

Analysis of the economy of the Southwest planning region and possibilities for employment



Oda Ekonomike e Maqedonisë Veri-Perëndimore
Стопанска Комора на Северо-Западна Македонија
Economic Chamber of North-West Macedonia



Foundation for sustainable
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**YOUTH
EMPOWERMENT
AND EMPLOYMENT GENERATION
PROJECT**

Youth Empowerment and
employment generation

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Introduction

The project " Strengthening of youth and generate employment " (Youth Empowerment and Employment Generation) is implemented by : Chamber of Commerce of North-West Macedonia (Skopje), the foundation for sustainable economic development PREDA Plus (Prilep), Sprint Foundation (Tirana , Albania) and ANTTARC (Tirana , Albania) , within the Program for cross-border collaboration Macedonia - Albania 2007 - 2013, a second call . Project has been realized in the Southwest Mountain Region of the Republic of Macedonia , with a narrower focus of Debar, and in the Dibra region , Albania.

The main focus of the project is unemployment of young people from both sides of the border . Unemployment is a persistent problem for the two regions, especially seen through the spectrum of an increasing migration . Today there are not sufficient number of common activities to promote and develop platforms to facilitate the exchange of experiences between young people from both regions which would generate benefits for all . During the last years it has been observed that there is a large discrepancy between the skills that are created in educational institutions in the Republic of Albania and the Republic of Macedonia and skills which are required in the labor market . Which contributes to a growing rate of youth unemployment .

Overall objective of the project is:

- Promoting partnership between various local government agencies, educational institutions, youth organizations and the private sector on both sides of the border in order to achieve social cohesion among the young generation and
- Building the capacity of government and non-governmental affected parties with respect to youth employment and self-employment.

Specific project objectives are:

- The project aims to assist in the development and provision of opportunities for young people to participate in economic and social life of both regions, allowing access for young people to working environment and socio-economic integration.
 - Better understanding of the key elements of developing a stable business , youth employment , social and cultural interaction as a tool for business development and employment in both sides of the border .
- Interrupt the phenomenon of brain drain .
- Empowering young women .
- Common cross platforms reciprocal commitment to help young people , particularly those facing barriers to employment systems and support that unemployed young people can get necessary information relating to employment , to acquire skills and skills they need to successfully adapt to possible future work.
- Improve social and cultural interaction between young people from both regions and change the " passive culture " among young people in both regions , providing support for a more active role in social and economic environment in both regions .

During implementation of the project it is expected the following results to be completed:

- Building the capacity of government and non-governmental stakeholders parties in respect of employment and self-employment of youth.
- Developing and providing opportunities for young people to participate in economic and social life of the two regions , enabling young people to access the work environment and socio - economic integration .
- Better understanding of the key elements of a stable business, youth employment , social and cultural interaction as a tool for business development and employment on both sides of the border .
- Reduce the phenomenon of brain drain .
- Empowering young women
- Common cross-borders platforms for reciprocal commitment to help young people, particularly those facing barriers to employment systems, and for support where unemployed young people can get necessary information relating to employment, to acquire skills and skills they need to successfully adapt to possible future job position.
- Improvement of social and cultural interaction between young people from both regions and change of the " passive culture " among young people in both regions , providing support for a more active role in social and economic environment in both regions .

During implementation of the project it is expected to complete the following results:

- Building the capacity of government and non-governmental affected parties in respect of employment and self-employment of youth.
- Development and providing opportunities for young people to participate in economic and social life of the two regions, enabling young people access to work environment and socio - economic integration.
- Better understanding of the key elements of a stable business, youth employment, social and cultural interaction as a tool for business development and employment on both sides of the border.
- Reduce the phenomenon of brain drain.
- Empowering young women.

For the purposes of this project special project offices are opened in Debar, on the Macedonian side and in Peshkopeja on the Albanian side.

The results of the project will provide a better environment on both sides of the border for all target groups through access to information, training, information gathering, etc.

1. Basic data for the Southwest planning Region

1. 1. Southwest planned Region

In 2001, the Government of Republic of Macedonia adopted the Nomenclature of units for territorial statistics – (NUTS2) with aim to establish regional levels for statistical purposes that will provide statistical data on regional and local level on the basis of geographical conditions, population, socioeconomic and traffic conditions, and historical premises. According to the decision, nomenclature had 5 levels: level 1 and level 2 the whole country was a unit, on level 3 statistical regions were determined (8 units), on level 4 groups of municipalities were determined (34 units), and on level 5 were municipalities (123 units) .

The Government of Republic of Macedonia in December 2007 adopted the Nomenclature of units for territorial statistics - NUTS (" Official Gazette " No. 158/2007) . Nomenclature of units for territorial statistics - NUTS since 2007 consists of 5 levels : NUTS level 1 and NUTS level 2 is the whole territory of the Republic of Macedonia as an administrative unit , NUTS level 3 consists of 8 nonadministrative units - statistical regions resulting from grouping of municipalities as administrative units of lower order, NUTS level 4 consists of 84 municipalities and administrative units, and NUTS level 5 consists of 1776 settlements. One of the 8 planned regions is the Southwest planned Region .

Southwest planned Region is one of eight regions within the Republic of Macedonia , and it includes 9 municipalities : Vevchani, Debar, Debrca , Ohrid, Kicevo , Makedonski Brod , Plasnica , Struga and Centar Zupa .

List of more important data for SWPR:

Number of populated areas	286
Total population, Census 2002	221 546
Evaluation of population, 2012	220 840
Thickness of population, 2012	66.1
Total number of homes, census 2002	84.627
Average number of family members , Census 2002	3.8
Newborns, 2012	2204
Deceased, 2012	2 024
Natural birth rate, 2012	180
Migrated from other countries, 2012	262
Immigrated to other countries, 2012	1091
Rate of literacy of population older than 10 years	96.5%
Rate of Activity, 2012	56.2
Rate of employment, 2012	32.4
Rate of unemployment, 2012	42.3

Average paid gross salary per employee, 2012	27 928
Average paid net salary per employee, 2012	18 973
Number of primary schools, 2012/2013	124
Number of high schools, 2012/2013	13
Number of graduated students, 2012	945
Number of active business subjects, 2012	7 564
GDP per citizen , 2011	162 253
Number of beds, 2012	41 458
Number of tourists, 2012	251 462
Number of nights, 2012	1 198 260
Number of built apartments, 2012	1 112
Value of executed building operations , 2012, in thousands of denars	2 516 443
Number of issued approvals for building, 2012	295

The relief of the Southwest Planned Region is mountains and valleys. Prevailing are high mountains whose altitude is over 2000 meters. The region's largest Ohrid - Struga valley is nestled between mountains Jablanica and Galichica in one part filled with Ohrid lake. The region is characterized by excellent representation of caves due to the composition of the limestone mountains. Rich in natural, artificial and glacial lakes, it is one of the most forested region in the country.

The territory of 3.340 km², in 286 settlements, live total number of 222,064 residents, of which 50.15 percent are men. Estimate for 2008 is that the number of inhabitants in the country is 2,048,619, which means that within the Southwest Planned Region live 10,83 percent of the total population in the state. However, in terms of reallocation of the population within the South West region there is large difference between municipalities, and difference in settlements. In three municipalities in the region - Struga, Ohrid and Kichevo live 79.19 percent of the total population in the region. The average population density in the state is 81.3 people, and in the Southwest Planned Region it is 66.4 per km².

The total number of registered businesses entities in the South West region is 11.696 of which active are only 6.484. GDP per capita in the region is 1,807 €. GAV within the region is 21 033 million. The largest share in GDP in the Southwest Planned Region have the energy and industry, trade, tourism, transport, financial sector, agriculture and fisheries and other services. The participation of the Southwest Planned Region in creating GDP at the state level is 6.9 % (while for an illustration, participation of Skopje plan region is only 48.5 % !). The region covers an agricultural area of 103.373 ha, of which less than 50 percent is agricultural area or 50.667 ha. The rest is pastures. The total agricultural area in Macedonia state level is 1.077.235 ha, which means that in the Southwest Planned Region are only 9,59 % of the total arable surface of the earth. The region mainly produces wheat, corn and potatoes, and of fruit plantations major crops are apples, plums, pears and cherries.

An important branch in the region is tourism is due to the fact that the total number of rooms at the state level - 26.503, 16.400 or even 61,87 % are on the territory of this region.

Most of them are in the two most important tourist centers in the state - Ohrid and Struga , which lie off the coast of one of the oldest lakes in Europe and the world - Ohrid Lake . Out of the total number of visitors who annually come to the country, even 46.6 % stay in the settlements in the Southwest Planned Region . Thus, on average, annually there are about 1,300,000 nights of domestic and foreign guests, which is 65 % of total nights spent at the country level .

The prospects of Southwest Planned Region for its further development are reflected in the classic tourism promotion and development of alternative forms, such as winter health , monastery, spa and agro tourism . Bearing in mind that the entire region is not contaminated, there is large potential for production of organic food .

1.1.1 History

The policy of balanced regional development in the country is defined by the Law on Balanced Regional Development, adopted in May 2007 (Official Gazette 63/2007) . This legal solution defines all terms associated with the policy of regional development, and also defines the holders of this policy .

The objectives of this law are: balanced and sustainable development of the territory, reducing disparities between regions in Macedonia, increasing the competitiveness of regions in Macedonia, preserving and developing the special identity of the planned regions in Macedonia , revitalization of rural areas and support of the inter-municipal collaboration.

Southwest Planned Region is one of eight regions in Macedonia , defined by NUTS methodology¹ (NUTS, Nomenclature of Units for Territorial Statistics), on NUTS level 3.

At first, the Southwest comprised 13 municipalities (Vevchani, Vraneshnica , Debarca , Debar , Drugovo, Zajas, Oslomej, Ohrid , Kicevo , Makedonski Brod , Plasnica , Struga and Centar Zupa) , but later in 2013 with the annexation of municipalities Vraneshnica , Zajas others Oslomej to Kicevo number of municipalities decreased to 9 (but the area, number of inhabitants and the number of settlements and so on remained the same) .

1.1.2 Geography

Southwest planned region is a spatial whole endowed with numerous natural and social values . They represent a significant resource . Their mutual influence is very important for the development, but also individually represent an important development resource. In this sense the program covers characteristics of : geography , topography, climate , hydrography , soils and biogeographic values .

The territory of the Southwest Planned Region covers an area of 3,340 km ² and it includes the following municipalities : Vevchani, Debar, Debrca , Ohrid , Kicevo , Makedonski Brod , Plasnica , Struga and Centar Zupa .

In the 9 mentioned municipalities there are total 286 settlements .

¹ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-020/EN/KS-RA-07-020-EN.PDF

² Census of Population, Households and Dwellings in the Republic. Macedonia in 2002 SSO, Skopje 2005

One of the advantages of the region is the fact that in part it borders Albania, so that international exchanges can be carried out through this region. In function of international economic exchange border : Blato , Kafasan and St. Naum . These border crossings despite the exchange of goods, allow fluctuation of tourist, clientele and workforce that enables dynamic development of the region.

The relief of the Southwest Planned Region is mountains and valleys. Prevailing are high mountains whose altitude passes and over 2,000 m . In the western part of the region and the border with Albania straining young Jablanica mountain chain with Black stone (2,257 m .) And Radic (2083 m .) . The north region is surrounded by mountain peaks with Deshat with peak Krcin (2241 m .) , Stogovo with peak Dorak Bijak (2.268m .) and Babin Srt 2241 m, and Bistra with peaks Medenica (2,163 m .) and Kjurkov Dol (2011 m .) , Mount Bukovikj with Mountain pass Srza (1,212 m .) mountain Chelajca with peak Dobra Voda (2.061 m .) and Suva Gora (1.857 m .) and Tabahon (1,748 m .) . On the east side , the region is surrounded by mountains Karadzica with the top Milenkov Kamen (2,217 m .) And Bel Kamen (2.074 m .) , then Busheva mountain with top Musica (1,788 m .) Ilinska mountain with top Liska (1.908 m .) , Plakjenska mountain with top Slavev Plakje (1,999 m .) and Galichica with peaks Istok (1663 m .) and peak Magaro (2254 m .) .

Between Jablanica and Bistra mountains are mountains Stogovo with the top Bijak Dorok (2.268 m .) and Karaorman with the top Babin Srt (2241 m .) and Orli Peak (1.794 m) .

The region 's largest Ohrid - Struga valley is located between Jablanica and Galichica which in one part is filled with lake and consists of Ohrid and Struga Field . North of this valley is Debrca separated by botunski passage. Mountain pass Preseka (1,082 m) divides the valley of Kicevo which comes next to valley area Porechie . Along the river Drim , Ohrid - Struga valley binds to Debar valley and Zupa valley .

From the interesting and attractive forms in this region postvulcanic form Duval located in the village Kosel near Ohrid deserves special attention.

The region is characterized by excellent representation of caves due to the composition of the limestone mountains . Among them the following deserve a special place : Alilica in the valley of Tresonechka River, Jaorec in Debrca , Kalina Dupka near Lazaropole , cave Simka at the mouth of the River Haji Radhika, Samoska Dupka on Galichica, Vevchani springs in Vevchani, Slatinski spring, Peshna, Slatinska cave, and Orle in Porechieto .

Climate. Relief features in vicinity of the Adriatic sea and cyclonic and anticyclonic centers in Europe as well as the lake akvatorium are factors that directly affect the climate in this region . The region is characterized by different climatic conditions. There can be distinguished continental climate areas, areas with typical mountain climate features and areas with modified Mediterranean moderate - continental features . Mediterranean influence is especially present in Ohrid and Struga valley , a certain influence can be discerned in the valley of the Crn Drim River .

Continental climatic features are present in Porechie , Kichevija and Debrca valley while mountain climate with typical features comes in heights greater than 1000 m .

The region is characterized by great windy conditions that affect the quality of life in this region . But we also can accept this value in function of installing sustainable energy sources. The reasons for wind conditions need to be searched in the differences in air pressure which occur between mountain and valley area . Famous winds occur from northern and western direction in Debar valley and Zupa valley , in Porechie and Kichevija and the valley Debrca . In Ohrid valley a local winds appears with one day period of duration. Among them famous are the winds Stremec , Veternik , Belichki, Sever and Gornik

1.1.3 Administrative division

As mentioned earlier in this document, the policy of balanced regional development in Macedonia began by implementing the adoption of the Law on balanced Regional Development in 2007. This law defines the holders of this policy, such as: the Government , the Council for Balanced Regional Development of the Republic, the Ministry of Local Government (including the Bureau for Regional Development) and the Council for the development of this region . In each of the 8 planed regions there are established centers for development of planned regions , their role is to carry out professional activities, as defined by the same law .

As for the municipalities in the region , according to recent legislative changes , it has 9 municipalities , namely: Vevchani, Debar, Debrca , Ohrid , Kicevo , Makedonski Brod , Plasnica , Struga and Centar Zupa .

Municipalities , i.e. Units of Local Self Government (LSG) in RM are defined by the Law on Local Self-Government (Official Gazette 5/2002) . This law defines the terms related to the topic of the law, the establishment of municipalities , municipal finance , inter-municipal cooperation , competence, organization and operation of the municipalities , the establishment of municipal councils, transparency and so on.

The actual division of the territory of R.M by municipalities is provided by the Law on Territorial Organisation of Local Self-Government in the Republic of Macedonia , adopted in 2004 (Official Gazette 55/2004) , and later amended in 2005 and 2008 . This law specifically defines the boundaries of all municipalities and settlements in them.

1.1.4 Demographic data for Southwest Planned Region

The development of the population in the Southwest Planned Region should be followed throughout the volume and dynamics of population, population density and concentration of population , urban population and level of urbanization, birth-rate and mortality and natural increase , internal and external migration and its structure by gender, age and education.

The volume and dynamics of the Southwest planned Region is strategically observed from 1994 to 2006 taking censuses of 1994 and 2002 population estimates for 2006 . The main feature is that there was a growing population.

Population growth in this region follows the increase in the country. The population in 1994 in this region was 212,856 inhabitants, in 2002 221 546 inhabitants, which means an average annual population growth of 0.49 % , while growth in the country is 0.48 % ². The absolute increase in population in the period between Census 1994 and Census 2002 is 8946 inhabitants or about 4 % growth , or about the level of the Republic of Macedonia .

Estimates for 2006 are that the number of people in the country would be 2,041,941 and 222,141 resident in the region by which are maintained relationships recorded in the census of 1994. According to demographic indicators from 2006 average density of population in Macedonia is 81.9 inhabitants per km ², and the Southwestern planned Region is 66.6 . That means Southwest Planned Region belongs to the group of medium inhabited regions . However , in terms of reallocation of the population within the Southwest Planned Region there is major inter distinctive difference and difference in settlements . In three municipalities in the region - Struga , Ohrid and Kicevo live 67.11 % of the total population in the region .

Vital characteristics of the population in the Southwest Planned Region can be seen in the rates of birth-rate , mortality and natural growth . Between the two census years, the rate of natural population growth in the Southwest Planned Region decreased compared to the rates that are registered in the country. In Macedonia , the rate of natural increase in 1994 was 8.1 pro mille , and the Southwest Planned Region was higher and amounted to 10 pro mille . For 2006 birth rate in the country is estimated at 1.9 pro mille , and the Southwest Planned Region of 1.5 pro mile ³

The birth rate analysis shows that in terms of birth rate in Macedonia this region has similar characteristics to high birth rate regions . The birth rate in the Southwest Planned Region is 10.25 , while the national average is 11.1 pro mille . Highest number of live births are in the Skopje region -12.6 per thousand inhabitants , while the smallest is in the Northeast Region - 9.3 . Especially characteristic of the Southwest Planned Region is a big difference in terms of birth rate among municipalities .

Regarding **mortality** it should be noted that the mortality rate in the country increased from 8 pro mille in 1999 to 9.1 pro mille in 2006. The Southwest Planned Region is within an 8 - 8.7 , which means that it is a rate that tracks the average mortality level. The rate of infant deaths is below the level of the Republic of Macedonia . In 1994 it totaled 23.9 pro mille , and in the region 20.4 pro mille . Estimates for 2006 on level of the Republic of Macedonia it is 11.5 pro mille , and in Southwest planned Region 7.9 pro mille . So in the Southwest plan region there was a remarkable reduction of infant mortality . At the state level the highest rate of infant deaths is in Skopje planned Region 15.3 pro miles , and lowest is in the Northeast Planned Region - 6.5 pro mille .

Characteristic is the decrease in the total fertility rate which in 1994 in the country amounted to 2.1 pro mille , and in the Southwest Planned Region 2.3 pro mille .

² Census of Population, Households and Dwellings in the Republic. Macedonia in 2002 SSO, Skopje 2005

³ Regions in the Republic. Macedonia 2007 State Statistical Office, Skopje, 2008

In 2006 it is estimated at 1.42 pro miles in the country , and in the Southwest Planned Region of 1.3 pro miles . That means there is no simple reproduction of the population in terms of recovery of the population.

The average age of the population in the country in 2006 was 36 years , while in the South West Region is 35 years . Oldest with 39 years, is the population of Pelagonia planned region , while the youngest with 33 years is population of Poloshki planned region .

In the Southwest planned region , as in Poloski and Northeast planned region , as a result of increased birth rates , children aged 0 to 14 years accounted for more than 20 % of the total population , while in Pelagonian Region evident is participation of the older population - 15.2 % .

Urban population and level of urbanization . According to the census of 2002 in the Macedonia participation of urban population in total population is 56.7 % and the highest concentration is in Skopje with 20.5 % . In the Southwest planned region it is 36.1 percent . The region has 9 municipalities , 4 of which are based in the village , and the total number of settlements is 286. This means that the region belongs to the group of regions with lower share of urban population in total population . Characteristic is the differentiation of rural areas according to the number of residents . Thus arise rural settlements (located primarily in the Southwest planned region) with significant population and settlements whose number is significantly reduced.

2. Basic data for municipalities Debar , Kicevo , Ohrid and Struga

2.1 Debar

2.1.1 The general data for Debar

Debar is located in the western part of Macedonia , on the border with Albania . According to the 2002 census Debar has 19,452 inhabitants . Debar ranked among the least developed municipalities in the country. The main economic activity in the community is in the agriculture and livestock sectors. The total agricultural area in Debar municipality is 7708 hectares of which 33.4 % is arable land . As natural resources in the community, may be mentioned thermo - mineral waters, large reserves of gypsum and artificial hydro - reservoir Debar Lake as potential for energy production.

2.1.2 Economic data Debar

As a result of the transition process in the country in recent years , the industry has lost its importance and intensity #, because many of the facilities were closed or their activity was significantly reduced. The main economic entities active in Debar can enlist : gypsum factory " Knauf - RADIKA ", textile combine" Novost" (100 employees) , plastic products factory " Deplast " (150 employees) , Debar Spa CAPA, building materials factory " Metal Fert , " department of welded profiles " EMO - Ohrid " and agricultural plant "Progress " . Besides these manufacturing facilities in the municipality there are many micro and small enterprises for wood processing (" Deshat "), for sponge products (" Zimi "), the production of flour (" Behar - LN " , "Klass") and a number of private enterprises, mainly engaged in trade . Plaster factory " Knauf - Radica " is one of the main drivers of the development of industry minerals and the whole community. Due to privatization now this plant is one of the most modern facilities for processing of gypsum in the Balkans . In this capacity work about 180 workers, and its products can be found in all countries in the Balkans and elsewhere in Europe. Debar Spa (CAPA) in Kosovrasti and Banjishte are one of the best brands in Debar . Except for health needs, they also offer catering services , with which are an important part of the tourist offer of the region and the municipality. The number of employees in these baths is about 150 people .

Active business entities by business activities according НКД Рев.1, состојба 31 декември 2009

	Total	Agriculture, hunting and forestry	Fishing	Mining and stone extraction	Manufacturing industry	Supply of electrical energy	Building	Retail and wholesale	Hotels and restaurants	Traffic, storage and relations	Financial intermediation	Realestate activities	Public administration and defence	Education	Health and social work	Other utility, cultural and general activities
RM	70 710	2 815	57	144	8 225	124	4 004	29 270	3 938	6 496	334	6 215	219	954	3 246	4 669
Debar	428	12	-	-	32	1	24	203	44	36	1	16	1	6	30	22

Active business entities by size, municipalities, years, state on 31 of December

	2009					2011				
	Total	Micro	Small	Medium	Large	Total	Micro	Small	Medium	Large
RM	70 710	38 107	31 873	533	197	73 118	46 322	25 984	607	205
Debar	428	255	170	2	1	426	310	113	2	1

Tourism as segment of economic development of Debar municipality . Tourism has important role in the development of Debar particularly the artificial accumulation Debar Lake , which is used in several functions : production of electricity , irrigation and tourism and recreation . Although this accumulation, still does not have the necessary tourism infrastructure in the future it is planned local urban planning documents to be developed for the area and thus enabling it to planned development.

Fishing . Fishing is quite attractive and economically justified activity in this region, but the potential has not been fully exploited. Numerous sports and recreational clubs from city give efforts together with the local government to find solutions that will be beneficial to all affected and thus enabling more economic activity.

Unemployment in Debar . Unemployment in Debar is a bitter problem, like in many other municipalities in SWPR and R.M . Some of these problems are addressed through a variety of programs and projects funded by the Government of R.M and various donors . In the past three years through various government programs around 200 people were employed in Debar , taking into account the above all the program for employment of EARM (through MLSP) .

Business active and business non active population			Business active population – Total			Business active population – Employed			Business active population – Unemployed			Business non active population		
Total	Men	Women	T	M	W	T	M	W	T	M	W	T	M	W
13.690	6.777	6.913	5.825	3.799	2.026	2.417	1.770	647	3.408	2.029	1.379	7.865	2.978	4.887

Total number of business active population in Debar

The total number of business active population is 5,825 or 42.55% of the total population aged 15 and over. The number of the business active population which is employed residents is 2.417 or 17.65% of the total population over 15 years. The percentage of business active population and employed population is extremely small, so it can be concluded that the socio-economic conditions in the community is low.

Activities and occupations of business active individuals

Activities and occupation of individuals	Total population
Business active individuals who work	2.417
Members of legislative bodies, state officials, governing state officials, diplomats and directors	91
Professionals and scientists	492
Technicians and similar occupations	326
Officials	177
Employees in service activities, in stores and market sales	396
Experts in agriculture, hunting, forestry and fishing	35
Mining and building occupations for non industrial operational manner in manufacture	267
Operators and builders of machines and plants	134
Basic occupations	443
Armed forces	39
Unknown occupations	17
Business active individuals that don't work	3.408
Business non active	7.865
Total Debar municipality	13.690

Urban population in the municipality deals with trade, production and services, and rural population deals with farming, agriculture and forestry. Regarding education, the percentage of pupils who continue their education in high school is about 85%, of which about 65% continue in Debar, and 20% continue in other cities.

2.2 . Kicevo

2.2.1 General data for municipality Kicevo

Kicevo region is located in the western part of Macedonia , located in Kicevo valley , which presents clearly shaped natural unit, surrounded on all sides by high mountains. It belongs to the upper catchment area of the river Treska , the north ridge reaches mountain pass Straza, on the west rises Mount Bistra , on the south side of the Valley River Treska spreads to Ilinska Mountain and the eastern side touches the northern part of Porece . Bigger than Treska River is Zajaska river which flows in the city and the Kitino Fortress and settlement Bichinci. Through the city runs a small river known as Sushica , which as the name suggests is periodic, with irregular flow during the summer .

The demographic structure of the population in Kicevo is diverse . According to the census in 2002 , Kicevo has 30,138 inhabitants, and population growth of 9.42 % compared to rethodniot census in 1994 is noted. The population density was 615.1 inhabitants per 1 km². 60 % of the population is indigenous , out of the total number of immigrant residents 6.5 % are from elsewhere in the same municipality (rural-urban migration) , 86.9 % came from another municipality , while 6.6 % migrated from another state. Especially important demographic data is gender structure of the population. In Kicevo in 2002 the difference in numbers between male and female population is not large . The number of the male population is 15,143 which is 50.2 % of the total population in the municipality , while the female population accounted for 14,995 or 49.8 % . Fertility rate in 2002 was 1.16 .

But this data must now be supplemented by data on the following municipalities: Vranestica , Drugovo Zajas and Oslomej . That is because the new municipality Kicevo , starting in March 2013, included the 4 rural communities within its borders. That would mean that the municipality Kicevo today numbers 56.739 people and covers an area of 839 km².

As for the economic sectors most common and most important in this community are the following sectors : power generation (HEC Oslomej) , preparation of construction materials , construction, mining , metal processing industry, trade, farming, agriculture, fisheries and manufacturing dairy products .

Sales capacities and store types Kicevo municipality (including the 4 added municipalities)

	Total number of stores	
	Number of stores	Sales area in m2
Kicevo	639	27600

Active business entities by business activities according to НКД Рев.1, for Kicevo municipality (including the 4 added municipalities) state of 31 of December 2009

	Total	Agriculture, hunting and forestry	Manufacturing industry	Supply of electrical energy, gas and water	Building	Retail and wholesale	Education
Kicevo	1404	34	94	4	97	679	20

2.3 Ohrid

2.3.1 General data the Municipality of Ohrid

Ohrid Municipality is located in the southwestern part of the Republic of Macedonia and is located on the northeastern shore of the lake at an altitude of 695 m. It covers an area of 384 km² with a total of 28 settlements and a population of 55,749 inhabitants.

Ohrid is a "living" city for two thousand and four hundred years, the legitimate heir of the light Lychnidos city with woven achievements of a powerful ancient civilization. Ohrid is indeed the cultural history of the Republic of Macedonia in a nutshell. As an Episcopal center in antiquity and later through widely renowned Ohrid Archbishopric throughout the centuries, the city presents the whole religious history of Macedonia as well and therefore not by chance it is called "Balkan Jerusalem". In this town throughout the work of St. Clement was situated the first Slavic university in Europe. Ohrid was the most important official capital of the first Macedonian - Slavic state, or more precisely of Samuel's kingdom; Ohrid was a revival hotspot of Macedonia in the XIX century. Now it is a cultural, spiritual and tourist center of Macedonia, and finally, as the culmination of values, Ohrid and Lake Ohrid have been world cultural and natural heritage under UNESCO protection since 1980.

Population and demographic data. The total number of inhabitants in the municipality of Ohrid is 55,749. The number of households in the municipality of Ohrid is 16,010. The average number of members in a household is 3.48. Gender structure of the population is as follows:

- 27,598 male residents
- 28,151 female residents

Total population, under plea of nationality: Macedonian 47,344 (84.93%), Albanians 2,962 (5.31%), Turks 2,268 (4.06%), Roma 69 (0.12%), Vlachs 323 (0.58%), Serbs 366 (0.66%), Other 2,388 (4.29%).

Total population by activity: Economically active: 27,011, employed: 15,275, unemployed: 11,736 and economically inactive: 20,980.

Climate. The region of the Ohrid lake is a local - continental climate. Mean annual average temperature is 11.4 ° with maximum monthly-medium temperatures in July and August from 21.2 ° and 34.4 °. Lowest monthly-medium temperature recorded in January -17.2 °, is the absolute minimum.

Mean average rainfalls in Ohrid are 704 mm , while the average rainfall in the lake is approximately 759 mm yearly. It has two peaks, primary in November and secondary in February. Between November and February comes to a slight reduction in rainfalls . The minimum rainfalls are present in July. According to the winds rose, the most common wind direction is from the north, especially in autumn and winter. In spring and summer, dominating winds are from the south and southwest direction. Winds from the southeast and east direction are insignificant (only 4 to 5 % of the total frequency of winds). The frequency of calm and windy periods also change during the day, especially in summer . Mornings are characterized by a predominance of northern winds and silences . The situation is completely different in the afternoons when the winds from the south and southeast suppress silences. The average wind speed in the region of the city is relatively low, amounting to 3.4 m /s.

2.3.2 Natural Resources

Hydrography. The catchment area of the lake has over 40 rivers out of which 23 of the Albanian and 17 of Macedonian territory. However, most of them dry up in summer and are insignificant . In terms of their bandwidth, Sateska , Koselska , Sushica and Cherava are the most important rivers flowing into the lake .

The age of the lake is 3.5 to 4 million years. Length of 30 km and a width of 15 km. The length of the coastline of the lake is 87.5 km and it covers an area of 358 km². Although the average depth of the lake is 164 m, the maximum depth is 289 m. The waters that fill the lake come from the watershed or drainage area. Rivers and springs flowing from the mountain slopes and valleys , such as Koselska and Cherava , bring in half the lake waters . The rest goes to the springs flowing into the southern part of the lake in St . Naum - Drilton and Tushemishte . The sources are fed by the waters that spring from the mountains on the east porous mountains - Galichica and Suva Gora.

Forests. 775 km² of catchment area of the lake is planted with an average biomass of 100 to 450 m³ of wood. The trees in the forest are represented -55 % oak, beech - 35 % and American pine 10% . About 90 % of forests are state- owned. The forests are managed by state companies which are responsible for deforestation and reforestation according to the main plan. The current system is considered conservative or more precisely it allows cutting only 70 % of the annual increase in bio- mass. According to the Law on Forests, 20 % of the market price of trees has to be used for reforestation, 12 % for organization and marketing , and 8 % for forest protection. Forests of Galichica are subjected to the Law on the protection of national parks and forest law.

In the structure of the general conditions for development of the municipality Ohrid the natural resources have special meaning.

In all previous analyzes, evident is the lack of benefit of the local community from the exploitation of natural resources . Sad circumstance is that in most exploitations of natural resources of the municipality itself, in a long time the municipality itself had the slightest benefit. Concessions to exploit natural resources (mineral, forest, aquatic, agricultural, land) are not under municipal powers, i.e. the municipality has no methods and mechanisms to control exploitation. In such conditions, the unit of local government has been forced to project its economic development strategies, at least at this point, on basis of the given real opportunities in a coordinated cooperation with the private sector, small and medium enterprises and other factors of economic development.

National Park Galichica. Due to the characteristic location, and extremely rich and endemic flora and fauna and specific natural beauty and landscape and aesthetic values, the Macedonian Parliament in October 1958 declared National Park Galichica . The park is named for the preservation of authentic natura , cultural and spiritual heritage and has research, cultural, educational and tourist and recreational purposes. It is located on the same named mountain in the southwestern part of the Republic of Macedonia between Ohrid Lake and Prespa Lake. It covers an area of 22,154 acres (221.54 km²). According to the natural presence of biological diversity it is one of the most important natural places on the Balkan Peninsula. In the park represented are over 1,000 species of higher plants with presence of numerous endemic and relict breeds . Characteristic is the presence of 15 so far discovered local endemics, which are found only in the park and nowhere else. National Park is exceeds with great wealth and representation of animal species. The most important of which are invertebrates of which Galichica has 26 endemic species. The vertebrates have 11 amphibian, 21 reptile , 260 bird species and 51 mammal , of which present are even most attractive lynx, bears and chamois . Protection of natural values and management activities in the park are the responsibility of the Public Institution National Park Galichica established by the Government of Republic of Macedonia. Mountain of the same name that runs the national park is part of the Shara- Pind mountain range. Southern boundary of the park is the border between Macedonia and Greece and Albania, eastern shores of Prespa Lake and west shores of the Ohrid lake. The northern border is in height of the cities of Ohrid and Resen. The boundaries of the National Park includes an island Golem Grad in Prespa Lake .

2.3.3 Business entities in the municipality of Ohrid

By type, the structure of business entities in the municipality of Ohrid is as follows (data refer to the situation in 2006):

Enterprises	2.593
Trade company	3.071
Entrepreneur-individual	449
Other	426

According to business activity, the structure of business subjects is as follows:

Agriculture, hunting and forestry	88
Fishing	2
Extracting ores and stones	4
Manufacturing industry.	982
Supply of electrical energy, gas and water	2
Building	259
Items for personal use and household	3 587
Hotels and restourants	359
Traffic, storage and relations	385
Financial intermediation	12

2.4. Struga

2.4.1 General Information

At the far south-west of Republic of Macedonia extends Ohrid - Struga valley. The valley covers an area of 103.407ha. Struga is located at altitude of 698 m . It is situated at the foot of the mountain Jablanica, directly at the point where the river Crn Drim overflows from the lake. Struga municipality covers an area of 5073 ha or 1/ 3 of the total coastline of the lake that is half of the total area of the valley. In this area is the town of Struga and 50 settlements.

2.4.2 The economy in Struga

According to recent local statistics Struga municipality in 1995 participated in the GDP of the country with 1 , 4 % , while per capita exerted 43,5 % of the average of the Republic of Macedonia . So, in the early nineties of the last century (the initial period of transition) the structure of the economy was as follows: industry and mining with 46 % , agriculture and fisheries with 18 % , construction with 2 , 7 % , trade with 14 % 8 , hospitality and tourism with 7,1 % , craftsmanship and personal service with 2 , 2 % , housing and communal activity with 4 , 4 % , health and social protection with 1 , 5 and all other areas with 3, 3 % . Nowadays, with the lack of local economic statistics, through harsh assessments we can only make comparisons of basic economic indicators in relation to the national economy and the region to which the municipality belongs. Thus, the average growth rate of GDP for the period 1998-2002 for the Republic of Macedonia is only 5,2 % , and for the region in which the municipality belongs (Southwest Planned Region) growth was only 2 % 8 . Also in the region GDP per capita is U.S. \$ 4192 and as such is lower than the average country GDP for 39 % .

More precise analysis of the local economy can only be made on the basis of data on the number of businesses entities by type and sector of activity and the data on employment in the municipality .

Business entities by business activity (2002)	Number of entities	% participation
Agriculture, hunting and forestry	86	2,60
Extraction of ores and stones	6	0,18
Manufacturing industry	347	10,50
Supply of electrical energy, gas and water	3	0,09
Building	376	11
Retail and wholesale	1563	48
Fishing	10	0,30
Hotels and restaurants	251	7,60
Traffic, store and relations	202	6,11
Financial intermediations	5	0,15
Activities related to real estate, renting and business activities	115	3,48
Public administration and defence, compulsory	29	0,87
Education	15	0,45
Health and social work	54	1,63
Other utility, cultural, general and personal service activities	241	7,40
Total	3303	100

2.4.3 Sector structure of the economy in Struga

From the above table it can be concluded that according to the number of companies dominant activity is trading (accounting for approximately 48%), followed by construction with 11%, processing industry with approximately 11%, tourism and catering to approximately 8%, other utilities, social and personal service activities around 7% and the rest 15%. In the manufacturing sector specifically extinguished are textile, wood processing and construction industries.

In the past, Struga was known for textile industry (as a manufacturer of knitted fabrics and curtains). This industry once employed the most people in the municipality, about 3000 people, but it is not the case today. As for the timber industry, its advantage is primarily associated with wood as raw material. Today about 90 % of forests are state-owned. The development of the forest industry is upwards of 90s onwards. Several local companies have more plants to produce furniture and what is very important, they are export-oriented. When talking about the construction industry, it is quite developed in the community, but its services are implemented throughout the entire state.

Apart from these above mentioned sectors of the economy in Struga it can be concluded that it is quite dependent also from grants arriving from abroad (remittances) and tourism sector.

Sector that has the greatest impact on the local economy is tourism. Struga municipality as a tourist destination has a renowned tourist values which are significant tourist potential and whose activation should represent one of the imperatives for overall development in the

future. The main tourist season starts from June and lasts till September. Lake recreational tourism is the most developed form of tourism in the community and has the most favorable conditions for the further development and promotion.

In the Struga Riviera Hotel located are important facilities including: Hotel " Dream " - 560 beds ; Hotel " Biser " - 216 beds ; Hotel " Eurotel " - beds in 1135 , Hotel " Skopje " - 130 beds ; Hotel " MAKPETROL " - 140 beds ; Hotel "Beograd " -135 beds ; Hotel " Galeb " - 230 beds ; Hotel " Royal " - 70 beds ; Hotel " Prince " -70 beds ; Hotel " Clinton Palas " 70 beds Hotel " Diplomat " - 110 beds ; Hotel " Plaza" - 64 beds, Hotel "Izgrev " - 578 beds , Hotel " Gorna Belica " -50 beds , a resort for children "Majski Cvet " - 600 beds , Hotel Solferino (Red Cross Skopje), 91 bed , as well as auto-camps : camping " AC" -1,600 beds , camping " Livadishte " - 1,200 beds , camping Treska " -350 beds .

However, due to the transformation of social capital , part of hotel facilities in recent years (periodically or continuously) were out of use . These are: Hotel "Izgrev" - 578 beds ; Hotel Skopje - 130 beds ; Hotel Plaza -64 beds ; Eurohotel - 1135 beds. Their not working is a huge loss for the economy of the municipality .

The trend of tourist visits over the years in Struga :

	Number of tourists	Number of nights
Year.	Total	Total
1968	9122	85915
1978	61 313	236605
1988	103160	567683
1995	61042	324858

Agriculture . In Struga currently are processed approximately 7000ha arable land as follows:

- Cereal crops on about 4,000 acres ;
- Corn on some 1500 ha of which is mostly hybrid varieties.
- 1500ha accounts of other cultures.

In Struga municipality there are registered six agricultural enterprises . Officially 414 people are engaged in agriculture, livestock, poultry and beekeeping , but the real figure is much higher .

Labor force (economically active population consists of employed and unemployed) in the municipality is 30 % . The unemployment rate is 30,4 % , and the employment rate is 41,5 % . The unemployment rate according to number of registered unemployed was 41,1% , while the actual is 30,4 % and the employment rate is 23,9 % .

From the abovementioned reviews of the structure of unemployment following conclusions can be derived the: by gender , the total number of unemployed persons in the municipality of Struga(9283), 3592 are women (52 %) and 5691 are men (61 %). According to age , most unemployed are at age between 20 and 24 1334 (14, 37 %) , followed by those of age between 30 and 34 years 1317 (14, 19 %) and those at age between 25 and 29 1295 (13, 95 %). According eligibility , most unemployed are low skilled workforce 4802 (52 %), followed by those with secondary education 1742 individuals (19 %) , and skilled workforce with 1221 persons (13 %). According to ethnicity, majority of unemployed are Macedonians , 4301 persons (47 %), followed by Albanians 3747 persons (40 %) and the other nationalities 13 %. According to the waiting period, most of the unemployed are waiting for employment for many years. So 20 % of them (1895) are waiting for employment for more than 8 years, 14 % (1256) have been waiting for 5-7 years , 12 % (1069) have been waiting for 2 years . According to place of residence, 34 % or 3170 unemployed people live in the city, and 66 % or 6113 persons are settled in rural areas . Unemployment of the young population (a s% of the labor force at age from 15 to 24) is 69, 1 % thus making the municipality below the national average , and below the average rate for the region (72, 5 % and 75, 4 % respectively) . Most employees are in the service sector, followed by industry, agriculture and other sectors . In Struga municipality there are 6066 retired individuals.

3. Natural resources in SWPR

3.1 . Water

The amount of rainfall that occur in the region, is in amount enough to be factor for significant development of hydrography. Abundance of water is basis for water supply for households, for irrigation, power generation, industrial production and tourism activities .

Dominant place in the region belongs to Ohrid lake. It is one of the oldest lakes in the world. Its area is 348.8 km ² out of which from 229.9 km ² belong to the Macedonian side. Maximum depth is 286m, and the mean is 144.8 m. The volume is 54,280 km ³, which means that it is most akvatorial facility and water potential as well as a reservoir of heat.

Debar Lake has an area of 13.2 km ², and Globochica Lake 2.7 km ². These lakes despite being aimed at producing electric power, are an opportunity for fishing and cage fish production, water supply and tourism activities .

Slatinsko Lake which has water supply as a general purpose, has excellent opportunities for fishing and fish farming, and tourism activities. These features has also Trebenisko, the only collapse originated lake in Macedonia .

In the region there are glacial lakes . These are: Vevchani, Podgorech, both lakes of village Labunishte on Jablanica Lake and Gorno, Dolno, Crno Lake and Lake of Marusha Stogovo. These lakes have the possibility to be used for tourist purposes. Some of them such as Podgorec are used for water supply and irrigation .

But the rarity of such forms should be protected in the best possible way. Confluence of the Crn Drim river along with the confluence of the Ohrid lake in this region is 4.198 km ²(and the immediate basin of this river to the border with Albania is 1,567 km ²). It has regulated riverbed and banks along Struga and presents special attraction. Its water and water of Belichka and Vevchanska River and tributary river of Labunishte are suitable for water supply and irrigation .

Sateska river which was a tributary of the Crn Drim River is diverted into the Ohrid lake. The contamination of the lake is a subject of debate in the professional and scientific community. There are suggestions to return it to its old riverbed. But it could threaten the hydrological stability of the lake and if eroding material is not repaired it may be a factor of the accelerated eutrophy of Globochichkoto Lake. It is therefore necessary to renovate it with sedimentation tanks and reservoirs.

In this basin situated are major sources such as springs at St. Naum , and Biljana springs . Abundance is 6.5 to 11 cm ³ / sec , respectively 30-120 l / sec . Also important springs are Belicka River, Vevchani springs and Labunishki springs .

Radica River is one of the cleanest rivers in the Southwest Planned Region and its water feeds Debar Lake. River Treska is a significant potential for water supply, irrigation and construction of fish ponds. It is this river from its spring, in Izvor through the region path is characterized by the highest proportion of fisheries.

The quality of water depends on the level of protection against pollution. Lake Ohrid is one of the cleanest lakes in Macedonia . This is due to the collector system established in this akvatorium . But it is unfinished and requires full completion. Given that the lake belongs to the group of interstate waters, international activities in order to ensure its full protection of the section in Albania are necessary. The lowest water quality in the lake is the site of the confluence of the River Sateska. Thus it is of utmost importance to ensure better water quality in the river.

Crn Drim River has satisfactory water quality in the area to the treatment plant in commutator system the lake Vranishta . From here to the beginning of Globochichko Lake, the quality is reduced due to waste water surrounding neighborhoods and tributaries that are receptive of sewerage networks. Here the water quality is IV category and requires urgent measures for its improvement . In particular this applies to Vevchani, Podgorec and Labunishka River.

Unlike this conditions of the confluence of Crn Drim River, Radica has relatively good water quality. With the exception of certain local occasional impact, it has quality of I and II category, which means the best quality. It refers to the need to preserve the quality of the river and the introduction of monitoring. River Treska downstream from Kicevo has relatively high organic and microbiological contamination. Relatively high faecal contamination is due to untreated utility water to which it serves as a receptor . It imposes urgent measures for treatment of polluted waters.

3.2. Agricultural resources

Agriculture is an important industry in function of encouraging rural development and regional balance. The favorable climatic conditions and opportunities for irrigation in the Southwest Planned Region are suitable for its transformation from extensive to intensive agriculture. The total agricultural area in this region is 103.373ha or about 10 % of the total agricultural area in Macedonia (1.077.235 ha). However, about 50 % or 52.682 ha are pastures.

The area of arable land is 50.667 ha of which the fields and gardens account for 80 %. The total area of used agricultural land is 20.579,37ha or 41 % of the arable land. This data shows that there is a great scope for intensification of agriculture and processing insufficiently treated surfaces . In the land use prevailing is the participation of individual sector 19.924,12 ha. The surface on their own land is disproportionately higher than that which is taken for use by others, it is 18.817 ha⁴. Only a small part of agricultural land is taken for use by others, which is a fact that speaks for the lack of interest for agricultural activities and the need for taking additional stimulating measures in this direction.

⁴ 37 Regions in Macedonia, State Statistical Office , Skopje ,2007

3.3. Mineral resources

Southwest Planned Region is quite rich with plaster which has quite a large application in the construction industry. Gypsum commonly occurs in three forms: alabaster, anhydride and crystals - selenite or Marienglass, (Virgin glass). The purity of the mineral is quite high, the most common reason for this is the thermal water, which affected forming this solid and pure form of crystal. The gypsum deposits do not contain much slag and they are excavated in clean and large pieces . These reserves of gypsum are present on the territory of municipality Deba .

The region also has reserves of marble and granite, which are excavated on several locations in the region (Kicevo and Ohrid).

3.4. Tourist attractions

Tourism development is the most distinctive development feature of the Southwest Planned Region. This is due to the fact that it is the most developed tourist region in Macedonia. Natural features, rich cultural heritage, protected spatial units and a long tradition on the dynamics of tourism. In addition, the region has a number of resources at the level of potential possibilities for inclusion in the tourist offer. Much of the region in sense of area can be developed in aspect of tourism through alternative forms.

They are a good basis for accelerating of other economic activities, cultural development and reducing unemployment , etc. . Traffic connection is fundamental for tourism development. Tourism will allow the opening of a new cycle in structuring infrastructure . In this context should be mentioned above all the Ohrid lake , but no less important are the mountain ranges that pass through the region and provide an opportunity for the development of rural tourism .

4. Economic Indicators

4.1. Key economic indicators for the Republic of Macedonia

General Informations

Name of state	Republic Macedonia
Area	25 713 км2
Capital	Skopje
Independence of Republic of Macedonia	8 september 1991
National currency	denar (МКД)
Number of municipalities	80
Number of settlements	1 767

Basic indicators

	2002	2007	2012
Population, 31.12	2 023 654	2 045 177	2 062 294
Rate of increase of living expenses, in %	1.8	2.3	3.3
Indexes in industrial manufacturing	94.7	103.9	97.2
Rate of unemployment	31.9	34.9	31.0
Gross domestic product by current prices (in millions of denars)	243 970	364 989	460 587*
Rate of real increase of gross domestic product, in %	0.9	6.1	-0.2*

Areas by altitude zones

Altitude zone	Area in км2	%
to 200 м	744.10	2.89
200 - 500	5 769.10	22.44
500 - 1000	11 317.32	44.01
1000 - 1500	5 741.68	22.33
1500 - 2000	1 786.54	6.95
over 2000	354.26	1.38
from 44 to 2764 м.	25 713.00	100.00

General data of education: primary education

	2001/2002	2006/2007	2011/2012
Primary education			
Number of primary schools	1 064	1 063	1 041
Pupils in primary schools	246 773	233 121	200 227
Female pupils	119 365	112 428	96 906
Male pupils	127 408	120 693	103 321
Number of teachers	13 657	15 452	17 444
Women	7 809	9 612	11 543
Men	5 848	5 840	5 901

High school education

Number of high schools	101	110	120
Pupils in high schools	93 170	95 966	93 590
Female pupils	44 705	45 353	44 973
Male pupils	48 465	50 613	48 617
Number of teachers	5 691	6 354	7 379
women	3 102	3 578	4 298
men	2 589	2 776	3 081

University education

Enrolled students	44 710	57 011	...
Female	24 691	31 052	...
Male	20 019	25 959	...
Number of professors	1 561	1 671	...
women	535	605	...
men	1 026	1 066	...

The average household in Macedonia, allocates about 63.1 % of its consumption to meet basic needs for food, clothing, housing and furnishings. In the structure of income in 2012 prevailing are wages based on regular and occasional work with 65.9 %, pensions accounted for 19.2 % , income from agriculture 4.8 % , income from abroad with 2.1 % , social benefits by 2.0 % . The data indicate that the average household income provides for approximately 96.9 % of its consumption, and the rest is covered by credit borrowing (eg . Overdrafts on current accounts) or through informal or unrecorded revenue .

The economy and economic growth in the Republic of Macedonia is quite related to economic developments in Europe - as a result of the strong banking and trade ties - and depends on regional integration and progress toward EU membership. With the declaration of independence in 1991, Macedonia was the least developed Yugoslav republic, accounting for only 5 % of the total state production of goods and services. The absence of adequate infrastructure, UN sanctions on Yugoslavia and Greek economic embargo prevented greater economic growth by 1996 . Since then, Macedonia has maintained macroeconomic stability with low inflation, but it has lagged the region in attracting foreign investment and creating jobs , although a number of reforms were implemented . The official unemployment rate remains high, with somewhere around 31 % of the working population, but this figure may be lower, primarily due to the existence of the shadow economy, estimated amount of 20 % and 45 % of GDP , which is not included in the official statistics . With the start of the global economic crisis, Macedonia suffered drop in foreign direct investment , lowered credit availability , and there was a sizable trade deficit. However, as a result of conservative fiscal policy and a sound financial system in 2010, the country's credit rating improved slightly in BB + and remained at that level in 2011-12. Macroeconomic stability has been maintained by a prudent monetary policy that keeps domestic currency pegged to the Euro.

As a result from 2010 to 2012, GDP growth was modest, but positive , and inflation has been under control .

In recent years the country has taken a broad set of reforms aimed at strengthening the business environment. The result of these efforts can be seen in the reduction of a number of regulatory and administrative procedures for conducting business in the country. With the implementation of all these reforms , the country now has one of the simplest , fastest and cheapest procedures for starting a business . Also simplified are the procedures for payment of taxes and access to finance, furthermore the country has one of the best procedures for the protection of investors. According to the report of the World Bank in 2013 (Doing Business report 2013)⁵ country ranks 23 out of 183 countries in the category overall ease of doing business .

Increase of competitiveness of the economy is actively implemented through the establishment of special economic zones, called Technological Industrial Development Zones (TIRZ) , whose aim is to attract foreign investment . Established is a new gateway for Patents (<http://patentmk.mon.gov.mk/>) whose purpose is to stimulate the registration of patents and promotion of innovation. Also significant changes are made in the area of corporate governance , aiming to its compliance with international standards.

It can be safely said that insolvency legislation is a good standard which allows creditors to follow all the steps of bankruptcy proceedings by the electronic system that has recently been established.

According indicators for cross-border investments (Investing Across Borders indicators), the country opened most sectors of the economy to foreign investors. A variety of business sectors, such as distribution of electricity, rail freight , airport operations and waste management are still dominantly owned by public enterprises .

Economic freedom in the country ranked index of 68.5, which positions the country on 43 place by the index for 2012. The total index compared with the previous year increased by 2.5 points as a result of improvements made in six of the ten economic freedoms, and in the group of countries with substantial progress on economic freedoms Macedonia ranks 21st out of 43 countries in Europe , and its overall score is above the average global and regional level.⁶

⁵ Doing Business 2013, Smarter Regulations for Small and Medium-Size Enterprises, Comparing Business Regulations for Domestic Firms in 185 Economies, 10th Edition, The World Bank and the International Finance Corporation, 2013

⁶ Source: The Heritage Foundation Index of Economic freedom, <http://www.heritage.org/index/>

The following table shows the indicators for Macedonia in report "Doing Business" prepared by the World Bank:

Indictors according "Doing Business"

	Macedonia
Ease of doing business (rang)	23
Business start-ups (rang)	5
Procedures (number)	2
Time (days)	2
Expenses (% from income per capita)	1,9
Minimal capital (% from income per capita)	0,0
Handling building approvals (rang)	65
Procedures (number)	10
time (days)	117
Expenses (%from income per capita)	517,8
Supply of electrical energy (rang)	101
Procedures (number)	5
Time (days)	151
Expenses (% from income per capita)	296,1

4.2. Key economic indicators for SWPR

Gross Domestic Product per capita shows a large imbalance at the national level. In this respect , the position of the Southwest planned region is quite modest . According to the data given in 2009 GDP per capita in 2007 in this region is 110 771 denars at purchasing power parity. Skopje region with 289,622 denars is far before the Southwest Planned Region . Given that the average level of the country is 173,385 denars clear disproportion can be seen. GDP in the Southwest Planned Region has an index of 63.9 which is below the average of the Republic of Macedonia and Skopje Region has an index of 167 which is above this average. Skopje region is 2.61 times the GDP of the region. The participation of the Southwest Planned Region in GDP of Macedonia is 6.9 %, and participation of Skopje region is 48.5 % ⁷.

⁷ GDP and investment in fixed assets by region, 2000 - 2006 , The region R. Macedonia , State Statistical Office , Skopje , 2009

Based on the above given information it can be stated explicitly that Southwest Planned Region lags behind the Skopje region and has relatively modest share in GDP of the Republic of Macedonia .

Non-financial sector . Given that the non-financial sector is dominant in creating the total added value it represents one of the basic indicators of economic development, and a generator of development. The analysis of this sector shows that dominant region in this sector is the Skopje planned region . It accounts for 2/3 of the total added value indicating monocentric model of development, and not in the context of the policy of polycentricity. The participation of the Southwest Planned Region in the total added value is 7.26 % , while the lowest share is that of the Northeast Region with 4.23 % ⁸.

Despite expectations for improvement of the participation of the Southwest Planned Region in the structure , which would lead in the direction of balanced development , in 2006 again comes to reduction of the share of this region in the total value added level. The increase is the smallest in this region and it is only 3 % , compared to the increase of share of the Southeast planned region of 117 % . This cardinal decline in production is due to the fact that many of the large and medium-sized enterprises were located in the Southwest Planned Region. This created a higher output and more dynamic development in the past . But in the process of restructuring the economy most of the large and medium-sized enterprises ceased to operate in different ways, causing slowdown and reduction of the Southwest Planned Region in the total production of the non-financial sector. It follows that taking the steps that will enable improvement of production are necessary . Facilities which are in standby represent significant production potential. Moreover, it should be approached to facilitate the construction of facilities for small and medium businesses. As experience in policy planning activities can serve those examples regions in which dominates production of small businesses that contribute for high growth rates and rapid development .

Foreign trade exchange is directly dependent on the size and dynamics of production of non-financial sector . It means that in this respect the Southwest Planned Region has the worst performance together with the Northeast planned Region . In 2006, the Southwest Planned Region exports was around 71 million , while imports were U.S. \$ 81 million . The Northeast planned region the amount of exports was 69 million , while imports were 114 million. In Skopje planned region exports achieved 1.088 million , while imports were worth 2.506 million USD. This indicates that Southwest Planned Region achieved a very low pace of exports so as to import. Intensification of development should be searched in the to support of export -oriented production due to low absorption power of the Macedonian market .

The importance of SMEs. The restructuring of the economy in the country during the transition period, among other features , was marked by the development of small enterprises . Intensive growth in recent years allowed small businesses to take primacy of the biggest producers in the non-financial sector of the Republic of Macedonia .

⁸ Ibid.

In 2006 in the Southwest Planned Region Small businesses are the largest employer . The share of small and medium enterprises in production and employment in the non-financial sector accounted for 79 % and occupies one of the highest places. Characteristic is that employment in small enterprises in the Southwest Planned Region is significant and moves above 60 %.

4.3. Economic sectors in SWPR

4.3.1. Crafting

Crafts sector in SWPR is not on high level . The same situation which is present on the whole territory of the Republic of Macedonia is characteristic for this region, too. Part of the reasons for diminishing of this sector is the reluctance of young people to traditional trades and ill- constructed image of the sector. Although on the labor market there is a demand for staff in various craft subsectors still deficit of such staff is present.

If we analyse the crafts sector as a sector which has 2 subgroups, traditional crafts and contemporary craft workshops, it can be concluded that in traditional crafts, the situation is very worrying, while the contemporary craft workshops has better standing. The reason for the poor state of traditional crafts is the fact that many of their products or services are no longer used in modern life and their use is mainly in tourism, hospitality, culture and other related industries. But in modern craft workshops space for business activities is much larger, and thus their existence in the market is sustainable.

4.3.2. Trade

Trade as a sector occupies a sizable part of business activities in SWPR . As it can be seen in the above given tables (for each municipality separately) , its share in the number of legal entities that are registered in the region is very high and ranges up to 50 % . This means that the trade sector employs a large part of the efficient population in the region.

The reason for the large number of subjects is that they are usually small trading (family) facilities, which employ between 1-5 people. The trend over the past 20 years imposed activities that were going in the direction of opening of such small commercial buildings. But in the last 4-5 years , this trend has been slowly changing. Small commercial buildings are slowly closing, and their place is occupied by large retail chains.

4.3.3. Agriculture

To better understand conditions in the agriculture sector, what follows is presentation of the situation by : the structure of planted crops, application of modern technologies, the structure of livestock and farming families themselves . The SWPR has about 91,000 hectares of land, of which about 63 % is arable land and 37 % is pastures. Of arable land, about 57,000 hectares , 50,000 hectares are arable land , 1,200 hectares under orchards ,

4,400 hectares under vineyards . From pastures, 1,900 hectares are meadows and 34,000 acres in pasture.

Structure of land by planted crops . Analysis of the structure of sown areas in the Southwest Planned Region shows that, of the total cultivated land ,mostly presented are the cereals. Their area covers 7.918 ha or 38.5 %. Most of the area is covered with wheat on 4437ha, corn on 2537ha , barley on 761ha and other cereals on 181ha.

Industrial crops in this region are planted on an area of 40 ha. The total area of industrial plants in the Southwest Planned Region, includes soybeans, tobacco, sugar beet etc. The biggest area is covered by tobacco 7.21 ha, and the lowest amount by sunflower (0.2 %).

From the area of forage crops , which include feed beet, alfalfa , corn on green table , clover and other forage plants in the region , most of the area (2.669 ha) is accounted for alfalfa and corn in the most green mass . Given that corn in green mass is the main fodder crop for silage it is an indicator that this modern form of plant conservation in the region does not receive enough attention.

The total area of vegetables in the region is 971,87 ha. Among cultures which dominate are potato with 401, peppers with 160, and the lowest amount is planted with melons 4,12 ha.

Fruit has very favorable conditions for growing. This is due to different climatic, soil and altitude conditions. The possibilities are contained in the relief structure that covers 600 meters to 1,300 m. altitude . The region is characterized by spatial units with relatively low level of contamination of the environment that allows organic fruit production. In the region there is a tradition of gathering the fruit of rank growths . These are walnuts, chestnuts , wild plums , and more. However, most present production is plantation production whose versatility is evident .

The largest areas and trees are planted under apple. In this region the number of apple trees is 511,313 , while the crop area is 513 ha. Pears in this region are planted on an area of 39 ha, and the number of trees is 29 044. Plums are planted on an area of 171 ha, and the number of trees is 112 329 . The number of cherry trees in the region is 18,073 , planted on 35 ha. Sour cherries are planted on an area of 12 ha, and the number of trees is 14 442 . The number of trees of apricots is 4137 , the planted area of about 5 ha. Peaches were planted on 15 ha, and the number of trees is 11 786 . Walnuts , despite rank growth in the region are planted on an area of about 119 ha, and the number of trees is 28 630 . Planted almonds because of cramped conditions and lack of tradition of cultivation are in the lowest number. The area of plantations is 1,5 ha, and the number of trees is of 670.

Climate and soil conditions in the Southwest Planned Region are of limited character for growing vines . Best conditions are present in Ohrid - Struga valley . Grape and wine production is an important opportunity for complementarity in the tourism development .

The number of stumps planted in this region is 2,883,300, and the surface of vineyards is 600 ha. The structure of the vine plantations dominate the wine varieties . From indicators for this structure it is obvious that the table sorts noticeably lag behind wine sorts . It opens space for measures and activities aimed at improving this economic trend .

If we follow the variation of the number of stumps and planted areas it can be concluded that this culture is rapidly reducing. There is an increasing number of dug up seedlings , while planting and renewal decreases. In order to improve this situation it is necessary to take incentives. Given the small plantations in them, measures need to embrace this segment of viticulture .

Yields from agriculture in SWPR , in 2010 , the special crops are:

Crop	Quantity
wheat	16.000 τ (tones)
corn	16.000 τ
tobacco	92 τ
potato	15.000 τ
onion	1000 τ
tomato	1.000 τ
pepper	1.000 τ
trefoil	1.600 τ
Bur clover	8.500 τ

The application of modern techniques and technology is one of the most important factors in the development of agriculture and the overall balanced development. It stems from the influence they have on arable land and the intensity in the processing of land. This factor is important for increasing employment and increasing of yields .

In this regard as significant factors are the following: agricultural machinery , agricultural equipment and use of fertilizers and plant protection products.

Irrigation is a factor that increases yields and allows cultivation of crops for which this kind of extra fodder is essential. The total area in the Southwest planned region which is irrigated is about 5.700 ha, most of irrigated area is under corn with 2.123 ha. The use of modern irrigation systems is in its infancy, but it need to be worked on their improvement .

Agricultural holdings . The structure of agricultural holdings shows that in the agriculture prevails individual agriculture, and business entities stand noticeably behind. Agricultural areas in individual sector amounted to 25.773 ha, while businesses entities have 661 ha.

Employment in the agricultural individual sector is 54 568 while in business enterprises number of employees is 118. According to age , of the total number of employees 11,204 people are between 35 and 44 .It is relatively favorable structure and represents significant potential . Accordingly, in the Southwest planned region , organized forms of work in agriculture should be stimulated.

Educational preparation is an important factor in the development of agriculture . Analysis of the structure, according to the level of education indicates that a dominant category is that of persons with primary education. Their number is 25,487 .

This means that it is a striking disadvantage in terms of the quality of the workforce, which imposes the need for change .

Seasonal nature of agriculture means seasonal employment. They are 5,450 persons. This character of the activity opens the possibility unemployed and some categories of beneficiaries of social protection to be engaged in agriculture and in a way to unburden the budget and mitigate the unemployment .

4.3.4. Livestock

Breeding of livestock , poultry and beehives . The structure of agricultural land in this region , indicates that the presence of meadows and pastures is relatively high (50 %) . However, these potentials are not sufficiently used for livestock , which is at low level.

Cattle is characterized by its diversity. In this region the number of sheep is 109,627. Cattle 23,730 , 13,533 goats , 13,862 pigs and 2,805 horses , and the total number of poultry is 204,540 . The number of breed rabbits are 1.457 . Characteristic is the increase in the number of beekeepers and beehives . The number of beehives in the region is 16,376 . The favorable climate and vegetation conditions allow further improvement of this profitable business. Given that the number of beekeepers who have beehives to ten baskets is increasing, it is need incentives to such manufacturing activities to be applied.

4.3.5. Tourism

Accommodation capacities in tourism have a double meaning. On the one hand they are the most important receptive factor in tourism development, on the other hand they are indicator or indicator of developmental level.

The data analysis of accommodation capacities refers to the scope, the dynamics and structure of units covering . In the Southwest Planned Region number of rooms is 16,400 with a total of 42,425 beds. On level of Macedonia the total number of rooms is 26 503 , which means that only 62 % of them are located in the Southwest planned region . The number of beds on level of Macedonia is 71,021 and even 59.7 % of them are in facilities in the Southwest planned Region .

The volume and dynamics of the number of seats in the catering facilities is an important indicator of the development of receptive sector as a whole. However, it largely shows the level of development of non-boarding house catering offer because most of these objects are not related in the same system with accommodation offer. The Southwest planned Region has 277 business units in catering, and the total number of levels of Macedonia 2.058 . The total turnover was 1.191 million, which is 1/ 6 of the total turnover realized on level of Macedonia (6.147 million) .

The structure of the tourism turn over best express the dimension of tourism development in the Southwest planned region . It expresses the level of attendance and stay, by which we can determine the average stay and utilization of capacity.

Attendance. Analysis of attendance shows that the number of visitors in the last year analyzed was 233,218, which means accounting for 47 % of total attendance of Macedonia .

In aspect of the dynamics of attendance it can be seen that the number of tourists during the period from 2004 to 2008 is constantly growing, or from 222,950 it peaked to 276,669 .

The structure of attendance is relatively unfavorable. This stems from the prevalence of domestic tourists in the total number of visitors. The number of domestic tourists was 193,662, while the number of foreign tourists was 83,007.

The majority of tourists are from Serbia, after which follow tourists of Bulgaria, Greece , Albania , Turkey , Slovenia and Croatia. Therefore , the most important emission sphere is the space of the Balkan countries, where Serbia has a leading role .

The stay is one of the indicators of quality of service. The extension of the stay means successful tourist activity . The stay is determined by the number of generated nights and average length of stay through nights per visitor. Occupancy of accommodation determines the relationship between nights spent per unit of accommodation. Analysis of indicators shows that in the last year analyzed the number of realized overnights in the Southwest planned Region is 1,452,205. Participation of this region in realized nights on level of Macedonia is 65 % . From this data it may be seen that the region has a very high share in these achievements. The dynamics of realized nights in the last ten years shows a relative increase of total nights spent, which proves the evident development in this area .

The structure of realized overnights shows that the prevailing number of nights spent is by domestic tourists (1,202,890), while the number of nights spent by foreign visitors is 249,315 . Nights spent by domestic visitors to the region accounted for 72.98 %, while those generated by foreign visitors accounted for 42.44 % on the state level .

The structure of nights spent by foreign tourists by nationality shows that domineering are the nights from the neighboring and near countries . This means that the Balkans is essential emission zone. Most of realized overnights have been exercised by tourists from Serbia , followed by Bulgaria, Greece , Albania , Turkey , Slovenia and Croatia. Directing the tourists offer and acquisitions of promotional activities should include these arguments in their creation. It is in the context of commitments that emerged from the analysis of the structure and attendance.

The average stay of the total number of tourists in the Southwest planned region was 5.25 days . Foreign tourists stayed an average of 2.98 and domestic tourist stayed 6.2 days. Regarding Macedonia stay is longer by all parameters due to the nature of brevity primarily on business visits in Skopje planned region whose participation at the national level is noticeable. But you still need to look for opportunities to extend the average length of stay. In this regard the content of stay is of priority importance.

Occupancy of accommodation shows that occupancy in this region is around 10 % . This means it is a relatively weak occupancy which opens space for improvement of economic trend.

Tourist spending. The effects of tourist visits and stay, or occupancy of the receptive capacities are reflected through consumption. Southwest planned Region in the volume of attendance and overnight stays participates with 65% of revenues and the number of nights is 249 315 which is basis for calculation of tourist consumption.

Ratio of money spent for travel purpose in the world is around 80 dollars a day. Based on these indicators, revenues from tourism in the Southwest planned Region is approximately \$ 20 million.

Types of tourism. Southwest plan Region is characterized by significant concentration of accommodation facilities realized tourist traffic and realized tourist consumption, especially in the Ohrid - Struga region. This concentration of development achievements is due to the remarkable natural and anthropogenic resources in this area. There the dominant place is taken by Ohrid Lake and cultural heritage. Accordingly, the basic tourist development types are lake and cultural tourism. The development of lake tourism should take into account the capacity of Debar and Globochichko Lake.

Distinguished concentration of protected spatial entities is the basis for the development of eco - tourism. Basic resource of eco - tourism is Galichica National Park, and the announcement of Jablanica opens a new perspective on this type of tourism. This kind of tourism locates its resource base in other spatial units in the region. In this regard Porechie deserves special attention.

Spa tourism development is a category whose resources are concentrated in Debar valley . Development facilities which are based on the abundance and water temperatures are far greater than those that are activated and therefore spa tourism in the region deserves special attention as perspective.

Mountain Tourism in the Southwest Planned Region has a solid attractive basis for resources . The height of mountains, ski slopes and favorable climatic characteristics favor the activation of this type of tourism. It now appears in the form of rare alpine hiking and visit while skiing activities are not supported by the necessary infrastructure. (The only modest ropeway in the village Vishni does not work).

Hunting and fishing tourism have broad spatial features and relatively good representation of fauna types for such purposes. However, organized forms of this type of tourism activities are rare and under represented .

Transit Tourism is a tourist type that can be developed in this region based on a developed road network. Special significance of this type of tourism is given considering that the region belongs to the group of spatial units with opportunities for cross-border cooperation and transport links to neighboring countries.

Besides the basic types of tourism, Southwest planned region has opportunities for selective developmental forms . They should enable decrease the concentration of attendance and stay within the mass tourism. However, these forms are not present in the region. They have incidental contextual features. Thus, rural tourism occurs only through the restaurant offer (Vevchani) rather than through planned activities . It is therefore essential for regional development to regard these opportunities and to project their development in the region .

4.4. Employment

The labor market in the Republic of Macedonia covers the rate of activity, employment and unemployment.

Activity. According to the census of 2002 labor force participation in the efficient labor force shows a relatively low value. The analysis allows to conclude that in the period between the two census years, the rate of activity is reduced. It is 42.4 %, which is one of the lowest rates compared to other planned regions in Macedonia. Lowest rate has Poloski planned region with 33.1 %.

In Census year 2002 Southwest planned Region has the lowest activity rate of persons without education which is 2.9 %. This region has lowest rate of 9.5 % in regard to the participation of persons with incomplete primary education. Markedly higher share of activity experience people with primary education (31.6 %), but this value is below the average level in Macedonia. The activity rate of people with secondary education is 65 %, which is within the average of Macedonia (65.8 %). The rate of persons with higher education is 74.8 % and 84.1 % higher, and master and doctorate 80.9 %. It is obvious that the activity is directly dependent on the educational level.

It refers to the need of encouraging people to acquire higher education in order to improve the quality of the workforce. This view is based not only on the given data, but also on the strategic objectives of balanced development in the country. In particular this applies to women in accordance with the facts that women with lower education have lower activity lower compared to men with such education. Contrary to that women with higher education have higher activity rate than that of men with this level of education.

Activity in the Southwest planned Region, and within Macedonia, is dependent on the gender structure. The activity rate of the male population is 62 %, and 35 % in women, creating a gender gap of 27 % in favor of men, which is above the state level.

According to age of groups in the labor market, Southwest planned region is within the figures of Macedonia. The highest rate of activity 62 % is indicated in the population from 25 to 49 years. The activity rate is the lowest among the population from 15 to 24 years which is consistent with continued education or working with unregulated employment.

Employment follows other economic trends. Southwest planned region is characterized by the lowest rate compared to all other planned regions. The employment rate is 27.7 % and is significantly lower than average employment rate in Macedonia, which totals 33.5 %.

Such conditions in the Southwest Planned Region should be explained not only with the existing economic trends in the economy, but also with the existence of undocumented employment. It should be noted that the disparity is evident in the level of employment among Southwest planned region and other planned regions or country as a whole. It requires special treatment in this region in terms of boosting employment.

Analysis, in terms of employment by gender shows a big difference between men and women. The employment of the male population is about 37 % and women 19 %.

This means that women stand significantly behind men. Hence it is necessary in planning activities to consider this structure, because the gender gap , in this regard , following Poloski planned region is most evident in terms of the regional labor market .

In terms of employment, by age group , in the Southwest Planned Region prevailing contingent is at the age from 25 to 49 years , contingent from 50 to 64 is the second rang , and the youngest contingent from 15 to 24 years accomplishes most modest employment . Southwest planned Region after Poloski planned region accomplished lowest employment rate in all age contingents. In order to improve the situation it is necessary to take measures to encourage the employment of all contingents.

Employment by sector shows that in the Southwest planned region prevailing is the employment in the services sector . Employment in this sector accounts for 50 % . The share of employment in industry is around 40 % , while employment in agriculture and in other sectors accounted for about 5 % .

Creating jobs . The decline of manufacturing in the Southwest planned region conditions rapid decline in employment in the non-financial sector. This region is characterized by the largest loss of jobs. The loss of jobs was -3 % in 2006 compared to 2003. This compared to the Skopje region, in which (at this time) employment increased by 13 % , presents a notable disproportion .

Out of the total population in the Southwest planned Region (222 385) in 2002 , the number of active population was 68,789 . Of these, 29,200 people were registered as unemployed, which shows that the unemployment rate is 42.4 percent .

This negative economic trend is due to unfinished restructuring or closure of large and medium-sized enterprises that requires taking incentives for vitalization of economic capacities.

Labor productivity follows share in total added value and share of total employment in Macedonia. Unlike Skopje planned region which due to its high share in total added value (67 %) and relatively lower share in total employment (47 %) , from 2003 to 2006 has increased labor productivity by 12 % and achieved average added value per employee of 712,000 denars in 2006. Southwest planned region has the lowest values , a value per employee is 445,731 denars. Low performances in terms of output growth are the cause of labor productivity amounting to 6 % in 2006. Gross wages per employee in the Southwest planned region are among the lowest compared to other regions due to lower productivity of labor.

Cost of labor per unit of output . The analysis of the dynamics of labor costs per unit of output on level of Macedonia shows that Southwest planned region is in an unenviable position. Dynamic growth of the non-financial sector is registered between 2003 and 2006 in more planned regions . They were accompanied by a significant improvement of competitiveness, as measured by the cost of labor per unit of output . Unlike these movements in most other planned regions, the Southwest planned region is characterized by lowest competitiveness. Labor costs per unit of output have high values in all analyzed years from 2003 to 2006. In 2004 in 2005 their value is above 0.8 , and in 2006 over 0.7 per

unit of output. With this the Southwest planned Region together with Pelagonia planned region are put on the position of the lowest competitive level . These conditions indicate the necessity of taking measures for significant change in the situation.

4.5. Unemployment in SWPR

Data on unemployment at the national level

Unemployed by duration of unemployment

	2002 r	2007 r	2012r
Total	263 483	316 905	292 502
to 1 month	5 991	7 378	10 831
2-5 months	15 373	19 490	22 413
6-11 months	19 431	21 044	19 031
12-17 months	10 837	17 962	18 634
18-23 months	15 681	14 597	14 032
to 2 years	3 064	2 622	2 126
to 3 years	27 740	27 745	27 235
4 and more years	165 365	206 068	178 201

Unemployment is one of the most pressing social and economic problem that characterized the Southwest planned region . Total active population in the region in the last census, was 68,789 persons. The number of unemployed was 29,200 persons. The unemployment rate is 42.4 % and it is among the group with the highest unemployment rate compared to other planned regions . The unemployment rate is higher than the level of the country (38.2) by 4.2 % and in terms of Skopje region (30.4) by 12 % , indicating a significant disproportion in the development of this sector .

Worrying are trends in the further increase in unemployment in the Southwest planned region . Compared to 1994 (as precensus year) in 2002 there was an increase in unemployment with 63.7 % , which is 36.1 % higher rate compared to the Skopje region , or about 12 % higher of the average rate of increase in unemployment in Macedonia (51.7 %). The analysis of unemployment by gender shows that higher unemployment by about 2 % was recorded among females compared to males.

For the Southwest planned region specific problem is the fact that according to the educational structure of the population extremely high is the share of people with low education (60, 8 %). This leads to the conclusion that the quality of the workforce is a serious limiting factor for sizing the economic development and improvement of employment. This means that unemployment should be overcome parallelly with additional education beyond of unemployed and providing education in secondary and higher education level .

4.6. Migration processes from Macedonia to abroad

The phenomenon of migration is present in all regions of Macedonia and it is specifically expressed in the Southwest planned region and especially in Debar municipality .

General assumption is that from Debar region until now , for various reasons , immigrated around 10,000 inhabitants. Their most frequent destinations are North America and Western Europe. Migration processes are equally present in the urban and rural population. This is often a result of poor living conditions (lack of infrastructure, poor social, educational and health services , etc.) And limited opportunities for economic activities.

Macedonia , like Albania, is country that is largely dependent on remittances , which play an important role in providing additional social protection and poverty eradication . Moreover, remittances play a key role on the education and health of family members who remain at home.

But in practice, state policies on migration are mostly general and do not target specific peculiarities and specific regions . And in the future, Macedonia should improve its data collection systems in order to provide better database.

4.7. Education and Culture

4.7.1. Education

Educational structure of population in SWPR. The educational structure of the population in the Southwest planned region shows trends similar to those at the state level. In the period from 1994 to 2002 focuses on reducing the rate of illiteracy, but its intensity is more significant. Changes in the structure of the population, according to educational preparation develop in direction of reducing the share of people with low education and growth of persons with secondary and higher education. Yet still prevalent is population with low levels of education.

Share of population 15 years and over with low education in the last census year was 60.8 %. It is above average share of this population at the national level (53.2 %) and following Poloski planned region it is the highest compared to other regions . The share of population with secondary education totals to 30.7 % and is below the level of involvement of this population in the country (36.9). In comparison with other regions, except Poloski planned region it is at the lowest level .

The share of population with tertiary education is 8.6 %. In this respect the Southwest planned region is below the level of participation of this population in the educational structure of Macedonia (10 %)⁹.

The current situation in terms of literacy and educational structure of the population has similar characteristics as the state level. It is not satisfactory, and most municipalities do not have quality human resources necessary for dynamic socio - economic development. These conditions can be serious limiting factor for overcoming the gaps in development as in the Southwest planned region, so in the between regional relations .

⁹ Ibid

Following is information about the profiles of professionals that are educated in secondary schools in SWPR, and , in the municipalities of Makedonski Brod , Kicevo , Debar , Ohrid , Struga and Kicevo Centar Zupa .

In accordance with the Law on Secondary Education and Act for vocational education and training , enrollment of students in public high schools is done with announcement published by the Ministry of Education and Science in the media on the proposal of the founder .

With the competition for students enrolling in secondary education in 2013/2014 possibility has been set out for students to enroll according to following lesson plans and programs for: secondary education , vocational education and training (technical education - four years for vocational education and occupation - three-year duration) , secondary art education and secondary education for students with disabilities educational needs .

In SWPR, students who have completed primary education had the opportunity to enroll in the following directions:

In Debar municipality : Center for secondary vocational education "Zdravko Chochkovski." In the first year will enroll 340 students in 10 classes (136 students in 4 classes in Macedonian language and 204 students in 6 classes with instruction in Albanian language) according to the curriculum and teaching programs for:

Gymnasium education:			
- 306 students,			
- 9 classes			
Macedonian language		136 students	4 classes
Albanian language		170 students	5 classes
building-surveying profession		34 students	1 classes
- 34 students,			
- 1 class (surveying technician)			
Albanian language			

In the municipality of Kicevo: Community High School "Mirko Mileski." In the first year will enroll 544 students in 16 classes (476 students in 14 classes in Macedonian language and 68 students in two classes with instruction in Turkish) according to curriculum and teaching programs

Gymnasium education:			
- 272 students,			
- 8 classes			
Macedonian language		238 students	7 classes
Turkish language		34 students	1 class
- mechanical engineering	Macedonian language	34 students	1 class
- car mechanic	Macedonian language	34 students	1 class

Economic - legal and trade profession - 34 students , - 1 class (economic technician)	Macedonian language	34 students	1 class
Medical profession - 34 students, - 1 class (nurse)	Macedonian language	34 students	1 class
Electro technical profession - 102 students, - 3 classes	Macedonian language	34 students	1 class
electro technician for computer technology and automation			
Electric fitter and fitter	Macedonian language	34 students	1 class
Electric fitter and fitter	Turkish language	34 students	1 class
Personal services - 34 students, 1 class (cosmetic technician)	Turkish language	34 students	1 class

Also in Kicevo municipality, Municipal High School "Drita". The first year will enroll 612 students in 18 classes with instruction in Albanian language according to curriculum and teaching programs for:

Gymnasium education: - 408 students - 12 classes Albanian language	408 students		12 classes
mechanical engineering: - 68 students - 2 classes (mechanical technician)	Albanian language	34 students	1 classes
- car mechanic	Albanian language	34 students	1 classes
Economic - legal and trade profession - 34 students, - 1 class (economic technician)	Albanian language	34 students	1 classes
Medical profession - 34 students, - 1 class (pharmaceutical laboratory technician)	Albanian language	34 students	1 class
Electro technical profession -68 students, -2 classes			
Electro technician- power engineer	Albanian language	34 students	1 class
Electro fitter and fitter	Albanian language	34 students	1 class

In the municipality of Makedonski Brod: Municipal High School "ST. Naum Ohridski ". The first year will enroll 204 students in 6 classes in Macedonian language according to curriculum and teaching programs for:

Gymnasium education - 102 students - 3 classes			
Forestry – wood processing profession - 34 students, - 1 class (technician for furniture and interior)	Macedonian language	34 students	1 classes
Catering - tourist profession - 68 students, - 2 classes			
hotel - resort technician	Macedonian language	34 students	1 classes
catering technician for rural tourism	Macedonian language	34 students	1 classes

In the municipality of Ohrid: Community High School "ST. Kliment Ohridski ". The first year will enroll 442 students in 13 classes in Macedonian language according to curriculum and teaching programs for high school - 272 students, 8 classes.

Economic - legal and trade profession - 136 ученици - 4 classes (economic technician)	Macedonian language	136 students	4 classes
Health profession - 34 students, - 1 class (medical nurse)	Macedonian language	34 students	1 classes

Also, in the municipality of Ohrid: MUNICIPAL Electro - Mechanical School Centre "ST. Naum Ohridski ". The first year will enroll 364 students in 11 classes (296 students in 9 classes in Macedonian language and 68 students in two classes with instruction in Albanian language) according to curriculum and programs:

Mechanical engineering - 68 students 2 classes (technician for computer management / mechanical - energy technician)	Macedonian language	34 students	1 class
Mechanical technician / autotechnician - mechatronic	Macedonian language	34 students	1 class
Electro technical profession - 194 students, - 6 classes (electrotechnician for computer technology and automation)	Macedonian language	68 students	2 classes

- electro technician for electronics and telecommunications	Macedonian language	34 students	1 class
- electro technician - power engineer	Macedonian language	34 students	1 class
- electro technician - power engineer	Albanian language	34 students	1 class
- electromechanic	Macedonian language	24 students	1 class
Personal services - 34 students, - 1 class (cosmetic technician)	Macedonian language	34 students	1 class
traffic profession - 68 students - 2 classes (road traffic technician)	Macedonian language	34 students	1 class
road traffic technician	Albanian language	34 students	1 class

Ohrid Municipality: Municipal School for catering and tourism "VANCHO PITOSHESKI". The first year will enroll 306 students in 9 classes in Macedonian language according to curriculum and teaching programs:

Catering - tourist profession - 306 students, - 9 classes electrotechnician for electronics and telecommunications (hotel and tourist technician)	Macedonian language	68 students	2 classes
catering technician for rural tourism	Macedonian language	34 students	1 class
catering technician	Macedonian language	34 students	1 class
Waiter	Macedonian language	34 students	1 class
cooker	Macedonian language	102 students	3 classes
Pastry-cook	Macedonian language	34 students	1 class

In the municipality of Struga: Municipality High school gymnasium "Dr. Ibrahim Temo". The first year will enroll 408 students in 12 classes (136 students in 4 classes in Macedonian language, 238 students in 7 classes with instruction in Albanian and 34 students in one class with instruction in Turkish language) according to curriculum and teaching programs

Gymnasium Education - 408 students - 12 classes		.
Macedonian language	136 students	4 classes
Albanian language	238 students	7 classes
Turkish language	34 students	1 class

Also in Struga municipality : High school "Niko Nestor". The first year will enroll 612 students in 18 classes (272 students in 8 classes with instruction in Macedonian language and 340 students in 10 classes with instruction in Albanian language) according to curriculum and teaching programs:

: Building-surveying profession - 136 students - 4 classes			
architectural technician	Macedonian language	34 class	1 class
architectural technician	Albanian language	34 students	1 class
surveying technician	Macedonian language	34 students	1 class
surveying technician	Albanian language	34 students	1 class
Electrotechnician profession - 68 students, - 2 classed (electrotechnician for electronics and telecommunications)	Macedonian language	34 students	1 class
electrotechnician for computer technology and automation	Albanian language	34 students	1 class
Textile and leather profession - 68 students, - 2 classes (textile technician)	Macedonian language	34 students	1 class
- textile technician	Albanian language	34 students	1 class
Chemical-technological profession - 136 students, - 4 classes (Chemical-technological technician)	Macedonian language	34 students	1 class
Chemical-technological technician	Albanian language	34 students	1 class
manufacturer of chemical and cosmetic products	Macedonian language	34 students	1 class
manufacturer of chemical and cosmetic products	Albanian language	34 students	1 class

Economic, legal and commercial profession - 102 students, - 3 classes (economy technician)	Macedonian language	34 students	1 class
- economy technician	Albanian language	68 students	2 classes
Medical profession - 68 students, - 2 classes (nurse)	Macedonian language	34 students	1 class
nurse	Albanian language	34 students	1 class
Catering - tourist profession - 34 students, - 1 class - waiter	Albanian language	34 students	1 class

And in Centar Zupa municipality : High school "ATA". The first year will enroll 102 students in 3 classes (34 students in one class with instruction in Macedonian language j and 68 students in two classes with instruction in Turkish language) according to curriculum and teaching programs:

Gymnasium education – 102 students - 3 classes		
Macedonian language	34 students	1 classes
Turkish language	68 students	2 classes

This means that the new school year 2013 - 2014 in SWPR over 3934 students are expected to continue high school education.

4.7.2. Culture

Development of culture. Southwest planned region has a rich immovable cultural heritage , with outstanding cultural, historic and artistic values, which confirms the existence and continuity of civilization in this region in millennial terms. Archaeological research facilities are dynamic, and also registered are religious buildings and architecture and fresco paintings of inestimable value. Building ensembles are especially important for the history of architecture. The region has a wealth of towers and fortresses, monuments and memorial landmarks , buildings of Christian and Islamic architecture, bazaars and other historical - architectural and urban lots, commercial buildings and real estate . Also, in the region there are and cultural institutions and a very important manifestation are taking place. Ethnography in most of the region has original features.

According to the National Register of Cultural Heritage in Southwest planned region registered are more than 350 different cultural and historical landmarks. The town of Ohrid, with its rare natural and cultural heritage is protected by UNESCO .

Ohrid - Struga region is considered the richest not only at the Southwest planned region , but also within the state.

The number of monuments of culture, registered in the Central Register of Macedonia, in Ohrid is 69, and in Struga 30. Monuments are also registered in other municipalities.

There are neolithic sites in Ohrid - Struga valley (church meadows , Vranishta , Struga , mouth , Struga and Gulf of bones , Ohrid (pile dwellings) , Gorno Sredorece , Debrca and Dolno Trno, Debrca).

Metal's epoch is marked with metal sites of copper period in Usta , Struga , from the Bronze Age , also in church meadows , Vranishta and the Iron Age in Trebenista, Debrca municipality , Gorna porta, Ohrid , Lozishte , Rechica (Ohrid) .

From the pre roman period registered sites are Lychnidos - Ohrid , Ohrid St. Erazmo , Kale - Kodzadzik , Centar Zupa , Udovo, Debar municipality , St. Elias - Delogozda , Struga municipalities and Ohrid Fortress . Roman period leaves cultural heritage on the site Lychnidos, Ohrid .

The most important churches and monasteries are : monasteries St. Naum and Panteleimon, Plaosnik of IX century, St. Sophia XI century , St. Perivlepta XIII, St. Jovan Bogoslovn - Kaneo XIII century , St. Erazmo XIV century , St. Stephen Middle Ages and many others.

In the region represented are monuments of Islamic religion . Among the most important are: Aydar Pasha of XV century, Zejnel Abidine Pasha mosque of XVII century, monastery in Ohrid Helvati and many others.

Towers and fortified towns are important cultural monuments in the region . Dominant place takes Ohrid Fortress site, Gradiste and Cyclopean walls over St. Erazmo in Ohrid . Sites that deserve to be treated with high valorizing features are Kale in Kodzadzik, Centar Zupa and Udovo, Debar municipality . Special cultural attraction is the fortress Devina Tower, Devic and city fortress Stolovatec , Belica in Makedonski Brod municipality .

There is cultural heritage preserved In the group of monuments in the form of old city architecture and distinguished old traditional houses and complexes despite the large impact of the modern pressures of urbanization and new architecture . Among them are the most important complexes of Varos in Ohrid, houses Robevci and Urania , and in Struga the old part of the city .

The level of cultural development in the Southwest planned region is seen through the representation of institutions in the field of culture. Among the most significant are: the Institute for Protection of Monuments in Ohrid, which includes the National Museum, the Museum of Slavic Literacy and Icon Gallery in St. complex . Virgin Perivlepta and other exhibitions .In Struga most valuable is Natural- Science Museum , Memorial house of brothers Miladinovci and newly opened gallery icons of Struga .

Factor for the development of culture are the homes of culture and cultural centers found in Ohrid , Struga , Debar , Kicevo and Makedonski Brod which need to be developed, and to prevent the tendency of their abolition.¹⁰ Characteristic is the poor representation of libraries, especially in rural areas .

¹⁰ N.Marinoski , Macedonian tourist postcard , Institute for Tourism at FTU - Ohrid , Ohrid

In the last census year, in the region was registered just one professional theater and amateur theater are present in Struga , Debar and Kicevo .

The region's strong growth is stirred by the most important events of international and national character. These are the Ohrid Summer Festival, the Struga Poetry Evenings , Balkan Festival of Folk Songs and Dances , Prilcevs sermons, Velestovski poetry evenings , Struga music fall, Parade of costumes – Struga, Festival of Folk songs and dances Kend Jeho, Struga, Days of culture in Debar , days of Poetry in Debar, Festival Theatre , Debar , Vevchani Carnival, Podgorica Goce days, Belchishka art colony, Debrca , art colony Kicevo and numerous art exhibitions .

Ethnography is the fruit of a long cultural tradition and multiculturalism. This is reflected in the folklore of building, economic activities , food , costumes , customs and folk songs and dances .

Characteristics of the region in terms of cultural heritage is that many significant values and sites, or cultural historical monuments are located in rural areas in mountainous areas , which involves activities to protect and nurture the values .

4.7.3. Education in SWPR throughout the years

High school students,by gender, municipalities and school year							
	Total						
	2000/2001	2002/2003	2004/2005	2006/2007	2008/2009	2010/2011	2012/2013
RM	93 161	95 352	95 268	95 366	93 843	94 155	89 884
Debar	730	788	772	735	778	809	713

5. Field analysis

5.1 Analysis of employment opportunities in the Southwest Region

The youth empowerment and employment generation project made analysis of needs of employers (private companies and government institutions), in terms of necessary staff and what can be expected of young unemployed people in terms of their employment . The research aimed to study the current state of the labor market in the Southwest plan region, with a focus on urban areas : Debar , Struga , Ohrid and Kicevo , from several aspects :

- What are the specific requirements of employers and how they correspond to the qualities of young people,
- What are the specific skills required by young people
- Whether their education (secondary and tertiary) is properly modified according to the needs of the business sector
- What is that which determines which persons will be employed,
- Which profile of education / experience has priority in employment ,
- Which sectors offer the most opportunities for employment by level of education
- What methods / models of employment are most present in hiring new staff and
- The positions on which young people are employed
- Whether the existing system (education and employment) provides sufficient information for determining future career defining and employment opportunities
- Youth participation in policy-making and
- Tendency of young people to stay or leave the region.

For this research a questionnaire was prepared , which with minor modifications concerned the 2 sides of the labor market : the demand side (private companies , government institutions and other entities) and supply side (unemployed high school graduates , students and people with university education) .

During the study 53 subjects were included on the demand side of labor as follows: 6 state institutions (municipalities , Center for Regional Development , Employment Agency , Center for Social Work) , 2 civil organizations and 45 private sector entities (of subsectors : trade , tourism , services , media , agriculture , health , mining, exploit of minerals and production), 46 of them men and 7 women , who mainly came from managerial positions. The average age of employees in these legal entities is around 34 years.

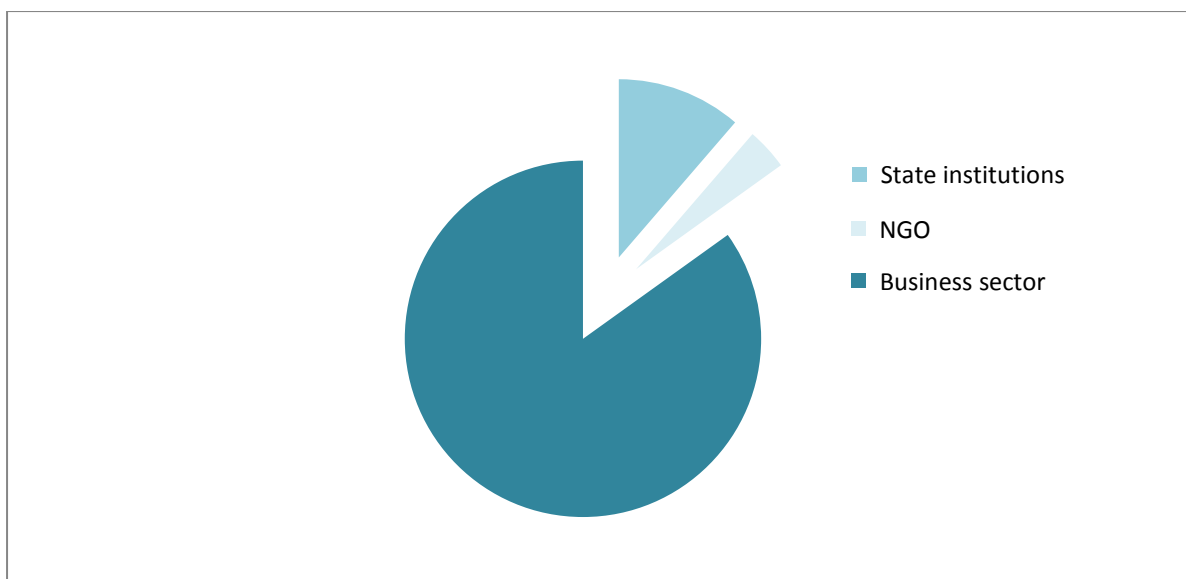


Figure 1. Legal entities included in the analysis

While on the other hand, the supply side interviews were conducted with 100 unemployed persons (high school graduates, students and people with university education).

At the beginning we will present observations and opinions on the side of employers, business sector and public institutions, summarized as one side of the labor market, and then the opinion of young people follows.

5.1.1 Analysis of the views of employers from SWPR

Regarding the question of what are the skills or knowledge that young people need to have in order to obtain employment easily, employers specifically highlighted quick learning ability and practical experience . These two features are important in terms of technical skills and social skills.

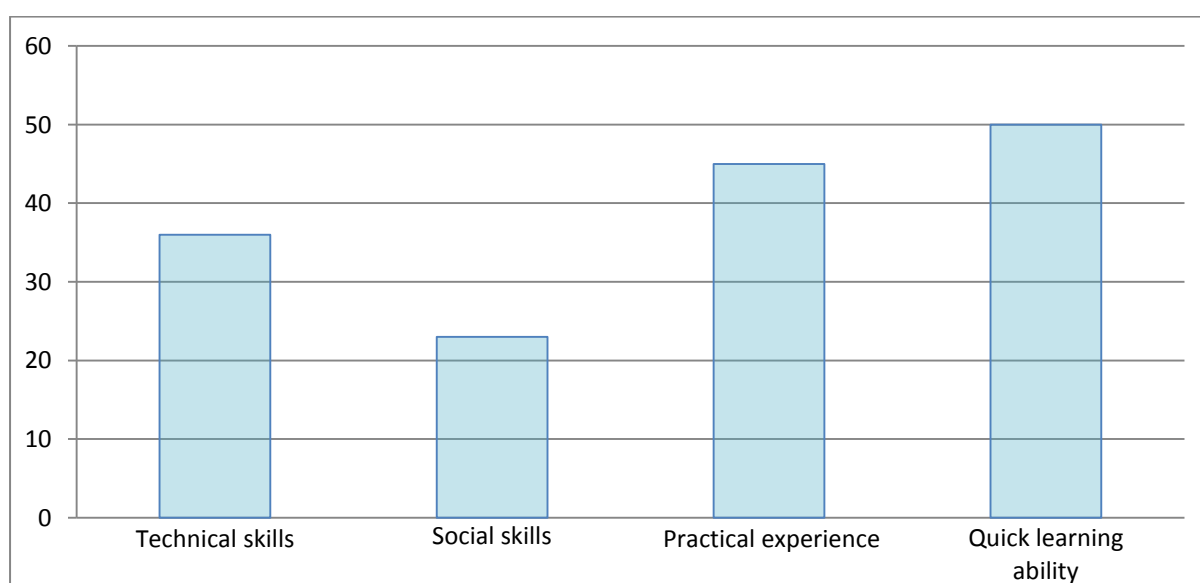


Figure 2: Types of skills which are most appreciated by employers

Regarding the characteristics which young people need to have in order to find a job easily, employers believe or require new employees to be more productive and more flexible regarding working hours. These features predominate in terms of adaptation to the new job position, communication and the ability for teamwork. That would mean that the employer wants employees that create higher added value and are able to stay at work longer hours in dynamic that fits the employer.

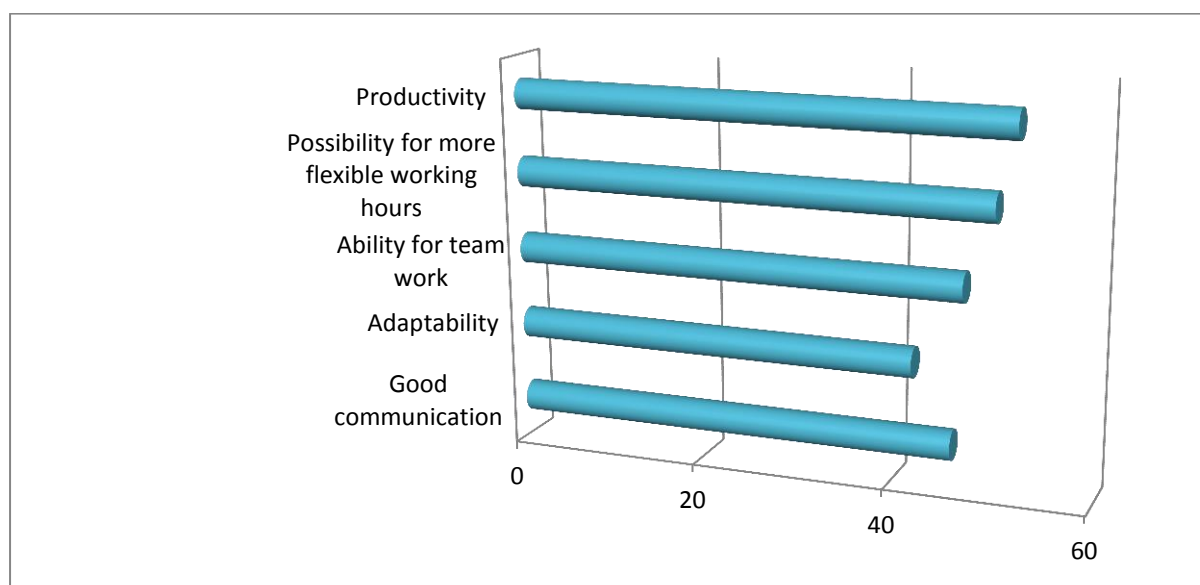


Figure 3. Characteristics which determine which person has higher chances for employment

When we speak about potential employment opportunities for young people, based on whether they have higher education and how well they would perform their job, employers believe that higher education is not crucial for good performance in operation. Many employers are skeptical regarding the acquired knowledge in higher education institutions and are not always willing to engage persons with higher education, with the exception of jobs for which higher education is necessary.

Also good social skills and insisting on higher incomes do not guarantee good completion of tasks. What is especially appreciated by employers are good professional skills and professional definition (as young as possible). In other words, the employers need staff who have some practice in the work they are engaged for and are interested in learning and making progress in this (and similar) area(s). This would mean that the local economy (and in general of the territory) need quality personnel since the end of secondary education, which means that secondary educational institutions need more practical training. The same would apply to faculty and institutions.

Part of this research was the analysis of which sectors offer the most opportunities for young people for employment.

Employers believe that for people with secondary education, most opportunities are offered in the following sectors: transport, tourism, services and agriculture. While for young people with higher education, most employment opportunities are found in the following sectors: services, agriculture and tourism.

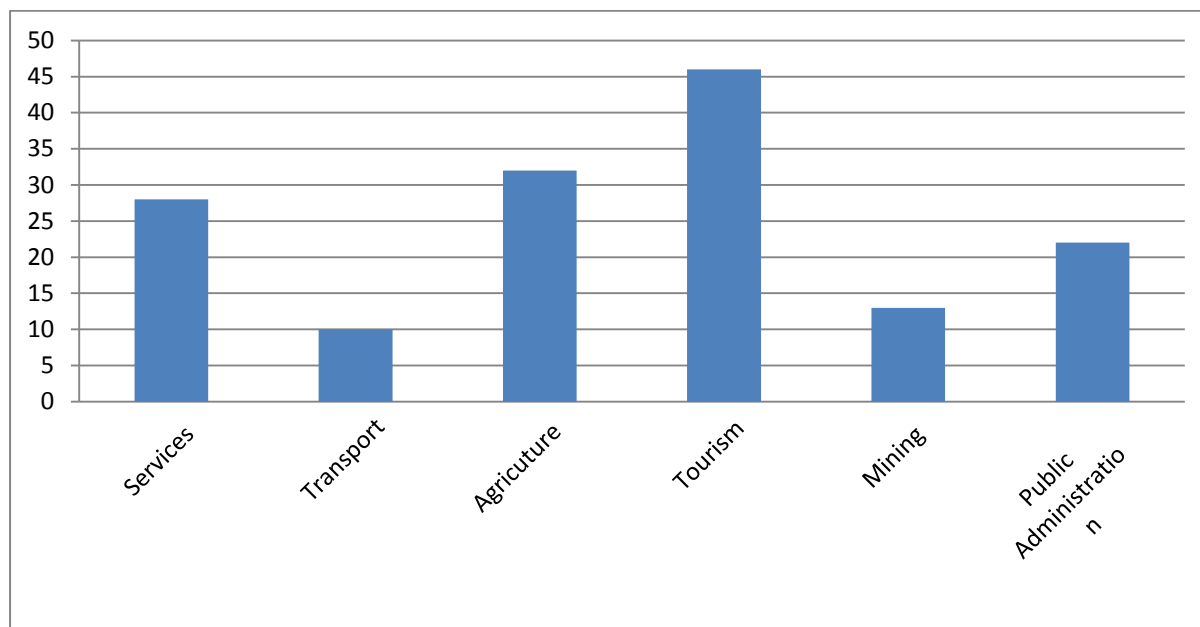


Figure 4. Sectors which offer employment opportunities for persons with secondary education

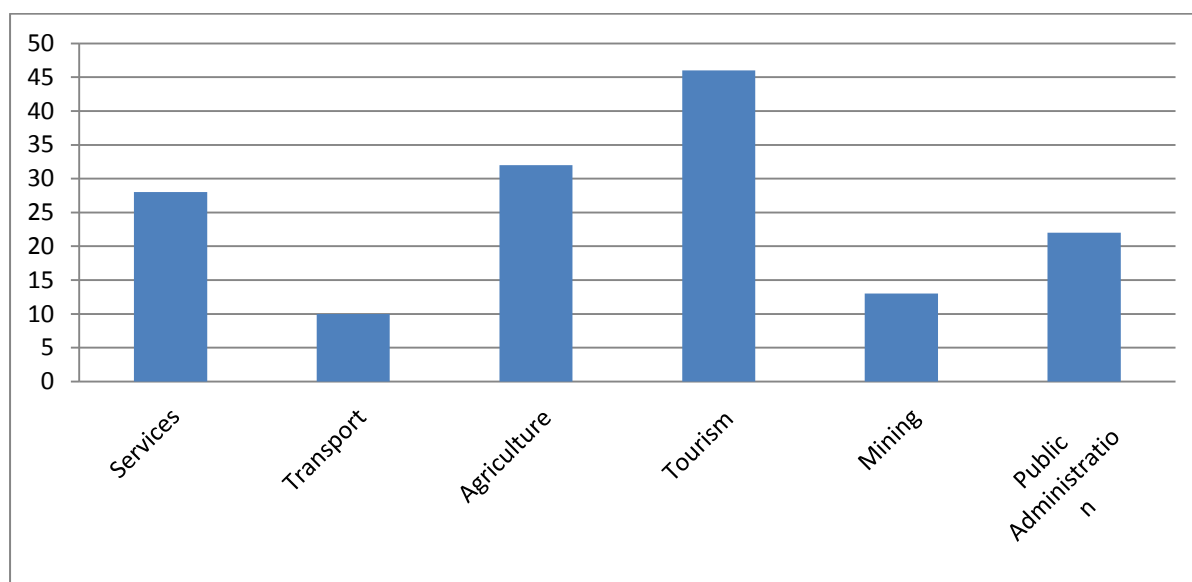


Figure 5. Sectors which offer employment opportunities for persons with higher education

An important indicator for the business climate in the region and employment opportunities for young people, is the way of recruiting young people for employment.

From the options (employment agency internal HR department, recruitment agency , cooperation with educational institutions, selection of employees based on their qualifications and selection based on interviews and tests), employers noted that they most often use the model of engagement new employees based on their qualifications, internal HR department and on the basis of interview .

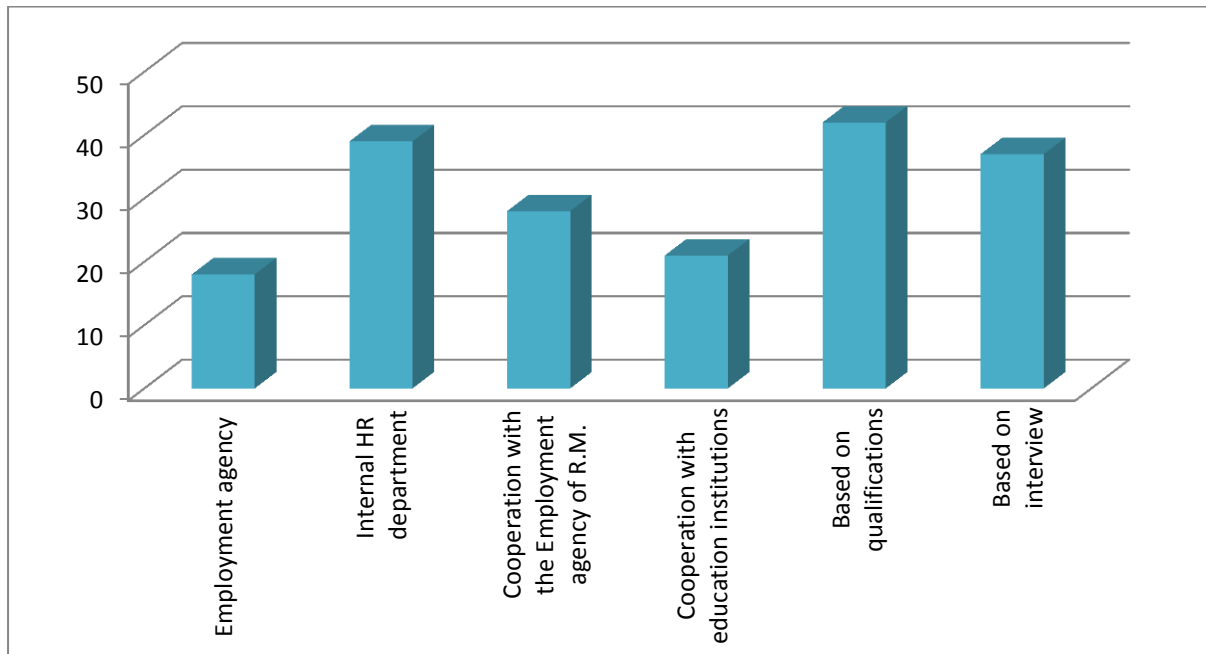


Figure 6: Models of recruiting new personnel

When it comes to specific positions for which young people are employed, employers of the Southwest region said that young people are least engaged on managerial positions , and most often they are engaged for simple jobs which do not require special initial knowledge (employees and suppliers) as well as for positions which require initial partial knowledge , as is the case with : accountants , waiters , cooks , administrative assistants , technical workers account, ICT, carriers (drivers) , furniture manufacturing ; while in the state administration , they are usually employed as apprentices.

5.1.2 Analysis of the opinion of unemployed young people from SWPR

The second focus group of this study was young people with secondary education, students and people with higher education to the age of 25 years. According to the gender structure, 41 men and 59 women were interviewed.

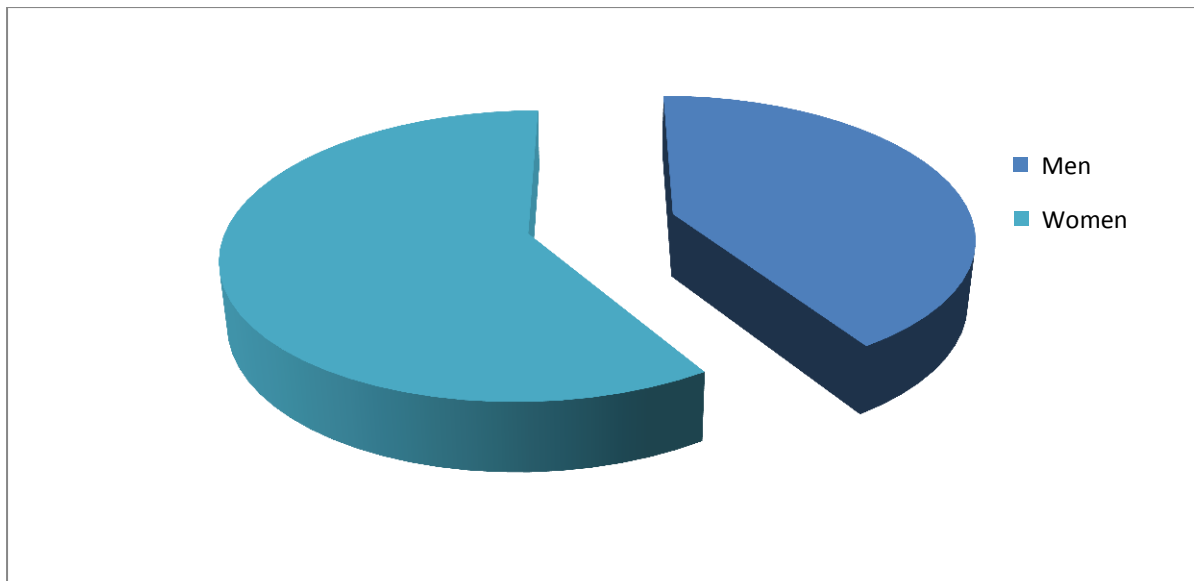


Figure 7: Gender structure of respondents (young unemployed persons)

Students and people with higher education come from the following branches: architecture, economics (MBA, Finance and Banking, Marketing and Management), Philology (English and German), Faculty of Law, Public Administration, Music Academy, biology, pharmacy, physiotherapy, ICT, mathematics and pedagogical faculty. The questionnaire was structured in 7 sections with 37 questions, 7 segments were as follows: questions about acquired knowledge within the completed education, issues related to employment opportunities, questions focused on institutional support for employment, perceptions and expectations of young people, awareness of youth about the creation of local and national policy, tendencies of young people regarding leaving or staying in the region and gender trends in employment.

Questions about acquired knowledge within completed education. Young people in majority (66 %) believe that their formal education contributes to obtaining the necessary knowledge and skills which they will use later for getting employment. But also additional training and courses in a large number of cases, help in acquiring new knowledge and skills (even 85 % of the interviewees confirmed this) that are necessary for employment. Regarding the specific knowledge of how to search for job and how to present their skills, young people said that 30 % of them have not gained appropriate knowledge, while 60 % have such knowledge to present themselves to potential employers.

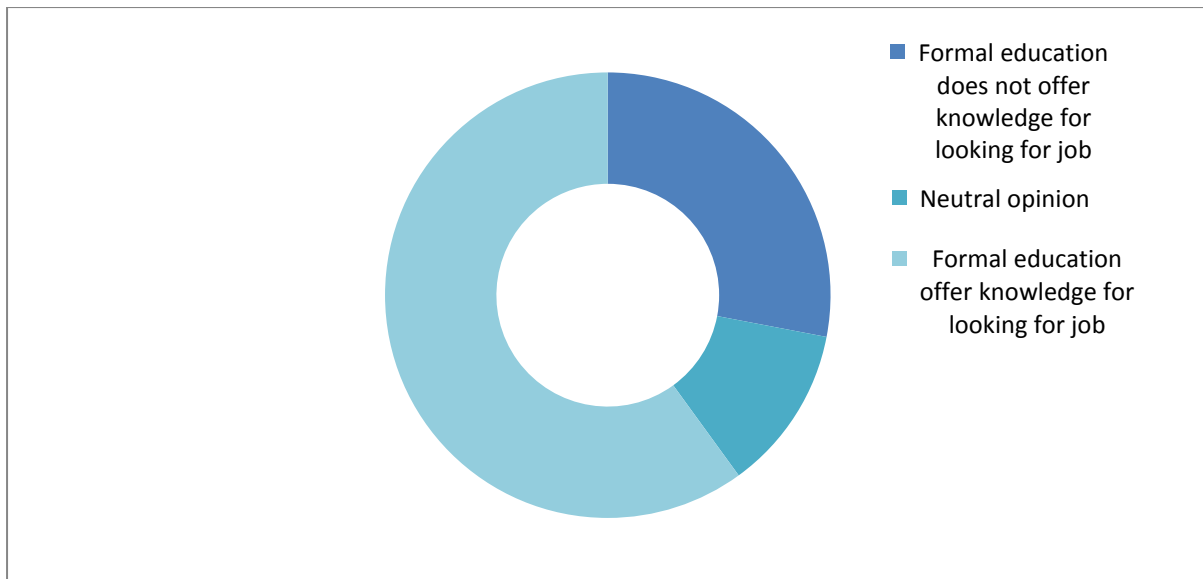


Figure 8. Can you gain specific knowledge for looking for a job during formal education

When analysing the opinions of young people on the compatibility of studies and market needs, there are also differences in the perception of this indicator. 54 % believe that the curricula correspond to market needs, while 20 % believe they are not appropriate (15 % have a neutral opinion on this question). There is quite a high percentage of positive opinion for regular education regarding the knowledge of foreign languages and IT (almost 80 %).

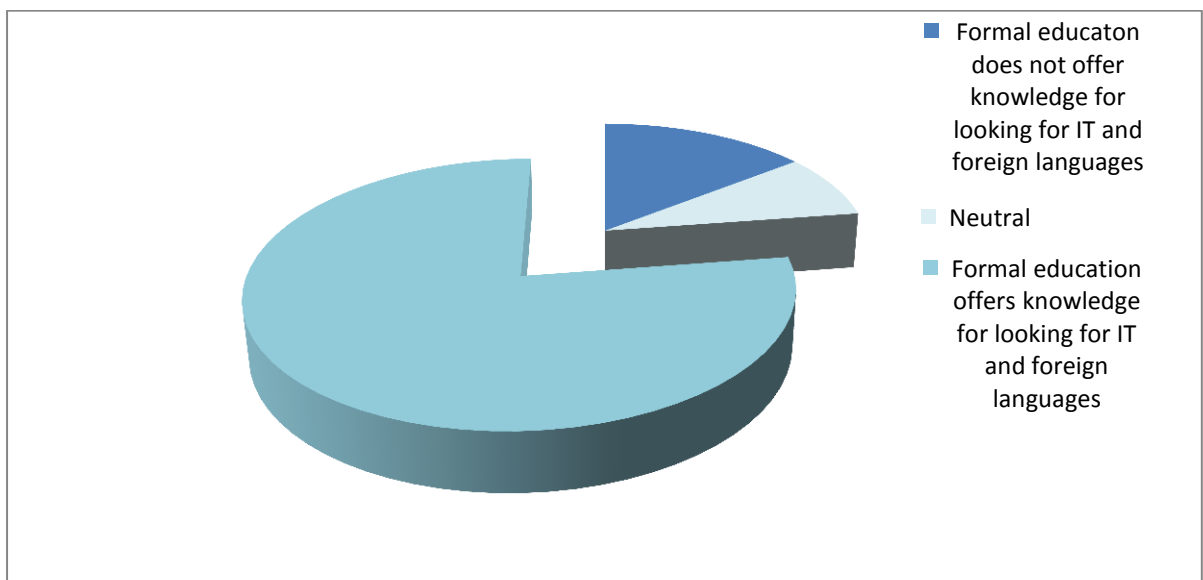


Figure 9. Does formal education offer appropriate knowledge for IT and foreign languages

While for projects implemented in education and employment, young people from the Southwest have a positive opinion of them with about 64 % and 22 % disagree with the positive impact on them.

Questions related to employment opportunities for youth. On the question of the relevance of study programs taught in the Southwest (Debar , Kicevo , Struga and Ohrid) , young people think that they do not correspond to market needs with high 40 % , while only 27 % believe that they are appropriate to the needs of the market .



Figure 10. Relevance of educational directions in SWPR

Approximately 57 % of respondents stated that completed formal education is their priority, while 34 % do not agree with it and believe that further education / upgrading is necessary. Regarding the possibilities of employment offered to young person, according to their vocation, only 28 % of them stated that it is possible to be employed according to their degree, while 54 % think that the chances of that happening are very small or nonexistent. This fact is quite overwhelming and points to structural problems in the education system and labor market.

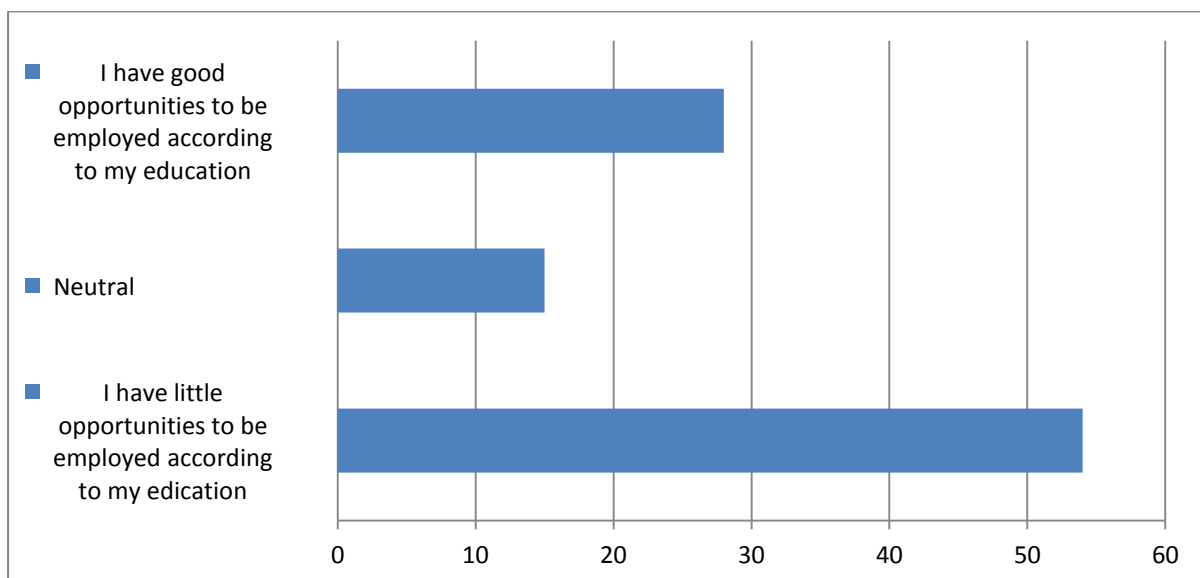


Figure 11. Employment opportunities according to finished education

Further clarification of this statement is confirmed by the following question which shows that the high school students and university students need more practical work, 80% of respondents confirmed it.

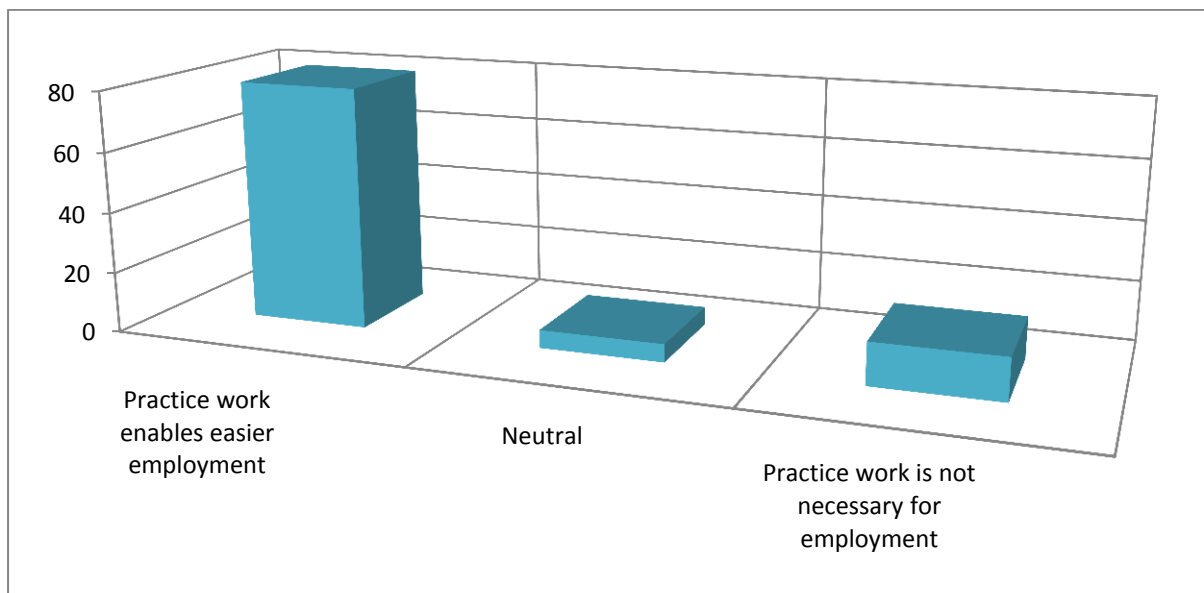


Figure 12. Correlation of practice work with employment

When it comes to opportunities for starting a good career in a sector, young people believe that the best chances for that are available if you have your own company or family business, followed by employment in a private company and finally the employment in public administration (difference between these three options are not large, ranging between 69 % and 60 %). When it comes to the question of place of completion of secondary or higher education, respondents were divided in their opinions, 35 % think that employers would rather choose staff who graduated in Skopje (Skopje's educational institutions), but the same percentage of respondents did not think that people completed in Skopje will have an advantage in recruitment . And at the end of this segment question, young people share the opinion that the chances of employment increases if the person has previously gained relevant work experience, which is consistent with his profile.

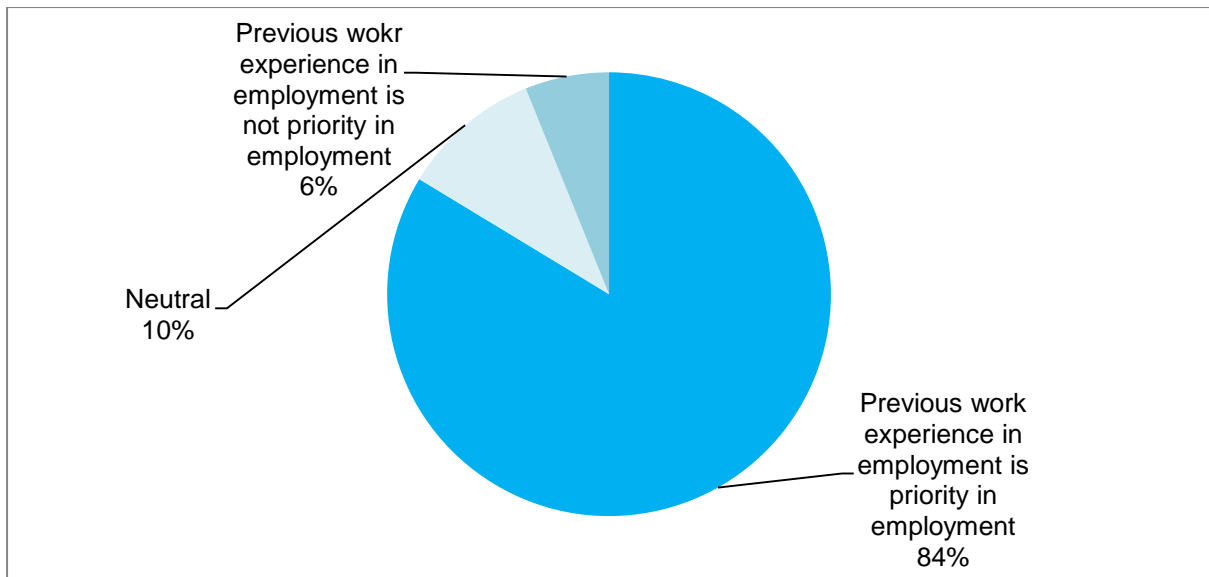


Figure 13. How important is prior work experience in employment

Institutional support in employment (and how young people perceive the system).

Respondents do not think that there is an adequate system in educational institutions , which would help them in determining their future career , it is the opinion of 41 % of respondents , while 34% think that the system in educational institutions helps in choosing a career.

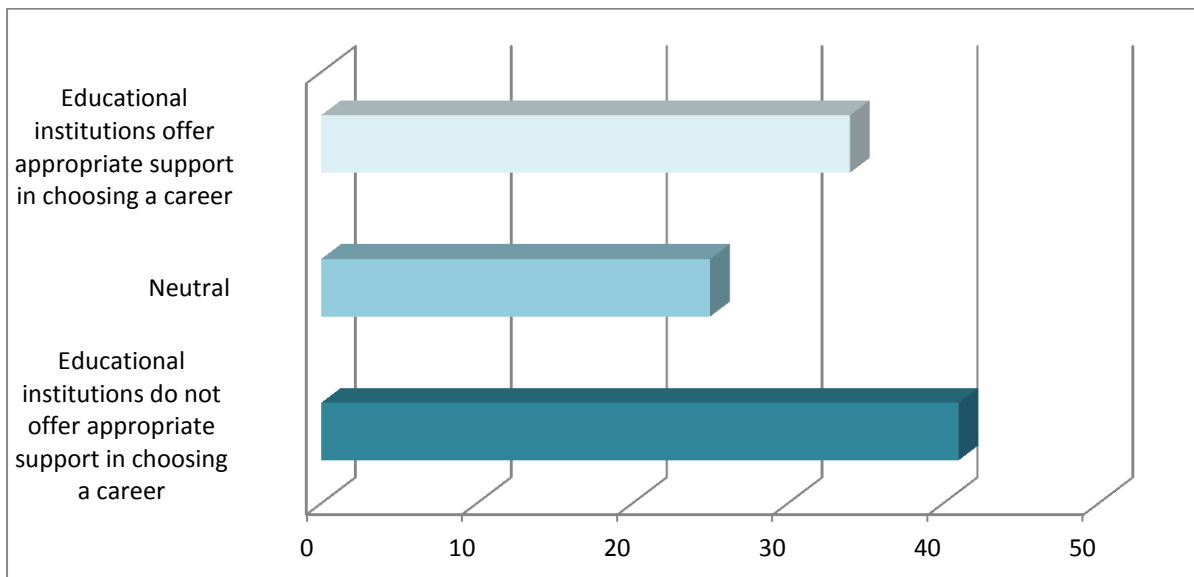


Figure 14. Do educational institutions offer appropriate support in choosing a career

They have similar opinions regarding support they can get from the Agency for Employment, 41 % feel that there is no proper support, while 29 % believe that the agency provides good services and support in this area. And with regard to the question as to whether the employment agency offers employment opportunities for young people, even 48 % respondents said that Employment Agency does not offer such services / opportunities ,

while only 35 % agree that the agency offers employment opportunities for young people. The most interesting part of this segment is the question of how young people are planning to get employment, i.e. how will they make contact with potential employers. Out of 4 offered options, young people said that the most common way of self-promotion is through direct contact with employers and leaving biography (CV), with 65 %. Then follow political connections (28 %), family ties (25 %) and other methods (17 %).

Perceptions and expectations of youth in terms of employment. This segment is comprised of eight questions and aims to give a picture of the perception of young people how we come up to a working position. Even 55 % of young respondents felt they had no chance to get a job which is consistent with their vocation (according to their formal education), while only 23 % believe they can get such job. Asked whether companies consider engaging young workers just because they can pay them low wages, 50 % of respondents believe that it is not true, while only 30 % think that it is practice in the region and state. The respondents have divided opinions on whether you should pay to get certain position. 34 % believe that the claim is not true, while high 38 % of respondents believe that it is normal to pay certain amount to obtain a job. According to respondents, to reach some desired position, you need to spend a period of 3 to 5 years , while 13 % think they would never come to the desired position. For the same period, but go in a same organization / company, most of the young people, about 72 % , expect to get the position of senior associate or manager , but only 12 % expect to get the managerial position . When it comes to expectations for starting salaries, respondents said the following :

Expected starting salary

	Value	Number of respondents	%
	Did not answer	7	7.0 %
1	9500-13000 mkd	19	19.0 %
2	13000-15500 mkd	26	26.0 %
3	15500-17500 mkd	33	33.0 %
4	17500-22000 mkd	11	11.0 %
5	More than 22000mkd	4	4.0 %

Regarding the sectors offering employment opportunities, young people believe that the greatest opportunities are offered in : the service sector, mining and tourism , and many smaller opportunities are in agriculture and the public sector.

Awareness of youth about policy making. In the fifth segment of the questionnaire, young unemployed people answered questions related to their knowledge of the planning documents that exist on the local (regional) and national levels.

When asked whether they were familiar with local development strategies in their municipality (the municipality which they come from), young people said they are not familiar with these strategic documents, even 74 % of them , while only 23 % were familiar with them.

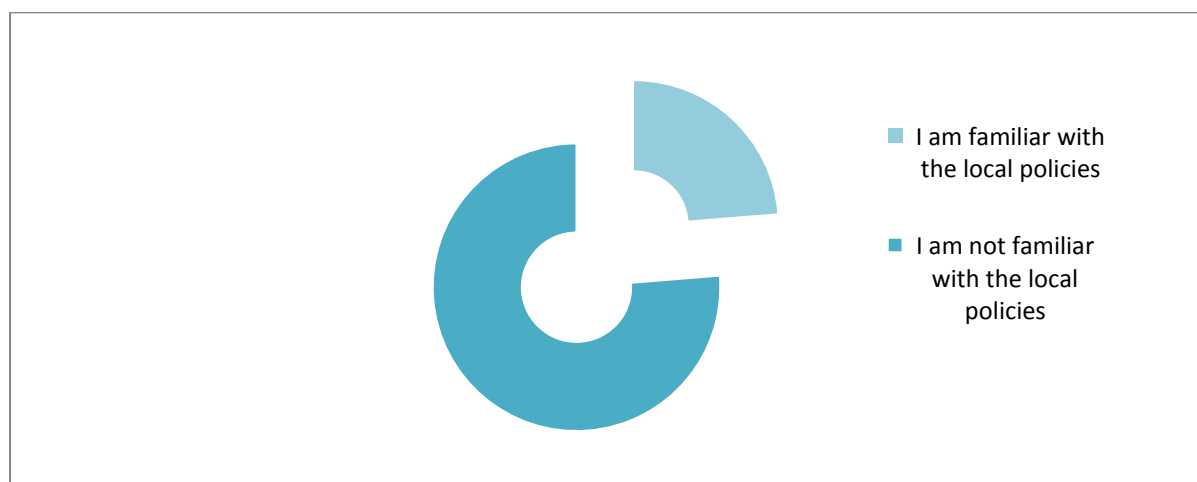


Figure 15. Awareness of youth about policy making

A similar proportion of responses was got with respect to the information content of the decision, 77 % of respondents stated that they are not familiar with the content , while only 22 % were familiar with the contents of that document . There is the same proportion for the participation in sectorized groups in the development of this strategic document. When asked whether they want to be part of the development of the next strategic document for their region , respondents answered yes with 45 % , and 53 % do not want to be part of this process. The respondents were asked about whether they have observed that in the region a strategy for regional development is being implemented, 40 % responded positively, while 56 % said they have not observed implementation of activities of the regional strategy.

Tendency among young people regarding staying in or leaving the region . The question of whether you believe that national policy in education contributed to the improvement of the overall situation, especially in terms of leaving or staying in the region , young people said it did not contributed with 35 % or smaller percentage, 31 % responded that this policy contributed in positive context. A similar division, with young people, is evident on question regarding whether it is worth living in the Southwest. 38 % stated that life does not have enough quality, while 41 % stated that they were satisfied with the quality of life in this region.

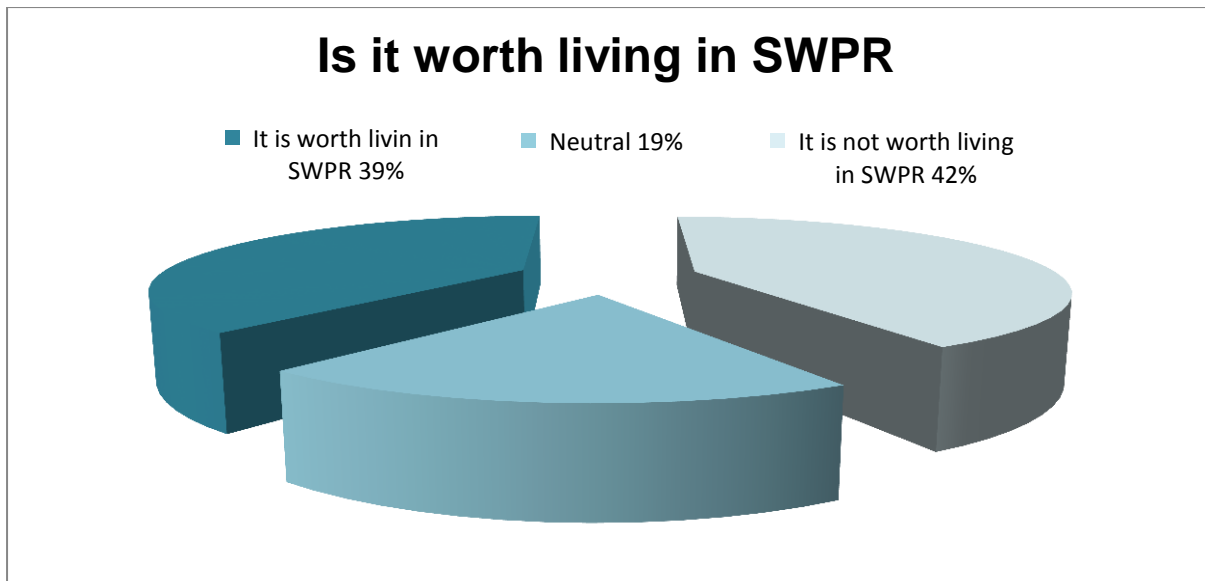


Figure 16. Is it worth living in SWPR

In a similar context is the following question, whether they have thought to leave the region, where 46 % of respondents stated that they have thought about it, while 34 % stated that they have not thought about that option.

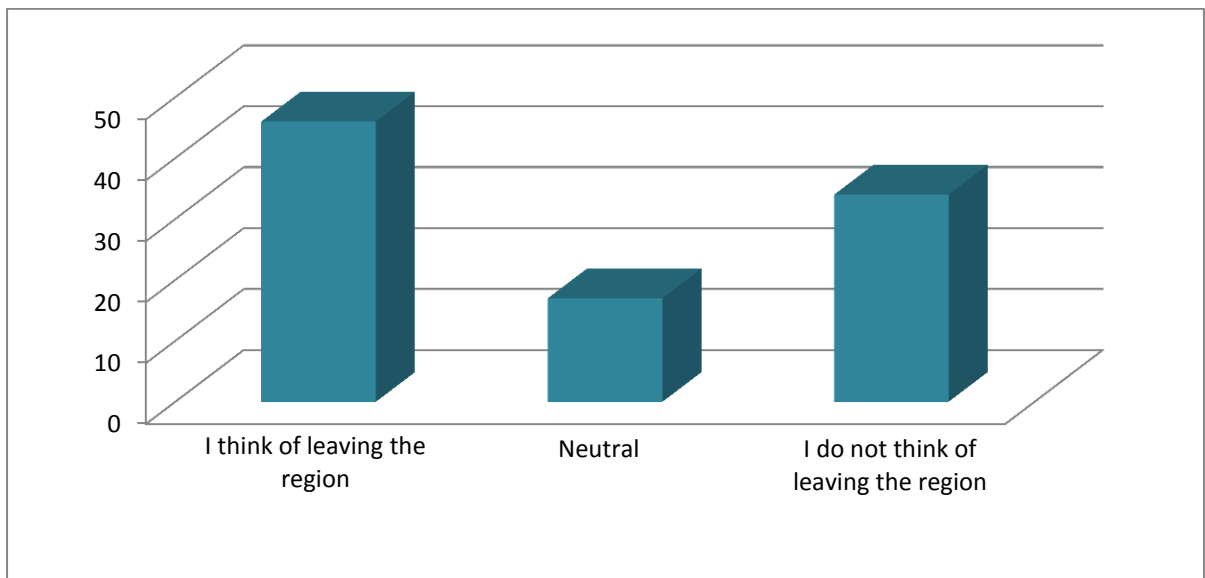


Figure 17. Have you thought to leave the region

At the end of this segment is the question of whether young people think that the general situation in the region will improve, 53 % believe it will improve, 30 % believe it will remain the same, while 15 % believe it will get worse.

The last segment relates to **gender equality in employment**, and it consists of one question, and while respondents in the majority think that there are not gender differences in employment with 43 %, only 25 % of respondents believe that there is a discrimination regarding this issue.



Figure 18. Gender differences in employment

5.2 Conclusions and recommendations

The purpose of the field analysis was to observe the views of employers and unemployed youth from SWPR. During the analysis and interview process, some conclusions were found on the grounds of which specific recommendations were adopted. The same follow in addition.

Conclusions

- On municipal level (even less on regional level) there is almost no formal coordination between the municipal administration (and other authorities) , the business sector and trade unions (or other type of civil society organizations)
- In the municipalities there is not regular communication between the formal education sector and the business sector, regarding the necessary personnel out of secondary educational institutions
- Many of the interviewed students and the employers emphasized that the lack of adequate practical instruction in the educational process affects the whole society : employers need to spend additional time retraining young professionals and young people are not able immediately to engage in work processes of an organization / company
- Employers emphasized that they need fully ready staff coming out of high school, this is especially true of technical job positions, which do not require college education
- ICT offers sizeable opportunities and should be used in all spheres of social life : manufacturing , business services offered by state institutions and social inclusion
- Students who graduate from high school, in majority do not have enough information about the job market and how to choose their career (professional orientation).

Recommendations

- On level of municipalities (as well as on regional level) there is a need of permanent coordination between the three social partners : the state , employers and trade unions and establishment of economic - social advice
- Analyze (and change) the school curriculum (curriculum); this analysis (and possible changes) should be made by community and business sector
- Inclusion of more practical instruction in educational processes (in secondary education and in higher education)
- Strengthening of vocational education
- Greater use of ICT (Information and Computer Technology) by organizing additional training , courses , attracting specific educational institutions that offer special IT training
- Opening of career centers in high schools.

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