

MESMER+

Mapping European Social Economy: Employment, Social Dialogue and the European Pillar of Social Rights

Project nr. 101052222

Policy lab – North Macedonia

25 October 2023

From 10.00 to 14.30

Venue: Center for social enterprises- Skopje

Event Summary

The policy lab organized in North Macedonia aimed at collecting an updated overview from insiders and practitioners on the stakes posed by social dialogue in the field of social economy, as well as how can social economy actors can contribute towards the implementation of the Decent work programme in North Macedonia (2023-2025). In total, 12 participants from a variety of backgrounds joined the event.

The agenda of the policy lab was divided along 3 thematic lines:

- Session 1: Decent work agenda and social economy in North Macedonia;
- Session 2: Why does the social economy need more visibility and representation in national industrial relations systems?
- Session 3: Discussion and adoption of a Policy Brief for North Macedonia: recommendations to the legislation, joint actions of the interested parties, coordination of policies at the national/regional/local level.

Session 1: Decent work agenda and social economy in North Macedonia;

The session began with an introduction to the social economy landscape in North Macedonia, emphasizing the diversity of entities involved, ranging from civil society organizations with economic activities, cooperatives, sheltered workplaces and trade companies with social mission. A historical perspective was provided to understand the evolution of these entities in the socio-economic fabric of the country. Afterwards, participants were introduced with the Decent Work Agenda and its relevance. The concept of 'decent work' as defined by the International Labour Organization (ILO) was discussed, emphasizing employment creation, rights at work, social protection, and social dialogue. The alignment of North Macedonia's labor policies with the Decent Work Agenda was evaluated, highlighting areas of progress and challenges.

Integration of Social Economy Entities with Decent Work Principles: Discussion on how social economy entities in North Macedonia contribute to achieving decent work standards, particularly in terms of providing employment opportunities to vulnerable groups and ensuring workers' rights. Challenges faced by these entities in fully adopting and promoting decent work standards were highlighted, including funding, policy support, and market competitiveness.

The session concluded with a consensus on the significant role social economy entities play in advancing the Decent Work Agenda in North Macedonia. There was a call for continued dialogue and action to address the identified challenges and leverage opportunities for growth and impact in this sector.

Suggestions were made for strengthening the policy framework to better integrate social economy entities with the Decent Work Agenda. The need for capacity building, access to finance, and market development for social economy entities was emphasized. Stakeholders emphasized the importance of multi-stakeholder collaboration, involving government, social economy entities, trade unions, and NGOs, was stressed for the effective promotion of decent work in the social economy sector.

Session 2: Why does the social economy need more visibility and representation in national industrial relations systems?

The objective of this session was to explore the need for increased visibility and representation of the social economy in national industrial relations systems. At the beginning a brief overview of the current status of social economy entities within national industrial relations systems, highlighting the limited visibility and representation. From the perspective of social economy representatives, they shared insights into the unique challenges faced by social economy entities, such as funding constraints and regulatory hurdles. More so, they emphasized the importance of being recognized in national industrial relations systems to gain access to critical resources and support.

Representatives from policy makers discussed the challenges in integrating social economy entities into existing industrial relations frameworks, including legal and regulatory adjustments. They also highlighted potential government initiatives to enhance the visibility of the social economy, such as inclusion in policy dialogues and advisory boards. Representatives from social partners expressed willingness to collaborate with social economy entities to strengthen the overall labor market and confirmed that none of them has established partnership and collaboration with social economy entities.

However, the findings from the discussions at the national policy lab generally reveal a significant gap in employers' participation in social dialogue. This gap is characterized by a lack of engagement from companies in local social dialogue initiatives, as well as a limited understanding and recognition of the social economy sector's role and potential in these dialogues. Here's an extended summary of the key insights:

1. Limited Company Participation in Local ESCs:

- Representatives highlighted a notable absence of company representatives in the meetings of local ESCs. It was observed that even when companies do participate, they often send employees who are not in decision-making roles, thereby limiting the effectiveness of their involvement.
- This lack of participation from the managerial level of companies in social dialogue processes indicates a broader issue of disengagement or lack of interest in these councils. The need to address this issue through advocacy and awareness-raising activities within the business sector was emphasized. Such initiatives would aim to educate and motivate companies about the value and importance of participating actively in local social dialogues.

2. Perceived Capacity and Representativeness of the Social Economy Sector:

- A perspective shared during the discussions pointed to an awareness of the social economy as a sector, but there were doubts about its capacity to be effectively involved in social dialogue. Questions were raised about how to determine the representativeness of social economy entities, especially given the lack of comprehensive information about who qualifies as a social enterprise.
- The predominant view is that the social economy sector mainly comprises micro entities with a very limited number of employees. This perception raises concerns about the sector's ability to contribute significantly to social dialogue and to represent a broader spectrum of interests and issues effectively.

3. Lack of Interaction and Information on Social Enterprises:

- A representative of a social partner shared that there has never been any cooperation with a social enterprise. This lack of interaction underlines a broader issue of limited awareness and understanding of the social economy sector.
- The representative's admission of having insufficient information about the sector further highlights the need for more targeted information dissemination and engagement strategies. This would involve providing more comprehensive insights into the operations, objectives, and potential contributions of social enterprises to the broader economic and social dialogue.

Participants agreed that the limited capacities of social enterprises in North Macedonia have significant impact on their participation in social dialogue, and understanding this is crucial for recognizing the importance of their inclusion. Social enterprises often operate with limited financial and human resources. This constraint can restrict their ability to engage effectively in social dialogue, as participation often requires dedicated time, personnel, and sometimes financial resources for research,

travel, and preparation. Due to their small size and limited scope, social enterprises often struggle to have their voices heard and interests represented. The limited capacity also means lack of expertise in policy advocacy or negotiation, making it challenging for social enterprises to effectively articulate and lobby for their interests in social dialogue platforms.

Still, including them in social dialogue ensures that these important perspectives are represented in decisions that affect the broader economic and social landscape. Inclusion in social dialogue provides social enterprises with the opportunity to influence policies that could strengthen the social economy sector as a whole. This can lead to more supportive regulatory environments and increased public and private sector collaboration. Engaging in social dialogue can itself be a capacity-building process for social enterprises. It provides them with exposure, networking opportunities, and potential access to resources and partnerships.

In summary, the limited capacities of social enterprises present challenges to their participation in social dialogue but also underscore the importance of their inclusion. Their engagement ensures that diverse, community-centered perspectives are integrated into policy discussions, leading to more equitable and comprehensive socio-economic policies.

Session 3: Discussion and adoption of a Policy Brief for North Macedonia: recommendations to the legislation, joint actions of the interested parties, coordination of policies at the national/regional/local level.

In the policy lab, the discussion summarized North Macedonia's progress in industrial relations since its independence, highlighting its transformative shift towards a pluralistic model. This evolution, driven by European Union aspirations and global labor standards, has positively influenced labor policy and collective bargaining frameworks. However, the session noted that the tangible influence of social partners in policymaking remains limited due to their constrained membership and negotiation power. While there has been notable advancement in tripartite social dialogue, bipartite discussions and the application of labor laws, particularly in the private sector, need further improvement.

The lab also focused on the unique challenges faced by social enterprises in North Macedonia, rooted in Yugoslav-era cooperative practices. Despite policy advancements and the existence of support networks, these enterprises face difficulties with identification, business acumen, and resource access. The social economy sector, struggling with participatory governance and effective social dialogue, is hindered by poor economic development and a lack of regulatory frameworks and ecosystems. The diversity in social enterprise models complicates their involvement in social dialogue, and the absence of systematic data on these entities hampers advocacy efforts. Participants observed that social enterprises' participation in social dialogue is fragmented, and current policies do not adequately

support their involvement or strengthen their capacities. Moreover, collective bargaining does not cover all employees within the social economy sector, neglecting small and micro entities.

To address these challenges, the policy lab proposed several recommendations for policymakers and actors in the ecosystem. These include strengthening institutional frameworks to foster more inclusive social dialogue, enhancing data collection on social enterprises, promoting legal recognition and support for these entities, facilitating access to finance, investing in capacity-building programs, improving participation in social dialogue, addressing collective bargaining challenges, empowering social partners in policymaking processes, promoting best practices in participatory governance, and raising awareness and advocacy for the role of social enterprises. These measures aim to strengthen the social economy sector's role in industrial relations and social dialogue in North Macedonia.