teachers and trainers, and quality/quality assurance mechanisms and policies.

D.1: Teaching and learning environment

D.1.1 Teaching and learning methods, including work-based learning

The concept paper for modernisation of secondary TVET (WB project Skills Development and Innovation Support 2014-2019) highlights the learner's central position in the education process. The student is pictured as an active subject, who has the right to select learning content, be active in the learning process including the evaluation of the achieved results. However, these ideals are often not realised in practice due to the schools' inability to accommodate all requests for course selections, or the teaching methods not supporting learners' active participation.

Traditional methods where the teacher is standing in front of the classroom, reproducing the textbook and students are listening passively, are prevalent. Factual knowledge and memorisation are highly valued over more analytical abilities. Objectives which foster development of skills, knowledge and abilities for critical thinking, problem solving, satisfaction in learning, etc. are rarely achieved in the vocational education process (TRP 2016/17). However, there is a realisation that students' active role in the learning process should be supported, increasing their capability to solve problems, develop skills, think critically and develop their own viewpoint regarding the study content. There are teachers who continuously develop professionally or are more ambitious—these teachers apply interactive teaching methods, aspiring to be a counsellor and a facilitator of the learning process. (TRP 2016/17)

Work-based learning mainly takes place during formal upper secondary VET, in four-year programmes, which account for approximately 93% of all VET students and 3-year programmes, which remain marginal. Most 3-year programmes have been recently revised or newly developed. These programmes are based on occupational standards and learning outcomes and the share of practical training is 40%, one third of which is expected to be conducted at the workplace. The practical training in traditional 4-year programmes varies between 6 and 22% and work-based learning is not compulsory.

The Law on Vocational Education and Training regulates work-based learning of VET students in companies. Companies are permitted to conduct practical training if they meet specific requirements with regard to training space, equipment and staff. The requirements are established by the VET Centre and approved by the respective chambers. A formal apprenticeship system is not in place.

Systematic approach in involving companies to provide WBL is not in place. Financial issues need clarification, for example regarding the allowance for learners. Quality of training for in-company trainers is uneven. Though mandatory, training of trainers is probably not happening in every case or in all companies. The Chambers are supposed to provide it, but no funds have been allocated for this activity WBL working group finalised the

The main challenges for work –based learning are the weak involvement of employer organisations and stakeholders. So far, single employers have been involved on ad hoc basis, when the country has had major projects. Five sectoral councils are operational out of the 14, which have been planned. Trade unions' involvement is even weaker.

D.1.2 Teaching and learning environment

In the previous Torino Process report, the following were brought out as challenges in the learning environment:

- Schools lack sufficient finances, as well as strategies to reprogram and renew the equipment;
- Many school buildings (almost ¼) are older than 50 years, buildings and facilities need to be renovated to increase energy efficiency and overcome heating problems;²⁷
- The textbooks and equipment used in VET schools is obsolete and not relevant enough. Of the entire equipment, 50% is over 30 years old; in certain schools and for some specialties the equipment is 60 years old; ICT hardware has been in use for more than five years, too long for such equipment. Sometimes, classrooms and labs have been equipped only partially;
- The law on secondary education stipulates 34 learners in a study group. Though some exceptions are possible, practical courses cannot be conducted with that many students. Revisions to the law are being planned to reduce class size to 24 learners;
- In certain school, it is difficult to cooperate with employers since there are no or only few employers in the region where the school is located;

The situation regarding the infrastructure has not changed much in recent years.

D.1.3 Policies to improve training/teaching and learning methods in VET

There are two main strategic documents that outline VET policies. National Employment Strategy of the Republic of North Macedonia 2016-2020 was developed by the Ministry of Labour and Social Policy in October 2015 with the support of ILO, UNDP and the World Bank. The Comprehensive education strategy for 2018-2025 is the basis for the Government's actions in the field of education until 2020.

The government has set three priorities in relation to improvement of training/teaching and learning methods in North Macedonia is working on all of them. The first priority is the quality of teachers/trainers and school directors. In the Comprehensive education strategy for 2018-2025, priority IV for Vocational education and training (5.4) sets out to improve capacities of human resources. Actions under this priority will ensure that professional competences of teachers are continuously improved, teachers are motivated to demonstrate better performance; VET school directors have the minimum required level of professional competences; education and training is accompanied with complete scope of support services necessary for students' quality learning process. Please see Section D2.4 for details.

The second priority is the shift to learning outcomes through a pedagogical reform. This has been implemented under the umbrella of the NQF and supported by two main international initiatives.

The project «Skills Development and Innovation Support 2014-2019» of the World Bank is addressing the reform of the 4-year programmes, making these programmes outcome based. WBL will start at year 3 and be compulsory in the final year. Within this project, a concept paper for modernising the secondary TVET was prepared and training for school directors, teachers and other staff has been organised.

The project «Enhancing/Strengthening Lifelong Learning through modernising VET and adult education systems» (2015-2017 IPA) supported the development of 3-year VET programmes and

²⁷ Project: *Modernization of Technical Education in the Republic of North Macedonia*, Structural and Functional Analysis of technical education, draft version, 2016.

adult education. Within this project, four-day training courses were offered for VET teachers. The topics covered "Principles of Teaching, Learning and Assessment in VET", "Learning Planning based on Students Needs and Motivating Students to Learn"; teachers identified learning outcomes for a randomly selected teaching course and the closing session was about defining learning outcomes and assessment criteria.

The implementation of the new four years programmes started in 2017/2018 and the VET Centre is closely monitoring it. The feedback from the first year of implementation is particularly positive as both teachers and students have appreciated the content of the new programmes, while the revised teaching methods have made students more engaged and active.²⁸ The VET Centre has identified four main challenges:

- Lack of equipment. There is still a gap between the equipment required by the new programmes and that existing in VET schools;
- Teaching material. The textbooks used are still those based on input based curricula; practical training material is also missing.
- Synthesis between theoretical and practical training. The merging of theoretical and practical lessons is one of the biggest pedagogical change and some teachers involved in the pilot have expressed uneasiness in finding the right balance between the two.
- Negative effect of the new programmes on the teachers' salary. This is one of the most significant challenges. Theoretical and practical hours are remunerated differently. With the reform of pedagogy (blended approach of theory and practice and overall increased focus on practice) teachers have been faced with an increased number of teaching hours for the same salary. This feature is demotivating for teachers and teachers union has raised the issue with the Ministry but no solution has been found due to the systemic lack of funds.

Piloting the programmes has not revealed any major concerns regarding the approach. Teachers complain about the absence of new teaching material coherent with the new pedagogies and the implications on their workload. Teachers have not expressed concerns with the formative assessment of students in outcome based programmes.

The third priority is the reform of work based learning modality. This is also one of the Riga priorities and the country is working on it through different initiatives. A national working group has been created to act as central hub for the different actions and lead the overall WBL reform. The working group is led by the VET Centre and includes all key education and employment stakeholders and individual employers who are actively involved in WBL provision. The WBL working group has worked on including WBL in curriculum development and financing. It has also developed a revised map of roles and responsibilities of all key stakeholders in relation to WBL. The final report of the working group will be produced by the end of 2018 and it will inform the next phase of WBL reform. This phase is supported by the Education for Employment project, funded by Switzerland.

²⁸ Interview with Zoran Jovcevski, VET Centre

D.1.4 Improving the training and learning environment

«Improve Learning Environment and Quality of Vocational Education and Training» is priority II in the Comprehensive education strategy for 2018-2025 for Vocational education and training (5.4). The expected outcomes are as follows:

- 1.1. Efficiency and effectiveness of the VET system are improved in terms of expenditures and relevance to the local, regional and national labour markets;
- 1.2. Teaching and learning process is supported with all means necessary for achieving established learning outcomes;
- 1.3. Competences of VET graduates are in line with the employers' requirements and compatible with the references established in accordance with EQAVET;
- 1.4. VET students acquire practical skills relevant to the real needs in working environments;
- 1.5. Feedback from all assessments of students' achievement allows to take evidence-based policy decisions;
- 1.6. Valid empirical data are provided on the capacities of 15-years old pupils (compared to international prospects) to enter life and continue education, or enter the labour market;
- 1.7. Efficiency of VET reforms is ensured through centralisation of investments and concentration of results;
- 1.8. Introduction and dissemination of VET innovations based on the best international practices is promoted.

A special measure in this regard is the setting up of centres of excellence to pool resources and increase quality.

D.2: Teachers and trainers

D.2.1 Composition of the workforce of VET teachers and trainers

In the 2015 ETF report "Continuing Professional Development of Vocational Teachers and Trainers in Western Balkans and Turkey", 473 VET teachers in North Macedonia of 4265 (11.1%) responded. The age composition of the respondents was:

- Age less than 30: 13%
- Age 30-49: 64%
- Age 50-59: 20%
- Age 60 and over: 3%.

As to the gender, 66% of the respondents were female and 34% male, which was the lowest share of male teachers in the region. Formal initial training had been received for all subjects the teachers teach in 78% of cases (443 respondents), in 14% of cases for some of the subjects they teach and none for 8% of teachers. Years of work experience was second highest in the region as 70% of teachers (N=453) had experience in their specialism for more than 3 years, 19% had 1-3 years of experience and 12% had none.

As to the length of teaching experience, the data indicated follows:

- Years of teaching experience 0-5 years: 27%
- Years of teaching experience 6-15 years: 37%
- Years of teaching experience more than 15: 36%.

The categories of teachers at VET schools are as follows:

- General education teachers;
- VET subject teachers (teaching theoretical vocational knowledge);
- teachers for practical training (trainers);
- Trainers in companies.

According to the amendments to the Law on Secondary Education (Official Gazette no. 14 from 2014, Article 69), secondary education teachers' progress and are promoted based on the "Basic professional

competences for teachers” and “Standards for teachers-mentors and teacher-associate”, in the following way:

- **Trainee teacher** is a teacher employed in a school for the first time. Induction training lasts for one year. He/she may be promoted to:
- **Teacher**
- **Teacher – mentor**
- **Teacher – associate**

The “Basic professional competences” are a set of requirements for teachers, outlining the knowledge, skills, abilities and professional values, i.e., proven ability to apply the knowledge and skills in learning or working situations. These competences refer to the teacher’s overall professional engagement in curricular and extra-curricular activities with students, peers and broader community. They cover professional knowledge, skills and values that teachers have been able to develop within innovative projects implemented in the country in the past 15 years.

The Standard for teacher-mentor stipulates upgrading professional competences for pedagogic and educational work and extremely high quality of teaching. In addition, the teacher-mentor is expected to have the relevant knowledge and skills to promote and improve the effectiveness of the pedagogical and educational work of the school as a whole and be dedicated to achieving the school’s objectives. The teacher-mentor should encourage learning and progress of peers, initiate discussions and activities for efficient and effective teaching and improvement of students’ performance.

The Standard for teacher – associate highlight the competences for improving the pedagogical and educational process at regional and national level. The teacher – associate, in addition to having competences of teacher-mentor, should have knowledge and skills to build and manage learning communities at regional or national level to improve the teaching process of a particular course or field, and the overall pedagogical and educational system, as well.

Advancement in titles (from the trainee to Associate) is often seen as a way to motivate teachers to invest more in themselves, to develop professionally and to undertake additional more complex work engagements. Acquiring higher title is often related to increase of salary.

D.2.2 Entering the teaching profession in VET

The system of novice teachers’ mandatory personality and professional competency testing and verification of their suitability to work with children and adolescents has been introduced with a purpose to improve the quality of the teaching staff. The measure extends also to the VET sector.

VET subject teachers and trainers who do not possess a teaching degree have to undergo additional pedagogical, psychological and methodological preparation, a precondition for employment. This can only be done through one-year mentoring programmes. Exceptionally, the trainers who have taken some pedagogical, psychological and methodological courses at the respective faculties and passed the professional exam, can be employed. The VET Centre has tailored a programme to increase their teaching and mentoring capacity.

Another programme has been developed for VET subject teachers and trainers at the companies aimed at improving their professional competences, strengthening the cooperation between schools and companies, learning about new technologies and processes, etc. This project, which ran as a pilot, has finished for now, but system wide implementation could be useful once the WBL is firmly established in all VET programmes.

D.2.3 Employment status of teachers in VET

In 2015 90% of VET teachers were employed full time, 8% were employed 50-90% and only 2% for less than 50%. There is an issue with the different value that has been assigned to theoretical and practical classes. Teachers get paid less for practical classes. As the share of WBL and practical training is increasing, teachers are expected to work more with no increase in salary. The Ministry has

been notified, but so far no actions have been taken. This issue is demotivating for the teachers and impedes the implementation of practical experience in VET.

D.2.4 Quality of teachers and trainers in VET

Teachers' competences are improved through internationally supported actions as well as national initiatives. In 2016, 7150 secondary school teachers participated in a course 'Use of interactive modern methods and techniques in secondary education' to broaden their knowledge and skills by applying modern methods and techniques in teaching, resulting in better students' performance and achievements. The training was organised by the Bureau for Development of Education and supported by the Institute of Education of University College London, Great Britain. This training was part of the initiative to introduce the Cambridge model in primary education. Since the model has been discontinued by the new government, this endeavour proved to be an ad hoc initiative.

BDE and VET Centre produce textbooks, instruction manuals, guidelines and various educative tools; provide training, organise advisory and counselling meetings with teachers, award scholarships to students, introduce new educational technical aids and new assistive technologies, etc. Numerous projects for acquiring skills, new knowledge, and exchanging experience have been organised for teachers through the National Agency for European Educational Programs and Mobility (NAEPPM), supporting vocational schools with their partnerships with international schools.

The Comprehensive education strategy for 2018-2025 addresses the issue of teachers' quality more systematically. The strategy outlines two main issues with the quality of VET teachers and trainers:

- 1) Teachers' knowledge of the modern technologies related to the subjects taught has serious deficiencies, which is complicated by low motivation of teachers, weak system of professional development and career advancement; particularly due to this, the traditional approach to guiding the education process is prevailing.
- 2) A number of VET school principals demonstrate low professionalism thereby negatively affecting management of the VET institutions, most of which are also not completely equipped with the support staff and professional services' specialists (e.g. IT administrator, Career advisor, etc.).

The proposed actions are the following:

- Introduce and operationalise the system for teachers' professional development and career advancement. This includes the review of legislative framework but also the implementation of specific professional development training;
- Improve the system of licensing of VET school principals. This includes the approval of revised professional standards and job profiles for VET schools principals as well as a new licencing system.
- Establish fully staffed support services with all necessary specialists (IT administrator, career guidance specialist, etc.). This includes the adoption of job profiles for support services specialists and hiring such staff in all VET schools.

According to the Comprehensive education strategy for 2018-2025, the need to improve the capacity of Human Resources applies to all the other education sectors as well.

D.2.5 Attracting and retaining teachers and trainers in VET

The system of novice teachers' mandatory personality and professional competency testing and verification of their suitability to work with children and adolescents has been introduced with a purpose to improve the quality of the teaching staff. The measure extends also to the VET sector.

D.2.6 Steering, motivating and supporting professional development

Professional development of teachers is a lifelong learning process from their studies until they retire through which teachers acquire knowledge, develop skills and capabilities to improve their teaching. The new concept of continuous professional development of teachers and trainers means clear definition of competences that will contribute to setting clear expectations for teaching profession, and subsequently, on a long term, higher attainments by students. A system for professional and career development of teachers and professional associates has been created; all required documents (manuals, instructions, and guidelines) have been drafted, including processes and procedures to contribute to better planning and implementation. However, the system is not functional yet.

According to the Law on Teachers in Primary and Secondary Education, teachers are legally obliged to continuously develop professionally. Article 21 sets forth that teachers have to commit at least 60 hours within three academic years to continuous professional development. At least 40/60 hours of this development must be obtained through accredited training programs. The rest can be internal training at the school or other training opportunities outside of school.

According to the Law on Secondary Education, the Minister of Education and Science, in cooperation with the Bureau for Development of Education, the VET Centre and the National Examination Centre (NEC), adopts an annual program for teachers' continuous professional development. The BDE develops a Catalogue of training opportunities delivered by accredited training providers based on the adopted program. The VET Centre and BDE may also organise and deliver training courses. Schools are required to develop professional development plans every three years based on their bi-annual self-evaluation and on the Development plan of the school. Most schools have established procedures to identify the professional development needs of their staff. Teachers do not have personal professional development plans, but they keep records of training courses and acquired certificates and these are an integral part of the teacher's portfolio. Internal development opportunities are provided by colleagues—teachers, professional associates and others who attended certain courses or are experienced in a certain field.

Career advancement in the country, in accordance with the current legislation, takes into consideration professional development of teachers, students' external examination results, integral evaluation results and individual valuation of the State Education Inspectorate (SEI) of the teacher's portfolio. Advancement in titles (from the trainee to Associate) is often seen as a way to motivate teachers to invest more in themselves, to develop professionally and to undertake additional more complex work engagements. Acquiring a higher title often leads to salary increase.

The Comprehensive education strategy 2018-2025 aims at revising the career path for teachers. The action plan specifically mentions introducing and operationalising a system of teachers' professional development and career advancement. This includes the review of the legislative framework but also the implementation of a specific professional development training.

D.2.7 Ensuring the quality of teachers in VET

Teachers are subject to internal and external evaluation processes. In the internal evaluation, the teachers' work is monitored by the school director or professional service, and the external evaluation is conducted by competent persons from the BDE and SEI. Teaching process is monitored via tailored instruments and procedures. Counsellors from the Bureau evaluate teachers' work by visiting classes to examine the planning and execution of teaching units in general education courses in vocational secondary schools, grading students and providing simulative environment in the teaching process, as well as application of recommendations provided during the counsellors' visits. Also, the work of teachers is evaluated through students' results on external evaluations. For more information on the existing professional development for teachers, please see section D2.6

Improving Capacity of Human Resources is high on the agenda, featuring as one of the four priorities in the Comprehensive Education Strategy 2018-25 for VET. The following three outcomes are expected once the action plan is implemented:

- 2.1. Professional competences of teachers are continuously improved; Teachers are motivated to demonstrate better performance;
- 2.2. Principals of all VET schools satisfy the minimum requirements of professional competences;
- 2.3. Education and training is accompanied with complete scope of support services necessary for students' quality learning process.

D.3: Quality and quality assurance

D.3.1 Quality and relevance of education and training content in VET

Learning and training content in VET is being updated. As a result of the IPA project in 2015-17 «Enhancing Lifelong learning through modernising VET and adult education systems» all three-year programs were made outcome based. However, 3-year programmes remain marginal. The 4-year programmes (with 93% of VET students) are being updated by the World Bank project « Skills Development and Innovation Support » (2014-2019). By the end of the project, learning outcomes will have been based on the occupational standards and work-based learning will have been added as a mandatory component to all VET programmes. These changes will have increased the labour market relevance of VET provision in the country by 2019.

According to the Comprehensive Education Strategy 2018-25, there are gaps in teachers' knowledge of modern technologies, which impacts the learning process negatively. Teacher training has been an integral part of the above-mentioned IPA and World Bank projects. Further teacher training needs are not specific to VET sector, as the above-mentioned strategy brings it out as a need in all the other education sectors as well.

D.3.2 Defining the quality of learning outcomes

A national approach to quality assurance has been devised for IVET and CVET, independently of EQAVET, but compatible with the EQAVET quality circle. However, a comprehensive quality assurance system for VET needs to be developed.

VET and CVET providers need to be registered and accredited by the Ministry of Education. Institutions need to undergo self-evaluation and external evaluation. There is a prescribed procedure for the preparation and adoption of VET qualifications. Study programmes are verified both in formal VET as well as Adult Education. Students in IVET undergo assessment throughout the learning process as well as at the end of their studies, either by passing a vocational examination or State *matura*. In non-formal education, a commission comprising representatives from the provider institution, employers and education assess learning outcomes.

The assessment/examination process is often one of the main challenges in competence based education. Formative assessment takes place throughout the learning process. Summative assessment at the completion of studies can have political implications as the school or the country would be evaluated based on students' results. The country has already demonstrated the willingness to address quality assurance aspect of assessment procedures. Between 2013 and 2017 all secondary schools applied a system of external assessment of the pupils' achievement in all subjects. The exercise revealed the inconsistencies between the assessment at schools and external assessment. The analysis presented in the comprehensive education strategy for 2018-2025 identifies a certain reluctance across the education sector in moving to an outcome based assessment. The action plan of the strategy includes the review of assessment process within creating a quality assurance framework. For the new competence based system to bring full benefits, assessment needs to become competence based—thus, for vocational programmes the assessment in state and

school Matura exams needs to be revised. The experience with the implementation of the pilot 4-year competence based programmes has so far been positive. The need to review formative assessment modalities have not been considering challenging by the involved teachers.

Quality assurance encompasses also forecasting skills needs. The following studies/surveys are used: Ministry of labour and Social Policy's long term labour market needs forecast and analysis of skills mismatch; The State Statistical Office's Labour Force Survey, Job Vacancy Survey and other systematic data collection; annual short-medium term analysis of skills needs based on the Employment Agency's survey of employers; Chamber surveys and studies on jobs and skills for their sectors; sectoral analyses (in 206/17 all economic sectors were surveyed); Observatory of Skills tracking of graduates.

The NQF law establishes principles, objectives, quality assurance procedures for qualifications (qualification standards, types, development and acquisition of qualifications, levels and qualifications submission, accreditation of providers, verification of programmes/modules, certification, etc.), assessment processes, competent authorities, institutions, bodies and commissions, etc.

D.3.3 Quality assurance processes in VET

Quality assurance operates both, at system and provider level. Institutions need to undergo self-evaluation and assess the processes in seven areas: curricula and syllabi, students' performance, learning and teaching, supporting the student, school environment, resources and management and administration. External evaluation is conducted by the State Examination Centre who monitors correspondence to established indicators.

Ministry of Education and Science verifies programmes for formal VET and Centre for Adult Education for non-formal learning. The Centre of Adult Education verifies adult education (CVET?) study programmes, analyses annual reports from institutions and monitors the delivery of the programmes. The State Education Inspectorate monitors and evaluates public open universities for lifelong learning (TRP 2016/17). IVET students are assessed throughout the learning process, formative assessment is also used. Summative assessment is used at the end of their studies, they either have to pass a vocational final exam or State Matura.

For quality assurance of qualifications, procedures are in place. Please refer to D.3.4 for more information.

D.3.4 Creating and updating VET content

Please describe the process of designing and updating VET programmes. For instance, who is responsible for initiating changes and proposing new VET programmes, and who is involved in consultations and consensus-building? How do these mechanisms take into consideration the changing labour market and skills demand? What procedures are in place or are being planned to align VET curricula with such demand?

In your responses, please provide information on current policy actions to modernise the content of VET. For instance, are learning-outcomes-based qualifications reflected in the design and delivery of programmes? If yes, what are the challenges, if any, in shifting to learning-outcomes-based content?

To create a new qualification in formal education, different working groups comprising employers, teaching staff from the relevant field, university professors from relevant fields and an advisor from the VET Centre have to be formed. These groups prepare the following documents: stakeholder initiative with justification, occupational standards, qualification standards, teaching plan, modules/programmes and an exam programme. In non-formal education, occupational standards and a special adult education programme have to be created. All new and reformed qualifications are based on learning outcomes. The responsibility for formal /non-formal VET curriculum development is centralised (lies with the VET centre).

Labour market needs are taken into account by consulting the skills needs studies, outlined above in 3.2. Employers, who participate in creating standards, bring the labour market perspective. The private sector involvement in developing qualifications has been moving from individual employer representatives to the new Sectoral Qualification Commissions (5 already established from 10 foreseen by 2025). However, there is a perceived need to strengthen these ties as one of the four priority areas for VET in the Comprehensive Education Strategy 2018-25 is harmonising VET with the labour market needs with the following expected outcomes:

- 1.1. Content of VET can be promptly adapted to the changing skill needs in the Labour Market;
- 1.2. Learning within the VET system is organised in a more flexible and effective way in terms of competences acquisition and targeted to achieving the learning outcomes defined by the standards;
- 1.3. Decision-making process and the VET system development are supported by wider range of stakeholders;
- 1.4. VET system is continuously informed about the up-to-date demand on the work force and qualifications and skill needs to be used for VET policy development;
- 1.5. Information on graduates' further educational and/or employment pathways (career advancement) allows to take evidence-based policy decision;
- 1.6. Post-secondary Vocational education is reformed in accordance with the MQF.

The content of VET is being modernised through the World Bank project «Skills Development and Innovation Support 2014-2019» as all the four year programmes are revised to be outcome based. The updating of three and two year programmes has been completed.

D.3.5 EU key competences

The NQF law (2016) outlines eight key competences: communication in the mother tongue, communication in a foreign language, mathematical and scientific and technical competence, civic awareness, information technology, entrepreneurship, learning how to learn and cultural expression. Article 4 of the said law states that one of the goals of the NQF is to promote the importance of key and vocational competences.

The reformed 4-year technical education is expected to provide the development of 'broader' skills and key competences that are currently demanded on the labor market. The technical education system should deliver a proper combination of skills, including digital and transversal key competences, media literacy and communication in a foreign language. Furthermore, technical VET needs to ensure that young people who complete their education possess skills and competences necessary to perform fast and successful transition to employment and/or continuation of education.

PISA results have been low in the country. The overview of the recent developments in the Education strategy reports that a handbook on Mathematics for 15-16 year olds has been released to help them prepare for State Matura in Mathematics.

D.3.6 Policies to strengthen quality assurance

Challenges in improving quality assurance in VET include the need to optimise the VET schools network; establish a comprehensive system for professional orientation and counselling for VET students, strengthen teachers' professional and career development; increase the attractiveness of VET and strengthen its function to prevent social exclusion; improve the material, technical and financial conditions for VET schools; intensify efforts to develop the system for quality assurance in VET (QA fiche, Elizabeth (EWA) asks that we protect her source though the information is present in many other sources as well).

To respond to these challenges, the Comprehensive Education Strategy for 2018-2025 outlines the expected outcomes under Priorities I (see D.3.4) and II:

Priority II. Improve Learning Environment and Quality of Vocational Education and Training

- 1.1. Efficiency and effectiveness of the VET system are improved in terms of expenditures and relevance to the local, regional and national labour markets;
- 1.2. Teaching and learning process is supported with all means necessary for achieving established learning outcomes;
- 1.3. Competences of VET graduates are in line with the employers' requirements and compatible with the references established in accordance with EQAVET;
- 1.4. VET students acquire practical skills relevant to the real needs in working environments;
- 1.5. Feedback from all assessments of students' achievement allows to take evidence-based policy decision;
- 1.6. Valid empirical data are provided on the capacities of 15-years old pupils (compared to international prospects) to enter life and continue education, or enter the labour market;
- 1.7. Efficiency of VET reforms is ensured through centralisation of investments and concentration of results;
- 1.8. Introduction and dissemination of VET innovations based on the best international practices is promoted.

BUILDING BLOCK E: GOVERNANCE AND FINANCING OF VET

Building block E collects updates on governance and financing in VET. 'Governance' refers to all institutionalised multi-level participation in VET policy making and management, including the setting of objectives and their implementation and monitoring in any given domain of VET policy and at any given governance level (multi-level governance).

'Financing of VET' refers to the consistency between the policy framework and the budget mechanisms in place that channel the resources towards the achievement of policy objectives. Three elements are analysed: VET budgeting, mobilisation of resources for VET, and allocation and use of resources in VET.

E.1: Institutional arrangements

E.1.1 Effectiveness of institutional and governance arrangements

The strategic framework in the field of employment and education (including skills aspects) is well developed. The Employment and Social Reform Programme and the Economic Reform Programme ensure the overarching policy framework that stimulates a cross-sectoral cooperation for policy implementation and a mutual reinforcement of actions. The coordination among the main stakeholders and the active developing partners is carried out in the Education and Employment sector committee. The institutional arrangements in the human capital domain are clear and well structured. The system is managed mainly by the Ministry of Education and Science and the Ministry of Labour and Social Protection. A number of councils (Council for VET, Council for Adult Education) provide advisory role and ensure stakeholders engagement/consultation. A number of technical bodies are in charge of implementation, monitoring and provision of technical advice (VETC, AEC, National Examination, Centre, and State Education Inspectorate). The cooperation among this actors and between the two Ministries in particular is good and continuative. There are several examples of cooperation within the same process; (e.g. the development of occupational and qualification standards, implementation of ALMPs,

The education sector is regulated by a complex web of legislative acts (see section A). The ongoing reforms taking place in the different education sub-sectors are introducing changes which need to be mirrored in multiple regulatory frameworks; currently there is a need to review the overall legislative framework to ensure harmonisation. This includes re-assessing and formalising the responsibilities of the different stakeholders in the framework of the new policies and processes. The existence of a legislative gap between the implementation of pilot initiatives and their scaling up at national level is a common reason for limited impact of reforms. North Macedonian policy makers have demonstrated partial awareness regarding this issue. The review of different legislative frameworks is currently ongoing in relation to different new policies (e.g. review of adult education law for the introduction of VNFIL, review of NQF law etc...). However, when we drill down to the regulation of detailed responsibilities at national, local and school level there are still contradictions and inconsistencies.

An important element to be considered in terms of governance of the system, and governance of the reform process in particular, is the availability of necessary quality and quantity of human resources. This is transversally valid for the different thematic areas and the different stakeholders. There is a clear gap between the resources available and the amount of responsibilities. This is both true for the running of the system and for the design and piloting of reforms. It is more an issue of quantity than quality. Staff responsible for VET and employment policies in the two Ministry is highly competent and the same can be said for the technical bodies supporting the sector (VETC and AEC). However, from a quantitative point of view most stakeholders are not geared to deal with the reform plans. The resources were already insufficient to properly manage the status quo of VET and employment

policies. Now the same number of professionals is engaged in designing additional and more complex processes, and at the same time being responsible for their implementation and monitoring.

In this context it is surprisingly weak link between universities and stakeholders in charge of education reform processes. While international projects make abundantly use of existing local expertise, the national stakeholders haven't been able to mobilise national resources in a systemic way. North Macedonia is now entering the accession process and could build on the expertise of other countries (e.g. Portugal) which has a comparable socio-economic context at the time of the accession process, but which have managed to mobilise their whole national intelligentsia in the efforts to reform the country.

The autonomy of providers of vocational education and training is different in formal education and in non-formal education.

In formal education major providers are secondary vocational schools. They have the opportunity to submit initiatives for designing and introducing new profiles, or programs in the education system. The state has stipulated procedures governing the process from initiation to development of new programs, their verification and accreditation of providers - vocational schools that can implement the programs in accordance with prescribed eligibility standards. By obtaining accreditation for implementation of programs of a particular profile, vocational school has the opportunity to shape the enrollment policy, to plan the staff and resources required to deliver the programs. The programs are adopted at national level by the Minister of Education and Science and they have certain limiting factors in terms of giving full autonomy to their implementation. But, considering that they are financed by the state, that human capital which should provide and ensure quality of institutions and schools is not at the required level of pedagogical-didactic competence, such setup is justifiable to a certain degree.

Development of decentralization process in education implies a partial autonomy of secondary vocational education in the country. Educational institutions have the opportunity to realize enhanced cooperation with the local community in various segments, which leads to increased quality of the planning and realization of the teaching process, and a possibility for alternative sources of funding and for hiring competent professional staff. On the other hand, every educational institution has a responsibility in front of all stakeholders involved in the process of vocational education in terms of quality of education services offered, the learning outcomes that can be achieved, etc.

In the domain of adult education, the level of autonomy of providers is a bit higher than vocational schools. Providers may freely create special programs, decide on the necessary finances for its realization and engage trainers. Bylaws limit the providers' autonomy, as they regulate the adequacy of education, lack of andragogic preparedness, lack of working experience and skills required for the realization of the special adult education program.²⁹

E.1.2 Accountability, leadership and control

E.1.3 Governance reforms

At system/policy level there are no major governance reforms ongoing.

In relation to level of VET provision the MoES has started a process of rationalisation of the network of TVET providers, which will determine the creation of a number of Regional VET Centres. The first step will be an in depth analysis of the efficiency and effectiveness of the current TVET providers. This should take place in the first half of 2019. The results of this assessment should inform "the Action Plan for optimisation of vocational education and distribution of vocations"³⁰ as well as the decision where to establish the Regional VET Centres and what sector should this cover. The conceptualisation of the Regional VET Centres has started in the second half of 2018. These new providers will be multi-purpose, delivering VET education at all levels (non-formal, secondary, post-secondary, LLL), and pioneering a number of new processes (WBL mechanisms, tracer studies,

²⁹ MoES, completed questionnaire on Torino process 2016-2017.

³⁰ Education Strategy 2018-2025, MoES

structured links with private sector etc...), which should become national standards for all providers in medium-long term.

At the same time the government is involved in an ambitious decentralisation process which will address the public education system too. The process is composed of three phases. Currently the second phase is under implementation. Municipalities are in charge of running secondary education schools through funds received as lump sum from the central government. Funds are calculated on a per student basis (more information in section E.3. In the third phases municipalities will have to fund schools through their own funds. The decentralisation process addresses municipalities skipping the regional level. There is an inevitable risk connected to the capacities of medium and small municipalities to effectively manage the schools under their responsibility. In many cases the lack of capacities at municipality level creates a situation where the schools become a leading actor in the decision-making process, although the mayor maintain the authority to formalise decisions.

The accountability of the municipality for secondary schools implies a decision-making role on rationalisation issues. It will become more complicated for the MoES to implement sound education planning when all major decisions about opening, closing and specialising VET providers will have to be negotiated with 80 different municipalities. In terms of deciding which qualifications should be delivered in the different schools the initiative is also at municipality level but the MoES retains the final decisions.

Overall, in terms of “improving the state governance capacities of public bodies”³¹, the education strategy 2018-2025 has foreseen extensive training programme, based on a detailed TNA, as well as the establishment of a monitoring unit inside MoES. Although the focus the quality of public administrators is commendable, the strategy does not address the issue of lack of resources. On the contrary the development of a very ambitious action plan which covers all possible reform areas in the education sector could further increase the gap between the scale of the reform programme and the available resources for implementation.

Some key reforms are ongoing in relation to the involvement of the private sector in education (see section 2.1)

E.2: Involvement of non-state actors

E.2.1 Distribution of responsibilities between state and non-state actors in VET

E.2.2 Policies in support of participation of non-state actors

The participation and contribution of non-state actors (social partners, employers, civil society, organizations of teachers and students, etc.) in the management of vocational education and training and policy-making in vocational education and training is historically weak in North Macedonia. Formal participation is present in boards of institutions (VETC, AEC, NEC etc.), in the Council for Vocational Education, participation in vocational school boards, participation in the councils of parents in schools, participation in the development of strategic, concept and program documents, etc. However, this has been a more formal than active presence. Additional informal initiatives have involved non-state actors but these have never scaled up at system level.

Things have been recently changed thanks to the big efforts in establishing an outcome based VET system and an overarching policy umbrella, the National Qualification Framework. These two initiatives have been targeting social partners and private sector representatives intensively, not only at the higher policy level but also at the level of technical discussion about occupational, qualifications and assessment standards. This involvement became systemic with the establishment of the Sectorial Qualification Commissions. These are not physical institutional bodies but a network of experts who have been nominated by different stakeholders (employers, universities, Ministries etc...) who meet

³¹ Education Strategy 2018-2025

regularly to agree on occupational and qualification standards. 5 Sectoral Qualification Committees have been established in 2018 and 5 additional ones will be established in 2019 as foreseen in the Education Strategy 2018-2025. The action plan of the strategy also foresees the establishment of an Education Policy Development Board (EPDB) with dully representation of the Social Partners to act as a social partnership structure for the education sector.

Engagement of social partners in education policies remain a slow process as in all transition countries. Although inspired at EU best practices, the engagement of the word of work is indeed an inverse process compared to EU historical evolution. Social partnership forms of representation in the education sector have not been established as a reply to the employers demand to have a role in the skills dimension. On the contrary these are top down measures which aim to stimulate their engagement. The main effect is the initial creation of an elite of well-trained employers representative who are fully committed in playing the technical role they are allocated but who do not manage to reach out to the majority of employers which remain disengaged form the education sector. In the context of technical processes (e.g. development of occupational and qualification standards) sectoral qualifications commissions can quite effective; on the contrary when the engagement should come from the individual employers (active role in work based learning mechanisms) the response appears to be weaker.

In the specific context of North Macedonia the involvement of individual companies (e.g. EVN) has been particularly important; not only through active participation in initiatives supporting quality of VET provision in specific schools, but also by actively participating in the policy debate on education policies (e.g. participation in work based learning working group) and even representing social partners in institutional contexts (the ACVT social partners representative comes from EVN HR department). This active involvement is an important added value to the policy reform process, but at the same time it's an indicator of an insufficient engagement of employers' organization in the education sector.

E.3: VET budget

E.3.1 Expenditure planning, VET budget formation and execution

Financing of the vocational education and training is one the most important issues tackled by all stakeholders. The Ministry of Education and Science covers most of the financing costs in the vocational education, based on work programs and annual budget approved by the Government. Financing of schools is conducted under the methodology for setting allocation criteria for block grants for secondary education per municipalities and the City of Skopje. Municipalities receive block grants by the MoES and these are generally used for salaries, student transportation and heating costs. Development issues are usually left under-funded. Schools, or sometimes municipalities, cover certain operational costs for consumables.³²

The main criteria for allocating funds to municipalities is the number of students. Corrective formulas are applied for VET students and students with special needs.

E.3.2 Policies to improve expenditure planning and budgeting in VET

E.4: Mobilisation of resources for VET

E.4.1 Sources and mechanisms of funding for VET

Main source for providing funding for the schools is the state budget, and funds, in addition to the budget can be provided by local government units and other sources (donations, gifts, companies, etc.) and they need to be used in a purposeful manner. The good side of these mechanisms is the possibility to

³² MoES Project: Modernization of Technical Education in the Republic of North Macedonia, Structural and Functional Analysis of technical

education, draft version, 2016

provide an additional source for school needs. It allows schools to be more open to implementation of educational projects with financiers, mainly international donors.

Also, private capital may enter into the education, and it relates to the operation of private schools through: tuition fees of students in private schools, donations, project activities, participation in various programs, etc.

The main feature of the financing system is that the allocation for education insufficiently covers all its needs; for example, funds for professional development of teachers are symbolic and constantly decreasing. Dissatisfaction of school is focused on the lack of funds for development issues, equipment and consumables.

Amid still centralized financing of secondary education, most of the additional funds to meet the needs of schools and employees are provided by donors.

Apart from funds from the state budget, vocational schools can obtain additional funds through projects (mostly implemented by international donors) and special funds from various government ministries. Some schools exercise self-financing activities (deliver training for external users, various profitable services and sale of products). Unfortunately, such practices are rare. It is probably necessary to allow a higher level of financial autonomy to the schools in order to encourage them to initiate and develop activities to generate additional funds.

A specific rule book exists to determine what type of services the schools can provide and how the collected funds can be spent.

Article 1

This Rulebook prescribes the manner of acquisition and distribution of funds in the public schools (hereinafter: secondary schools) from the participation of users of services, the sale of products and services that are result of the performance of the core business/activity and of the companies, the public enterprises, institutions and state administration bodies in which practical training of students is being implemented.

Article 2

The secondary schools may acquire funds from the users of services from:

- education of part-time students;
- taking exams of the part-time students;
- education of students in post-secondary education (specialization education);
- education of candidates in non-formal education of adults and
- Rewritings of issued diplomas and certificates.

Article 3

The funds from the sale of products and services which are result from the performance of the core activity the secondary schools can acquire from:

- Revenues from the operation of real school companies;
- Income from the sale of products and services from performing the core activity of
- The secondary school and
- Revenues from rental of goods and premises.

Article 4

The funds from the trade companies, public enterprises, institutions and bodies of state administration in which practical training is conducted for secondary school students, schools can acquire from:

- Practical training of students in trade companies, public enterprises, institutions and bodies of state administration and
- Feral and professional practice of students in the country and abroad.

Article 5

The funds acquired in accordance with the articles 2, 3 and 4 of this Rulebook, are used for promotion, modernization and development of the activity/occupation in the secondary schools.

Article 6

The distribution of the funds acquired in accordance with Articles 2, 3 and 4 of this Rulebook is as follows:

A) A portion of the funds in the amount of 40 per cent shall be used for the following purpose:

- procurement of didactic means and materials for the school;
- procurement of ICT equipment;
- procurement of equipment, tools and machines for practical teaching;
- procurement of materials for carrying out practical classes;
- maintenance of the premises and classrooms for performing the teaching and the

Practical classes;

- maintenance of the existing equipment in the school;
- procurement of inventory;
- procurement of means of protection at work of students and teachers-instructors;
- enriching the library fund;
- training and professional development of teachers;
- participation in national and international competitions of students and students teachers;
- practical training of students at other partner schools in the country and in overseas and
- Visits to companies, fairs, seminars, forums and conferences of students and teachers in the function of the profession in the country and abroad.

B) A portion of the funds in the amount of 30 percent shall be used for providing conditions for new investments to improve spatial and other working conditions in the school.

C) A portion of the funds in the amount of 10 percent shall also be used for applying on domestic and foreign projects in the field of education.

D) A part of the funds in the amount of 20 percent can be used for engaging /employing secondary school staff as well as non-staff schools members.

E.4.2 Diversification and mobilisation of funding for VET

The policy makers are committed to multiplication of funding sources for VET. The national budget is not enough. Already identified challenges negatively affecting VET provision (e.g. discrepancy between salary for theoretical and practical subjects, see D1.3) have not been solved due to lack of funding. Donors' interventions help in the launching of new processes and policies but can do little for their sustainability. The country should make a triple effort in relation to this challenge:

- Implement costing analysis of reforms to know what will be the medium-term implications of reforms. This is particularly important because VET reforms are often piloted in a small scale but the process of systematisation may lead to significant maintenance costs. In addition what are voluntary contributions by private stakeholders could require remuneration to remain sustainable in the future (e.g. participation in sectoral qualification commissions). Efforts in this direction have been made in the design of the education strategy 2018-225 and relevant action plan. Indeed amounts have been allocated to each intervention as well as sub activity. However this amounts reflect the development costs and not entirely the financial implications of the reforms on the overall yearly national budget allocated to VET.
- Prioritise reforms in line with available resources (human and financial). This should be a natural consequence of the first step. Policy makers should engage in a widening / deepening debate about VET reforms. The current action plan is very ambitious, tackling all possible areas of VET. It could be defined an idealistic strategy addressing all existing challenges. The reality, however, could be different. Resources could end up being spread too thin in such an approach.
- Develop policies which increase effectiveness and reduce costs for the VET sector (WBL, VNFIL, Vet providers' network rationalisation). The country is working on these reforms. The review of the WBL mechanisms is ongoing 'see section D) as well the establishment of VNFIL (see section C). The rationalisation of VET providers will start in 2019 with an analysis of efficiency and effectiveness of current VET providers. The second step will be the establishment of four Regional VET providers. These reforms are extremely important because they allow the creation of additional funds which are already been allocated to the VET system and can therefore be re-used for financing of other policies. The funds recovered through these type of reforms are usually higher than what can be obtained through negotiations with Ministry of Finance and political actors.
- Develop policies which open for possible sources of alternative funding or exploiting similar policies which are already existing. VET Schools do have the autonomy to provide services and training for private actors to generate income. However the detailed mechanisms of VET

providers' financial autonomy have not facilitated the delivery of these services. The establishment of the regional VET Centres should help in the review of the regulations in relation to school governance providing a more enabling environment. The best practise developed within the Regional VET Centres should be expanded to the whole network of VET providers.

- Incentivising local authorities and companies support to VET provision. Already in the previous edition of Torino Process these elements have been identified as priorities.
 - “In the context of devolution to the local level, local authorities should be encouraged, as well as show interest, to provide additional resources to support the local development of vocational education, and companies "need to increase investment in initial VET through involvement in alternative models for training, but also by supporting schools with adequate equipment.”
 - “Fiercer efforts are needed to achieve variety of financial sources and schemes, and to develop mechanisms for their utilization, “as models of co-sharing costs between different partners in the education process – the state, business sector and individuals, foundations and organizations – and public finances should help to establish complementary funding by private sector”.³³

³³ Ibid