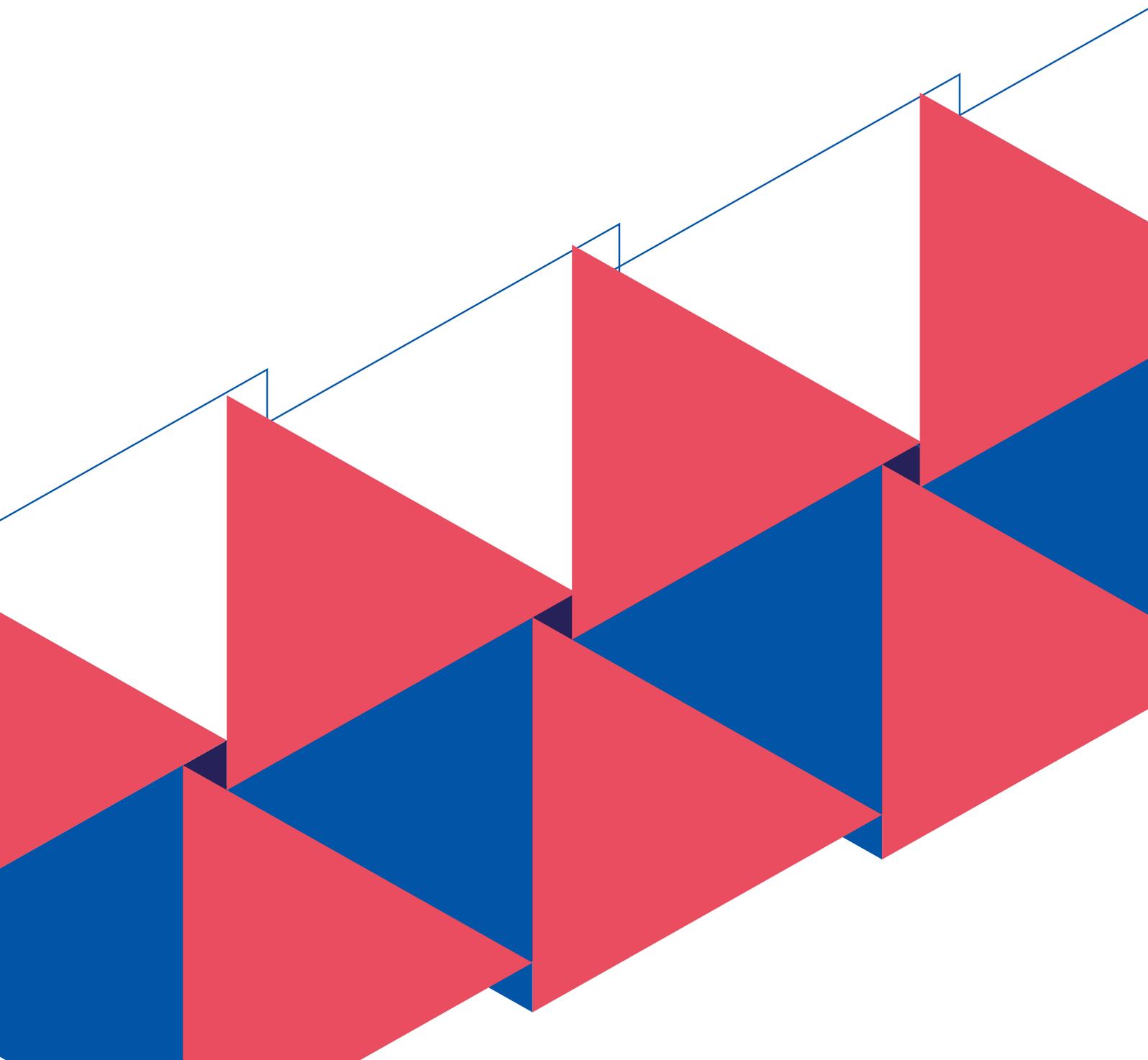


▶ **Report on the Structure, Functioning and Effectiveness of the Local Economic and Social Councils in the Republic of North Macedonia**



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Report on the Structure, Functioning and Effectiveness of the Local Economic and Social Councils in the Republic of North Macedonia





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List of abbreviations

ESARNM	Employment Service Agency of the Republic of North Macedonia
GRNM	Government of RNM
ESC	Economic and Social Council
EU	European Union
ZELS	Association of the Units of Local Self-Government
LRL	Labour Relations Law
YES Network	Youth Employability Skills Network
KSS	Confederation of Free Trade Unions
LEAP	Local Employment Action Plan
LED	Local Economic Development
LESC	Local Economic and Social Council
ILO	International Labour Organization
NGO	Non-governmental Organization
OEM	Organization of Employers of Macedonia
SSM	Federation of Trade Unions of Macedonia
RNM	Republic of North Macedonia
USAID	United States Agency for International Development



1. Introduction

Within the European Union (EU), social dialogue is one of the twenty key principles on which the European Pillar of Social Rights is based. Social dialogue means negotiations and consultations, i.e. exchange of information among government representatives, employers and workers about issues regarding economic and social policies. Social dialogue can be tripartite between government and social partners, or bipartite between social partners - workers and employers, and it can be held on several levels - sectoral, local, regional or national.

In order for an effective and functional social dialogue to exist, an appropriate environment with an efficient legal and institutional framework is necessary. This means respecting the fundamental rights of collective association and bargaining, but also creating conditions for the existence of strong and independent organizations of employers and workers, i.e. social partners. On the other hand, a strong political will is of huge importance for social dialogue, i.e. a state which creates and implements policies that encourage freedom of association of workers and employers and the functioning of social dialogue as a tool for achieving consensus regarding issues of general interest connected to economic and social policy.

In the Republic of North Macedonia (RNM), social dialogue functions on a tripartite, as well as bipartite level. Tripartite social dialogue is institutionalized through economic and social councils (ESCs) on national and local level.

There is an ESC formed as a tripartite body on national level by the Government of the Republic of North Macedonia (GRNM) and the social partners (Organization of Employers of Macedonia (OEM)), Federation of Trade Unions of Macedonia (SSM) and the Confederation of Free Trade Unions of Macedonia (KSS)), in order to enable economic and social stability in the country and to realize the fundamental values of RNM as a democratic and social state. ESC of RNM was formed on August 25, 2010 with the act of signing the ESC Establishment Agreement by the GRNM and the social partners.

On local level, the tripartite dialogue in RNM is realized through local ESCs (LESCs). LESCs are formed as consultative and advisory bodies of the municipality in order to establish democratic and social dialogue in function of achieving a permanent and stable social peace and active inclusion of all social partners in the decision-making processes regarding the most important issues of economic and social importance for the local community. The first LESCs in RNM were formed in 2010 in the Municipality of Kavadarci and the Municipality of Kumanovo. During the period 2011-2013, as part of the USAID funded Youth Employability Skills Network Project (YES Network), 6 LESCs were formed in the following municipalities: Strumica, Shtip, Bitola, Tetovo, Gostivar and the City of Skopje. In 2013, the Municipality of Gazi Baba formed its own LESC upon its own initiative. In the period 2015-2016, with the support of the *Promoting Social Dialogue Project*, funded by the EU and implemented by the International Labour Organization (ILO), 6 more LESCs were formed in the following municipalities: Resen, Radovish, Sveti Nikole, Veles, Struga and Kichevo.

Currently, there are 15 LESCs in RNM in the following municipalities: Bitola, Veles,





Gostivar, Gazi Baba, Kavadarci, Kichevo, Kumanovo, Radovish, Resen, Sveti Nikole, Skopje, Struga, Strumica, Tetovo and Shtip. According to the available information, the LESC in the municipalities of Gostivar, Kavadarci and Gazi Baba are non-functional.

2. Report objective and preparation methodology

The objective of this report is to provide an overview of the role, structure, functioning and efficiency of the LESC in RNM, as well as give recommendations for improving the LESC in terms of realizing their main goal - consultative and advisory role in the local policy-making processes.

The report has been prepared for the needs of the *Strengthening Social Dialogue Project* (hereinafter: the Project) implemented by the ILO and funded by the EU. The objective of this Project is to improve social dialogue as a means to create more and better jobs through improving the institutional and legal framework, and activities aimed at strengthening the capacities of the actors in the tripartite dialogue and enable their inclusion in an efficient social dialogue.

The report was prepared based on an analysis of the existing documents and sources (desk research), self-evaluation reports prepared by LESC, as well as the reports prepared by LESC representatives (peer-review) as part of the project, and also a series of meetings and interviews with representatives and members of the existing LESC in RNM.

3. Report structure

Considering the objective of this report and the Project's requests, it is structured as follows:

At the beginning of the report there is an Overview of the forming and functioning of the LESC in RNM with separate information for each LESC.

Further on, the report contains an overview of the institutional effectiveness of LESC, i.e. an analysis of the existing regulatory and institutional framework in the sense of enabling and supporting an effective and efficient tripartite (plus) dialogue on local level taking into consideration the following aspects:

- Mandate and role of LESC;
- Composition of LESC;
- Giving opinions/recommendations - identifying bottlenecks in the existing way of LESC's operation with recommendations for improvement;
- Work process - technical and administrative support (secretariat) and budget of LESC.

In the Policy effectiveness part, the results of the local tripartite (plus) social dialogue are analyzed, as well as the influence of the recommendations/opinions/advice of the LESC taking into consideration the following:

- Setting the agenda - discussion topics' relevance for the local community;
- Monitoring the realization of the recommendations/opinions/advice provided by LESC;

- 
- Main achievements (agreements, contracts, influencing policies, monitoring the implementation, evaluation, etc.).

At the end of the report there are Recommendations for better and more efficient functioning of LESC which are grouped in general or common recommendations, and separate recommendations for each LESC.

4. Local Economic and Social Councils in the Republic of North Macedonia

So far, there are 15 LESC formed in RNM. Below is a brief overview of the forming and functioning of the LESC in RNM.

1. **Kavadarci** - The LESC of the Municipality of Kavadarci was formed on January 18, 2010, with 9 members, three of which are from the local self-government, three from the employers represented by the Business Confederation of Macedonia and three from the trade unions. External experts may be convened as needed. In the first years since the establishment of the LESC in Kavadarci, there have been 18 sessions where topics of importance for the local community were analyzed and discussed (for example, an initiative to encourage studying entrepreneurship in elementary school in cooperation with the local company FENI and certain infrastructural projects). Based on the information received for the preparation of this report, this LESC has completely been inactive for several years now.
2. **Kumanovo** - The Kumanovo LESC Establishment Agreement was signed on December 9, 2010. This LESC was formed based on the initiative and with the support of USAID, through the USAID Business Ecosystem Project. As part of the USAID support, LESC Kumanovo published the handbook "Local Social Dialogue Guide". The members of LESC Kumanovo are representatives of the local government, the Organization of Employers of Macedonia (OEM) and representative trade unions. In the last few years, LESC Kumanovo has been inactive, but with the initiation of the Project it has been reactivated again. Namely, the LESC composition has been renewed and now includes new members since the mandate of the previous members had expired. Thus, the current members of LESC Kumanovo are the Mayor of the Municipality, the President of the Municipal Council and a representative of the municipality administration, as well as representatives of the representative trade unions and OEM. OEM representatives are successful and well-known companies in the local community. The membership has been determined in such a way so as to provide greater significance to the LESC, but also to allow for the Mayor and the Municipal Council to be fully acquainted and involved in the operation of the LESC. The first session with the new membership was held on May 30, 2019. With the reactivation of LESC Kumanovo, its composition has been extending as well, i.e. Employment Center Kumanovo, as well as the public institution Inter-municipal Social Work Center-Kumanovo are getting involved in its operation, as are representatives of the non-governmental sector. The new composition of LESC Kumanovo, during its session on July 16, 2019, adopted its Rules of Procedure which regulate the way LESC Kumanovo works and makes decisions. In these past few



months since the reactivation of LESC Kumanovo, certain humanitarian activities have been realized and initiatives suggested by the LESC are already being reviewed as regards the possibility for gasification of the industrial zone Dobroshane. To that end, a committee has been formed with representatives of the local business community. Until the completion of this report, there was no information regarding the implementation of this initiative. LESC Kumanovo is currently quite active and has rather ambitious plans for the future. One of the activities that LESC Kumanovo is planning is the preparation of its own Strategy and Annual Work Plan in order to define the operating directions and priorities of LESC, but also monitor and report on its operation.

- 3. Strumica** - On December 22, 2011, the First Constitutive Session of LESC Strumica was held. LESC Strumica has nine members, three of which are representatives of the Municipality of Strumica (two of which are councilors), three are representatives of OEM and three are representatives of SSM. The external members who participate in the work of this LESC are representatives of the Employment Service Agency of the Republic of North Macedonia (ESARNM) through the Employment Center Strumica, the Trade Union of Agricultural Producers of Strumica, the Regional Crafts Chamber, representatives of high-schools and representatives of the Youth Council of the Municipality of Strumica. LESC Strumica, with the support of the USAID YES Network Project has developed its own Strategic Plan, Local Employment Action Plan (LEAP) 2013-2015 for the Municipality of Strumica, as well as a Strategy for Local Economic Development (LED) of the Municipality of Strumica for the period 2016-2020. Upon its own initiative, the LESC of the Municipality of Strumica has held several public forums, debates and workshops that have to do with issues regarding the local labour market. Based on the labour market analysis conducted for the needs of the LEAP, the Municipality of Strumica, with the approval of the Ministry of Education of RNM, has introduced new occupations in one of the vocational high-schools in the municipality. LESC Strumica has prepared a plan for LESC priority actions in 2015 which was submitted to the Mayor of the Municipality as recommendations for the Municipality of Strumica. This LESC was part of an ILO pilot project "Solutions for Youth Employment through Local Social Dialogue" which provided technical support for managing youth employment programs. Toward the end of 2017, LESC Strumica, upon its own initiative, held two public debates in cooperation with the Employment Center Strumica and the high-schools from the municipality with the aim of presenting the profiles demanded on the local labour market. On May 8, 2019, the eighth LESC Strumica session was held where the ILO *Strengthening Social Dialogue Project* was presented. During this session, a team was chosen comprised of 5 representatives and their deputies who will participate in the second component of the Project - Peer Review of the Local Economic and Social Councils and the interest for participation in the Local Employment Partnership, as part of the Project, has been confirmed. LESC Strumica has its own webpage (<http://www.strumicaless.mk/>), developed with funds provided by USAID YES Network and its own funds provided by municipality budget, where they post all their activities and strategic documents..



- 4. Tetovo** - The LESC of the Municipality of Tetovo was constituted on August 24, 2012, by signing the Establishment Agreement and holding the First Constitutive Session. LESC Tetovo has 15 members; 5 from the local self-government (two members of the Tetovo Municipal Council and three municipality administration employees), 5 from the representative trade unions and 5 from OEM. Apart from them, there are other participants in LESC Tetovo and they are: representatives of ESARNM through the Employment Center Tetovo, representatives of high-schools, representatives of the Regional Crafts Chamber, representatives of the local office of the Enterprise Support Agency, as well as representatives of local youth non-governmental organizations. LESC Tetovo has a Strategic Plan and has also prepared a LEAP of the Municipality of Tetovo with the support of the USAID YES Network; the Plan was presented and adopted by the municipality. In 2015, LESC Tetovo realized the initiative for introducing an award for the best socially responsible company in the Municipality of Tetovo and several companies were awarded, as well as an award for a company that helps people with special needs. This LESC initiative has been taken over by the municipality and is thus becoming a tradition where every year, on the celebration of the Day of the Municipality, acknowledgments are awarded to the most successful companies in the Municipality of Tetovo. Also, based on the labour market analysis conducted by the non-governmental organization ESA from Tetovo and in cooperation with the Employment Center Tetovo, the municipality has submitted an initiative to the Ministry of Education to amend the courses in the municipal high-schools in order to increase the labour market workforce. This initiative by LESC Tetovo was realized and appropriate interventions were made in the vocational high-schools. Furthermore, LESC Tetovo, through its member-representatives of OEM, was involved in the ERASMUS Project through which practical classes for students from vocational high-schools were realized. In conversation with the current president of LESC Tetovo, it was pointed out that even though the LESC has not formally submitted its own initiatives and recommendations to the Municipality, it is nonetheless involved in the creation of local policies since certain LESC initiatives are implemented in the programs and plans of the Municipality sectors where LESC members-representatives of the municipal administration come from (in this particular case the LED and public activities sector). Additionally, LESC Tetovo is in constant coordination with the Employment Center of the municipality whose director is involved in the LESC and has participated in activities aimed at adult education, self-employment subsidies and informal education programs.
- 5. Shtip** - The Establishment Agreement for this LESC was signed on December 26, 2012; the First Constitutive Session was held on February 5, 2013. In accordance with the Agreement, this LESC is constituted of nine members three of which are members of the municipality, three are from representative trade unions and three are from OEM. The following participate in the operation of LESC Shtip: ESARNM through the Employment Center Shtip, the Regional Crafts Chamber Shtip, the Textile Cluster, representative of the Temporary Employment Agency, representative of the non-governmental sector, representative of "Goce Delcev" University - Shtip, representative of the high-schools,





representative of the Youth Council of the Municipality of Shtip and representative of the Development Center of the East Planning Region. LESC Shtip prepared its own Strategic Plan valid to 2017 and also prepared a LEAP for the Municipality of Shtip. In the past several years, LESC Shtip has not realized any activities. However, with the initiation of the Project, LESC Shtip has once again become active by nominating new membership, considering that the mandate of the previous members had expired. Even though LESC Shtip has already nominated members from all of the representatives, they have still not had a session with the new members where a Chairman and Secretary will be appointed, but this is expected to happen in the upcoming period.

- 6. Bitola** - The LESC of the Municipality of Bitola was formed on May 30, 2013. There are four members in LESC Bitola who are representatives of the local self-government, four from the representative trade unions and four from OEM. Apart from them, ESARNM-Employment Center Bitola also participates in the work of the LESC, as well as representatives of the local non-governmental organizations, representatives of the businessmen and the Chamber of Commerce, representatives of higher education and the University "St. Kliment Ohridski" and other entities. When necessary, other interested local entities also participated in the work of the LESC. The mayor of the municipality and two councilors (members of the Municipal Council) also participate in LESC Bitola. LESC Bitola has its own Secretary, member of LESC, who comes from the municipal administration. At the beginning of its formation, LESC Bitola with the support of YES Network Project prepared its own Strategic Plan, as well as a LED Strategy for the municipality which has been adopted by the Bitola Municipal Council. Also, during the period 2013-2017, LESC Bitola realized several events and forums that were part of project activities. After 2017, LESC Bitola did not have any activities, but it was reactivated again in 2019. Namely, on April 15, 2019, there was a session held with the new membership of LESC where the Chairman of LESC was elected, as well as her deputy and the Secretary. So, the Mayor of the Municipality was elected Chairman of LESC and her deputy is a representative of OEM. What separates LESC Bitola from the others is the fact that this LESC is part of the project "Improving Social Dialogue in the Community" supported by the Olof Palme International Center from Sweden, which is implemented by the local non-governmental organization (NGO) Youth Cultural Center. The goal of this project is to support the local actors in the process of strengthening and developing the LESC of Municipality of Bitola. There have been two activities so far as part of this project; one was a presentation of the Internship Law and the second activity was a forum of the community in order to generate ideas and priorities regarding the work of LESC Bitola, that involved all interested parties on local level. Namely, based on this forum, an Action Plan for the work of LESC Bitola for the period 2019-2020 was prepared, presented and adopted by the Municipal Council. Based on the Action Plan, an annual program for the work of LESC Bitola will be prepared. LESC Bitola has its own budget which so far has not been used, but it is expected that in the future, by intensifying the activities of the LESC, the budget and its utilization will increase.



- 7. Gostivar** - On September 30, 2013, an Establishment Agreement was signed in Gostivar to form a Local Economic and Social Council. The total number of members of LESC Gostivar was 15 out of which the Municipality of Gostivar had 5 members, 3 of which members of the Municipal Council and 2 representatives of the municipal administration, the OEM had 3 members, the Federation of Trade Unions of Macedonia had 2 members and the Confederation of Free Trade Unions of Macedonia 2 members, but there is also one member from the Employment Service Agency of the Republic of North Macedonia - Employment Center Gostivar, a representative of the high-schools, representatives of non-governmental organizations, representatives of the Youth Council and others. The LESC is open for cooperation with other entities and to include them in its work when reviewing certain issues relating to areas of interest. In the first years of its existence, LESC Gostivar prepared a Strategic Plan, as well as a LEAP of the Municipality of Gostivar which was officially adopted by the Gostivar Municipal Council. However, based on the information received when preparing this report, LESC Gostivar has not been active for several years now.
- 8. Skopje** - The LESC at the level of the City of Skopje was formed in December 2013 as a joint consultative and advisory body that was established by the city, the OEM and the representative trade unions, with a total of 17 members. The role of this LESC is to monitor the states and analyze issues regarding the improvement of the economic and social welfare of workers and employers in the municipality, and to also provide its opinions. The vision of this LESC is to become a main partner, initiator and moving force for improving the living quality of the citizens of Skopje, whereas its mission is to be a recognized entity in the socioeconomic dialogue and in the creation of active policies and measures, among all interested parties on the city territory. Since its formation till today, there have been a total of 9 sessions held by LESC Skopje. During 2016, LESC Skopje with the support of the USAID Project YES Network has realized the following activities:

 - Develop an investors' guide and promote it;
 - IT skills training. 15 young unemployed persons participated in this training and they acquired IT skills;
 - Participation in a panel discussion regarding the Social Entrepreneurship Law;
 - Participation of high-school students in the preparation of business plans as part of the project "Training of Company Mentors".

Considering that the mandate of the members is 4 years, a procedure has been initiated for appointing new members of LESC Skopje after their mandates expire. Even though all representatives-members of LESC Skopje have nominated their members, a session with the new membership has not yet taken place and no Secretary or Chairman have been elected, but they plan to do so soon.

- 9. Gazi Baba** - The Establishment Agreement for the formation of the LESC of the Municipality of Gazi Baba was signed on November 1, 2013. This LESC was formed based on the initiative of the local government and





its members originate from the municipality, the representatives of the trade union organizations KSS and SSM, as well as OEM, but also other relevant stakeholders represented through ESARNM-Employment Center Skopje, the High-school Youth Union, local youth non-governmental organizations and the Social Work Center-Gazi Baba. It has a total of 12 permanent members. At the beginning of its functioning, certain issues were analyzed (for example, solving the parking problem around Alkaloid Factory by a public-private partnership and the municipality budget). Based on the information received during the preparation of this report, LESC Gazi Baba has not been active for several years now.

10. Resen - LESC Resen was formed on July 28, 2015, as a consultative and advisory body. It reviews issues and gives opinions, suggestions and recommendations to the Municipal Council and other bodies regarding issues from the socioeconomic domain. LESC Resen has 12 members among which representatives of the municipality, of OEM, the representative trade unions and also representatives of the Employment Center of the Municipality of Resen, the high-school in Municipality Resen, as well as representatives of the non-governmental organizations and citizens' associations. The establishment of LESC Resen, as well as the creation of the technical conditions for its functioning by equipping the secretariat with necessary furniture, computer equipment and library was supported by the *Promoting Social Dialogue Project* funded by the European Union and implemented by the International Labour Organization. LESC Resen has a Chairman and Secretary. The Chairman of LESC Resen is the Secretary of the Municipality, and the Secretary of LESC Resen is a representative of the municipal administration. During 2015 and 2016, LESC Resen has realized activities and has participated with project activities funded by international donors (ILO and USAID). The members of LESC Resen prepared their own Action Plan for 2016 in which they defined the goals and priorities. In 2019, LESC Resen was activated once again by nominating new members. During the last LESC session which was held in September 2019, the new membership of the LESC was confirmed and there were discussions regarding the operational way forward of the LESC where the need to prepare a new Work Plan was confirmed.

11. Kichevo - The LESC of the Municipality of Kichevo was formed on June 27, 2016, with the support of the *Promoting Social Dialogue Project*, funded by the European Union and implemented by the International Labour Organization. The function of LESC Kichevo is to establish democratic and social dialogue with the purpose of achieving permanent and stable social peace, as well as active involvement of all social partners in decision-making processes regarding the most important socioeconomic issues aimed at developing the local community, including the issue of strengthening essential correlations between labour market needs defined by business entities and the skills developed with the youth through the educational system, and also prevention and amicable settlement of labour disputes and other conflicts in the local community.

The members of LESC Kichevo are representatives of the municipality, OEM and representative trade unions. The Chairman, his/her deputy and the Secretary were elected during the first constitutive session of LESC



Kichevo, and the Rules of Procedure were also adopted. Apart from the regular members of LESC Kichevo, representatives of the Employment Center Kichevo and representatives of the Regional Chamber of Commerce Kichevo also participate in its operation. During 2016 and 2017, LESC Kichevo was included in the activities organized within the framework of the *Promoting Social Dialogue Project*. LESC Kichevo prepared its own Action Plan for 2017 where the time frame for realization of activities and the projected municipal budget were defined. The Action Plan of LESC Kichevo was adopted by the Municipal Council of Kichevo. LESC Kichevo has realized an activity foreseen in the Action Plan, i.e. capacity building training on European funds and team building for the LESC members. Due to certain priorities of the municipality, it was decided that the budget provided for LESC be reallocated, thus the activities of this LESC were reduced. However, with the initiation of the Project, LESC Kichevo was once again reactivated and on March 25, 2019, a session was held where the mandates of the new LESC members were verified and a new Chairman and his/her deputy were elected. The Chairman of LESC Kichevo is a representative of the municipality, whereas his/her deputy is a representative of OEM. The Secretary of LESC Kichevo is also a representative of the municipality. The new Chairman of LESC Kichevo pointed out that the municipality councilors were presented with information about LESC and that in the future they expect the municipality to invite the representatives of LESC Kichevo to the sessions where issues regarding socioeconomic events in the municipality will be discussed. Furthermore, in order to promote and establish LESC Kichevo in the local community, in September 2019 LESC Kichevo was invited to participate at an event organized by the Chamber of Commerce of Kichevo. The new membership of LESC Kichevo plans on preparing an Action Plan for the period 2020-2021 in which they will define the activities to be conducted by the LESC.

- 12. Sveti Nikole** - LESC Sveti Nikole was formed on August 27, 2015, with the support of the *Promoting Social Dialogue Project* funded by the European Union and implemented by the International Labour Organization. This LESC has 12 members with a structure that follows equitable representation of the local self-government and social partners. The mayor of the municipality is a member of LESC Sveti Nikole, as are representatives of the biggest companies in the municipality. On October 24, 2019, LESC Sveti Nikole held its first session where they elected a Chairman and Secretary. The Chairman of LESC Sveti Nikole is a chosen representative of OEM and the LESC Secretary is a representative of the municipal administration. Also, during this LESC session, current topics connected to local labour market opportunities in the municipality were analyzed and discussed. As a result, LESC Sveti Nikole decided to prepare a questionnaire which will be discussed during the next LESC session and it is expected to generate suggestions and initiatives from the LESC members, which will then be suggested for implementation in the LED Strategy of the municipality. In this way, LESC Sveti Nikole is actively getting involved in the local economic policy-creation processes. Additionally, LESC Sveti Nikole plans on preparing an Action Plan in which next year's activities will be determined and systematized.





- 13. Struga** - The LESC of the Municipality of Struga was formed on June 27, 2016, by signing the Establishment Agreement by the Mayor of the Municipality, and the presidents of OEM and the representative trade unions. The establishing of this LESC, as well as equipping it with furniture, computer equipment and library, was supported by the *Promoting Social Dialogue Project* funded by the European Union and implemented by the International Labour Organization. Apart from the regular members, there are representatives of the Employment Center of the municipality, of the high-schools, as well as of non-governmental organizations and citizens' associations. LESC Struga has a consultative and advisory function in order to establish, encourage and develop social dialogue among social partners and harmonize their different opinions and interests on local level. After the first constitutive session was held, this LESC was no longer active, i.e. the next session was held in May 2019 upon the Project's initiative. With this session, LESC Struga was once again reactivated with new membership. During this period, there are informal meetings organized by the municipality representative members with the business community and the high-schools aimed at their more active involvement in LESC's operation.
- 14. Veles** - The LESC of the Municipality of Veles was formed on August 26, 2015, by signing the Establishment Agreement by the Mayor of the Municipality, representatives of OEM, the representative trade unions and the Business Confederation of Macedonia. LESC Veles has a total of 12 permanent members who are representatives of the municipality and the social partners. Additionally, representatives of the Employment Center Veles, of the Youth Council and the high-schools also participate in its operation. Two councilors are also members of LESC Veles (members of the Municipal Council). In the first years of its existence, LESC Veles conducted educational events for the local business community. Specifically, in 2016 the Operational Program of LESC Veles was adopted and for its realization funds from the municipal budget were provided. Thus, based on the determined need of the employers, LESC Veles organized training on health and safety at work, and another one on amicable settlement of labour disputes. During the period 2017-2019, LESC Veles had no special activities, but on May 14, 2019 it had a session with the new membership where they elected a Chairman (representative of SSM), his deputy (representative of OEM) and a Secretary (representative of the municipal administration). There are two councilor members of LESC Veles who are representatives of the municipality. During this period, LESC Veles has held several sessions and meetings of work groups to prepare an application to participate in one of the activities in the framework of the Project - Local Employment Partnerships.
- 15. Radovich** - LESC Radovich was formed on July 19, 2016. The same as the other LESC's in RNM, this LESC also has municipality representatives of the municipal administration, representatives of OEM and the representative trade unions. Its main role is to serve as a consultative and advisory body in order to establish, encourage and develop social dialogue between the municipality and the social partners, and harmonize their different opinions and interests on local level. Its establishment, as well as creation of the conditions for its operation and functioning has



been realized with the support of the *Promoting Social Dialogue Project*, funded by the European Union and implemented by the International Labour Organization. Representatives of the Employment Center of the municipality, of the high-schools, as well as of non-governmental organizations and citizens' associations participate in the operation of LESC Radovish. The mayor of the municipality was a member of the first composition of LESC Radovish. Considering that the mandate of the previous members of LESC Radovish expired, new members were nominated and appointed, with the exception of representatives of OEM. Namely, at the time of preparing this report, according to the information that the consultant received in conversation with representatives of the Municipality of Radovish, the new membership is not complete, i.e. LESC Radovish has still not nominated new members-representatives of OEM. They expect that with the completion of the membership, they will start to work more intensively.

5. Institutional effectiveness - To what extent do the existing regulatory and institutional frameworks enable and support an effective and efficient tripartite (plus) social dialogue on local level

5.1 Mandate and role of LESC

L ESCs have a consultative and advisory role and they are formed in order to establish, encourage and develop social dialogue among the social partners, and to harmonize their different opinions and interest on local level.

In accordance with the LESC Establishment Agreements, as consultative and advisory bodies they discuss issues and provide opinions, suggestions and recommendations to the Municipal Councils and other bodies on certain issue from the socioeconomic domain, as are local economic policies, employment policies, policies on prices and salaries, health and safety at work, education, etc. This is actually the primary and most important role of the L ESCs.

The goal of the L ESCs is to improve social dialogue on local level and through this form of dialogue influence the local level policy creation, especially those from socioeconomic areas.

Essentially, the recommendations, advice, suggestions and opinions that L ESCs should provide to the municipalities in which they are formed, should focus on the municipal competencies set out in the Law on Local Self-Government¹. However, this should not be considered a limitation, i.e. that the L ESCs should and can navigate only within the focus of the municipal competencies; quite the contrary it is simply a course of action for the L ESCs.

Namely, according to the experience in RNM, the L ESCs are formed in order to:

- establish, encourage and develop social dialogue among social partners and harmonize their different opinions and interests on local level;
- establish, encourage and develop dialogue on local level between the public and private sector, especially between the educational system and the system for support during employment on one side and the employers on the other;
- stimulate and support the private sector to participate in the dialogue;

¹ Law on Local Self-Government (Official Gazette of RNM 05/02) Article 20 to 23





- establish and strengthen the relations between the labour market needs defined by business entities and the skills developed with the youth through the educational system;
- inclusion of youth in regional dialogue through their participation in the LESC;
- exchange of opinions and information, and achieving agreement regarding important socioeconomic issues within the scope of local self-government (analyzing key development documents of the Municipality that influence the socioeconomic development, including in particular the issue of improving youth employment skills);
- launching joint initiatives for amending the existing and adopting new decisions within the jurisdictions of the local self-government;
- participation in creating legal solutions that influence the material and social welfare of the employed, unemployed, redundant workers, pensioners, youth, women, etc.;
- material, economic and social welfare of workers and employers within the municipality;
- develop collective bargaining, negotiation and signing of agreements on company and institutional level;
- monitor and assess the influence of local policies on economic and social stability, development and living standards in the municipality;
- monitor employment and suggest measures to encourage employment and harmonize the educational process with the labour market needs;
- analyze and suggest measures to improve the quality of life for the citizens in the municipality;
- encourage methods for amicable settlement of collective/individual labour disputes on local level;
- mutual informing on important issues regarding activities of social partners;
- publish magazines, brochures and other publications from the operative scope of LESC.

The jurisdictions of the LESC, according to the Agreement, foresee monitoring the socioeconomic conditions on local level and analyzing issues aimed at improving the socioeconomic welfare of workers and employers in the municipality, and also provide opinions and give suggestions, especially on issues like:

- local economic policies and measures for economic and social development and stability;
- employment policies, especially youth employment policies;
- policies on prices and salaries;
- competition and productivity;
- living standard and poverty;
- development and improvement of collective bargaining;
- encouragement of amicable settlement of collective labour disputes;
- improve working conditions and protection at work;



- protection of work and living environment;
- educational and professional training;
- health and social protection and security;
- child protection;
- protection of adults and people with disabilities;
- demographic movements;
- other issues in accordance with the acts of LESC.

This means that LESC have the right, but also an obligation to monitor the states of local communities, and even wider, regarding issues that have to do with improving the socioeconomic welfare of workers and employers, as well as provide their opinions and suggestions to the Municipal Councils and the mayors, but also give their own initiatives in this respect. Moreover, it has been stipulated in the LESC Establishment Agreements that they review draft and proposal decisions and other acts within the jurisdiction of the Municipal Councils which are of relevance to the socioeconomic interests of workers and employers, employment, labour market needs and skills developed with the youth before they are discussed by the Municipal Council and give their opinion on them. Actually, this is the most important provision that defines the mandate and role of the LESC - to serve as advisory and consultative body to the Municipality.

Conclusion: There are no significant differences as regards the mandate and role of the LESC in RNM, i.e. all LESC are basically formed for the same purpose and have the same mandate (jurisdictions) and role. Concerning the formal possibility of realizing the mandate and role of the LESC, based on everything stated above, it can be concluded that there are good foundations and clear rules and procedures which are established. This is particularly true of the role of the LESC of being a consultative and advisory body to the Municipal Council. More specifically, by signing the Establishment Agreements for formation of LESC by the Municipal Council and the Mayor, they commit themselves to asking the LESC opinion before making a decision affecting the socioeconomic sphere of the local community. Unfortunately, such a practice has not existed so far and because of this more should be done to promote the mandate and role of LESC in the local self-government and local community. At the same time, work should be done to strengthen the capacities of LESC members in line of monitoring the situation and events in the local community, especially in the socioeconomic areas, as well as creating mechanisms for access to necessary information so that they are active stakeholders, i.e. undertake actions and initiatives that can contribute to a more efficient realization of their role. To be precise, it will be good to establish a rule in every municipality according to which it will be obligatory to deliver information to the LESC regarding sessions of Municipal Councils together with an agenda of the session, and if socioeconomic issues are discussed during the session, in which case it should be compulsory for a LESC representative to be present. Even though there is a provision in the LESC Rules of Procedure according to which councilors who are LESC members are obliged to inform the LESC about municipal sessions, it seems that this is not enough, i.e. it is not used in practice.



5.2 Composition of LESC

The Labour Relations Law (LRL) from 2005² sets the legal framework for the functioning of social dialogue on bipartite and tripartite level for the first time. Thus, LRL provides the basis for creating ESC which serves as a forum for tripartite consultations between the Government of the Republic of North Macedonia and the social partners, on topics related to economic and social issues, as well as labour issues. Chapter XXI of LRL is fully devoted to social dialogue and ESC, where Articles 246 and 247 from LRL provide a wider framework which defines the establishment, goal, competences, jurisdictions, role and structure of ESCs. However, there is room for the functioning of ESCs to be further regulated with the ESC Establishment Agreement and ESC Rules of Procedure. These provisions from LRL are taken as the basis for establishing LESC and regulating their jurisdictions, role and structure. Thus, LESC structure generally matches that of ESC. Specifically, LESC adheres to the principle of tripartite compliance and appropriate representation of social partners in order to ensure equality of all participants in local social dialogue.

Following these provisions, the LESC composition and structure are defined in the decision for the formation of LESC, which is then reflected in the LESC Establishment Agreement and Rules of Procedure. The total number of LESC members is not defined since there are no strict rules regarding this issue, so the number varies from municipality to municipality. However, attention is paid as to equal representation of representatives of the municipality and social partners, with the exception of the City of Skopje where OEM is represented by 5 members, unlike the trade unions and the municipality which are represented by 6 members. From the experience in the country, it can be concluded that within all the LESC formed on the territory of the RNM, the composition is similar, i.e. membership is comprised of local partners represented by representative trade unions and the OEM, together with representatives of the local government. Nonetheless, considering the specifics of social dialogue on local level, apart from the regular LESC members, there are members who participate in the operation of the LESC that represent local relevant stakeholders through their organizations and associations. We are talking about representatives of the ESARNM (Regional Employment Centers), representatives of the educational institutions that exist on the territory of the municipality, representatives of NGOs that work with youth, representatives of youth councils where there are such, as well as representatives of local business associations. These members have the right to participate in the operation of LESC, but their right to vote is restricted.

As regards appointing LESC members by the institutions and organizations that have the opportunity to participate in the operation of the LESC, it is up to each partner to appoint and change the representative during their mandate, based on their internal documents and election rules. The appointing is done based on a submitted request by the Municipality. The mandate of LESC members is usually 4 years and it is advisable that each member has their own deputy who will be nominated by the institutions, i.e. organization which he/she represents.

Regular participation in the operation of LESC and attendance at sessions is a right and obligation of LESC members and is of crucial importance for successful and efficient functioning of the LESC. That is why the Rules of Procedure stipulate that if the representative-member of LESC does not attend a session three times in succession for no justified reason, his/her LESC membership is terminated and the appointment of a new representative is required.

² Official Gazette of RNM, no. 62 from 28.07.2005



As regards LESC members that represent the Municipality, there are no rules as to who should be a member of LESC. That is, the municipalities themselves decide whether they will include the Mayor, an employee from the municipal administration, or a representative of the Municipal Council. Most often, members of LESCs are representatives of the local administration, but there are LESCs where members are municipality Mayors and councilors (members of the Municipal Council), even a President of Municipal Council. There is no uniform practice regarding this aspect, even though it is advisable that the Mayor of the municipality, the president of the Municipal Council or its member are also members of LESCs. In this way greater recognition and importance is given to the LESCs, but it also ensures direct contact of the representatives of the social partners with the Mayor and the President of the Municipal Council.

Social partners are represented through the membership of the trade unions in RNM (Federation of Trade Unions of Macedonia and Confederation of Free Trade Unions of Macedonia), the Organization of Employers of Macedonia and the Business Confederation of Macedonia. Experience regarding membership is different for trade unions and OEM. There are some LESCs where less interest has been noted in terms of participation of employers, as is the case with the LESC of the Municipality of Radovish where there are still not enough nominated members-representatives of OEM. The LESC of the Municipality of Shtip is facing a similar problem where the employers are not involved enough in the operation of the LESC; the same goes for LESC Struga. However, there are examples where big and successful companies are members of LESCs, as is the case with the LESC of the Municipality of Kumanovo where they actively participate in the operation of the LESC and also initiate activities.

In any case, according to the LESC Establishment Agreement and the Rules of Procedure, members of LESC committees, experts and representatives of other institutions and organizations related to the topics of discussion can participate in the sessions and the operation of LESCs.

Conclusion: The composition of LESCs in RNM is almost identical in terms of membership. Specifically, there is tripartite compliance in all LESCs, i.e. there are representatives of municipalities, of trade unions and OEM in all of them. Moreover, the extended composition of the LESCs in RNM is almost the same, i.e. there are representatives of local employment centers, of educational institutions that exist on the territory of the municipality, of NGOs that work with youth, of youth councils, as well as local business associations that participate in the operation of LESCs. What is different among the municipalities is the number of LESC members. There are also certain differences regarding LESC membership by the local government. Namely, there are LESCs where the members who are representatives of the Municipality are Mayors, Presidents of the Municipal Council, councilors (members of the Municipal Council), whereas in other LESCs the only members who are representatives of the Municipality are employees in the municipal administration.

Examples of LESCs with composition specifics

Kumanovo - the Mayor of the municipality and the President of the Municipal Council are members of LESC Kumanovo.

Sveti Nikole - the Mayor of the municipality is a member of the LESC.





Strumica - two LESC members are councilors (members of the Municipal Council of Strumica).

Tetovo - two LESC members are councilors (members of the Municipal Council of Tetovo).

Bitola - the Mayor of the municipality and two members of the Municipal Council are members of LESC Bitola.

LESC of the City of Skopje- is different than the rest because OEM is represented by one less member than the other social partners. In conversation with the members of LESC Skopje no specific reason was stated for this situation.

Veles - two LESC Veles members are members of the Municipal Council.

Radovish - LESC Radovish has still not completed its membership because they have nominated representatives of OEM. As was pointed out by the LESC members, this is due to the fact that OEM does not have its own members in the Municipality of Radovish.

Actually, according to the composition, all relevant stakeholders from the local community are included in all of the LESC, thus it can be concluded that this composition does not prevent successful and efficient conducting of the responsibilities and role of the LESC. What is important and should be paid attention to during the nomination of members is to make sure that the nominated members are well informed about the role of the LESC, and that they are dedicated and motivated enough to participate in the operation of the LESC. That is why the signatories of the LESC Establishment Agreements should insist that the members are interested in being part of the LESC and are active and recognized in the local communities, and additionally, should also ask for member substitutes in case they are inactive. In any case, the membership of a Mayor or President of a Municipal Council gives greater significance to the LESC in question and in this way social partners can be encouraged to be more active LESC members.

5.3. Giving opinions/recommendations by identifying bottlenecks in the existing way of LESC's operation with recommendations for improvement

LESC are formed as consultative and advisory bodies of the Municipal Councils (cities) that should discuss issues and provide their own opinions and recommendations about matters relating to the socioeconomic domain important for the local community. Even though this is the primary and most important role and function of LESC, unfortunately it can be concluded that it is not sufficiently used by the existing LESC. The LESC should review the draft and proposal decisions and other acts within the jurisdiction of the Municipal Councils which are of relevance to the socioeconomic interests of workers and employers, employment, labour market needs and the skills developed with the youth before they are discussed by the Municipal Council and give their opinion on them. The municipalities where LESC were formed by signing a LESC Establishment Agreement commit to consult the local social partners before deciding on matters and solving problems from the socioeconomic domain that affect the local community. To be precise, the Agreement to form a LESC which is signed by the Mayor of a municipality has a provision according to which LESC reviews the draft and proposal decisions and other acts within the jurisdiction of the Municipal Council before they are discussed by the Municipal Council and give their opinion on them. Furthermore, the LESC are given the opportunity to provide opinions and suggestions on socioeconomic matters upon



their own initiative, to the Mayor and the Municipal Council. Considering that in RNM there is no practice regarding the application of this opportunity so that it can be analyzed, it can be concluded that special attention should be paid to the education of LESC members about the role and the function of LESCs during future activities aimed at LESCs, but also to the education of the municipal administration and the Municipal Council on the same matter.

Still, in a certain sense, there are examples where the LESC had influence and participated in the creation of certain local policies; maybe not so directly and by using this formal mechanism, but these are still examples worth mentioning. So, for example, the LESCs of the Municipalities of Tetovo, Strumica, Bitola and Shtip have prepared a LED Strategy, i.e. LEAPs that were suggested to the Municipal Councils and adopted. These strategic documents were prepared by donor support, and members of LESCs were involved in their preparation, which enabled the members to participate in the creation of appropriate local policies. In addition, during the preparation of this report, LESC Sveti Nikole is in the phase of creating proposals for actions that will later be included in the local strategic documents of the Municipality.

Conclusion: From the above stated it can be concluded that formal mechanisms for delivering LESC suggestions and opinions exist, but they have not been fully utilized. Specifically, so far there has not been an example of a Municipality that has asked for an opinion from a LESC regarding a certain matter upon which it is deciding. On the other hand, the LESCs themselves have no practice of delivering suggestions and opinions to the local government, apart from in situations when they are involved in project activities financed by donors. Due to these reasons and in order to improve the situation, it is necessary to work with LESC members (especially those that represent the social partners) and strengthen their capacities for creating suggestions for solving problems they face in the local community. Furthermore, the local governments themselves should create conditions to include the LESCs in the local policy-creation and finding solutions for local problems. They should regularly and timely inform LESC members about upcoming sessions of the Municipal Councils by reporting on the items on the agenda, especially when deciding on economic and social matters.

5.4. Work process - technical and administrative support (secretariat) and budget of LESCs

The manner of operation and decision making of LESCs is provided in the LESC Establishment Agreements, as well as the LESC Rules of Procedure. The Agreement and especially the Rules of Procedure contain provisions that define the manner of operation and decision making. In accordance with these acts, LESCs fulfill their function by holding sessions, with the work of the working bodies formed by the LESCs, with the engaging of experts and with individual activities of LESC members. The LESC sessions are public and they are scheduled and run by the Chairman of the LESC. Presence of half the members is required in order for the LESC to hold sessions.

The Rules of Procedure foresee the very course of holding the LESC session, so the session is opened and run by the Chairman and it is mandatory to take minutes of the session, which are then adopted during the first subsequent session. The minutes are taken by the Secretary of the LESC and it is mandatory that they contain





a session number, date, place and time of holding the session, names of the present and absent LESC members, the agenda of the session, brief summary of every discussion, and adopted views, opinions, conclusions and documents.

Every LESC should have its own Secretary who will be in charge of organizational, administrative and technical matters regarding the LESC's needs. The Secretary is elected by the members of the LESC with a consensus and with a 4-year mandate, and he/she has the following functions::

- participates in the preparing, communicating, organizing and holding of LESC sessions;
- does administrative work related to the functioning of the LESC and manages its archive;
- participates in the preparation of the annual report on the work of the LESC;
- submits monthly reports about their own work to the Chairman of the LESC;
- gives suggestions and further information on topics for which a consensus is necessary regarding the solutions and activities;
- takes care of the sustainable development of the LESC;
- monitors all events connected to the realization of the common goals of the social partners and reports on this to the Chairman of the Council; and
- performs other duties determined by the Rules of Procedure or with a decision of the LESC.

In practice, the function of Secretary of the LESC is performed by a person employed in the municipal administration. In any case, taking into consideration the functions of the Secretary, it is of great importance that the person performing this function possesses enough technical and human resources capacities so as to successfully realize the function. Rarely are there examples where the appointed Secretary of the LESC is not a member of the Municipality. Such is the case with the Municipality of Tetovo where a representative of OEM is formally elected Secretary of LESC Tetovo, but the Municipality has appointed a person employed in the municipal administration responsible for performing all administrative and technical tasks necessary for the functioning of the LESC. Furthermore, some LESC, as are the Skopje and Shtip examples, have still not elected Secretaries because they have still not held a LESC session.

Here we should mention that those LESC which were established with the support of the *Promoting Social Dialogue Project*, funded by the EU and implemented by the International Labour Organization were fully furnished with the necessary furniture, computer equipment and library. The other LESC use the offices and equipment of the Municipality.

As regards performing the LESC Secretary function, the issue that should be paid special attention to is establishing a system for keeping records and storing all other acts and documents produced by or for the LESC, i.e. the existence of a so-called institutional memory. Namely, in some of the LESC there is a problem with lack of information and documents about the LESC when there is change of membership.



In order to overcome these situations, it is necessary to insist on keeping a LESC archive, following the principle of the municipal archive. Every session invitation, session minutes, reports on the operation and other documents should be part of the complete documentation of LESCs, which is transferred to the new Secretary whenever there is a change of this function, or if a new Secretary is not appointed, the documentation should be transferred to an appropriate service in the Municipality. In this way, all the acts and documents produced by and for the LESCs will be available in the Municipality at all times.

The LESCs can form various kinds of committees for successful and efficient completion of their tasks. The committees can be formed on different topics and areas, like for example labour rights and social rights; economic issues; labour and social legislation; collective bargaining and amicable settlement of labour disputes; education and employment; protection of work and living environment; health and safety at work; youth; etc. The role of the committees is to expertly and responsibly review the materials delivered to them by the Council. So far, the examples of forming such committees are quite modest, so based on the information gathered by the consultant during the preparation of this Report, only LESC Kumanovo has formed a committee with representatives of the business sector in order to realize the initiative for gasification of the industrial zone Dobroshane.

Apart from committees that will review opinions on certain issues within their scope, LESCs can form permanent and temporary working bodies. It is obligatory that every working body has a participant who is a representative of the signatories of the Agreements, and depending on the topic the body covers, other external expert members can also participate, i.e. individuals, representatives of organizations or institutions who are directly interested in the area for which the working body has been formed. This is another opportunity which has not been fully utilized by the LESCs. Namely, during the preparation period of this Report, in some of the LESCs there are working groups which are being formed for preparing an application for participation in the Project's activity on Local Employment Partnerships.

According to the LESC Establishment Agreement as regards the financing of LESCs, the funds for the establishing and work of LESCs are provided by the members, according to their possibilities and based on mutual agreement. Apart from this, the funds for the operation of LESCs can also be provided from donations, contributions, sponsorships from foreign legal and physical entities, as well as other sources.

According to practice, interviews and conversations with representatives and LESC members in RNM, it has been confirmed that there are examples where the municipality has allocated a separate budget for the LESC. Such is the case with the LESCs of the following municipalities: Strumica, Bitola, Veles and Kichevo. However, in nearly all these cases, the budget has not been used. The LESC activities are mainly financed by donors.

In practice so far, all costs connected to the operation of LESCs that primarily have to do with holding LESC sessions, sending invitations and printing materials have been covered by the Municipality in which the LESC has been formed. The LESC sessions are held in premises provided by the Municipality and it has been emphasized everywhere that regarding this matter, the LESCs have the full support of the Municipalities.

Conclusion: From the information above it can be concluded that formally there are conditions created for unhindered running of LESCs' work process. It is foreseen that each LESC has its own Secretary that provides the administrative and technical





support to the LESC, with clearly and precisely defined tasks and functions. The performing of the function of Secretary demands technical resources which have been provided in each municipality where a LESC is formed. The function of LESC Secretary is performed by a person employed in the Municipality, which in practice has proven as a good solution. This is especially so because in this way it is possible to have and maintain a LESC archive where all the documents connected to the LESC can be kept. It is advisable that every LESC establishes a system for storing and archiving LESC connected documentation. All LESC, apart from those in Skopje and Shtip, have appointed a Secretary. Regarding the provision of a LESC budget, apart from the Kichevo, Bitola, Veles and Strumica municipalities, there are no other examples where a separate LESC budget has been projected; however, practice has shown that even where a budget was allocated, it was not used.

6. Policy effectiveness: Results from the local tripartite (plus) social dialogue and the influence of the recommendations/opinions/advice of the LESC

6.1. Setting the agenda - relevance of discussion topics for the local community

LESCs' sessions are convened and held by the Chairman as required, but at least quarterly. A LESC session can be convened upon the request of its members and, in such situations, the member has to submit a request for convening a session and an explanation to the Chairman, either electronically or in hard copy. If a LESC session is convened by one of its members, the Chairman is obliged to convene a session within the time frame required by those submitting the initiative, or within 10 days of submitting the request the latest.

LESC sessions are convened by submitting an invitation, proposal agenda and working materials, that have to be submitted within a deadline, providing enough time for members to prepare for the session.

The preparations for convening a LESC session and setting the final agenda are done by the Chairman in cooperation with the Secretary, upon previous consultation with the representatives of the social partners, allowing any member to propose changes and amendments to the agenda.

In order to hold a LESC session, a quorum is needed which has been defined in the Rules of Procedure and which most often foresees the presence of at least half of LESC members. As a rule, LESC adopt their views and decisions by consensus.

At the sessions, LESC form an opinion, provide views, take initiatives, suggest solutions by providing recommendations as well as decide upon issues within their mandate.

Based on the analyzed Agreements and Rules of Procedure for the operation of LESC in RNM, it can be concluded that the manner of operation of LESC has been clearly and precisely defined. Regarding how these provisions and procedures are applied in practice, from conversations held with the participants in the tripartite social dialogue at local level, the conclusion is that the provisions for the manner of working and decision-making of LESC in RNM are respected. The procedure for convening LESC sessions, the deadlines for submitting session materials and the preparation of the minutes are all complied with.



From experience, there is almost no example where a session was convened upon the request of LESC members. Namely, sessions are most often convened when there is need to participate in projects financed by donors realized within the municipality. There are only a few examples where LESC function and hold sessions without this being initiated by a project donor. In that sense, the exception is LESC Strumica and LESC Tetovo.

Regarding the topics discussed at LESC sessions, most often these are issues that have to do with the labour market, lack of appropriate workforce on the labour market, youth employment opportunities, education in context of providing appropriate workforce for the labour market, etc.

The LESC Establishment Agreement generally determines the topics that should be reviewed and discussed by LESC. Specifically, they derive from its competence and role and should focus on the local economic policies of the municipality and the local circumstances and states, i.e. employment policies, health and safety at work, protection of the living environment, education, material, economic and social welfare of workers and employers in the municipality, reviewing the key development documents of the municipality that influence the economic and social development among social partners and harmonizing their different opinions and interests on local level.

Conclusion: Regarding scheduling and holding sessions, as well as setting the agenda, there are rules stipulated by the LESC Agreement and Rules of Procedure. In practice, these rules are consistently applied. However, practice also shows that convening a LESC session and setting the agenda are in correlation with the realization of projects from donors. That is to say, in most cases, the LESC sessions are convened upon the initiative of donor projects and topics which are of interest to the donor projects are discussed during these sessions. In that sense, the experience regarding the relevance of the topics of LESC sessions is quite modest. From experience, so far, it can be concluded that the most common topics discussed during LESC sessions are to do with the labour market, lack of appropriate workforce on the labour market, youth employment opportunities, education in context of providing appropriate workforce for the labour market, etc.

LESC areas of interest, which are set out in the LESC Establishment Agreement, are topics that should be reviewed by LESC during LESC sessions and they should serve as a framework in which to set the agenda. Furthermore, it is of great importance that in the LESC agenda there is also information about the Municipal Council sessions, preparing and adopting local planning and strategic documents by the Municipality, as well as local problems and challenges.

6.2. Monitoring the realization of the recommendations/advice/opinions provided by the LESC

As regards monitoring the implementation of provided opinions, recommendations, advice, initiatives and suggestions for solutions to issues within their jurisdiction, the existing LESC acts provide a framework for how this process should unfold. So, in the LESC Establishment Agreement it has been stipulated that the Municipality should consult the local social partners before deciding on issues and resolving problems from the socioeconomic areas that affects the local community. Namely,





the provision from the Agreement stipulates that LESC should review draft and proposal decisions and other acts within the jurisdiction of Municipal Councils which are of relevance to socioeconomic interests of workers and employers, employment, labour market needs and skills developed with the youth before they are discussed by the Municipal Council and give their opinion on them. LESC should submit their opinions to the Mayor and Municipal Council which should inform the LESC about the submitted opinion within 30 days of receiving the opinion. This means that the LESC should receive feedback information on whether or not they have acted upon its opinion.

From the experience so far, apart from two examples in Strumica and Tetovo where on the basis of a labour market analysis conducted for the needs of the LESC, new educational profiles were introduced in the high-schools, there are no other such examples. That is to say, the LESC do not use this opportunity to formally submit proposals and initiatives to the Municipal Councils, nor is there an example where the Municipal Council officially (or even unofficially) requested opinions from the LESC. Due to this, there is no possibility to analyze this practice in terms of monitoring the realization of recommendations, opinion and views of LESC. The provision in the Agreement provides the framework for this process, but the process is not defined in detail, hence in future it would be good for the LESC to define a special system through which they will monitor the realization of their opinions, views and recommendations.

Since the LESC have to prepare reports on their work, this would be one of the opportunities through which LESC will have a record of submitted requests, suggestions, initiatives, advice and their realization.

Conclusion: In practice, the LESC do not use the opportunity to formally deliver suggestions and initiatives to the Municipal Councils, nor are there examples where the Municipal Councils officially (or even unofficially) requested opinions from the LESC. Because of these reasons, there is no possibility to analyze this practice in terms of monitoring the realization of recommendations, opinion and views of LESC. The Agreement gives the possibility of receiving feedback information regarding the realization of opinions provided by LESC, but the process is not defined in detail, hence in future a system can be established through which the LESC will monitor the realization of their opinions, views and recommendations.

6.3. Main achievements (agreements, contracts, influencing policies, monitoring the implementation, evaluation, etc.)

The achievements of LESC in RNM as regards agreements, contracts and influencing policies are quite modest. Namely, the very fact that LESC are activated in times when donor projects are being realized points to the fact that there is lot to be done about strengthening the capacities of LESC.

Additionally, work should be done on raising the awareness about the need for tripartite dialogue on local level, as well as the benefits from the dialogue, both for the social partners and local authorities, even the local community as a whole.

From experience so far regarding the functioning of LESC in RNM, the possibility for Municipal Councils to ask an opinion regarding certain issues on which LESC need to decide is something which is rarely used. It is also foreseen in the LESC Rules of Procedure that, before the next session of the Municipal Council, LESC members



who represent Municipal Councils should deliver information about items from the session's agenda to the LESC Chairman, so that the LESC can discuss items on the agenda which are of interest and are related to the scope of work of the LESC and then timely provide its opinion to the Municipal Councils where they are formed. However, this opportunity is also not utilized enough by LESC. Nevertheless, there are several examples worthy of mentioning which still indicate that there is great need for developing local social dialogue and that its functioning yields results.

LESC Kumanovo - In the past few months since reactivating LESC Kumanovo, several humanitarian activities have been realized together with the representatives of employers, and there is an initiative proposed by the LESC regarding the possibility of gasification of the industrial zone Dobroshane. To this end, a committee has been formed with representatives of the local business community. Until the completion of this report, there was no information regarding the implementation of this initiative.

LESC Strumica - LESC Strumica has the longest history of existence and functioning. LESC Strumica is actually the first LESC that succeeded in making changes in the curricula and educational profiles in the vocational high-schools based on the conducted labour market analysis. Also, over the years, LESC Strumica has maybe modestly but continually been present in the local community through organizing workshops, panel discussions and similar events, but LESC members also participate in events, trainings and workshops organized in the region.

LESC Tetovo - Similar to LESC Strumica, this LESC also succeeded in making changes in the high-schools educational profiles based on the labour market analysis in order to meet the needs of the local labour market. What is also worthy of mentioning is that, in an informal way, LESC Tetovo manages to get involved in local policy-making by incorporating certain LESC initiatives in municipal sector programs and plans where LESC members representatives of the municipal administration also come from (in the specific example this is the LED and public works sector). Apart from this, LESC Tetovo has managed to impose one of their initiatives as a municipal activity. Specifically, in 2015 LESC Tetovo realized the initiative to introduce an award for the best socially responsible company in the Municipality of Tetovo and several companies were awarded, as well as an award for a company that helps people with special needs. This LESC initiative was taken over by the Municipality and has now become a tradition; so, every year on the celebration of Municipality Day, acknowledgments are awarded to the most successful companies in the Municipality of Tetovo.

LESC Bitola - What separates this LESC from the others is the fact that owing to the LESC of the Municipality of Bitola, the project "Improving Social Dialogue in the Community" supported by the Olof Palme International Center from Sweden, implemented by the local non-governmental organization (NGO) Youth Cultural Center, was initiated. There was a Community Forum held as part of this project in order to generate ideas and priorities about the work of LESC Bitola, with all interested parties on local level. These ideas and priorities could be included in the strategic and planning documents of the municipality through the LESC.

Here we should mention an activity which has been planned by the Project and which from the conversations with the LESC representatives was deemed as very much





needed and very useful. It is to do with organizing meetings between the LESC and the Employment Centers in order to review the Operational Employment Plans of the Employment Service Agency. This is an excellent example of how LESC can act on other entities apart from the Municipality, i.e. participate in policy-making regarding employment possibilities for the unemployed in the local community. Furthermore, the Project realized activities for creating Local Employment Partnerships in order to identify appropriate solutions for the challenges that the local labour market is facing. This activity is still in its infancy, but should positively influence the increase of LESC effectiveness and serve as an example to be copied in the other LESC as well.

Conclusion: The achievements of LESC in RNM regarding reaching agreements, contracts and influencing policies are quite modest. There are few LESC examples that somehow managed to realize certain initiatives through the Municipal Councils; however, the overall situation indicates that there is great need for developing local social dialogue and building the capacities of participants in the dialogue so that they can successfully and efficiently perform their functions.

7. Recommendations for better and more efficient functioning of LESC in RNM

The existence of an effective, functional and efficient tripartite social dialogue is not a goal in itself, but a tool for dealing with the constant economic and social challenges. As such, considering the state in most of the municipalities in RNM, especially as regards these challenges, LESC can and should be recognized and established as mechanisms through which the local government will deal with these challenges. LESC can serve as a platform for finding compromises to problems from economic and social areas that the local community faces. The local governments can share the responsibilities by getting involved in the decision-making and policy-creation processes through the LESC, i.e. they will be able to hear opinions and views of social partners, as well as other stakeholders from the local community, and correct them if necessary. On the other hand, through the LESC, the social partners have the opportunity to influence, prevent or solve certain issues that can negatively influence their membership and even the wider local community.

Considering the analysis contained in this Report, the general conclusion is that local tripartite dialogue in RNM is still in its infancy. The donors are the most active creators and moving force of the local social dialogue, even though there are some examples where the Municipality itself recognizes the importance of local social dialogue and therefore provides support.

Due to these reasons, the main recommendations for an effective and well-developed local economic and social dialogue are general, i.e. they have to do with all LESC. Nonetheless, specific recommendations for each LESC individually are provided at the end of this Report.

The general recommendations that might positively affect the more efficient operation and functioning of all LESC can be grouped in the following way:

1. Creating a legal framework - this would mean creating a legal possibility and/or obligation for municipalities to form LESC. Specifically, with the inclusion of a legal obligation for each municipality to obtain the opinion



of representatives of social partners on local level when deciding on socioeconomic issues (similar to the Government in accordance with LRL), a legal framework would be created according to which LESC could realize their basic role - be a consultative and advisory body to the Municipal Council. .

2. Strengthening the capacities of the LESC:
 - developing and improving human and technical capacities of social partners for the purpose of a more active and proactive participation in the social dialogue on local level;
 - regular trainings for LESC members on topics related to socioeconomic areas, labour relations, employment, labour market, recognizing local economic and social problems, influencing mechanisms (lobbying), strategic planning, etc.;
 - regular and continuous monitoring of events in the local community and identifying problems that can be solved quickly (quick fix), which would serve as motive for further actions;
 - determining the criteria for LESC membership (this is especially related to the Municipality and the employers. Regarding the Municipality, it would be good if the Mayor of the municipality and/or members of the Council are also LESC members; whereas during election of representatives of employers, attention should be paid to include companies which are recognized and successful in the local community);
 - mandatory change of membership in case of unjustified absence at LESC sessions.
3. Cooperation and knowledge transfer:
 - networking of LESC through the Association of the Units of Local Self-government (ZELS);
 - organizing joint meetings of LESC quarterly or biannually so that they exchange information;
 - establishing formal and informal mechanisms and channels of mutual communication of LESC;
 - cooperation of social partners at local level;
 - knowledge transfer-connecting more active LESC with less active ones;
 - organizing thematic workshops and meetings with vocational high-schools and employers on a regular basis;
 - increased cooperation with developed non-governmental organizations on the territory of the municipality and their inclusion in the work of the LESC;
 - establishing regular cooperation with the local offices of the central government bodies.
4. Technical conditions for work and resources:
 - strengthening the function - Secretary of LESC, selecting a person that will perform this function in case the Secretary is prevented from participating at LESC sessions;





- introducing a system for storing and archiving LESC documents (regularly taking minutes from LESC sessions, storing and archiving them, archiving all correspondence from and to the LESC);
 - introducing rules and protocols for transferring the archive and complete LESC documentation when there is change of membership;
 - determining the rules for monitoring Municipal Council sessions and transferring the information to the LESC;
 - regularly preparing LESC Work Plans and presenting them to the Municipal Council;
 - mandatory preparation and presentation of monthly, quarterly, biannual and annual reports on the work of LESC to the Municipal Councils which will ensure the regular monitoring of the realization of all LESC activities;
 - providing financial support for the functioning of LESC and realizing the planned activities.
5. Promotion of LESC through:
- promoting the LESC mandate and role through frequent events on local and national media;
 - promoting best practices of local social dialogue and positive examples;
 - regular informing of the public about the work and functioning of LESC in local printed and electronic media;
 - regular informing and training of Municipal Council members about local social dialogue;
 - holding forums and panel discussions where the wider community will be able to participate in the designing of LESC activities, and also give their own ideas and initiatives for solving certain socioeconomic problems; they will as well be informed about the work of LESC;
 - regular updating of the web portal <http://less.mk/> which was created with the support of the *Promoting Social Dialogue Project*, funded by the EU and implemented by ILO;
 - preparing communication strategies for LESC;
 - introducing an annual award/acknowledgment for the most active and most successful LESC (this activity could be introduced for the first time with the support of the Project and then it can become regular practice through ZELS).



Recommendations for each LESC individually:

1. **Kumanovo** - Even though LESC Kumanovo has not been active for a long time, it currently has membership that is ambitious and works on establishing LESC Kumanovo as a serious stakeholder in the municipality. Therefore, it is advisable to systematize its work and approach to action through the development of an Action Plan that will clearly and precisely identify LESC activities that can realistically be achieved, with dynamics of their realization, funds and means of their implementation. It is very important for the Action Plan to have foreseen mechanisms for monitoring the realization. Considering that the members of this LESC are companies which are recognized and successful in the local community, occasional events can be organized for the members of LESC Kumanovo representing the employers and their counterparts from those LESC where there is a problem with motivating employers to participate in the LESC, as is the case with the LESC in Shtip, Radovish and Struga.
2. **Strumica** - Throughout its existence, LESC Strumica has been managing to maintain its function quite ambitiously and quite well. Nonetheless, continual training for the membership is necessary on topics which are of interest to the local community, especially related to the labour market, analysis of the labour market state, youth in the labour market, etc. This is particularly true since this LESC has a lot of experience, so the members could get involved in even more substantial and more expert areas of action.
3. **Tetovo** - According to the information received from the Municipality of Tetovo, this LESC has been functioning quite successfully and is an active stakeholder in the local community. However, its activity and functioning are conducted more informally, which in any case yields results. Yet, it is advisable that LESC Tetovo makes an effort to use the available formal mechanisms to submit a proposal/initiative to the Municipal Council regarding solving certain issues of importance to the local community.
4. **Shtip** - When this Report was being prepared, LESC Shtip did not have a Chairman and Secretary, hence this should be their first realized activity, i.e. hold a LESC session where a Chairman and Secretary will be elected. Since the membership is new, it would be good to conduct a training about the role of the LESC and its manner of working. One of the challenges that LESC Shtip is facing is insufficient motivation of employers to participate in the LESC, that is why it is necessary to cooperate with OEM in order to identify if there are any problems and if there are, identify the worst problems the employers are facing in this municipality and start an initiative through the LESC to try and solve them. In this way the Municipality will show that it is aware of the problems of employers and so motivate their more active participation in the work of the LESC.
5. **Bitola** - LESC Bitola is also facing insufficient motivation of its membership, especially the representatives of the employers. Similarly to Shtip, it is also advisable that this LESC cooperates with OEM in order to identify problems for which a solution could be initiated through the LESC. One of the alternatives could be conducting a training on prequalification or further qualification of the workforce lacking in the labour market, in cooperation with a certain employer through the LESC and with the assistance of the Employment Center of the municipality.





6. **Skopje** - The LESC of the City of Skopje has not appointed a Chairman or Secretary, which is why the first recommendation would be to convene a session where the Chairman and the Secretary will be elected. Moreover, considering that the city of Skopje is the biggest and most developed city in the country, the LESC of the City of Skopje should have the greatest potential for work. This is why this LESC should, immediately after the election of Chairman and Secretary, begin preparing its own Work Plan outlining the short-term priorities.
7. **Resen** - Considering that there are established and successful companies involved in LESC Resen, emphasize should be put on cooperating with them and creating opportunities for their active involvement in the local policy-creation.
8. **Kichevo** - LESC Kichevo is making attempts at establishing itself in the local community; this is why it is necessary that it works more on its promotion in the local community. This could be done by organizing public debates so as to present the LESC and generate initiatives from the local community for solving certain problems, which would then be forwarded to the local government.
9. **Sveti Nikole** - Considering that LESC Sveti Nikole is in the phase of gathering proposals from LESC members for preparing a LED Strategy, this could be used as a good opportunity to identify the existing problems that the local community is facing and deliver a formal proposal to the Municipal Council for solving some of them.
10. **Struga** - Similar to LESC Shtip and LESC Bitola, there is insufficient motivation and dedication on the part of employers in LESC Struga; hence this is the problem that should be worked on in the following period through events, trainings and panel discussions on topics important to the business sector. One of the topics which could be interesting is tourism and the local challenges that affect it.
11. **Veles** - LESC Veles is also facing insufficient motivation on the part of its membership; hence one of the priorities would be to organize trainings for its members on the opportunities and advantages of economic and social dialogue.
12. **Radovish** - Greater attention should be paid to the opportunity to include representatives of employers in the work of LESC Radovish. It would be good to organize targeted events for the business sector in the municipality in order to promote economic and social dialogue, as well as the advantages of having an effective dialogue, but also to show willingness on the part of the Municipality to actively cooperate with the local business community.



Appendix 1 - List of meetings held

1. Sofche Janeva, Municipality of Strumica
2. Toni Milushev, Municipality of Strumica
3. Riste Stevkov, Municipality of Radovich
4. Biljana Stojmanovska, the City of Skopje
5. Gjoko Vukanovski, OEM Skopje
6. Mirjana Zendelova, Municipality of Shtip
7. Marina Mitrevska, Municipality of Shtip
8. Daniela A. Lazarova, Municipality of Sveti Nikole
9. Arben Ristemi, Municipality of Kichevo
10. Dragi Bicheski, Municipality of Struga
11. Ahmet Qazimi, Municipality of Tetovo
12. Sara Menovska, Municipality of Tetovo
13. Violeta Nalevska, Municipality of Bitola
14. Tatjana Sekuloska, Municipality of Resen
15. Sanja Karabatova Ignovska, Municipality of Veles





