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Labour Market and Labour Migration in Macedonia

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Overview

- Macedonia is an upper middle-income country with a gross domestic product \$11.32 billion (current US\$) in 2014 and a GDP annual average growth rate between 2000 and 2014 of 2.9% (WDI, 2016).
- National poverty headcount ratio (the percentage of the population living below the national poverty lines) is decreased from 26.8% in 2011 to 22.1% in 2014.
- The proportion of the young population (age group 0-14) in the total population decreased from 21.5% to 17.2% between 2001 and 2011, while the proportion of the old population (age group 65 and over) increased from 10.5% to 11.8%.

Labour Market Developments in Macedonia

- The transition process has affected the Macedonian labour market and labour migration in several ways. Unemployment has sharply increased, while employment in the public sector declined and the private sector increased, particularly the informal sector.
- According to the 2014 LFS (State Statistical Office, 2014) labour force participation rates increased from 52.2% in 2004 to 57.3% in 2014.
- Labour force participation is higher among males than among females (69.3 % vs. 45.3 % in 2014), whilst from 1996 to 2005 this gender participation gap narrowed (from 24.1% to 21.7%), it increased to 24.1% by 2011.
- Both males and females between the ages 25 to 49 have the highest participation rates in the labour force, with the overall rise in participation largely driven by the older age group.
- Participation rates increase with the level of education in Macedonia, with the highest participation rate amongst the group with university level of education (for both men and women).

Unemployment

- Despite recent economic growth, the Macedonian labour market is characterised by high and persistent unemployment that suggests chronic structural problems.
- The average unemployment rate for the period from 2004 to 2014 was 33.0%.
- Unemployment rate decreased from 37.3 % in 2005 to 27.9% in 2014.
- Younger population from 15 to 19 years of age display the highest unemployment rate (72.8% in 2004 to 63.5% in 2014).
- The unemployment rate is lowest in the group with a level of completed education above secondary school (higher education 20.1 % in 2011) and highest in the group with only up to primary level of education (31.3% in 2011).
- Long-term unemployment share is high in Macedonia and there is little difference between men and women in the duration of unemployment (82.6% in 2011).

Labour Emigration Trends in Macedonia

- Historically, labour market problems have initiated labour emigration as a result of high unemployment rates starting in the middle of 1960s. Labour emigration in Macedonia was intensified in the last two decades.
- High unemployment rates remained one of the main determinants of emigration and its transformation from temporary migration into permanent one (Janeska, 2012).
- According to IOM, 2015 around 20% of all citizens of Macedonia lived outside of their country of origin.
- Whereas, according to State Statistical Office of the Republic of Macedonia around 9170 citizens (0.5%) legally emigrated from Macedonia in the period between 2005 and 2014.

Labour Emigration Trends in Macedonia...

- The real number of emigrated citizens is probably much higher considering the illegal emigration and those who are leaving the country on Bulgarian passports.
- Migration in Macedonia was influenced by unfavourable labour market changes and the overall economic, political and social situation of the country since its independence.

Classification of Macedonian emigration

- Macedonian emigration can be classified into three groups: permanent family emigration starting from early 1990s to present, followed by 'brain-drain', temporary economic emigration and Macedonian citizens who are leaving the country illegally and seeking asylum.

Stock of Macedonian emigrants by destination and by educational attainment, 2000 (persons)

Destination	Low	Medium	High	Total
America	8,300	12,342	9,902	30,544
Europe (including EU15)	88,335	46,630	29,352	164,317
EU15	76,276	24,231	27,929	128,436
Asia and Oceania	39,544	14,343	11,924	65,811

Note: Low-primary or 0-8 years of education; Medium-secondary or 9-12 years of education; High-tertiary or 13 years or more of education. This data is for migrants of age 25+ in most cases.

World Bank (2012).

Macedonian emigrants by destination and education attainment

- Most of Macedonian emigrants found their new home in Europe and most of Macedonian emigrants have low education except of those immigrating to America. In addition the World Bank data indicate that the top five destination of Macedonian Diaspora in the year 2000 was Germany (90967 persons), Serbia and Montenegro (60328 persons), Australia (39737 persons), Turkey (25178 persons) and Italy (15455 persons).

Ethnicity of Macedonian emigrants

- The Macedonian emigrants consist of emigrated ethnic Macedonians who emigrate mostly in United States, Australia, Italy, Germany, Switzerland and Canada. The number of emigrating ethnic Albanians of Polog and Southwestern Macedonia is constantly rising for years, while the Romani population is increasing amongst those seeking asylum (Stamenkovic, 2015).

Age and gender of emigrated Macedonians

- World Bank (2012) report data indicate that most of Macedonians emigrants were between 20 to 34 years old in 2005 and 2009.
- Traditionally, males in the migrating workforce were predominant, however due to increased demand for female workers in the labour markets of Western Europe the share of women emigrating abroad is also increasing.