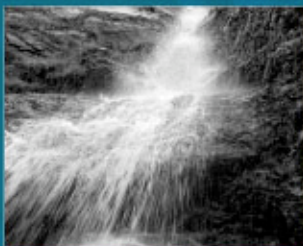# National Human Development Report 2004 – FYR Macedonia

Decentralization for human development

UNDP

National Human Development Report 2004, FYR Macedonia

Decentralization for human development

National Human Development Report 2004

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NATIONAL HUMAN DEVELOPMENT REPORT 2004

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FOREWORD

No single issue unites the different communities in the country more closely than the Euro-Atlantic integration. Decentralization is not only consistent with that agenda, it is a requirement. This report also shows that it supports the human development agenda.

Decentralization brings government closer to the people, making it more accessible and knowledgeable about local conditions and thus more responsive to people's needs. This should lead to improved government services and to a more effective and needs based use of public resources. Today only minimal resources are channelled through municipalities. This centralized state is therefore inconsistent with the subsidiarity governance principle, where decisions should be taken at the lowest possible competent level and thus authority should be decentralized to that level. This is now adapted as the EU guiding principles.

For Macedonia, preparation for accession to the European Union also means enhancing the quality of political decision making through the inclusion of local authorities and increased public participation. Comprehensive reform processes are necessary to enable the country to better cope with global and national challenges of a political, economic and social nature.

Apart from its governance merits, the decentralization process is a key requirement of the Ohrid Peace Framework Agreement, which in turn is a precondition for the country's integration into the European Union. Thus, while decentralization is an important strategic goal for Macedonia, it is not a panacea. Its success hangs on many political and social factors. The 2004 National Human Development Report therefore highlights opportunities and risks of decentralization and presents a set of policy options that could help to successfully address the challenge of decentralization and mitigate its risks.

The success of the decentralization process will be measured against the extent to which the quality of life and equal access to development opportunities will have improved. In this respect it will be crucial for the ongoing reform process to assure minimum standards and levels of services for all citizens countrywide and to adjust the observed effects of available public funding.

Macedonia has committed itself to achieve the UN Millennium Development Goals (MDGs) through which issues that are central to individual and societal well being, such as reducing poverty and unemployment or to enhance access and quality of education and health can be addressed. But in order to do so successfully, it is necessary to understand the factors contributing to disparities at the local level whether defined geographically, economically, socially or ethnically.

One of the consequences of the lack of decentralization in the past is the lack of statistics and data available on the local level today. In this respect the 2004 National Human Development Report presents groundbreaking work. For the first time it calculates the human development level of municipalities and confirms that there are discrepancies between rural and urban municipalities as well as between municipalities with different ethnic composition. However, this analysis should not be used for self-serving polemics. Government, local authorities and civil society groups could make use of this analysis to better target their activities and identify their priorities.

To improve people's lives requires a common vision, strategy and commitment from government and civil society at all levels. The preparation of the first MDG Report for Macedonia due in

the second half of this year will be an opportunity to outline the country's development goals until 2015. This report is providing a solid statistical and analytical basis to do so.

UNDP is ready to support this process and will also follow closely the impact of the decentralization in order to provide further research, analysis and policy recommendations.

I trust this report will be useful to all levels of government, to civil society organizations, to the academic world, as well as to the donor community and international organizations, in fostering constructive dialogue.

Finally, I also wish to use this opportunity to extend my deep appreciation both to the project team headed by Dr. Dimitar Eftimovski and to the UNDP Support team of Dr. Adrej Ivanov, Dr. Brigitte Kuchar and Ms. Vesna Dzuteska-Bisheva, the UNDP Programme Officer who has provided overall guidance on the content of this report. Congratulations on the result and we look forward to seeing the debate continue beyond the passage of the new legislation. We also have to keep an eye on the consequences and adjustments that are necessary to ensure that the decentralization agenda promotes positive human development for the citizens of all communities and groups in Macedonia.

Frode Mauring
UNDP Resident Representative

INTRODUCTION

Local development is at the heart of the policy and political discussions on decentralization in Macedonia. The 2004 National Human Development Report (NHDR) focuses on local development in order to add the human development perspective to the current discussions.

Concentrating on local development and good governance, this report is a step forward in comparison with previous reports on human development in Macedonia. In addition to the Human Development Index (HDI) the 2004 Report also calculates the Gender-related Development Index (GDI) and, for the first time, the Human Development Index (HDI) at the local level. By aggregating data by municipality type – rural and urban – it tracks down disparities within the country. It provides also for the first time comprehensive analysis of development challenges and opportunities faced by different ethnic groups.

Decentralization aims to bring government closer to the people. Decisions made on the local level will be more sensitive to local conditions, more responsive to local needs and will allow for higher accountability and transparency, thus raising the level of good governance and further improving human development.

Decentralization also provides an opportunity for broader participation and representation of all ethnic groups in the political decision-making process at the local level and can thus contribute to the prevention of potential interethnic conflict.

Decentralization in Macedonia is in progress and important policy decisions regarding the distribution of responsibilities and competencies between the local and the central level are still to come. The 2004 Human Development Report provides a useful tool for citizens, Government, the non-governmental sector, politicians and academia, who seek to put the quality of life of people at the centre of policies at the national and at the local level.

STRUCTURE OF THE REPORT

The report consists of five chapters and a set of recommendations. The first chapter provides a brief historical introduction to the issue of decentralization and local self-government – from the end of World War II to present. Chapter 2 outlines the human development profile in the country and in selected municipalities.

Chapters 3 and 4 give a detailed picture of the dimensions of human development. The first provides an economic analysis of incomes and poverty, employment, and unemployment. Given the particular challenges of transition in Macedonia, this chapter analyses the quality of life in transition and concentrates on poverty, inequality, unemployment, employment, and the pension system. Chapter 4 analyses the social dimensions, including education and health. Where possible, i.e. where data is available, in-depth analysis of ethnic, gender and other correlations and relationships was conducted.[1]

Given the focus on decentralization, special attention is devoted in this report to fiscal issues affecting the sustainability of human development in a decentralized setting at the municipal level. Chapter 5 gives a clear picture of the economic and fiscal capacities of selected municipalities, which is particularly helpful in selecting financing models and in the equalization of municipal financing. In this chapter, the emphasis is on the economic potential of municipalities, the level of utilization of available labour, infrastructure, fiscal decentralization, basic components of the local budgets, the relation between fiscal decentralization and

human development, and local administrative capacities. Finally, Chapter 6 suggests a set of approaches and recommendations regarding decentralization and local governance reform.

METHODOLOGY OF DISAGGREGATED ANALYSIS AND MUNICIPALITY SAMPLE

It is neither possible nor necessary to apply the analysis for all 123 municipalities in Macedonia. First of all, many of them are too small and data on major indicators are not available (or not relevant). Second, the report production process coincided with the debate on the new administrative division of the country and the NHDR team found it more important to outline the set of issues and problems that municipalities with a similar socio-economic and demographic status are facing. Focusing on the typology of challenges applicable to the new administrative division as well would not make the report outdated 'the day after' – after the adoption of the new administrative structure.

For this reason, a representative sample of the municipalities has been selected whose average characteristics are assumed to match the average characteristics of all Macedonian municipalities. The sample is a non-random stratified representation of urban/rural, mountainous/valley and population distribution. The sampling criteria were:

1. Municipalities from all parts of the country were selected. Special attention was paid to their social characteristics such as different ethnicities, densities, communications and influence from the neighbouring states;
2. Based on these criteria, 24 municipalities were selected, which accounts for 19.4 percent of the total number of municipalities in the country. The total population in these municipalities is 1,275,141, or 63 percent of the total population of Macedonia (according to the 2002 census).

The sample also contains the largest municipalities. In the selection of municipalities the following additional considerations were taken into account:

1. In anticipation of a new definition of municipal boundaries, that is expected to increase the proportion of urban municipalities, these were slightly over-emphasized in the sample.
2. Each of the municipalities taken for analysis has more than five thousand residents, except one, which lies in a region of the country with low municipal populations.
3. The city of Skopje was included as one municipality despite representing a considerably larger unit of local self-government than the other municipalities. Here the NHDR team took into consideration the fact that Skopje has the highest concentration of municipal competencies.
4. The research sample satisfies the criteria for urban-rural make-up, for size differentiation and for ethnic composition. For example, some municipalities sampled have a distinct mutli-ethnic structure, i.e. Rostusa (with Albanians, Turks and Macedonian Muslims) and Cucer-Sandevo (one third Macedonians, one third Serbs and one third Albanians). Fifteen of those selected are old municipalities, whereas nine were created with the latest territorial division of 1996. The municipalities differ also in terms of their economic and non-economic characteristics – some have a dominant industrial structure (Veles, Stip), while others are dominated by mining (Probistip), tourism (Ohrid) or agriculture (the rural municipalities). The city of Skopje is taken both as the biggest industrial centre and as the biggest administrative and cultural centre in Macedonia.

This report attempts for the first time to calculate GDP at the municipial level as a component for the calculation of the Human Development Index. These calculations were based on estimates and may require adjustment once more reliable data is available.

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1 The ethnic dimensions of the analysis and where applicable – ethnic correlations were provided by Dr. Andrey Ivanov, Human Development Adviser, Bratislava Regional Centre, UNDP.

EXECUTIVE SUMMARY

MACROECONOMIC STABILIZATION AND A DECLINE IN PEOPLE'S QUALITY OF LIFE

The analysis of the economic performance of Macedonia and the living standards of its population indicates that while restrictive macroeconomic policies during the transition period resulted in partial macroeconomic stability, it was accompanied by a decline in the quality of life. Inequality and poverty increased during the period measured.

Too much hope and energy have been invested in the expectations that the monetary sector of a small and poor economy, such as the Macedonian one, will somehow manage to stimulate and sustain economic growth. In essence, policies seem to be founded on the principle of stabilization rather than on development; but efforts to stimulate the growth of the economy exclusively through the monetary component seem unrealistic. The growth of the gross domestic product (GDP) achieved over the last several years deviates considerably from projected GDP, which may indicate inconsistent macroeconomic policies. Certainly non-economic factors – including the armed interethnic conflict in the country in 2001 – had a strong additional impact on the economy.

One of the most burning issues of the Macedonian economy with a direct impact on human development is insufficient employment opportunities. The industrial proportion of GDP over the past several years has been about 26 percent. The industrial production index in 2001 was lower by 38 points compared with the 1991 figures, while for employees in the industrial sector for the same period of time, the index decreased by as much as 43.38 points. The agricultural sector contributed in the pre-transitional period a high proportion of GDP generation (14 to 16 percent), and retained its high share at the beginning of transition, but recently it has been exhibiting a tendency towards decline; in 2002 its share amounted to about 11 percent, while the construction sector's proportion of GDP generation in the last years amounted to about six percent.

It should be borne in mind that macroeconomic stability is not the ultimate goal of the development process. It is a means to achieving the basic goal – economic and ultimately human development. It is an important but not unique precondition for development; hence it should not be understood as a substitute for development policy. An improved quality of life that includes also the impoverished and socially excluded should be at the centre of development efforts.

THE HUMAN DEVELOPMENT APPROACH

Human development is a concept that is people centered. It promotes the idea that the ultimate goal of development efforts is human development and includes the improvement and enrichment of human life. The main development objective here is not the production of as many goods and services as possible, but rather the strengthening of human capacities for a fulfilled, productive and dignified life.

Human development is defined as a process of increasing the choices available to a society: the ability and opportunity for a human being to have a long and healthy life, a good education and a decent standard of living. Therefore, economic policies within the human development perspective should focus on poverty reduction, equal opportunities, employment, social inclusion, viable pension systems, education and health care.

But human beings' choices are not exhausted by the abovementioned factors; political freedom, guaranteed human rights and human safety are equally important. Government decentralization can contribute to human development if it leads to equitable participation in political decision-making processes and the broader participation of citizens in decisions that directly relate to their daily lives.

HUMAN DEVELOPMENT DIMENSIONS

The Human Development Index (HDI) is an indicator of the average achievements in the field of human development. It measures three basic dimensions of human development: a long and healthy life as measured by life expectancy at birth; knowledge as measured by the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio; and a standard of living as measured by GDP per capita (PPP US$). According to the 2004 Global Human Development Report Macedonia ranks number 60 out of a total of 177 countries. With an HDI of 0.793, Macedonia falls among the countries with middle level of HDI of the index.

The human development index at the level of selected municipalities as well as at the level of aggregated urban and rural municipalities – calculated for the first time in Macedonia in the 2004 Report – shows significant disparities between different parts of the country as well as different types of municipalities. The HDI of sampled urban municipalities reaches 0.796, while the one of sampled rural municipalities reaches only 0.765. The most significant difference is related to the knowledge component, where the completed education index in the urban municipalities reaches 0.890, while in rural municipalities it reaches only 0.810.

Not surprisingly, the capital city of Skopje has the highest HDI (0.822) within the sample, followed by the municipalities of Ohrid (0.806), Gevgelija (0.803), Bitola (0.801) and Gostivar (0.800). It is noteworthy that the higher-ranked municipalities are urban, while the lower-ranked ones, without exception, are rural municipalities. In addition to having a lower income level per capita, rural municipalities also score lower on education levels, which is a major constraint to human development. Within the sample of selected rural municipalities, this group includes the municipalities of Novo Selo, Rosoman, Dolneni and Zajas.

The Gender Development Index (GDI) was also calculated for the first time in Macedonia in this report. Whereas the GDI compared to the HDI shows only minimal deviation and thus suggests 'relative equality', a closer examination shows substantial asymmetry between the human development levels of men and women. This inequality is most pronounced in income measurement and life expectancy, which are, respectively, lower and higher for women.

POVERTY REDUCTION AND THE CHALLENGE OF UNEMPLOYMENT

Poverty is a multidimensional and complex phenomenon which, in essence, is about the lack of possibilities and opportunities required for human development – such as the possibility for people to receive education, health care and to have a decent standard of living.

The report also contains an analysis of the quality of economic growth in terms of its successful transformation into human development. Particular attention was paid to the following criteria:

1. job creation;
2. human security; and
3. income distribution.

With regard to jobs, employment rates do not keep pace with the economic (GDP) growth rates, which suggests the existence of 'jobless growth'.

With respect to human security the results are mixed, with job security, health and personal security scoring at different levels. A substantial level of differentiation likely occurs at the local level between different municipalities. But this issue requires further research.

Concerning income distribution, the data reveal a moderately high Gini index[1] (29.93) with a high rate of poverty (33.54 percent). This may suggest that poverty is moderately unevenly distributed among the population. Food expenditures are indicative as they take the largest share of household expenditures (40.6 percent), which is typical of impoverished societies.

The aggregate picture of poverty is reflected in the

poverty rate. The head count index shows that 33.54 percent of the total population in Macedonia, approximately three out of ten persons, live below the poverty line, which is set at 70 percent of average annual household income (179,089 denars, or around 243 EUR a month). However, if poverty is analysed from the perspective of household expenditures, the picture is substantially different: only 22.7 percent of households have expenditures below 70 percent of the median. The discrepancy in registered incomes and expenditures reflects to a great extent the magnitude of the informal sector in the economy. The poverty gap index, which measures the depth of poverty and increases with the deviation of the poor below the poverty line, shows similar differences: it amounts to 11.17 percent if based on income estimates and 5.4 percent if based on expenditure estimates. With regard to subjective poverty, i.e. the subjective opinion of Macedonians as to the minimum acceptable standard of living, only 3.1 percent of the households in the country believe that they are able to meet their needs through monthly income, whereas as many as 69.5 percent are either partly or fully unable to do so.

The high level of subjective poverty likely reflects people's comparison with the previous socialist system which was followed by a decline in economic output during transition. For example, 92.6 percent of householders own their apartments and have furnished them with durable consumer goods (appliances, refrigerators, boilers, washing machines, TV sets). Nevertheless, these living standards are to some extend inherited from the socialist system while more modern durable consumer goods such as personal computers, dish washers and air conditioners are out of reach for the average Macedonian family. One may conclude that the momentum of previous gains in terms of living standards is declining and consistent measures are necessary to enhance people's capacities to reach and maintain higher living standards by retaining the existing high levels of human capital.

Among those most affected by poverty are pensioners. As a result of the economic transition, dramatic changes have occurred with regard to the ratio between the number of persons contributing to the pension fund and pensioners. In 1990 this ratio was 3.6:1 whereas today it is enormously reduced and stands at 1.33:1. The percentage of pensioners in the total population is considerably higher in urban municipalities (17 percent on average), while in rural municipalities it is only five percent on average.

One means for alleviating extreme poverty is through welfare support systems. Welfare beneficiaries for the period 1995-2002 increased by over 29,000 households up to 82,000 households. At the begin-

ning of 2003, the Macedonian Government undertook an initiative to identify the number of families truly eligible for welfare and subsequently reduced the number of beneficiaries to about 63,000. Within the sample the percentage of households drawing welfare benefits (in terms of a percentage of the total number of households in the municipality) ranges from 4.49 percent in the municipality of Gevgelija to 31.47 percent in the municipality of Dolneni, which also illustrates the level of regional disparities.

However, welfare should be considered an emergency measure. Poverty can be reduced more sustainably via stable employment generation. This is a highly problematic area in Macedonia. The unemployment rate is one of the highest in Europe and amounted to up to 31.9 percent in 2002. Unemployment, as with other socio-economic indicators, particularly poverty, is unequally distributed across the country. In 30 of Macedonia's 123 municipalities unemployment exceeds employment; in seven of them (Zelino, Topolcani, Kamenjane, Sipkovica, Dolneni, Lipkovo and Plasnica) unemployment rates are three or more times higher than employment rates and in eight municipalities they are two or more times higher. Skopje in this regard seems better off, with employment rates 2.7 times higher than unemployment. Although in Suto Orizari, a district dominated by the Roma population, the situation is reversed, with unemployment rates 2.3 times higher than employment. Seen from an age perspective unemployment rates are highest for the 20-29 year age group – the period that is crucial for an individual's socialization. Unemployment rates for the 20-24 year age group in different municipalities vary between 16 and 27 percent and for the 25-29 year age group – between 14 and 23 percent.

A significant characteristic of unemployment at the local level is its concentration in the larger cities of Skopje, Kumanovo, Tetovo, Prilep, Strumica and Bitola.

Until now, the Governments' response to poverty has focused on welfare measures. But given the multidimensional nature of the challenges, a suitable approach should be carefully balanced between social assistance and active labour market policies. The latter have to target municipalities and those groups most in need and address the most pressing concerns. An analysis of the performance of the National Agency for the Promotion of Enterprises based on the total value of the credits it disbursed, seen through levels of unemployment (registered unemployment rates) and the ethnic composition of the municipalities suggests that this is not always the case. For example the municipality of Prilep, which has one of the highest unemployment rates in the group has received a rela-

tively small amount in credit. The data also suggest that municipalities dominated by ethnic Albanians are underrepresented in such programmes, although this is not a general rule. There is no evidence that such underrepresentation is due to deliberate discrimination; most probably it indicates other aspects of the complex ethnic web – higher share of informal sector, higher availability of informal lending options among non-Macedonian communities, etc. But whatever the reason, the unequal access to formalized channels of development is there and needs to be taken into consideration by policy-makers.

DISPARITIES IN EDUCATION AND HEALTH

One of the major assumptions of the human development concept – that development is not just about economic growth – is the reason why education and health deserve particular attention in the process of transition. Examples from many countries outline the real danger of deterioration in these areas as market reforms progress. This is the inevitable short-term outcome of tighter monetary policies and hard budgetary constraints. Hence the human development challenge in this area is how to capitalize on the momentum of high levels of education and health, traditionally inherited after the socialist period, in order to reform the social sector so that it corresponds to the new economic reality. These challenges are particularly important in a decentralized framework.

Seen through the lens of its components, the human development profile also proves the hypothesis of a substantial level of disparities. The gross enrolment rate for all three education levels in the rural municipalities amounts to 62.36 percent and is significantly lower than the one in the urban municipalities where it is 78.52 percent.

Macedonia lags behind south-eastern European countries in terms of the inclusion of youth in secondary education. Although the number of students at the secondary level has been on the increase in recent years, the low enrolment rates in secondary schools signal a series of significant inequalities between ethnic groups, gender, regions, and urban and rural areas.

Ethnic-based disparities are particularly evident with regard to gender. Thus, ethnic Macedonian girls are included in an equal proportion in primary and secondary education as ethnic Macedonian boys, but this is not the case for girls from other ethnic groups. Ethnic Albanian, Turkish or Roma girls are equally included in elementary education, but their participation is much lower at the secondary level. Apart from cultural patterns this is also related to economic reasons – the structure of employment opportunities may encourage girls to enter the labour force (regardless if

formal or informal employment) earlier than boys, who could have more difficulties in finding employment, particularly in rural areas. Similar socio-economic reasons determine the high drop-out rate in Macedonia, which is also highly uneven territorially as well as by ethnic group. While the proportion of ethnic Albanians in regular primary and lower secondary schools is about 30 percent, their share in regular upper secondary education is only about 16 percent. The most dramatic decrease can be observed with Roma children, whose share in the primary and lower secondary school is about 3.3 percent, whereas in upper secondary school it is only 0.5 percent.

Problems in the education system at the local level have strong negative impacts on local development. Decentralization in education should not be considered only as a process whose ultimate goal is the redistribution of decision-making powers, but as an instrument which enables the sharing of responsibilities necessary for the functioning of the education system between the central government and the remaining levels of governance.

State expenditures for education use about four percent of the GDP. Taking into consideration extra-budgetary resources including revenues collected by schools, grants and credits, the expenditure reaches 5.2 percent of the GDP (2002). But spending is inefficient, largely due to overcentralization in the education sector.

Access to health is reflected in indicators such as life expectancy and levels of morbidity of major diseases. In 2001, Macedonian citizens had an average life expectancy of 73 years. Life expectancy of women is slightly higher at 76.21 years, whilst in men it stands at 70.68 years. The infant mortality rate has been reduced significantly over the past several decades. In 2002 it stood at 10.2 per one thousand.

However, shrinking resources, as well as ethnic and geographic disparities, may jeopardize these achievements. The economic situation during transition and the high unemployment rate in the country also have negative implications on the health sector; in terms of the health needs of the population, the costs of service provision and the quality of services provided.

LOCAL DEVELOPMENT AND LOCAL GOVERNANCE
Local self-government is a form of governance of local communities where citizens make decisions of significance to their communities directly or through elected representatives in local bodies.

Reforms and different developments in the constitutional and political system in Macedonia have had their impact on local self-government as well. Since World War II, local self-government in Macedonia went through several not only different but mutually contradictory development stages.

The 1991 Constitution guarantees the right to local self-government but in comparison with the socialist period it also reduced the competencies of the municipalities. Ten years later, in 2001, when decentralized government became a key priority for political reforms, competencies were given back to local self-governments. The Local Self-Government Law adopted in 2002, at least in terms of its language, brings Macedonia closer to European standards. However, despite the fact that local self-government is embedded in the legal system – the European Charter of Local Self-Government is an integral part of the Macedonian legal system since 1997 – the practice is often inconsistent with the norms.

Municipalities are currently facing a number of problems such as an inadequate division of authority with the central government; lack of finances; spatial, technical and staff problems; and incomplete decentralization, which disables any management of local issues.

Therefore, one of the key reforms in Macedonia which are now underway is local self-government reform and decentralization to ensure effective and efficient local self-government, accessible for all citizens. This is particularly important for the successful implementation of the Ohrid Agreement.[2] For that purpose however a clearer understanding of decentralization and its implications is necessary. How can decentralization benefit the ordinary citizen? What are the specific procedures and ways for them to influence local policy-making? How can the interests of local minorities be safe-guarded? The success of the processes – both of decentralization and implementation of the Ohrid Agreement – depends on the answer to these and similar questions.

OPPORTUNITIES AND THREATS FOR EFFICIENT LOCAL SELF-GOVERNMENT
An effective local self-government is one which meets to a great extent those needs of the citizens which are of local importance. In the case of Macedonia, there are both great opportunities for local governance as well as potential threats.

Opportunities for effective local self-government in Macedonia
* The constitutional and legal status of local self-government in Macedonia allows for stability and sustainability of the structure.
* The management structure of local self-government units provides strict division of power, with separated normative and executive functions.
* Significant organizational independence of the

authorities is provided by the Law on Self-Government.

* There is complete autonomy of local bodies, which means that through the mechanisms of elections and appointments there is no interference on the part of the central authority.
* Moderate control of the state authority is focused on issues of legitimacy, and not on the substantive action of local authorities. This means non-interference in local matters on one hand, and on the other hand, insisting on legitimacy. Thus, state control is focused on the protection of the citizens' rights and effective functioning of the entire political system.

Potential threats

* Although formally the Law on Local Self-Government provides for broader competencies on the municipal level, actual power and the corresponding human as well as financial resources and capacities still need to follow.
* Financing of local needs is restrictive. Local self-government sources of income so far are limited, for example the taxes tied to economic activities, and there is no strategy or financial capacity to effectively reduce the differences between the richer and poorer parts of the local self-government system.
* The new territorial division will have to prove its viability in terms of economic potential, human resources, capacities and most importantly, in terms of social capital.
* The existing one-tiered local self-government demonstrated its limits following the territorial division of 1996.
* Lack of awareness of citizens of their rights and opportunities to participate in the public policy discourse at the local level.

Local self-governance in Macedonia faces potential threats but also potential opportunities. So far the opportunities have not been adequately utilized and the local self-government in Macedonia has not been living up to its potential. It is not only the provision of services at the local level which are at stake – crucial endeavours, like the implementation of the Ohrid Agreement, depend on the successful reform of local self-governance.

A comprehensive and well-designed local government should function smoothly; that is why efficient institutional structures and capacities are required. The increased competencies and strengthening of the political culture of the population should result in a more active participation of citizens in local processes. This, in turn, enhances their sense of identification with the local environment, as they would satisfy an increasing part of their needs within this environment. An increase of the professional level of executive and administrative bodies in the municipality, along with improved communication with the civil sector and involvement of the latter in the decision-making processes will have a positive impact on the management of municipalities.

This is the reason why decentralization should remain firmly on the policy agenda. Other countries' experiences, particularly the experiences of multi-ethnic and diverse societies, shows that there is no real alternative to decentralization. This is also reinforced by the experience of the implementation of the Ohrid Agreement so far. Decentralization will not be an easy process and indeed has its risks. In some cases it may have also negative effects, particularly in the short run given the lack of sufficient democratic tradition and the fresh history of local-level ethnic mobilization. But the ultimate outcome of decentralization is an increased scope and higher quality of services for the entire local population by public institutions, public and private enterprises, non-governmental organizations, and other entities. Finally – and with special significance to Macedonia – decentralized approaches to local development can be a sustainable means by which to re-introduce viable multiculturalism in an ethnically and culturally diverse country.

1 The Gini Index provides a measure of income or resource inequality within a population. It measures the extent to which the actual distribution of income, consumption expenditure, or a related variable, differs from a hypothetical distribution in which each person receives an identical share.
2 The Framework Agreement in Ohrid was signed on the 13 August 2001 by Macedonian and ethnic Albanian politicians and endorsed by representatives of the international community. It put an end to almost seven months of armed interethnic conflict. The Framework Agreement preserves the territorial integrity of the country and provides, among other things, for decentralization and an equitable representation of ethnic Albanians and other ethnic communities in the public administration.

Decentralization and local development in Macedonia

CHAPTER 1

Local development as applies here means social and economic development within the local communities and refers to meeting those needs and interests of citizens that have a local significance. Since most citizens' needs are best met at the level on which they actually appear, local development therefore is crucial for meeting those immediate needs that are pertinent to people's everyday life and work. For that purpose local-level institutions and self-government structures are involved; the 'quality' of local development largely depends on the way they cooperate and involve the citizens in the process. We talk about **local human development**, when local development is geared to expand people's choices and welfare and ensures equitable access to all opportunities. This requires, on the one hand, the management of public resources in a way that improves human development, and on the other hand, the creation of an enabling environment for people's participation and the exercising of choices.

WHY LOCAL GOVERNANCE?

Local self-government involves the citizens, either directly or through their elected representatives in local bodies, in decision making within the community.[1] Local self-government constitutes an important segment in the overall political structure of a country along with the centralized government. The complex and dynamic relationship between the two is reflected in the division of competencies; the local self-government is autonomous, although not entirely sovereign.

According to the principle of subsidiarity, decisions should be taken at a level closest to the one at which the specific issue emerges. It follows that in issues of local significance this means the level of local self-government. Or, put more simply, measures that concern a community and that can be handled by it, should be decided at the community level and by the community itself, hence local governance.

The rationale behind this is simple: local self-government is more capable of adjusting to the specifics of local development and identifying local development priorities. It better reflects local specifics and development opportunities – determined by different landscape, climate, geography, communication and other conditions as well as differences in educational or qualification levels of the population. Local self-government is usually more sensitive to local development priorities. People at the local level are better aware of the real needs, challenges and opportunities they face. The local government composed of the members of the local community is more capable of identifying local priorities compared to the central government, since it has better links with the population and therefore is better informed. Finally, local governments are more democratic and in turn more effective in performing operating tasks in a number of social subsystems (education, health care, etc.). This is relevant also for the deconcentrated functions of the central government, meaning that the central authorities have regional branches to implement locally and regionally centralized policies.

In this context, it is functionally advantageous for local community affairs to be managed through public processes that include local representatives, as these would bring a more comprehensive understanding to decision-making processes. Public participation in these processes would further add the element of transparency.

Finally, local self-government ensures stronger participation of the population in the

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political processes. Broader public involvement is very important, since this leads to the augmentation of the professional and working potential in the exercise of powers; at the same time it stimulates the motivation to participate, since everyone who takes part in such processes would be accountable for and subject to the impacts of these activities.

Subsidiarity is also the guiding principle of EU governance, aiming at strengthening bottom-up governance and national democratic institutions. Decentralization and integration are two processes that go hand-in-hand and decentralization therefore is an important part of Macedonia's efforts to integrate into the European Union.

LOCAL SELF-GOVERNMENT IN MACEDONIA – AN HISTORICAL PERSPECTIVE

Local self-government shares the destiny of the political system of a country. The reforms and the different developments, with regard to the constitutional and political system, are reflected in the model of local self-government of that country.

Local self-government in the socialist period

From World War II onwards local self-government in Macedonia has gone through several different, and contradicting development stages.

People's Liberation Committees (PLCs) were established in Macedonia for the first time in 1941 while the war of liberation was ongoing. In terms of their composition, method of election and functions, these PLCs were essentially local bodies of self-governance. They were made up of 7-15 members, elected directly by the citizens and were active in the region of their establishment (constituencies) with the exception of those that were under military authority. Their organization was based on the principle of unity of power and a single-party system. Assemblies of citizens, councils and commissions were also forms in which power was exercised. By 1944 about 1,000 PLCs existed throughout Macedonia.

In 1946 local self-government acquired constitutional status. Although it was designed as a decentralized system, centralism was evident by the level of subordination and the mechanisms of state control over the people's committees. The latter acted as local bodies of state authorities in administrative-territorial units, but also as the highest bodies of

the state in their respective regions. In fact, they were essentially executive bodies of the central government, rather than local self-governments.

The General Law on People's Committees of 1946[2] increased the autonomy of the local self-government through a wide scope of competencies, with no difference drawn between competencies of general and local significance. This guaranteed independent sources of revenue, direct participation of citizens in the activities of people's committees and their direct control.

The next amendments came with the General Law on People's Committees in 1949[3], which drew a distinction between the competence of the people's committees with respect to matters under a local remit, which could be abrogated or modified only with a law; and competence in respect of a general remit, which could be regulated with a secondary legislation passed by higher instance bodies of the state.

The Yugoslav model of so-called *workers self-management* which started in 1950 also initiated changes at the local self-government level. In 1952 municipalities with 'classical'[4] competencies were introduced for the first time. In this period the people's assemblies were changed, transformed into two chamber assemblies; executive committees and trustees were abolished and a local referendum was introduced.

In 1955 the communal system was instituted, which brought about strengthening of the political,
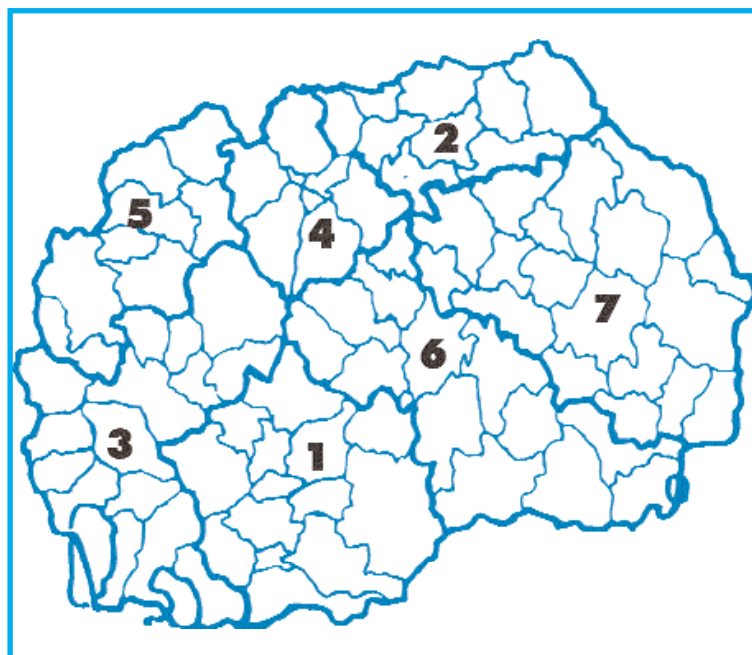
Territorial division according to the Law on Territories of the Regions and Municipalities in People's Republic of Macedonia, (Official Gazette N° 20, 1955)

Source: *Nova Makedonija*, 30 June 1997

material and normative autonomy of municipalities. Small and under-developed municipalities could not cope with the increased competencies and were abolished. At the same time big cities were split into several municipalities and their links with their surroundings were stimulated in order to have an impact on their development.

The local self-government had two tiers: municipalities and districts. In order to bring the local authorities closer to the citizens, local offices were set up in populated settlements. The district was conceived to be the community of municipalities, with a remit to provide material, political and administrative assistance in the coordination of municipal development. Given the high number of undeveloped municipalities on their territory, the districts also performed certain activities in the areas of education, health care and social care. However, the theoretical model was not reflected in practice.

The 1963 constitution specified the municipal bodies as the two-chamber municipal assembly and the council. It strongly emphasized their autonomy to lay down their organizational set up in their charters. Neighbourhoods were also introduced as self-governmental units established in the rural and urban settlements. In light of the enlargement of the municipal regions, which brought about an estrangement of local self-government from the people, a possibility was provided for the neighbourhood unit to perform other activities which were set forth in the municipal charters. However, the neighbourhood unit in practice failed to function as was originally conceived in theory.

In 1974 Macedonia adopted a new Constitution in an attempt to overcome the weaknesses of the system which had not been functioning in line with the letter of the law. In this period, municipalities were large and had broad powers, including those in the area of economy and

Box 1.1: CIVIL SOCIETY IN THE SOCIALIST PERIOD

Contrary to common perceptions that civil society appeared in Macedonia only once it gained its independence, citizens' associations and organizations (CAO) played an important role already during the socialist period. Often mobilized by ruling political organizations, they frequently responded to needs, which could not sufficiently be taken care of by the state. Besides their nominal role in fields as diverse as culture, education, sports or voluntary firemen, CAOs played an important role in integrating citizens into modern society and to help to legitimize the political system. Civil society organizations covered a wide scope of social activities, and trade unions and professional associations were established.

From 1945 to 1990 citizens' associations and organizations operated under the control of the communist party as financial as well as ideological 'conveyor belts'. Among the strongest controlling mechanisms was the 'personal union' between the League of Communists and various social organizations, such as the veterans' union, women's and youth organizations, trade unions or sports associations.

When Macedonia became independent, the number of people organized in CAOs was reasonably high. Although the role and function of these inherited organizations was put into question, together with a number of informal networks and citizens' gatherings, they constitute a legacy of social capital that could build a basis for broader citizens' participation.

Source: National Human Development Report, Macedonia 1999, Civil Society in Transition, UNDP, Skopje 1999.
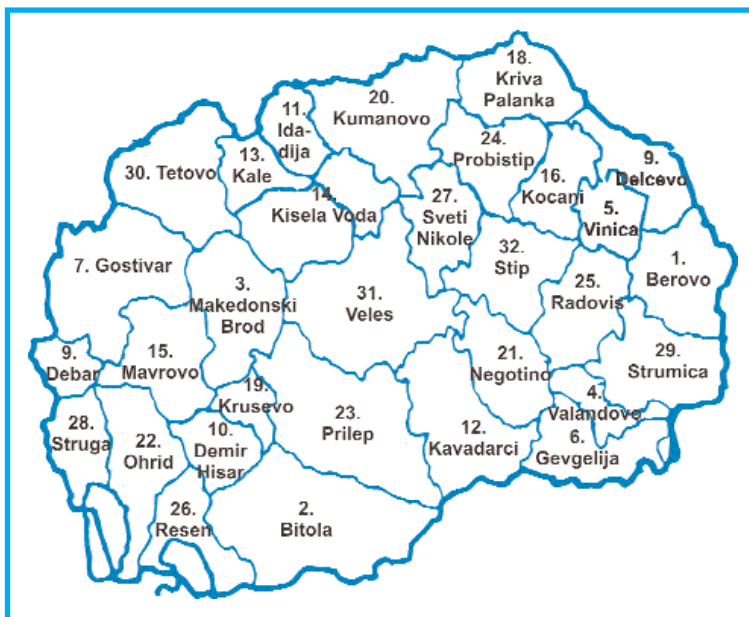
Administrative-territorial division of 32 municipalities according to the provisions of the Law on Territories of the Municipalities in the Socialist Republic of Macedonia (Official Gazette N°2 1965).

Source: *Nova Makedonija*, 30 June 1997

defence. Large municipalities were distant from the needs of their citizens. The one-party system and the red tape-laden local government added to the alienation of the citizens from their municipalities. The competencies of the state with respect to local development were further reduced and the gap between developed and undeveloped municipalities was widening. Municipalities frequently took fiscal measures contrary to those taken by the central government.[5] The contradictory nature of the system as a whole was also reflected at the local self-government level.

LOCAL SELF-GOVERNMENT IN THE BEGINNING OF THE TRANSITION – 1991 TO 2002

From a legal perspective, the transitional reforms of local self-government in Macedonia began with the adoption of the 1991 Constitution. The inherited model of local self-government at that time proved to be inadequate and restrictive in terms of development. Research made before 1991[6] showed that while slightly more than one third of the municipalities were developed, fewer than a third were partially developed and just as many were underdeveloped.[7]

Furthermore, each of these groups of municipalities was heterogeneous. For instance, the partially developed municipalities in the eastern and central part of the country were closer to the developed ones. The obstacles to development of underdeveloped municipalities were various, even contrary to each other; in some cases, it was the high birth rate, and in others it was the low birth rate. The underdeveloped municipalities were mainly rural agricultural areas, with insufficiently industrialized and under-urbanized centres.[8]

The autonomy of municipalities after 1974 was so high, that some municipalities could even afford to close themselves within their borders, closing off their economies. The absence of financial control over these municipalities also had its impact on this process. The basic feature of the division of power within the political system at that time – decentralization – was abandoned during the period of transition. The changes after 1991 meant centralizing the local government. However, they did not mean a complete break in the continuity in the development of the model of local self-government. Some features that existed in the period of socialism and that are at the same time typical for modern democratic

local self-government were retained. These were, for instance, the differentiation between the scope of activities of municipalities that had existed since 1941; the local referendum that was known as a form of direct voting since 1952; and the form of one-tier local self-government present since 1974.

The 1991 Constitution guarantees the right to local self-government and includes it as one of the constitutional foundations of the country. It is single tier, with municipalities as units of local self-government. The city of Skopje has been defined as a separate unit of local self-government. Provisions have also been made for the establishment of neighbourhood units within the municipalities as narrow forms of citizen self-organization.

Municipalities have their autonomy guaranteed in the performance of competencies as specified in the Constitution and the law, while the central government only oversees their compliance in terms of their operations. Guarantees are also made as to the financial autonomy of the local self-government, since municipalities are financed by their own revenues, forming the major proportion of the budget.

Compared with the previous (socialist) Constitution, the 1991 Constitution reduced the powers of the municipalities. However, the trend of legislative changes pertaining to the local self-government, which had existed in the days of socialism, continued after 1991. So, since 1991 up to the present day two

Territorial division since 1996 with 123 municipalities.
Source: State Statistical Office

Table 1.1: The competencies of municipalities as envisaged in two constitutions

Competency	Art. 115 from the 1991 Constitution	Amendment XVII from 2001
Public Services		X
Urban Planning	X	X
Rural Planning		X
Protection of environment		X
Local Economic Development		X
Local Financing		X
Communal activities	X	X
Culture	X	X
Sport	X	X
Social and child care	X	X
Education		
Pre-school and primary education		X
Education		X
Health		
Primary health care	X	
Health care		X
Other areas specified in the law	X	X

local self-government laws have been passed: one in 1995 and one in 2002. The map of the territory of municipalities was changed in 1996, and there is a new reform of territorial organization currently under way. Work is also progressing on a number of laws designed to facilitate the decentralization process in Macedonia.

The Ohrid Framework Agreement that put an end to the armed interethnic conflict in the country in 2001 stipulates that the development of decentralized governance is one of the key priorities with respect to reforming the political system. Therefore, some of the constitutional provisions regarding local self-government were modified with the constitutional amendments passed in 2001 and more competencies returned back to the municipalities.

CURRENT SITUATION – CHALLENGES FOR EFFECTIVE LOCAL SELF-GOVERNMENT

An effective local self-government is the one that, to the greatest extent, meets the needs of citizens at the local level. In the case of Macedonia, there are both great opportunities for local self-governance as well as potential threats.

Municipal competencies

From the review above it becomes clear that the division of competencies between the central authorities and the local self-government during the period of transition (effective to date) had not been made to the optimum extent. The very fact that the local authorities were almost excluded from being active in education, health care, culture, housing and social welfare caused considerable damage to those respective spheres. The high level of power centralization, unprecedented in any developed western country and uncommon even in the eastern European countries, overburdened the relevant ministries with massive operative duties; these included decisions on appointing primary school principals and supplying teaching aids. Hence, inappropriate decisions were often made, which were either not grounded by extensive knowledge of the specific surroundings, or may have been rather biased. On the other hand, the ministries had only limited time to carry out research and analysis which would have provided the indicators for the strategic development of the respective spheres. Thus, conceptual duties were being replaced by petty pragmatic ones, which hindered the generation of devel-

Table 1.2: Major competencies of the municipalities under the 2002 Local Self-Government Act

1. Urban and rural planning	Planning, issuance of permits to construct buildings of local significance as specified in the law on definition of space and land for construction;
2. Protection of the environment and nature conservation	Measures of protection and prevention from water, air, land pollution, nature conservation protection against noise pollution and ionizing radiation;
3. Planning and management of local economic development	Planning of the local economic development; specification of development and structural priorities, local economic policy management; support of development of small and medium enterprises and of entrepreneurship at the local level and in that context participation in the establishment and development of the local network of institutions and agencies and promotion of partnerships;
4. Organization and management of communal infrastructure	Potable water and technological water supply, sewerage and waste water treatment; street lighting, public cleanliness, collection, transport and treatment of solid communal and technological waste; organization of public transportation, natural gas and electricity supply, maintenance of cemeteries, crematoria and funeral services, construction, maintenance of local roads and streets and related infrastructure; construction and maintenance of green markets; maintenance of parks, green areas and woods/parks and areas for recreation; regulation, maintenance and use of river beds in urban areas; naming of streets, squares, bridges and other infrastructure objects ;
5. Development of culture and protection of cultural heritage	Institutional and financial support to cultural institutions and projects; nurturing of folklore, customs, old crafts and similar cultural values, organization of cultural events; stimulation of specific forms of creativity;
6. Development of sport and recreation	Development of mass sporting activities, organization of sporting events, organization and construction of sporting facilities, support of sport alliances and organizations;
7. Organization and construction of facilities for social and child care	Nurseries and elderly care facilities (ownership, financing, investments and maintenance); provision of social care for disabled people; children without parents and parental care; children with special educational and social needs; children from single parent families; homeless children; individuals exposed to social risks; drug and alcohol abusers; raising the awareness of the general public; housing for people at social risk; realization of rights to raise pre-school children. Performance of the said competencies is consistent with the social protection development programme;
8. Organization and improvement of education	Establishment, financing and administration of primary and secondary schools, in conjunction with the central government and in accordance with the law, organization of transportation of students and their accommodation in student boarding facilities;
9. Organization, construction and management of the network of primary healthcare organizations and facilities	Management of the network of public primary health care organizations and facilities which are supposed to involve the local self-government in all the boards of all publicly-owned health care providers, health education and promotion; preventive activities, health care for workers and occupational health; environmental health monitoring; monitoring of communicable diseases; care for special needs patients (e.g. mental health, child abuse, etc.) and other areas which will be specified with the law;
10. Measures of protection and rescue of citizens and salvage of material goods from warfare and natural disasters	Preparation and measures of protection and rescue of citizens and salvage of material goods from warfare, natural and other disasters and associated consequences;
11. Fire protection	Fire protection provided by the territorial fire protection units.

opment prerequisites. Besides, this way of making decisions in the large administrative systems prevented the local population from putting its information and energy into the development of the local community.

Following the adoption of the constitutional amendments in 2001, the need was identified for the enactment of a new Local Self-Government Act[9], which would put into operation the constitutional norms and create the basis for the commencement of the decentralization process. The competencies contained in the latest Law on Local Self-Government (2002) will come into force after being elaborated in the laws related to individual sectors, such as the Primary Education Law, Secondary Education Law, Health care Law and the Law on Social Welfare. They represent a significant step forward towards a system of a developed local self-government.

The new law enacted in 2002 represents a qualitative change compared to the previous one, with a high number of functions, previously shared, now being guaranteed as inherently municipal functions. The idea behind giving the municipalities more power was to restrain the power of the central government and build the capacities of local self-governments to act as a counter balance to the central authorities. On the other hand, with the beginning of the decentralization process, the burden of everyday, municipal competencies is taken off the central government. It is intended to enhance efficiency, ensuring faster, higher quality and low-cost services delivered to the citizens.

Under the Local Self-Government Law enacted in 2002, Macedonian municipalities are autonomous within the law to regulate and perform the activities of public interest and local significance. The said competencies are full and exclusive and cannot be taken away or limited except for cases specified in the law. The law also promotes the principle of subsidiarity, or in other words the rights of municipalities to perform within their regional jurisdictions those activities of public interest and local significance that are not excluded from their remit or that are not under the competency of the central authorities.

Municipalities perform their competencies through the bodies elected by the citizens, which are the municipal council and the mayor. The municipal council is a representative body of the citizens which decides within the scope of municipal powers. The number of council members is defined on the basis of the number of inhabitants in the municipality, and it cannot be lower than nine or higher than 33 (Table 1.3). The new law has been amended to provide for the strengthening of the mayor's position: a free mandate has been introduced – there is no possibility for an early termination of the mandate of the mayor – thus raising the mayor's function to a professional level.

The law provides for the possibility for municipalities to set up joint administrative bodies. Under the law, municipalities are also allowed to pool funds and set up shared services for the purpose of protecting shared interests and performing shared activities under the remit of municipalities. For the purpose of protecting and promoting shared interests, municipalities are permitted to set up associations. In Macedonia there is an Association of Local Self-Government Units, though it is not yet an influential factor in the protection of the interests of municipalities and a strong counterbalance of the central government.

The Local Self-Government Law is a law, which at least in terms of its language, brings Macedonia closer to European standards.

Table 1.3: Number of municipal council members

Population number	*Number of council members*
Up to 5,000	*9*
5,001 to 10,000	*11*
10,001 to 20,000	*15*
20,001 to 40,000	*19*
40,001 do 60,000	*23*
60,001 to 80,000	*27*
80,001 to 100,000	*31*
Above 100,000	*33*

Financing

Financial sufficiency depends on the overall financial capacity of a country for the simple reason that a local self-government obtains its revenue from the economic sector, and from the citizens, who pay charges and fees for various utility and administrative services. Although the economic factors are not the only criterion, it is difficult to achieve financial sufficiency if the gross domestic product per capita is relatively low as is the case in Macedonia. Local self-governments are therefore expected to face financial insufficiency and presumably reduced financial autonomy. Another major precondition for financial sufficiency is a low proportion of the informal sector in the economy. This is a major challenge for the government, since the informal sector in the country is important and the tax potential is not yet fully realized.

Macedonian local self-governments manage some tax revenues (property tax, inheritance and gift tax, and tax on real estate and rights transactions) that produce poor funds for local purposes, since the highest quality revenue sources which are economic activity-related taxes (VAT, the excise tax, the profit tax, the personal income tax) are available only for central authorities. This is another fact contributing to the financial insufficiency of Macedonian local self-government.

There are several central funds in Macedonia intended for various local needs, some of which had an equalization function. The most important among them is the Fund for Underdeveloped Areas, established to help the poorest, underdeveloped rural areas. However, for a number of reasons it lacks the capacity both to dramatically intensify the rural development and to make a significant reduction of the differences between urban and rural areas within the municipalities. First of all, it did not have sufficient funds; since 1994, when it was established, it covered funds amounting to 0.3 percent of the national income of the country, and at the time being only 0.1 percent. Furthermore, there were no objective criteria set for a priority allocation of funds, while complaints were recorded by the mayors and council members that party interests had influenced the decisions. (See Box 1.2).

Problems in the distribution of local revenue also exist. Based on empirical research[10] there are considerable problems between the central and local bodies in the distribution of funds collected by the state bodies for the needs of the local self-government. According to this research, local bodies, especially mayors, are not well informed as to the amounts of money collected. In this sense, their hands are often tied with regard to activity planning. These bodies were also concerned that not all of the money collected is being transferred to them, and that the state tax services fail to identify all of the revenue collection possibilities

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Box 1.2: Sources of revenue for the Macedonian local government

1. Taxes[11]
- ☀ property tax
- ☀ inheritance and gift tax
- ☀ tax on real estate and rights transactions

2. Fees (charges) and other revenues
- ☀ land fee (construction site utilization charge)
- ☀ communal fee (construction site arrangement charge)
- ☀ property revenue, etc.
- ☀ earnings from public enterprises founded by the local self-government unit (charges for providing local services/local public transportation, water supply, sewerage, waste disposal, etc.)

3. Funds received from state bodies or agencies
a) Development Fund for Economically Underdeveloped Regions, which included the economically underdeveloped municipalities and specific regions, i.e. the mountainous, near-to-border and stagnant (later on extremely undeveloped) villages. This was a multi-purpose fund, covering participation in grants of the agency with the same name (later on *bureau*) in the development of the economic and non-economic infrastructure (road and water pipeline construction, electrification, post and telephone facilities, schools, health care stations, etc.), premiums for newly opened jobs, etc.

b) Local Roads and Streets Reconstruction, Maintenance and Protection Programme, which served for the stated purpose in all local units

c) Programme for Construction of Water Supply Pipelines in Macedonia, which served for the construction, repair and maintenance of the water and sewerage pipelines in all local units

d) Budget transfers, mainly served to enhance the financial capacity of the local administrations.

4. Donations

5. Local contributions both in manpower or financial resources.

contained in the law. Their conclusion is, that revenue collection by the state bodies functions extremely poorly.

Generally speaking, due to both financial insufficiency and inadequate financial autonomy, the Macedonian local units are in a challenging situation – facing financial dependence on the state on one hand, and lacking instruments to adequately meet local needs on the other. Also there is the added challenge of uneven levels of development among different local governments.

Territorial division and composition of municipalities

The territorial division has difficulties functioning due to the limited human resources of small municipalities in Macedonia. According to the statistical data of the 2002 census, there are five municipalities in Macedonia which have a population up to 1,000. Twenty-three municipalities have a population between 1,001 and 3,000, and nineteen municipalities have from 3,001 to 5,000 inhabitants. Namely, if a municipality had fewer competencies, as is the case with the present ones, where construction and maintenance of the local infrastructure are the main activities, then even the smaller municipalities would be able to handle such problems, since the decision-making process with regard to these competencies is not very complicated and would not require high qualifications from both the local authorities' representatives and the local population. But when municipalities have enlarged competencies as determined by the Local Government Act of 2002 – including competencies related to economic activities, education and health – the smallest municipalities will not possess either the human or financial resources, and consequently they will not have sufficient capacities to cope with municipal issues.

Municipalities which comprise urban and rural settlements are also facing specific problems in managing their resources – or uneven allocation of resources. What actually happens is that the city, as the dominant centre of a municipality and due to its large population and large number of representatives in the local bodies, is able to impose its own agenda, i.e. force the fulfilment of its needs at the expense of rural areas. This is a particular example of 'majority rule' when the democratic mechanisms are stripped of minority interest guarantees and are reduced to hollow formalistic procedures. If proper mechanisms for guaranteeing minority interests fail to be instituted – regardless of how the minorities are defined, by urban/rural status, ethnic or religious affiliation –, the desire for homoge-

neous representation could lead to an uncontrollable subdivision of entities into smaller – but unviable and unsustainable – ones.

Similarly, in the ethnically mixed municipalities the majority (regardless whether ethnic Macedonian or ethnic Albanian) should not be able to dictate the municipal agenda.

Tiers of local self-government

Macedonia has a single-tier local self-government which until the 1996 territorial division was in relative harmony with its local organizational structure. The existing 34 municipalities included a city with surrounding villages, which ensured internal coordination of local duties. Furthermore, the list of the local competencies was very short; thus, the single-tier local-self government could operate efficiently.

However, the territorial division of 1996 has brought certain changes, which were inevitably reflected in the efficiency of the single-tier local self-government. It brought about an increase in the number of municipalities, meaning that they have become smaller in size and population. It had its advantages in that their smaller areas enabled greater internal communication, less internal bureaucracy, and thus, an increased interest of citizens in getting involved in local development. However, the single-tier local self-government demonstrates its limitations when it comes to public local transport, water supply or other services that did not fall only under the jurisdiction of one municipality but demanded arrangements and consultations between several of them. In addition, the new competencies (e.g. economic, educational, social security) that are to be introduced into the Macedonian local government system in the course of 2005 will generate management problems as the duties of the councillors and mayors will be multiplied. Thus, single-tier local self-government might be an insufficient framework for optimal functioning of the local government system.

Human resources and citizens' awareness

According to the above mentioned research about the functioning of the local self-government system[12], there are considerable weaknesses in the work of the local authorities as a result of insufficient skills, accountability and motivation. The way in which the mayors and councils act, does not follow a shared vision of development, but rather partial interest of individuals. Furthermore, the answers in the survey about the local administration show a lack of skills and professionalism in dealing with parties (see Annex p. 103). Overall, the common denominator is that all

municipalities face a lack of qualified staff, while the newer municipalities lack personnel in general.

Citizens are aware of the importance of the local elections as evidenced by 60 percent voter turnout during the last local elections in September 2000. All the other opportunities of their involvement in the local processes remain unused; citizens do not utilize all the ways of direct participation, such as citizens' initiative, public meetings of citizens and referenda, for various reasons (see Table 3 in the Annex p. 103). Besides, as a result of the municipalities' policy not to introduce outsiders into their auxiliary bodies or committees, the citizens have been excluded from the local processes and therefore, this considerable development potential has not been used.

The insufficient level of professional preparedness – both of constituencies as regards awareness of what local-level democracy means and what their rights are and of local level politicians – suggests the necessity of deliberate work for the improvement of 'local-governance culture'. The best approach in this regard is 'learning by doing' – when people are able to discover the benefits of their individual involvement and participation. Other countries' experiences prove that tangible local projects with citizens' participation in all their phases, starting from project formulation, implementation and assessment, and addressing specific issues of local significance is the best way to educate citizens in these matters. They bring together different interest groups and if conducted in a participatory way, such projects could promote a culture of consensual policy-making, which is crucial in diverse, multi-ethnic societies that have passed through recent conflict.

Opportunities for effective local self-government in Macedonia

All local government issues, including legal status, competencies and financing of local government are regulated by the Macedonian Constitution and its amendments and various laws. The constitutional and legal status of local government in Macedonia allows for stability and sustainability of the structure.

The local government bodies are the council and the mayor. It is the mayor that mainly initiates and works with his/her administration in preparing local

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Box 1.3: What does effective local self-government mean?

An effective local self-government is that which to a great extent meets those needs of the citizens which are of local importance. An effective local self-government is a product of the strategy and actions of the state authorities and local structures, since the State:

Regulates the layout and way of functioning of the local authorities, meaning that the state authorities profile the local self-government (determines its bodies and organizations, the manner of their establishment and operations, etc.);

Coordinates or harmonizes its development. This implies monitoring of the conditions and development of the local units and taking measures for their intensification or balancing (reducing the differences between the more developed and less developed local units);

Controls the operations of the local units and takes measures in case of their failure to function.

With its overall capacity, the State highly conditions the functioning of the local self-government system.

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acts and decisions. After their enactment by the council, it is the mayor again who executes them. Thus the management structure of local units provides strict division of power, with separated normative (legislative) and executive functions. The Local Self-Government Act regulates the status and competencies of the council and the mayor. The local bodies have the right and liberty to establish local administration departments and council's commissions according to their internal needs. Thus, municipalities are characterized by considerable organizational independence.

There is complete personal independence meaning that through the mechanisms of election and appointment there is no interference on the part of the central authority.

Moderate control of the state authority is focused on legitimacy, and not on the substantive action of local authorities. Non-interference in local matters on one hand, and on the other hand, insisting on legitimacy and state control is thus focused on the protection of the rights of citizens and effective functioning of the entire political system.

Institutional reform and decentralization

As early as 1999, the Government included decentralization into its agenda as a reform priority. This issue was given even greater emphasis with the adoption of the Ohrid Framework Agreement in 2001. Decentralization is a key element of the agreement and has a particularly significant place in the three-year action plan that assures its implementation.

Box. 1.4: The Ohrid Peace Framework Agreement as a preventive approach to interethnic disputes and a precondition for Euro-Atlantic integration of Macedonia

The Ohrid Peace Framework Agreement (OPFA) opened a new page in the political history of Macedonia, as a post-conflict framework to build a democratic and multiethnic society. The two main pillars of the OPFA were and remain to be, the following:

End of war, and

Building a peaceful, democratic and multiethnic Macedonia.

While the first part was realized with the actual signing of the Ohrid Framework Agreement itself, the second pillar still remains one of the main political challenges, which needs to be addressed through its continual implementation, begun in 2001.

Seen from the political aspect, the OPFA provides for the safety and independence, sovereignty and unchangeability of the territorial integrity of Macedonia; whereas within Macedonia, it defined a new democratic order based on the principle of multiethnicity. Macedonia will continue to be unitary, however, with a higher degree of decentralization. This means that instead of separating Macedonia based on an ethnic demarcation line, it will have to function as a unified democratic and multiethnic state of equal citizens. Instead of an ethnic ostracism, hatred and impatience, the OPFA inaugurated the model of interethnic tolerance.

The Constitutional changes from 2001 legally applied this new political approach to a Macedonia with a European face, with certain advanced standards: in the field of multiethnic representation and the decision-making mechanism; decentralization; the official use of languages and alphabets; citizenship and the use of national symbols; some of which have not existed in the country's constitutional practice.

These new constitutional categories that have constitutionalized the Ohrid political philosophy should not be understood as an international imposition, but as a way of preserving Macedonia as a whole, independent and sovereign state. Its constitution was changed, instead of changing its borders; instead of changing the international-legal status, it democratically changed its internal political order. Therefore, seen from a political aspect, the OPFA should be understood as a precondition and as a part of the overall strategy for Macedonia, getting closer to the Euro-Atlantic family, before the fulfilment of the 'Copenhagen criteria'. It seems that the OPFA is a political pre-framework on the way of Macedonia towards the EU and NATO. As a political document, incorporating Euro-Atlantic values in terms of the interethnic relations, it is based on the following principles:

✳ reconciliation and integration of the conflicting elements of society;

✳ total integration of its citizens in the state;

✳ a greater inclusion of citizens belonging to the non-majority communities, especially ethnic Albanians;

✳ positive discrimination, as a model for transcending the multiethnic tensions that could come out of the rigid application of the majority system;

✳ unity with diversity, as a model that shows how a unified and democratic multiethnic and heterogeneous society could function;

✳ not only formal rights, but also real equality of citizens, regardless of gender, nationality, language or religion;

✳ greater participation of citizens belonging to non-majority communities, especially ethnic Albanians, in all fields of public life;

✳ decentralization of the state power, in a functional way, as a preventive model for avoiding possible territorial models for the solution of ethnic problems.

Therefore, the decentralization process, (which as it can be seen has been delayed until January 2005), should not be seen as a federalization of Macedonia. On the contrary, state decentralization with greater participation and representation at the local level could be a preventive approach to avoid potential future interethnic tensions.

Prof. Dr. Blerim Reka, Head of Public Administration Department, South-East European University, Tetovo.

Box 1.5: Management and coordination structure in the decentralization process

The working group for decentralization, chaired by the State Secretary of the Ministry of Local Self-Government, is in charge of the formulation of proposals and initiatives related to the transfer of competencies, management of competencies, adoption of laws determined by this Programme and the working policy in the decentralization process.

The coordination body for decentralization, chaired by the Minister of Local Self-Government, has the role to give directions, advices, frameworks in relation to the activites within the decentralization process, to support the working group and the ministries involved.

The Deputy Prime Minister of Macedonia, responsible for the decentralization process and the Minister of Local Self-Government, shall present the previously agreed views to the Government.

Decentralization is a strategic goal for Macedonia and achieving this goal requires the commitment of both the central and the local authorities. It also requires the support and participation of all the citizens of Macedonia as well as the support and assistance of the international community, international programmes, organizations and institutions in the process of its implementation. A coordinated approach of the different development partners of Macedonia with regard to decentralization is of paramount importance.

Decentralization is intended to contribute to bringing local government closer to the citizens, to allow for more efficient local problem solving, a higher level of participation of citizens in the management of local affairs, enhanced transparency and reduced corruption in management.

In the Macedonian context, decentralization, provided that it leads to increased participation and to equitable representation of all ethnic groups could help to mitigate future interethnic conflict.

In 2003 the Government adopted an 'Operational Programme for Decentralization'. The aim of this programme is to define the activities within the sphere of decentralization and transfer of competencies from the state bodies to the municipalities. The programme contains lists of laws to be used as tools for transferring the competencies in compliance with Article 22 of the Law on Local Self-Government (38 laws); laws to be used for rounding up the system of local self-government – fiscal decentralization, territorial restructuring, local elections, participation of citizens in the decision-making process, etc., (12 laws); competent bodies for preparation of the laws, deadlines and management; and coordination structure in the decentralization process.

The Government and the Association of Self-Government Units signed a Cooperation Agreement in 2003, within which they identified their relationships with regard to the coordination of activities relating to planning, programming and implementation of the policies for completion of the local self-government reform and the decentralization process.

Box 1.6: Determinants of an effective local self-government

The following are crucial factors which affect the effective local self-government or local development:

❋ The local self-government should have an **independent status in the political system** guaranteed by the constitution and law;

❋ Its **actual competencies should be relevant and adequate**, i.e. based on meaningful distribution of competencies between the central and local authorities of the local self-government. Local self-governance should not be assigned competencies impossible to meet (such as military protection of the country's territory as an elaboration of its foreign policy);

❋ Local self-government should have **access to funding**, in both monetary amount and in kind, sufficient for meeting the delegated responsibilities;

❋ Local bodies and organizations possess **personal independence** but still are **not beyond the control of the state authorities**;

❋ Since their power derives from the citizens, they are **accountable to the local constituencies**. Citizens' participation in the work of local self-governments is therefore a must for their efficiency.

Some of the deadlines contained in the 'Operational Programme for Decentralization' have already proved to be overly ambitious, which in turn leads to delays in designing the legal framework for the implementation of the decentralization process.

Aside from drafting the legal documents on the basis of which the transfer of competencies is going to be carried out, of special importance is the training of the local administration and local officials to better perform the numerous competencies and duties which will be transferred to them.

Particularly necessary are training courses in areas such as strategic and development planning, financial management and programme management. Municipalities also need help in the organizational restructuring of the local administration, in order to be able to respond to the increased burden of duties.

Considering the strategic determination of Macedonia to become a member of the European Union, it is going to face a strenuous period of complex reforms in all areas of the political and economic systems.

The local self-government reform, as one of these reforms, is a continuous process which will take place in the coming period as one of the tools of the overall economic development and adaptation of the legal system of Macedonia to the legislation of the European Union.

1. Gordana Siljanovska-Davkova, Vladimir Mitkov: Local Self-Government, Magor, Skopje, 2000, p. 17.
2. General Law on People's Committees, Official Journal of FNRJ, no. 43-46.
3. General Law on People's Committees, Official Journal of FNRJ, no, br. 49-49.
4. Classical competencies here refers to compentences oriented towards meeting the communal, social security and cultural requirements of the local population including keeping public order on the territory of the municipality, fire protection, protection of floods and other elemental disasters, etc.
5. Raichevie, Bozidar/Mijatovic, Bosko, 'The Yugoslv Fiscal System', in Problems of the Reform of the Economic System of Yugoslavia, Globus, Zagreb, 1989.
6. Gordana Siljanavska Davkova, Municipality between Legislation and Reality, Doctoral thesis defended in Ljubljana, Slovenia, 1994.
7. The level of development of these municipalities has been measured according to 13 indicators: natural growth, national income, the total number of employed both in economic and non-economic sectors, the total area (size) of the apartments built, retail trade, the number of tourists, the number of cars, the total number of radio and TV subscribers, students enroled, etc.
8. Project 'Basic Problems and Routes for Development of Municipalities in the Republic of Macedonia', 1981 – 1986, cited from Local Self-Government by Gordana Siljanovska-Davkova and Vladimir Mitkov, Magor, Skopje 2000, page 151.
9. Local Self-government Law, Official Gazette 2002, 5/2002.
10. The Law on Local Self-government of 1995 considered the tax on sales of goods and services as a revenue source as well, but it had never been elaborated by another law, and, being such, it remained an unused revenue opportunity for the local self-government.
11. The most comprehensive research of these is part of the project 'Local Self-government System Functioning' conducted by the Institute for Sociological and Political and Legal Research of Skopje, during the year 2000.
12. 'Local Self-government System Functioning' Institute for Sociological and Political and Legal Research of Skopje, during the year 2000.

Human Development Profile in a decentralized perspective

The Human Development Index (HDI) is an indicator of the average achievements in the field of basic human abilities (human development).[1] It is based on three components and is not exclusively focused on economic wealth – as the case may be with the gross national product.[2] No automatic link exists between the increase in income (GDP) and the human development level (HDI). Income per capita may grow but this growth may fail to improve people's lives. It may be the opposite – the human development index increasing with income per capita decreasing or stagnating, as is the case with Macedonia. But generally income per capita growth contributes to the appropriate increase in the human development level.[3]

THE CONCEPT OF HUMAN DEVELOPMENT

Human development has been defined as a process of growing human choice: the abilities (opportunities) for a human being to have a long and healthy life, to be better educated and to have a decent standard of living.

Human beings' choice is not exhausted by the above mentioned factors. Particularly important are other 'supplemental' components, such as political freedom, guaranteed human rights and human safety, which for their part exert constant pressure towards supplementing and upgrading the concept. In the broader sense, the concept of human development could be defined as development of human beings, development for the benefit of human beings and development by human beings.[4]

Development for the benefit of human beings is related to the profit distribution; it shows whether and to what extent the economic development, the generator of which are the human beings themselves, is evenly distributed among the individuals. Uneven distribution of economic growth ultimately means unequal distribution of quality of life.

Development by human beings is directly related to creating the opportunities for active participation of people in their own development. As a matter of fact, the strategies of sustainable human development also put the emphasis upon generating productive jobs. For a long time there was a prevailing belief within economic literature that stimulating economic growth through increased real GDP, would inevitably lead to an increased employment rate. However, practice has shown something different; research conducted in both developing and developed countries proved that increased output is not always accompanied by a corresponding increase in the employment rate. In relation to economic growth, the employment rate is either unchanging or rising less proportionately. This practically means that modern economies are facing a new phenomenon – economic growth followed by low employment rate – jobless growth.[5]

Human development is both the primary (ultimate) goal of economic development and a means of promoting that economic development. As the ultimate goal of the economic development, human development means improvement and enrichment of the human life. The main development objective here is not the production of as many goods and services as possible, but rather the strengthening of the human capacities for a fulfilled, productive and dignified life.[6] As a means of economic development, human development through the process of human capital accumulation enhances people's skills, knowledge, productivity and inventiveness; ultimately, the economic development 'benefits' from the human development. However, there is no automatic relation between increased income and human development. Income per capita may grow, while growth is not properly 'translated' into human development and the effects of such growth do not reach the 'ordinary people'.

There are cases of countries with a high level of human development and a moderate level of income per capita. Conversely, the opposite also exists, whereby a country may have a low level of human development and a high level of income per capita (see Tables 2.1 and 2.2).

The way a country reaches its particular level of human development is important for two reasons. First, it reflects the specific national development circumstances. More importantly, it outlines the variety of possible options and strategies for reaching the same objective. This is particularly interesting for policy-making – looking at the Human Development Index (HDI) through its components policy-makers can identify the country's (or region's when regional HDI is being calculated) problematic areas and adequately address them.

NATIONAL LEVEL PROFILE

According to the 2004 Global Human Development Report Macedonia is number 60 in a world ranking out

of a total of 177 countries. With the HDI amounting to 0.793, Macedonia belongs to the group of countries with a middle human development level.[7]

Macedonia's HDI further confirms the hypothesis that there is no automatic link between the income growth per capita (economic growth) and the level of HDI (see Graph 2.1). The disparities between these two components mainly result from the inequality in the distribution of the benefits, i.e. in what way and to what extent the generated income is converted into human development. Since inequality in Macedonia is still not very high, the HDI level continued to increase while income per capita was decreasing or stagnating.

SUBNATIONAL LEVEL DISAGGREGATION

For policy-making purposes however HDI disaggregated for subnational administrative units or calculated for particular types of regions has a much greater value than the national-level aggregation (see Box 2.1, p. 38). For that reason and for the first time in

Table 2.1: Different levels of GDP with similar Human Development Index (HDI)

Country	GDP per capita (PPP)	HDI
Croatia	9,170	0.818
Poland	9,450	0.841
Estonia	10,170	0.833
Lithuania	8,470	0.824
Uruguay	8,400	0.834
Chile	9,190	0.831
Kuwait	18,700	0.820
Qatar	19,844	0.826
United Arab Emirates	20,530	0.816

Source: Human Development Report (2003), UNDP.

Table 2.2: High GDP with high Human Development Index (HDI)

Country	GDP per capita (PPP)	HDI
Canada	27,130	0.937
Norway	29,620	0.944
USA	34,320	0.937
Australia	25,370	0.939
Iceland	29,990	0.942
Sweden	24,180	0.941
Belgium	25,520	0.937

Source: Human Development Report (2003), UNDP.

Table 2.3: Components required for the calculation of HDI in Macedonia – 2002

Life expectancy	73.5
Adult literacy rate (%)	96.0
Gross enrolment rate for all three education levels	70.0
Real GDP per capita (PPP$)	6,470

Note: Calculations made on the basis of data provided by State Statistical Office, Census 2002 and Education Statistics

Table 2.4: Human Development Index (HDI) of Macedonia for 2002

Life expectancy index	0.81
Completed education index	0.87
Index of adjusted real GDP per capita (PPP$)	0.70
HDI	0.793

Note: Calculations made on the basis of data provided by State Statistical Office, Census 2002 and Education Statistics

Macedonia, an analysis of the human development profile and of broader socio-economic indicators of a representative sample of municipalities was conducted (see Methodology of disaggregated analysis and municipality sample, p.12). Data reveal significant disparities in human development levels between different parts of the country as well as between different types of municipalities.

As could be expected, the capital city of Skopje has the highest HDI – 0.822. It is followed by the municipalities of Ohrid (0.806), Gevgelija (0.803), Bitola (0.801) and Gostivar (0.800). As can be seen, these are urban municipalities where health, educational, cultural and economic activities are the most vibrant and developed.

Municipalities with a middle HDI level include both urban and rural municipalities. Interestingly the ranking of the list shows that the first half of the municipalities is composed of only urban and the second half of only rural municipalities, which is another confirmation of the existence of significant differences in the HDI at urban and rural level. However, the weak statistical basis must also be taken into consideration – primarily, regarding the data on life expectancy and GDP per capita on the local level, which adds to the difficulty in calculating HDI on the level of municipalities.

The group of municipalities with a low human development level includes, without exception, rural municipalities with a low level of completed education; in addition to the low-income level per capita, this is the major constraint upon human development. Within the municipalities sampled, this group includes the municipalities of Novo Selo, Rosoman, Dolneni and Zajas (see Table 2.5).

The aggregated HDI for urban and rural areas also proves significant territorial disparities – HDI in rural areas (0.765) is significantly lower that in urban areas

Graph 2.1: Dynamics of HDI and GDP per capita in Macedonia
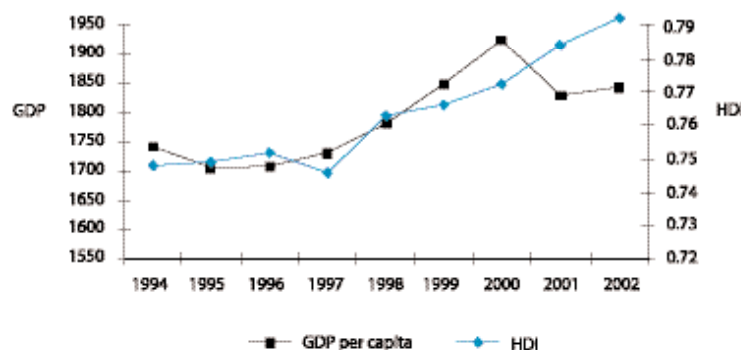
Sources: State Statistical Office and Human Development Reports, UNDP (1993-2003)

(0.796, Tables 2.6 and 2.7). The disparities are particularly dramatic in respect of the knowledge component, where the completed education index in the urban and rural municipalities reaches 0.890 and 0.810 respectively. This is an additional indicator of the importance of investments in human capital for the human development. Furthermore, the income component, the real GDP per capita (PPP), also shows disproportions with regard to rural and urban economic and human development. Thus, the average GDP per capita in the sampled rural municipalities is about $ 500 lower than the one in the sampled urban municipalities ($ 6,418) and differs by about $ 300 from the country GDP per capita.

Finally, another interesting angle of analysis is the relationship between the levels of human development and ethnic composition. Due to the lack of basic statistics broken down by ethnicity, any direct computation of HDI for major ethnic groups is impossible.

T able 2.5: Human Development Index (HDI) in Macedonia for 2002

Municipality	Completed education index	Index of adjusted real GDP per capita (PPP$)	HDI
Municipalities with high HDI level			
Skopje	0.930	0.730	0.822
Ohrid	0.920	0.690	0.806
Gevgelija	0.930	0.680	0.803
Bitola	0.900	0.700	0.801
Gostivar	0.880	0.720	0.800
Municipalities with middle HDI level			
Tetovo	0.890	0.700	0.798
Stip	0.910	0.680	0.796
Debar	0.900	0.690	0.796
Strumica	0.870	0.710	0.794
Kavadarci	0.900	0.680	0.793
Prilep	0.880	0.680	0.790
Bogdanci	0.880	0.680	0.790
Veles	0.890	0.680	0.789
Rostusa	0.880	0.690	0.788
Kumanovo	0.870	0.690	0.787
Kocani	0.880	0.680	0.787
Probistip	0.870	0.680	0.784
Tearce	0.840	*	0.776
Cucer Sandevo	0.830	*	0.774
Makedonska Kamenica	0.820	*	0.770
Municipalities with low HDI level			
Novo Selo	0.790	*	0.759
Rosoman	0.790	*	0.759
Dolneni	0.750	*	0.745
Zajas	0.730	0.680	0.737

Source: Statistical annual book of the Republic of Macedonia (2002) and own calculations.

Note: * Due to the lack of statistical data the country average GDP is considered. For the grouping of municipalities the following thresholds were used: municipalities with a high human development level (above 0.800), municipalities with middle human development (from 0.770 to 0.800), and municipalities with a low human development level (up to 0.770).

Correlation analysis however is feasible and could provide an idea of the existing disparities determined by ethnic composition – or, seen from another angle, of the different development opportunities, which are available to the different ethnicities. Table 2.8 shows the correlation between the HDI levels and the share of main ethnic groups in the sample of analysed municipalities. Data suggests that a weak but statistically significant correlation exists between the proportion of the ethnic Macedonian population in a municipality and its level of HDI. Regarding the ethnic Albanian population, the correlation is almost a mirror image; within the same range but negative. This could mean that municipalities with an ethnic Macedonian majority tend to have slightly higher levels of human development while those with an ethnic Albanian majority tend to have slightly lower levels than they would have had under equal distribution. The highest value of negative correlation appears for Bosniaks.

Table 2.6: Components required for the calculation of the HDI per type of municipality – 2002

Type of municipality	Urban	Rural
Life expectancy	73.05*	73.05*
Adult literacy rate (%)	94.81	90.63
Gross enrolment rate for all three education levels	78.52	62.36
Real GDP per capita (PPP $)	6,418	5,926

* Note: Due to the lack of statistical data for the life expectancy for the rural and urban municipalities the country average is taken for estimations.
Source: State Statistical Office.

Table 2.7: Human Development Index (HDI) per type of municipality for 2002

Type of municipality	Urban	Rural
Life expectancy index	0.8	0.8
Completed education index	0.89	0.81
Index of adjusted real GDP per capita (PPP$)	0.69	0.68
HDI	0.796	0.765

Surprisingly the highest level of positive correlation apparently appears for the Roma. This does not mean that the Roma have the highest levels of human development – one single visit to a Roma neighbourhood is sufficient to see this is far from true. It may be though a good illustration of the intra-municipal disparities. Seen from this perspective it would mean that the Roma tend to live in municipalities with higher levels of HDI forming 'poverty pockets' there.

GENDER-RELATED DISPARITIES (GDI, GENDER DEVELOPMENT INDEX)

Another important dimension of disaggregated HDI analysis is gender-related disparities. As with HDI for administrative units and types of territorial entities, HDI can be applied for group analysis. In this particular case the Gender Development Index, the GDI, makes an adjustment of the average achievements and shows the inequality between women and men in major human development areas.[8]

According to the UNDP methodology, the GDI of 0.783 puts Macedonia at number 59 world ranking out of a total of 175 countries (close to Croatia, 0.800 and Bulgaria, 0.794). The GDI of Macedonia (0.783) compared to the national level HDI (0.793) shows minimal gender-related disparities. On major human development indicators it is close to gender equality (complete equality would appear if the GDI were equal the HDI).

However, as in the case of the human development index, the gender development index value can be achieved through various combinations of options and progress/regress in different human development

Table 2.8: Correlation of HDI levels and share of main ethnic groups (sample of municipalities)

Macedonians	0.249046042
Albanians	- 0.24670743
Turks	- 0.05984048
Roma	0.468056436
Vlachs	0.313470002
Serbs	- 0.12474693
Bosniaks	- 0.36896366
Other	0.363993235

Box 2.1: The temptation and problems with HDI disaggregation

HDI is definitely a great advocacy tool. Thanks to its composite nature HDI can be an adequate tool for better reflecting the multidimensionality of real life. In order to become a policy tool however, HDI should suggest different policy options. For that purpose HDI disaggregation is necessary.

A national level HDI gives an idea where a country stands vis-à-vis other countries, which though of interest, has less interpretive value within the country. Disaggregated at a subnational level or for different groups, however HDI could show how (and why) different administrative units or groups within a country stand vis-à-vis each other, what are the strengths and weaknesses and hence what central and local governments' priorities could be. From this perspective HDI disaggregation is not about the ranking of municipalities or groups but about the way each of them has achieved its HDI value (good economic performance at the expense of health or good educational opportunities off-setting delays in other areas). It is about helping local governments identifying where their focus should be.

There are major problems with HDI disaggregation though. The first is related to the data availability. Relevant information is not always available at a subnational or group (defined by ethnic, income, sex or some other criterion) levels. This is a problem that should be treated with both a bit of invention and a lot of caution. The objective of HDI disaggregation is not to produce a figure that will be publicized in the press but rather, to adequately come to terms with the important elements of the reality of the situation.

The second problem is related to the coherence between national and global Human Development Reports and respectively the methodology used for different indices calculation. Advocacy is possible only when a sufficient level of comparability is achievable. Assuming that national level HDIs are comparable, this is not the case of subnationally disaggregated HDIs. One should always resist the temptation of a catchy title 'people in municipality X live as people in country Y'.

The third problem is related to the consistency with the original human development concept and the idea that human development is broader than economic development in the strict sense. It is not always easy to say which specific indicators that could be used for the disaggregated HDI and its components would better reflect human development philosophy. The 'mechanical' application of the standard methodology (described in each Global HDR) may apparently produce some index but most probably it would have little in common with the idea of the concept. The economic component of the index is a good example. Calculating it on the basis of regionalized (disaggregated) GDP per capita is problematic if its value is not adjusted to reflect transfers to and from other levels of government as well as public goods consumption.

To summarize, the difficulties with HDI disaggregation require a responsible approach from both the researchers' and users' respective sides. The reality 'behind the figures' is what matters and complementary indicators should be used for adequately reflecting it.

Box prepared by Andrey Ivanov, UNDP Regional Support Centre, Bratislava

Table 2.9: Components required for the calculation of the GDI for Macedonia – 2002

Life expectancy - women	75.21
Life expectancy - men	70.68
Adult literacy rate (%) - women	92.95
Adult literacy rate (%) - men	97.1
Gross enrolment rate for all three education levels - women	68.71
Gross enrolment rate for all three education levels - men	72.09
Estimate of the generated income - women (PPP$)	4,350
Estimate of the generated income - men (PPP$)	8,600
Share in the overall population - women	0.497
Share in the overall population - men	0.503

Source: State Statistical Office.

Table 2.10: GDI for Macedonia for 2002

Life expectancy index - women	0.803
Life expectancy index - men	0.795
Completed education index - women	0.849
Completed education index - men	0.888
Revenues index - women	0.630
Revenues index - men	0.743
Index of equally distributed life expectancy	0.799
Index of equally distributed education	0.868
Index of equally distributed revenue	0.682
GDI	**0.783**

Table 2.11: HDI and GDI components' differences

	HDI	GDI (equally distributed)	Difference
Life expectancy index	0.810	0.799	0.011
Completed education index	0.870	0.868	0.002
Index of adjusted real GDP per capita (PPP$)	0.700	0.682	0.018
Index value	0.793	0.783	0.010

Table 2.12: GDI components' distance for Macedonia for 2002

	Women	Men	Difference
Life expectancy index	0.803	0.795	0.008
Completed education index	0.849	0.888	-0.039
Revenue index [10]	0.630	0.743	-0.113

areas. Seen from the individual components, the hypothesis of an 'almost perfect gender equality in Macedonia' is wrong. As Table 2.12 suggests, inequality between men and women is substantial but asymmetrical. The inequality is most pronounced in the economic sphere – the difference in the revenue indices is 0.113 in favour of men – and partially offset by longer life expectancy of women.

1. One has to take into account its deficiencies as well, such as the incapacity to reflect the distributive effects of the development (the inequality) and to measure the deprivations aspects of the development. Moreover, according to A. Sen it is important to distinguish between the use of HDI as an index and the overall concept of human development. Namely, we should be aware about the fact that there are many relevant variables of the human development that are not included in the HDI. Therefore, there is a need to include them in the statistical annex to the Reports.
2. See Jahan, 2002:3
3. See Stewart, 2002 and Fukuda-Parr at. all, 2002: 1-15.
4. Human Development Report, UNDP, 1993, p.3.
5. Ibid.
6. Keith Griffin and Terry McKinley (1994): Implementing a Human Development Strategy, MACMILLAN, pp.1-10.
7. According to the UNDP methodology, countries are divided into three groups depending on the height of the human development index, as follows:
   - Countries with high human development - over 0.800 HDI;
   - Countries with middle human development - from 0.500 to 0.800 HDI;
   - Countries with low human development - below 0.500 HDI.
8. Please note that the subnational disaggregations for HDI use various techniques for different elements diaggregations and the results may slightly vary with those for aggregated computations.
9. See Anand and Sen, 1995.
10. The revenue index does not take into consideration factors that influence income such as differences in the labour market; further analysis of these factors as well as calculations of GDI at the local level would be recomended.

Income, employment and local economic development from a human development perspective

Too often macroeconomic policy makers turn their attention more to the monetary (financial) sector, than to the real sector of the economy. The same is also true of Macedonia; too much hope and energy have been invested in the expectations that the monetary sector of a small and poor economy, such as the Macedonian one, will somehow manage to stimulate and sustain economic growth. In essence, policy seems to be founded on the principle of stabilization rather than on development; efforts to stimulate the growth of the economy exclusively through the monetary component appear to be unrealistic.

GENERAL ECONOMIC OUTLOOK

Immediately after Macedonia's independence, its price and foreign trade liberalization policy led to a destabilized economy. In response, a restrictive macroeconomic policy was accepted, i.e. a restrictive policy towards the aggregate demand. The restrictive monetary and fiscal policy, combined with the salary policy and restricted credit activities, resulted in partial macroeconomic stability, but also in a decline of the standard of living.

The changes of real GDP rates as well as its projections and achievements in the last eight years are presented in Graph 3.1. As can be seen, the achieved GDP growth considerably deviates from the projected one, which may indicate an inconsistent macroeconomic policy. Certainly, one should take into consideration the non-economic factors which have had a strong impact on the economic activities of the country in this period. These include primarily the recent military conflict in the country in 2001.

The low level of industrial production is first of all a result of the unfavourable production structure, excessive employment, operational losses, dependence on imports, out-of-date technology and ownership restructuring. The industrial proportion of GDP generation in the past few years has been about 26 percent. The industrial production index in 2001 is lower by 38 points compared to 1991 while for employees in the industrial sector for the same period of time, the index decreases by as much as 43.38 points. In the pre-transitional period, the agricultural sector contributed a high proportion of GDP generation – from 14 percent to 16

Graph 3.1: Projected vs Achieved Real GDP Growth in Macedonia (1995-2002)
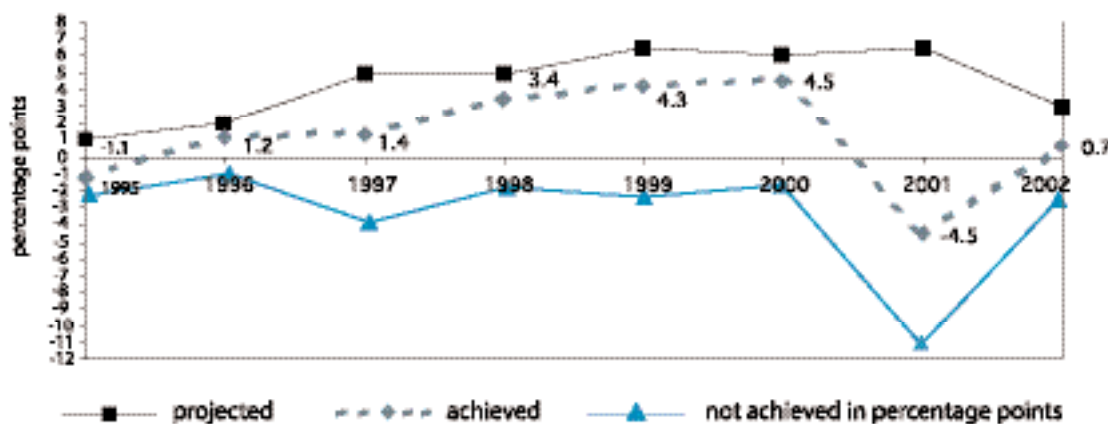
Source: Macroeconomic policies of the Government and National Bank Reports

Chart 3.2. Real Sector Evolution (2000=100)

Legend: Industry, Agriculture, Construction, Retail Trading, Wholesale Trading
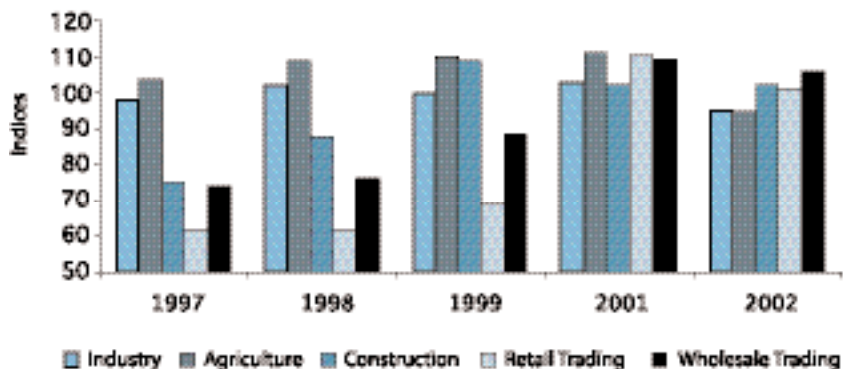
Source: Statistical annual books of the Republic of Macedonia (1996-2003)

percent. Agriculture retained its high share at the beginning of the transitional period, but recently it has been exhibiting a tendency towards decline; in 2002 its share amounted to about 11 percent. The reduced agricultural production is mostly due to the instability of the prices and sale of agricultural products. Lastly, the construction sector's proportion of the GDP generation in the last four years amounts to about six percent.

Macroeconomic policies throughout the last decade have been aimed at maintaining stability in the economy. However, it should be borne in mind that macroeconomic stability is not the ultimate goal of the development process. It is a means to achieving the basic goal – economic and human development. It is an important but not unique precondition for development; hence it should not be understood as a synonym of the development policy of the country. People, i.e. the quality of their life, should be at the centre of all development efforts. Therefore, questions related to: poverty, inequality, unemployment, employment, privatization, pension system and pension insurance, education, and health care, should be the focus of attention of microeconomic and macroeconomic policy makers.

POVERTY

If human development is defined as an increase in the choices people have, then the presence of poverty and inequality in the country means human development is not equally distributed among the different people and groups in the country.

There are three reasons why one should measure the level of poverty in one country[1]:
1. the selection of an appropriate strategy for economic growth;
2. appropriate definition of public expenditures; and,
3. adequate definition of state intervention targets.

Monetary poverty – both measured through household incomes and expenditures, which usually provide a slightly different picture – is an important, but not exclusive dimension (component) of poverty. Poverty is a multidimensional and complex phenomenon, which in essence is about the lack of possibilities and opportunities necessary for human development – such as the possibilities for people to receive education, health care and have a decent standard of living.

Monetary poverty and income inequality

Currently there is a tendency in Macedonia of poverty being on the increase; the scale of the problem is also on the rise. The calculated figures of monetary (income- and expenditure-based) poverty are presented in Table 3.1.

The head count index shows that 33.54 percent of the total population in Macedonia is below the poverty line, which is set at the level of 70 percent of the average annual income of households (179,089 denars, or around 243 EUR a month). However if poverty is analysed from the perspective of household expenditure, the picture is substantially different: 22.7 percent of households have an expenditure below the

Graph 3.3. Distribution of average annual income by household in Macedonia (2001) in MKD
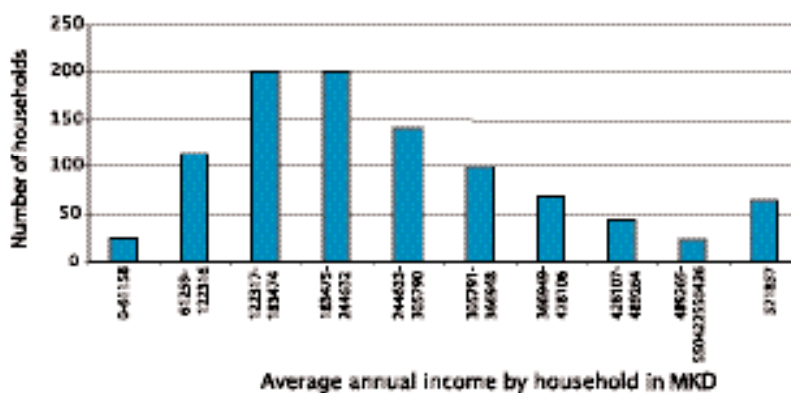
Source: Calculations based on a survey of household expenditure (2002), State Statistical Office.

Table 3.1: Poverty in Macedonia, Relative method (2001) – by households

	Income-based	Expenditure-based*
Head count index	*33.54%*	*22.7%*
Poverty Gap index (PG)	*11.17%*	*5.4%*
Foster-Greer-Thorbecke index (PGT2)	*5.18%*	*2.0%*

Source (Expenditure-based): Household Budget Survey 2001, State Statistical Office.
The recently released expenditure-based head count index for 2002 is 30.2 procent. Note that the State Statistical Office changed its method of calculation which explains to a certian extent differences compared with previous years.
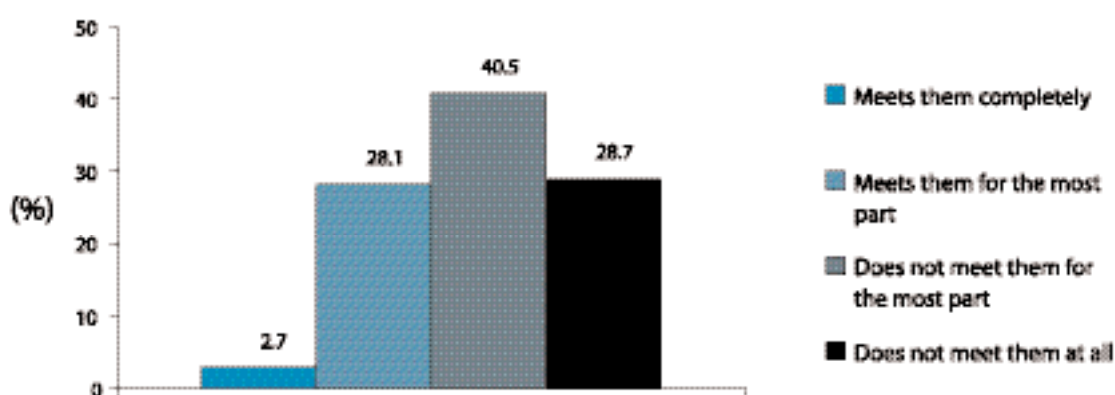
Source: Household budget survey in Macedonia 2002, State Statistical Office

70 percent of the median. The discrepancy in registered incomes and expenditure reflects the magnitude of the informal sector in economy. The poverty gap index shows similar differences; it amounts to 11.17 percent if based on income estimates and 5.4 percent if based upon expenditure estimates. The Foster-Greer-Thorbecke index (PGT2) measures the severity of poverty and shows the variations in the revenues of the poorest households. This amounts to 5.18 percent for income-based estimates and two percent for expenditure-based estimates.

According to World Bank research, in the beginning of the transitional period the Gini Index was 22 percent.[2] In 2001 it stood at 29.93 percent, significantly higher than the pre-transitional figure. Average annual household income distribution for 2001 is shown in Graph 3.3. The increase of the Gini index is, above all, a result of the strengthening of the private sector, where income dispersion becomes wider in relation to that in the state sector. The tendency towards increasing inequality is expected to continue with further private sector development.

Subjective poverty and household expenditure patterns

The poverty level can also be assessed through the so-called subjective poverty line, i.e. on the basis of the subjective opinion of the people about the perceived minimum acceptable level of their standard of living.[3] According to the 2002 household budget survey, only 3.1 percent of the households in Macedonia believe that they are able to meet all their needs with their available monthly income, whereas as many as 69.5 percent are either partly of fully unable to do so. (see Graph 3.4).

The high levels of subjective poverty most probably reflect the comparison with the previous socialist system, which was followed by a decline in economic output during transition. It reflects more the dynamics of poverty than its absolute level. For example, 92.6 percent of the households live in their own apartments and the households are relatively well supplied with conventional durable consumer goods (appliances, refrigerators, boilers, washing machines, TV sets, etc.). Nevertheless, these living standards are to some extent

Graph 3.5: Major household items possession

Legend:
- Electric range
- Boiler
- Refrigerator
- Washing mach.
- Dish-wash.m.
- AC
- TV set
- Video recorder
- Video camera
- Personal computer
- Telephone
- Mobile phone
- Car
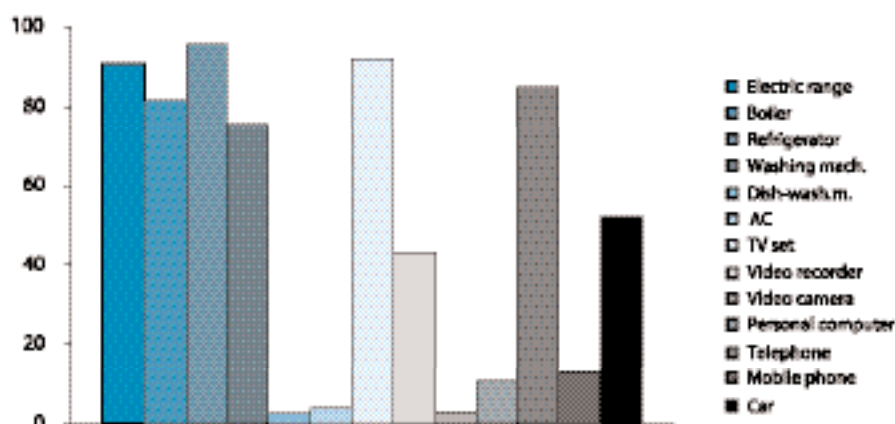
Source: Household Budget Survey in Macedonia, 2002, State Statistical Office

inherited from the socialist system while more modern durable consumer goods, such as personal computers, dish washers and air conditioners are in short supply in the home of the average Macedonian family (see Graph 3.5). The age of the specific goods also matters (at least in terms of depreciation) and definitely additional data is necessary; for example, on the average age of motor vehicles possessed by the household or the type and age of a TV set. From the information available it is likely that the momentum of previous gains in terms of living standards is declining and consistent measures to address poverty are necessary. 'Addressing poverty' means here not just increasing household possessions and improving living

Table 3.2: Use of the disposable funds per average household – breakdown

	1983	1988	1990	1995	2000	2001
	100.0	100.0	100.0	100.0	100.0	100.0
Food	40.4	37.5	37.6	40.9	38.4	40.6
Drinks	3.1	3.1	3.7	3.7	4.3	4.9
Tobacco	1.9	1.8	2.4	2.8	3.3	3.3
Clothes and shoes	6.8	7.8	8.6	6.3	5.7	6.4
Housing	2.2	1.9	1.5	1.9	2.0	1.7
Heating and lighting	6.2	7.8	7.0	7.5	8.2	7.9
Home furnishings	4.3	4.2	2.9	2.1	1.6	1.9
Hygiene and health care	2.3	3.0	3.1	4.2	5.8	6.2
Education and culture	2.9	3.3	4.2	2.6	3.1	2.9
Transport and communications	6.4	6.5	6.0	8.3	9.7	9.5
Other goods and services	2.8	2.5	2.9	1.7	2.8	2.5
Membership fees, etc.	0.4	0.5	0.1	0.0	0.0	0.0
Taxes and charges	1.2	1.6	0.9	0.7	0.4	0.4
Losses, presents, etc.	0.5	0.4	0.3	0.2	1.0	0.6
Charges for apartment, house and property	5.7	3.8	3.0	3.2	5.0	2.6
Repayment of credits and loans	1.9	1.0	0.8	0.3	0.7	0.4
Savings	11.1	14.0	14.9	13.8	8.2	8.1

Source: Household budget survey in Macedonia 2002, State Statistical Office

standards but rather enhancing people's capacities to reach and maintain higher living standards through retaining the existing high levels of human capital; for example wide computer usage and access to Internet will be increasingly important for individual's life chances and labour market competitiveness.

Household expenditure patterns provide additional information on poverty levels: the poorer the household, the higher the share of food expenditure. Food expenditure continues to be the largest share in the structure of household expenditure. These expenses, according to the 2001 data, make up 40.6 percent of the total funds disposable at the household level (see Table 3.2).

A relatively big share of the expenditure for food during the period 1990-2001 is a result of the inelastic-ity of these expenses in relation to the households' disposable income. Greater elasticity is shown by the so-called higher rank expenses, such as expenditure for shoes and clothes, education, culture and household furnishings – which result from the reduced volume of the total funds disposable at the household level. At the same time, there is also a marked increase in the expenditure for hygiene, health, transport and communications, which results from the increase in the prices of these goods and services. The increase in the prices of certain goods and services, in addition to the reduced volume of the total funds disposable at the household level, has resulted in a significant drop in the savings of households, which over the last five years (1995-2001) dropped by 5.7 percentage points, i.e. for 6.8 percentage points compared to 1990.

Table 3.3: Unemployment and employment rates and rates of activity by gender, 1996-2003 (%)

	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment rate								
Total	31.9	36.0	34.5	32.4	32.2	30.5	31.9	36.7
Male	29.1	33.0	32.5	31.9	30.5	29.5	31.7	37.0
Female	36.2	40.8	37.6	33.3	34.9	32.0	32.3	36.3
Employment rate								
Total	37.4	34.4	35.9	35.9	35.8	38.6	35.8	34.5
Male	47.5	44.6	45.4	44.6	44.7	46.3	43.5	41.3
Female	27.4	24.4	26.3	27.2	27.1	30.9	28.1	27.7
Activity rates								
total	54.9	53.7	54.8	53.1	52.9	55.5	52.6	54.5
Male	67.0	66.5	67.4	65.5	64.4	65.6	63.7	65.6
Female	42.9	41.2	42.2	40.8	41.7	45.5	41.5	43.4

Source: State Statistical Office: Labour Force Survey (1996-2003)

Table 3.4: Structure of the unemployment according to the length of unemployment (%)

Qualification	1996	1997	1998	1999	2000	2001	2002	2003
Total	100	100	100	100	100	100	100	100
Up to one year	19.30	16.91	17.06	16.16	16.67	13.14	15.48	14.9
Up to two years	27.78	29.93	15.25	13.58	13.64	12.08	11.23	9.9
Up to three years	8.4	9.55	12.25	10.89	9.32	9.96	10.53	11.7
Four and more	44.52	43.60	55.43	59.36	60.37	64.81	62.76	63.6

Source: State Statistical Offices, Survey on Labour (1996-2003)

UNEMPLOYMENT

Unemployment in Macedonia is one of the gravest and most difficult economic, social and political problems. It was present before the transition, and over the past few years it has become even more pronounced and complex. In addition to the limitations imposed by a lack of funds, the restructuring of ownership and production over the past decade has had a major effect on the unemployed, as has the poor private sector development, which has failed to develop sufficient powers to absorb workers.

National level averages

Table 3.3 presents the levels of employment, unemployment and activity broken down by gender. These levels put Macedonia in the same category as countries with extremely high unemployment levels within Europe and the World.

The segment of the population who have completed three or four years secondary education accounts for 55 percent of the total number of unemployed. Structural incongruity between the qualitative characteristics of the unemployed and the demands of the labour market is an important characteristic.

The situation with the unemployment structure according to the length of unemployment is particularly grave. About 84 percent of the total unemployed, in the monitored period, have been without a job for more than a year (Table 3.4). What is really disconcerting here is the continual increase of the people who have been without a job for more than four years. This category is the most difficult in respect of tackling the problem.

Seen from age perspective, unemployment in Macedonia particularly affects young people. A striking 26.4 percent of the total number of the unemployed falls into the category of the young between 15 and 24 years of age (Table 3.5). The total number of unemployed young people (aged 15-24), according to the data from 2002, is 74,877, of whom 21,664 are between 15 and 19 years of age and 53,213 are between 20 and 24 (for detailed age profile of unemployment at municipal level see Annex, p. 128).

According to data from 2002, 43.44 percent of the young unemployed have at best completed primary education and 54.72 percent have completed secondary school; only 1.84 percent have finished high and university education (Graph 3.6). In light of the situation regarding the unemployment of the young, it

Graph 3.6: Structure of unemployed – age group 15-24, by degree of education (%, 2002)

University degree 1.05
No education 2.75
Higher education 0.78
Incomplete primary education 4.23
Four years secondary education 38.95
Primary education 36.46
Three years secondary education 15.77
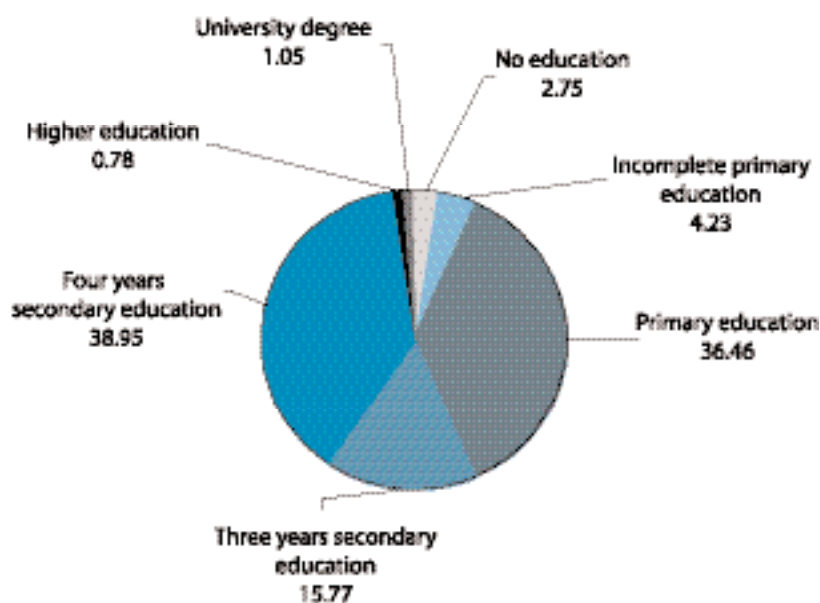
Source: Labour Force Survey, 2002

seems that studying, as opposed to the years of waiting for the first employment, is the best option.

SUBNATIONAL LEVELS OF UNEMPLOYMENT

Unemployment, as with other socio-economic indicators – particularly poverty, is unequally distributed across the country. Thirty out of 123 municipalities have an unemployment rate of higher than 50 percent. The majority of them are from the Poloski and Jugozapaden regions and only a few of them are from the Skopski and Pelagoniski regions. The municipalities of Zelino (79.4 percent) and Topolcani (76.7 percent) occupy the last two places on the unemployment rate list. Most of the municipalities in the high unemployment group are of a mountainous rural nature. It is characteristic that municipalities with a majority ethnic Albanian population contain a very large number of employees who work in sectors that have not been classified.

From a territorial perspective, a significant characteristic of the unemployment in Macedonia is its concentration in larger urban centres due to the higher concentration of population there and the higher density of outdated production facilities largely affected by the consequences of ownership transformation,

inefficient operations of transformed enterprises and biased territorial distribution – two thirds of the population living on a third of the territory. Only Skopje has equal shares of the total unemployed population (23.02 percent) and of the total population of the country (23.1 percent). Kumanovo has 8.31 percent of the unemployed in Macedonia – but 5.1 percent of the population; Tetovo – respectively 8.23 and 3.5 percent; Prilep – respectively 7.03 and 3.6 percent; Strumica – 6.74 and 2.2 percent. Migrations to the larger urban centres have also had a direct impact on the income level of labour, primarily resulting from the territorial mobility of the youth in those areas. Such a concentration of unemployed produces a distortion of the demographic structure of the population, a decrease of efficiency in the usage of the natural resources and has a negative effect in terms of the continuation of the reform processes.

Table 3.6 presents an employment/unemployment profile of the municipality sample. The data summarized in the table (based on the 2002 census) confirms the conclusion regarding the high level of concentration of economic activities in the capital of the country, where the largest number of industrial capacities are located, as well as the financial sector, services and central governmental institutions. The domination of Skopje is also confirmed by its high participation in the country's GDP (calculated on PPP basis), which amounts to 30 percent. This shows that the economic activity in Macedonia is mainly concentrated in the large cities.

Although it is an issue in all municipalities that were analysed, unemployment has substantial regional variations. In thirty of the 123 Macedonian municipalities unemployment exceeds employment; in seven of them (Zelino, Topolcani, Kamenjane, Sipkovica, Dolneni, Lipkovo and Plasnica) unemployment rates are three or more times higher than employment rates and in eight municipalities they are two or more times higher. Skopje in this regard seems better off, with employment rates 2.7 times higher than unemployment. Although in Suto Orizari, a district dominated by the Roma population, the situation is reversed, with unemployment rates 2.3 times higher than employment.

Seen from an age perspective unemployment rates are highest for the 20-29 year age group – the period that is crucial for an individual's socialization.

Table 3.5: Unemployment in Macedonia – age profile

Age group	Number		Share of total unemployed	
	Of respective age group	Cumulative	Of respective age group	Cumulative
15-19	21,664	21,664	7.7%	7.7%
20-24	53,213	74,877	18.8%	26.4%
25-29	50,936	125,813	18.0%	44.4%
30-34	42,019	167,832	14.8%	59.3%
35-39	35,668	203,500	12.6%	71.9%
40-44	28,652	232,152	10.1%	82.0%
45-49	23,060	255,212	8.1%	90.1%
50-54	15,919	271,131	5.6%	95.8%
55-59	8,176	279,307	2.9%	98.6%
60-64	3,244	282,551	1.1%	99.8%
65-69	343	282,894	0.1%	99.9%
Unknown	74	283,132	0.0%	100.0%

Source: State Statistical Office, Census 2002

Unemployment rates for the 20-24 year age group in different municipalities vary between 16 and 27 percent and for the 25-29 year age group – between 14 and 23 percent (Table 3.7).

Although the above employment data are derived from the census, and not from unemployment registries, it still should be interpreted with a high degree of caution. For various reasons, particularly in a post-

conflict environment, people may be unwilling to reveal the real sources of their income and types of economic activity contributing to this income. 'Grey' and 'black' economies are highly applicable terms in this regard. Some individuals registered as unemployed are actually employed by the informal sector – be it perfectly legal but unregistered activities, and unreported primarily for reasons of tax evasion – or in

Table 3.6: Basic statistical and economic indicators

Municipality	Population	Area(km²)	Employment rate (2002 census) %	Unemployment rate (2002 census) %	GDP pc (PPP)	Contribution to GDP (PPP), %
Urban						
Tetovo	70,841	87	60.67	39.33	7,149	4.1
Kumanovo	103,205	300	53.82	46.18	6,354	5.3
Prilep	73,351	535	51.95	48.05	6,049	3.6
Kocani	33,689	255	61.19	38.81	6,049	1.6
Kavadarci	38,391	391	50.67	49.33	5,927	1.8
Strumica	45,087	105	59.48	40.52	7,088	2.6
Skopje	467,257	273	72.89	27.11	8,065	30.5
Gostivar	49,545	50	53.28	46.72	7,277	2.9
Debar	17,952	85	40.83	59.17	6,110	0.9
Ohrid	54,380	203	65.17	34.83	6,354	2.8
Bitola	86,408	229	66.57	33.43	6,538	4.6
Veles	57,602	507	60.50	39.50	5,927	2.8
Gevgelija	20,362	261	77.25	22.75	5,866	1
Stip	47,796	550	68.11	31.89	5,927	2.3
Probistip	12,765	198	67.68	32.32	5,927	0.6
Rural						
Rostusa	9,451	371	36.67	63.33	–	–
Tearce	22,454	136	37.71	62.29	–	–
Cucer-Sandevo	8,493	214	56.95	43.05	–	–
Zajas	11,605	155	32.92	67.08	5,988	0.98
Dolneni	11,583	389	24.14	75.86	–	–
Bogdanci	8,707	114	75.66	24.34	–	–
Rosoman	4,141	123	50.87	49.13	–	–
Mak. Kamenica	8,110	189	71.01	28.99	–	–
Novo Selo	11,966	250	56.67	43.33	–	–

Sources: State Statistical Office, 2002 census results and major macroeconomic indicators.

Table 3.7: Unemployment levels in selected municipalities by age groups (2002 census)

	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years
Urban							
Tetovo	6.5%	18.4%	17.8%	15.3%	14.1%	11.1%	7.5%
Kumanovo	7.4%	20.9%	19.8%	15.3%	12.2%	8.9%	6.9%
Prilep	5.0%	16.9%	17.7%	15.2%	13.2%	11.0%	9.3%
Kocani	7.5%	20.0%	19.4%	15.5%	12.6%	9.7%	7.9%
Kavadarci	5.8%	16.0%	17.3%	15.6%	13.6%	11.2%	9.2%
Strumica	9.3%	18.7%	16.0%	13.1%	11.9%	10.1%	9.5%
Skopje	6.3%	18.2%	19.1%	15.1%	12.3%	9.7%	8.5%
Gostivar	6.7%	18.1%	16.8%	15.1%	13.2%	11.6%	8.8%
Debar	9.0%	17.7%	16.9%	15.3%	13.5%	10.4%	8.4%
Ohrid	6.7%	18.5%	18.2%	13.6%	11.4%	10.6%	8.8%
Bitola	5.8%	17.5%	17.6%	13.6%	11.6%	10.6%	10.8%
Veles	7.2%	20.3%	18.7%	14.8%	12.3%	10.1%	8.1%
Gevgelija	8.9%	22.6%	18.5%	13.4%	9.3%	9.5%	7.3%
Stip	7.9%	16.2%	15.0%	12.0%	12.9%	12.5%	10.8%
Probistip	7.1%	17.2%	15.4%	13.9%	13.1%	14.5%	10.7%
Rural							
Rostusa	12.0%	19.4%	14.3%	11.6%	12.4%	11.6%	9.7%
Tearce	6.9%	17.7%	16.1%	16.7%	16.5%	10.5%	7.5%
Cucer-Sandevo	9.5%	21.2%	17.8%	13.5%	11.3%	10.0%	7.1%
Zajas	8.0%	18.9%	21.2%	16.6%	14.4%	8.4%	5.0%
Dolneni	8.4%	17.6%	17.4%	16.8%	13.2%	10.4%	7.3%
Bogdanci	11.3%	24.7%	19.5%	11.8%	9.7%	9.6%	5.4%
Rosoman	7.6%	24.1%	19.2%	14.6%	10.5%	9.8%	5.9%
Makedonska Kamenica	10.8%	26.8%	22.7%	15.0%	9.1%	6.4%	4.2%
Novo Selo	10.8%	18.9%	20.2%	17.1%	13.0%	9.1%	6.3%
min	5.0%	16.0%	14.3%	11.6%	9.1%	6.4%	4.2%
max	12.0%	26.8%	22.7%	17.1%	16.5%	14.5%	10.8%
Macedonia average	7.4%	18.7%	17.7%	14.3%	12.5%	10.6%	8.7%

Sources: State Statistical Office.

Table 3.8: Labour market indicators by ethnic affiliation (2002 census)

	Total	Macedonians	Albanians	Turks	Romas	Vlachs	Serbs	Bosniaks	Other
Specific employment rates	61.9	68.0	38.8	41.8	21.5	74.7	69.1	39.7	59.2
Specific unemployment rates	38.1	32.0	61.2	58.2	78.5	25.3	30.9	60.3	40.8
Non-Activity rate	52.8	46.5	70.7	61.9	52.4	51.7	52.7	56.6	56.6
Share of unemployed in working age population	18.0	17.1	17.9	22.2	37.3	12.2	14.6	26.2	18.0

Source: State Statistical Office, Census 2002

illegal acts like trafficking or smuggling. On the other hand, in rural areas the number of employed may be smaller due to the high percentage of subsistence agriculture and/or cattle-breeding activities in the economic structure of these regions. People engaged in these activities, particularly in subsistence agriculture, often do not consider their efforts as employment and tend to perceive and report themselves as unemployed. But even taking into consideration the possible under-reporting of the actual economic activity, the need to develop complex employment programmes in order to put a stop to the process of economic and social impoverishment is evident. This is particularly important for people in remote and bordering municipalities so that they have a viable alternative to 'grey' and 'black' economies.

Data from the 2002 census provide a unique opportunity for in-depth analysis of this issue – both at the regional level and along ethnic lines.[4] Data summarized in Table 3.8 give an idea of unemployment rates by major ethnic groups based on information from the 2002 census and Table 4, p.126 in the Annex provides a detailed picture at the municipal level. As seen from the table, the group most hard-affected by unemployment is the Roma with an unemployment rate of more than twice that of the national average (78.5 percent of the labour force versus a 38.1 percent total for Macedonia). Ethnic Albanians, Turks and Bosniaks come next constituting a group with similar levels of unemployment – respectively 61.2 percent, 58.2 percent and 60.3 percent. The lowest is unemployment among Serbs (30.9 percent) and

Graph 3.7: Correlations between female workforce participation and share of ethnic Albanian population

Share of Albanian population (municipalities with 1 or >% population)
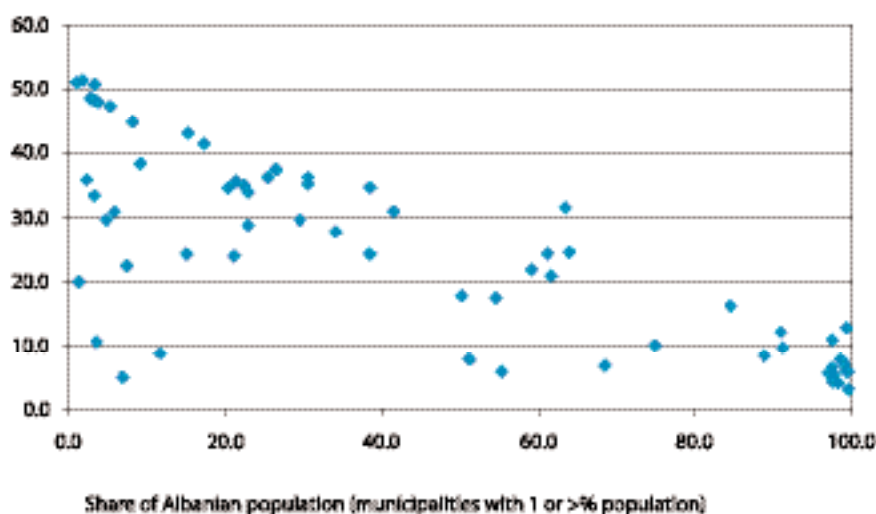
Macedonians (32 percent), which is slightly below the national average (38.1 percent).

The really amazing aspect though is related to the non-active population – those who are of a working age and not employed but are not seeking employment and thus are not considered as 'unemployed' – i.e. people in education, pensioners, women on maternity leave, discouraged workers. The lowest level of non-active rate is among ethnic Macedonians (46.5 percent) closely followed by Roma, Vlachs and Serbs (respectively 52.4, 51.7 and 52.7 percent). Bosniaks and Turks constitute the next group with 56.6 and 61.9 percent non-activity rate. Ethnic Albanians occupy the extreme end of the spectrum with over 70 percent of the working age population being neither in employment – i.e. involved in income generation in wage or non-wage employment – nor unemployed – i.e. actively looking for a job.

The disparities in activity rates have strong gender correlations, closely related to ethnic distribution. A low female workforce participation is characteristic for regions with a majority or significant ethnic Albanian population. Thus, the Poloski region has only 16.3 percent participation of women in the labour force, Jugozapaden 29.9 percent and Severoistocen 32.9 percent. Other regions have a female workforce participation above 40 percent. Graph 3.7 illustrates the correlation between the female workforce participation and the proportion of the ethnic Albanian population at the municipal level.

There are various reasons for which a person can fall into the category of the 'non-active population'. This could be age (retired population), educational status (people studying and not looking for a job), marginalized status regarding employment (people not searching for work because they believe that they will not find it). It can be also involvement in illicit activities (like smuggling) usually non-reported even in surveys. Different factors are more exposed for different ethnic groups, having for example, different demographic profiles or dominating sources of incomes.

This is the reason why any detailed analysis of unemployment should take into consideration the complex socio-economic, ethnic, political, even security context of which unemployment is just one element. Given its complexity in the Macedonian context, the proportion of the unemployed working age population (last row of Table 3.8) is more relevant as an indicator of the severity of unemployment. Seen from this angle, the ethnic group most vulnerable to a lack of employment and sustainable incomes is the Roma followed by Bosniaks and Turks. The proportion for ethnic Albanians is almost equal to the national average

and the share for ethnic Macedonians. The reasons for the differences in the unemployment rates between certain urban and rural municipalities as well as between different groups are numerous. Many municipalities are specialized in just one or very few industries. High rates of open and hidden unemployment appeared in those municipalities hard hit by crises in the transitional years. Typically such municipalities are those in which the dominant capacities are in the areas of agriculture, mining, metallurgy and the textile industry. These municipalities were not prepared for the creation of an environment conducive to new companies, investment and increasing the employment rate in the service sector. Other more significant reasons for this are the lack of the capacity for creating and implementing a local level economic policy, lack of development projects and initiatives, lack of co-operation between the local social partners and players, and insufficient support by the central government and the international institutions present in the country.

Unfortunately, policies of stimulating employment at the local level are virtually paid no attention. Therefore, the following recommendations should be taken into account:

* the policies for stimulating employment at a local level must be of a multi-sector approach;
* the economic policies and policies for stimulating employment at a local level need the support of local political leaders and interested groups, since the success of these policies quite often depends on the strength of the local players and their contribution to the creation and implementation of those policies. This type of participation, based on social dialogue and partnership, may be channelled through local advice of an economic and social nature;
* the main goal should be that the local players be equipped with the required capacity and means for creation and implementation of policies for stimulating and creating employment at the local level. These include: decentralization of responsibilities from the central down to the local governments, strengthening the capacity of the local employment offices and stimulating the co-operation between the social partners at the local level.

DEVELOPING EFFECTIVE RESPONSES TO UNEMPLOYMENT

In the past none of the governments had the courage to undertake complex measures in order to combat poverty and unemployment. Given the multidimen-

sional nature of the challenges, a suitable approach should be pursued, including social assistance and active labour market policies; a delicate balance is necessary between the two. On the one hand, social assistance should be provided to people without employment opportunities in order to survive and meet the basic needs of their families avoiding marginalization. On the other, the provision of social welfare and social assistance should not encourage dependency and should not turn into an obstacle to seeking employment.

It is only possible to meet these requirements if the government has a clear vision for targeted support and employment promotion. During the first years of transition it was commonly expected that the Government should restrict its role primarily to economic restructuring, privatization and market liberalization. However, this is not sufficient, particularly when one considers that the broader social consequences of long-term unemployment and support of the private sector development as well as creating a business-friendly and supportive environment becomes increasingly important for unemployment and poverty reduction in the country.

Recognizing the necessity of an active employment policy, the Government adopted the National Action Plan for Employment 2004-2005. Elaborated in accordance with the employment guidelines of the EU Employment Strategy, the action plan outlines active labour market policies and measures such as:

* increasing employment – through job subsidy schemes, the adaptation of workers' skills to the requirements of the labour market, the promotion of vocational training and retraining of the unemployed;

* creating incentives for job creation – by reducing costs and administrative burdens for businesses (especially Small and Middle Enterprises), suppressing bureaucracy, simplifying licensing and promoting job creation in rural areas and agricultural communities;

* tackling employment disparities – by addressing regional disparities as well as the inclusion of socially disadvantaged groups such as the young with little work experience, long-term unemployed and members of ethnic minorities.

SOCIAL ASSISTANCE AND WELFARE BENEFICIARIES

The increase in poverty resulted in an increased number of welfare beneficiaries; for the period 1995-2002 the number increased by over 29,000 households, thus reaching a figure of about 82,000 households; this, according to the 2002 census, constitutes 14.5 percent of the total number of households in the state. At the end of 2002 and the beginning of 2003, in response to the opinion that the targeting of households in real need of welfare benefits had been poor, the Macedonian Government took an initiative for accurate identification of the number of families truly eligible for welfare. This led to a significant reduction of the number of welfare beneficiaries (see Graph 3.8).

The numbers of welfare beneficiaries by municipality are provided in Table 3.9. The percentage of households drawing welfare benefits – in terms of a percentage of the total number of households in the municipality – ranges within the analysed sample from 4.49 percent in the municipality of Gevgelija to 31.47 percent in the municipality of Dolneni.

This long range further underpins the hypothesis that the high level of poverty and the uneven income distribution in the country has a direct impact on the quality of human life. Seen from the ethnic perspective, data also suggest the existence of certain ethnic dimensions of poverty and dependence on social welfare. Correlation analysis shows interesting results. The correlation coefficient between the proportion of households receiving social assistance in the total number of households for the municipalities selected for the sample, on the one

Graph 3.8: Number of welfare beneficiaries
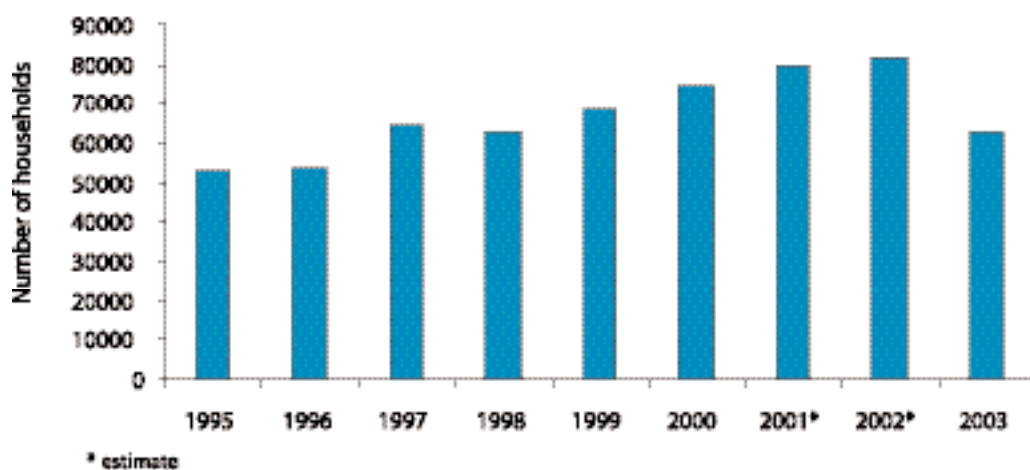
Source: Pension and Disability Insurance Fund, 2003.

hand, and the proportion of ethnic Macedonians on the other is medium (−0.374); the correlation coefficient with the proportion of the ethnic Albanian population is statistically insignificant (+0.233), which suggests that the ethnic Albanian population tends to be more dependent on welfare.

The social work centres are present in all urban areas and are responsible for the exercise of rights of citizens living in rural areas. As a result, a public opinion poll[6] shows that 56 percent of the population in valley villages and 90 percent of those living in mountain ones regard the accessibility of social work centres

Table 3.9: Welfare beneficiaries by municipalities (households)

Municipality	Number of households	Percentage of the total number of households in the municipality
Gostivar	1 604	14.02
Tetovo	1 644	9.38
Kumanovo	4 298	17.11
Prilep	3 633	18.91
Kavadarci	1 003	11.08
Strumica	1 570	13.75
Kocani	1 469	17.65
Debar	867	19.71
Ohrid	1 193	9.04
Bitola	2 571	11.93
Veles	2 117	14.92
Gevgelija	219	4.49
Probistip	346	10.67
Skopje	13 496	13.27
Rostusa	427	16.47
Tearce	645	12.40
Cucer Sandevo	167	8.28
Zajas	353	14.04
Dolneni	921	31.47
Bogdanci	105	4.71
Rosoman	117	11.04
Makedonska Kamenica	156	7.71
Novo Selo	158	5.10
Macedonia (2003)	62 739	11.11

Source: Ministry of Labour and Social Policy, Social cash beneficiaries (situation June 2003) and own estimates.

as too low. At the same time, even within the urban municipalities, there are drastic differences in terms of the number of people covered by a social work centre. Thus, there is only one centre in each urban municipality, regardless of the number of citizens.

Also, there is a high degree of concentration of organizations which provide care to pre-school children, dormitories and campuses in the urban municipalities, all of which has a negative impact, on the provision of relevant care to the categories of youngest in

Table 3.10: Basic Indicators in the Social Aid and Protection Sector

Municipality	Social work centres (2002)	Number of municipalities covered by a centre(2002)	Working organizations for pre–school children (2002)	Pupils and student dormitories(2002)	Shelters for accommodation of adults (2002)
Urban					
Tetovo	1	10	10	1	–
Kumanovo	1	5	22	1	1
Prilep	1	5	11	1	1
Kocani	1	5	6	–	–
Kavadarci	1	3	13	1	–
Strumica	1	6	5	1	–
Skopje	1	16	76	8	1
Gostivar	1	9	7	1	–
Debar	1	2	4	1	–
Ohrid	1	4	10	2	–
Bitola	1	9	15	2	1
Veles	1	5	11	1	–
Gevgelija	1	4	3	-	–
Stip	1	2	7	2	–
Probistip	1	2	3	1	–
Rural					
Rostusa	–	–	3	–	–
Tearce	–	–	7	–	–
Cucer-Sandevo	–	–	3	–	–
Zajas	–	–	10	–	–
Dolneni	–	–	3	–	–
Bogdanci	–	–	1	–	–
Rosoman	–	–	3	–	–
Maked. Kamenica	–	–	3	–	–
Novo Selo	–	–	10	–	–

Source: Employment Bureau.

Table 3.11: Number of the participants who attended the training, qualification and prequalification courses

Period	Number of participants	Number of participants who completed the course	Newly employed participants	% of new employments
1999	2,897	2,761	2,607	94.4
2000	4,806	4,568	4,310	94.4
2001	6,006	5,498	5,223	95
2002	–	1,806	1,540	85.3
Total	**13,709**	**14,633**	**13,680**	**93.5**

Source: State Statistical Office

rural municipalities. There is a marked absence of a developed network of facilities for the care of the elderly and physically weak people in the urban and rural municipalities, which additionally aggravates the situation of this category of people; a category which is most severely affected by the consequences of the transitional process (see Table 3.10).

ACTIVE LABOUR MARKET POLICIES

The State Employment Agency is a public institution tasked with increasing employment in the country. Its most important function is the provision of data on job vacancies. Nevertheless, due to the incapacity to meet the needs of job seekers, it has become more of an institution for statistical registration of the unemployed and regulation of the rights to health insurance and unemployment benefit. Thus, it is especially important for the local branches of the Employment Agency to establish close and dynamic collaboration with the local authorities and representation offices of the social partners (trade chamber, syndicates, educational institutions, non-governmental organizations), in order to begin providing services adjusted to the needs of the local communities.

The Employment Agency organizes training courses, qualification and re-qualification trainings. These courses are organized primarily for workers who have lost their jobs in the process of company restructuring for a period of no longer than three months. Due to the low labour demand, they are primarily organized for a specific employer (Table 3.11). The data show the high efficiency of investment in these courses; however, we should bear in mind that they only cover 3.91 percent of the total number of unemployed citizens in the country.

DIRECT JOB OPENING

The direct job opening is connected to the effort made by the Government to develop entrepreneurship and small businesses. In 1997 the Macedonian Government formed the 'National Agency for the Promotion of Enterprises' – NEPA whose main task was the implementation of programmes and projects supporting the development of medium and small businesses, especially on a local level. At the same time, the agency was given the task of implementing the credit line of the PHARE funds. Table 3.12 presents a summary of the effects on the employment from the implemented micro-credit line of NEPA, in the period between 10 June 1998 and 31 December 2002, while NEPA was administering the micro-credit line.

The total number of approved credits for all of the municipalities in Macedonia is 627, in total € 13,101.200, wich created 2,621 new jobs with an averige expense of € 4,998.50 per employee. The data indicate the high inefficiency in the usage of the credit line, shown by the high price of a newly opened job.

In the past, NEPA failed to achieve the expected results. Therefore, the new government (after having been elected in October 2002) promoted the 'Programme of Measures and Activities for Support of the Contractual Businesses, Competitiveness, and Development of Small and Medium Businesses'. This programme proposes the creation of a new Agency for the Promotion of Contractual Businesses, striving to coordinate and implement the domestic and foreign aid in the sector of micro-, small and medium businesses.

Is the programme still effective? One of the criteria is the extent to which it reaches the municipalities and groups most in need. Table 3.13 gives an idea based on the total value of the credits disbursed, seen

Table 3.12: Approved credits and new employments through NEPA – by selected municipalities

Municipality	No. of approved credits	Amount in Euros	No. of new employment	Average cost per employee in Euros
Urban				
Tetovo	7	147,540	17	8,679
Kumanovo	110	2,229,680	418	5,334
Prilep	9	185,975	44	4,227
Kavadarci	17	366,393	36	10,178
Kocani	18	345,082	41	8,417
Strumica	22	460,443	151	3,049
Skopje	193	4,080,000	641	6,365
Gostivar	8	160,000	22	7,273
Debar	3	68,800	4	17,200
Ohrid	52	963,500	137	7,033
Bitola	26	484,000	161	3,006
Veles	12	248,000	82	3,024
Gevgelija	13	306,000	44	6,955
Stip	30	604,000	221	2,733
Probistip	5	83,600	14	5,971
Total urban*	525	10,733,013	2,033	5,279
Rural				
Rostusa	0	0	0	0
Tearce	0	0	0	0
Cucer–Sandevo	0	0	0	0
Zajas	1	19,500	1	19,500
Dolneni	0	0	0	0
Bogdanci	2	49,000	6	8,167
Rosoman	0	0	0	0
Maked. Kamenica	3	73,700	35	2,106
Novo Selo	1	29,500	15	1,967
Total rural*	7	171,700	57	3,012
Total*	532	10,904,713	2,090	5,218

*The totals are refering to the municipality sample only
Source: NEPA

Table 3.13: NEPA crediting - adequately targeting the problems?

Municipality	Approved credits		Credits value		Ethnic composition of the municipality		Unemployment rate		
	Number	Share of all	In Euros	Share of total	Macedonians	Albanians	Total	Macedonian	Albanian
Urban									
Tetovo	7	1.3%	147,540	1.4%	28.2%	64.0%	17.1%	16.7%	16.7%
Kumanovo	110	20.7%	2,229,680	20.8%	59.6%	26.4%	26.2%	25.4%	27.6%
Prilep	9	1.7%	185,975	1.7%	93.2%	0.0%	32.8%	31.1%	28.6%
Kavadarci	17	3.2%	366,393	3.4%	92.2%	0.0%	24.9%	23.0%	n/a
Kocani	18	3.4%	345,082	3.2%	96.8%	0.0%	31.1%	31.1%	72.8%
Strumica	22	4.1%	460,443	4.3%	92.8%	0.0%	26.5%	25.8%	n/a
Skopje	193	36.3%	4,080,000	38.0%	71.2%	15.3%	16.3%	14.6%	19.9%
Gostivar	8	1.5%	160,000	1.5%	26.5%	59.0%	19.3%	27.0%	14.8%
Debar	3	0.6%	68,800	0.6%	13.9%	63.3%	29.3%	12.4%	32.4%
Ohrid	52	9.8%	963,500	9.0%	84.6%	5.4%	22.4%	21.6%	20.8%
Bitola	26	4.9%	484,000	4.5%	89.7%	2.9%	22.9%	21.7%	37.8%
Veles	12	2.3%	248,000	2.3%	81.3%	8.2%	25.0%	23.6%	18.0%
Gevgelija	13	2.4%	306,000	2.9%	96.5%	0.0%	16.2%	16.0%	35.8%
Stip	30	5.6%	604,000	5.6%	87.2%	0.0%	19.3%	17.6%	24.0%
Probistip	5	0.9%	83,600	0.8%	98.4%	0.0%	18.5%	18.5%	n/a
Total for urban	525	98.7%	10,733,013	100.0%					
Rural									
Rostusa	0	0.0%	0	0.0%	55.1%	11.7%	16.2%	18.7%	7.9%
Tearce	0	0.0%	0	0.0%	12.2%	84.4%	20.7%	25.4%	20.3%
Cucer-Sandevo	0	0.0%	0	0.0%	47.3%	22.9%	25.2%	24.1%	32.1%
Zajas	1	14.3%	19,500	11.4%	1.8%	97.4%	15.3%	16.1%	15.3%
Dolneni	0	0.0%	0	0.0%	41.8%	21.2%	39.0%	32.8%	41.1%
Bogdanci	2	28.6%	49,000	28.5%	92.9%	0.0%	17.2%	16.8%	74.0%
Rosoman	0	0.0%	0	0.0%	89.2%	0.0%	29.6%	30.6%	n/a
Mak. Kamenica	3	42.9%	73,700	42.9%	99.3%	0.0%	15.8%	15.9%	n/a
Novo Selo	1	14.3%	29,500	17.2%	99.5%	0.0%	27.2%	27.3%	n/a
Total for rural	7	100.0%	171,700	100.0%					
Total	532	100%	10,904,713	100.0%					

Source: NEPA, State Statistical Office, own calculations

through levels of unemployment (registered unemployment rates) and the ethnic composition of the municipalities. For example the municipality of Prilep, which has one of the highest unemployment rates in the group has received a relatively small amount in credit. Data also suggest that most of the resources have been distributed in municipalities dominated by ethnic Macedonians, although this is not a general rule. All this suggests that active labour market policies could be better targeted to address the most pressing concerns.

The data in Table 3.13 also reflect the complex phenomena and should not be interpreted in a simplistic and misleading way, for example, that ethnic affiliation of companies' owners is having an impact on decisions regarding credits distribution. Under-representation of municipalities with an ethnic Albanian majority in the geography of the programme most probably is an indirect evidence of the relative lower share of ethnic Albanian businesses operating in the formal sector compared to ethnic Macedonian businesses. It also may suggest the existence of broader opportunities for access to informal credit in ethnic Albanian communities. Finally, one possible reason could be the capacity to develop and submit project proposals reflecting fully the established criteria. Whatever the reason, the issue – under-representation of ethnic Albanian businesses in formal channels of subsidized credit support such as NEPA crediting – is there and its complex causes should be adequately articulated.

Other active labour market policies include projects such as Social Structure I and The Social Help Project (1996-2002). The Social Structure I project, the construction of communal infrastructure with creating new job positions in 13 municipalities, through which 2,396 citizens were employed for a determined period, was implemented with non-returnable financial aid, from the Government of Germany in the period 2001-2003.

Furthermore, The Social Help Project (1996-2002), financed by the World Bank, is of major importance for the country. The implementation unit in Macedonia was the Privatization Agency. The project measures were directed towards: advice to job seekers, work clubs, training, and public affairs/temporary employment, advice on small businesses, and business incu-

Table 3.14: Results from the activity measures in the labour market in the 'Social Help Project' (1996-2002)

Programs	Number of projects	Amount of the contract (US$)	Project participants	Newly employed participants
Work counseling	22	242,079	28,415	4,173
Training	668	5,670,630	20,130	16,572
Public affairs	73	2,032,375	2,682	250
Of MSP	28	98,120	1,519	211
MSP incubators	8	1,500,795	558	558
Development studies	14	497,081	–	–
Guarantee Fund	0	0	–	–
Total	**813**	**10,041,080**	**53,304**	**21,764**

Source: Project Implementation Unit, Privatization Agency of Macedonia

bators for small businesses, studies on local economic development and a fund for micro-credit guarantee. The results of this project are presented in Table 3.14.

Employment generation programmes, such as the Youth Employment Support Programme and Clean & Green Macedonia, supported by the United Nations Development Programme (UNDP) provided employment opportunities for the most vulnerable part of the population. Unskilled workers were recruited to work in environmental and infrastructure related small scale projects in different municipalities all over the country. Between 1999 and the end of 2003, 4,717 unemployed had access to a short-term employment of four months on average, with an investment of about 754 $ per worker. The latest changes in the labour regulation allow for the Government to initiate this type of intervention and contribute to similar schemes focused on public works.

From the perspective of the labour market policy aimed at decreasing unemployment, the following recommendations should be borne in mind in the coming period:

1. there should be co-ordination and consistency between the economic and social policies, to ensure that their joined effects will enable the promotion of productive employment;

2. the economic policy should promote economic growth, structural adjustment and creation of new employment. As labour with higher education is the major competitive edge of countries in transition, economic policies that stimulate the technological development are desirable for full exploitation of this advantage;

3. since the unemployment rates of young people are highly sensitive to the overall circumstances within the labour market, a strategy for the employment of young people will be one that is based on a balanced combination of: measures on the supply side, in terms of adequate 'equipping' of young people with knowledge applicable and adequate for the labour market, and measures on the demand side, in terms of improving the functioning of the labour market;

4. the issue of unemployment in Macedonia should become a very serious one for the educational policy makers as soon as possible. It should ensure the creation of required and qualified labour through specialized schools with adequate profiles and capacities. Then, the system of permanent education should enable high-quality re-qualifying and additional qualifying programmes, while the national education and training policy should be formulated in co-

operation with all social partners in the economy, by constant application of the principle of life-long education;

5. the labour market policy and social protection measures should be mutually consistent and complementary, in order to stimulate the unemployed to actively seek employment;

6. institutions within the labour market should develop more active approaches for assisting the unemployed in their search for employment. This should be done through improvement of the measures for employment promotion and through constant assessment of the efficiency of the labour market policies;

7. the equal treatment of and possibilities for employment of women is of particular importance and should be realized through provisions that take into account the working capacities and family obligations;

8. the labour market institutions should establish a closer co-operation with both central and local government at a sectorial level, wherever possible. They should be in constant contact with companies, chambers of commerce, trades unions, educational institutions and non-governmental institutions, to be able to conduct adequate and correct analysis of the situation within the labour market, to formulate and apply adequate measures for employment promotion.[6]

THE PENSION SYSTEM AND PENSION REFORM

Pensioners are among the most vulnerable in terms of incomes. The pension system is relatively well developed and similar to that of most traditional European pension systems. The system in Macedonia is the so-called Pay-As-You-Go system, which is based on a regime of defined pensions.[7]

As a result of the economic transition, dramatic changes have occurred as regards the ratio between the number of insured to pensioners. In 1990 this ratio was 3.6:1 whereas today it is enormously reduced and stands at 1.33:1. This situation has brought the fund to a high level of insolvency with great deficits and distortion of the dynamics of regular pension payment. At the same time the share of the pension expenditure in the GDP for the period 1993-2002 had a continuously downward trend (Graph 3.8) contributing to higher poverty vulnerability for pensioners.

In Macedonia the largest percentage of pensioners (43.9 percent) receive a monthly pension varying from 3,755 to 6,000 MKD[8], whereas only 9.4 percent receive a pension varying from MKD 12,000 to 25,769, which is

Graph 3.9: Share of pension expenditures in GDP

	1993	1995	1998	2002
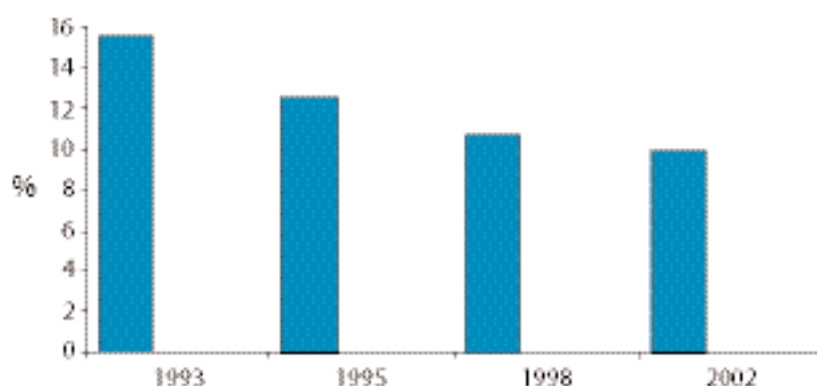
Table 3.15: Basic info on the pension insurance system, 2002

Relation between the number of insured individuals and the number of pensioners	1.33
Participation of pension expenses in the GDP	9.89%
Average pension in the Republic of Macedonia	6,955 MKD*
Number of individuals that receive	
- old-age pension	129,648
- family pension	67,259
- disability pensions	52,514

*MKD 61.5=€1
Source: Pension and Disability Insurance Fund 2003

certainly an indicator of the low level of the quality of life of the people who have ended their working life.

The number of people that received a pension according to the 2002 data is 249,421 which is 1,624 more than the year before. In 2002 the number increased by up to more than 250,000 pensioners (Table 3.16). The majority of pensioners receive pensions up to 6,000 MKD.[9] According to long-term projections, by 2070 the dependency ratio – the 'insured to pensioner' ratio – will be 1.1:1 due to the negative demographic trends. The proportion of pension expenditure in GDP is expected to reach 13 percent of the GDP[10], which puts an additional burden in terms of the economic efficiency of the system.

The 'insured to pensioner' ratio is already close to these critical levels in the municipalities of Probistip, Debar and Bitola where it stands at 0.96:1; 1.06:1;

1.10:1 respectively. The situation in Skopje, Gevgelija and Ohrid is slightly better, and in these municipalities the 'insured to pensioner' ratios are 1.50:1; 1.62:1; 1.39:1 respectively. In terms of the percentage of the proportion of pensioners in the total population, the situation is substantially different in different municipalities (Table 3.17). The most critical is the situation in Gevgelija (26.40 percent), Strumica (23.22 percent), Berovo (22.69 percent), Makedonski Brod (22.64 percent), Tetovo (21.99 percent) and Bitola (20.94 percent); these are urban municipalities whereas the proportion of pensioners in the total population in the rural municipalities is considerably lower and is some five percent on average.

Obviously, the pension system is facing some major challenges. The insolvency, the enormous deficits and the distorted dynamics in the payment of

Box 3.2: Retirement options in Macedonia

The workers may retire on the basis of the years of service (for men – 40 years of service, for women – 36 years of service) or on the basis of their age. If the worker does not have the full length of service, then for each year missing from the full length of service, 1.8 percent of his/her pension is deducted. On the basis of age, on the other hand, men retire at 64 (with a minimum of 15 years of service) whereas women retire at 60 (with a minimum of 15 years of service). There is a tendency for this age limit to go up until 62 years of age has been reached. This is done by increasing the age limit each year by half a year. So in four years the age limit should reach 62.

pensions impose the need for a reform of the pension system, which is already under way.

The new pension system will be a multi-level pension system comprising three pillars:

1. compulsory pension and disability insurance based on solidarity between generations (first pillar);
2. compulsory capital-financed pension insurance (second pillar);
3. voluntary capital-financed pension insurance (third pillar).

The first pillar is actually the current reformed system organized according to the principle of current financing (pay-as-you-go). The contribution rate will be 13 percent of the total 20 percent of the gross salary. It will provide defined pensions according to a previously determined formula, providing a replacement rate of 30 percent for a full period of service; the rest of the pension will be provided from the second pillar. This pillar will insure the realization of the pension and disability insurance rights in cases of old age, disability and death.

The second pillar takes up the implementation of a new system of defined contributions financed in advance. This insurance will provide the right to old age pension insurance. In other words, it provides for a payment of an old-age pension. This system ensures a close link and correlation between the volume of deposited funds-contributions and future market law based pension payments which will be provided to each individual. This method of insurance is based upon the principle of collecting funds through contribution payments to personal accounts, which are further invested so that the earnings minus operating expenses are transferred to these personal accounts. The funds set aside for this system will be seven percent of the gross salary and will be paid by the employer on behalf of their employees.

The third pillar is based on voluntary capital-financed pension insurance, directly dependent on the individual's wish to additionally finance his/her pension insurance (above 20 percent of the gross salary) or to provide pension payments for individuals who do not fall under the previously mentioned pillars.

Table 3.16: Pension beneficiaries by pension volume

Amounts	Number of pensioners	Proportion of total
Up to MKD 3,755	20,611	8.2
3,755 – 6,000	110,369	43.9
6,000 – 9,000	66,655	26.5
9,000 – 12,000	30,234	12.0
12,000 – 15,000	13,737	5.5
15,000 – 18,000	4,670	1.9
18,000 – 25,769	5,008	2.0
Total	**251,284**	**100.0**

Source: Pension and Disability Insurance Fund 2003

Table 3.17: Number of pension users in the different municipalities

Municipality	Pensions				Pensioners in the total population (%)
	old age	disability	family	total	
Berovo	1,608	695	915	3,218	22.69
Bitola	10,501	2428	5,117	18,046	20.94
Bogdanci	759	169	396	1,324	14.88
Makedonski Brod	486	334	429	1,249	22.64
Valandovo	768	229	449	1,446	11.95
Vinica	821	463	625	1,909	11.19
Gevgelija	2,967	730	1,448	5,145	26.40
Gostivar	2,650	1,832	2,548	7,030	15.37
Debar	924	354	783	2,061	11.72
Delcevo	1,397	1,245	866	3,508	19.79
Demir Hisar	889	199	588	1,676	22.00
Dolneni	215	35	111	361	3.10
Kavadarci	2,622	1,462	1,643	5,727	15.40
Kicevo	2,077	902	1,537	4,516	16.39
Kocani	2,769	1,416	1,834	6,019	18.78
Kratovo	589	499	521	1,609	14.76
Kriva Palanka	1,033	1,281	1,129	3,443	16.56
Krusevo	893	215	403	1,511	15.38
Kumanovo	6,617	2,978	3,893	13,488	14.26
Makedonska Kamenica	452	293	270	1,015	12.57
Negotino	1,637	465	802	2,904	15.83
Novo Selo	379	70	244	693	5.77
Ohrid	4,900	1,808	2,635	9,343	17.72
Prilep	7,258	2,123	3,823	13,204	18.36
Probistip	1,169	603	785	2,557	19.72
Radovis	1,669	669	911	3,249	14.04
Resen	1,591	394	880	2,865	16.20
Rosoman	181	122	158	461	10.90
Rostusa	66	97	164	327	3.22
Sveti Nikole	1,618	734	794	3,146	16.98
Skopje	45,289	15,236	19,141	79,566	17.93
Struga	2,291	1,742	1,863	5,896	16.60
Strumica	5,785	1,285	3,118	10,188	23.22
Tearce	616	338	412	1,366	6.66
Tetovo	6,591	3,948	3,823	14,362	21.99
Veles	4,806	3,036	2,342	10,184	17.94
Zajs	92	52	113	257	2.72
Stip	5,119	1,882	1,561	8,562	18.46

Source: Pension and Disability Insurance Fund, 2003

It is expected that these reforms will produce a risk diversification of the pension system, both in terms of demographic pressure and in terms of economic security of the pension system, as well as to provide a reduction in budget expenditure, necessary for covering the pension fund deficits. The general view is that this will generate a considerable quantity of funds for capital investments, which in the end will be directly reflected in the quality of life of the individuals that have completed their years of service.

1. Ravallion, 2001.
2. National Human Development Report (1998), Ministry of Development and UNDP, p 58.
3. see Jovanovic and Milanovic, 1999.
4. The activity and employment statistics in Macedonia are based on ILO (International Labour Office) methodology. The same applies for 2002 census as well. 'Economically active population' (or 'Labour force') is defined as a population of 15+ (the maximum age is not specified) who are performing an occupation (employed) plus those in the same age range who are not (unemployed). 'Non-active' are those who are neither employed nor unemployed (i.e. people in education, women on maternity leave, discouraged workers, pensioners – those who are of working age but are not seeking employment). For more detailed methodological explanation see methodological notes preceding each thematic annex.
5. The estimate is based on four member households.
6. Opinion poll conducted for the National Human Development Report 2001, UNDP.
7. Share of new employments in the total number of people that have successfully completed the course.
8. Macedonian National Observatory (2002): Report of the National Observatory, Ministry of Education and Science, Skopje.
9. The funds for the realization of the individuals rights to pension and invalid insurance are provided by the employers and all insured individuals (according to the law). The contribution rate is 20 percent of the gross salary.
10. From 61 to 97.6 EUR.
11. This is about 98 EUR. The average pension in EU 15 amounts to 2,627.40 EUR.
12. Data from the Pension and Disability Insurance Fund.

The social sector and the challenges of decentralization

One of the major assumptions of the human development concept – that development is not just about economic growth – is the reason why education and health deserve particular attention in the process of transition. Examples from many countries outline the real danger of deterioration in this area as market reforms progress. This is the inevitable short-term outcome of tighter monetary policies and hard budgetary constraints. Hence the human development challenge in this area is how to use the momentum of high levels of education and health, traditionally inherited after the socialist period, in order to reform the social sector so that it corresponds to this new economic reality. These challenges are particularly important in a decentralized framework.

EDUCATION

As one of the basic factors of human development, education has crucial influence on:

* the improvement of human capital;
* the struggle against unemployment;
* lowering poverty;
* increasing the level of social cohesion; and
* the elimination of possibilities of social ostracism and discrimination.

The educational system in Macedonia is divided into four main segments: pre-school care and education – six months to seven years of age; primary education – which lasts up to eight years; secondary education – which lasts from three to fours years; and higher, i.e. university education – which can last from two to six years. The Macedonian Constitution guarantees the right to free primary and secondary education. Higher education though partially financed by the state, requires university students to also participate in its funding.

ENROLMENT, ATTAINMENT AND INEQUALITIES

Pre-school education. Out of about 137,599 children in Macedonia aged between six months and five years, only 17,827 or 12.9 percent are involved in some sort of pre-school education.[1] Inclusion of children at the age of six in a pre-school year prior to entrance in primary education amounts to 66.2 percent, but still remains relatively low. Children not included in pre-school education tend to have learning deficiencies in the first primary grades. This is one of the reasons why there is a debate about the need to include children in pre-school education through the introduction of a so-called 'zero year'. The absolute number of chil-

Table 4.1: Pre-school education by language (2002)

Groups* of children in pre-school education (6 month – 6 years)		
Total	1,981	100%
Macedonian language	1,689	85.3%
Albanian language	266	13.4%
Turkish language	18	0.9%
Others	8	0.4%

* The average number of children per group is 18.
Source: State Statistical Office.

dren included in pre-school education has decreased over the last few years. This is due to the lower birth rate of the population over the past decade, as well as due to the migration of entire families, who over a period of time have been moving abroad because of the poor and unstable situation in the country.

Table 4.2: Gross and net primary enrolment rate 2002

Municipality	Total population		Male		Female	
	Gross primary enrolment rate *	Net primary enrolment rate **	Gross male primary enrolment rate	Net male primary enrolment rate	Gross female primary enrolment rate	Net female primary enrolment rate
Macedonia	95.3	92.5	95.6	92.7	95.1	92.4
Tetovo	99.0	97.0	98.9	96.8	99.1	97.2
Kumanovo	96.0	95.6	96.6	96.3	95.3	94.9
Prilep	96.7	94.2	96.7	94.3	96.6	94.1
Kocani	93.5	92.0	94.7	93.1	92.2	90.9
Kavadarci	98.7	96.0	97.9	95.4	99.6	96.6
Strumica	99.9	93.5	99.7	93.3	100.2	93.7
Skopje	101.9	97.7	102.5	98.3	101.3	97.1
Gostivar	104.2	99.7	104.3	98.0	104.0	101.5
Debar	96.8	93.9	94.4	91.8	99.3	96.2
Ohrid	99.5	96.6	98.6	96.2	100.4	97.0
Bitola	97.3	94.3	98.4	95.0	96.2	93.7
Veles	97.0	93.5	98.9	95.1	94.9	91.8
Gevgelija	96.0	92.4	95.5	92.2	96.5	92.7
Stip	93.7	90.2	94.6	90.8	92.7	89.6
Probistip	100.0	98.6	98.7	97.0	101.3	100.1
Rostusa	98.3	98.3	99.9	99.9	96.5	96.5
Tearce	86.6	84.8	85.4	83.8	87.9	85.9
Cucer-Sandevo	91.6	89.9	95.2	93.6	87.9	86.1
Zajas	76.2	75.5	75.6	75.0	76.8	76.1
Dolneni	105.2	101.2	107.4	103.8	102.5	98.1
Bogdanci	102.8	98.3	102.6	98.0	102.9	98.7
Rosoman	98.1	96.7	100.0	97.6	96.2	95.8
Makedonska Kamenica	101.6	100.2	99.4	98.2	103.9	102.3
Novo Selo	90.3	84.9	89.6	84.6	91.1	85.3

Source: State Statistical Office, calculations based on Census 2002 data and Education Statistics

Note: *Number of pupils enroled in the given level of education, regardless of age, expressed as a percentage of the population in the relevant official age-group. The ratio may exceed 100 if the actual age distribution of pupils extends beyond the official school ages or if children from one municipality are enroled in schools located in another municipality.

**Number of pupils in the official age-group for a given level of education enroled in that level expressed as a percentage of the total population in that age-group. It can be still higher than 100 percent if children from one municipality are enrolled in schools located in another municipality.

Elementary education. The net enrolment rate of children in elementary education in Macedonia is about 92.5 percent in spite of the difficult social and economic situation of a large number of families. As a result of the improved network of elementary schools in the country, as well as of the additional investments in providing free transport to elementary schools for children who live in rural areas, at distances greater than 5 km away from the schools, primary enrolment was increasing in the last decade.

Secondary education. Macedonia lags behind south-eastern European countries in terms of the inclusion of children in secondary education. Although the number of students at the secondary level has been on the increase in recent years, the low enrolment rates in secondary schools signal a series of significant inequalities between ethnic groups, sexes, regions, and urban and rural areas. Ethnic-based disparities are particularly evident as regards gender.

Thus, ethnic Macedonian girls are included in an equal proportion to ethnic Macedonian boys, but this is not the case for girls from other ethnic groups. Ethnic Albanian, Turkish or Roma girls are equally included in elementary education, but their participation is far from the rate required at the secondary level. Apart from the cultural patterns this could be also related to economic reasons – the structure of employment opportunities may encourage girls to enter the labour force earlier than boys, who could have more difficulties in finding employment, particularly in rural areas. Similar socio-economic reasons determine the high drop-out rate in Macedonia, which is also highly uneven territorially as well as by ethnic group.

While the proportion of ethnic Albanians in regular primary and lower secondary schools is about 30 percent, their share in regular upper secondary education is only about 16 percent. The most dramatic decrease can be observed with Roma children, whose share in the primary and lower secondary school is about 3.3 percent, whereas in upper secondary school it is only 0.5 percent.

Table 4.3: Students in regular upper secondary education by year of study and sex (school year 2002/03)

Year of study	Total	Female	Share of female
Total	95,352	45,823	48.1%
First	27,012	12,288	45.5%
Second	24,535	11,719	47.8%
Third	23,856	11,396	47.8%
Fourth	19,949	10,420	52.2%

Source: State Statistical Office, Education Statistics

Table 4.4: Proportion of ethnic groups of students at different educational levels

School year	Macedonians	Albanians	Turks	Roma
Regular primary and lower secondary schools				
1999/2000	58.0%	30.7%	4.3%	3.1%
2000/2001	57.6%	30.9%	4.2%	3.2%
2001/2002	57.4%	31.7%	4.2%	3.2%
Regular upper secondary schools				
1999/2000	77.8%	16.5%	1.7%	0.5%
2000/2001	76.9%	17.3%	1.8%	0.5%
2001/2002	75.8%	18.1%	1.9%	0.6%

Source: State Statistical Office.

Over 55 percent of youngsters who have turned 18 are out of the formal education system of Macedonia (25 percent in EU average, 5 percent in Sweden, 11 percent in Finland.). The drop-out rates are comparable though to neighbouring countries: in Bulgaria, this percentage moves around 50 percent; in Albania it is 76 percent; while it is highest in Turkey, where it amounts to approximately 84 percent. The high drop-out rates and incomplete education is among the major barriers to sustainable employment opportunities.

EDUCATION AT LOCAL LEVEL

Rural-urban disparities. Educational services are not provided equally in urban and rural areas. While there is a well-developed network of primary and secondary schools in the surveyed urban municipalities, this is not the case in rural ones. Thus, schools with classes up to fourth grade exist solely in villages gravitating towards the centres of rural municipalities; schools offering first to eighth grade education are found in rural municipal centres; one of the problems is the lack of organized transport, making many of the pupils from rural areas walk for several kilometres in order to get to their schools. Furthermore, due to the lack of funds, the existing rural schools are often in a state of dilapidation.

The situation is similar with regard to secondary schools, which are not adequately distributed in rural municipalities. Thus, a public opinion poll[2] shows that 58 percent of inhabitants of valley villages and 87 percent of mountain villagers think that the number of secondary schools in their areas is too small. Of course, the number of educational establishments should not be based on subjective attitudes, but still, the results reveal a certain amount of dissatisfaction with the existing level of access to education. The question on the perceived efforts of the state in the educational area reveals similar concerns. More than 60 percent of citizens in urban municipalities, valley and mountain villages think that the state is not making sufficient and adequate efforts to create equal conditions for education.

Access to school facilities is a necessary precondition for good education. Table 4.3 gives an idea of the basic indicators for elementary and high-school education in the sampled municipalities. Despite the fact that the teacher to student ratio has been stable over the past ten years, this ratio differs significantly between municipalities, both in the case of elementary – the teacher to student ratio is about 1:22; and secondary education where the ratio is about 1:17. As an illustration, the teacher to student ratio in Kumanovo and Strumica is about 1:20, while in Stip and Gostivar it is around 1:13. One would not expect to see a similar quality of education in areas where the number of students per teacher is very high. This situation brings up numerous issues to be discussed within the education decentralization agenda. For instance, what are the mechanisms to be incorporated into the decentralization process in order to ensure high-quality education for all the citizens of Macedonia?

Gender and ethnic aspects. Table 4.2 shows enrolment rates for boys and girls in the primary education. Differences are not substantial at this level; in some municipalities the female enrolment rate is even higher than the male. These differences however most probably tend to increase for secondary and tertiary levels. Table 4.3, showing the share of female students in secondary education by year of study, suggests this is the case; the average share of female students for this educational level for all years of study is almost four percent lower than the share of men with the difference reaching almost nine percent for the first year of study. The dynamics here are even more important: women dominate the fourth year of study with their share progressively decreasing towards the first. One possible hypothesis is that from year to year the share of girls attending secondary educational level is decreasing, which could be an alarming signal in the

long run. In order to prove or reject it, however, longer-term surveys are necessary. Another possible explanation is that the higher the educational level, the higher the probability that men seeking employment would quit education. When there is high unemployment, particularly affecting women, continuing education could be an acceptable alternative, especially if the opportunity cost of such alternatives is low. Data summarized in Table 4.7 – attendance in tertiary education and tertiary level graduates – support that hypothesis.

Seen from aggregated (national level) perspective, the relationship between gender and ethnicity in education is even more prominent. As the data in Table 4.8 show, women are under-represented among students of all age groups at the primary and lower secondary educational levels. For the upper secondary levels only among ethnic Macedonian female students reach, and slightly exceed 50 percent of the student body. The lowest is girls' attendance among the Roma. Early marriages and involvement in household economics,

Table 4.5: Basic indicators in the education sector (school year 2001/02)

Municipality	Primary schools	Secondary schools	Enroled students	
			Primary education	Secondary education
Urban				
Tetovo	13	6	10,276	9,312
Kumanovo	30	4	13,771	3,825
Prilep	17	5	7,935	4,365
Kocani	9	2	3,552	2,274
Kavadarci	13	3	4,093	2,235
Strumica	13	3	5,299	3,660
Skopje	77	27	52,401	28,434
Gostivar	10	4	6,292	3,742
Debar	7	1	2,875	745
Ohrid	16	3	6,083	3,323
Bitola	26	7	8,887	6,259
Veles	23	4	6,643	3,193
Gevgelija	7	1	1,960	1,308
Stip	13	5	5,013	3,757
Probistip	7	1	1,434	873
Rural				
Rostusa	11	1	1,741	117
Tearce	8	–	3,253	–
Cucer-Sandevo	5	–	759	–
Zajas	12	–	1,558	–
Dolneni	20	–	1,488	–
Bogdanci	4	1	969	306
Rosoman	7	–	419	–
Maked. Kamenica	8	1	1,051	309
Novo Selo	13	–	1,268	–

Source: State Statistical Office.

Table 4.6: Basic indicators for primary and secondary education in selected municipalities, school year 2002/2003

Municipality	Primary education				Secondary education			
	School-age population	No. of students	No. of teachers	Teacher to students ratio	School-age population	No. of students	No. of teachers	Teacher to students ratio
Skopje	55,457	51,709	2,596	19.92	27,432	2,7871	1,705	16.34
Tetovo	11,325	10,126	453	22.35	5,096	9,137	552	16.55
Kumanovo	14,661	12,758	641	19.90	6,814	5,105	265	19.26
Prilep	8,816	7,896	354	22.31	4,361	4,255	251	16.95
Kavadarci	4,550	4,083	224	18.23	2,458	2,201	124	17.75
Strumica	5,675	5,286	282	18.74	2,971	3,542	181	19.57
Kocani	4,086	4,296	212	20.26	2,064	2,220	118	18.81
Gostivar	8,212	7,675	369	20.8	3,670	3,625	292	12.41
Debar	3,162	3,056	163	18.75	1,406	716	42	17.05
Ohrid	6,636	6,080	318	19.12	3,396	3,276	173	18.94
Bitola	9,713	8,884	465	19.11	5,356	6,182	382	16.18
Veles	7,244	6,680	340	19.65	3,742	3,122	176	17.74
Gevgelija	2,211	1,958	93	21.05	1,269	1,288	89	14.47
Stip	5,698	4,981	249	20	3,114	3,692	276	13.38
Probistip	1,487	1,430	80	17.88	878	859	57	15.07
Rostusa	1,793	1,704	108	15.78	798	116	19	6.11
Tearce	3,825	3,072	185	16.61	1,798	0	0	–
Cucer Sandevo	1,198	750	56	13.39	565	0	0	–
Zajas	2,228	1,398	112	12.48	881	0	0	–
Dolneni	1,582	1,333	113	11.8	696	0	0	–
Bogdanci	1,002	2,352	125	18.82	580	300	28	10.71
Rosoman	481	419	30	13.97	215	0	0	–
Makedonska Kamenica	1,092	1,040	61	17.05	539	306	26	11.77
Novo Selo	1,464	1,253	89	14.08	654	0	0	–

Source: State Statistical Office.

Table 4.7: Tertiary level attendance and graduates

	Number			Proportion	
	Total	*Men*	*Women*	*Men*	*Women*
Students attending 2001/02	44,553	19,941	24,612	44.8%	55.2%
Students attending 2002/03	45,468	19,918	25,550	43.8%	56.2%
Students graduated in 2002	3,601	1,374	2,227	38.2%	61.8%

Source: State Statistical Office, Education Statistics.

Table 4.8: Students at different educational levels by ethnic affiliation and gender

School year	Total		Macedonians		Albanians		Turks		Roma	
	Total	*Proportion of girls*	*Total*	*Proportion of girls*	*Total*	*Proportion of girls*	*Total*	*Proportion of girls*	*Total*	*Proportion of girls*
Regular primary and lower secondary schools										
1999/2000	252,212	48.3%	146,558	48.6%	77,442	48.1%	10,760	47.5%	7,757	46.3%
2000/2001	246,490	48.4%	142,116	48.6%	76,225	48.3%	10,453	47.1%	7,970	48.1%
2001/2002	242,707	48.5%	139,267	48.7%	76,891	48.7%	10,220	47.1%	7,868	47.5%
Regular upper secondary schools										
1999/2000	89,775	48.6%	69,844	51.0%	14,823	41.1%	1,545	36.8%	447	39.8%
2000/2001	90,990	48.7%	69,991	50.8%	15,718	42.1%	1,665	38.0%	499	43.3%
2001/2002	92,068	48.9%	69,783	50.7%	16,691	43.8%	1,785	42.3%	569	37.4%

Source: State Statistical Office.

including upbringing smaller children in the family could be one reason for that.[3]

TEACHING IN THE 'MOTHER-TONGUE'

Another problem related to urban/rural inequity is the difference of quality, which might exist between educations in different languages of instruction.

Teaching in the mother-tongue is generally recognized as a good approach for the inclusion of minorities in the educational system, particularly ethnic ones. Seen from an educational perspective however minority language as language of instruction can have its challenges. While it makes children's contact with the educational process easier, minority-language teaching also carries a risk of enclosure of the ethnic minority within its own cultural codes and values if perceived as an alternative to proficiency in the majority language.

This is why if it is to be indeed beneficial for the children, teaching in the minority language should be an intrinsic part of a system of bilingual education. This assures that the minority ethnic group can pursue options for education that allows it to protect its cultural heritage, while preparing it to participate in the broader society in a meaningful and productive way. Minority-language teaching therefore cannot be an alternative but should be complementary to majority-language proficiency, providing children from minorities with the additional opportunity of learning another language and obtaining the key to another culture. Only then will children have both the opportunity to retain and develop their identity, so as not to lose the opportunity for integration in the mainstream society. As the experience of many countries worldwide shows, bilingual education is the winning approach (see Box 4.2). The same also applies for speakers of the majority-language.

Hence, when poor access to educational services overlaps with the lack of qualified teachers in some

Box 4.2: Bilingual education benefiting ethnic minorities

Low educational attainment continues to be a major source of exclusion for immigrants, ethnic groups and indigenous people. In such cases offering bilingual education not only recognizes their cultural traditions but it can also enhance learning and reduce educational disparities – widening people's choices.

Children learn best when they are taught in their native language, particularly in the earliest years. Experience in many countries shows that bilingual education, which combines instruction in the native language with teaching in the dominant national language, can open educational and other opportunities. In the Philippines students proficient in the two languages of the bilingual education policy (Tagalog and English) outperformed students who did not speak Tagalog at home. Similarly, in Canada students from the English-speaking majority in bilingual immersion programmes outperform peers in traditional programmes of learning in the second language (French). In the United States Navajo students instructed throughout their primary school years in their first language (Navajo) as well as their second language (English) outperformed their Navajo-speaking peers educated only in English. In Latin America bilingualism is an established strategy for reducing the educational exclusion of indigenous children, who have the worst education indicators. Studies in Bolivia, Brazil, Guatemala, Mexico, Paraguay and Peru show that providing instruction to minority groups in their own language and using teachers from the same group is highly effective. Bilingual education leads to much less repetition, lower dropout rates and higher educational attainment among indigenous children. In Guatemala the Q'eqchi' communities, which had fewer bilingual education opportunities than three other indigenous groups surveyed, had a much higher drop out and repetition rates.

Studies in Africa find the same results, with bilingual schools more effective than traditional schools. Studies of bilingual education in Mali, Niger, Nigeria and Zambia find that it ensures continuity among families, communities and schools, strengthening interactions among them. It stimulates the production of school and cultural materials in the second language, broadening the body of knowledge and facilitating learners' integration into social and cultural life. It encourages a blending of cultures, since it enhances the standing of both languages and the cultures they convey. Monolingual schools, whether in a Western or an African language, perform much less well.

A comparison between the internal output and costs of traditional and bilingual schools in Burkina Faso prove the same point: the chance of success in obtaining the primary education certificate is 72 percent in bilingual school – and only 14 persent in a traditional one. The normal duration of the cycle is respectively four and six school years. The annual production cost per student is 77,447 CFA francs in the bilingual school as opposed to – 104,962 CFA francs in the traditional one.

Box based on the Human Development Report 2004: Expanding Cultural Freedoms in a Diverse World, Oxford University Press, 2004.

subjects or languages of instruction in rural municipalities it inevitably has an adverse impact on human capital improvements as well as on the economic potentials of these municipalities.

Teaching in the mother-tongue however is not just a matter of political will; qualified staff able to teach in the respective language is a necessary precondition. The data summarized in Table 4.9 suggest to what extent this option is feasible for different ethnic groups. It seems difficult, but still feasible, for teaching in Albanian, extremely difficult in Turkish and virtually impossible in Romani, because the teacher to student ratio is so high. Finally, given the high correlation between ethnic minorities and rural population distribution and the crucial role of education from the human development perspective, the lower educational opportunities for ethnic groups could lead in the long run to broadening the gap between rural and urban areas in human development terms.

VOCATIONAL EDUCATION AND LOCAL LABOUR MARKET NEEDS

Another important issue to be taken into account at the local level of education is the vocational education and training. Decisions on the centralized level had considerably negative effects upon the labour market situation. Over the years, the curriculum for vocational education has not been changed and was tied to factories that have vanished in the course of the past ten years, producing unemployed specialists in fields that are no longer needed. An example of such a situation is the municipality of Kocani (see Box 4.3).

The reason for the lack of correlation between the type of vocational education and training provided and the needs of the labour market lies in the fact that centralized decisions on curricula and syllabi do not take into account the local areas' own specifics, which can fundamentally differ from the overall features of the country. Furthermore, from the perspective of a centralized government the enrolment policy might be motivated by concerns of provision for existing personnel rather than driven by the demand of the labour market, i.e. programmes are designed in accordance with the type of specializations for which teachers have been hired many years ago, without taking into consideration the situation of the local labour market.

In 2001/02 61 percent of the total number of students enroled in secondary education were

Table 4.9: Teacher to student ratios in different educational levels by ethnic affiliation of students and teachers

School year	Total		Macedonians		Albanians		Turks		Roma	
	Teachers	Teacher (1) to student ratio	Teachers	Teacher (1) to student ratio	Teachers	Teacher (1) to student ratio	Teachers	Teacher (1) to student ratio	Teachers	Teacher (1) to student ratio
Regular primary and lower secondary schools										
1999/2000	14,430	17.5	9,842	14.9	3,879	20.0	335	32.1	17	456.3
2000/01	13,937	17.7	9,545	14.9	3,748	20.3	327	32.0	15	531.3
2001/02	14,112	17.2	9,576	14.5	3,905	19.7	343	29.8	15	524.5
Regular upper secondary schools										
1999/2000	5,798	15.5	4,725	14.8	796	18.6	82	18.8	2	223.5
2000/01	5,685	16.0	4,619	15.2	813	19.3	90	18.5	2	249.5
2001/02	5,765	16.0	4,652	15.0	844	19.8	112	15.9	2	284.5

enroled in vocational schools.[4] Even if the tendency is towards enrolment in general secondary schools, this fact underlines the importance of the question of adjusting education in vocational schools to the requirements of the labour market and of how to address the challenge of local needs-based planning and state funding.

DECENTRALIZATION OF EDUCATION – A BASIC PRECONDITION FOR LOCAL HUMAN DEVELOPMENT

Under the current circumstances, municipalities in Macedonia do not play an important role in the management of the educational process. In accordance with the existing law, their rights are limited to appointing members of their own school councils and investing in the school infrastructure.

The Law on Local Self-Government (2002) states that in the field of education, municipalities will be competent for the establishment, finances and administration of elementary and secondary schools, in cooperation with the central government and in compliance with the law; organizing transport for students and their accommodation in dormitories.

Box 4.3: Vocational training – centralized or decentralized approach?

In 2000 Kocani had a total of 8,072 registered unemployed, out of which 7,751 had secondary education at the most. 62.85 percent were unqualified workers, a group that includes people with possibly elementary education, i.e. with low qualifications and people with general secondary education diplomas. The remainder, about 31 percent, were unemployed with specialized education, with the largest number being mechanics and machinists (796 individuals) and financial workers and economists (528 individuals). 528 of the unemployed recorded under this specialization had secondary education.

In the municipality of Kocani, the state is financing two specialized schools, one in economics and the other one in the electrical and machinery field. Official data indicate that the trend of increase of the number of students enroled in the stated specializations continues. Having in mind that the number of employed with specialization in machinery has been close to zero in Kocani over recent years, it is evident that the central planning of human resources does not correspond to the actual situation and needs in the municipality; a decentralized approach should be more adequate to meet the needs of the local labour market.

In general, the provision of decentralized education promises to be more efficient, better reflecting local priorities, encouraging participation, and eventually improving coverage and quality. The decentralization should be seen as a process to enable the gradual delegation of functions, responsibilities and powers of the central government, i.e. of the Ministry of Education and Science, to the local authorities, including the schools and other educational institutions. At the same time, the unitary framework of the educational system should remain under the responsibility of central authorities, i.e. under the responsibility of the Ministry of Education and Science and the two national agencies.[5]

It is necessary to differentiate between the role of the state and that of municipalities in decentralized education. Box 4.4 shows how competencies in education can be meaningfully spread between central and local authorities.

Experience in different countries suggests that tertiary education, and specific functions such as curriculum design and setting of standards are best retained at the central level; secondary and primary education should be devolved as far as possible. Control and evaluation of schools should be as decentralized as possible. Schools should be allowed to raise and to control the local finances for educational purposes. This needs to be accompanied by a regulative frame-work to assist the schools in becoming more autonomous, both in terms of their ability to generate income and their need to respond to the local labour market and companies; this can be achieved thorough participation in school councils and management committees.

Decentralization of education services would be incomplete with pre-school education remaining under a centralized competence, since municipalities should be encouraged to develop integrated strategies for the overall development of their youth. Pre-school services have still to be further developed in Macedonia; decentralizing them would allow for more cost-efficient and adapted solutions.

Decentralization of the decision-making process down to the school level and encouragement of school planning and improvement of school culture require effective support in the transition process and the development of the effective and independent means of evaluating the results of the educational process. Adequate financing mechanisms are necessary and they have to take into account the dynamic development of needs in the educational sector. Rural-urban migration for example can increase the pressure on the urban educational infrastructure. If the existing capacities are not sufficient to absorb additional needs, conflicts might occur and even be expressed along ethnic lines.

Educational opportunities and quality of education often depend not so much on the amount of money spent but on the way it is spent.

The greatest proportion of the school budget (almost 80 percent) is spent on salaries; the biggest part of which goes to the teachers. Teacher salaries are exceptionally low and there is no mechanism of reward and stimulation for innovative solutions in the teaching process; this situation has a direct impact on the motivation of teachers on improving the quality of education.

The current method of financing and budgeting for the education system does not encourage any initiative for improving the infrastructure. Schools are separate legal entities and therefore, they manage their own budgets.

The funds approved for each school are defined by using a formula in which the number of students takes precedence, as do infrastructural solutions in the schools. With this system it might happen that headteachers' initiatives for cost cutting by introducing infrastructural projects to increase the efficiency, may result in lowering next year's funds for the school in question. Thus, schools' possibilities for securing addition-

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Box 4.4: Different level prerogatives

Central level:
* determines what level of education exist (primary, secondary, higher, then general and vocational, etc.);
* defines the conditions to be met for founding a school;
* prescribes the level of education of teachers and other staff at schools;
* makes decisions on curricula and syllabi and their core content at primary and, in certain cases, secondary schools;
* defines the evaluation system;
* manages and finances the higher state funded education;
* inspects implementation of regulations enacted by itself, etc.

Local authorities
* determine the location (spot) for a school to be constructed;
* appoint principals of primary or secondary schools (if the latter are not private);
* fund the school operations;
* control school operations, etc.

Box based on S. Haggroth, K. Kronal, C. Riberdhal & K. Rudebeck: Swedish Local Government, Svenska Institutet, Stockholm, pp. 115-124

al financial means are reduced.

Successful decentralization of education means also improving the capacities and human resources on the central level, in the Ministry of Education and Sciences and the relevant national agencies – the Bureau for the Development of Education and the State Education Inspectorate. An important factor of decentralization of education is the participation of the wider community; parents, teachers and students. Local participation in school management improves accountability and responsiveness, and can foster resource mobilization.

HEALTH CARE[39]

Health is a critical component of sustainable human development. It is an important part of people's physical, mental and social well being, and at the same time it has a long-term impact on social and economic development.

Health care in Macedonia is provided through an extensive net of health care organizations. It is organized on three levels: primary, secondary and tertiary (see Box 4.5.).

While the coverage of the country with health care organizations is quite extensive, it is also characterized by overprovision, inefficiency, and duplication of services, capacities and equipment, due to the legacy of a highly decentralized Yugoslavian system, whereby health services were managed and commissioned by municipalities in the absence of central coordination and planning.

Relatively high accessibility, a large number of well-educated and trained health care workers, well-developed fund raising mechanisms with low administrative costs, system stability and a well-developed network of organizations for preventive and primary health protection are the advantages of a health care system that at the same time suffers from hyper-pro-

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Box 4.5: The Macedonian health care system and its services

Primary health care is provided in health care stations (6), health care centres (18), medical centres (16) and outpatient clinics (9). It is delivered through the following health care services: general medicine (456 stations), occupational health (78 stations), health care of children at the age of 0-6 years (70 stations), health care of school children and young people (71 station), health care of women (50 stations) and dental care (328 stations).

Secondary health care comprises: specialist and consultative care, hospital care, specialized hospital care and other specialized forms of health care. Secondary care is provided through 16 general hospitals, ten health care institutes, seven treatment and rehabilitation centres, two special hospitals for treatment of pulmonary disease and tuberculosis, two special hospitals for mental disorders, and two other special hospitals.

The tertiary (and highest) level of health care represents the highest level of health care which is provided through: specialist, consultative and sub-specialist services offered by clinics and institutes, hospital service of the clinics and institutes, special hospitals and the Medical Rehabilitation Institutes. Tertiary health care is organized into 19 clinics and institutes within the Skopje clinical centre, one clinic specialized in surgery, seven dental clinics, one rehabilitation institute, 15 institutes within the Medical Faculty in Skopje, four specialist hospitals and the National Health Protection Institute.

Special organizational and functional entities within the health care system are the health protection institutes (ten on a secondary level throughout the country and the National Health Protection Institute as a highly specialized preventive health care organization on a tertiary level). All of these provide specialized preventive health care in the domain of hygiene maintenance and environmental protection, epidemiology, microbiology and social medicine.

Within the health care system gradually private sector provision is emerging. According to the data provided by the Ministry of Health, the total number of private health care facilities in 2001 was 1,458, of which 590 were surgeries (92.7 percent urban), 428 dental clinics (94.4 percent urban) and 386 pharmacies (96.9 percent urban). In 2001 this sector employed a total of 1,386 persons, of which 594 physicians, 428 dentists and 364 pharmacists.

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duction of personnel, over-employment in hospitals, under-utilization of personnel, obsolete equipment, lack of medicines, and a general focus on hospital health protection, instead of primary and preventive protection. Insufficient continuous medical education and of incentives for better quality services due to low level of wages as well as the lack of well-trained managers are additional weaknesses of the existing system.

HEALTH CARE AND QUALITY OF LIFE OF THE POPULATION

Key health indicators have been rising during the last few years and thus show a rather positive picture. In 2001 Macedonian citizens had an average life expectancy of 73 years. Life expectancy in women is slightly higher at 76.21 years, whilst in men it stands at 70.68 years. The infant mortality rate has been reduced significantly over the past several years from 16.3 per thousand in 1998 to 11.9 per thousand in 2001 (12.3 in urban areas and 11.3 in rural areas[6]) and to 10.2 in 2002.

Table 4.10: Average life expectancy and average age of the population

	Life expectancy				Average age				
	1996/98	1997/99	1998/2000	1999/2001	1997	1998	1999	2000	2001
Total	72.49	72.49	72.68	73.05	33.5	33.8	34.0	34.3	34.63
Men	70.37	70.37	70.48	70.68	32.7	33.0	33.3	33.5	33.81
Women	74.68	74.68	74.77	76.21	34.2	34.5	34.8	35.1	36.45

Source: State Statistical Office (2002): Statistical Yearbook of the Republic of Macedonia, Skopje, p. 52.

Table 4.11: Basic indicators in the healthcare sector, by municipality

Municipality	Health organizations in Primary health care (2001)*	Hospitals (2001)	Doctors per 1,000 inhabitants (2001)	Nurses per 1,000 inhabitants (higher and high-school education, 2001)
		Urban		
Tetovo	2	2	3.05	4.77
Kumanovo	1	1	1.61	2.08
Prilep	1	1	2.62	1.99
Kocani	1	1	2.08	3.38
Kavadarci	1	1	2.06	2.42
Strumica	2	1	3.35	4.17
Skopje	7	10	4.22	4.88
Gostivar	2	1	2.89	5.19
Debar	1	1	2.34	2.90
Ohrid	1	2	4.19	7.67
Bitola	1	1	4.48	6.17
Veles	1	2	2.62	4.46
Gevgelija	1	2	4.13	6.14
Stip	1	1	2.49	4.77
Probistip	2	–	1.65	1.57

*Health care stations, health care centres, out-of-hospital outpatients within medical centres and medical centres.
Source: Ministry of Health.

However, shrinking resources, as well as ethnic and geographic disparities might jeopardize these developments. The economic situation during transition and the high unemployment rate in the country also have negative implications on the health sector; both in terms of the health needs of the population and in terms of costs for service provision. Since the time of independence cardio- and cerebral vascular diseases for example exhibit a general increase; cancer mortality is on the rise.[7] Household expenditure for hygiene and health care during the transition increased significantly. Access to and utilization of health services vary by income group and location[8] and particularly for the most vulnerable groups, access to quality health services is becoming less affordable.

HEALTH CARE AT THE LOCAL LEVEL
Table 4.11 reviews the basic indicators of the area of health care and health status in the surveyed municipalities. It is important to mention that the data refer to the urban municipalities only – classified according to the old territorial division, valid until 1996, with 34 municipalities, including the data from the rural municipalities that gravitate towards them.

The intention of bringing primary health care and health care services closer to the life and work of people is made possible through the wide network of health care and medical stations. Still, Table 4.11 indicates that there are great disparities in the level of population coverage by medical personnel.

Geographic and ethnic disparities. As regards the rural municipalities, particularly those in the mountainous areas, the access of the population to health care services is far from satisfactory. Thus, a public opinion poll[9] shows that 89 percent of the mountain villagers think that the access to medical institutions in their settlements is too low. On the other hand, 59 percent of the population in the mountainous areas claim that they have no material possibilities whatsoever for medical treatment, while 67 percent of the mountain village inhabitants stated that they have no possibility for a normal supply of medicines.

These attitudes are in sharp contrast with the formal figures showing that, generally speaking, there is a comparatively good distribution of primary health care facilities over the territory of the whole country, given the local needs and specifics. In 2001 there were

Table 4.12: Crude birth and death rates, per 000 population

		Births		Deaths	
	Population	*Number*	*Rate per 000 population*	*Number*	*Rate per 000 population*
Macedonia	2,020,157	27,761	13.74	17,962	8.89
Tetovo	70,362	1,213	17.24	568	8.07
Kumanovo	102,233	1,577	15.43	844	8.26
Prilep	73,236	821	11.21	808	11.03
Kocani	33,537	428	12.76	271	8.08
Kavadarci	38,330	418	10.91	346	9.03
Strumica	45,005	623	13.84	384	8.53
Skopje	466,596	6,007	12.87	4,010	8.59
Gostivar	49,513	886	17.89	430	8.68
Debar	18,008	283	15.72	108	6.00
Ohrid	53,844	653	12.13	458	8.51
Bitola	85,884	801	9.33	1,024	11.92
Veles	57,863	686	11.86	509	8.80
Gevgelija	20,131	192	9.54	199	9.89
Stip	47,776	543	11.37	418	8.75
Probistip	12,712	105	8.26	121	9.52
Rostusa	9,455	197	20.84	73	7.72
Tearce	22,508	323	14.35	189	8.40
Cucer-Sandevo	8,963	133	14.84	73	8.14
Zajas	11,666	162	13.89	72	6.17
Dolneni	11,444	193	16.86	150	13.11
Bogdanci	8,721	82	9.40	88	10.09
Rosoman	4,175	39	9.34	34	8.14
Mak. Kamenica	8,149	107	13.13	64	7.85
Novo Selo	11,994	152	12.67	141	11.76

Source: State Statistical Office, Census 2002

Graph 4.1. Employed in the public health care sector – 2001

Legend:
- Doctors
- Dentists
- Pharmacists
- Health cooperators
- Health workers with advanced and intermediate training
- Personal with primary education
- Non-medical workers

Values shown: 5830, 4459, 1159, 309, 421, 509, 10553
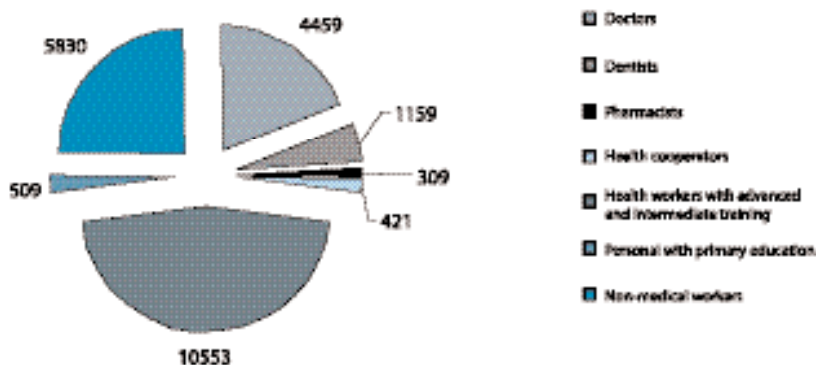
Source: Public Health Institute

327 medical stations in rural areas, 209 of them with a permanent physician and 118 with a visiting physician. The reason for these diverse pictures, deduced by the statistics and by people's opinion, is perhaps in the structure of the health care system with the retention of the momentum of the socialist era – overstaffed, with overextended hospital level at the expense of pre-hospital care. Reform in this area would not just bring the system closer to people's needs but would also decrease the overall costs of health provision.

For example, there is an increased need to improve the quality of primary health care in the rural areas, due to the ageing of the rural population, specific socio-economic conditions, such as the high levels of poverty or illiteracy, the population's low standard of living and inadequate sanitary-hygienic and epidemiological conditions. Another problem is linked to the enforcement and control of existing standards of health facilities. In rural settings they often lack a basic infrastructure since standards required for initial licensing are not fully enforced and subsequent inspections are not practised. As a consequence, the health care status in rural municipalities in comparison with urban ones is characterized by a higher infant mortality rate in rural areas, higher general mortality of the population and higher mortality due to infectious diseases.

Data on crude birth and death rates for the municipality sample summarized in Table 4.12, however suggest a much more complex picture.

It is not possible to conclude that these basic indicators are influenced by their urban/rural status. Much more evident is the correlation between birth rates and ethnic structure. Significant differences in birth rates seem to exist between municipalities with ethnic Albanian and ethnic Macedonian majorities. The cor-

relation coefficient of the former is 0.60 and of the latter -0.77.

An increase in the quality of health care in rural areas may be achieved in the quickest and cheapest way through organized health protection with full-time doctors in rural regions. Therefore doctors from urban health centres could be re-allocated to rural ones. However, this might not be sufficient. Table 4.11 suggests that questions relating to different ethnic realities – such as culturally acceptable service provision, health education and attitudes – need to be addressed and further examined in order to identify appropriate ways of addressing the existing disparities.

The network of secondary health care organizations is well developed across the entire territory of the country, though with some differences in terms of working premises, staff and equipment. Hospital capacities in the main city centres service all the suburban and rural areas which gravitate towards the respective cities (See Table 3 in the Annex p. 106).

Staffing of the public health care organizations and centres is a burning issue. As Graph 4.1 shows, in 2001 health care organizations in the public sector employed 23,206 people, of which 17,376 (75 percent) were health care professionals and 5,830 (25 percent) non-medical staff. In 2001 there were 4,459 doctors – one doctor from the public sector to 457 residents; 1,159 dentists – one dentist from the public sector to 1,810 residents; and 309 pharmacists – one pharmacist to 6,611 residents.

The provision of health care services by dentists and pharmacists is relatively good and for the most part it is in accordance with the adopted personnel guidelines. The provision of health care services by nurses/technical staff with intermediate specialist training and more advanced specialist training lags behind the provision of health care services by doctors in the separate branches of primary health care as well as in the hospital service.

There is sufficient evidence that the problems the health sector is facing are due not to quantitative aspects such as the number of hospital beds or of doctors per population, but to qualitative aspects – quality of services, structural adequacy of establishment (corresponding or not to the real needs) and overemployment at the expense of decent incomes of qualified professionals. But more data and research

the World Bank addressed different reforms targeting health financing and management, primary and preventive health care and drugs policy and procurement. The project also addressed health care professionals and health policy makers with the objective of providing sustainability of the health sector reforms and to improve the quality of primary and perinatal care.

What is still lacking in the health sector though is an overall health strategy.

The provisions regarding the health sector in the Law on Local Self-Government are rather cautious and is not very precise in its wording (see Box 4.6). The new competencies are basically linked to the creation of local boards and the inclusion of local representatives in health institutions. What will be the exact processes these boards will control has still to be decided in the upcoming discussions on the Health Care Law.

are required in order to adequately analysing the quality dimension in the health sector.

CHALLENGES FACING THE PUBLIC HEALTH CARE SECTOR AND THE REFORM AGENDA

After independence, the need for central resource management led to the transformation of the disjointed system of municipally-funded health services to a social insurance-funded model with central coordination and planning.

The health sector transition project supported by

If there is a lesson to be learned from previous experience in the country with regard to decentralization, it is that increased competencies on the local level have to go hand-in-hand with strong central planning, setting standards and coordination capacities.

1. 2002/03 data, State Statistical Office.
2. Survey of the State Statistical Office done in the primary and secondary schools at the beginning of the school year2002/2003.
4. Opinion poll conducted for the National Human Development Report 2001, UNDP.
5. See 'Avoiding the Dependency Trap', Regional Human Development Report. UNDP, Bratislava 2002.
6. State Statistical Office.
7. The Bureau for the Development of Education and the State Education Inspectorate.
8. Most of the data and conclusions (unless otherwise specified) are obtained from the National Health Protection Institute (2002): Report of the health status and health care of the population of the Republic of Macedonia in 2001, Skopje.
9. A probable explanation for these rates is that the higher rate in urban areas might be due to the fact, that child death is registered where it occurs and women from rural areas with complicated cases of pregnancy search medical help in better equipped urban centres.
10. Health care systems in transition. The Former Yugoslav Republic of Macedonia, The European Observatory on Health care Systems, 2000.
11. World Bank Report 19411 – The Former Yugoslav Republic. Focusing on the poor, Main Report 1999.
12. Opinion poll conducted for the National Human Development Report 2001, UNDP.

Two main issues are causing local development in Macedonia to be polarized: 1) development of urban municipalities at the expense of rural ones; and 2) economic development concentrated in Skopje. These have led to disproportionate levels of economic development between urban and rural municipalities leading to high unemployment, social distortion, inadequate municipal and social infrastructure, and a lack of residential space.

ADMINISTRATIVE DIVISION

Macedonia is currently divided into 123 municipalities in addition to the city of Skopje as a separate local governmental unit. In compliance with the 1996 Law on the Territorial Division and the Identification of Areas of Local Self-Government Units.[1] The selection of 123 was a drastic increase in the number of municipalities in comparison to the previous number of 34.

Box 5.1: Approaches to the administrative division

Administrative and territorial reorganizations in Macedonia have taken place on several occasions, the first one in 1944, when the ASNOM* passed a Resolution to divide Macedonia into counties. In 1945, Macedonia was divided into four counties, 32 districts and 894 local people's councils. In 1947, the counties were abolished, and 27 districts 748 heads of local people's councils were established. In the period between 1949 and 1952, six laws on territorial division were enacted. In 1952, the number of municipalities was reduced to 86, with the number of counties reduced to 7 from 18. In 1957, the number of municipalities was further reduced to 73 and in 1965, Macedonia was divided into 32 municipalities, with a further two being added in 1976. The 34 municipalities continued to exist until 1996, when they were transformed again into 123.

Antifascist Assembly for the National Liberation of Macedonia

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Table 5.1: Macedonian municipalities, by population

Population	No. of municipalities	%
0-1,000	5	4
1,001-2,000	9	7
2,001-5,000	33	27
5,001-10,000	24	20
10,001-20,000	26	21
20,001-30,000	7	6
30,001-40,000	4	3
40,001-50,000	4	3
50,001-100,000	9	7
100,001+	2	2
Total	**123**	**100,00**

Note: Population figures according to the 2002 census.

Today's local self-government units have a substantial range of populations (from Staravina with only 316 citizens, to Skopje with 467,257 citizens), they differ in size, and in economic, social, and infrastructure development.

While the territorial organization of the country was meant to bring the local government closer to the citizens, this expectation never came to pass, as the municipalities had insufficient funds to manage public interests at their level.

THE NEED FOR REFORM

Macedonia's municipalities face a number of problems such as an inbalanced distribution of competencies between them and the central government, a lack of finances, spatial, technical and staff problems, and incomplete decentralization of local issues. Unfortunately the new Law on Local Self-Government, increases municipal competencies, but does not adequately address these issues. Many of the existing municipalities lack the capacity to carry out their new competencies. Consequently it is necessary to redraw the territorial map of Macedonia yet again.

To this end, the Ministry of Local Self-Government has established a Working Group on Administrative Reform to draft guiding principles for the new Law on the Territorial Organization of Local Self-Government. The strategic goals of the new territorial organization should be:

* to better align objectives for economic development with available and planned infrastructure and equipment across all municipalities;
* decentralize and even allocate functions and activities related to areas of governance, social standard, economy, and services, in line with the need for equitable development;
* to maintain and affirm continued positive trends in the economic, social and cultural development of the population;
* to shift from quantitative to qualitative urbanization, which will result in intensified positive changes in the spatial, social and functional development of populated areas.

The Working Group on Administrative Reform made the assumptions, that:

* natural and geographic conditions be conducive to urbanization and communication links between the populated areas, so that the area of the municipality is a natural, geographic and economic unity;
* the demographic size of the municipality have no fewer than 5,000 inhabitants and the municipality centre have no fewer than 2,000 inhabitants to create room for a concentration of administrative and financial resources and ensure the existence of health care, social and educational institutions;
* the economic sustainability of the municipality be based on a sufficient number of economic entities to generate enough funds for successful material and social development of the communities;
* the infrastructure of the municipal centre enable a more efficient organization of settlements and a more rational exploitation of the existing systems for public utility services;
* that the existence of administrative buildings and services in the areas of governance, health care, education, social care, culture, etc., enable the carrying out of municipal functions.

The working group pointed out the need for attention to be paid in the process of drawing the country's territorial map on certain historical, cultural and ecological features of settled areas, in order to preserve an adequate level of compactness.

The territorial organization of Macedonia is a complex part of local self-government reform and issues are already emerging. On the one hand, there are the local governments together with local lobby groups who disagree with the abolition of their municipalities; on the other, there are attempts to politicize the territorial organization issue on an ethnic basis.

Debates and negotiations between political parties regarding the content of the Law on Territorial Organization are underway. In certain municipalities, referenda were organized at which the citizens voted on whether those municipalities should remain within the existing borders.

These referenda were organized on the basis of Articles 5 of the European Charter of Local Self-Government. The 2002 Law on Local Self-Government does not contain the obligation of consulting with the local communities, but only states that the municipal borders are changed by law (Article 19). It is interesting that this law contains a solution to this issue that is poorer in comparison with the old Law on Local Self-Government of 1995, which did include provisions in line with Article 5 of the Charter (Article 15).

The referenda held were only of a consultative nature and were not legally binding. However, they are an important indicator of public opinion on which municipality the local population wishes to belong to. As a manifestation of public opinion the referenda also reflect current 'hot' issues of which ethnic relations is still a leading one.

THE ETHNIC DIMENSION OF THE REFORM

Given the territorial concentration of ethnic groups, administrative reform has inevitably ethnic implications. But too often, the question boils down to the problem of ethnic majority: who should have the majority at the local level, and consequently, who might be able to 'outvote' the other in the municipal council.

Put this way, the question inevitably provokes controversy and emotion. From an ethnic point of view, the cases of Struga and Kicevo are particularly interesting. According to the existing Law on Local Self-Government, these municipalities are dominated by an ethnic Macedonian population. The new proposed Law on Territorial Organization suggests to join these municipalities with rural municipalities dominated by ethnic Albanians. Consequently, both municipalities would become dominated by the ethnic Albanian population.

Table 5.2 better illustrates this issue. As proposed in the new Law on Territorial Organization, the municipality of Kicevo will consist of the city of Kicevo, Drugovo, Vranesnica, Zajas and Oslomej. In the existing municipality of Kicevo, according to the 2002 census, there is a total population of 30,138 citizens, of which 16,140 are ethnic Macedonians and 9,202 ethnic Albanians, meaning that the ethnic Macedonians constitute the majority. According to the proposal for the new territorial map, the new municipality of Kicevo will have a total of 56,739 inhabitants, of which 20,278 will be ethnic Macedonians and 30,932 ethnic Albanians. The situation is similar with the municipality of Struga. In the existing Struga municipality, there are 36,892 citizens, of which 17,686 are ethnic Macedonians and 15,324, ethnic Albanians. According to the new proposed map of municipalities, the total number of citizens in Struga will be 65,809, of whom 22,755 will be ethnic Macedonians and 36,032, ethnic Albanians.

Table 5.2: Ethnic structure after reform: the case of Kicevo and Struga – municipalities to be included in the new municipal structures of Kicevo and Struga

Municipalities (existing)	Total population	Macedonians		Albanians		Turks	Roma	Vlachs	Serbs	Bosniaks	Other
Kicevo	30,138	16,140	53.5 %	9,202	30.5 %	2,430	1,630	76	86	7	567
Drugovo	3,249	2,784	85.7 %	155	4.8 %	292	1	–	8	–	9
Vranesnica	1,322	1,033	78.1 %	10	0.76 %	276	–	2	–	–	1
Zajas	11,605	211	1.8 %	11,308	97.4 %	–	–	–	6	–	80
Oslomej	10,425	110	1.0 %	10,257	98.4 %	–	–	–	–	1	57
Total in new Kicevo	**56,739**	**20,278**	**35.7 %**	**30,932**	**54.5 %**	**2,998**	**1,631**	**78**	**100**	**8**	**714**
Struga	36,892	17,686	47.9 %	15,324	41.5 %	2,008	112	647	100	31	984
Lukovo	1,509	1,496	99.1 %	–	–	–	–	–	3	–	10
Labunista	8,935	1,149	12.8 %	4,935	55.2 %	1,618	3	8	1	72	1,149
Delogozdi	7,884	3	0.04 %	7,698	97.6 %	2	–	–	2	–	179
Vevcani	2,433	2,419	99.4 %	3	0.1 %	–	–	1	3	–	7
Velesta	8,156	2	0.02 %	8,072	99.0 %	–	1	1	–	–	80
Total in new Struga	**65,809**	**22,755**	**34.5 %**	**36,032**	**54.7 %**	**3,628**	**116**	**657**	**109**	**103**	**2,409**

Note: Data are taken from the 2002 census, according to the State Statistical Office.

The solution proposed by the Albanian coalition partner in the Government provoked intensive debate. The referenda in Kicevo and Struga, organized by the existing mayors of an ethnic Macedonian origin, were boycotted by the ethnic Albanian part of the population. And perhaps in these two cases the nature of the problem – and its misconception – is most prominently evident.

The two main ethnic groups in question tend to perceive the issue from an 'outnumbering' and 'outvoting' perspective. This is most understandable given the conflict in 2001, the scale of distrust and difficulties in restoring normal interethnic communication. The real challenge is to move beyond the logic of a 'monoethnic entity' and 'majority rule' approach and to focus on specific mechanisms for protecting the rights of all citizens and allowing equal access to development opportunities.

FISCAL SUSTAINABILITY

Fiscal decentralization represents the financial dimension of power decentralization. This concept includes two inter-related issues: first, revenue and expenditure distribution among the separate levels of authority and second, the range of discretion of the local authorities in determining their own revenues and expenditures.[2] In any case, the fiscal decentralization must not mean decentralization of only the income or expenditure, but must include revenues as well. Therefore, for fiscal decentralization to be successful the process must be complete, i.e. the decentralization of public services must be accompanied by sufficient revenues for municipalities. The key issue is therefore whether municipalities can generate sufficient revenues, so that, within the framework of a fiscally decentralized system, they are able to retain a portion for their needs. Put simply, fiscal decentralization works best for entities with an economy to tax.

Decentralization should not be understood as a solution to all problems, and is not just a set of regulations allowing administrative units to retain a portion of their revenues. The overarching issue is the economic framework, the policies that encourage local economic development and income generation that later on could be taxed. Another set of issues pertains to the informal sector; there is little point to fiscal decentralization where a large proportion of economic activity is informal – and therefore untaxed.

Macedonia has prior experience with fiscal decentralization since, having been a part of the former Yugoslavia, it passed the entire road from a completely centralized system to a considerably high level of decentralization; a process that reached its culmination in the first half of the 1970s.[3] After the dissolution of the Yugoslav Federation, Macedonia started building its own fiscal system, where the true reform of public financial operations began with the introduction of a new tax system early in 1994. This brought Macedonia closer to market-oriented economies.[4] At the same time, relations between the central authorities and local governments were changed and most of the fiscal competencies of the municipalities were annulled.

CURRENT LOCAL SELF-GOVERNMENT FUNDING SYSTEM

The preparation of local budgets is closely linked to the preparation of the general budget. The process begins with directions proposed by the Ministry of Finance for the estimated budget revenues and expenditures for the following budgetary year and their submission to the Government. The minister subsequently circulates a letter containing the main guidelines for the preparation of municipal budgets i.e. budget execution methodology and estimates for overall consumption) and forwards it to the Local Self-Government Units (LGUs).

Pursuant to the Law on Budgets, the LGU budgets – the administrative budget and municipal funds budget – are prepared and adopted on the basis of the same procedure and by the same dynamics prescribed for the Central Government budget.

As regards the budgetary execution, LGUs face several limitations; for instance they do not have the autonomy to decide on the means to finance their expenditure, because the total amount of expenditure for each LGU is previously determined by the central government.

Also the capacities of LGUs for independent collection of public revenues are limited, i.e. most of the revenues are collected by the regional branches of the Public Revenue Office, paid to the account of the central budget, and then the funds are distributed to the LGUs, according to defined criteria.

A large number of existing municipalities have no sufficient technical and human capacity to cope with the challenges of fiscal decentralization. The successful implementation of fiscal decentralization therefore requires the development of adequate institutional arrangements – fiscal rules, internal and external control, reporting system and legal accountability – that will ensure healthy fiscal position of the local self-government. This should, naturally, be also accompanied by strengthening of the human capacities of the local self-government, which should be made sufficiently capable of performing its functions in an efficient and responsible manner. To achieve this, it is necessary to ensure that staff are adequately trained and that local

authorities have sufficient managerial capacity, before fiscal decentralization begins.

MUNICIPALITIES' OWN REVENUES

Each year, the Macedonian Parliament enacts a special law which defines the overall source revenues to fund the public needs and distributes them to the Central Government, to funds and LGUs. After reaching the legally defined amounts, all exceeding revenues are considered surplus, and are taken from the LGUs and transferred to a special budgetary account. Thereafter, the Central Government has full discretion in handling these resources. However, this procedure applies only to revenues of the 'administrative budget' of the LGUs, which covers all items relating to the operations of LGU staffs.

These restrictions do not apply to the budgets of various LGU funds which currently function as separate legal entities and are due to be integrated within the general municipal budget by the end of 2004. These funds generate their own revenues called 'taxes on specific services', which are not capped by the regulations of the above mentioned law. Since these revenues are equal to or much larger than the revenues of the admin-

Table 5.3: Municipalities' own revenues per capita in MKD

Municipality	Population	Own revenues	Transfers	Total revenues
Tetovo	70,841	477	263	739
Kumanovo	103,205	657	213	869
Prilep	73,351	401	466	867
Kocani	33,689	381	126	507
Kavadarci	38,391	1,325	532	1,857
Strumica	45,087	954	717	1,671
City of Skopje	467,257	1,855	99	1,953
Gostivar	49,545	323	258	581
Debar	17,952	415	426	841
Ohrid	54,380	2,551	519	3,070
Bitola	86,408	601	516	1,117
Veles	57,602	1,032	411	1,443
Gevgelija	20,362	663	521	1,184
Stip	47,796	532	427	959
Probistip	12,765	382	695	1,077
Rostusa	9,451	357	718	1,075
Tearce	22,454	416	454	870
Cucer-Sandevo	8,493	972	491	1,463
Zajas	11,605	369	455	824
Dolneni	11,583	360	316	676
Bogdanci	8,707	443	67	510
Rosoman	4,141	423	760	1,183
M.Kamenica	8,110	239	157	396
Novo Selo	11,966	384	823	1,207

Source: Calculations made on the basis of data provided by Ministry of Finance, 2002 Annual financial statements of municipalities.
Notes: 1. Revenues and transfers are shown per capita, in denars.
2. Transfers and revenues from the administrative budget and different funds of municipalities.
3. Population according to the 2002 census.

istrative budgets, it turns out that LGUs enjoy considerable tax autonomy.

Revenues generated at source in the territory of the individual LGU are not retained in the municipalities but are transferred to the central budget. The Ministry of Finance then allocates the resources obtained from the taxes collected among the LGUs on the basis of the following criteria: share of total population; number of inhabited settlements; and share of total area. LGU revenues are strictly defined within the Law on Budgets and include: tax revenues (property tax, inheritance and gift tax and the tax on sales of real estate and rights); charges pertaining to utility services; transfers from the central budget; and domestic and international donations.

The most significant source of the municipalities' own revenues in Macedonia is from taxes on specific services. These are primarily utility taxes and other fees paid by citizens and companies on such things as: 'temporary stays', commercial signage and displays in public spaces, road use, vehicle registration, public lighting, use of pedestrian paths for commercial activities, parking spaces, concerts and other events in public spaces; commercial zones and commercially-zoned space. The amount and procedure for collecting these taxes and fees is defined in existing legislation.

Therefore, the Macedonian municipalities in essence generate their revenues from the usual taxes and fees. In this, municipalities have no right to participate in the allocation of income from the main types of taxes, such as the personal income tax, value-added tax and excise taxes. The income from these taxes goes to the central government in full.

As Table 5.3 suggests, municipalities' own revenues differ substantially: in 2002 they ranged from 239 denars[5] per capita in Makedonska Kamenica, to 2,551 denars in Ohrid. Such differences in municipalities' own revenues are due to two factors: rural and smaller urban municipalities in general have (1) smaller taxing capacity resulting from the economic structure, population density; and (2) low economic activity. Yet, in urban municipalities, such as Gostivar, Tetovo, Prilep and Bitola, low specific revenues per capita are probably caused by ineffective tax systems. These differences suggest possible 'winners' and 'losers' of a highly decentralized system. To avoid the increase of disparities between municipalities, the central government should retain its re-distributive functions through central government transfers following clear and transparent criteria as defined by law.

Of course, within the new local self-government funding system, municipalities' own revenues will have to undergo certain changes. Hence, parallel to the increased competencies of the municipalities, new revenue sources will have to be identified through municipal participation in the distribution of some taxes, i.e. the VAT or the excise tax. In fact, this solution is being applied in a number of countries, starting from the EU and USA, through Russia, all the way to the South American countries.[6]

It is also necessary to remove the restriction on municipal public revenues and allow them to retain the taxes they collect. In this way, more developed municipalities with a higher fiscal capacity will be able to provide greater resources and, consequently, to offer the local population public services of larger scope and higher quality.

Lower fiscal capacity municipalities might not be able to provide sufficient resources to finance their expenditure. This could lead to inequities between municipalities and a lack of social support in municipalities that cannot afford these services as well. The

Table 5.4: Structure of municipal revenues, 2002[1]

Revenue sources	Skopje	Urban	Rural	Total
Property taxes	8.3	21.8	31.6	14.9
Communal charges	72.3	39.8	13.4	56.4
Non-tax revenues [2]	0.3	3.3	2.8	1.7
Transfers	4.3	33.9	51.6	18.6
International grants	1.2	0.4	0.0	0.8
Loans	13.5	0.8	0.5	7.6

Source: Calculations made on the basis of the data provided by Ministry of Finance, Municipalities' final accounts for 2002.
Notes: 1. As percentage of total administrative budgets and funds revenues. Calculations based on a specimen of 24 municipalities;
2. Revenues from Government's services, property revenues, administrative fees, etc.

consequence could be poverty, migration and perpetual underdevelopment of some regions. A special equalization fund could be established to resolve these regional differences. Finally, it may be interesting to consider letting municipalities, within legal parameters, define their own tax rates.[7] Thus, the municipalities will gain higher level of tax autonomy[8] and will be motivated to improve their taxation mechanisms.

Regarding revenue structures, communal charges, such as utility taxes are by far the richest source of municipal revenue, especially in Skopje and other urban municipalities. Next in importance are transfers, particularly in rural municipalities, which is a reflection of their low fiscal capacity. Finally, borrowing (loans) is an important source of revenue, particularly in Skopje. Compared with other countries, the structure of municipal revenues is favourable, as the proportion of

Table 5.5: Municipal expenditures and transfers in MKD

Unit of local self-government	Population	Expenditures		Transfers		Transfers as % of expenditures
		Total	Per capita	Total	Per capita	
Tetovo	70,841	23,993,086	339	2,100,000	30	8.75
Kumanovo	103,205	26,048,629	252	4,891,809	47	18.78
Prilep	73,351	19,550,615	267	9,300,000	127	47.57
Kocani	33,689	9,116,578	271	4,126,530	122	45.26
Kavadarci	38,391	25,216,762	657	6,625,507	173	26.27
Strumica	45,087	18,690,471	415	7,199,401	160	38.52
Grad Skopje*	467,257	102,428,054	219	16,086,624	34	15.71
Gostivar	49,545	18,077,355	365	3,093,111	62	17.11
Debar	17,952	5,224,840	291	2,201,752	123	42.14
Ohrid	54,380	36,959,619	680	6,792,341	125	18.38
Bitola	86,408	47,279,943	547	11,485,961	133	24.29
Veles	57,602	17,543,423	305	7,265,631	126	41.42
Gevgelija	20,362	10,813,158	531	2,550,036	125	23.58
Stip	47,796	18,615,554	389	5,433,381	114	29.19
Probistip	12,765	3,653,483	286	2,400,029	188	65.69
Rostusa	9,451	5,521,107	584	2,699,713	286	48.90
Tearce	22,454	5,973,531	266	2,230,379	99	37.34
Cucer-Sandevo	8,493	4,981,523	587	1,584,339	187	31.80
Zajas	11,605	3,773,184	325	1,593,558	137	42.23
Dolneni	11,583	3,581,969	309	600,000	52	16.75
Bogdanci	8,707	2,823,443	324	583,605	67	20.67
Rosoman	4,141	2,492,160	602	1,159,779	280	46.54
Makedonska Kamenica	8,110	3,155,548	389	1,272,445	157	40.32
Novo Selo	11,966	12,363,292	1,033	8,375,516	700	67.75

*Grad Skopje (City of Skopje) is a separate unit of local self-government with its own budget;
there are 123 municipalities, but 124 units of local self-government.

municipalities' own revenues is greater, and this especially applies to the urban municipalities.[9]

TRANSFERS FROM THE CENTRAL GOVERNMENT
In view of the absence of a consistent financial equalization system, the horizontal fund distribution is closely related to the allocation of revenues between the central and local governments. Namely, part of the surplus revenue of the LGUs which the Government allocates annually to the municipalities present grants of the Central Government to the municipalities, and most often as general grants, while in particular cases as specific, i.e. grants for definite purposes.

The experience of the past few years shows that the fund distribution system has not been entirely based on quantitatively defined criteria. Rather a high level of Central Government discretion has been observed in the transfer of funds and municipalities protested that public funds were distributed on the basis of political considerations.

A special methodology for the allocation of funds to LGUs was adopted only recently, in 2002. According to this methodology, the transfer of funds collected from the surplus revenue against the defined level of LGU consumption is carried out as per two criteria: 65 percent of the funds are allocated on the basis of the LGU deficit share in the total amount of revenue deficit; and 35 percent of the funds are allocated on the basis of the LGU share in the total amount of surplus revenues.

The current methodology contains no sound criteria for allocating funds to local government units. Namely, the methodology includes no standards for minimum acceptable levels of expenditure for municipalities, but it is simply a mechanism for donating funds to those units of local self-government that have no fiscal or administrative capacity to generate their planned budget revenues. Table 5.5 outlines huge disparities in per capita transfers between different municipalities. A brief comparison with data in Table 5.4 shows that there is no clear link between levels of the municipalities' own revenues per capita and transfers per capita.

Apart from the general transfers intended to alleviate the disparities referring to the municipalities' own revenues, the municipalities also appear as users of additional resources which they receive from the central budget and funds as specific grants. These municipal resources are earmarked mainly for investments in infrastructural facilities, and thus the municipalities have no discretion in their utilization.

Specific transfers are allocated to municipalities on several grounds. Most are allocated by the Bureau for Economically Underdeveloped Regions, which funds infrastructural facilities. Several other programmes are used as bases for transferring funds to the municipalities, such as: transfers from the 'Fund for Roads', 'Water Supply Programme', 'Physical and Urban Planning Programme', 'Programme for Revitalization of Rural Areas', 'Rural Areas Electrification Programme', 'Local Media Programme' and projects funded from the sale of the Macedonian Telecommunications Company.

STRUCTURE OF PUBLIC EXPENDITURES
Reflecting the low degree of fiscal decentralization, local expenditure comprises a small proportion in the total public consumption (ranging from 4 percent to 10 percent, depending on the type of calculations) and the gross domestic product (2 percent to 4 percent).[10] Thus, local expenditure is small in comparison with the EU and other more advanced transitional economies.[11]

From the data above, it can be concluded that more than 60 percent of municipal expenditures go

Table 5.6: Structure of municipal expenditure, 2002[1]

Expenditure type	Skopje	Urban	Rural	Total
Current expenditures	**63.0**	**60.4**	**79.8**	**62.3**
Salaries and pays	6.2	18.5	29.8	12.0
Goods and services	38.4	34.1	44.3	36.8
Transfers & subsidies [2]	18.4	7.8	5.7	13.5
Capital expenditures	**34.3**	**39.1**	**20.2**	**36.0**
Debt Servicing [3]	**2.8**	**0.7**	**0.0**	**2.1**

Source: Calculations made on basis of data provided by Ministry of Finace, Municipalities' final accounts for 2002.
Notes: 1. As percentage of total administrative budgets and funds revenues. Calculations based on a specimen of 24 municipalities.
2. Transfers to population and non-profit organizations.
3. Repayment of principal and interests.

Graph 5.1: Correlation between the size of municipality and expenditures per capita
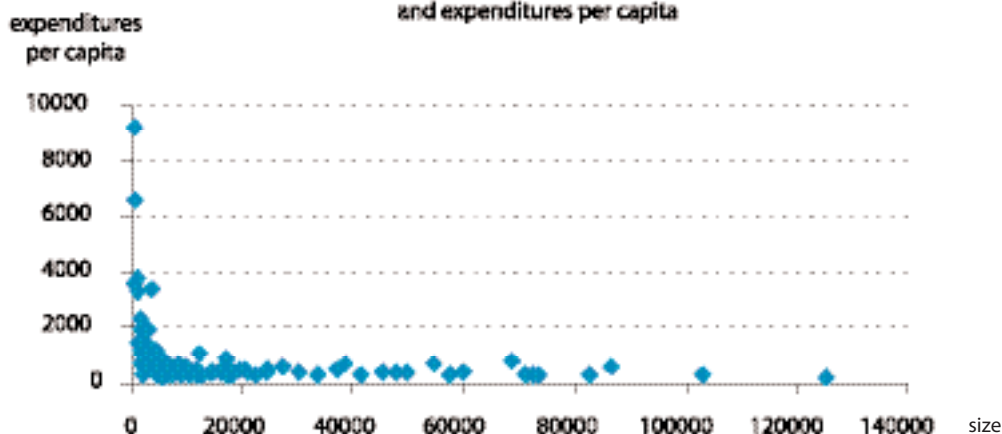
towards operational costs, whereas in rural municipalities, this percentage reaches almost 80 percent. It is also striking that salary costs of the city of Skopje are smaller than those of the urban and especially of the rural municipalities, which is a reflection of economies of scale in municipal operations. The city of Skopje has a higher level of transfers, while the capital expenditures of rural municipalities are smaller in comparison with those of the urban municipalities.

There is a high correlation between the average size of municipalities by population and average per capita expenditure. Higher average sizes of municipalities correspond to lower per capita expenditures (as seen in Graph 5.1). Public expenditures for education and health at the municipal level reflect the availability of government services. Generally, educational services are more evenly distributed and are available in almost all municipalities. On the other hand, health expenditure is concentrated in urban centres – largely due to the specifics of health services and different level of costs required for different types of services. Secondary and tertiary health services are very expensive and are organised on a regional basis.[12] The cost picture is additionally distorted by the fact that public primary health service units in almost 123 municipalities are usually branches of the regional medical centres, but for administrative reasons their expenditures are recorded in the municipality where the medical centre is situated.

Despite these distortions the correlation between size of municipalities and per capita expenditure is an important argument in favour of the consolidation of smaller – and unsustainable – territorial entities into larger ones.

Graph 5.2: Impact of transfers on urban municipalties' budgets

MKD per capita
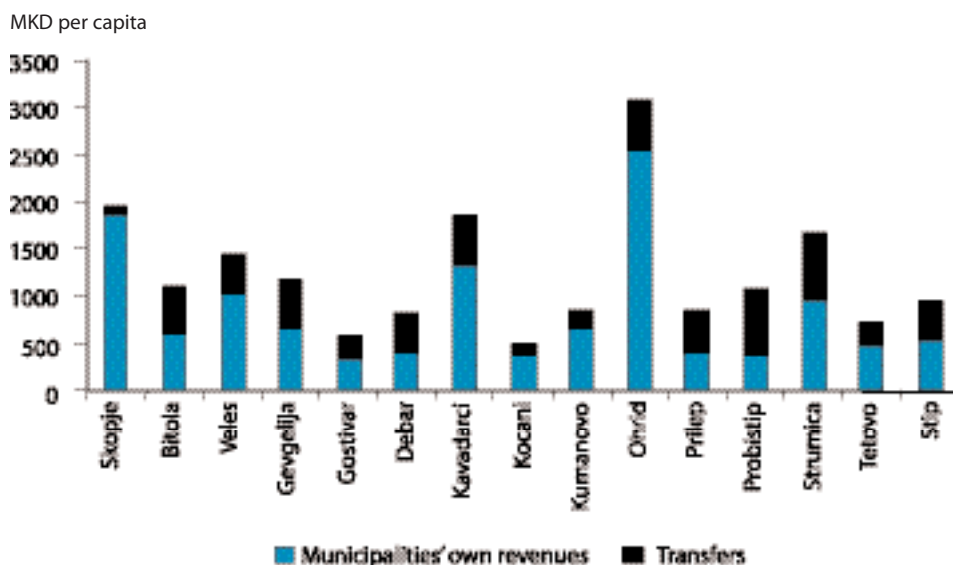
REFORM OF THE FINANCIAL EQUALIZATION SYSTEM

The present system of allocating transfers from the central budget to municipalities suffers from a number of deficiencies that are typical in developing countries that lack financial equalization mechanisms.[13] The present method of fund allocation does not remove horizontal disparities, as it is not based on acceptable standards for the provision of public services; nor does it take account of municipal fiscal capacities. Consequently, large municipalities are also the largest beneficiaries of funds transferred from the Central Government, while at the same time there are frequent instances in which smaller municipalities receive resources well beyond their fiscal needs. Also, the current system is not sufficiently transparent or based on objective criteria, as the funds are mostly transferred on the basis of political and personal connections of the mayors.

As can be observed in Graph 5.2, transfers have a powerful re-distributive role and can increase the revenues of some municipalities by two to three times. However, this creates a dependency within municipalities for central government transfers. This is especially true for rural municipalities, where transfers from the central government are the predominant source of local revenues, although it is also the case in some urban municipalities. However, these transfers do not contribute to the equalization of the financial status of municipalities; as even after receiving the transferred funds budgetary differences among municipalities can still be large, with a standard deviation of 585 denars per capita (€ 9.5). Also, following the transfers, only nine municipalities are above the average of 1,122 denars per capita (€ 18.2).

An intrinsic part of the reform of the financial equalization scheme is the reduction of the grey economy and closer integration of local communities in national economic structures. Municipalities can no longer simply expect that transfers will be forthcoming. It is therefore necessary for municipalities to develop institutions and enforce tax collection. In this context the success of fiscal decentralization is largely dependent on the willingness of local communities and businesses to be 'part of the state' and their awareness that all actors involved can benefit from its prosperity.

The reform of inter-governmental transfers implies the establishment of an explicit financial equalization system. This in turn requires resolving of two basic issues: contributions to fill the equalization fund and the transfer allocation mechanism. With regard to the first issue, the initial step should be cancellation of municipal public revenue restrictions, i.e. municipalities should be allowed to retain all local taxes and charges they collect in their own territory. Of course, this should be supplemented by specifying sources for financing the equalization fund, where suitable options would depend on how taxes are shared between the central and local governments. If the central government retained all major taxes, then the fund would be financed from the central budget. If the system of tax-sharing were applied, then the fund would be filled by tax contributions from the municipalities. Regarding the distribution of transfers, the system should be objective and transparent, i.e. using a formula to determe the amount of funds to be received by each individual municipality.[14] Also, the total transfer amount should be defined in advance, which will avoid *ad hoc* decisions being made that might jeopardize the overall fiscal discipline.

FISCAL DECENTRALIZATION AND HUMAN DEVELOPMENT

Undoubtedly, the final determination of successful or unsuccessful power decentralization and fiscal decentralization will depend on the effects of improved opportunities for individuals to develop their economic and social capacities.[15]

From the perspective of local government contribution to the promotion of human development, it is indisputable that the current distribution of power is unsatisfactory. The modest competencies of local authorities prevent them from contributing meaningfully to addressing quality of life issues of municipal residents. Consequently, it is not surprising that such a lack of capacity is manifested as indifference by local authorities towards human development issues.

LOCAL BUDGETS AND HUMAN DEVELOPMENT

Fiscal decentralization should enable local authorities to play a more active role in promoting human development. Here, the positive effects of decentralization should become more apparent as a result of the following improvements: first, the reform of municipal funding systems should provide more significant and stable revenue sources, thus enabling local authorities to engage in the promotion of human development. Second, in view of the forthcoming reforms, the broadened competencies of LGUs should produce considerable changes in their budget allocations, including increased financing of human development-directed public expenditure.

As stated earlier, the positive effects of decentralization mentioned above should strengthen the role of local authorities in the promotion of human devel-

opment. For this to occur, however, LGUs need to have steady financial resources, as the promotion of human development is typically associated with considerable investments in education, health care and social infrastructure. The second aspect may be even more significant, as it often happens that it is not the amount of resources available but rather their purpose and efficient use that is the deciding factor in promoting human development.[16] This means that the same level of resources may yield better human development, if they are used efficiently, i.e. if most of the resources available are directed to human development-related expenditures, rather than elsewhere.

Accordingly, an effective linkage between fiscal decentralization and human development[17] requires that certain challenges be addressed. First, central government and municipal governments should define the overall amount of resources allocated to LGUs. Then, within their budgets, the LGUs will have to identify that part that is intended for human development (HD Allocation Ratio, Social Allocation Ratio). Finally, within the resources allocated for human development, priorities and their corresponding budgetary requirements should be defined (HD Priority Ratio, Social Priority Ratio). These priorities will vary from one municipality to another, depending on their level of development.

THE IMPACT ON THE LOCAL ECONOMIC DEVELOPMENT

In the future, the increase of municipal competencies should lead to their greater engagement in the planning of local economic development. In this respect, the advantage of the LGUs is that they possess more information on local circumstances and the specific needs of entrepreneurs and workers.

In the first place, the role of LGUs is related to investments in human capital which have a significant effect upon individual productivity and local economic development. Namely, investments in health care and social security contribute to a longer working life of individuals, while education and training improve their production capacities. At the same time, investments in human capital lead to enhanced company profitability, increased investments and development of those businesses which produce higher added value.

Specifically, local authorities can contribute to the economic development of municipalities in various ways. Thus, the LGUs have the opportunity to design secondary vocational education, in accordance with the needs of the advancing economic sectors. Also, in cooperation with the private sector, LGUs can form

organizations for job training/re-training – a practice already used in developed countries. Municipalities can be more effective in organizing such training programmes, than the central government, as they are more familiar with conditions in local labour markets. Finally, cooperation with the private sector may also be present through engagement in programmes that are similar to the British Private Finance Initiative, where the Central Government, local authorities and the private capital conclude joint agreements for implementation of certain projects.[18]

LOCAL AUTHORITIES AND SOCIAL PROGRAMMES

Municipalities can have a greater role in the implementation of social programmes, such as those aimed at poverty reduction. In this respect, evidence in the literature on development confirms that municipalities have information superiority over the central government bodies; they are also more accountable for the implementation of programmes. It also seems clear that municipalities are best informed about local circumstances and better able to identify the needs of the local population and they can establish closer communication and coordination with the residents.[19] Specifically, local authorities are in a position, whether independently or in cooperation with local non-governmental organizations, to better target the beneficiaries of social programmes and thus ensure that social benefits are provided to the most needy.

Decentralization also forces the transfer of decisions to and creates accountability at the local community level, where engagement with the public on community-level issues can occur more readily than at the central level. This is not to say that the central government is any less accountable to the public; but a decentralized government presence can help to restore access and comprehension. On the other hand there are certain vulnerabilities within decentralized structures, such as the risk that local influential lobby groups may succeed to capture a larger proportion of the municipality's budget for social programmes – or that funds could be allocated on the basis of party affiliation, individual relations or the payment of incentives. One way to address this challenge might be to establish close cooperation between the local governments and relevant non-governmental organizations and to coordinate closely with the central government to ensure proper accountability at the municipal level for spending decisions.

DECENTRALIZATION AND PARTICIPATION

Decentralization affects political processes more than economic ones, i.e. it is consistent with the democrati-

Box 5.2: Basic definitions on decentralization

Administrative decentralization refers to the reallocation of powers, responsibilities, and financial and other resources for the provision of public services between the various authorities in a state. There are three types of administrative decentralization: de-concentration, delegation and devolution.

De-concentration is a process of transfer of powers from the centre of a state body (ministry) to regional units of the same body. Regional units act under the instructions and complete control of the central body.

Delegation is a form of a transfer of powers from central to local governments, temporarily and by means of an agreement. The motive may lie in the more efficient or cheaper conduct of certain competencies by the local government. In this, the state body transfers to local governments not only the obligations but also the financial assets required to performing those duties, although it retains the right to complete control as defined in the agreement. In principle, this includes control over the legality and efficiency of the delegated competencies, i.e. the time frame and expenditure used by the local body to implement the agreement.

Devolution is the complete transfer of competencies from central to local levels. The motive may be to improve the quality and delivery of public services. The central government frees itself from a series of operational obligations, while the local government is empowered to run the system more efficiently. In the case of devolution, the state controls the legality, but not the efficiency or purposefulness of the local government activities.

zation of a society, and through decentralization ordinary citizens have increased opportunities to participate in decision-making on issues that affect their lives. In principle, decentralization should increase the degree of public participation in political decision-making, as one might expect that people are more willing to participate in political life if they know that their engagement will have an impact.[20] In this respect, public interest in participating in political life is typically higher at the local level, where people decide about problems in their everyday life. Besides, people's influence on local politics is much greater than on the national level, as the relations between the voters and politicians are much more direct locally, i.e. the authorities can establish closer communication and coordination with the local population and the non-governmental organizations.[21] However, it should be noted that decentralization itself does not directly bring about increased participation. In the worst case scenario it could be limited to a mere transfer of power from the central government to local political elites, such that political decision making becomes 'captured' by political interests. Due to these dangers, there is a need to develop institutions and mechanisms to promote democracy and the accountability of politicians by the electorate.

Due to a long tradition of political and cultural subordination and the fact that authorities during the socialist period lacked democratic legitimacy, the attitude of citizens towards authority and the state during the transition period has turned negative. This is manifested by a lack of loyalty, difficulties in accepting state decisions and limited participation in the policy-making process. The affiliation of the population with the state has weakened, while social relations, especially within extended families and ethnic groups have become stronger.[22] One of the main challenges for successful participation at the local level is the development of a political culture that puts the common interests of citizens above partisan politics and seeks to find solutions to shared problems in a collaborative manner. Civil society organizations have an important role to play in mobilizing social capital and networks of local communities, to represent the concerns of citizens, particularly those of marginalized groups, and to hold local authorities accountable for their actions.

1. Official Gazette, 49/96.
2. Davey, 2001.
3. See Jurkovic (1989), Pusara & Ristic (1991) and Ristic (1989, 1991) for more details on the fiscal reforms in the 1970s.
4. For more details on the tax system of Macedonia see Bogoev and Atanasovski (1994).
5. MKD 61.5 = € 1
6. On EU taxing, see Committee of the Regions (2000). Subnational financial operations are given in Bingham (1986). Freinkman, Treisman and Titov (1999) analyse the local financial operations in Russia. On South American experiences, see Burki, Perry and Dillinger (1999) and Dillinger and Webb (1999).
7. For instance, such is the case of Poland and Estonia (Malme and Youngman, 2001).
8. Actually, without the freedom of defining tax rates and/or tax bases, one can hardly speak of municipalities' own revenues (Ebel and Yilmaz, 2002).
9. On the structure of local revenues in EU, see Committee of the Regions, 2000.
10. Committee of the Regions, 2000; Ebel and Yilmaz, 2002, p. 8. Even with regard to local consumption, the data should be accepted with a certain degree of reserve.
11. The strongest impact on the size and structure of local government expenditure is that of the competencies related to education, health care and social welfare. In countries where municipalities have competencies in these spheres, the share of their consumption in the total public expenditure is higher, and vice versa. (Davey, 2001).
12. On NUTS 4 level
13. See Burki, Perry and Dillinger, 1999; Dillinger and Webb, 1999; Freinkman, Treisman and Titov, 1999; Giugale and Webb, 2000; Ma, 1997.
14. Individual transfer allocation formulas are elaborated in Ma (1997).
15. In the specimen of 80 countries, Shah (1998) finds a positive correlation between the decentralization and the social development indicators (uniform distribution of revenues and human development index).
16. A lot of countries, for instance, cannot ensure effective primary health care although it is very cheap (4 to 7 dollars per capita in the developing countries). The main reason for this is inefficient and unequal use of resources (Jack, 2000, p.1).
17. The part that follows relies extensively on the analysis of the relation between the public consumption and human development, given in Eftimoski (2003, chapter 3).
18. More on this programme see Financial Times, 1996.
19. On the empirical support for the positive role of the municipalities in implementing the programmes for fighting poverty, see Galasso and Ravallion (2000).
20. On the empirical confirmation of the decentralization's positive effects on the citizen's participation, see Shah (1998).
21. On the relations of local authorities with the non-governmental sector in Macedonia and other countries, see MCMS (2003).
22. National Human Development Report 1999, Civil Society in Transition, UNDP, Skopje 1999.

A policy agenda for an improved local self-government

Macedonia was highly centralized in the transition process, thus marginalizing the local self-government and sidelining certain achievements of the previous socialist period (until 1991), when the local self-government had wide competencies, a large number of high-quality sources of finance and considerably broader citizen participation. Centralization during the transition period resulted in high inefficiency of the local self-government, which is still the case today. This has created a need for reforms that require further elaboration on, among others, local competencies, financing, territorial division, and on the organization of the city of Skopje, although these issues are expected to be resolved shortly.

Regarding the current status of the reform process, the analysis suggests that the reform of local self-government should remain focused on decentralization. These reforms should be comprehensive and include issues such as competencies, fiscal issues, territorial division and the functional relationships between different levels of government. In this way they can create a framework that is necessary to successfully address poverty and the quality of services in order to improve the human development level of all citizens.

Up to now the Macedonian local self-government was inefficient, largely as a result of its narrow competencies, restrictive financing, a not optimised territorial organization of local units and insufficient participation of citizens in local processes. Hence a step-by-step approach could be adopted by devolving and decentralizing power and authority to the local level as a final objective, implemented through an increase of competencies and more numerous and higher-quality sources of income. This requires an optimal size of local self-government units, enhanced mechanisms for cooperation among local self-governments and the introduction of mechanisms to promote equitable participation and representation of citizens, particularly in ethnically mixed municipalities, through amendments to the Local Self-Government Act.

Certainly, the success of the reforms would be incomplete without a considerable increase in the participation of citizens in local processes. The decentralization of institutions will improve access by citizens to elected representatives and increase accountability and transparency. At the same time, their information, knowledge, and motivation regarding local events would bring significant positive energy to local processes. Besides this, the ability of citizens to engage with local representatives on policy issues raises the responsibility and overall motivation of the latter. In the context of increased competencies and municipal revenues, the role of citizens grows even more. With this in mind, the recommendations suggested below focus explicitly on enhancing the forms and opportunities of local participation by citizens, as well as strengthening of their political culture. In a democratic state, institutions are meant to protect the interests of citizens. They must therefore have access to information on the functioning and performance of local self-governments. At the same time, modern local self-government cannot function effectively without the active participation of the local community.

There are several specific areas in which local reforms could take place, starting from decentralization, i.e. the transfer of competencies and financial assets from central to local levels.

INCREASING LOCAL-LEVEL COMPETENCIES AND IMPROVING THE ORGANIZATIONAL STRUCTURE

Increasing competencies and capacities. The new Law on Local Self-Government of 2002 considerably strengthens local competencies, but does so gradually in order to allow the entire local structure to adjust progressively to the new scope of competencies. The process of gradual increase of competencies will bring Macedonian local self-government to Western standards. But at the same time any increase in the scope of competencies should be accompanied by the enhancement of the capacities of municipalities to meet increased requirements. For example, increasing the competencies to decide on issues of education would remain a hollow phrase (and would undermine support for decentralization) if it were not matched by a corresponding increase in dedicated resources.

Adapting the organization structure. With the limited number of local competencies and the current organizational structure, an individual executive body with some professional training can deal with the problems. But when the increase in competencies takes place, the individual executive bodies could face a larger number of responsibilities than they could manage with their current capacities. Given the fact that the individual executive bodies both design local policies and implement them, after the relevant decisions are made by the Council, they will have to be active in an increased number of areas. In such a case, the executive bodies will need to be strengthened. A number of options are possible:

- ✳ addition of a manager to take care of local funding, while the mayor would have the other responsibilities, based on the American model of council-manager, but adapted to Macedonian circumstances;
- ✳ addition of a mayor's deputy, to share responsibilities with the mayor, as in the Slovenian model;
- ✳ addition of a collegial executive body such as exists in representative local self-governments, based on cabinet management;
- ✳ a combination of approaches within the multi-tier system of self-governance bringing self-governance closer to the people.

ACCELERATED GROWTH AND IMPROVED EMPLOYMENT OPPORTUNITIES

The overarching assumption here is that municipalities cannot be viable and sustainable if the overall economic conditions in the country are not favourable. Retaining macroeconomic stability, the country's integrity and accelerating economic growth is the general framework within which fiscal reforms can take hold.

Macroeconomic stability and policies designed to maintain it are important but not the only precondition for local level economic growth and sustainable human development. The priority should be to close the GDP gap, utilizing production capacities by engaging and reanimating the stock of physical and human capital. Economic policy should promote economic growth, structural adjustment and creation of new employment with an emphasis on human-centered development.

Better coordination and consistency between the economic and social policies is necessary, so that their joined effects promote pro-poor policies. Since the unemployment rates of young people are highly sensitive to overall market conditions, a strategy for employment of young people will be one that is based on a balanced combination of: *measures on the supply side*, in terms of adequate 'equipping' of young people with knowledge applicable and adequate for the labour market, and *measures on the demand side*, in terms of improving the functioning of the labour market.

Continuous education, adapted to the needs (demand) of the labour market. Given the strategic nature of qualification improvement for increasing employment opportunities, the system of lifelong education should create opportunities for continuous education and certification programmes, while the national education and training policy should be formulated in cooperation with all social partners, by constant application of the principle of life-longe education. Special emphasis could also be placed on secondary education given its critical link to supplying the labour market. In this segment of the education system, reforms to knowledge assessment and evaluation processes are of particular importance. Specials measures could be taken to address ethnic and gender disparities in the education system, in particular the decline in the proportion of ethnic Albanian, Turkish and Roma girls from the lower to the upper secondary level.

Labour market policy and social protection measures should be mutually consistent and complementary, in order to stimulate the unemployed to actively seek employment. Institutions on the labour market could develop more active approaches to assist the unemployed in their search for employment. This

could be done through improved measures for employment promotion and through constant assessment of the efficiency of labour market policies. The equal treatment of and possibilities for employment of women in all areas of the workforce – public and private – and at all levels, is of particular importance. Lessons learned from other countries in transition suggest that while policies such as welfare and unemployment benefits protect against poverty in the short term, they are a costly and unsustainable policy option in the long run. This report recommends alternate approaches that are more consistent with state objectives to stimulate economic growth and prosperity through improved participation in the labour market, and human-centered objectives to improve economic and human security. The specific needs of all categories of participant in the labour market must be carefully analyzed to determine the best ways to optimize their participation. Women, for example, represent a potentially significant yet underutilized source of labour whose participation in the labour market often comes down to a choice between family or employment. Programmes that lift barriers to their participation, such as daycare, early childhood education programs, elderly care schemes, and part-time or flex-time employment in technical and managerial environments, could help to significantly facilitate women's options and thereby support a reversal of downward participation trends in the labour market.

Policies for stimulating employment are particularly important in the local context and must take a multi-sector approach. They need the support of local political leaders and interest groups, since the success of these policies quite often depends on the strength of local players and their contribution to the creation and implementation of those policies. This type of participation, based on social dialogue and partnership, may be channelled through local advice of an economic and social nature. The main goal should be that the local players be equipped with the capacity and means to create and implement policies for stimulating and creating employment at the local level. These include: decentralization of responsibilities from central to local government, strengthening the capacity of local employment offices, stimulating cooperation between social partners at a local level and activities aimed at increasing and improving the capacity of local players. The Government should also bear in mind that jobs are created through a vibrant and functioning business sector. Policies and regulations, particularly at the local level of governance, should be conducive to stimulating the business environment.

One of the most effective ways to increase employment opportunities is therefore by lifting the barriers to business development.

COMPREHENSIVE VISION FOR THE REDUCTION OF LOCAL LEVEL DISPARITIES

Implementation of a national strategy for sustainable development that reduces regional disparities. Municipalities which are small in number and are located in neglected and undeveloped regions, but which have natural resources could become financially self-sufficient if the central government stimulates the activation of their resources through targeted investments in infrastructure or other areas that go beyond local (municipal) competencies. For that purpose however a comprehensive vision of the spatial development of the country is necessary.

The elaboration and implementation of a national development framework is an important precondition for equitable local development. The basic assumption in this context is that the economy would fulfil a more important financial prerequisite, i.e. higher inflow of funds for all purposes, and ultimately, for the local self-government, as well. An overall development vision on the national level – including clearly defined development goals – could provide the necessary strategic guidance for local development processes.

Every citizen in a modern society should be offered certain minimum levels of service both reflecting the state's obligation regarding the protection of basic human rights and the society's socioeconomic potential. The Macedonian Government should assume responsibility for establishing a universal set of minimum social standards not only to reduce the differences between municipalities but also to address substantial disparities within municipalities and among vulnerable groups. This could be achieved if the state continues to perform its redistributive function designed to reduce regional disparities using tax revenues for equitable transfers to less developed municipalities and improving their development opportunities, following strict and transparent eligibility criteria determined by law.

Such equalization schemes exist in all western and in some eastern European countries, Hungary, Slovenia, Croatia and others. Hence, there are some standards in certain spheres, such as education and health care, which must be modernized and upgraded, but such standards can be introduced for example in the field of infrastructure, social welfare and environment protection. There is no need for any bigger

social and financial actions with respect to the equalization schemes, but only a grasp of the potential impact of equalization development dynamics, and above all the political will to use financial instruments for transferring the revenues from the more to the less developed municipalities.

FISCAL SUSTAINABILITY

The decentralization of the fiscal system is typical for reform-oriented governments. Definitely, fiscal decentralization should be the long-term objective. But a phased approach could be applied here. A necessary precondition for successful fiscal decentralization is clarity on the schemes of funding sources, reflecting differences of municipalities' development levels and income generating capacities, realistic estimations of the range of possible tax and other revenues and necessary central transfers support. In order to contribute to the promotion of local human development, decentralized fiscal systems must provide opportunities to better utilize local competitive advantages, identify needs and allocate resources more accurately, and increase the level of accountability to citizens. Several introductory steps are possible and recommended in this respect:

* *Introducing quality revenue sources*. The transfer of competencies in fields such as education, health care, culture and social welfare requires the transfer of an adequate proportion of resources provided for these purposes, either from the budget or some other funds, which is sufficient to cover the services they are related to. It may also be necessary to introduce additional quality revenue sources, such as portions of the VAT, profit tax, real estate tax and excise tax. Given access to these resources, municipalities would be able to both intensify infrastructure development and create opportunities for setting local human development related priorities.
* *Re-examining the manner of tax collection by the state bodies*. One possibility is for revenues to be collected by local bodies, but considering their inconvenient organizational structure and still inadequate judicial protection, a first step would be to address the adverse conditions in state tax collection bodies through an improved manner and quality of cooperation. This would imply that local self-governments would acquire the right to constantly receive situation reports on tax collection, the right to urgent fund transfers, the right to point out drawbacks in tax recording and collection and to offer measures for their elimination, and the right to approve the appointment of persons responsible for tax recording and collection hired by the state authorities.
* *An intrinsic part of the new approach to tax collection (and to fiscal decentralization in general) is the reduction in the share of the informal sector in the economy.* Fiscal decentralization implies that competencies will be devolved within the existing legal framework of state financial management. A high share of the informal sector in the economy (meaning the 'grey' or 'black' economy, activities that are not registered and taxed) is inconsistent with fiscal decentralization. Reducing the share of the informal sector in the economy is a major economic and political challenge for the government.

OPTIMIZATION OF THE TERRITORIAL DIVISION

Size considerations for sustainable municipalities. In Macedonia, quite a number of small municipalities have shown modest, but in Macedonian terms positive, development results. However, some of the smallest municipalities are not sustainable in terms of demographic structure, economic viability and organizational capacities and despite their competencies, they may lack the resources to meet the problems they are facing. In such a case a highly selective approach could be adopted, i.e. eliminating only those municipalities which, apart from insufficient financial capacity, would also have to cope with insufficient personnel capacity to manage local development.

Assuring urban/rural balance. Apart from size, another important issue when considering the territorial division is rural/urban balance. Within the new territorial divisions the rural areas of municipalities require mechanisms to influence municipal level decision-making so that municipalities with predominantly urban populations do not outvote the interests of rural inhabitants. The objective would be to provide a more dynamic development of rural populated settlements by avoiding the impact of the majority rule in the decision making process, such as when city representatives direct funds for urban purposes to the exclusion of rural considerations.

Mechanisms for guaranteeing minority interests. Consistent mechanisms for safeguarding minority rights within broader multiethnic entities are crucial for the proper functioning of a decentralized system. There are various ways to avoid outvoting. Segregation of entities along rural/urban, ethnic or other lines is one, although it is perhaps one of the

least efficient. Proper mechanisms for guaranteeing minority interests and promoting consensual solutions within economically and administratively integrated entities could be formally incorporated into the system of local self-governance.

The option of a multi-tier system of government. One way to ensure that minority interests are represented within a broader majority setting at the local level is through a multi-tiered system of government. A tiered system of local self-government could assure equitable political representation, provide possibilities for the solution of shared problems in a collaborative manner and thus improve human development and security for all. In a broader context, this would open the way to real – as opposed to superficial and rhetoric-based – multiculturalism and diversity in the country. For that purpose however certain amendments of the Local Self-Government Act may be necessary, and now – after the adoption of the new administrative division – is the right moment to put them on the agenda of a broader public debate. Such a debate would not just assist policy-makers in choosing the optimal solutions but would also provide them with additional legitimacy and the opportunity to foster multicultural diversity.

INTER-MUNICIPAL COOPERATION

Developing inter-municipal cooperation. Inter-municipal cooperation also presents an opportunity to reduce local funding costs when two or more municipalities, through joint bodies and employing fewer staff, could carry out duties of common interest. This is particularly important for small municipalities with limited resources. A good example of well-developed inter-municipal cooperation is in Finland, where the following types of cooperation exist: joint municipal boards, agreement-based cooperation, and joint ventures of the municipalities. Thus, the development of inter-municipal cooperation is another opportunity for the subsistence of small municipalities; but to be effective and efficient, it needs to materialize in a broader context – that of a National Regional Development Plan that embodies the socio-economic vision of the country.

PUBLIC PARTICIPATION

Strengthening the political culture of participation. An essential element for increasing public participation in local processes is to raise the public's level of political culture, which could be done through the education system at the secondary school level. The course curriculum could go beyond a simple overview of the institutions of the political system; it could also describe and emphasize the role of citizens in managing relations and the different ways of participating in decisions. Developing a curriculum that will help to promote those concepts in the context of a system of democratic governance is necessary. Such teaching could be offered not only in the formal education system but could provide opportunities to disseminate this knowledge to the broader population as well. The role of the media in raising the political awareness of citizens is crucial; not only in reporting on aspects of life including political processes, but also promoting the contribution of the engaged citizens. Supporting the capacity development of non-governmental organizations and civil society groups would also help to stimulate public participation in solving local problems in different fields. People should know that they can make a difference on issues of direct concern to them.

Institutionally, citizen participation could be strengthened through legal measures entitling the public to observe the work of committees in municipal councils that are in practice closed to the public. Simple steps like posting the agenda of municipal council sessions, drafts of documents to be discussed or opening the sessions for public attendance can dramatically increase public interest and hence participation levels as well as strengthen the legitimacy of local self-governments.

PROFESSIONAL COMPETENCIES

Reinforcing professional competencies. The professional competence of the administration is another area for reform. There are already two active faculties of public administration in the Macedonian universities, which should in the foreseeable future produce graduates with the professional skills to work in local self-governments. Also, several foreign and international foundations currently organize and fund short-term training courses for local clerks and officials. All of these institutions should raise the capacity of local governments considerably. The new Law on Civil Servants should stimulate staff motivation, but the evolution from a configuration based on political and party affiliation towards a culture of an impartial but concerned and engaged civil service is a long process, preceded by the enhancement of the business and civil sectors, which could require a longer period of time to be achieved. Generally speaking, certain improvements in the professional competencies of civil servants could be expected in the foreseeable future.

Due to the pressing demands of the decentralization process there is an urgent need to strengthen the

capacities of local self-governments to assume decentralized responsibilities and provide quality services to local communities. In order to facilitate the process of developing a highly professional, accountable and efficient local government administration, capable to undertake the new competencies transferred with decentralization a national training system should be established led and coordinated by national institutions such as the Civil Servants Agency, the Ministry of Local Self-Government and the Association of Local Self-Governments.

POSSIBLE ADVANTAGES AND RISKS

In principle, a comprehensive and well-designed local self-government should significantly improve community management as a precondition for local human development. The increased competencies and strengthening of the political culture of the population should result in a more active participation of citizens in local processes; this enhances their ability to identify with their local environment, as they would satisfy an increasing part of their expectations and needs directly through participation in community-level mechanisms. An increase in the professional level of executive and administrative bodies in the municipality, along with improved communication with a civil society that has a legitimate voice in decision-making processes (e.g. through public hearings on important issues) will have a positive impact on the quality of municipal management. This could be achieved as a result of the successful implementation of local reforms. Its ultimate outcome would increase the level of human development with a high degree of participation through better quality services by public institutions, public enterprises, the private sector, non-governmental organizations, and other entities. Finally, decentralized approaches to local development can be a sustainable way to preserve multiculturalism in an ethnically and culturally diverse country.

Still, local reform, particularly as related to decentralization, also carries risks that are partially universal in nature and partially a result of specific circumstances. Decentralization transfers services to the local level, and the outcome of the process depends on the level of public engagement, accountability of local leaders, transparency of procedures and respect for minorities, whatever the criterion for their definition. In circumstances of weak political culture or low public participation, decentralization could contribute to the further concentration of power to smaller circles of unaccountable local leaders, economic or party oligarchies, or organized crime structures. There are municipalities in Macedonia in which the local popula-

tion still lacks the political capacity to stand up to such oligarchies. Under circumstances of decentralization, this gap could enlarge and lead to a broader discrepancy between personal and group interests vis-à-vis those of the broader constituency.

Another challenge relates to ethnic relations. Decentralization could potentially contribute to sustainable solutions for ethnic problems in multicultural municipalities and avoid cantonization or other manifestations of ethnic homogeneity. For that purpose however, a clear understanding of what decentralization means, why it is vital for society at large and what the benefits could be for individual communities is crucial. Deliberate communication efforts are necessary to engage in public dialogue with local self-government members and broader communities about decentralization. What are the prerogatives of the different levels? What are their obligations and resources? What is the procedure for approving municipal budgets? At which point and how can the public ensure that major concerns are given due consideration? There are numerous questions to be considered in organizing a successful structure for decentralization.

Of course, the process is still open-ended and major risks still exist. For example, the majority ethnic population could become disproportionately over-represented in the administrative apparatus of local self-government; resources could be distributed not according to need but as a result of group pressure. Finally, the management of a public institution, which is appointed by the mayor, may have an ethnic composition that reflects the ethnic majority and consequently neglect to take due account of interests of the minorities. The way to approach these problems is to recruit civil servants according to professional criteria and introduce more opportunities for local level participation – an approach that does not need additional administrative levels but can greatly discharge political tension.

In general, the reform of local self-government – with particular attention to the devolution of powers for decision-making, finances and management as the most advanced form of administrative decentralization – could have an overall positive effect on the development of municipalities. However, a negative outcome of decentralization might also occur in ethnically mixed municipalities and in municipalities under the influence of individuals or oligarchies. There could be a justified fear that decentralization could create new opportunities for a misuse of power. Yet there are mechanisms for mitigating potential risks. Some of those have been discussed earlier in this text, but are worth mentioning here as well.

❋ Allocation of a portion of centrally collected assets in accordance with well-defined purposes and criteria. These assets could be transferred by the central government to local units in, e.g. the elementary education sector. This would ensure the preservation of minimum standards in the educational system that protects against discrimination on an ethnic basis.

❋ Introduction of schemes for fiscal equalization that would equalize both inter- and intra-municipal differences. Based on an assessment of inequalities with regard to human development and the identification of broadly shared human development objectives, funds could be allocated according to real needs as opposed to party or ethnic criteria.

❋ Phased implementation of decentralization – including the partial devolution and delegation of competencies as a way to analyse the results of reforms and introduce corrective measures.

In addition, discriminatory trends in decentralization could also be minimized by:

❋ the introduction of criteria for managers and professional staff, including an emphasis on skills and experience rather than ethnic or party affiliation;

❋ respect for the democratic enviroment at the local level, to be incorporated in the legal regulations as well. For example the appointment of management level officials would be contingent on a favourable assessment from an appropriate stakeholder group, which would also reserve the right of dismissal in the event of an unsatisfactory performance evaluation.

The experiences of other countries, particularly those of multiethnic societies, show that there is no truly viable alternative to decentralization. Macedonia's experience with the implementation of the Ohrid Agreement so far tends to support this finding as well.

Decentralization will not be easy; in some cases it may have also negative effects, particularly in the short run given the weakness in public participation and the recent history of ethnic mobilization at the local level. Some municipalities may face potential problems and obstacles – particularly those facing the risks of discrimination. But with the determination of political actors at all levels, decentralization should help to mitigate risks for future interethnic conflict and help Macedonia to reach its objective of becoming a fully unified, multiethnic and democratic country and thus enhance human development.

ANNEX TO CHAPTER 1

Table 1
Efficiency of the Mayor and the Council

Efficiency of	the Mayor	the Council
1. Extremely efficient	3,65	1,25
2. Rather efficient	15,00	10,31
3. Partly efficient	30,94	35,00
4. Inefficient to a certain level	16,35	17,92
5. Extremely inefficient	17,81	15,83
6. Unable to evaluate	16,25	19,69
Total	100,00	100,00

Table 2
Failures in the work of the Mayor

Answers	%
1. Not fulfilling his/her promises, that is, citizens' interests are not a priority to him/her	34,17
2. Self-will, corruption and privileges	8,02
3. Not obeying city plan	0,31
4. Not competent to handle problems	6,56
5. Not accessible to citizens	8,02
6. Very formal, bureaucratic	1,56
7. Other	1,87
8. Extremely or rather efficient	17,71
9. Unable to evaluate	21,77
Total	100,00

Table 3
Interviewees' information on possibilities of citizens' influence on the work of the municipal authorities (%)

Form of direct participation	Citizens informed	Citizens not informed	Total
Public meeting	51,87	48,13	100,00
Citizens' initiative	44,37	55,63	100,00
Referendum	48,12	51,88	100,00

Source: 'Local Self-Government System Functioning'.
Research conducted by the Institute for Sociological, Political and
Legal Research, Skopje, 2000

Table 1.
Network of primary health care facilities in Macedonia in 2001

Municipalities	Health care stations	Health care centers	Out patient clinics in health care centres	Medical centres–sections health care centres
Macedonia	6	18	9	16
Berovo	-	2	-	-
Bitola	-	-	-	1
Makedonski Brod	-	1	1	-
Valandovo	-	1	1	-
Vinica	-	1	-	-
Gevgelija	-	-	-	1
Gostivar	-	1	-	1
Debar	-	-	-	1
Delcevo	-	1	-	-
Demir Hisar	-	1	-	-
Kavadarci	-	-	-	1
Kicevo	-	-	-	1
Kocani	-	-	-	1
Kratovo	-	1	1	-
Kriva Palanka	-	-	-	1
Krusevo	-	1	-	-
Kumanovo	-	-	-	1
Negotino	-	1	1	-
Ohrid	-	-	-	1
Prilep	-	-	-	1
Probistip	-	1	1	-
Radovis	-	1	1	-
Resen	-	1	-	-
Sv. Nikole	-	1	1	-
Skopje	5	2	-	-
Struga	-	1	1	1
Strumica	-	-	1	1
Tetovo	1	-	-	1
Veles	-	-	-	1
Stip	-	-	-	1

Source: Republic Health Protection Institute (2002): Report on the health status and health care of the population in the Republic of Macedonia, 2001.

Table 2.
Network of medical units - Places/points where primary health care is delivered in Macedonia 2001

	General Medicine	Occupational health	Health care of children	Health care of school children and young people	Health care of women	Pulmonary diseases and tuberculosis	Medical stations in rural areas	
							Permanent physician	Visiting physician
Macedonia	456	78	70	71	50	20	209	118
Berovo	11	2	2	2	2	1	1	8
Bitola	31	8	7	13	1	1	17	8
Mak. Brod	3	1	1	1	1	-	2	-
Valandovo	3	1	1	1	1	-	-	2
Veles	20	5	3	3	2	1	10	5
Vinica	9	1	1	1	1	-	2	6
Gevgelija	16	1	2	2	2	1	9	6
Gostivar	21	1	2	1	2	1	14	5
Debar	7	1	1	1	1	1	6	1
Delcevo	13	2	2	1	2	-	6	6
Demir Hisar	4	-	1	1	-	-	1	1
Kavadarci	11	2	1	1	1	1	1	8
Kicevo	10	2	1	1	1	1	8	2
Kocani	8	1	1	1	1	1	4	0
Kratovo	8	-	1	1	-	-	-	6
Kriva Palanka	14	1	1	1	1	1	1	10
Krusevo	4	1	1	1	1	-	1	1
Kumanovo	19	3	5	1	1	1	1	14
Negotino	13	1	2	1	1	1	2	8
Ohrid	14	6	1	2	1	1	6	3
Prilep	20	3	2	2	1	1	11	-
Probistip	2	1	1	1	1	-	2	-
Radovis	6	1	1	1	1	1	3	2
Resen	6	2	1	1	1	-	3	3
Sv. Nikole	10	2	2	1	1	1	3	3
Skopje	93	21	20	22	16	1	39	-
Struga	17	1	2	2	1	-	14	4
Strumica	22	3	1	1	2	1	21	-
Tetovo	28	2	1	1	2	1	20	5
Stip	13	2	2	2	1	1	1	3

Source: Republic Health Protection Institute (2002): Report on the health status and health care of the population in the Republic of Macedonia, 2001.

Table 3.
Network of secondary health care facilities in Macedonia, 2001

	General hospitals	Public Health Institute	Treatment and rehabilitation centres	Specialist hospitals for pulmonary diseases and TBC	Specialist hospitals for mental disorders	Other specialist hospitals
Macedonia	16	10	7	2	2	2
Bitola	1	1	1	-	-	-
Veles	1	1	-	1	-	-
Gevgelija	1	-	-	-	1	-
Gostivar	1	-		-	-	-
Debar	1	-		-	-	-
Demir Hisar	-	-		-	1	-
Kavadarci	1	-		-	-	-
Kicevo	1	-		-	-	-
Kocani	1	1		-	-	-
Kriva Palanka	1	-		-	-	-
Kumanovo	1	1		-	-	-
Ohrid	1	1	2	-	-	-
Prilep	1	1		-	-	-
Resen	-	-	1	-	-	-
Skopje	-	1	2	-	-	2
Struga	1	-	1	-	-	-
Strumica	1	1		-	-	-
Tetovo	1	1		1	-	-
Stip	1	1		-	-	-

Source: Republic Health Protection Institute (2002): Report on the health status and health care of the population in the Republic of Macedonia, 2001

Technical Remarks

Bibliography

Technical Remarks

THE HUMAN DEVELOPMENT INDEX (HDI)

The HDI is a summary measure of human development. It measures the average achievements in a country in three basic dimensions of human development.

A long and healthy life, as measured by life expectancy at birth.
Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (with one-third weight).
A decent standard of living, as measured by GDP per capita (PPP US $).

Before the HDI itself is calculated, an index needs to be created for each of these dimensions. To calculate these dimension indices – the life expectancy, education and GDP indices – minimum and maximum values (goalposts) are chosen for each underlying indicator.

Performance in each dimension is expressed as a value between 0 and 1 by applying the following general formula:

$$\text{Dimension index} = \frac{\text{actual value} - \text{minimum value}}{\text{maximum value} - \text{minimum value}}$$

The HDI is then calculated as a simple average of the dimensions indices.

Goalposts for calculating the HDI

Indicator	Maximum value	Minimum value
Life expectancy at birth (years)	85	25
Adult literacy rate (%)	*100*	*0*
Combined gross enrolment ratio (%)	*100*	*0*
GDP per capita (PPP US $)	*40,000*	*100*

CALCULATING THE HDI

Calculating the life expectancy index

The life expectancy index measures the relative achievement of a country in life expectancy at birth. For Macedonia, with a life expectancy of 73.5 years in 2002, the life expectancy index is **0.81**

$$\text{Life expectancy index} = \frac{73.5 - 25}{85 - 25} = 0.81$$

Calculating the education index

The education index measures a country's relative achievement in both the adult literacy and combined primary, secondary and tertiary gross enrolment. First, an index for adult literacy and one for combined gross enrolment are calculated. Then these two indices are combined to create the education index, with two thirds weight given to adult literacy and one-third weight to combined gross enrolment. For Macedonia, with an adult literacy rate of 96 % in 2002 and a combined gross enrolment ratio of 70 % in 2002, the education index is **0.87**.

$$\text{Adult literacy index} = \frac{96 - 0}{100 - 0} = 0.96$$

$$\text{Gross enrolment index} = \frac{70 - 0}{100 - 0} = 0.70$$

Education index = 2/3 (adult literacy index) + 1/3 (gross enrolment index) = 2/3 (0.96) + 1/3 (0.70) = **0.87**

Calculating the GDP index

The GDP index is calculated using adjusted GDP per capita (PPP US$). In the HDI income serves as a surrogate for all the dimensions of human development not reflected in a long and healthy life and in knowledge. Income is adjusted because achieving a respectable level of human development does not require unlimited income. Accordingly, the logarithm of income is used. For Macedonia, with a GDP per capita of $ 6,470 (PPP US $) in 2002, the GDP index is **0.70.**

$$\text{GDP index} = \frac{\log (6,470) - \log (100)}{\log (40,000) - \log (100)} = 0.70$$

Calculating the HDI

Once the dimension indices have been calculated, determining the HDI is straightforward. It is a simple average of the three dimension indices.

HDI = 1/3 (life expectancy index) + 1/3 (education index) + 1/3 (GDP index) = 1/3 (0.81) + 1/3 (0.87) + 1/3 (0.70) = **0.793.**

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Data by Municipality*

*The tables were provided by the UNDP project *Mapping the socio-economic disparities among Macedonian municipalities.* Data are from the 2002 Census.

Table 1: Total population of Macedonia according to declared ethnic affiliation, by municipalities

Municipality	Total	Macedonians Number	%	Albanians Number	%	Turks Number	%	Roma Number	%
Macedonia	2022547	1297981	64.2	509083	25.2	77959	3.9	53879	2.7
Skopje	467257	332778	71.2	71483	15.3	8549	1.8	23202	5.0
Gazi Baba	72222	53106	73.5	12502	17.3	606	0.8	2082	2.9
Gorce Petrov	41490	35322	85.1	1597	3.8	368	0.9	1249	3.0
Karpos	59810	52943	88.5	1952	3.3	334	0.6	615	1.0
Kisela Voda	125379	113057	90.2	1264	1.0	889	0.7	1296	1.0
Centar	82604	44150	53.4	25315	30.6	3481	4.2	3651	4.4
Cair	68395	33238	48.6	26259	38.4	2816	4.1	998	1.5
Suto Orizari	17357	962	5.5	2594	14.9	55	0.3	13311	76.7
Aracinovo	11992	987	8.2	10879	90.7	-	0.0	-	0.0
Bac	755	748	99.1	-	0.0	-	0.0	-	0.0
Belcista	2940	2921	99.4	-	0.0	-	0.0	-	0.0
Berovo	13941	13335	95.7	-	0.0	91	0.7	459	3.3
Bistrica	5042	3688	73.1	1280	25.4	27	0.5	5	0.1
Bitola	86408	77470	89.7	2522	2.9	1580	1.8	2594	3.0
Blatec	2024	2016	99.6	-	0.0	-	0.0	-	0.0
Bogdanci	8707	8093	92.9	2	0.0	54	0.6	1	0.0
Bogovinje	14555	5	0.0	14449	99.3	4	0.0	5	0.0
Bogomila	1252	1192	95.2	45	3.6	4	0.3	-	0.0
Bosilovo	12457	11850	95.1	-	0.0	494	4.0	24	0.2
Brvenica	15855	5949	37.5	9770	61.6	2	0.0	-	0.0
Valandovo	11890	9830	82.7	-	0.0	1333	11.2	32	0.3
Vasilevo	12122	9958	82.1	-	0.0	2095	17.3	5	0.0
Vevcani	2433	2419	99.4	3	0.1	-	0.0	-	0.0
Veles	57602	46802	81.3	4742	8.2	1724	3.0	800	1.4
Velesta	8156	2	0.0	8072	99.0	-	0.0	1	0.0
Vinica	17914	16245	90.7	-	0.0	272	1.5	1230	6.9
Vitoliste	494	491	99.4	-	0.0	-	0.0	-	0.0
Vranestica	1322	1033	78.1	10	0.8	276	20.9	-	0.0
Vrapciste	8586	1025	11.9	4391	51.1	3132	36.5	-	0.0
Vratnica	3563	1335	37.5	2178	61.1	-	0.0	-	0.0
Vrutok	5999	808	13.5	4493	74.9	659	11.0	9	0.2
Gevgelija	20362	19654	96.5	8	0.0	31	0.2	13	0.1
Gostivar	49545	13149	26.5	29236	59.0	4564	9.2	1904	3.8
Gradsko	3760	2924	77.8	125	3.3	71	1.9	127	3.4
Debar	17952	2488	13.9	11364	63.3	2511	14.0	1079	6.0
Delogozdi	7884	3	0.0	7698	97.6	2	0.0	-	0.0
Delcevo	17505	16637	95.0	7	0.0	122	0.7	651	3.7
Demir Kapija	4545	3997	87.9	23	0.5	344	7.6	16	0.4
Demir Hisar	7178	6868	95.7	232	3.2	35	0.5	11	0.2
Dobrusevo	2174	1950	89.7	4	0.2	216	9.9	-	0.0
Dolna Banjica	9467	1567	16.6	4743	50.1	2767	29.2	324	3.4
Dolneni	11583	4840	41.8	2458	21.2	2580	22.3	7	0.1
Drugovo	3249	2784	85.7	155	4.8	292	9.0	1	0.0
Zelino	24390	71	0.3	24195	99.2	2	0.0	-	0.0
Zitose	2128	174	8.2	1158	54.4	17	0.8	6	0.3
Zajas	11605	211	1.8	11308	97.4	-	0.0	-	0.0
Zelenikovo	4077	2522	61.9	1206	29.6	1	0.0	92	2.3
Zletovo	3428	3410	99.5	-	0.0	-	0.0	-	0.0
Zrnovci	3264	3247	99.5	-	0.0	-	0.0	-	0.0
Izvor	1049	1041	99.2	-	0.0	-	0.0	-	0.0
Ilinden	15894	13959	87.8	352	2.2	17	0.1	428	2.7
Jegunovce	7227	4628	64.0	2464	34.1	4	0.1	41	0.6
Kavadarci	38391	37157	96.8	2	0.0	164	0.4	679	1.8
Kamenjane	14442	32	0.2	13165	91.2	1179	8.2	-	0.0
Karbinci	4012	3200	79.8	-	0.0	728	18.1	2	0.0
Kicevo	30138	16140	53.6	9202	30.5	2430	8.1	1630	5.4
Klecevce	1609	1583	98.4	-	0.0	-	0.0	-	0.0
Kondovo	11155	36	0.3	10879	97.5	24	0.2	59	0.5
Konopiste	350	342	97.7	-	0.0	3	0.9	-	0.0

Municipality	Vlachs Number	%	Serbs Number	%	Bosniaks Number	%	Other Number	%
Macedonia	9695	0.5	35939	1.8	17018	0.8	20993	1.0
Skopje	2546	0.5	14251	3.0	6465	1.4	7983	1.7
Gazi Baba	236	0.3	2094	2.9	710	1.0	886	1.2
Gorce Petrov	109	0.3	1719	4.1	489	1.2	637	1.5
Karpos	407	0.7	2195	3.7	98	0.2	1266	2.1
Kisela Voda	1137	0.9	4485	3.6	963	0.8	2288	1.8
Centar	483	0.6	2274	2.8	1713	2.1	1537	1.9
Cair	174	0.3	1440	2.1	2354	3.4	1116	1.6
Suto Orizari	-	0.0	44	0.3	138	0.8	253	1.5
Aracinovo	1	0.0	13	0.1	65	0.5	47	0.4
Bac	-	0.0	6	0.8	-	0.0	1	0.1
Belcista	-	0.0	6	0.2	-	0.0	13	0.4
Berovo	6	0.0	20	0.1	3	0.0	27	0.2
Bistrica	-	0.0	23	0.5	-	0.0	19	0.4
Bitola	1183	1.4	515	0.6	20	0.0	524	0.6
Blatec	-	0.0	8	0.4	-	0.0	-	0.0
Bogdanci	5	0.1	525	6.0	-	0.0	27	0.3
Bogovinje	-	0.0	1	0.0	-	0.0	91	0.6
Bogomila	-	0.0	5	0.4	-	0.0	6	0.5
Bosilovo	-	0.0	6	0.0	-	0.0	83	0.7
Brvenica	-	0.0	78	0.5	1	0.0	55	0.3
Valandovo	1	0.0	639	5.4	1	0.0	54	0.5
Vasilevo	1	0.0	4	0.0	1	0.0	58	0.5
Vevcani	1	0.0	3	0.1	-	0.0	7	0.3
Veles	343	0.6	540	0.9	2406	4.2	245	0.4
Velesta	1	0.0	-	0.0	-	0.0	80	1.0
Vinica	121	0.7	24	0.1	-	0.0	22	0.1
Vitoliste	-	0.0	2	0.4	-	0.0	1	0.2
Vranestica	-	0.0	2	0.2	-	0.0	1	0.1
Vrapciste	-	0.0	3	0.0	1	0.0	34	0.4
Vratnica	-	0.0	40	1.1	1	0.0	9	0.3
Vrutok	-	0.0	5	0.1	-	0.0	25	0.4
Gevgelija	214	1.1	349	1.7	4	0.0	89	0.4
Gostivar	15	0.0	149	0.3	37	0.1	491	1.0
Gradsko	-	0.0	23	0.6	465	12.4	25	0.7
Debar	2	0.0	22	0.1	2	0.0	484	2.7
Delogozdi	-	0.0	2	0.0	-	0.0	179	2.3
Delcevo	4	0.0	35	0.2	-	0.0	49	0.3
Demir Kapija	-	0.0	132	2.9	1	0.0	32	0.7
Demir Hisar	7	0.1	9	0.1	2	0.0	14	0.2
Dobrusevo	-	0.0	1	0.0	-	0.0	3	0.1
Dolna Banjica	-	0.0	5	0.1	-	0.0	61	0.6
Dolneni	-	0.0	11	0.1	1633	14.1	54	0.5
Drugovo	-	0.0	8	0.2	-	0.0	9	0.3
Zelino	-	0.0	1	0.0	5	0.0	116	0.5
Zitose	-	0.0	5	0.2	747	35.1	21	1.0
Zajas	-	0.0	6	0.1	-	0.0	80	0.7
Zelenikovo	1	0.0	45	1.1	191	4.7	19	0.5
Zletovo	10	0.3	4	0.1	-	0.0	4	0.1
Zrnovci	13	0.4	2	0.1	-	0.0	2	0.1
Izvor	-	0.0	5	0.5	-	0.0	3	0.3
Ilinden	1	0.0	912	5.7	-	0.0	225	1.4
Jegunovce	-	0.0	69	1.0	-	0.0	21	0.3
Kavadarci	27	0.1	214	0.6	4	0.0	144	0.4
Kamenjane	-	0.0	-	0.0	9	0.1	57	0.4
Karbinci	54	1.3	12	0.3	-	0.0	16	0.4
Kicevo	76	0.3	86	0.3	7	0.0	567	1.9
Klecevce	-	0.0	24	1.5	-	0.0	2	0.1
Kondovo	-	0.0	1	0.0	85	0.8	71	0.6
Konopiste	-	0.0	4	1.1	-	0.0	1	0.3

Municipality	Total	Macedonians		Albanians		Turks		Roma	
		Number	%	Number	%	Number	%	Number	%
Konce	3536	3009	85.1	-	0.0	521	14.7	-	0.0
Kosel	1369	1359	99.3	-	0.0	-	0.0	-	0.0
Kocani	33689	31077	92.2	-	0.0	315	0.9	1951	5.8
Kratovo	10441	10231	98.0	-	0.0	8	0.1	151	1.4
Kriva Palanka	20820	19998	96.1	-	0.0	2	0.0	668	3.2
Krivogastani	6007	5983	99.6	-	0.0	-	0.0	8	0.1
Krusevo	9684	6081	62.8	2064	21.3	315	3.3	-	0.0
Kuklis	4449	4231	95.1	-	0.0	212	4.8	-	0.0
Kukurecani	2511	2447	97.5	44	1.8	1	0.0	14	0.6
Kumanovo	103205	61495	59.6	27290	26.4	292	0.3	4256	4.1
Labunista	8935	1149	12.9	4935	55.2	1618	18.1	3	0.0
Lipkovo	27058	169	0.6	26360	97.4	-	0.0	-	0.0
Lozovo	2858	2471	86.5	35	1.2	157	5.5	-	0.0
Lukovo	1509	1496	99.1	-	0.0	-	0.0	-	0.0
Mavrovi Anovi	984	571	58.0	379	38.5	16	1.6	10	1.0
Makedonska Kamenica	8110	8055	99.3	-	0.0	-	0.0	14	0.2
Makedonski Brod	5588	5384	96.3	-	0.0	181	3.2	3	0.1
Meseista	2567	2403	93.6	153	6.0	2	0.1	-	0.0
Miravci	2626	2604	99.2	-	0.0	-	0.0	-	0.0
Mogila	4536	4482	98.8	30	0.7	13	0.3	6	0.1
Murtino	6544	5606	85.7	2	0.0	901	13.8	17	0.3
Negotino	19212	17768	92.5	30	0.2	243	1.3	453	2.4
Negotino - Polosko	16813	16	0.1	16710	99.4	2	0.0	-	0.0
Novaci	2478	2428	98.0	21	0.8	26	1.0	-	0.0
Novo Selo	11966	11907	99.5	-	0.0	-	0.0	3	0.0
Oblesevo	5071	5057	99.7	-	0.0	-	0.0	-	0.0
Orasac	1252	1243	99.3	-	0.0	-	0.0	-	0.0
Orizari	4403	4395	99.8	1	0.0	-	0.0	-	0.0
Oslomej	10425	110	1.1	10257	98.4	-	0.0	-	0.0
Ohrid	54380	45985	84.6	2962	5.4	2268	4.2	69	0.1
Petrovec	8255	4246	51.4	1887	22.9	75	0.9	134	1.6
Pehcevo	5517	4737	85.9	-	0.0	357	6.5	390	7.1
Plasnica	4545	34	0.7	20	0.4	4446	97.8	-	0.0
Podares	3746	3728	99.5	-	0.0	13	0.3	-	0.0
Prilep	73351	68331	93.2	21	0.0	126	0.2	4433	6.0
Probistip	12765	12567	98.4	-	0.0	6	0.0	37	0.3
Radovis	24498	20024	81.7	8	0.0	4048	16.5	271	1.1
Rankovce	4144	4058	97.9	-	0.0	-	0.0	57	1.4
Resen	16825	12798	76.1	1536	9.1	1797	10.7	184	1.1
Rosoman	4141	3694	89.2	-	0.0	-	0.0	6	0.1
Rostusa	9451	5208	55.1	1105	11.7	3040	32.2	1	0.0
Samokov	1553	1543	99.4	-	0.0	-	0.0	-	0.0
Saraj	24253	1341	5.5	21529	88.8	21	0.1	214	0.9
Sveti Nikole	18497	18005	97.3	-	0.0	81	0.4	72	0.4
Sopiste	9522	7216	75.8	1942	20.4	244	2.6	-	0.0
Sopotnica	2319	2311	99.7	-	0.0	-	0.0	-	0.0
Srbinovo	3709	109	2.9	3592	96.8	1	0.0	-	0.0
Star Dojran	3426	2641	77.1	17	0.5	402	11.7	59	1.7
Staravina	316	314	99.4	-	0.0	1	0.3	-	0.0
Staro Nagoricane	4258	3331	78.2	1	0.0	-	0.0	1	0.0
Struga	36892	17686	47.9	15324	41.5	2008	5.4	112	0.3
Strumica	45087	41822	92.8	1	0.0	2642	5.9	130	0.3
Studenicani	17246	309	1.8	11793	68.4	3285	19.0	73	0.4
Tearce	22454	2739	12.2	18950	84.4	516	2.3	67	0.3
Tetovo	70841	19956	28.2	45316	64.0	1882	2.7	2357	3.3
Topolcani	2923	2056	70.3	1	0.0	791	27.1	-	0.0
Capari	1424	1011	71.0	318	22.3	2	0.1	-	0.0
Centar Zupa	6299	814	12.9	437	6.9	5023	79.7	-	0.0
Caska	2878	2127	73.9	215	7.5	387	13.4	-	0.0
Cegrane	12310	237	1.9	11969	97.2	-	0.0	-	0.0
Cesinovo	2419	2398	99.1	-	0.0	-	0.0	-	0.0
Cucer - Sandevo	8493	4019	47.3	1943	22.9	-	0.0	23	0.3
Dzepciste	7919	90	1.1	7788	98.3	-	0.0	-	0.0
Sipkovica	7820	7	0.1	7782	99.5	-	0.0	-	0.0
Stip	47796	41670	87.2	12	0.0	1272	2.7	2195	4.6

Municipality	Vlachs		Serbs		Bosniaks		Other	
	Number	%	Number	%	Number	%	Number	%
Konce	-	0.0	3	0.1	-	0.0	3	0.1
Kosel	-	0.0	6	0.4	-	0.0	4	0.3
Kocani	193	0.6	65	0.2	2	0.0	86	0.3
Kratovo	1	0.0	33	0.3	-	0.0	17	0.2
Kriva Palanka	3	0.0	103	0.5	2	0.0	44	0.2
Krivogastani	-	0.0	6	0.1	-	0.0	10	0.2
Krusevo	1020	10.5	38	0.4	137	1.4	29	0.3
Kuklis	-	0.0	4	0.1	-	0.0	2	0.0
Kukurecani	-	0.0	2	0.1	-	0.0	3	0.1
Kumanovo	147	0.1	9035	8.8	20	0.0	670	0.6
Labunista	8	0.1	1	0.0	72	0.8	1149	12.9
Lipkovo	1	0.0	370	1.4	6	0.0	152	0.6
Lozovo	122	4.3	27	0.9	34	1.2	12	0.4
Lukovo	-	0.0	3	0.2	-	0.0	10	0.7
Mavrovi Anovi	-	0.0	5	0.5	1	0.1	2	0.2
Makedonska Kamenica	-	0.0	24	0.3	8	0.1	9	0.1
Makedonski Brod	-	0.0	16	0.3	1	0.0	3	0.1
Meseista	1	0.0	2	0.1	-	0.0	6	0.2
Miravci	-	0.0	18	0.7	1	0.0	3	0.1
Mogila	-	0.0	1	0.0	-	0.0	4	0.1
Murtino	-	0.0	7	0.1	-	0.0	11	0.2
Negotino	14	0.1	627	3.3	1	0.0	76	0.4
Negotino - Polosko	-	0.0	1	0.0	7	0.0	77	0.5
Novaci	1	0.0	-	0.0	-	0.0	2	0.1
Novo Selo	-	0.0	25	0.2	2	0.0	29	0.2
Oblesevo	11	0.2	2	0.0	-	0.0	1	0.0
Orasac	-	0.0	9	0.7	-	0.0	-	0.0
Orizari	1	0.0	2	0.0	-	0.0	4	0.1
Oslomej	-	0.0	-	0.0	1	0.0	57	0.5
Ohrid	323	0.6	360	0.7	29	0.1	2384	4.4
Petrovec	-	0.0	415	5.0	1442	17.5	56	0.7
Pehcevo	2	0.0	12	0.2	-	0.0	19	0.3
Plasnica	-	0.0	-	0.0	-	0.0	45	1.0
Podares	-	0.0	4	0.1	-	0.0	1	0.0
Prilep	17	0.0	169	0.2	17	0.0	237	0.3
Probistip	27	0.2	85	0.7	1	0.0	42	0.3
Radovis	26	0.1	67	0.3	1	0.0	53	0.2
Rankovce	-	0.0	18	0.4	-	0.0	11	0.3
Resen	26	0.2	74	0.4	1	0.0	409	2.4
Rosoman	-	0.0	409	9.9	-	0.0	32	0.8
Rostusa	-	0.0	1	0.0	31	0.3	65	0.7
Samokov	-	0.0	6	0.4	-	0.0	4	0.3
Saraj	-	0.0	17	0.1	1035	4.3	96	0.4
Sveti Nikole	238	1.3	71	0.4	1	0.0	29	0.2
Sopiste	15	0.2	58	0.6	-	0.0	47	0.5
Sopotnica	-	0.0	4	0.2	-	0.0	4	0.2
Srbinovo	-	0.0	-	0.0	-	0.0	7	0.2
Star Dojran	3	0.1	277	8.1	2	0.1	25	0.7
Staravina	-	0.0	1	0.3	-	0.0	-	0.0
Staro Nagoricane	-	0.0	920	21.6	-	0.0	5	0.1
Struga	647	1.8	100	0.3	31	0.1	984	2.7
Strumica	3	0.0	176	0.4	6	0.0	307	0.7
Studenicani	-	0.0	14	0.1	1662	9.6	110	0.6
Tearce	-	0.0	14	0.1	1	0.0	167	0.7
Tetovo	13	0.0	602	0.8	156	0.2	559	0.8
Topolcani	-	0.0	1	0.0	69	2.4	5	0.2
Capari	87	6.1	1	0.1	1	0.1	4	0.3
Centar Zupa	-	0.0	-	0.0	-	0.0	25	0.4
Caska	1	0.0	45	1.6	67	2.3	36	1.3
Cegrane	-	0.0	1	0.0	2	0.0	101	0.8
Cesinovo	19	0.8	2	0.1	-	0.0	-	0.0
Cucer - Sandevo	16	0.2	2426	28.6	1	0.0	65	0.8
Dzepciste	1	0.0	-	0.0	-	0.0	40	0.5
Sipkovica	1	0.0	2	0.0	-	0.0	28	0.4
Stip	2074	4.3	297	0.6	11	0.0	265	0.6

Table 2: Labour force, employed and unemployed by sex and municipalities

Municipality of usual residence	Labour force (employed+unemployed)					Employed (share of total employed)				
	Total	Male Number	%	Female Number	%	Total	Male Number	%	Female Number	%
Macedonia	743676	456199	61.3	287477	38.7	460544	285570	62.0	174974	38.0
Skopje	191399	107536	56.2	83863	43.8	139519	77635	55.6	61884	44.4
Gazi Baba	29127	17223	59.1	11904	40.9	19626	11679	59.5	7947	40.5
Gorce Petrov	18511	10341	55.9	8170	44.1	13536	7712	57.0	5824	43.0
Karpos	26285	13515	51.4	12770	48.6	21834	11149	51.1	10685	48.9
Kisela Voda	58874	31243	53.1	27631	46.9	45697	24559	53.7	21138	46.3
Centar	29977	17365	57.9	12612	42.1	21563	11833	54.9	9730	45.1
Cair	23880	14596	61.1	9284	38.9	15804	9596	60.7	6208	39.3
Suto Orizari	4745	3253	68.6	1492	31.4	1459	1107	75.9	352	24.1
Aracinovo	2683	2215	82.6	468	17.4	815	652	80.0	163	20.0
Bac	218	176	80.7	42	19.3	86	78	90.7	8	9.3
Belcista	894	582	65.1	312	34.9	420	312	74.3	108	25.7
Berovo	5589	3319	59.4	2270	40.6	3891	2380	61.2	1511	38.8
Bistrica	2091	1373	65.7	718	34.3	1479	1042	70.5	437	29.5
Bitola	39253	21394	54.5	17859	45.5	26130	14952	57.2	11178	42.8
Blatec	691	407	58.9	284	41.1	432	253	58.6	179	41.4
Bogdanci	4153	2421	58.3	1732	41.7	3142	1826	58.1	1316	41.9
Bogovinje	2652	2343	88.3	309	11.7	847	794	93.7	53	6.3
Bogomila	272	213	78.3	59	21.7	151	130	86.1	21	13.9
Bosilovo	5545	3709	66.9	1836	33.1	3803	2773	72.9	1030	27.1
Brvenica	4250	3036	71.4	1214	28.6	2718	1871	68.8	847	31.2
Valandovo	5434	3257	59.9	2177	40.1	3236	1973	61.0	1263	39.0
Vasilevo	5503	3622	65.8	1881	34.2	2895	2162	74.7	733	25.3
Vevcani	854	491	57.5	363	42.5	607	344	56.7	263	43.3
Veles	24523	14069	57.4	10454	42.6	14837	9185	61.9	5652	38.1
Velesta	1221	1032	84.5	189	15.5	433	392	90.5	41	9.5
Vinica	7361	4339	58.9	3022	41.1	4930	2871	58.2	2059	41.8
Vitoliste	96	79	82.3	17	17.7	61	53	86.9	8	13.1
Vranestica	383	298	77.8	85	22.2	180	157	87.2	23	12.8
Vrapciste	1640	1389	84.7	251	15.3	874	768	87.9	106	12.1
Vratnica	874	578	66.1	296	33.9	375	251	66.9	124	33.1
Vrutok	1040	814	78.3	226	21.7	599	489	81.6	110	18.4
Gevgelija	10105	5507	54.5	4598	45.5	7806	4180	53.5	3626	46.5
Gostivar	13504	9499	70.3	4005	29.7	7195	5075	70.5	2120	29.5
Gradsko	1418	935	65.9	483	34.1	728	592	81.3	136	18.7
Debar	5711	3700	64.8	2011	35.2	2332	1689	72.4	643	27.6
Delogozdi	1148	1012	88.2	136	11.8	581	536	92.3	45	7.7
Delcevo	7458	4222	56.6	3236	43.4	5304	2872	54.1	2432	45.9
Demir Kapija	1849	1145	61.9	704	38.1	1029	636	61.8	393	38.2
Demir Hisar	3513	2037	58.0	1476	42.0	2788	1679	60.2	1109	39.8
Dobrusevo	870	652	74.9	218	25.1	553	457	82.6	96	17.4
Dolna Banjica	2491	1891	75.9	600	24.1	1016	859	84.5	157	15.5
Dolneni	3484	2484	71.3	1000	28.7	841	749	89.1	92	10.9
Drugovo	1133	747	65.9	386	34.1	611	488	79.9	123	20.1
Zelino	4452	3422	76.9	1030	23.1	916	864	94.3	52	5.7
Zitose	641	515	80.3	126	19.7	404	340	84.2	64	15.8
Zajas	1631	1455	89.2	176	10.8	537	489	91.1	48	8.9
Zelenikovo	1333	894	67.1	439	32.9	788	591	75.0	197	25.0
Zletovo	1320	808	61.2	512	38.8	799	561	70.2	238	29.8
Zrnovci	1099	700	63.7	399	36.3	684	421	61.5	263	38.5
Izvor	376	276	73.4	100	26.6	235	191	81.3	44	18.7
Ilinden	6486	4286	66.1	2200	33.9	4240	3082	72.7	1158	27.3
Jegunovce	2222	1452	65.3	770	34.7	1052	560	53.2	492	46.8
Kavadarci	16638	9941	59.7	6697	40.3	8430	5550	65.8	2880	34.2
Kamenjane	2936	2433	82.9	503	17.1	691	651	94.2	40	5.8
Karbinci	1331	852	64.0	479	36.0	706	453	64.2	253	35.8
Kicevo	10676	6578	61.6	4098	38.4	6309	4185	66.3	2124	33.7
Klecevce	364	289	79.4	75	20.6	185	170	91.9	15	8.1
Kondovo	2182	1931	88.5	251	11.5	868	815	93.9	53	6.1
Konopiste	72	56	77.8	16	22.2	21	14	66.7	7	33.3
Konce	1374	1058	77.0	316	23.0	1156	932	80.6	224	19.4

Municipality of usual residence	Unemployed (share of total unemployed)				
	Total	Male Number	%	Female Number	%
Macedonia	283132	170629	60.3	112503	39.7
Skopje	51880	29901	57.6	21979	42.4
Gazi Baba	9501	5544	58.4	3957	41.6
Gorce Petrov	4975	2629	52.8	2346	47.2
Karpos	4451	2366	53.2	2085	46.8
Kisela Voda	13177	6684	50.7	6493	49.3
Centar	8414	5532	65.7	2882	34.3
Cair	8076	5000	61.9	3076	38.1
Suto Orizari	3286	2146	65.3	1140	34.7
Aracinovo	1868	1563	83.7	305	16.3
Bac	132	98	74.2	34	25.8
Belcista	474	270	57.0	204	43.0
Berovo	1698	939	55.3	759	44.7
Bistrica	612	331	54.1	281	45.9
Bitola	13123	6442	49.1	6681	50.9
Blatec	259	154	59.5	105	40.5
Bogdanci	1011	595	58.9	416	41.1
Bogovinje	1805	1549	85.8	256	14.2
Bogomila	121	83	68.6	38	31.4
Bosilovo	1742	936	53.7	806	46.3
Brvenica	1532	1165	76.0	367	24.0
Valandovo	2198	1284	58.4	914	41.6
Vasilevo	2608	1460	56.0	1148	44.0
Vevcani	247	147	59.5	100	40.5
Veles	9686	4884	50.4	4802	49.6
Velesta	788	640	81.2	148	18.8
Vinica	2431	1468	60.4	963	39.6
Vitoliste	35	26	74.3	9	25.7
Vranestica	203	141	69.5	62	30.5
Vrapciste	766	621	81.1	145	18.9
Vratnica	499	327	65.5	172	34.5
Vrutok	441	325	73.7	116	26.3
Gevgelija	2299	1327	57.7	972	42.3
Gostivar	6309	4424	70.1	1885	29.9
Gradsko	690	343	49.7	347	50.3
Debar	3379	2011	59.5	1368	40.5
Delogozdi	567	476	84.0	91	16.0
Delcevo	2154	1350	62.7	804	37.3
Demir Kapija	820	509	62.1	311	37.9
Demir Hisar	725	358	49.4	367	50.6
Dobrusevo	317	195	61.5	122	38.5
Dolna Banjica	1475	1032	70.0	443	30.0
Dolneni	2643	1735	65.6	908	34.4
Drugovo	522	259	49.6	263	50.4
Zelino	3536	2558	72.3	978	27.7
Zitose	237	175	73.8	62	26.2
Zajas	1094	966	88.3	128	11.7
Zelenikovo	545	303	55.6	242	44.4
Zletovo	521	247	47.4	274	52.6
Zrnovci	415	279	67.2	136	32.8
Izvor	141	85	60.3	56	39.7
Ilinden	2246	1204	53.6	1042	46.4
Jegunovce	1170	892	76.2	278	23.8
Kavadarci	8208	4391	53.5	3817	46.5
Kamenjane	2245	1782	79.4	463	20.6
Karbinci	625	399	63.8	226	36.2
Kicevo	4367	2393	54.8	1974	45.2
Klecevce	179	119	66.5	60	33.5
Kondovo	1314	1116	84.9	198	15.1
Konopiste	51	42	82.4	9	17.6
Konce	218	126	57.8	92	42.2

Municipality of usual residence	Labour force (employed+unemployed)					Employed (share of total employed)				
	Total	Male Number	%	Female Number	%	Total	Male Number	%	Female Number	%
Kosel	459	298	64.9	161	35.1	275	194	70.5	81	29.5
Kocani	14809	8573	57.9	6236	42.1	9061	5185	57.2	3876	42.8
Kratovo	4123	2551	61.9	1572	38.1	2518	1696	67.4	822	32.6
Kriva Palanka	8668	5185	59.8	3483	40.2	4382	2853	65.1	1529	34.9
Krivogastani	2693	1783	66.2	910	33.8	1291	1050	81.3	241	18.7
Krusevo	3706	2362	63.7	1344	36.3	1848	1316	71.2	532	28.8
Kuklis	1886	1340	71.0	546	29.0	1099	867	78.9	232	21.1
Kukurecani	1331	821	61.7	510	38.3	1121	710	63.3	411	36.7
Kumanovo	38875	23952	61.6	14923	38.4	20923	13662	65.3	7261	34.7
Labunista	1586	1396	88.0	190	12.0	817	734	89.8	83	10.2
Lipkovo	5254	4263	81.1	991	18.9	1313	1222	93.1	91	6.9
Lozovo	942	719	76.3	223	23.7	507	433	85.4	74	14.6
Lukovo	418	301	72.0	117	28.0	272	200	73.5	72	26.5
Mavrovi Anovi	338	246	72.8	92	27.2	199	151	75.9	48	24.1
Makedonska Kamenica	3105	1901	61.2	1204	38.8	2205	1328	60.2	877	39.8
Makedonski Brod	2334	1427	61.1	907	38.9	1522	1026	67.4	496	32.6
Meseista	902	574	63.6	328	36.4	580	405	69.8	175	30.2
Miravci	1118	722	64.6	396	35.4	873	583	66.8	290	33.2
Mogila	1974	1409	71.4	565	28.6	1376	1057	76.8	319	23.2
Murtino	2879	1825	63.4	1054	36.6	1838	1300	70.7	538	29.3
Negotino	8746	5189	59.3	3557	40.7	4865	3141	64.6	1724	35.4
Negotino - Polosko	2742	2541	92.7	201	7.3	1679	1610	95.9	69	4.1
Novaci	1089	725	66.6	364	33.4	771	593	76.9	178	23.1
Novo Selo	4837	3188	65.9	1649	34.1	2741	2015	73.5	726	26.5
Oblesevo	1959	1355	69.2	604	30.8	1377	999	72.5	378	27.5
Orasac	287	235	81.9	52	18.1	169	154	91.1	15	8.9
Orizari	1801	1148	63.7	653	36.3	1196	745	62.3	451	37.7
Oslomej	1787	1492	83.5	295	16.5	618	565	91.4	53	8.6
Ohrid	23762	13107	55.2	10655	44.8	15486	8645	55.8	6841	44.2
Petrovec	2765	1892	68.4	873	31.6	1501	1073	71.5	428	28.5
Pehcevo	2279	1343	58.9	936	41.1	1370	885	64.6	485	35.4
Plasnica	1024	879	85.8	145	14.2	256	255	99.6	1	0.4
Podares	1873	1123	60.0	750	40.0	1667	1013	60.8	654	39.2
Prilep	33368	18985	56.9	14383	43.1	17336	10625	61.3	6711	38.7
Probistip	5108	2967	58.1	2141	41.9	3457	2149	62.2	1308	37.8
Radovis	9922	6290	63.4	3632	36.6	6808	4485	65.9	2323	34.1
Rankovce	1127	826	73.3	301	26.7	498	409	82.1	89	17.9
Resen	6727	4026	59.8	2701	40.2	4705	2857	60.7	1848	39.3
Rosoman	1612	1200	74.4	412	25.6	820	693	84.5	127	15.5
Rostusa	1500	1200	80.0	300	20.0	550	486	88.4	64	11.6
Samokov	460	356	77.4	104	22.6	317	252	79.5	65	20.5
Saraj	5479	4767	87.0	712	13.0	2023	1737	85.9	286	14.1
Sveti Nikole	7868	4574	58.1	3294	41.9	4670	2827	60.5	1843	39.5
Sopiste	3493	2261	64.7	1232	35.3	2125	1425	67.1	700	32.9
Sopotnica	1146	676	59.0	470	41.0	923	552	59.8	371	40.2
Srbinovo	555	488	87.9	67	12.1	331	304	91.8	27	8.2
Star Dojran	1434	878	61.2	556	38.8	1008	647	64.2	361	35.8
Staravina	69	57	82.6	12	17.4	51	44	86.3	7	13.7
Staro Nagoricane	1322	981	74.2	341	25.8	853	675	79.1	178	20.9
Struga	11555	7257	62.8	4298	37.2	7168	4452	62.1	2716	37.9
Strumica	20993	11692	55.7	9301	44.3	12487	7008	56.1	5479	43.9
Studenicani	3500	3105	88.7	395	11.3	1179	1113	94.4	66	5.6
Tearce	4840	3537	73.1	1303	26.9	1825	1409	77.2	416	22.8
Tetovo	20248	13658	67.5	6590	32.5	12285	7876	64.1	4409	35.9
Topolcani	1144	803	70.2	341	29.8	266	252	94.7	14	5.3
Capari	603	386	64.0	217	36.0	521	342	65.6	179	34.4
Centar Zupa	851	753	88.5	98	11.5	268	244	91.0	24	9.0
Caska	934	700	74.9	234	25.1	556	491	88.3	65	11.7
Cegrane	2036	1762	86.5	274	13.5	1038	974	93.8	64	6.2
Cesinovo	897	655	73.0	242	27.0	521	428	82.1	93	17.9
Cucer - Sandevo	3261	2227	68.3	1034	31.7	1857	1345	72.4	512	27.6
Dzepciste	1524	1418	93.0	106	7.0	1150	1081	94.0	69	6.0
Sipkovica	1245	1089	87.5	156	12.5	298	277	93.0	21	7.0
Stip	20068	11291	56.3	8777	43.7	13669	7422	54.3	6247	45.7

Municipality of usual residence	Unemployed (share of total unemployed)				
	Total	Male Number	%	Female Number	%
Kosel	184	104	56.5	80	43.5
Kocani	5748	3388	58.9	2360	41.1
Kratovo	1605	855	53.3	750	46.7
Kriva Palanka	4286	2332	54.4	1954	45.6
Krivogastani	1402	733	52.3	669	47.7
Krusevo	1858	1046	56.3	812	43.7
Kuklis	787	473	60.1	314	39.9
Kukurecani	210	111	52.9	99	47.1
Kumanovo	17952	10290	57.3	7662	42.7
Labunista	769	662	86.1	107	13.9
Lipkovo	3941	3041	77.2	900	22.8
Lozovo	435	286	65.7	149	34.3
Lukovo	146	101	69.2	45	30.8
Mavrovi Anovi	139	95	68.3	44	31.7
Makedonska Kamenica	900	573	63.7	327	36.3
Makedonski Brod	812	401	49.4	411	50.6
Meseista	322	169	52.5	153	47.5
Miravci	245	139	56.7	106	43.3
Mogila	598	352	58.9	246	41.1
Murtino	1041	525	50.4	516	49.6
Negotino	3881	2048	52.8	1833	47.2
Negotino - Polosko	1063	931	87.6	132	12.4
Novaci	318	132	41.5	186	58.5
Novo Selo	2096	1173	56.0	923	44.0
Oblesevo	582	356	61.2	226	38.8
Orasac	118	81	68.6	37	31.4
Orizari	605	403	66.6	202	33.4
Oslomej	1169	927	79.3	242	20.7
Ohrid	8276	4462	53.9	3814	46.1
Petrovec	1264	819	64.8	445	35.2
Pehcevo	909	458	50.4	451	49.6
Plasnica	768	624	81.3	144	18.8
Podares	206	110	53.4	96	46.6
Prilep	16032	8360	52.1	7672	47.9
Probistip	1651	818	49.5	833	50.5
Radovis	3114	1805	58.0	1309	42.0
Rankovce	629	417	66.3	212	33.7
Resen	2022	1169	57.8	853	42.2
Rosoman	792	507	64.0	285	36.0
Rostusa	950	714	75.2	236	24.8
Samokov	143	104	72.7	39	27.3
Saraj	3456	3030	87.7	426	12.3
Sveti Nikole	3198	1747	54.6	1451	45.4
Sopiste	1368	836	61.1	532	38.9
Sopotnica	223	124	55.6	99	44.4
Srbinovo	224	184	82.1	40	17.9
Star Dojran	426	231	54.2	195	45.8
Staravina	18	13	72.2	5	27.8
Staro Nagoricane	469	306	65.2	163	34.8
Struga	4387	2805	63.9	1582	36.1
Strumica	8506	4684	55.1	3822	44.9
Studenicani	2321	1992	85.8	329	14.2
Tearce	3015	2128	70.6	887	29.4
Tetovo	7963	5782	72.6	2181	27.4
Topolcani	878	551	62.8	327	37.2
Capari	82	44	53.7	38	46.3
Centar Zupa	583	509	87.3	74	12.7
Caska	378	209	55.3	169	44.7
Cegrane	998	788	79.0	210	21.0
Cesinovo	376	227	60.4	149	39.6
Cucer - Sandevo	1404	882	62.8	522	37.2
Dzepciste	374	337	90.1	37	9.9
Sipkovica	947	812	85.7	135	14.3
Stip	6399	3869	60.5	2530	39.5

Table 3: Labour force - employment and unemployment rates by sex

Municipality of usual residence	Employment rate (employed as % of labor force)			Unemployment rate (unemployed as % of labor force)			Unemployed as % of the working age population		
	total	male	female	total	male	female	total	male	female
Macedonia	61.93	62.60	60.87	38.07	37.40	39.13	34.5%	40.9%	27.5%
Skopje	72.89	72.19	73.79	27.11	27.81	26.21	44.0%	47.9%	39.8%
Gazi Baba	67.38	67.81	66.76	32.62	32.19	33.24	40.0%	45.6%	33.8%
Gorce Petrov	73.12	74.58	71.29	26.88	25.42	28.71	47.2%	51.7%	42.3%
Karpos	83.07	82.49	83.67	16.93	17.51	16.33	55.8%	57.1%	54.4%
Kisela Voda	77.62	78.61	76.50	22.38	21.39	23.50	51.4%	54.5%	48.2%
Centar	71.93	68.14	77.15	28.07	31.86	22.85	39.6%	43.0%	36.1%
Cair	66.18	65.74	66.87	33.82	34.26	33.13	34.5%	40.6%	28.0%
Suto Orizari	30.75	34.03	23.59	69.25	65.97	76.41	13.0%	19.3%	6.4%
Aracinovo	30.38	29.44	34.83	69.62	70.56	65.17	11.0%	16.7%	4.7%
Bac	39.45	44.32	19.05	60.55	55.68	80.95	21.7%	32.8%	5.1%
Belcista	46.98	53.61	34.62	53.02	46.39	65.38	28.4%	36.7%	17.2%
Berovo	69.62	71.71	66.56	30.38	28.29	33.44	42.8%	49.3%	35.4%
Bistrica	70.73	75.89	60.86	29.27	24.11	39.14	47.4%	60.8%	31.0%
Bitola	66.57	69.89	62.59	33.43	30.11	37.41	45.6%	50.4%	40.4%
Blatec	62.52	62.16	63.03	37.48	37.84	36.97	33.3%	34.9%	31.2%
Bogdanci	75.66	75.42	75.98	24.34	24.58	24.02	53.4%	58.2%	47.9%
Bogovinje	31.94	33.89	17.15	68.06	66.11	82.85	9.1%	16.5%	1.2%
Bogomila	55.51	61.03	35.59	44.49	38.97	64.41	26.4%	38.0%	9.1%
Bosilovo	68.58	74.76	56.10	31.42	25.24	43.90	47.1%	62.5%	28.3%
Brvenica	63.95	61.63	69.77	36.05	38.37	30.23	27.4%	36.6%	17.6%
Valandovo	59.55	60.58	58.02	40.45	39.42	41.98	40.3%	45.1%	34.5%
Vasilevo	52.61	59.69	38.97	47.39	40.31	61.03	36.1%	48.9%	20.3%
Vevcani	71.08	70.06	72.45	28.92	29.94	27.55	37.6%	39.0%	36.0%
Veles	60.50	65.29	54.07	39.50	34.71	45.93	38.3%	45.0%	30.8%
Velesta	35.46	37.98	21.69	64.54	62.02	78.31	8.9%	15.5%	1.7%
Vinica	66.97	66.17	68.13	33.03	33.83	31.87	40.5%	44.0%	36.5%
Vitoliste	63.54	67.09	47.06	36.46	32.91	52.94	35.7%	47.7%	13.3%
Vranestica	47.00	52.68	27.06	53.00	47.32	72.94	24.0%	36.4%	7.2%
Vrapciste	53.29	55.29	42.23	46.71	44.71	57.77	16.1%	28.2%	3.9%
Vratnica	42.91	43.43	41.89	57.09	56.57	58.11	17.3%	20.9%	12.8%
Vrutok	57.60	60.07	48.67	42.40	39.93	51.33	15.5%	24.8%	5.8%
Gevgelija	77.25	75.90	78.86	22.75	24.10	21.14	54.9%	56.8%	52.9%
Gostivar	53.28	53.43	52.93	46.72	46.57	47.07	22.0%	30.4%	13.3%
Gradsko	51.34	63.32	28.16	48.66	36.68	71.84	29.2%	42.8%	12.2%
Debar	40.83	45.65	31.97	59.17	54.35	68.03	20.2%	27.6%	11.9%
Delogozdi	50.61	52.96	33.09	49.39	47.04	66.91	12.1%	21.2%	2.0%
Delcevo	71.12	68.02	75.15	28.88	31.98	24.85	43.7%	43.8%	43.5%
Demir Kapija	55.65	55.55	55.82	44.35	44.45	44.18	34.1%	38.2%	29.0%
Demir Hisar	79.36	82.43	75.14	20.64	17.57	24.86	62.5%	67.5%	56.3%
Dobrusevo	63.56	70.09	44.04	36.44	29.91	55.96	41.5%	58.7%	17.4%
Dolna Banjica	40.79	45.43	26.17	59.21	54.57	73.83	16.6%	27.0%	5.4%
Dolneni	24.14	30.15	9.20	75.86	69.85	90.80	12.4%	19.5%	3.1%
Drugovo	53.93	65.33	31.87	46.07	34.67	68.13	33.0%	45.8%	15.7%
Zelino	20.58	25.25	5.05	79.42	74.75	94.95	6.1%	11.3%	0.7%
Zitose	63.03	66.02	50.79	36.97	33.98	49.21	32.0%	50.1%	11.0%
Zajas	32.92	33.61	27.27	67.08	66.39	72.73	7.5%	13.4%	1.4%
Zelenikovo	59.11	66.11	44.87	40.89	33.89	55.13	29.3%	40.8%	16.0%
Zletovo	60.53	69.43	46.48	39.47	30.57	53.52	36.0%	45.8%	24.0%
Zrnovci	62.24	60.14	65.91	37.76	39.86	34.09	32.1%	35.6%	27.7%
Izvor	62.50	69.20	44.00	37.50	30.80	56.00	38.4%	53.1%	17.5%
Ilinden	65.37	71.91	52.64	34.63	28.09	47.36	38.9%	52.6%	23.0%
Jegunovce	47.34	38.57	63.90	52.66	61.43	36.10	22.3%	22.0%	22.7%
Kavadarci	50.67	55.83	43.00	49.33	44.17	57.00	32.0%	39.6%	23.3%
Kamenjane	23.54	26.76	7.95	76.46	73.24	92.05	7.4%	13.7%	0.9%
Karbinci	53.04	53.17	52.82	46.96	46.83	47.18	30.2%	34.6%	24.6%
Kicevo	59.10	63.62	51.83	40.90	36.38	48.17	30.9%	39.3%	21.8%
Klecevce	50.82	58.82	20.00	49.18	41.18	80.00	23.6%	35.9%	4.8%
Kondovo	39.78	42.21	21.12	60.22	57.79	78.88	12.3%	22.1%	1.6%
Konopiste	29.17	25.00	43.75	70.83	75.00	56.25	13.1%	13.0%	13.5%
Konce	84.13	88.09	70.89	15.87	11.91	29.11	50.7%	71.7%	22.8%

Municipality of usual residence	Employment rate			Unemployment rate			Unemployed as % of the working age population		
	total	male	female	total	male	female	total	male	female
Kosel	59.91	65.10	50.31	40.09	34.90	49.69	36.0%	45.5%	24.0%
Kocani	61.19	60.48	62.16	38.81	39.52	37.84	39.3%	42.8%	35.5%
Kratovo	61.07	66.48	52.29	38.93	33.52	47.71	36.4%	45.0%	26.1%
Kriva Palanka	50.55	55.02	43.90	49.45	44.98	56.10	30.2%	36.1%	23.2%
Krivogastani	47.94	58.89	26.48	52.06	41.11	73.52	35.5%	49.8%	15.7%
Krusevo	49.87	55.72	39.58	50.13	44.28	60.42	30.7%	40.2%	19.4%
Kuklis	58.27	64.70	42.49	41.73	35.30	57.51	36.9%	51.3%	17.9%
Kukurecani	84.22	86.48	80.59	15.78	13.52	19.41	77.4%	85.1%	66.8%
Kumanovo	53.82	57.04	48.66	46.18	42.96	51.34	30.5%	38.2%	22.2%
Labunista	51.51	52.58	43.68	48.49	47.42	56.32	14.9%	28.4%	2.9%
Lipkovo	24.99	28.67	9.18	75.01	71.33	90.82	8.1%	14.5%	1.2%
Lozovo	53.82	60.22	33.18	46.18	39.78	66.82	27.0%	40.0%	9.3%
Lukovo	65.07	66.45	61.54	34.93	33.55	38.46	30.6%	39.2%	19.0%
Mavrovi Anovi	58.88	61.38	52.17	41.12	38.62	47.83	33.2%	45.2%	18.1%
Makedonska Kamenica	71.01	69.86	72.84	28.99	30.14	27.16	38.8%	42.3%	34.5%
Makedonski Brod	65.21	71.90	54.69	34.79	28.10	45.31	42.7%	51.9%	31.2%
Meseista	64.30	70.56	53.35	35.70	29.44	46.65	38.2%	48.3%	25.8%
Miravci	78.09	80.75	73.23	21.91	19.25	26.77	53.4%	63.6%	40.3%
Mogila	69.71	75.02	56.46	30.29	24.98	43.54	50.5%	66.6%	28.0%
Murtino	63.84	71.23	51.04	36.16	28.77	48.96	43.3%	56.6%	27.6%
Negotino	55.63	60.53	48.47	44.37	39.47	51.53	37.2%	44.9%	28.3%
Negotino - Polosko	61.23	63.36	34.33	38.77	36.64	65.67	15.8%	31.3%	1.3%
Novaci	70.80	81.79	48.90	29.20	18.21	51.10	50.1%	68.9%	26.3%
Novo Selo	56.67	63.21	44.03	43.33	36.79	55.97	35.6%	47.1%	21.3%
Oblesevo	70.29	73.73	62.58	29.71	26.27	37.42	41.1%	53.2%	25.7%
Orasac	58.89	65.53	28.85	41.11	34.47	71.15	29.0%	42.5%	6.8%
Orizari	66.41	64.90	69.07	33.59	35.10	30.93	40.2%	46.3%	33.0%
Oslomej	34.58	37.87	17.97	65.42	62.13	82.03	9.4%	16.3%	1.7%
Ohrid	65.17	65.96	64.20	34.83	34.04	35.80	41.9%	45.4%	38.1%
Petrovec	54.29	56.71	49.03	45.71	43.29	50.97	27.5%	36.2%	17.2%
Pehcevo	60.11	65.90	51.82	39.89	34.10	48.18	39.0%	46.7%	29.9%
Plasnica	25.00	29.01	0.69	75.00	70.99	99.31	9.3%	18.1%	0.1%
Podares	89.00	90.20	87.20	11.00	9.80	12.80	68.7%	75.6%	60.3%
Prilep	51.95	55.97	46.66	48.05	44.03	53.34	35.5%	41.1%	29.2%
Probistip	67.68	72.43	61.09	32.32	27.57	38.91	38.7%	45.0%	31.4%
Radovis	68.62	71.30	63.96	31.38	28.70	36.04	41.9%	51.7%	30.7%
Rankovce	44.19	49.52	29.57	55.81	50.48	70.43	20.1%	29.0%	8.4%
Resen	69.94	70.96	68.42	30.06	29.04	31.58	44.8%	51.7%	37.2%
Rosoman	50.87	57.75	30.83	49.13	42.25	69.17	30.7%	45.7%	11.0%
Rostusa	36.67	40.50	21.33	63.33	59.50	78.67	9.4%	16.2%	2.2%
Samokov	68.91	70.79	62.50	31.09	29.21	37.50	40.5%	50.8%	22.6%
Saraj	36.92	36.44	40.17	63.08	63.56	59.83	13.2%	21.9%	3.8%
Sveti Nikole	59.35	61.81	55.95	40.65	38.19	44.05	37.6%	41.7%	32.6%
Sopiste	60.84	63.03	56.82	39.16	36.97	43.18	34.0%	42.4%	24.3%
Sopotnica	80.54	81.66	78.94	19.46	18.34	21.06	76.6%	79.2%	73.0%
Srbinovo	59.64	62.30	40.30	40.36	37.70	59.70	14.6%	26.0%	2.5%
Star Dojran	70.29	73.69	64.93	29.71	26.31	35.07	45.6%	54.9%	35.0%
Staravina	73.91	77.19	58.33	26.09	22.81	41.67	58.0%	75.9%	23.3%
Staro Nagoricane	64.52	68.81	52.20	35.48	31.19	47.80	38.5%	50.6%	20.2%
Struga	62.03	61.35	63.19	37.97	38.65	36.81	30.0%	36.2%	23.4%
Strumica	59.48	59.94	58.91	40.52	40.06	41.09	40.2%	43.3%	36.8%
Studenicani	33.69	35.85	16.71	66.31	64.15	83.29	11.1%	19.7%	1.3%
Tearce	37.71	39.84	31.93	62.29	60.16	68.07	12.5%	18.4%	6.0%
Tetovo	60.67	57.67	66.90	39.33	42.33	33.10	26.4%	32.9%	19.6%
Topolcani	23.25	31.38	4.11	76.75	68.62	95.89	15.6%	25.5%	2.0%
Capari	86.40	88.60	82.49	13.60	11.40	17.51	70.9%	85.1%	53.8%
Centar Zupa	31.49	32.40	24.49	68.51	67.60	75.51	6.9%	12.1%	1.3%
Caska	59.53	70.14	27.78	40.47	29.86	72.22	30.9%	49.3%	8.1%
Cegrane	50.98	55.28	23.36	49.02	44.72	76.64	13.1%	24.7%	1.6%
Cesinovo	58.08	65.34	38.43	41.92	34.66	61.57	34.1%	49.7%	13.9%
Cucer - Sandevo	56.95	60.40	49.52	43.05	39.60	50.48	33.3%	43.1%	20.8%
Dzepciste	75.46	76.23	65.09	24.54	23.77	34.91	23.0%	41.6%	2.9%
Sipkovica	23.94	25.44	13.46	76.06	74.56	86.54	6.2%	11.2%	0.9%
Stip	68.11	65.73	71.17	31.89	34.27	28.83	41.2%	42.7%	39.5%

Table 4: Unemployment rates by ethnic affiliation

Municipality of usual residence	Total	Unemployed from specific ethnic group as % of the labor force of the same group							
	Total	Macedonians	Albanians	Turks	Roma	Vlachs	Serbs	Bosniaks	Other
Macedonia	38.1	32.0	61.2	58.2	78.5	25.3	30.9	60.3	40.8
Skopje	27.1	21.6	58.0	40.5	73.1	15.4	21.5	47.8	25.0
Gazi Baba	32.6	26.8	70.5	50.5	68.7	12.1	24.8	53.1	33.6
Gorce Petrov	26.9	25.1	33.3	42.0	75.2	29.8	27.8	42.7	29.0
Karpos	16.9	16.1	43.9	28.6	47.0	14.1	17.3	19.5	18.9
Kisela Voda	22.4	21.6	46.4	43.8	74.3	17.1	19.4	51.4	21.6
Centar	28.1	15.8	59.9	41.4	78.3	9.5	16.9	49.9	23.2
Cair	33.8	25.6	52.3	37.1	59.9	16.1	28.3	45.0	32.3
Suto Orizari	69.3	33.3	64.8	65.2	73.8	0.0	40.0	53.5	70.4
Aracinovo	69.6	36.0	77.0	0.0	0.0	0.0	40.0	50.0	57.1
Bac	60.6	60.6	0.0	0.0	0.0	0.0	50.0	0.0	0.0
Belcista	53.0	53.1	0.0	0.0	0.0	0.0	100.0	0.0	0.0
Berovo	30.4	28.8	0.0	50.0	73.5	0.0	22.2	0.0	25.0
Bistrica	29.3	35.9	8.6	69.2	100.0	0.0	25.0	0.0	37.5
Bitola	33.4	31.0	62.3	62.4	87.3	24.6	36.7	83.3	41.5
Blatec	37.5	37.4	0.0	0.0	0.0	0.0	50.0	0.0	0.0
Bogdanci	24.3	23.6	100.0	35.5	100.0	66.7	34.8	0.0	18.2
Bogovinje	68.1	0.0	68.0	0.0	100.0	0.0	0.0	0.0	50.0
Bogomila	44.5	44.8	36.4	0.0	0.0	0.0	0.0	0.0	0.0
Bosilovo	31.4	30.4	0.0	57.7	87.5	0.0	0.0	0.0	38.5
Brvenica	36.0	25.5	54.0	100.0	0.0	0.0	37.1	100.0	25.0
Valandovo	40.4	40.6	0.0	28.1	75.0	0.0	62.7	0.0	25.0
Vasilevo	47.4	39.6	0.0	83.7	100.0	0.0	0.0	0.0	50.0
Vevcani	28.9	28.9	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Veles	39.5	34.8	66.9	76.3	91.8	20.5	40.5	76.9	53.9
Velesta	64.5	0.0	64.5	0.0	0.0	100.0	0.0	0.0	70.0
Vinica	33.0	29.2	0.0	54.9	86.8	25.5	18.2	0.0	22.2
Vitoliste	36.5	35.8	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Vranestica	53.0	44.4	100.0	86.3	0.0	0.0	0.0	0.0	0.0
Vrapciste	46.7	48.5	39.3	52.9	0.0	0.0	100.0	0.0	0.0
Vratnica	57.1	35.3	80.4	0.0	0.0	0.0	31.3	100.0	33.3
Vrutok	42.4	41.2	45.4	34.3	0.0	0.0	0.0	0.0	33.3
Gevgelija	22.8	22.6	33.3	16.7	50.0	22.8	29.8	0.0	29.8
Gostivar	46.7	39.4	50.6	47.9	76.2	25.0	51.6	77.8	51.4
Gradsko	48.7	46.0	29.4	60.0	100.0	0.0	33.3	56.3	100.0
Debar	59.2	28.9	60.9	69.5	77.1	100.0	36.4	0.0	63.4
Delogozdi	49.4	0.0	49.1	0.0	0.0	0.0	0.0	0.0	66.7
Delcevo	28.9	27.4	100.0	47.8	70.2	100.0	0.0	0.0	30.0
Demir Kapija	44.3	41.3	0.0	80.2	0.0	0.0	62.5	100.0	45.5
Demir Hisar	20.6	20.7	18.1	40.0	0.0	33.3	50.0	0.0	0.0
Dobrusevo	36.4	38.6	0.0	15.2	0.0	0.0	0.0	0.0	0.0
Dolna Banjica	59.2	51.2	69.3	47.0	82.5	0.0	25.0	0.0	75.0
Dolneni	75.9	61.3	89.7	81.7	100.0	0.0	100.0	91.6	83.3
Drugovo	46.1	43.8	82.0	53.0	0.0	0.0	100.0	0.0	0.0
Zelino	79.4	38.5	79.5	0.0	0.0	0.0	0.0	100.0	88.9
Zitose	37.0	48.1	32.9	20.0	33.3	0.0	100.0	38.8	0.0
Zajas	67.1	40.4	68.1	0.0	0.0	0.0	0.0	0.0	25.0
Zelenikovo	40.9	35.6	65.2	0.0	84.0	0.0	35.7	62.0	28.6
Zletovo	39.5	39.5	0.0	0.0	0.0	66.7	0.0	0.0	0.0
Zrnovci	37.8	37.8	0.0	0.0	0.0	50.0	0.0	0.0	0.0
Izvor	37.5	37.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ilinden	34.6	33.6	76.1	75.0	77.0	0.0	26.6	0.0	33.8
Jegunovce	52.7	49.8	62.8	0.0	68.8	0.0	53.8	0.0	100.0
Kavadarci	49.3	48.8	100.0	79.2	84.8	33.3	53.5	50.0	41.9
Kamenjane	76.5	33.3	76.9	69.2	0.0	0.0	0.0	0.0	100.0
Karbinci	47.0	41.5	0.0	76.9	0.0	28.6	25.0	0.0	50.0
Kicevo	40.9	31.8	59.2	57.8	88.9	30.3	43.2	66.7	68.8
Klecevce	49.2	48.9	0.0	0.0	0.0	0.0	75.0	0.0	0.0
Kondovo	60.2	41.7	60.4	100.0	0.0	0.0	0.0	22.2	57.1
Konopiste	70.8	71.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
Konce	15.9	14.2	0.0	28.0	0.0	0.0	0.0	0.0	0.0
Kosel	40.1	40.2	0.0	0.0	0.0	0.0	25.0	0.0	50.0

Municipality of usual residence	Total	Unemployed from specific ethnic group as % of the labor force of the same group							
	Total	Macedonians	Albanians	Turks	Roma	Vlachs	Serbs	Bosniaks	Other
Kocani	38.8	35.6	0.0	77.5	88.7	26.4	37.5	0.0	35.3
Kratovo	38.9	38.4	0.0	0.0	84.2	0.0	14.3	0.0	25.0
Kriva Palanka	49.4	48.4	0.0	0.0	84.2	50.0	69.8	50.0	40.0
Krivogastani	52.1	52.1	0.0	0.0	40.0	0.0	0.0	0.0	33.3
Krusevo	50.1	51.9	48.6	40.0	0.0	46.8	43.8	5.7	33.3
Kuklis	41.7	40.3	0.0	93.6	0.0	0.0	100.0	0.0	100.0
Kukurecani	15.8	16.0	5.6	0.0	0.0	0.0	0.0	0.0	0.0
Kumanovo	46.2	38.6	73.4	52.9	84.2	26.8	38.0	22.2	39.9
Labunista	48.5	48.8	45.3	53.8	0.0	33.3	100.0	50.0	53.8
Lipkovo	75.0	67.2	75.5	0.0	0.0	0.0	57.5	0.0	66.7
Lozovo	46.2	43.3	93.3	87.9	0.0	32.1	50.0	100.0	60.0
Lukovo	34.9	34.8	0.0	0.0	0.0	0.0	0.0	0.0	66.7
Mavrovi Anovi	41.1	30.2	67.0	40.0	66.7	0.0	0.0	0.0	0.0
Makedonska Kamenica	29.0	29.1	0.0	0.0	14.3	0.0	0.0	0.0	25.0
Makedonski Brod	34.8	33.8	0.0	76.6	0.0	0.0	57.1	0.0	100.0
Meseista	35.7	35.0	53.8	0.0	0.0	0.0	100.0	0.0	100.0
Miravci	21.9	21.8	0.0	0.0	0.0	0.0	50.0	0.0	0.0
Mogila	30.3	30.4	0.0	42.9	66.7	0.0	0.0	0.0	0.0
Murtino	36.2	30.5	100.0	87.9	71.4	0.0	0.0	0.0	0.0
Negotino	44.4	43.1	62.5	66.0	87.3	20.0	48.3	0.0	40.0
Negotino - Polosko	38.8	0.0	38.7	0.0	0.0	0.0	0.0	0.0	62.5
Novaci	29.2	28.7	85.7	33.3	0.0	100.0	0.0	0.0	0.0
Novo Selo	43.3	43.4	0.0	0.0	0.0	0.0	57.1	0.0	25.0
Oblesevo	29.7	29.7	0.0	0.0	0.0	0.0	50.0	0.0	100.0
Orasac	41.1	41.3	0.0	0.0	0.0	0.0	25.0	0.0	0.0
Orizari	33.6	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oslomej	65.4	28.6	65.7	0.0	0.0	0.0	0.0	0.0	66.7
Ohrid	34.8	32.2	65.4	43.6	81.3	26.9	33.9	25.0	62.6
Petrovec	45.7	34.0	78.1	76.5	77.8	0.0	46.1	68.6	60.0
Pehcevo	39.9	37.3	0.0	63.6	67.2	0.0	25.0	0.0	20.0
Plasnica	75.0	50.0	100.0	74.8	0.0	0.0	0.0	0.0	100.0
Podares	11.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prilep	48.0	45.5	57.1	68.2	85.2	40.0	48.4	37.5	58.3
Probistip	32.3	32.2	0.0	100.0	66.7	20.0	28.1	100.0	30.8
Radovis	31.4	28.8	25.0	50.0	45.9	9.1	33.3	0.0	28.6
Rankovce	55.8	55.5	0.0	0.0	100.0	0.0	100.0	0.0	66.7
Resen	30.1	26.3	36.2	48.9	62.7	35.3	31.7	0.0	46.4
Rosoman	49.1	50.2	0.0	0.0	66.7	0.0	39.2	0.0	33.3
Rostusa	63.3	61.3	63.5	68.1	0.0	0.0	0.0	60.0	72.7
Samokov	31.1	30.9	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Saraj	63.1	38.3	67.2	62.5	86.4	0.0	14.3	49.4	62.5
Sveti Nikole	40.6	40.5	0.0	69.4	87.1	24.4	50.0	0.0	60.0
Sopiste	39.2	34.4	75.4	83.0	0.0	12.5	30.4	0.0	29.4
Sopotnica	19.5	19.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Srbinovo	40.4	66.7	38.7	0.0	0.0	0.0	0.0	0.0	0.0
Star Dojran	29.7	27.5	100.0	34.0	60.0	50.0	38.6	0.0	40.0
Staravina	26.1	26.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Staro Nagoricane	35.5	39.0	100.0	0.0	0.0	0.0	22.8	0.0	0.0
Struga	38.0	33.6	47.4	40.2	83.7	24.8	22.6	20.0	53.9
Strumica	40.5	38.5	0.0	81.3	91.7	0.0	35.5	50.0	78.5
Studenicani	66.3	33.3	65.4	67.7	67.9	0.0	0.0	74.8	58.3
Tearce	62.3	42.0	68.6	40.3	90.9	0.0	0.0	0.0	75.9
Tetovo	39.3	23.9	53.1	40.9	60.1	0.0	21.1	31.5	40.4
Topolcani	76.7	68.5	0.0	94.6	0.0	0.0	100.0	96.3	50.0
Capari	13.6	13.2	15.5	0.0	0.0	12.5	0.0	0.0	0.0
Centar Zupa	68.5	68.2	86.4	63.1	0.0	0.0	0.0	0.0	66.7
Caska	40.5	39.1	40.0	43.7	0.0	0.0	35.0	72.0	30.0
Cegrane	49.0	66.7	48.1	0.0	0.0	0.0	0.0	0.0	75.0
Cesinovo	41.9	42.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cucer - Sandevo	43.1	35.6	88.9	0.0	100.0	0.0	34.9	0.0	35.7
Dzepciste	24.5	43.9	24.1	0.0	0.0	0.0	0.0	0.0	14.3
Sipkovica	76.1	100.0	76.0	0.0	0.0	0.0	100.0	0.0	0.0
Stip	31.9	28.8	40.0	58.7	82.4	29.2	28.3	0.0	32.6

Table 5: Total unemployed by age groups

Municipality	Total	15-19 Number	Share	20-24 Number	Share	25-29 Number	Share	30-34 Number	Share	35-39 Number	Share
Skopje	51,880	3,286	6.3%	9,443	18.2%	9,934	19.1%	7,820	15.1%	6,404	12.3%
Gazi Baba	9,501	738	7.8%	1,832	19.3%	1,881	19.8%	1,435	15.1%	1,151	12.1%
Gorce Petrov	4,975	319	6.4%	887	17.8%	977	19.6%	679	13.6%	555	11.2%
Karpos	4,451	180	4.0%	666	15.0%	837	18.8%	686	15.4%	611	13.7%
Kisela Voda	13,177	750	5.7%	2,564	19.5%	2,572	19.5%	1,809	13.7%	1,501	11.4%
Centar	8,414	517	6.1%	1,431	17.0%	1,586	18.8%	1,374	16.3%	1,060	12.6%
Cair	8,076	459	5.7%	1,421	17.6%	1,526	18.9%	1,339	16.6%	1,083	13.4%
Suto Orizari	3,286	323	9.8%	642	19.5%	555	16.9%	498	15.2%	443	13.5%
Aracinovo	1,868	182	9.7%	350	18.7%	360	19.3%	315	16.9%	236	12.6%
Bac	132	10	7.6%	32	24.2%	20	15.2%	18	13.6%	14	10.6%
Belcista	474	33	7.0%	81	17.1%	73	15.4%	66	13.9%	69	14.6%
Berovo	1,698	118	6.9%	333	19.6%	301	17.7%	253	14.9%	212	12.5%
Bistrica	612	48	7.8%	147	24.0%	97	15.8%	94	15.4%	80	13.1%
Bitola	13,123	757	5.8%	2,292	17.5%	2,304	17.6%	1,787	13.6%	1,516	11.6%
Blatec	259	27	10.4%	56	21.6%	50	19.3%	38	14.7%	33	12.7%
Bogdanci	1,011	114	11.3%	250	24.7%	197	19.5%	119	11.8%	98	9.7%
Bogovinje	1,805	165	9.1%	280	15.5%	307	17.0%	298	16.5%	215	11.9%
Bogomila	121	12	9.9%	25	20.7%	23	19.0%	15	12.4%	12	9.9%
Bosilovo	1,742	240	13.8%	373	21.4%	310	17.8%	298	17.1%	242	13.9%
Brvenica	1,532	183	11.9%	289	18.9%	238	15.5%	236	15.4%	207	13.5%
Valandovo	2,198	194	8.8%	396	18.0%	377	17.2%	329	15.0%	264	12.0%
Vasilevo	2,608	333	12.8%	560	21.5%	483	18.5%	413	15.8%	299	11.5%
Vevcani	247	12	4.9%	56	22.7%	55	22.3%	34	13.8%	21	8.5%
Veles	9,686	700	7.2%	1,971	20.3%	1,807	18.7%	1,430	14.8%	1,194	12.3%
Velesta	788	90	11.4%	140	17.8%	139	17.6%	138	17.5%	129	16.4%
Vinica	2,431	234	9.6%	570	23.4%	450	18.5%	337	13.9%	286	11.8%
Vitoliste	35	1	2.9%	7	20.0%	6	17.1%	7	20.0%	3	8.6%
Vranestica	203	14	6.9%	45	22.2%	29	14.3%	27	13.3%	23	11.3%
Vrapciste	766	78	10.2%	131	17.1%	120	15.7%	101	13.2%	95	12.4%
Vratnica	499	45	9.0%	82	16.4%	70	14.0%	69	13.8%	75	15.0%
Vrutok	441	25	5.7%	94	21.3%	60	13.6%	71	16.1%	49	11.1%
Gevgelija	2,299	204	8.9%	520	22.6%	426	18.5%	308	13.4%	213	9.3%
Gostivar	6,309	420	6.7%	1,141	18.1%	1,060	16.8%	950	15.1%	832	13.2%
Gradsko	690	48	7.0%	134	19.4%	126	18.3%	147	21.3%	87	12.6%
Debar	3,379	303	9.0%	598	17.7%	571	16.9%	516	15.3%	455	13.5%
Delogozdi	567	47	8.3%	96	16.9%	111	19.6%	104	18.3%	83	14.6%
Delcevo	2,154	163	7.6%	398	18.5%	418	19.4%	334	15.5%	280	13.0%
Demir Kapija	820	64	7.8%	143	17.4%	159	19.4%	134	16.3%	91	11.1%
Demir Hisar	725	40	5.5%	123	17.0%	136	18.8%	114	15.7%	95	13.1%
Dobrusevo	317	39	12.3%	74	23.3%	52	16.4%	33	10.4%	43	13.6%
Dolna Banjica	1,475	117	7.9%	308	20.9%	248	16.8%	237	16.1%	178	12.1%
Dolneni	2,643	222	8.4%	465	17.6%	460	17.4%	444	16.8%	349	13.2%
Drugovo	522	44	8.4%	96	18.4%	75	14.4%	82	15.7%	70	13.4%
Zelino	3,536	428	12.1%	685	19.4%	617	17.4%	492	13.9%	420	11.9%
Zitose	237	34	14.3%	58	24.5%	44	18.6%	37	15.6%	18	7.6%
Zajas	1,094	87	8.0%	207	18.9%	232	21.2%	182	16.6%	158	14.4%
Zelenikovo	545	70	12.8%	111	20.4%	99	18.2%	74	13.6%	74	13.6%
Zletovo	521	36	6.9%	78	15.0%	58	11.1%	63	12.1%	82	15.7%
Zrnovci	415	39	9.4%	74	17.8%	64	15.4%	63	15.2%	58	14.0%
Izvor	141	16	11.3%	25	17.7%	24	17.0%	17	12.1%	13	9.2%
Ilinden	2,246	222	9.9%	529	23.6%	438	19.5%	312	13.9%	231	10.3%
Jegunovce	1,170	81	6.9%	209	17.9%	179	15.3%	126	10.8%	137	11.7%
Kavadarci	8,208	476	5.8%	1,317	16.0%	1,424	17.3%	1,281	15.6%	1,113	13.6%
Kamenjane	2,245	206	9.2%	411	18.3%	362	16.1%	327	14.6%	288	12.8%
Karbinci	625	72	11.5%	112	17.9%	71	11.4%	108	17.3%	92	14.7%
Kicevo	4,367	308	7.1%	879	20.1%	779	17.8%	625	14.3%	517	11.8%
Klecevce	179	22	12.3%	34	19.0%	28	15.6%	24	13.4%	22	12.3%
Kondovo	1,314	111	8.4%	269	20.5%	219	16.7%	227	17.3%	180	13.7%
Konopiste	51	1	2.0%	7	13.7%	10	19.6%	7	13.7%	9	17.6%
Konce	218	41	18.8%	87	39.9%	42	19.3%	26	11.9%	11	5.0%
Kosel	184	22	12.0%	34	18.5%	32	17.4%	20	10.9%	22	12.0%
Kocani	5,748	432	7.5%	1,152	20.0%	1,113	19.4%	890	15.5%	725	12.6%
Kratovo	1,605	116	7.2%	304	18.9%	328	20.4%	228	14.2%	224	14.0%

Municipality	40-44		45-49		50-54		55-59		60-64		65-69	
	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
Skopje	5,053	9.7%	4,409	8.5%	3,243	6.3%	1,672	3.2%	531	1.0%	40	0.1%
Gazi Baba	836	8.8%	747	7.9%	510	5.4%	272	2.9%	84	0.9%	9	0.1%
Gorce Petrov	505	10.2%	508	10.2%	325	6.5%	159	3.2%	56	1.1%	2	0.0%
Karpos	465	10.4%	428	9.6%	337	7.6%	185	4.2%	46	1.0%	3	0.1%
Kisela Voda	1,251	9.5%	1,224	9.3%	947	7.2%	428	3.2%	118	0.9%	8	0.1%
Centar	811	9.6%	681	8.1%	554	6.6%	290	3.4%	95	1.1%	7	0.1%
Cair	824	10.2%	572	7.1%	440	5.4%	281	3.5%	110	1.4%	7	0.1%
Suto Orizari	361	11.0%	249	7.6%	130	4.0%	57	1.7%	22	0.7%	4	0.1%
Aracinovo	136	7.3%	98	5.2%	90	4.8%	57	3.1%	37	2.0%	5	0.3%
Bac	12	9.1%	12	9.1%	3	2.3%	10	7.6%	1	0.8%	0	0.0%
Belcista	56	11.8%	32	6.8%	35	7.4%	16	3.4%	13	2.7%	0	0.0%
Berovo	177	10.4%	133	7.8%	99	5.8%	54	3.2%	18	1.1%	0	0.0%
Bistrica	48	7.8%	49	8.0%	21	3.4%	10	1.6%	16	2.6%	1	0.2%
Bitola	1,387	10.6%	1,421	10.8%	959	7.3%	510	3.9%	173	1.3%	7	0.1%
Blatec	21	8.1%	14	5.4%	7	2.7%	7	2.7%	6	2.3%	0	0.0%
Bogdanci	97	9.6%	55	5.4%	46	4.5%	26	2.6%	8	0.8%	1	0.1%
Bogovinje	194	10.7%	120	6.6%	101	5.6%	60	3.3%	50	2.8%	12	0.7%
Bogomila	12	9.9%	7	5.8%	5	4.1%	5	4.1%	5	4.1%	0	0.0%
Bosilovo	140	8.0%	81	4.6%	42	2.4%	14	0.8%	1	0.1%	1	0.1%
Brvenica	124	8.1%	107	7.0%	65	4.2%	39	2.5%	32	2.1%	7	0.5%
Valandovo	245	11.1%	182	8.3%	115	5.2%	67	3.0%	28	1.3%	1	0.0%
Vasilevo	190	7.3%	159	6.1%	92	3.5%	57	2.2%	16	0.6%	4	0.2%
Vevcani	24	9.7%	26	10.5%	11	4.5%	7	2.8%	1	0.4%	0	0.0%
Veles	982	10.1%	781	8.1%	480	5.0%	260	2.7%	73	0.8%	4	0.0%
Velesta	66	8.4%	43	5.5%	24	3.0%	10	1.3%	8	1.0%	1	0.1%
Vinica	214	8.8%	159	6.5%	97	4.0%	59	2.4%	20	0.8%	1	0.0%
Vitoliste	3	8.6%	3	8.6%	2	5.7%	3	8.6%	0	0.0%	0	0.0%
Vranestica	22	10.8%	15	7.4%	13	6.4%	9	4.4%	5	2.5%	1	0.5%
Vrapciste	90	11.7%	63	8.2%	46	6.0%	24	3.1%	13	1.7%	2	0.3%
Vratnica	70	14.0%	41	8.2%	27	5.4%	14	2.8%	6	1.2%	0	0.0%
Vrutok	57	12.9%	48	10.9%	20	4.5%	11	2.5%	4	0.9%	0	0.0%
Gevgelija	219	9.5%	167	7.3%	130	5.7%	85	3.7%	23	1.0%	1	0.0%
Gostivar	730	11.6%	557	8.8%	355	5.6%	180	2.9%	70	1.1%	9	0.1%
Gradsko	70	10.1%	42	6.1%	19	2.8%	11	1.6%	5	0.7%	1	0.1%
Debar	351	10.4%	284	8.4%	174	5.1%	76	2.2%	41	1.2%	3	0.1%
Delogozdi	53	9.3%	38	6.7%	11	1.9%	9	1.6%	14	2.5%	0	0.0%
Delcevo	221	10.3%	175	8.1%	107	5.0%	46	2.1%	11	0.5%	1	0.0%
Demir Kapija	79	9.6%	62	7.6%	58	7.1%	20	2.4%	9	1.1%	1	0.1%
Demir Hisar	80	11.0%	60	8.3%	45	6.2%	21	2.9%	11	1.5%	0	0.0%
Dobrusevo	25	7.9%	26	8.2%	14	4.4%	7	2.2%	4	1.3%	0	0.0%
Dolna Banjica	158	10.7%	97	6.6%	74	5.0%	38	2.6%	18	1.2%	2	0.1%
Dolneni	276	10.4%	193	7.3%	99	3.7%	78	3.0%	49	1.9%	4	0.2%
Drugovo	62	11.9%	34	6.5%	40	7.7%	12	2.3%	7	1.3%	0	0.0%
Zelino	296	8.4%	215	6.1%	158	4.5%	108	3.1%	85	2.4%	14	0.4%
Zitose	16	6.8%	13	5.5%	13	5.5%	2	0.8%	1	0.4%	1	0.4%
Zajas	92	8.4%	55	5.0%	37	3.4%	23	2.1%	16	1.5%	3	0.3%
Zelenikovo	52	9.5%	36	6.6%	11	2.0%	12	2.2%	2	0.4%	2	0.4%
Zletovo	91	17.5%	62	11.9%	34	6.5%	12	2.3%	5	1.0%	0	0.0%
Zrnovci	45	10.8%	35	8.4%	21	5.1%	10	2.4%	5	1.2%	1	0.2%
Izvor	17	12.1%	18	12.8%	8	5.7%	2	1.4%	0	0.0%	1	0.7%
Ilinden	182	8.1%	152	6.8%	112	5.0%	53	2.4%	13	0.6%	2	0.1%
Jegunovce	139	11.9%	123	10.5%	99	8.5%	62	5.3%	15	1.3%	0	0.0%
Kavadarci	920	11.2%	755	9.2%	573	7.0%	260	3.2%	83	1.0%	5	0.1%
Kamenjane	218	9.7%	145	6.5%	136	6.1%	89	4.0%	38	1.7%	21	0.9%
Karbinci	70	11.2%	50	8.0%	22	3.5%	19	3.0%	8	1.3%	1	0.2%
Kicevo	483	11.1%	348	8.0%	258	5.9%	108	2.5%	54	1.2%	4	0.1%
Klecevce	18	10.1%	9	5.0%	9	5.0%	10	5.6%	1	0.6%	1	0.6%
Kondovo	123	9.4%	95	7.2%	47	3.6%	32	2.4%	9	0.7%	1	0.1%
Konopiste	6	11.8%	4	7.8%	2	3.9%	2	3.9%	3	5.9%	0	0.0%
Konce	5	2.3%	3	1.4%	1	0.5%	0	0.0%	1	0.5%	1	0.5%
Kosel	24	13.0%	13	7.1%	9	4.9%	4	2.2%	4	2.2%	0	0.0%
Kocani	557	9.7%	453	7.9%	281	4.9%	105	1.8%	38	0.7%	2	0.0%
Kratovo	161	10.0%	113	7.0%	82	5.1%	40	2.5%	9	0.6%	0	0.0%

Municipality	Total	15-19 Number	Share	20-24 Number	Share	25-29 Number	Share	30-34 Number	Share	35-39 Number	Share
Kriva Palanka	4,286	291	6.8%	725	16.9%	660	15.4%	566	13.2%	596	13.9%
Krivogastani	1,402	103	7.3%	234	16.7%	260	18.5%	215	15.3%	175	12.5%
Krusevo	1,858	89	4.8%	287	15.4%	275	14.8%	250	13.5%	233	12.5%
Kuklis	787	106	13.5%	176	22.4%	140	17.8%	124	15.8%	101	12.8%
Kukurecani	210	23	11.0%	57	27.1%	37	17.6%	24	11.4%	27	12.9%
Kumanovo	17,952	1,322	7.4%	3,756	20.9%	3,555	19.8%	2,744	15.3%	2,182	12.2%
Labunista	769	120	15.6%	171	22.2%	126	16.4%	95	12.4%	81	10.5%
Lipkovo	3,941	280	7.1%	685	17.4%	713	18.1%	739	18.8%	573	14.5%
Lozovo	435	52	12.0%	80	18.4%	79	18.2%	70	16.1%	60	13.8%
Lukovo	146	9	6.2%	30	20.5%	25	17.1%	18	12.3%	23	15.8%
Mavrovi Anovi	139	19	13.7%	28	20.1%	22	15.8%	16	11.5%	12	8.6%
Makedonska Kamenica	900	97	10.8%	241	26.8%	204	22.7%	135	15.0%	82	9.1%
Makedonski Brod	812	65	8.0%	157	19.3%	126	15.5%	110	13.5%	98	12.1%
Meseista	322	29	9.0%	58	18.0%	64	19.9%	42	13.0%	40	12.4%
Miravci	245	27	11.0%	55	22.4%	37	15.1%	31	12.7%	25	10.2%
Mogila	598	58	9.7%	157	26.3%	105	17.6%	92	15.4%	79	13.2%
Murtino	1,041	144	13.8%	249	23.9%	194	18.6%	141	13.5%	126	12.1%
Negotino	3,881	305	7.9%	707	18.2%	655	16.9%	544	14.0%	452	11.6%
Negotino - Polosko	1,063	137	12.9%	247	23.2%	186	17.5%	132	12.4%	124	11.7%
Novaci	318	26	8.2%	82	25.8%	51	16.0%	46	14.5%	40	12.6%
Novo Selo	2,096	226	10.8%	396	18.9%	423	20.2%	358	17.1%	272	13.0%
Oblesevo	582	59	10.1%	110	18.9%	124	21.3%	105	18.0%	71	12.2%
Orasac	118	14	11.9%	26	22.0%	19	16.1%	14	11.9%	13	11.0%
Orizari	605	59	9.8%	116	19.2%	104	17.2%	92	15.2%	84	13.9%
Oslomej	1,169	125	10.7%	210	18.0%	207	17.7%	168	14.4%	171	14.6%
Ohrid	8,276	555	6.7%	1,532	18.5%	1,503	18.2%	1,124	13.6%	947	11.4%
Petrovec	1,264	135	10.7%	283	22.4%	256	20.3%	191	15.1%	139	11.0%
Pehsevo	909	80	8.8%	160	17.6%	162	17.8%	122	13.4%	105	11.6%
Plasnica	768	96	12.5%	160	20.8%	119	15.5%	102	13.3%	109	14.2%
Podares	206	36	17.5%	59	28.6%	37	18.0%	25	12.1%	30	14.6%
Prilep	16,032	795	5.0%	2,714	16.9%	2,836	17.7%	2,444	15.2%	2,112	13.2%
Probistip	1,651	117	7.1%	284	17.2%	255	15.4%	229	13.9%	217	13.1%
Radovis	3,114	272	8.7%	600	19.3%	554	17.8%	501	16.1%	428	13.7%
Rankovce	629	40	6.4%	112	17.8%	83	13.2%	99	15.7%	106	16.9%
Resen	2,022	126	6.2%	372	18.4%	379	18.7%	276	13.6%	246	12.2%
Rosoman	792	60	7.6%	191	24.1%	152	19.2%	116	14.6%	83	10.5%
Rostusa	950	114	12.0%	184	19.4%	136	14.3%	110	11.6%	118	12.4%
Samokov	143	17	11.9%	23	16.1%	24	16.8%	34	23.8%	14	9.8%
Saraj	3,456	288	8.3%	656	19.0%	712	20.6%	590	17.1%	456	13.2%
Sveti Nikole	3,198	263	8.2%	617	19.3%	539	16.9%	449	14.0%	400	12.5%
Sopiste	1,368	130	9.5%	285	20.8%	222	16.2%	210	15.4%	189	13.8%
Sopotnca	223	12	5.4%	61	27.4%	59	26.5%	34	15.2%	23	10.3%
Srbinovo	224	33	14.7%	37	16.5%	34	15.2%	31	13.8%	35	15.6%
Star Dojran	426	52	12.2%	79	18.5%	81	19.0%	61	14.3%	64	15.0%
Staravina	18	2	11.1%	1	5.6%	7	38.9%	1	5.6%	4	22.2%
Staro Nagoricane	469	51	10.9%	99	21.1%	103	22.0%	65	13.9%	47	10.0%
Struga	4,387	385	8.8%	758	17.3%	743	16.9%	586	13.4%	550	12.5%
Strumica	8,506	787	9.3%	1,587	18.7%	1,362	16.0%	1,112	13.1%	1,008	11.9%
Studenicani	2,321	237	10.2%	477	20.6%	463	19.9%	396	17.1%	278	12.0%
Tearce	3,015	209	6.9%	534	17.7%	484	16.1%	502	16.7%	497	16.5%
Tetovo	7,963	515	6.5%	1,464	18.4%	1,417	17.8%	1,222	15.3%	1,122	14.1%
Topolcani	878	93	10.6%	169	19.2%	141	16.1%	97	11.0%	109	12.4%
Capari	82	7	8.5%	19	23.2%	13	15.9%	7	8.5%	15	18.3%
Centar Zupa	583	46	7.9%	112	19.2%	95	16.3%	84	14.4%	96	16.5%
Caska	378	40	10.6%	86	22.8%	61	16.1%	59	15.6%	42	11.1%
Cegrane	998	108	10.8%	170	17.0%	185	18.5%	157	15.7%	147	14.7%
Cesinovo	376	33	8.8%	67	17.8%	75	19.9%	57	15.2%	55	14.6%
Cucer - Sandevo	1,404	134	9.5%	297	21.2%	250	17.8%	190	13.5%	159	11.3%
Dzepciste	374	21	5.6%	65	17.4%	68	18.2%	64	17.1%	54	14.4%
Sipkovica	947	55	5.8%	140	14.8%	159	16.8%	185	19.5%	155	16.4%
Stip	6,399	503	7.9%	1,038	16.2%	961	15.0%	771	12.0%	823	12.9%
Macedonia	283,132	21,664	7.7%	53,213	18.8%	50,936	18.0%	42,019	14.8%	35,668	12.6%

Municipality	40-44 Number	Share	45-49 Number	Share	50-54 Number	Share	55-59 Number	Share	60-64 Number	Share	65-69 Number	Share
Kriva Palanka	526	12.3%	464	10.8%	317	7.4%	110	2.6%	29	0.7%	0	0.0%
Krivogastani	139	9.9%	129	9.2%	77	5.5%	40	2.9%	26	1.9%	3	0.2%
Krusevo	192	10.3%	212	11.4%	187	10.1%	99	5.3%	32	1.7%	2	0.1%
Kuklis	62	7.9%	34	4.3%	19	2.4%	21	2.7%	4	0.5%	0	0.0%
Kukurecani	16	7.6%	14	6.7%	8	3.8%	1	0.5%	1	0.5%	2	1.0%
Kumanovo	1,604	8.9%	1,245	6.9%	864	4.8%	454	2.5%	196	1.1%	20	0.1%
Labunista	62	8.1%	47	6.1%	33	4.3%	23	3.0%	9	1.2%	1	0.1%
Lipkovo	374	9.5%	260	6.6%	112	2.8%	114	2.9%	74	1.9%	10	0.3%
Lozovo	41	9.4%	22	5.1%	14	3.2%	15	3.4%	2	0.5%	0	0.0%
Lukovo	20	13.7%	9	6.2%	4	2.7%	7	4.8%	1	0.7%	0	0.0%
Mavrovi Anovi	22	15.8%	9	6.5%	4	2.9%	3	2.2%	3	2.2%	0	0.0%
Makedonska Kamenica	58	6.4%	38	4.2%	29	3.2%	11	1.2%	3	0.3%	0	0.0%
Makedonski Brod	90	11.1%	88	10.8%	55	6.8%	17	2.1%	5	0.6%	0	0.0%
Meseista	25	7.8%	32	9.9%	13	4.0%	14	4.3%	5	1.6%	0	0.0%
Miravci	34	13.9%	18	7.3%	12	4.9%	6	2.4%	0	0.0%	0	0.0%
Mogila	35	5.9%	27	4.5%	25	4.2%	10	1.7%	9	1.5%	0	0.0%
Murtino	68	6.5%	56	5.4%	37	3.6%	14	1.3%	9	0.9%	2	0.2%
Negotino	411	10.6%	337	8.7%	254	6.5%	170	4.4%	42	1.1%	3	0.1%
Negotino - Polosko	92	8.7%	55	5.2%	38	3.6%	22	2.1%	16	1.5%	7	0.7%
Novaci	30	9.4%	22	6.9%	12	3.8%	6	1.9%	3	0.9%	0	0.0%
Novo Selo	190	9.1%	133	6.3%	49	2.3%	25	1.2%	22	1.0%	2	0.1%
Oblesevo	60	10.3%	29	5.0%	6	1.0%	13	2.2%	5	0.9%	0	0.0%
Orasac	11	9.3%	8	6.8%	5	4.2%	3	2.5%	2	1.7%	2	1.7%
Orizari	71	11.7%	37	6.1%	23	3.8%	14	2.3%	5	0.8%	0	0.0%
Oslomej	116	9.9%	81	6.9%	49	4.2%	23	2.0%	17	1.5%	1	0.1%
Ohrid	880	10.6%	726	8.8%	589	7.1%	297	3.6%	114	1.4%	6	0.1%
Petrovec	102	8.1%	68	5.4%	51	4.0%	29	2.3%	8	0.6%	1	0.1%
Pehsevo	87	9.6%	92	10.1%	62	6.8%	25	2.8%	13	1.4%	0	0.0%
Plasnica	69	9.0%	57	7.4%	24	3.1%	19	2.5%	13	1.7%	0	0.0%
Podares	10	4.9%	6	2.9%	1	0.5%	1	0.5%	1	0.5%	0	0.0%
Prilep	1,756	11.0%	1,492	9.3%	1,128	7.0%	508	3.2%	231	1.4%	11	0.1%
Probistip	239	14.5%	177	10.7%	103	6.2%	27	1.6%	2	0.1%	1	0.1%
Radovis	336	10.8%	233	7.5%	126	4.0%	46	1.5%	15	0.5%	1	0.0%
Rankovce	77	12.2%	61	9.7%	31	4.9%	16	2.5%	3	0.5%	1	0.2%
Resen	253	12.5%	163	8.1%	123	6.1%	56	2.8%	23	1.1%	5	0.2%
Rosoman	78	9.8%	47	5.9%	40	5.1%	18	2.3%	7	0.9%	0	0.0%
Rostusa	110	11.6%	92	9.7%	52	5.5%	19	2.0%	14	1.5%	1	0.1%
Samokov	12	8.4%	5	3.5%	6	4.2%	4	2.8%	4	2.8%	0	0.0%
Saraj	290	8.4%	202	5.8%	139	4.0%	69	2.0%	39	1.1%	11	0.3%
Sveti Nikole	358	11.2%	302	9.4%	160	5.0%	85	2.7%	23	0.7%	0	0.0%
Sopiste	126	9.2%	103	7.5%	66	4.8%	19	1.4%	16	1.2%	1	0.1%
Sopotnca	10	4.5%	10	4.5%	7	3.1%	5	2.2%	2	0.9%	0	0.0%
Srbinovo	17	7.6%	17	7.6%	12	5.4%	6	2.7%	1	0.4%	1	0.4%
Star Dojran	30	7.0%	28	6.6%	17	4.0%	11	2.6%	2	0.5%	0	0.0%
Staravina	0	0.0%	2	11.1%	0	0.0%	1	5.6%	0	0.0%	0	0.0%
Staro Nagoricane	40	8.5%	26	5.5%	18	3.8%	12	2.6%	8	1.7%	0	0.0%
Struga	493	11.2%	417	9.5%	270	6.2%	127	2.9%	46	1.0%	8	0.2%
Strumica	862	10.1%	811	9.5%	605	7.1%	275	3.2%	90	1.1%	5	0.1%
Studenicani	171	7.4%	104	4.5%	65	2.8%	64	2.8%	42	1.8%	15	0.6%
Tearce	316	10.5%	225	7.5%	133	4.4%	70	2.3%	38	1.3%	5	0.2%
Tetovo	884	11.1%	600	7.5%	388	4.9%	223	2.8%	100	1.3%	16	0.2%
Topolcani	102	11.6%	66	7.5%	50	5.7%	27	3.1%	20	2.3%	4	0.5%
Capari	9	11.0%	5	6.1%	3	3.7%	1	1.2%	3	3.7%	0	0.0%
Centar Zupa	51	8.7%	46	7.9%	23	3.9%	19	3.3%	8	1.4%	2	0.3%
Caska	42	11.1%	27	7.1%	13	3.4%	5	1.3%	2	0.5%	0	0.0%
Cegrane	104	10.4%	55	5.5%	38	3.8%	26	2.6%	6	0.6%	1	0.1%
Cesinovo	38	10.1%	18	4.8%	14	3.7%	12	3.2%	6	1.6%	1	0.3%
Cucer - Sandevo	140	10.0%	100	7.1%	69	4.9%	34	2.4%	16	1.1%	7	0.5%
Dzepciste	35	9.4%	27	7.2%	17	4.5%	10	2.7%	8	2.1%	5	1.3%
Sipkovica	115	12.1%	65	6.9%	34	3.6%	19	2.0%	15	1.6%	3	0.3%
Stip	802	12.5%	689	10.8%	514	8.0%	219	3.4%	68	1.1%	6	0.1%
Macedonia	28,652	10.1%	23,060	8.1%	15,919	5.6%	8,176	2.9%	3,244	1.1%	343	0.1%

Table 6: Age dependency

Municipality	Economically dependent population (0-14 and above retirement age)			Working age population (men 15-65 and women 15-60)			Age dependency ratio
	total	male	female	total	men	women	
Macedonia	687,809	316,380	371,429	1334738	698997	635741	1.94
Skopje	149,932	67,486	82,446	317325	161999	155326	2.12
Gazi Baba	23,105	10,586	12,519	49117	25591	23526	2.13
Gorce Petrov	12,803	5,684	7,119	28687	14921	13766	2.24
Karpos	20,651	9,002	11,649	39159	19530	19629	1.90
Kisela Voda	36,442	16,258	20,184	88937	45097	43840	2.44
Centar	28,160	12,553	15,607	54444	27503	26941	1.93
Cair	22,624	10,479	12,145	45771	23625	22146	2.02
Suto Orizari	6,147	2,924	3,223	11210	5732	5478	1.82
Aracinovo	4,607	2,332	2,275	7385	3910	3475	1.60
Bac	359	158	201	396	238	158	1.10
Belcista	1,460	611	849	1480	851	629	1.01
Berovo	4,847	2,175	2,672	9094	4831	4263	1.88
Bistrica	1,920	852	1,068	3122	1713	1409	1.63
Bitola	29,048	12,715	16,333	57360	29658	27702	1.97
Blatec	725	301	424	1299	725	574	1.79
Bogdanci	2,821	1,240	1,581	5886	3137	2749	2.09
Bogovinje	5,292	2,552	2,740	9263	4799	4464	1.75
Bogomila	679	283	396	573	342	231	0.84
Bosilovo	4,375	1,992	2,383	8082	4437	3645	1.85
Brvenica	5,922	2,811	3,111	9933	5113	4820	1.68
Valandovo	3,860	1,767	2,093	8030	4372	3658	2.08
Vasilevo	4,093	1,919	2,174	8029	4420	3609	1.96
Vevcani	819	346	473	1614	883	731	1.97
Veles	18,877	8,529	10,348	38725	20404	18321	2.05
Velesta	3,277	1,636	1,641	4879	2534	2345	1.49
Vinica	5,746	2,644	3,102	12168	6529	5639	2.12
Vitoliste	323	136	187	171	111	60	0.53
Vranestica	571	246	325	751	431	320	1.32
Vrapciste	3,151	1,536	1,615	5435	2726	2709	1.72
Vratnica	1,394	639	755	2169	1203	966	1.56
Vrutok	2,123	1,019	1,104	3876	1969	1907	1.83
Gevgelija	6,149	2,706	3,443	14213	7364	6849	2.31
Gostivar	16,905	8,019	8,886	32640	16711	15929	1.93
Gradsko	1,263	589	674	2497	1382	1115	1.98
Debar	6,430	3,109	3,321	11522	6112	5410	1.79
Delogozdi	3,075	1,508	1,567	4809	2530	2279	1.56
Delcevo	5,354	2,420	2,934	12151	6557	5594	2.27
Demir Kapija	1,525	684	841	3020	1663	1357	1.98
Demir Hisar	2,719	1,193	1,526	4459	2488	1971	1.64
Dobrusevo	843	376	467	1331	779	552	1.58
Dolna Banjica	3,360	1,642	1,718	6107	3179	2928	1.82
Dolneni	4,798	2,264	2,534	6785	3837	2948	1.41
Drugovo	1,400	616	784	1849	1066	783	1.32
Zelino	9,393	4,706	4,687	14997	7629	7368	1.60
Zitose	867	395	472	1261	679	582	1.45
Zajas	4,434	2,140	2,294	7171	3657	3514	1.62
Zelenikovo	1,392	681	711	2685	1450	1235	1.93
Zletovo	1,210	529	681	2218	1226	992	1.83
Zrnovci	1,131	512	619	2133	1184	949	1.89
Izvor	437	201	236	612	360	252	1.40
Ilinden	4,995	2,321	2,674	10899	5859	5040	2.18
Jegunovce	2,515	1,160	1,355	4712	2541	2171	1.87
Kavadarci	12,035	5,453	6,582	26356	14010	12346	2.19
Kamenjane	5,112	2,522	2,590	9330	4763	4567	1.83
Karbinci	1,676	725	951	2336	1309	1027	1.39
Kicevo	9,751	4,493	5,258	20387	10650	9737	2.09
Klecevce	825	364	461	784	473	311	0.95
Kondovo	4,079	2,014	2,065	7076	3686	3390	1.73
Konopiste	190	80	110	160	108	52	0.84
Konce	1,255	587	668	2281	1299	982	1.82

Municipality	Economically dependent population (0-14 and above retirement age)			Working age population (men 15-65 and women 15-60)			Age dependency ratio
	total	male	female	total	men	women	
Kosel	606	269	337	763	426	337	1.26
Kocani	10,650	4,836	5,814	23039	12121	10918	2.16
Kratovo	3,528	1,560	1,968	6913	3767	3146	1.96
Kriva Palanka	6,332	2,827	3,505	14488	7900	6588	2.29
Krivogastani	2,367	1,051	1,316	3640	2109	1531	1.54
Krusevo	3,669	1,646	2,023	6015	3272	2743	1.64
Kuklis	1,467	633	834	2982	1689	1293	2.03
Kukurecani	1,062	484	578	1449	834	615	1.36
Kumanovo	34,682	16,213	18,469	68523	35748	32775	1.98
Labunista	3,460	1,648	1,812	5475	2588	2887	1.58
Lipkovo	10,831	5,312	5,519	16227	8447	7780	1.50
Lozovo	983	421	562	1875	1083	792	1.91
Lukovo	621	272	349	888	510	378	1.43
Mavrovi Anovi	385	179	206	599	334	265	1.56
Makedonska Kamenica	2,427	1,111	1,316	5683	3143	2540	2.34
Makedonski Brod	2,023	904	1,119	3565	1976	1589	1.76
Meseista	1,050	448	602	1517	838	679	1.44
Miravci	990	434	556	1636	916	720	1.65
Mogila	1,810	816	994	2726	1587	1139	1.51
Murtino	2,297	1,000	1,297	4247	2297	1950	1.85
Negotino	6,132	2,785	3,347	13080	6992	6088	2.13
Negotino - Polosko	6,213	3,014	3,199	10600	5146	5454	1.71
Novaci	940	431	509	1538	861	677	1.64
Novo Selo	4,273	1,905	2,368	7693	4279	3414	1.80
Oblesevo	1,724	735	989	3347	1878	1469	1.94
Orasac	669	297	372	583	362	221	0.87
Orizari	1,427	627	800	2976	1608	1368	2.09
Oslomej	3,877	1,859	2,018	6548	3467	3081	1.69
Ohrid	17,391	7,855	9,536	36989	19048	17941	2.13
Petrovec	2,802	1,289	1,513	5453	2961	2492	1.95
Pehsevo	2,001	899	1,102	3516	1896	1620	1.76
Plasnica	1,785	860	925	2760	1408	1352	1.55
Podares	1,321	602	719	2425	1340	1085	1.84
Prilep	24,481	10,857	13,624	48870	25859	23011	2.00
Probistip	3,830	1,719	2,111	8935	4774	4161	2.33
Radovis	8,254	3,844	4,410	16244	8668	7576	1.97
Rankovce	1,672	769	903	2472	1408	1064	1.48
Resen	6,327	2,882	3,445	10498	5531	4967	1.66
Rosoman	1,466	634	832	2675	1516	1159	1.82
Rostusa	3,600	1,721	1,879	5851	3001	2850	1.63
Samokov	770	330	440	783	496	287	1.02
Saraj	8,899	4,396	4,503	15354	7919	7435	1.73
Sveti Nikole	6,068	2,794	3,274	12429	6777	5652	2.05
Sopiste	3,281	1,527	1,754	6241	3358	2883	1.90
Sopotnica	1,114	472	642	1205	697	508	1.08
Srbinovo	1,441	746	695	2268	1171	1097	1.57
Star Dojran	1,216	550	666	2210	1178	1032	1.82
Staravina	228	101	127	88	58	30	0.39
Staro Nagoricane	2,042	921	1,121	2216	1334	882	1.09
Struga	12,986	6,113	6,873	23906	12294	11612	1.84
Strumica	14,004	6,228	7,776	31083	16200	14883	2.22
Studenicani	6,577	3,274	3,303	10669	5636	5033	1.62
Tearce	7,870	3,857	4,013	14584	7645	6939	1.85
Tetovo	24,381	11,569	12,812	46460	23954	22506	1.91
Topolcani	1,219	575	644	1704	987	717	1.40
Capari	689	311	378	735	402	333	1.07
Centar Zupa	2,418	1,177	1,241	3881	2023	1858	1.61
Caska	1,081	535	546	1797	995	802	1.66
Cegrane	4,411	2,095	2,316	7899	3947	3952	1.79
Cesinovo	889	393	496	1530	861	669	1.72
Cucer - Sandevo	2,916	1,364	1,552	5577	3121	2456)	1.91
Dzepciste	2,921	1,450	1,471	4998	2599	2399	1.71
Sipkovica	3,036	1,502	1,534	4784	2469	2315	1.58
Stip	14,588	6,518	8,070	33208	17402	15806	2.28

Table 7: Gross and net primary enrolment rates

*Calculated with total population
**Calculated with population in the country
***2002 Census
****No school in these municipalities

Municipality	Gross primary enrolment rate*	Net primary enrolment rate*	Gross primary enrolment rate**	Net primary enrolment rate**	Number of students attending primary school***	Gross primary enrolment rate***
Macedonia	95.3	92.5	96.32	93.48	244647	99.2
Skopje	101.9	97.7	102.57	98.38	48602	98.3
Gazi Baba	93.5	90.0	94.05	90.50	7886	98.0
Gorce Petrov	80.1	76.7	80.28	76.84	4273	97.9
Karpos	120.2	116.4	121.65	117.80	5453	99.0
Kisela Voda	97.1	92.2	97.62	92.77	11446	97.5
Centar	113.0	108.7	114.15	109.82	8731	98.9
Cair	93.6	89.6	93.97	90.02	8189	99.9
Suto Orizari	133.8	128.5	134.12	128.79	2624	95.0
Aracinovo	97.1	96.0	98.60	97.49	2149	103.9
Bac	119.1	119.1	119.15	119.15	46	97.9
Belcista	91.7	87.1	91.71	87.10	217	100.0
Berovo	98.4	97.4	98.74	97.75	1487	98.4
Bistrica	93.8	93.8	94.17	94.17	531	93.8
Bitola	97.3	94.3	97.70	94.68	8499	97.1
Blatec	91.7	90.8	108.11	107.03	212	114.6
Bogdanci	102.8	98.3	102.76	98.34	882	97.5
Bogovinje	102.9	101.7	103.48	102.31	2299	100.1
Bogomila	103.4	100.0	103.41	100.00	82	93.2
Bosilovo	81.1	73.0	81.27	73.21	1448	94.1
Brvenica	88.4	87.6	89.96	89.14	2482	102.1
Valandovo	97.7	93.5	97.96	93.82	1321	96.1
Vasilevo	79.4	72.8	79.47	72.88	1411	89.4
Vevcani	97.6	92.3	97.57	92.31	240	97.2
Veles	97.0	93.5	97.13	93.71	6337	96.8
Velesta	75.1	74.7	75.74	75.26	1673	101.0
Vinica	90.3	89.5	91.90	91.03	2064	99.5
Vitoliste****			0.00	0.00	2	100.0
Vranestica	74.1	69.1	74.07	69.14	75	92.6
Vrapciste	91.9	90.1	93.50	91.65	1313	101.5
Vratnica	56.2	52.8	63.16	59.37	521	109.7
Vrutok	79.1	78.2	80.13	79.25	913	100.2
Gevgelija	96.0	92.4	96.11	92.53	1947	98.3
Gostivar	104.2	99.7	109.00	104.34	7406	104.9
Gradsko	95.8	87.3	96.74	88.11	411	95.8
Debar	96.8	93.9	97.78	94.92	2875	101.5
Delogozdi	81.5	80.0	81.51	80.03	1494	100.5
Delcevo	99.0	98.7	99.36	99.10	1933	102.6
Demir Kapija	97.7	92.1	97.66	92.13	430	91.5
Demir Hisar	101.1	98.5	101.12	98.46	703	98.3
Dobrusevo	120.1	108.7	120.64	109.17	217	99.5
Dolna Banjica	33.7	31.9	33.97	32.20	1494	98.0
Dolneni	105.2	101.2	105.31	101.31	1348	98.0
Drugovo	90.7	88.7	91.57	89.46	345	103.9
Zelino	92.2	90.6	96.31	94.56	4211	103.6
Zitose	136.6	136.6	138.04	138.04	361	98.1
Zajas	76.2	75.5	78.17	77.45	2024	103.7
Zelenikovo	104.3	98.6	104.25	98.64	579	98.5
Zletovo	95.9	94.1	95.88	94.07	390	100.5
Zrnovci	89.0	89.0	98.08	98.08	346	110.5
Izvor	95.2	89.2	95.18	89.16	81	97.6
Ilinden	97.1	92.6	97.11	92.69	1699	100.1
Jegunovce	100.3	99.0	101.35	100.00	876	98.6
Kavadarci	98.7	96.0	98.79	96.01	4068	100.7
Kamenjane	84.5	83.8	87.05	86.33	2300	103.1
Karbinci	98.6	97.2	98.80	97.41	438	87.4
Kicevo	85.9	83.2	87.52	84.73	3810	100.3
Klecevce	80.4	79.4	80.39	79.41	93	91.2
Kondovo	96.1	91.3	96.31	91.52	1952	102.8
Konopiste****			0.00	0.00	4	80.0
Konce	85.3	83.6	95.80	93.96	405	94.6

Municipality	Gross primary enrolment rate*	Net primary enrolment rate*	Gross primary enrolment rate**	Net primary enrolment rate**	Number of students attending primary school***	Gross primary enrolment rate***
Kosel	99.2	96.7	99.17	96.69	123	101.7
Kocani	93.5	92.0	94.35	92.88	3574	97.5
Kratovo	97.4	94.4	97.80	94.87	1078	98.7
Kriva Palanka	98.9	96.8	99.03	96.94	2201	97.5
Krivogastani	100.3	99.2	100.33	99.18	608	100.0
Krusevo	78.4	76.5	78.60	76.70	1108	95.6
Kuklis	93.9	88.6	93.88	88.57	482	98.4
Kukurecani	106.8	102.5	106.75	102.53	232	97.9
Kumanovo	96.0	95.6	97.41	97.03	12999	100.7
Labunista	102.2	99.6	102.66	100.06	1571	102.0
Lipkovo	87.5	87.5	87.61	87.57	5054	101.5
Lozovo	98.0	95.7	98.02	95.71	294	97.0
Lukovo	86.8	85.5	88.00	86.67	145	96.7
Mavrovi Anovi	89.4	89.4	89.36	89.36	137	97.2
Makedonska Kamenica	101.6	100.2	101.84	100.41	1007	102.8
Makedonski Brod	93.4	91.2	93.35	91.18	674	97.4
Meseista	102.4	101.2	102.86	101.63	247	100.8
Miravci	95.9	92.9	95.88	92.88	262	98.1
Mogila	88.9	87.3	91.38	89.74	436	101.6
Murtino	97.7	91.9	97.68	91.89	690	88.8
Negotino	99.6	94.7	99.69	94.82	2233	99.8
Negotino - Polosko	100.1	99.7	100.58	100.18	2825	102.1
Novaci	94.0	86.1	94.40	86.40	258	103.2
Novo Selo	90.3	84.9	92.34	86.86	1271	99.4
Oblesevo	94.2	93.2	94.80	93.80	512	102.4
Orasac	98.5	98.5	98.53	98.53	71	104.4
Orizari	94.7	93.4	95.35	94.03	463	102.4
Oslomej	70.3	68.9	71.35	69.86	1732	103.2
Ohrid	99.5	96.6	100.30	97.38	6054	102.3
Petrovec	102.7	100.2	102.88	100.40	955	94.8
Pehsevo	97.6	96.8	97.61	96.76	587	100.0
Plasnica	108.8	105.7	110.05	106.89	895	104.6
Podares	99.8	97.4	100.00	97.61	475	103.3
Prilep	96.7	94.2	96.92	94.44	7694	96.7
Probistip	100.0	98.6	100.07	98.65	1323	99.0
Radovis	88.6	83.3	88.72	83.40	2823	85.4
Rankovce	98.2	95.6	98.40	95.79	492	98.6
Resen	96.9	93.2	97.03	93.33	1765	99.0
Rosoman	98.1	96.7	98.11	96.69	425	100.5
Rostusa	98.3	98.3	98.77	98.77	1635	100.8
Samokov	93.2	90.7	94.83	92.24	115	99.1
Saraj	95.7	93.6	96.62	94.47	3958	102.8
Sveti Nikole	98.4	95.2	98.54	95.33	1977	99.2
Sopiste	57.3	56.0	57.56	56.27	1177	95.1
Sopotnica	94.6	94.6	94.59	94.59	184	99.5
Srbinovo	78.4	77.8	86.11	85.49	711	109.7
Star Dojran	96.7	88.6	96.72	88.64	378	95.5
Staravina	36.4	27.3	36.36	27.27	12	109.1
Staro Nagoricane	100.5	98.6	100.54	98.64	363	98.9
Struga	88.9	86.8	90.23	88.06	5334	98.9
Strumica	99.9	93.5	100.18	93.76	4617	89.8
Studenicani	92.4	88.2	92.49	88.24	2809	98.6
Tearce	86.6	84.8	91.22	89.33	3546	107.8
Tetovo	99.0	97.0	100.00	97.97	10020	99.8
Topolcani	98.4	96.1	98.36	96.07	298	97.7
Capari	74.3	69.9	74.34	69.91	113	100.0
Centar Zupa	91.2	90.3	97.98	97.02	1107	106.3
Caska	97.2	90.4	97.46	90.68	360	101.7
Cegrane	87.0	87.0	87.50	87.50	2055	97.7
Cesinovo	127.9	125.3	127.90	125.32	237	101.7
Cucer - Sandevo	91.6	89.9	91.80	90.06	1121	102.2
Dzepciste	89.5	88.8	92.94	92.12	1400	104.0
Sipkovica	61.1	61.1	62.14	62.14	1429	101.1
Stip	93.7	90.2	93.90	90.44	4870	94.3

Table 8: Total population of Macedonia at 10 years of age and over, according to sex and literacy

	Total population				Male			
	Total number	Literate	Illiterate	literacy rate	Total number	Literate	Illiterate	literacy rate
Macedonia	1756606	1693044	63562	96.4%	878,282	863289	14993	98.3%
Skopje	411687	402136	9551	97.7%	200,994	199166	1828	99.1%
Gazi Baba	62768	60825	1943	96.9%	31,346	30965	381	98.8%
Gorce Petrov	36780	36186	594	98.4%	18,218	18115	103	99.4%
Karpos	53809	53124	685	98.7%	25,463	25282	181	99.3%
Kisela Voda	112801	111704	1097	99.0%	54,928	54716	212	99.6%
Centar	72841	70793	2048	97.2%	34,981	34618	363	99.0%
Cair	58686	57186	1500	97.4%	29,099	28841	258	99.1%
Suto Orizari	14002	12318	1684	88.0%	6,959	6629	330	95.3%
Aracinovo	9315	8771	544	94.2%	4,860	4721	139	97.1%
Bac	703	660	43	93.9%	370	359	11	97.0%
Belcista	2764	2485	279	89.9%	1,380	1337	43	96.9%
Berovo	12453	12306	147	98.8%	6,253	6209	44	99.3%
Bistrica	4471	4251	220	95.1%	2,281	2221	60	97.4%
Bitola	77459	75435	2024	97.4%	37,866	37328	538	98.6%
Blatec	1800	1735	65	96.4%	916	898	18	98.0%
Bogdanci	7814	7715	99	98.7%	3,925	3904	21	99.5%
Bogovinje	11994	11414	580	95.2%	6,029	5902	127	97.9%
Bogomila	1148	1040	108	90.6%	575	555	20	96.5%
Bosilovo	10809	10309	500	95.4%	5,574	5422	152	97.3%
Brvenica	13295	12791	504	96.2%	6,578	6470	108	98.4%
Valandovo	10547	10293	254	97.6%	5,460	5385	75	98.6%
Vasilevo	10313	9565	748	92.7%	5,404	5169	235	95.7%
Vevcani	2156	2133	23	98.9%	1,094	1089	5	99.5%
Veles	50923	49334	1589	96.9%	25,473	25026	447	98.2%
Velesta	6538	6245	293	95.5%	3,321	3259	62	98.1%
Vinica	15684	14909	775	95.1%	8,024	7831	193	97.6%
Vitoliste	480	364	116	75.8%	241	206	35	85.5%
Vranestica	1217	1188	29	97.6%	623	618	5	99.2%
Vrapciste	7255	6977	278	96.2%	3,547	3499	48	98.6%
Vratnica	3016	2867	149	95.1%	1,563	1527	36	97.7%
Vrutok	5091	4878	213	95.8%	2,495	2464	31	98.8%
Gevgelija	18262	18104	158	99.1%	9,002	8960	42	99.5%
Gostivar	42284	41028	1256	97.0%	20,966	20749	217	99.0%
Gradsko	3322	3110	212	93.6%	1,754	1697	57	96.8%
Debar	14964	14563	401	97.3%	7,616	7539	77	99.0%
Delogozdi	6361	6115	246	96.1%	3,297	3240	57	98.3%
Delcevo	15656	15173	483	96.9%	8,003	7900	103	98.7%
Demir Kapija	4053	3548	505	87.5%	2,101	1881	220	89.5%
Demir Hisar	6485	6177	308	95.3%	3,322	3211	111	96.7%
Dobrusevo	1912	1767	145	92.4%	1,018	977	41	96.0%
Dolna Banjica	7861	7648	213	97.3%	3,965	3913	52	98.7%
Dolneni	9706	9066	640	93.4%	5,134	4988	146	97.2%
Drugovo	2946	2810	136	95.4%	1,534	1510	24	98.4%
Zelino	19426	18619	807	95.8%	9,723	9498	225	97.7%
Zitose	1722	1531	191	88.9%	871	830	41	95.3%
Zajas	9535	8896	639	93.3%	4,713	4594	119	97.5%
Zelenikovo	3482	3321	161	95.4%	1,812	1775	37	98.0%
Zletovo	3057	2885	172	94.4%	1,559	1526	33	97.9%
Zrnovci	2883	2728	155	94.6%	1,496	1467	29	98.1%
Izvor	968	897	71	92.7%	521	505	16	96.9%
Ilinden	13706	13110	596	95.7%	7,014	6891	123	98.2%
Jegunovce	6303	6070	233	96.3%	3,207	3150	57	98.2%
Kavadarci	33991	33183	808	97.6%	17,160	16948	212	98.8%
Kamenjane	12045	11635	410	96.6%	6,031	5970	61	99.0%
Karbinci	3465	2993	472	86.4%	1,771	1619	152	91.4%
Kicevo	26109	25227	882	96.6%	13,064	12887	177	98.6%
Klecevce	1482	1246	236	84.1%	776	739	37	95.2%
Kondovo	9086	8625	461	94.9%	4,614	4499	115	97.5%
Konopiste	342	305	37	89.2%	183	173	10	94.5%
Konce	3037	2859	178	94.1%	1,625	1566	59	96.4%

	Female Total number	Literate	Illiterate	literacy rate
Macedonia	878,324	829755	48569	94.5%
Skopje	210,693	202970	7723	96.3%
Gazi Baba	31,422	29860	1562	95.0%
Gorce Petrov	18,562	18071	491	97.4%
Karpos	28,346	27842	504	98.2%
Kisela Voda	57,873	56988	885	98.5%
Centar	37,860	36175	1685	95.5%
Cair	29,587	28345	1242	95.8%
Suto Orizari	7,043	5689	1354	80.8%
Aracinovo	4,455	4050	405	90.9%
Bac	333	301	32	90.4%
Belcista	1,384	1148	236	82.9%
Berovo	6,200	6097	103	98.3%
Bistrica	2,190	2030	160	92.7%
Bitola	39,593	38107	1486	96.2%
Blatec	884	837	47	94.7%
Bogdanci	3,889	3811	78	98.0%
Bogovinje	5,965	5512	453	92.4%
Bogomila	573	485	88	84.6%
Bosilovo	5,235	4887	348	93.4%
Brvenica	6,717	6321	396	94.1%
Valandovo	5,087	4908	179	96.5%
Vasilevo	4,909	4396	513	89.5%
Vevcani	1,062	1044	18	98.3%
Veles	25,450	24308	1142	95.5%
Velesta	3,217	2986	231	92.8%
Vinica	7,660	7078	582	92.4%
Vitoliste	239	158	81	66.1%
Vranestica	594	570	24	96.0%
Vrapciste	3,708	3478	230	93.8%
Vratnica	1,453	1340	113	92.2%
Vrutok	2,596	2414	182	93.0%
Gevgelija	9,260	9144	116	98.7%
Gostivar	21,318	20279	1039	95.1%
Gradsko	1,568	1413	155	90.1%
Debar	7,348	7024	324	95.6%
Delogozdi	3,064	2875	189	93.8%
Delcevo	7,653	7273	380	95.0%
Demir Kapija	1,952	1667	285	85.4%
Demir Hisar	3,163	2966	197	93.8%
Dobrusevo	894	790	104	88.4%
Dolna Banjica	3,896	3735	161	95.9%
Dolneni	4,572	4078	494	89.2%
Drugovo	1,412	1300	112	92.1%
Zelino	9,703	9121	582	94.0%
Zitose	851	701	150	82.4%
Zajas	4,822	4302	520	89.2%
Zelenikovo	1,670	1546	124	92.6%
Zletovo	1,498	1359	139	90.7%
Zrnovci	1,387	1261	126	90.9%
Izvor	447	392	55	87.7%
Ilinden	6,692	6219	473	92.9%
Jegunovce	3,096	2920	176	94.3%
Kavadarci	16,831	16235	596	96.5%
Kamenjane	6,014	5665	349	94.2%
Karbinci	1,694	1374	320	81.1%
Kicevo	13,045	12340	705	94.6%
Klecevce	706	507	199	71.8%
Kondovo	4,472	4126	346	92.3%
Konopiste	159	132	27	83.0%
Konce	1,412	1293	119	91.6%

	Total population				Male			
	Total number	Literate	Illiterate	literacy rate	Total number	Literate	Illiterate	literacy rate
Kosel	1252	1095	157	87.5%	633	598	35	94.5%
Kocani	29660	28429	1231	95.8%	14,913	14546	367	97.5%
Kratovo	9401	8789	612	93.5%	4,788	4643	145	97.0%
Kriva Palanka	18658	17645	1013	94.6%	9,554	9395	159	98.3%
Krivogastani	5284	5059	225	95.7%	2,797	2751	46	98.4%
Krusevo	8452	8159	293	96.5%	4,280	4195	85	98.0%
Kuklis	3893	3733	160	95.9%	2,055	2012	43	97.9%
Kukurecani	2258	2113	145	93.6%	1,195	1160	35	97.1%
Kumanovo	88739	84880	3859	95.7%	44,464	43555	909	98.0%
Labunista	7109	6907	202	97.2%	3,327	3294	33	99.0%
Lipkovo	21184	20359	825	96.1%	10,674	10501	173	98.4%
Lozovo	2558	2383	175	93.2%	1,341	1301	40	97.0%
Lukovo	1354	1291	63	95.3%	698	688	10	98.6%
Mavrovi Anovi	889	852	37	95.8%	461	454	7	98.5%
Makedonska Kamenica	7122	6766	356	95.0%	3,764	3674	90	97.6%
Makedonski Brod	5043	4927	116	97.7%	2,608	2585	23	99.1%
Meseista	2302	2186	116	95.0%	1,164	1130	34	97.1%
Miravci	2369	2337	32	98.6%	1,219	1207	12	99.0%
Mogila	4072	3806	266	93.5%	2,144	2089	55	97.4%
Murtino	5611	5281	330	94.1%	2,824	2747	77	97.3%
Negotino	16906	16401	505	97.0%	8,605	8471	134	98.4%
Negotino - Polosko	13690	13248	442	96.8%	6,524	6440	84	98.7%
Novaci	2250	2115	135	94.0%	1,174	1130	44	96.3%
Novo Selo	10527	10063	464	95.6%	5,447	5329	118	97.8%
Oblesevo	4541	4262	279	93.9%	2,341	2285	56	97.6%
Orasac	1161	1002	159	86.3%	614	584	30	95.1%
Orizari	3951	3714	237	94.0%	1,986	1919	67	96.6%
Oslomej	8697	8313	384	95.6%	4,408	4347	61	98.6%
Ohrid	48244	47080	1164	97.6%	23,752	23528	224	99.1%
Petrovec	7035	6600	435	93.8%	3,647	3543	104	97.1%
Pehsevo	4920	4830	90	98.2%	2,483	2465	18	99.3%
Plasnica	3748	3531	217	94.2%	1,862	1812	50	97.3%
Podares	3209	3094	115	96.4%	1,682	1653	29	98.3%
Prilep	65228	62945	2283	96.5%	32,580	31947	633	98.1%
Probistip	11523	11086	437	96.2%	5,876	5796	80	98.6%
Radovis	21170	19922	1248	94.1%	10,800	10368	432	96.0%
Rankovce	3640	3187	453	87.6%	1,900	1824	76	96.0%
Resen	15171	14671	500	96.7%	7,530	7393	137	98.2%
Rosoman	3665	3447	218	94.1%	1,926	1874	52	97.3%
Rostusa	7756	7476	280	96.4%	3,849	3809	40	99.0%
Samokov	1427	1251	176	87.7%	763	739	24	96.9%
Saraj	19552	18769	783	96.0%	9,893	9717	176	98.2%
Sveti Nikole	16530	15830	700	95.8%	8,557	8398	159	98.1%
Sopiste	8179	7916	263	96.8%	4,199	4119	80	98.1%
Sopotnca	2160	2047	113	94.8%	1,084	1061	23	97.9%
Srbinovo	3067	2839	228	92.6%	1,537	1478	59	96.2%
Star Dojran	3036	2956	80	97.4%	1,530	1505	25	98.4%
Staravina	304	258	46	84.9%	155	146	9	94.2%
Staro Nagoricane	3801	3329	472	87.6%	2,018	1915	103	94.9%
Struga	31558	30741	817	97.4%	15,681	15529	152	99.0%
Strumica	39726	38141	1585	96.0%	19,751	19243	508	97.4%
Studenicani	13649	12711	938	93.1%	7,050	6813	237	96.6%
Tearce	19295	18343	952	95.1%	9,825	9615	210	97.9%
Tetovo	60144	57932	2212	96.3%	30,045	29557	488	98.4%
Topolcani	2589	2361	228	91.2%	1,381	1334	47	96.6%
Capari	1298	1246	52	96.0%	638	624	14	97.8%
Centar Zupa	5004	4842	162	96.8%	2,538	2492	46	98.2%
Caska	2425	2309	116	95.2%	1,279	1253	26	98.0%
Cegrane	10232	9831	401	96.1%	4,944	4860	84	98.3%
Cesinovo	2186	2059	127	94.2%	1,143	1120	23	98.0%
Cucer - Sandevo	7283	6957	326	95.5%	3,858	3788	70	98.2%
Dzepciste	6543	6404	139	97.9%	3,314	3273	41	98.8%
Sipkovica	6300	5586	714	88.7%	3,184	2958	226	92.9%
Stip	42693	41362	1331	96.9%	21,328	20943	385	98.2%

	Female			
	Total number	Literate	Illiterate	literacy rate
Kosel	619	497	122	80.3%
Kocani	14,747	13883	864	94.1%
Kratovo	4,613	4146	467	89.9%
Kriva Palanka	9,104	8250	854	90.6%
Krivogastani	2,487	2308	179	92.8%
Krusevo	4,172	3964	208	95.0%
Kuklis	1,838	1721	117	93.6%
Kukurecani	1,063	953	110	89.7%
Kumanovo	44,275	41325	2950	93.3%
Labunista	3,782	3613	169	95.5%
Lipkovo	10,510	9858	652	93.8%
Lozovo	1,217	1082	135	88.9%
Lukovo	656	603	53	91.9%
Mavrovi Anovi	428	398	30	93.0%
Makedonska Kamenica	3,358	3092	266	92.1%
Makedonski Brod	2,435	2342	93	96.2%
Meseista	1,138	1056	82	92.8%
Miravci	1,150	1130	20	98.3%
Mogila	1,928	1717	211	89.1%
Murtino	2,787	2534	253	90.9%
Negotino	8,301	7930	371	95.5%
Negotino - Polosko	7,166	6808	358	95.0%
Novaci	1,076	985	91	91.5%
Novo Selo	5,080	4734	346	93.2%
Oblesevo	2,200	1977	223	89.9%
Orasac	547	418	129	76.4%
Orizari	1,965	1795	170	91.3%
Oslomej	4,289	3966	323	92.5%
Ohrid	24,492	23552	940	96.2%
Petrovec	3,388	3057	331	90.2%
Pehsevo	2,437	2365	72	97.0%
Plasnica	1,886	1719	167	91.1%
Podares	1,527	1441	86	94.4%
Prilep	32,648	30998	1650	94.9%
Probistip	5,647	5290	357	93.7%
Radovis	10,370	9554	816	92.1%
Rankovce	1,740	1363	377	78.3%
Resen	7,641	7278	363	95.2%
Rosoman	1,739	1573	166	90.5%
Rostusa	3,907	3667	240	93.9%
Samokov	664	512	152	77.1%
Saraj	9,659	9052	607	93.7%
Sveti Nikole	7,973	7432	541	93.2%
Sopiste	3,980	3797	183	95.4%
Sopotnca	1,076	986	90	91.6%
Srbinovo	1,530	1361	169	89.0%
Star Dojran	1,506	1451	55	96.3%
Staravina	149	112	37	75.2%
Staro Nagoricane	1,783	1414	369	79.3%
Struga	15,877	15212	665	95.8%
Strumica	19,975	18898	1077	94.6%
Studenicani	6,599	5898	701	89.4%
Tearce	9,470	8728	742	92.2%
Tetovo	30,099	28375	1724	94.3%
Topolcani	1,208	1027	181	85.0%
Capari	660	622	38	94.2%
Centar Zupa	2,466	2350	116	95.3%
Caska	1,146	1056	90	92.1%
Cegrane	5,288	4971	317	94.0%
Cesinovo	1,043	939	104	90.0%
Cucer - Sandevo	3,425	3169	256	92.5%
Dzepciste	3,229	3131	98	97.0%
Sipkovica	3,116	2628	488	84.3%
Stip	21,365	20419	946	95.6%

Table 9: Crude birth and death rates, per 000 population

	Population	Live births per 000	Deaths per 000		Population	Live births per 000	Deaths per 000
Macedonia	2020157	13.7	8.9	Kratovo	10524	8.1	12.4
Skopje	466596	12.9	8.6	Kriva Palanka	20787	10.6	10.1
Gazi Baba	73020	12.7	7.8	Krivogastani	5934	11.0	12.1
Gorce Petrov	40019	11.8	7.7	Krusevo	9723	13.2	11.6
Karpos	59327	10.6	10.1	Kuklis	4465	13.7	9.2
Kisela Voda	123684	10.7	8.0	Kukurecani	2628	9.1	16.7
Centar	86042	13.9	10.6	Kumanovo	102233	15.4	8.3
Cair	67541	15.6	7.5	Labunista	8933	25.4	5.9
Suto Orizari	16963	24.4	7.6	Lipkovo	27311	19.7	4.1
Aracinovo	11677	24.7	4.1	Lozovo	2732	10.6	8.8
Bac	832	7.2	13.2	Lukovo	1653	11.5	11.5
Belcista	3006	3.0	27.9	Mavrovi Anovi	1015	8.9	14.8
Berovo	14010	9.3	11.1	Makedonska Kamenica	8149	13.1	7.9
Bistrica	4954	13.5	15.7	Makedonski Brod	5505	7.6	13.4
Bitola	85884	9.3	11.9	Meseista	2619	11.8	14.9
Blatec	2028	9.9	10.4	Miravci	2644	9.5	6.4
Bogdanci	8721	9.4	10.1	Mogila	4659	9.7	13.7
Bogovinje	14708	17.9	6.7	Murtino	6547	16.6	7.2
Bogomila	1139	9.7	23.7	Negotino	19189	10.4	7.9
Bosilovo	12527	13.3	9.7	Negotino - Polosko	16833	20.0	5.9
Brvenica	15871	16.9	9.5	Novaci	2571	8.6	14.4
Valandovo	11872	10.7	9.2	Novo Selo	11994	12.7	11.8
Vasilevo	12081	15.7	6.6	Oblesevo	5129	8.6	12.9
Vevcani	2469	14.2	10.1	Orasac	1288	12.4	23.3
Veles	57863	11.9	8.8	Orizari	4398	7.7	11.6
Velesta	8135	21.6	4.8	Oslomej	10584	13.7	7.2
Vinica	17941	12.9	7.7	Ohrid	53844	12.1	8.5
Vitoliste	559	1.8	37.6	Petrovec	8155	16.4	7.7
Vranestica	1400	7.9	25.0	Pehcevo	5504	7.6	12.4
Vrapciste	8536	16.5	8.7	Plasnica	4537	19.0	4.6
Vratnica	3591	16.7	10.0	Podares	3777	13.5	9.5
Vrutok	5987	14.9	7.0	Prilep	73236	11.2	11.0
Gevgelija	20131	9.5	9.9	Probistip	12712	8.3	9.5
Gostivar	49513	17.9	8.7	Radovis	24398	13.1	7.0
Gradsko	3677	10.9	11.4	Rankovce	4145	8.7	16.2
Debar	18008	15.7	6.0	Resen	16752	7.6	14.7
Delogozdi	7893	17.9	5.4	Rosoman	4175	9.3	8.1
Delcevo	17535	10.9	8.6	Rostusa	9455	20.8	7.7
Demir Kapija	4372	8.0	14.0	Samokov	1681	5.9	24.4
Demir Hisar	7167	8.9	13.5	Saraj	24089	22.4	5.6
Dobrusevo	2235	8.9	16.6	Sveti Nikole	18425	10.5	9.3
Dolna Banjica	9328	9.2	3.3	Sopiste	9397	9.9	5.3
Dolneni	11444	16.9	13.1	Sopotnica	2447	5.3	27.8
Drugovo	3233	11.4	18.2	Srbinovo	3756	25.8	9.1
Zelino	24407	24.3	5.6	Star Dojran	3394	8.5	9.1
Zitose	2136	18.3	5.1	Staravina	359	2.8	41.8
Zajas	11666	13.9	6.2	Staro Nagoricane	4335	9.7	22.1
Zelenikovo	4337	18.0	6.2	Struga	36742	14.6	7.9
Zletovo	3536	7.4	10.7	Strumica	45005	13.8	8.5
Zrnovci	3289	12.5	10.6	Studenicani	16732	24.7	4.9
Izvor	1018	7.9	14.7	Tearce	22508	14.4	8.4
Ilinden	15737	15.9	7.8	Tetovo	70362	17.2	8.1
Jegunovce	7277	13.5	11.4	Topolcani	3040	13.8	15.8
Kavadarci	38330	10.9	9.0	Capari	1495	10.0	18.7
Kamenjane	14297	16.7	6.4	Centar Zupa	6292	30.0	5.9
Karbinci	4182	12.9	12.4	Caska	2889	21.5	11.1
Kicevo	29890	12.7	8.0	Cegrane	12319	21.5	6.0
Klecevce	1709	11.7	34.5	Cesinovo	2429	7.4	10.7
Kondovo	11174	21.9	5.9	Cucer - Sandevo	8963	14.8	8.1
Konopiste	422	2.4	14.2	Dzepciste	8048	16.5	6.5
Konce	3559	16.6	8.1	Sipkovica	8025	18.6	6.1
Kosel	1486	5.4	23.6	Stip	47776	11.4	8.7
Kocani	33537	12.8	8.1				

Table 10: Deaths by tuberculosis, absolute numbers

	1998 total	male	female	1999 total	male	female	2000 total	male	female	2001 total	male	female	2002 total	male	female
Macedonia	98	66	32	107	69	38	92	61	31	86	65	21	71	50	21
Skopje	20	12	8	17	14	3	11	8	3	16	10	6	16	10	6
Gazi Baba	7	4	3	5	5	-	1	1	-	5	2	3	2	2	-
Gorce Petrov	1	-	1	1	1	-	2	2	-	2	1	1	1	1	-
Karpos	2	1	1	1	1	-	1	1	-	2	2	-	3	2	1
Kisela Voda	3	2	1	5	4	1	1	-	1	-	-	-	2	1	1
Centar	3	2	1	1	1	-	2	1	1	4	3	1	4	2	2
Cair	4	3	1	3	2	1	2	1	1	2	1	1	4	2	2
Suto Orizari	-	-	-	1	-	1	2	2	-	1	1	-	-	-	-
Aracinovo	1	1	-	1	-	1	-	-	-	1	1	-	-	-	-
Bac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Belcista	-	-	-	1	-	1	-	-	-	1	1	-	-	-	-
Berovo	1	1	-	1	-	1	1	1	-	-	-	-	1	-	1
Bistrica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bitola	1	1	-	1	1	-	1	1	-	2	1	1	-	-	-
Blatec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bogdanci	-	-	-	1	1	-	1	1	-	-	-	-	-	-	-
Bogovinje	-	-	-	1	1	-	2	2	-	1	1	-	-	-	-
Bogomila	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-
Bosilovo	1	1	-	1	1	-	1	1	-	-	-	-	-	-	-
Brvenica	2	2	-	3	2	1	2	2	-	-	-	-	-	-	-
Valandovo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vasilevo	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Vevcani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Veles	1	1	-	3	2	1	2	1	1	3	2	1	1	1	-
Velesta	-	-	-	-	-	-	-	-	-	2	1	1	-	-	-
Vinica	2	2	-	1	1	-	-	-	-	-	-	-	1	1	-
Vitoliste	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Vranestica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vrapciste	2	2	-	-	-	-	2	1	1	1	1	-	-	-	-
Vratnica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vrutok	-	-	-	2	1	1	1	-	1	1	1	-	-	-	-
Gevgelija	-	-	-	4	4	-	-	-	-	-	-	-	1	1	-
Gostivar	7	7	-	6	4	2	3	2	1	2	2	-	3	1	2
Gradsko	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Debar	1	1	-	-	-	-	1	-	1	-	-	-	1	1	-
Delogozdi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delcevo	3	2	1	-	-	-	-	-	-	1	1	-	-	-	-
Demir Kapija	2	1	1	4	2	2	1	1	-	1	-	1	1	1	-
Demir Hisar	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Dobrusevo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dolna Banjica	2	2	-	-	-	-	-	-	-	-	-	-	1	1	-
Dolneni	1	1	-	-	-	-	1	-	1	1	1	-	-	-	-
Drugovo	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Zelino	2	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Zitose	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-
Zajas	1	-	1	1	1	-	3	2	1	-	-	-	2	1	1
Zelenikovo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zletovo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zrnovci	2	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Izvor	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Ilinden	1	1	-	1	1	-	1	-	1	-	-	-	2	2	-
Jegunovce	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kavadarci	1	-	1	3	3	-	2	2	-	1	1	-	-	-	-
Kamenjane	2	-	2	3	1	2	-	-	-	-	-	-	3	3	-
Karbinci	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kicevo	1	1	-	1	-	1	-	-	-	2	2	-	1	1	-
Klecevce	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-
Kondovo	1	1	-	1	-	1	-	-	-	1	1	-	-	-	-
Konopiste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Konce	-	-	-	1	-	1	-	-	-	1	-	1	-	-	-
Kosel	1	-	1	-	-	-	1	1	-	-	-	-	1	-	1

	1998 total	male	female	1999 total	male	female	2000 total	male	female	2001 total	male	female	2002 total	male	female
Kocani	1	1	-	1	1	-	-	-	-	1	1	-	-	-	-
Kratovo	-	-	-	-	-	-	1	1	-	3	3	-	1	1	-
Kriva Palanka	3	2	1	2	1	1	2	1	1	1	-	1	1	1	-
Krivogastani	1	-	1	-	-	-	1	1	-	-	-	-	-	-	-
Krusevo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kuklis	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-
Kukurecani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kumanovo	3	2	1	6	4	2	6	3	3	4	2	2	7	5	2
Labunista	2	-	2	2	2	-	-	-	-	-	-	-	1	-	1
Lipkovo	2	2	-	1	1	-	1	-	1	-	-	-	-	-	-
Lozovo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lukovo	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-
Mavrovi Anovi	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Mak.Kamenica	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Makedonski Brod	-	-	-	-	-	-	1	1	-	1	-	1	1	-	1
Meseista	-	-	-	-	-	-	1	-	1	1	1	-	-	-	-
Miravci	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mogila	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Murtino	1	-	1	-	-	-	1	1	-	-	-	-	-	-	-
Negotino	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Negotino Polosko	2	-	2	5	2	3	3	1	2	2	2	-	1	1	-
Novaci	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-
Novo Selo	-	-	-	-	-	-	-	-	-	1	1	-	1	1	-
Oblesevo	1	1	-	-	-	-	-	-	-	1	1	-	-	-	-
Orasac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orizari	-	-	-	1	1	-	-	-	-	1	1	-	-	-	-
Oslomej	-	-	-	1	-	1	-	-	-	1	1	-	-	-	-
Ohrid	1	1	-	4	3	1	1	1	-	2	2	-	1	1	-
Petrovec	-	-	-	1	1	-	2	1	1	1	-	1	-	-	-
Pehsevo	1	-	1	-	-	-	2	2	-	-	-	-	-	-	-
Plasnica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Podares	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Prilep	-	-	-	4	3	1	4	4	-	3	-	3	4	3	1
Probistip	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Radovis	1	-	1	-	-	-	-	-	-	2	2	-	1	1	-
Rankovce	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-
Resen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rosoman	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-
Rostusa	1	1	-	1	1	-	-	-	-	-	-	-	1	1	-
Samokov	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Saraj	-	-	-	3	1	2	4	2	2	2	1	1	2	1	1
Sveti Nikole	2	2	-	-	-	-	1	1	-	-	-	-	-	-	-
Sopiste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sopotnica	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Srbinovo	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-
Star Dojran	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Staravina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staro Nagoricane	-	-	-	-	-	-	-	-	-	2	2	-	1	1	-
Struga	1	1	-	2	-	2	2	-	2	1	1	-	-	-	-
Strumica	2	1	1	1	1	-	2	1	1	2	2	-	1	1	-
Studenicani	-	-	-	3	1	2	2	1	1	-	-	-	1	1	-
Tearce	1	-	1	1	1	-	3	2	1	1	1	-	1	1	-
Tetovo	5	3	2	5	2	3	5	5	-	2	2	-	3	3	-
Topolcani	-	-	-	1	-	1	1	1	-	-	-	-	-	-	-
Capari	-	-	-	-	-	-	-	-	-	2	1	1	-	-	-
Centar Zupa	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Caska	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cegrane	-	-	-	-	-	-	1	-	1	1	1	-	-	-	-
Cesinovo	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-
Cucer-Sandevo	1	1	-	-	-	-	2	1	1	-	-	-	-	-	-
Dzepciste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sipkovica	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Stip	2	1	1	1	-	1	2	2	-	4	4	-	1	-	1

Other statistics

Human Development index

	1996	1997	1998	1999	2000	2001	2002
Life expectancy at birth (years)	72.16	72.38	72.49	72.49	72.68	73.05	73.5
female	74.36	70.29	70.37	70.37	70.48	75.21	
male	70.50	74.54	74.68	74.68	74.77	70.68	
Adult literacy (%)	94.6*	94.6*	94.6*	94.6*	94.6**		96**
Combined first-second-third level enrolment (5, 7-22 age)	368554	402900	377711	382393	363869	377726	379485
Real GDP per capita growth rate	-0.1	0.8	2.6	2.7	5.1	-4.5	0.9
GDP per capita (PPP$)	4,178	4,305	4,483	4,724	5,086	6,110	6470
Human Development Index (HDI) value			0.793	0.766	0.772	0.784	0.793

* Percentage according to the Census 1994 data
** Percentage according to the Cesus 2002 data

Trends in Human Development

	1996	1997	1998	1999	2000	2001	2002
Life expectancy at birth (years)	72.16	72.38	72.49	72.49	72.68	73.3	73.5
Population with access to							
Health services (%)	100	100	100	100	100	100	100
Safe water (%)	90	90	90	91	91	93	93
Daily calories supply per capita	2,347	2,313	2,324	2,450	2,387	2660	
Adult literacy rate	94.6*	94.6	94.6	94.6	94.6	94.6	96**
Daily news papers (circulation per 100,000 persons)	642	1,423	1,601	1,649	1,609	2,292	2,381
Infant mortality rate (per 1000 births)	16.4	15.7	16.3	14.9	11.8	11.9	10.2

* Percentage according to the Census 1994 data
** Percentage according to the Cesus 2002 data

Women's Access to Education

	1996	1997	1998	1999	2000	2001	2002
Female tertiary students	16,738	17,484	19,359	20,325	22,463	22463	24691
Female tertiary students (% of total number of pupils)	54.4	54.6	55.1	55.0	55.8	55.80	55.20
Life expectancy of female at birth (years)	74.36	70.29	70.37	70.37	70.48	75.21	
General fertility (gross reproduction rate)	0.99	0.92	0.91	0.84	0.9	0.83	

Women's Participation in Political Life

	1996	1997	1998	1999	2000	2001	2002
Seats in Parliament held by women	4	4	9	9	9	9	22*
Female managers (%of total management staff)			26.4	23.8	23.5		
Female experts and artists (% of total)			51.3	53.6	55.4		
Female sales and service workers			47.1	47.3	47.3		
Female clerical workers (% of total)			60.7	58.3	56.9		
Female employers (% of total)			23.9	14.3	16.4		

This number refers to the situation after the last Parliamentary Elections in September 2002

Child Survival and Development

	1996	1997	1998	1999	2000	2001	2002
Births attended by trained personnel (%)	95	95.6	96.6	97	97.7	97.6	98.2
Life exepctancy at birth (years)	72.16	72.38	72.49	72.40	72.68	73.05	
Infant mortality rate per 1,000 live births)	16.4	15.7	16	15.2	11.4	11.9	10.2
Under five mortality rate (per 1,000 live births)	19	18.5	18.3	17.1	13.6	12.9	11.7
Maternal mortality rate reported (per 100,000 live births)		3.4	3.4	7.3	13.6	14.81	11

Health profile

	1996	1997	1998	1999	2000	2001	2002
a) against tuberculosis	97.3	95.6	90.1	97.4	92.4	96.8	90.8
b) against measles	91.0	1.0	96.3	98.4	97.1	92.2	97.8
Tuberculsis cases (per 100,000 people)	86.4	83.3	77.1	70.5	58.9	55.6	53.8
Malaria cases (per 100,000 people)	0	0	0	0	0		
Number of AIDS cases (sick) - incidence (total)	3	0	3	4	9	3	5
Number of AIDS cases (sick) - incidence (man)			2	3	7	3	2
Number of AIDS cases (sick) - incidence (womanl)			1	1	2	–	3
a) total number (age 0-49)	2	0	4	4		4	2
b) adult rate (20+)	3	0	4	3		4	2
Doctors (per 100 000 people)	225.1	224.9	224.5	220.6	219.3	219.1	226.1
Nurses (per 100 000)	287.6	283.8	277.8	277.3	271.8	287.4	302.9
Public expenditures on health (as % of GDP)	5.3	4.9	5	5	4.5	5.5	4.7

Food Security

	1996	1997	1998	1999	2000	2001	2002
Food production per capita index			90	90	89	82	
Agriculture production (as % of GDP)	10.6	10.7	10	11	10	9.8	
Food consumption (as % of total individual consumption)				30.5	27.2	30.1	
Daily per capita supply of calories	2347	2313	2324	2450	2387	2660.00	

Education Imbalances

	1996[1]	1997	1998	1999	2000	2001	2002
Obligatory education (duration by years)	8	8	8	8	8	8	8
Enrolment to primary education[2]	258587	256275	255150	252212	246490	242707	235516
Enrolment to secondary education[2]	80903	84059	87420	89775	90990	92068	93526
Enrolment to higher and university education[3]	30754	33043	36167	36922	40246	44710	45624
R&D scientists and technicians	95	134	127	140			
Public expenditures on education (as % of GDP)	4.5	4.3	4.2	4.4	3.5	5.60	3.6

1. 1996 refers to school year 1996/1997; 1997 to 1997/1998 etc.
2. Number of students at the and of the school year.
3. Numbers of students at the beginning of the year.

Profile of People at Work

	1996	1997	1998	1999	2000	2001	2002
Labour force (as % of total population)	39.79	40.08	41.03	40	39.95	42.40	40.80
Women's share of adult labour force (% age 15 and above)	39.14	38.77	38.47	38.87	39.81	40.90	41.47

Access to Information and Communication

	1996	1997	1998	1999	2000	2001	2002
Printed books and brochures (numbers of copies printed in 1000)	2497	2502	2101	1858	968	1,061	1,899
Telecommunication network units	291	295	300	324	385	446	418
Telephone subscribes	367955	407491	456980	470982	507316	538507	578278
Cellular mobile telephone subscribers				47737	99944	221336	366348
Internet lines				5,399	10,074	22,044	36,639

Growing Urbanization

	1996	1997	1998	1999	2000	2001	2002
Urban population (as % of total)	58.7	59	59.6	59.6	59.6		
Largest City	474,139	477,438	480,644	483,484	486317		467257
Population	1,983,099	1,996,869	2,007,523	2,017,142	2,026,350	2,035,000	2,022,547
Natural increase per 1000	7.7	6.5	6.2	5.2	5.9	5.00	4.80

Population Trends

	1996	1997	1998	1999	2000	2001	2002
Estimated population (millions)	1,983,099	1,996,869	2,007,523	2,017,142	2,026,350	2,035,000	2,022,547*
Natural increase	7.7	6.5	6.2	5.2	6	5.00	4.80
Crude birth rate	15.8	14.8	14.6	13.5	14.5	13.30	13.70
Crude death rate	8.1	8.3	8.4	8.3	8.5	8.30	8.90
Infant deaths per 1000 live births	16.4	15.7	16.3	14.9	11.8	11.90	10.20
Total fertility rate	61.2	56.8	56.1	51.9	55.6		
Contraceptive prevalence rate, any method (per 1000 women of fertile age)	60.6	66.6	56.8	46.3	31.7	31.7	23.1
Poplation aged 65 and above (as % of total population)	8.9	9.1	9.4	9.8	10.2		10.57

*Census 2002

Profile of Environment Degradition

	1996	1997	1998	1999	2000	2001	2002
Land area km2	25,713	25,713	25,713	25,713	25,713	25,713	25,713
Forest and woodland (ha)		968,039	968,562	950,594	957,550	997,374	989,046
Arable land (1000 ha)	554	546	533	543	498	512	480
Irrigated land	51,677	51,703	43,259	54,240	45,095	28,722	21,450
Annual rate of deforestation (in 1000 m3)	1118	1000	897	952	1148	792	810
Forest and woodland (ha per capita)		0.48	0.48	0.47	0.47	0.49	0.49
Annual rate of reforestation (ha)	2908	3025	3021	3072	2370	1,879	1,979

National Income Accounts

	1996	1997	1998	1999	2000	2001	2002
GDP (million USD) - Price adjusted rate of exchange (1994=100)	3,390	3,458	3,575	3,730	3,892	3,723	3,755
Agriculture (as % of GDP)	15.7	12.7	13.2	12.9	11.8	9.8	
Industry (as % of GDP)	28.2	28.4	27.1	26.5	27.2	26.8	
Services (as % of GDP)		52.7	52.9	54.5	55.1	44.3	
Final consumption							
Household final (as % of GDP)	72.1	72.8	72.4	69.7	74.4	70.0	
General government final (as % of GDP)	18.1	19.7	20.3	20.6	18.2	24.8	
Gross domestic investment (as % of GDP)	17.4	17.3	17.4	16.6	16.2	14.8	
Gross domestic savings (as % of GDP)		7.4	7.4	9.7	4.3	5.2	
Tax revenue (as % of GDP)		22.3	21.9	24.2	26.7	27	28.9
Public expenditures (as % of GDP)	18.1	19.7	20.3	20.6	18.2	24.8	22.4
Exports (as % of GDP)	28.2	37.3	41.2	42.2	48.3	42.4	
Imports (as % of GDP)	38.5	50.8	56.1	52.2	62.4	55.5	

Trends in Economic Performance

	1996	1997	1998	1999	2000	2001	2002
GDP (million USD)	3,390	3,458	3,575	3,730	3,892	3,723	3,755
GDP annual growth rate (%)	1.2	1.4	3.4	4.3	4.3	-4.5	0.7
GDP per capita annual growth rate (%)	0.3	1.3	2.8	3.8	3.9	-4.9	0.5
Average annual rate of inflation (%)	2.3	2.6	-0.1	-0.7	5.8	5.5	1.8
Exports including services (as % of GDP)	28.2	37.3	41.2	42.2	48.3	42.4	
Exports-imports of goods and services ratio (exports as % of imports)	73.2	73.4	73.5	80.9	77.4	76.4	
Dependence of trade (import-export combined as % of GDP)	66.7	88.1	97.3	94.4	110.7	97.9	

Unemployment

	1996	1997	1998	1999	2000	2001	2002
Unemployed people	237,572	252,979	284,064	261,452	261,711	263196	263483
Average unemployment rate (%)	31.9	36	34.5	32.4	32.2	30.5	31.9
Unemployment rate	31.9	36	34.5	32.4	32.2	30.9	31.9
male	29.1	33	32.5	31.9	30.5	29.5	31.71
female	36.2	40.8	37.6	33.3	34.9	31.98	32.31
Youth unemployment rate (15-19 age)	76.7	80.4	76.6	66.3	60.7	57.57	60.2
Youth unemployment rate (20-24 age)	66.6	71.9	68.8	61.7	59.6	55.67	57.8
male (15-19 age)	73.8	72	77.1	67.8	60.9	59.6	59.5
male (20-24)	65.3	72	66.5	62.3	57.2	56.6	57.7
female (15-19age)	80.5	77.5	75.9	64.2	60.4	54.9	61.1
female (20-24 age)	68.5	77.5	89.4	60.9	63	54.4	58
Incidence of long term unemployment (%)	44.5	43.6	55.4	59.3	60.4	26.5	27
6 months or more	10.9	9.1	9.3	7.6	7.2	5.34	7.37
male	10.7	9.5	9.5	7.8	7.1	5.35	8.06
female	11.2	8.5	8.9	7.1	7.3	5.32	6.32
12 months or more	7.9	7.3	5.9	5.2	4.6	5.89	7.37
male	8.2	7.1	6	5.3	4.8	3.03	3.97
female	7.6	7.5	5.6	4.9	4.4	6.61	4.33
Involuntary part-time workers (as % of total labour force)			4.93	2.96	4.89	4.89	5.75

Social Stress and Social Change

	1996	1997	1998	1999	2000	2001	2002
Prison sentences	1,790	3,190	4,280	5,024	4,935	4,555	4,868
Juvenile detention	6	13	4	2	13	10	5
Intentional homicides (per 100 000)	2.4	2.4	2.2	2.6	3	6.4	3.4
Injuries and deaths from road accidents per 100 000 people)	7.9	7	7.1	5.8	5.3		
Suicides (per 100,000 people)	7.4	7.8	7.6	8.4	5.1	7.5	7.4
Divorces (as thousands of married)	70.5	72.6	73.4	73.7	92.9	109.1	90.2
Single female families	41435[1]	41435[1]	41435[1]	41435[1]	41435[1]		31074[2]
Births to mothers aged 15-19 (%)	10.9	9.9	9.3	9.1	8.7	8.0	
populaton aged 65 and above	178,995	180,340	181,243	198,053	199,414		231,712

1. Census 1994
2. Census 2002

Thematic maps

Crude birth and death rates, 2002

Live birth rate, per 000 population

by municipality

7	▨	> 23.00
11	▨	18.10 - 23.00
46	▨	12.10 - 18.00
52	▨	7.00 - 12.00
7	▨	< 7.00

123
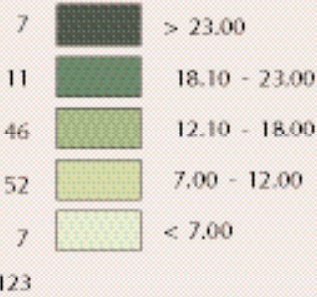
Macedonia

Live birth rate : 13.74

Minimum in Vitolishte: 1.79

Maximum in Centar Zhupa: 30.04

Death rate, per 000 population

by municipality

3	▨	> 30.00
10	▨	18.10 - 30.00
42	▨	10.10 - 18.00
27	▨	8.00 - 10.00
41	▨	< 8.00

123
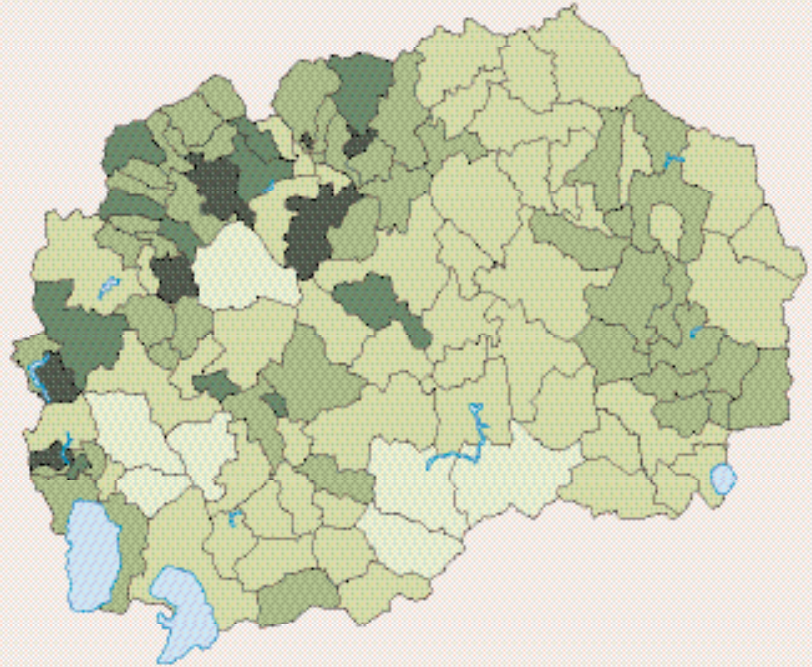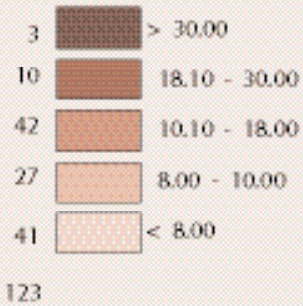
Macedonia

Death rate : 8.89

Minimum in Dolna Banjica : 3.32

Maximum in Staravina: 41.78
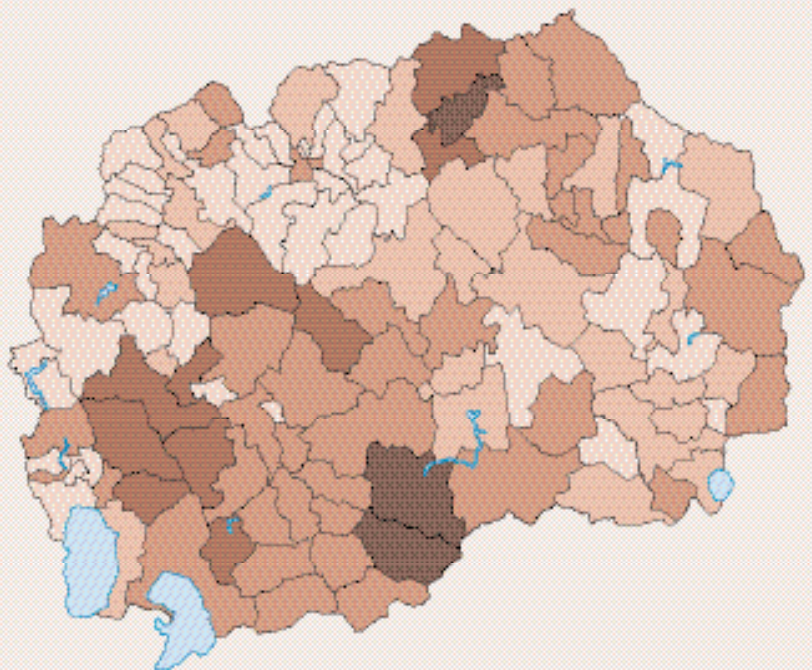
Source: State Statistical Office - Vital statistics survey, 2002

Population according to declared ethnic affiliation, 2002
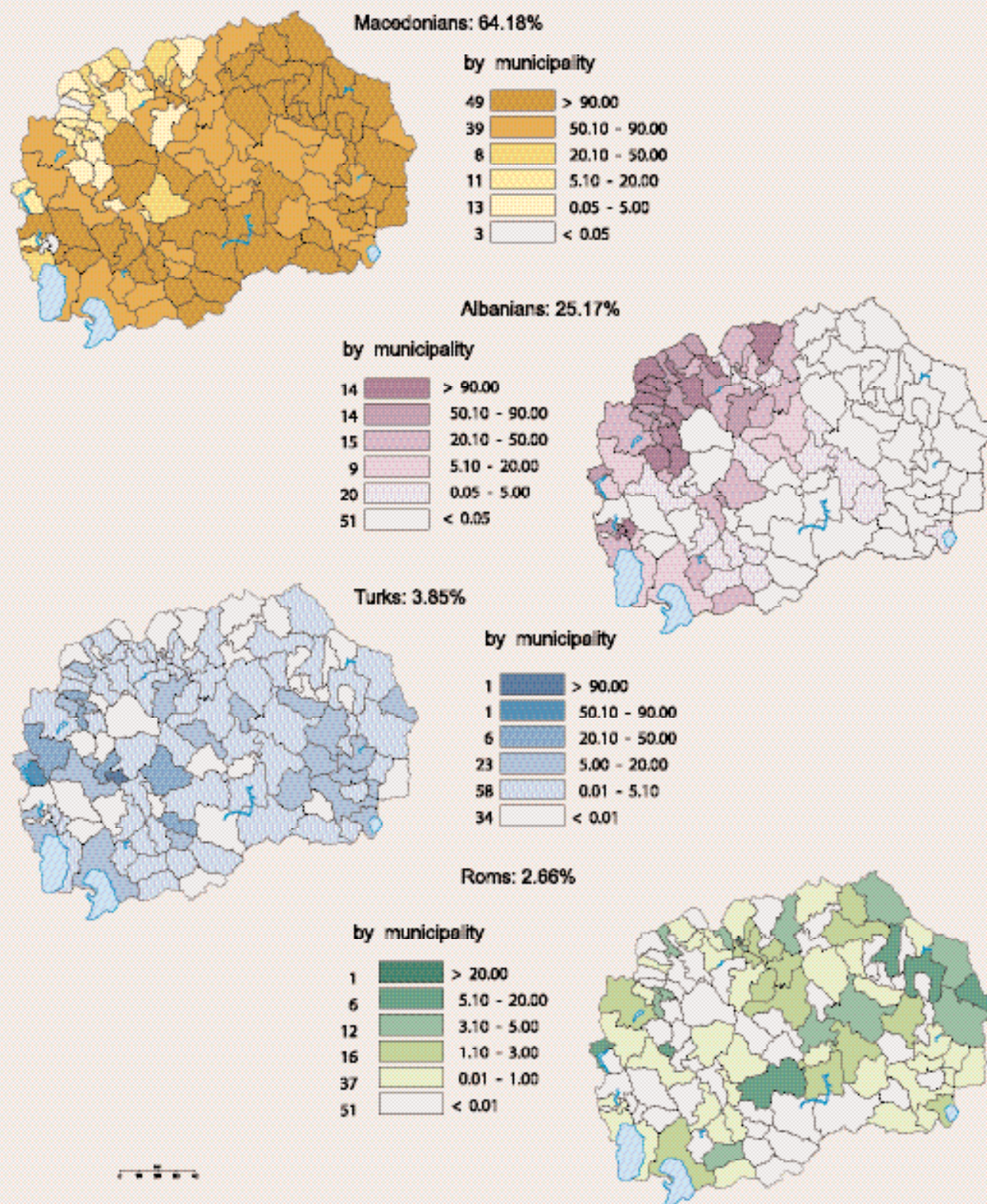
Macedonians: 64.18%

by municipality

49		> 90.00
39		50.10 - 90.00
8		20.10 - 50.00
11		5.10 - 20.00
13		0.05 - 5.00
3		< 0.05

Albanians: 25.17%

by municipality

14		> 90.00
14		50.10 - 90.00
15		20.10 - 50.00
9		5.10 - 20.00
20		0.05 - 5.00
51		< 0.05

Turks: 3.85%

by municipality

1		> 90.00
1		50.10 - 90.00
6		20.10 - 50.00
23		5.00 - 20.00
58		0.01 - 5.10
34		< 0.01

Roms: 2.66%

by municipality

1		> 20.00
6		5.10 - 20.00
12		3.10 - 5.00
16		1.10 - 3.00
37		0.01 - 1.00
51		< 0.01

Source: Population Census, 2002

Population according to declared ethnic affiliation, 2002
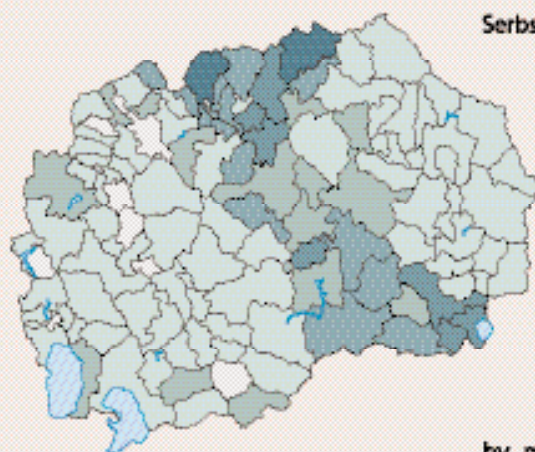
Serbs: 1.78%

by municipality

2	> 20.00
7	5.10 – 20.00
15	1.10 – 5.00
15	0.51 – 1.00
75	0.01 – 0.50
9	< 0.01
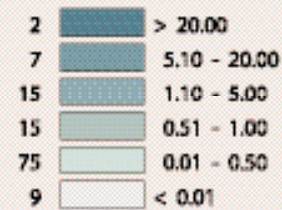
Vlachs: 0.48%

by municipality

2	> 5.00
2	3.10 – 5.00
0	2.10 – 3.00
5	1.10 – 2.00
50	0.01 – 1.00
64	< 0.01

Bosnjacs: 0.84%

by municipality

3	> 14.00
2	5.10 – 14.00
4	3.10 – 5.00
6	1.10 – 3.00
49	0.01 – 1.00
59	< 0.01
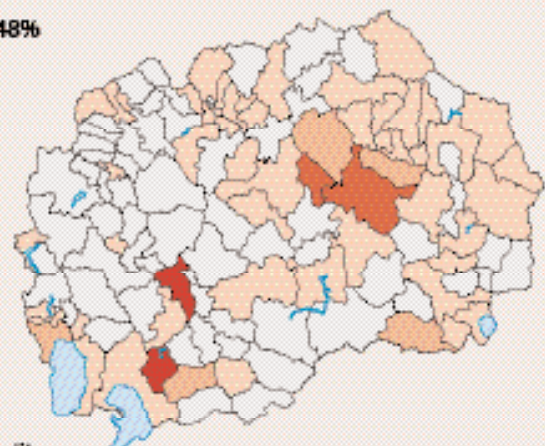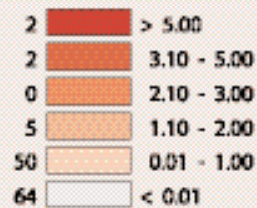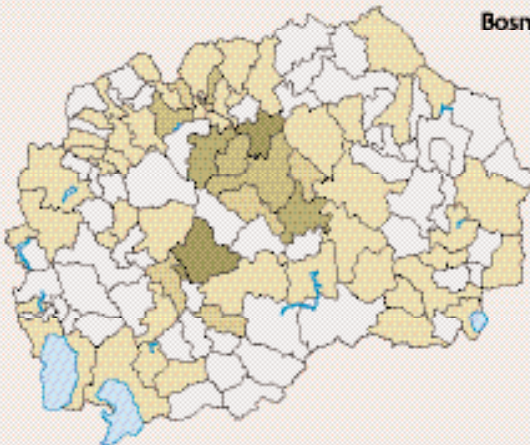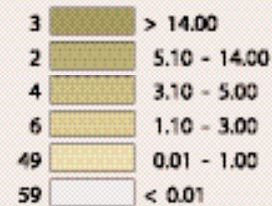
Other ethnic groups: 1.04%

by municipality

1	> 5.00
1	3.10 – 5.00
5	2.10 – 3.00
37	0.51 – 2.00
75	0.01 – 0.50
4	< 0.01
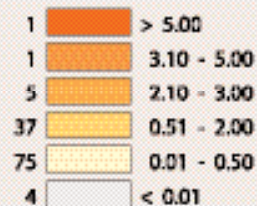
Source: Population Census, 2002

Labour force - employment and unemployment rate, 2002

Employed as % of the working age population

by municipality

6	> 80.00
33	65.10 - 80.00
37	55.10 - 65.00
41	25.00 - 55.00
6	< 25.00
123	
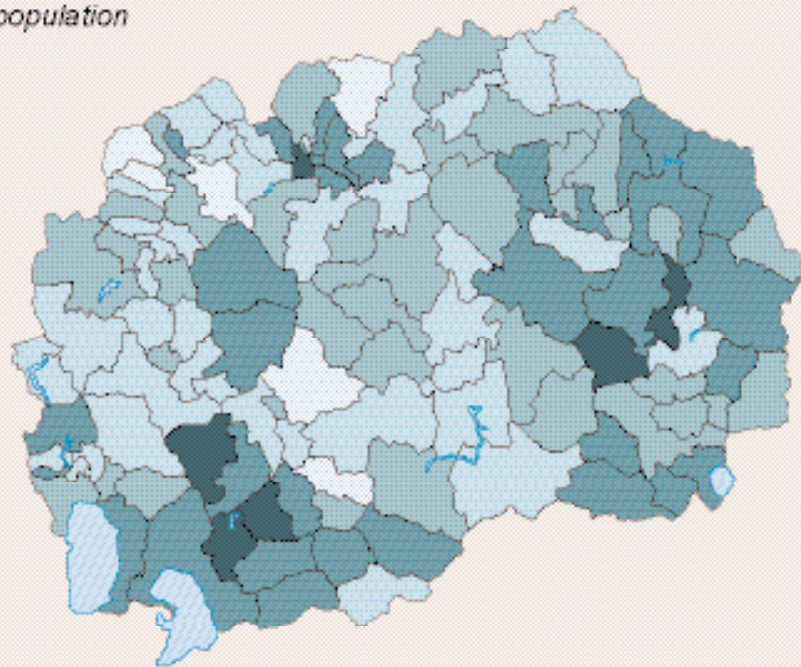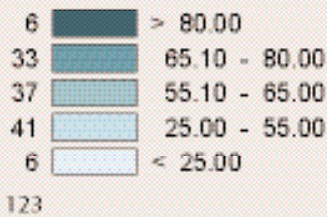
Macedonia

Rate of employment : 61.93%

Minimum in Zhelino: 20.58%

Maximum in Podaresh: 89.00%

Unemployed as % of the working age population

by municipality

8	> 70.00
17	55.00 - 70.00
40	40.00 - 55.00
46	25.00 - 40.00
12	< 25.00
123	
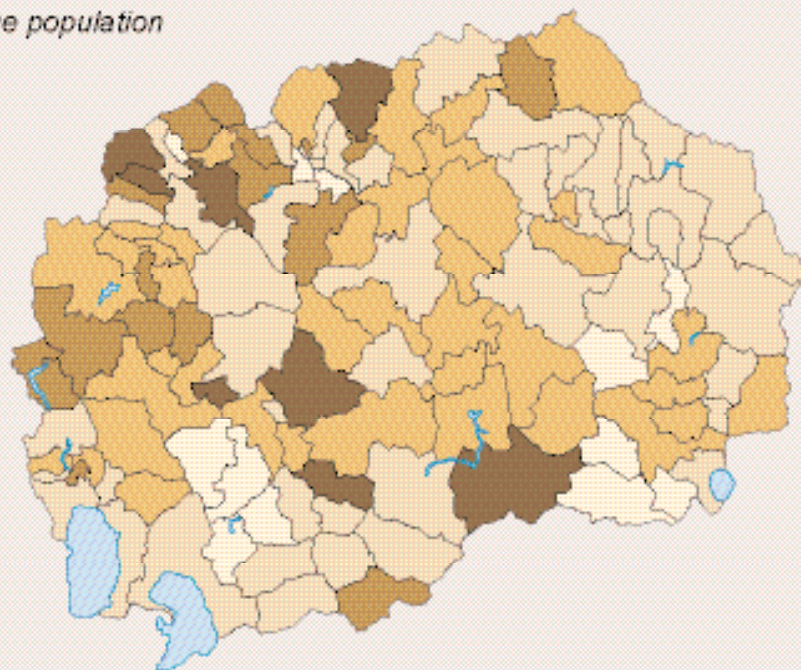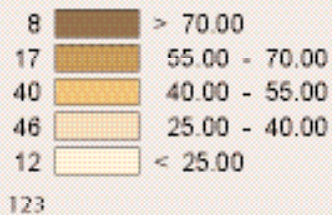
Macedonia

Rate of unemployment : 38.07%

Minimum in Podaresh: 11.00%

Maximum in Zhelino: 79.42%

Source: Population Census, 2002

Population according to activity, 2002

Economically active population

by municipality
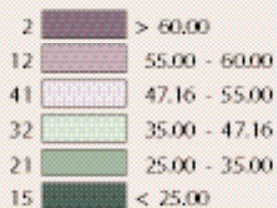
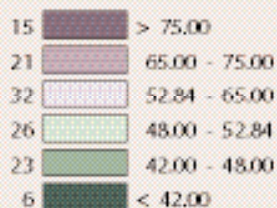|		
2		> 60.00
12		55.00 - 60.00
41		47.16 - 55.00
32		35.00 - 47.16
21		25.00 - 35.00
15		< 25.00
123		

Macedonia

Activity rate : 47.16%

Minimum in Vitolishte: 20.17 %

Maximum in Podaresh: 64.41 %
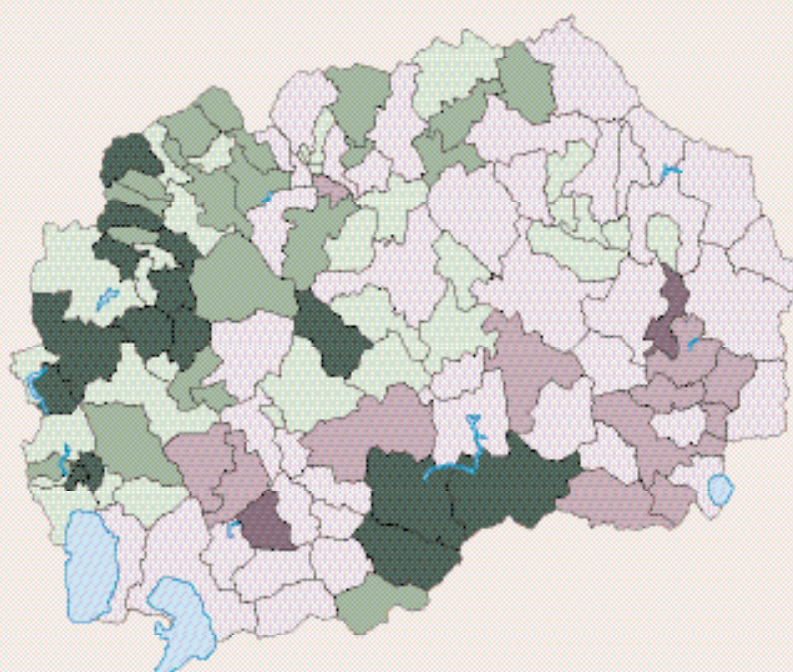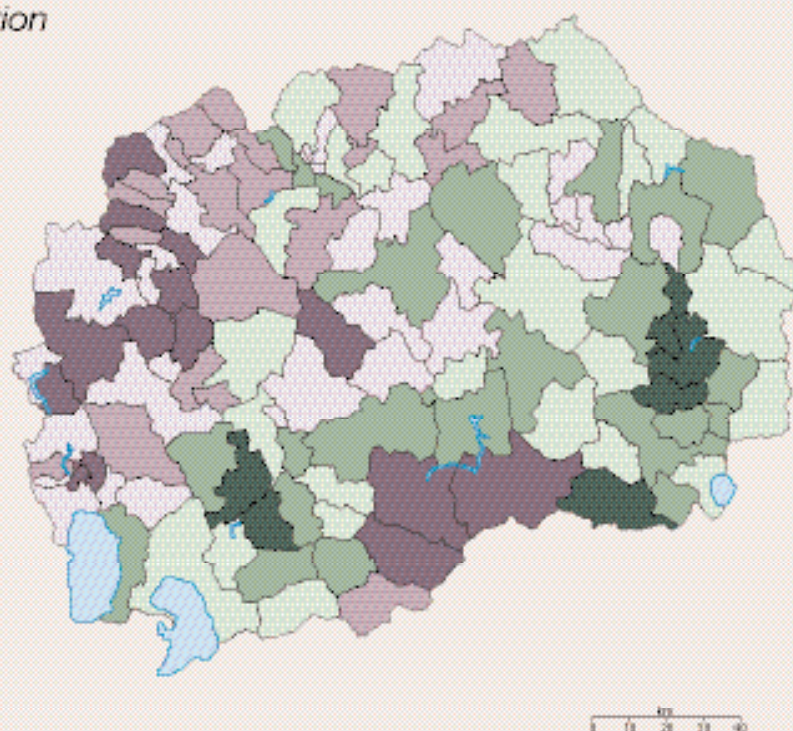

Economically not active population

by municipality

15		> 75.00
21		65.00 - 75.00
32		52.84 - 65.00
26		48.00 - 52.84
23		42.00 - 48.00
6		< 42.00
123		

Macedonia

Non activity rate : 52.84%

Minimum in Podaresh: 35.59 %

Maximum in Vitolishte: 79.83 %

Source: Population Census, 2002

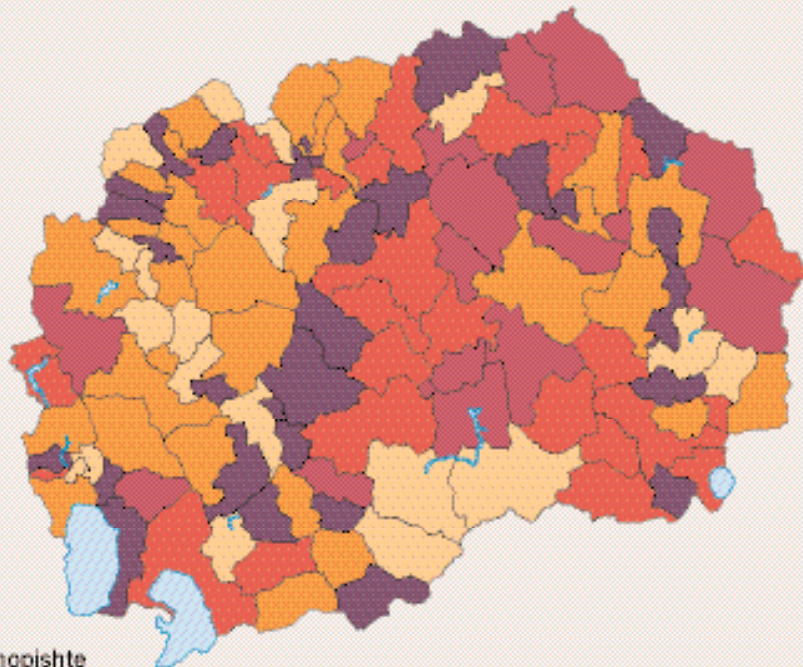# Primary enrolment rate, 2002

Gross primary enrolment rate

by municipality
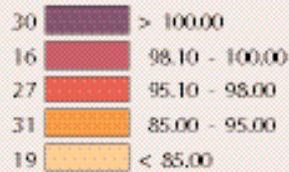
30	> 100.00
16	98.10 - 100.00
27	95.10 - 98.00
31	85.00 - 95.00
19	< 85.00
123	

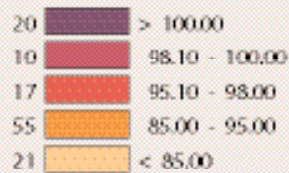**Macedonia**

Gross primary enrolment rate: 96.32%

Minimum in Dolna Banjica : 33.97%

Maximum in Zhitoshe: 138.04%
There is no enrolment in Vitolishte and Konopishte

Net primary enrolment rate

by municipality

20	> 100.00
10	98.10 - 100.00
17	95.10 - 98.00
55	85.00 - 95.00
21	< 85.00
123	
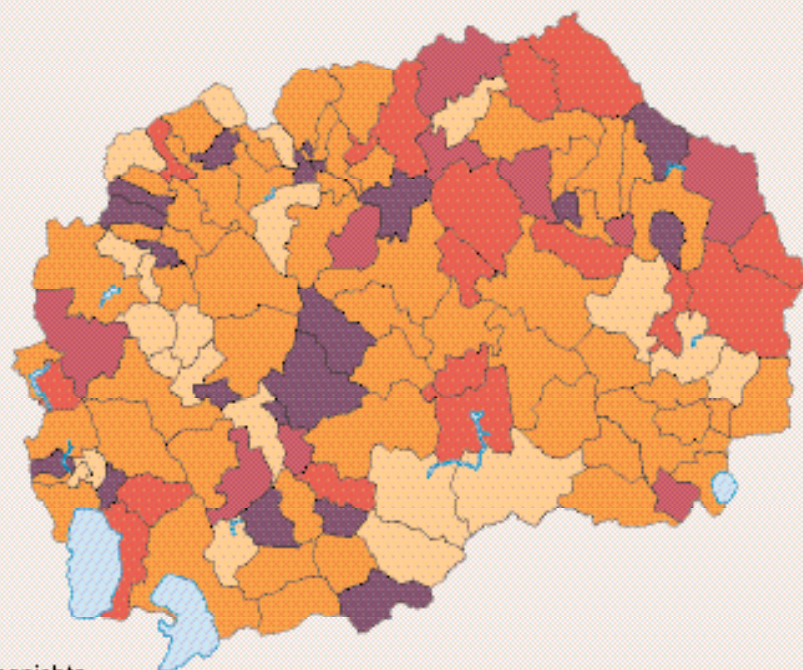
Macedonia

Net primary enrolment rate: 93.48%

Minimum in Staravina : 27.27%
Maximum in Zhitoshe: 138.04%
There is no enrolment in Vitolishte and Konopishte

Source: State Statistical Office - Educational survey, 2002