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UDK: 374.7:331.5(497.7)
Original research paper

THE LABOR MARKET AND THE SKILLS NEEDS DEVELOPMENT AMONG ADULTS IN THE REPUBLIC OF NORTH MACEDONIA

Abstract:

In the rapidly evolving global economy, aligning labor market demands with skills needs development among adults is critical for sustainable economic growth and individual career success. This alignment ensures that the workforce remains competitive, adaptable and capable of meeting industry requirements. A significant mismatch between labor market demands and available skills can lead to increased unemployment, underemployment, and diminished economic productivity. Addressing this gap necessitates a comprehensive understanding of current and future labor market trends, coupled with targeted educational and training programs.

Adult education and continuous professional development play pivotal roles in this context, enabling workers to acquire new skills and upgrade existing ones in response to technological advancements and changing job roles. Collaboration among policymakers, educational institutions and industry stakeholders is essential to create responsive training programs that reflect the dynamic nature of the labor market. Moreover, effective skills development strategies can enhance job satisfaction, increase earning potential and reduce socio-economic inequalities. By fostering a culture of lifelong learning and adaptability, societies can better prepare their workforces for the challenges of the future, ensuring economic resilience and improved quality of life for individuals. This strategic approach ultimately benefits for both employers and employees, promoting a more inclusive and robust labor market.

Keywords: labor market, skills, education, training, lifelong learning.

Introduction

For centuries, education and learning have been foundational to social growth, development, and prosperity. However, until the mid-20th century, the predominant theories and understandings of learning and teaching were primarily derived from research focused on the education and training of children, known as pedagogy.

The advent of globalization, societal advancements across various spheres, and significant demographic changes—such as increased life expectancy and extended working lives—have accelerated transformations in the labor market, necessitating modern skills and competencies for adults. This shift underscores the importance of emphasizing adult education and andragogy within the broader educational and training system.

In contemporary society, the demand for highly trained professionals is continually evolving, requiring diverse approaches to adult education and training. One of the primary priorities and challenges for the European Union, as well as for Macedonian institutions and the economy, is the development of human capital equipped with modern skills and competencies. This development aims to maximize workforce potential, foster a sustainable and progressive economy, and promote the growth of well-rounded, self-fulfilled individuals.

A highly skilled labor force is adaptable and enhances the overall competitiveness of the economy, benefiting both employers and employees. The rapidly changing labor market, alongside numerous challenges such as digitalization and its implications for the future of work, technological advancements, environmental concerns, population aging, and social inclusion, necessitate not only a robust foundational skill set but also the continuous updating and acquisition of new skills.

Because “all people by nature strive for knowledge” (Aristotle), it is clear that the learning process doesn’t end at one period of human life, but rather is a constant process of expanding and improving people’s experiences. Investing in knowledge, skills and abilities for any purpose (individual or collective) should represent the *spiritus agens* of every person. (Rizova, 2021)

The concept of lifelong learning implies a constant review of the validity of educational goals; education policy for specific categories of citizens; constant revision of the contents, taking into account the novelties brought about by science, technique, and technology; modernization of learning and teaching methods and techniques, continuous investment in one’s competencies for individual and professional development, and so on. (Ibid., 2021)

Lifelong learning is the consequence of the combined interplay of human beings and society. It does not prepare us for life; instead, contemporary humans should live a life of continuous learning. (Rizova, 2021).

Numerous studies indicate that education and training enhance abilities, leading to increased employability, productivity, and income. Despite

this, many countries exhibit structural underinvestment in adult education and training programs, particularly among adults with insufficient skills and qualifications.

Consequently, unskilled and low-skilled adults remain underrepresented in the labor market, creating economic and social challenges for countries with substantial populations of unskilled labor. This situation raises questions about the level of understanding and recognition of the potential benefits of adult education for labor market outcomes and economic development.

The issue of low-skilled labor is multifaceted and dynamic, extending beyond formal educational attainment to include non-formal and informal educational methods, training, and learning. Addressing this issue requires a comprehensive strategy that considers the nature and consequences of low-skilled individuals, encompassing a broader classification of people with specific skill gaps or outdated skills. Effective educational and economic policies must be designed and implemented to cater to this diverse population. However, policymakers need access to a comprehensive database that provides an accurate view of the active labor market.

The evolving landscape of training is gaining significance, becoming comparable to formal and non-formal education. It also opens opportunities for the recognition of prior learning, facilitated through systems of international and national qualification standards.

According to Prof. Dr. Aleksandra Pejatović from the University of Belgrade, new and changing attributes emerge during trainings, including:

- Improved accessibility through ICT;
- Modularity;
- Competency-based;
- Outcome-based;
- Complication (practicing manual skills for higher levels of learning to enable individuals to learn independently and manage their own career development);
- Individualization (in the sense of adapting the teaching process to the individual characteristics of the participants);
- Personalization (in the sense of adapting the training to the needs of certain target groups or organizations), etc. (Pejatović, 2019)

According to Prof. Pejatović, the reflection of the modern characteristics of the world of work and the contents and characteristics of the trainings can be seen through:

1. The globalization process;
2. Penetration of ICT (information and communication technology);
3. Emphasizing the importance of human capital;
4. Economy of knowledge;

5. Complex division of labor and development of the service sector;
6. Increase in the number of jobs, the performance of which requires higher levels of education;
7. Broader profile of occupations;
8. Diversity of working conditions;
9. Diversity of jobs;
10. Change of career concept;
11. Flexible forms of work engagement and performing multiple parallel work positions;
12. Frequent changes in jobs and occupations;
13. Aging of employees;
14. Increase in the economic activity of women;
15. Unemployment;
16. Concept of self-employment;
17. Changing the concept of security and developing the concept of flexibility;
18. Concept of generic (key) competencies;
19. Change of working values;
20. Changing the desirable characteristics of employees;
21. Negative effects of work and work environment.

New technologies and rapid digital transformation, as well as the challenges imposed by the Covid 19 pandemic, have also further increased the pace of changes in the labor market and educational needs. During the pandemic, we witnessed a rapid transformation of both teaching and workplaces, we had rapid digitization and electronic (online) communication. Thus, many were forced to urgently acquire certain digital skills in order to communicate and survive in the workplace. According to Eurostat (Eurostat, 2023), in 2023, 55% of people in the EU aged 16 to 74 had at least basic overall digital skills. However, unfortunately, there are significant differences across EU countries, with rates ranging from 83% in the Netherlands to 28% in Romania.

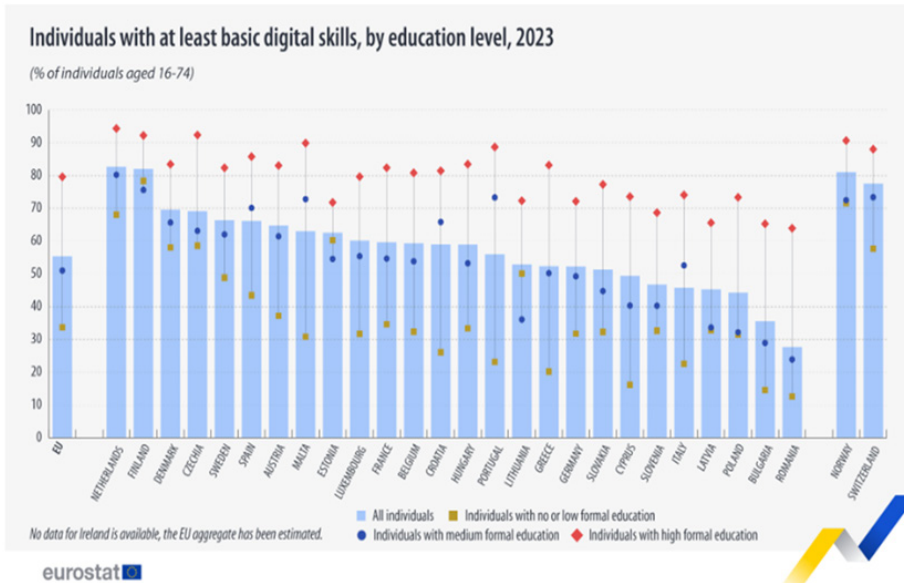


Image 1: Data on adults with basic digital skills by education level for 2023¹

1. Non-formal education and skills development in the Republic of North Macedonia

In the Republic of North Macedonia, the Ministry of Education and Science, alongside the Government, endeavors to align secondary education and practical teaching with labor market demands, aiming to achieve a balanced supply and demand dynamic in the labor market. Despite partial efforts, primarily limited to project activities such as work-based learning, there remains a significant gap in the acquisition of relevant skills by students and their adaptation to labor market needs. Strategic documents indicate that key reforms are necessary, including the implementation of a skills prediction system for informed career choices and program design, the development of new standards for adult training (for both employed and unemployed individuals), and the enhancement of policy coherence and coordination at central and local levels, coupled with robust mechanisms for monitoring progress.

According to the National Employment Strategy 2021-2027 of the Republic of North Macedonia, there is slow progress in aligning acquired knowledge and skills with labor market needs. The skills mismatch is widening, and the employment rate of recent graduates remains the lowest in Europe, at 55.3

¹ The data is taken from Eurostat <https://ec.europa.eu/eurostat>

percent in 2019, ranking 37th. Consequently, companies must provide additional training to equip new graduates with the necessary skills.

The Employment Service Agency of the Republic of North Macedonia (ESARNM) conducts an annual Survey on the Need for Skills in the labor market. This survey aims to provide short-term indicators of employers' expectations regarding new employment and the requisite skills for competitiveness in the labor market. Additionally, ESARNM implements an annual Operational Plan for active employment measures for the unemployed, including on-the-job and off-the-job training, as well as training tailored to employer requirements, in-demand occupations, and basic and advanced IT skills. All programs are verified by the Center for Adult Education and lead to recognized skills and qualifications.

The Public Institution Center for Adult Education is dedicated to promoting a functional, modern adult education system aligned with European Union standards. This system aims to ensure high-quality learning opportunities and the acquisition of qualifications that meet the population's needs, thereby increasing employability, fostering entrepreneurship, and contributing to economic, social, and personal development.

The Center's primary objectives include addressing Macedonia's socio-economic needs, responding to labor market demands, and supporting individuals in their personal development. Its main task is to establish a quality system of adult education that meets European standards and practices, thereby creating a competitive workforce through the establishment of standards and criteria for both formal and informal adult education.

The Center verifies programs for non-formal adult education, leading to the acquisition of skills, competencies, qualifications, or partial qualifications. Providers of non-formal adult education in North Macedonia can include schools, companies, non-governmental organizations, associations, and other establishments with educational activities in their scope. These verified providers are subject to professional and inspection oversight and are required to submit annual reports to the Center on their training activities and participant numbers.

2. Research methodology

The primary objective of this research is to acquire pertinent information regarding the current state of educational offerings for skill development within the realm of non-formal adult education through programs verified by the Public Institution Center for Adult Education (PI CAE). Specifically, the research aims to:

- Examine the number of individuals participating in non-formal education programs for skill development, as well as the gender distribution of these participants, within the verified adult education programs for 2023.

- Determine the number and types of trainings conducted in 2023 in the Republic of North Macedonia and assess their compatibility with skill development training programs in Europe.

The research activities and data processing employ a comprehensive analytical and descriptive approach, focusing on the availability and implementation of non-formal adult education. This includes examining the types of skill development training, verified service providers, and users of non-formal education and training programs.

To achieve the research objectives, a mixed-methods approach was employed, analyzing both quantitative and qualitative documentation. Data were collected from verified providers in PI CAE based on their legal obligation to submit annual reports detailing the number and types of trainings conducted, as well as the demographic characteristics (gender, ethnicity, and age) of participants for the year 2023.

The research sample comprises 120 active providers, or implementers, of non-formal education training in the Republic of North Macedonia. These providers have verified programs with PI CAE and are distributed across various municipalities throughout the country.

3. Results, conclusions and recommendations

The analysis of the documentation related to the research objective included 120 verified training providers for a total of 312 verified non-formal adult education programs. The total number of realized trainings is 390 for the past year 2023, and the number of participants involved in the trainings is 3631.

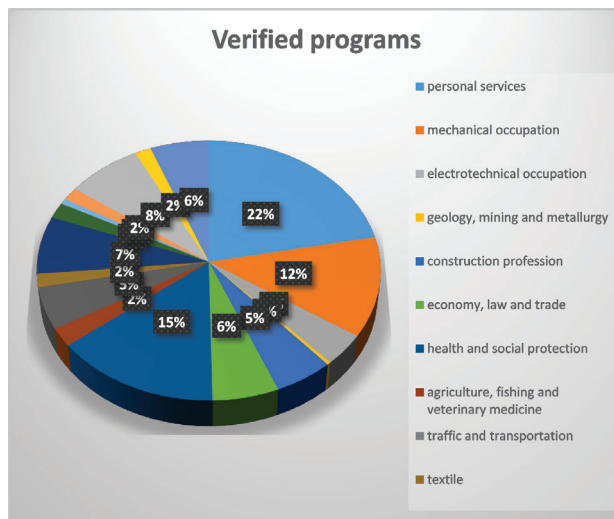


Chart 1: presents the professions for which programs were verified during 2023.

The data indicate a predominant interest among providers in program verification within the following domains: personal services, health professions, mechanical professions, information technology (IT), and economics.

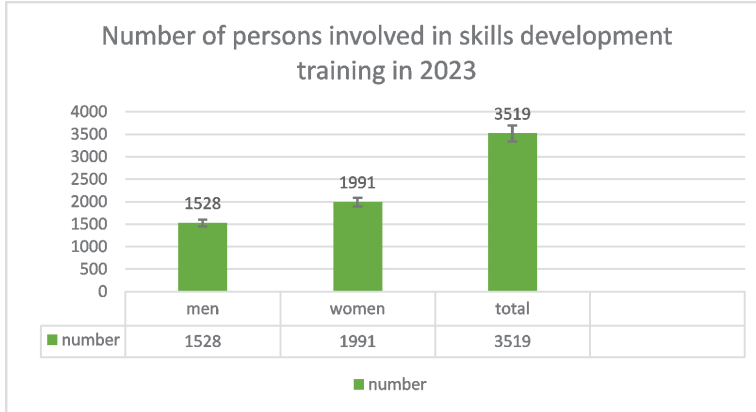


Chart 2: Persons involved in training in 2023 for skills development by gender

From the data presented in Chart No. 2, it is evident that a total of 3,519 individuals participated in the training programs, with 1,991 women and 1,528 men. Concerning the age distribution of the participants, the reports submitted to PI CAE indicate that the trainees were aged between 18 and 60 years.

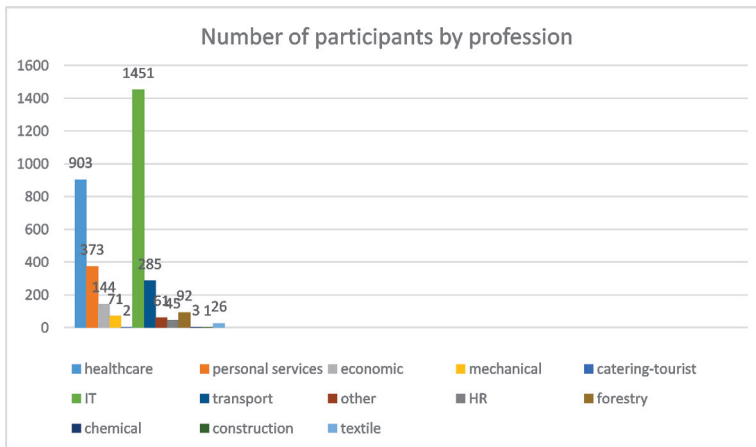


Chart 3: Structure of training participants by profession

From the data presented, it is evident that the highest number of participants were enrolled in programs for acquiring IT skills, with 1,451 participants, followed by the health profession with 903 participants, personal services with 373 participants, and the traffic profession with 285 participants.

These results indicate a strong interest from training providers in verifying programs related to personal services and health professions. Meanwhile, the largest number of participants were trained in IT and healthcare skills. According to the ESARNM's 2023 Labor Market Skills Needs Analysis report (ESARNM, 2023), employers require individuals with skills for occupations such as mechanical technician, waiter, tailor, salesperson, cook, locksmith, truck driver, construction worker, baker, welder, and maintenance electrician.

There is a clear mismatch between labor market demands and the supply of adult training programs. Additionally, the interest in training participation among adults does not align with the demanded occupations. The analysis does not highlight the need for personal service skills, yet a significant number of individuals have completed these trainings. While construction workers are in demand, only one individual attended training in this field in 2023.

Regarding skills in demand within the European Union, a Cedefop survey (Cedefop, 2024) indicates persistent shortages in ICT, healthcare, and STEM fields. Craft workers (55%), machine operators (25%), and workers in building (42%), accommodation and food service (37%), health and social care (31%), electricity, gas, steam, and air conditioning (23%), waste management (21%), transportation and storage (20%), production (19%), and ICT (18%) are notably undersupplied.

This analysis suggests that both the European Union and the Republic of North Macedonia face a need for skills development and a shortage of staff in the hospitality, tourism, transport, and machine operation sectors. While the EU emphasizes the development of digital skills and STEM, these skills are not as highly demanded by employers in North Macedonia. Nevertheless, the largest number of training participants in the past year were in the ICT sector, comprising 41.23% of the total.

Interestingly, there is a significant demand for healthcare profession skills in the EU, and over 900 individuals in North Macedonia have undergone this type of training. According to PI CEA, a large portion of these individuals have migrated to EU countries for employment.

Based on the analysis of documentation and statistical indicators of participant involvement in skills development training, we can conclude that globalization, unification of standards of competencies, and the need for global competitiveness are increasingly influencing the alignment of relevant skills among adults in both international and national labor markets.

The process of globalization has forced workers to possess skills that are recognized and valued across borders. Unifying the qualification standards they promote helps ensure that skills are transferable and comparable around the world, increasing labor mobility and employability.

The compatibility of relevant skills among adults in both international and national labor markets is increasingly influenced by globalization, the unification of standards of competencies, and the drive for global competitiveness. Globalization has interconnected economies, making it essential for workers to

possess skills that are recognized and valued across borders. The unification of competency standards, facilitated by international organizations and agreements, helps ensure that skills are transferable and comparable worldwide, enhancing labor mobility and employment opportunities.

In this context, continuous skill development and adaptation are crucial for maintaining competitiveness. Nations must invest in education and training programs that align with global standards while also addressing local labor market needs. This dual approach ensures that workers can compete effectively on the global stage and meet the specific demands of their domestic economies.

Moreover, fostering a culture of lifelong learning and collaboration between governments, educational institutions, and industries is vital. By doing so, countries can create a workforce that is not only skilled and adaptable but also capable of driving innovation and economic growth. Ultimately, the alignment of skills with international standards and market demands strengthens national economies and enhances global competitiveness, benefiting both individuals and societies at large.

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