

SOCIAL AND DEMOGRAPHIC BALANCE

SOCIAL AND DEMOGRAPHIC BALANCE MATRIX

Mission:

Building an inclusive and sustainable society, with a focus on transforming the value system and implementing active measures for the development of human capital. This will be achieved through efficient and effective educational, healthcare and social systems, pro-natal policies, activation of the potential and capacities of the professional diaspora, as well as tourism development through integration with culture and other sectors.

Challenges	Causes	Effects	Societal Changes - Systemic Approach
<p>Low Labor Productivity</p>	<ul style="list-style-type: none"> - Low level of skills and competencies - Low level of technological development - Delay in green and digital transformation - Low wages (increasing wages reduce productivity) - Insufficient infrastructure support (kindergartens) - Distorted value system (work ethics/habits) - Outdated technology - Employer unpreparedness to invest in new skills of workers - Inadequate return on invested resources for active labor market measures - Lack of willingness to invest in new technologies. - High percentage of inactive women in the labour market 	<ul style="list-style-type: none"> - Reduced GDP and slower economic growth rate - Weak competitiveness of companies on global markets - Limited opportunities for integration into global supply chains - High percentage of unemployed women 	<ul style="list-style-type: none"> - Stimulating companies to invest in the development of human resources - Institutional support and infrastructure for technology and knowledge transfer - Promotion of lifelong learning - "Greening" existing and creating new green jobs in regular education - It is necessary to influence the motivation of workers. These workers are more productive abroad. - Activation programs for inactive female populations with support from the real sector, especially in the care economy - Increased focus and investments in the care economy by the government and the real sector

Mismatch between Supply and Demand of Skills	<ul style="list-style-type: none"> - Low level of education - Professional and geographical mismatch - Limited opportunities for on-the-job training - Insufficient investments in active programs and measures - Small number of women involved in STEM - Low labor force mobility - Unattractiveness of certain occupations - Lack of statistics on qualifications (non-functional interoperability between institutions) - Absence of a system for tracking graduate students (tracer studies) and the degree of utilization of the skills and knowledge they have acquired - Lack of cooperation between vocational schools and businesses - The perception of informal education is at a low level 	<ul style="list-style-type: none"> - Individual effects (low job satisfaction, human capital erosion, low wages) - Effects on companies (low productivity, difficulties in finding suitable workers, additional training costs, etc.) - Effects on society (reduced output, a drop in public revenues, social exclusion and crime) 	<ul style="list-style-type: none"> - Elimination of skill gaps through the application of a model approach - System for continuous monitoring of disparities between skill demand and supply - Educational reforms from the viewpoint of the projected economic trends - Promotion of the advantages of vocational high schools - Functional system for increased selectivity and professional orientation in higher education enrollment - System for continuous education of the workforce and investment in soft skills - Increased budget allocations for active programs and measures - STEM scholarship programs for women
Addressing Employment in the Informal Economy and Political Influence	<ul style="list-style-type: none"> - Insufficient demand in the formal sector - Low wages - Intensity and complexity of regulations - Excessive tax burden - High level of corruption - Low tax morale - Negative selection in employment (influence of political and family ties) - Distorted value system - Unpaid female labour 	<ul style="list-style-type: none"> - Drop in public revenues - Increased tax burden on the formal sector - Decreased capacity for providing public goods and services - Limited opportunities for human capital development - Decreased efficiency of government policies - Large number of women active in the informal economy 	<ul style="list-style-type: none"> - Restriction of cash payments - a society with the lowest possible amounts of "cash" - Universal accessibility for electronic payments - Reduction and eradication of tax evasion - Optimizing the balance between incentives and penalties (advocating formalization) - Flexible forms of employment for specific segments (e.g., online work) - Independence of the public administration from politics and implementation of a merit-based reward system - "Zero corruption" policy for employment in the public sector

			<ul style="list-style-type: none"> - Targeted programs to reduce informal activity among women (revision of the social insurance system and its flexibility)
Long-term Unemployment and Human Capital Erosion	<ul style="list-style-type: none"> - Low level of education - Limited opportunities for lifelong learning - Limited opportunities for participation in active programs and measures - The perception of informal education is at a low level - Lack of a system for validating knowledge and skills acquired at the level of formal and informal education 	<ul style="list-style-type: none"> - Human capital erosion and reduced attractiveness of the labor market supply - Decreased GDP due to unused labor resources - Danger of 'lock-in' effect upon exiting unemployment - Risk of engagement in informal employment 	<ul style="list-style-type: none"> - Development of short retraining programs within vocational education - Increased targeting of long-term unemployed individuals in active programs and measures - Promotion of lifelong learning - Promotion of social entrepreneurship - Law on Education introducing the validation of knowledge and skills
Emigration, "Brain Drain" and Attracting Professionals from Abroad	<ul style="list-style-type: none"> - Push/pull factors - Low standard of living for the population - Limited opportunities for career development - Dysfunctional rule of law - Lack of a strategy for international competitiveness in the Macedonian labor market - Inflexible banking system for receiving salaries from abroad - Failure to follow migration policies of other countries - Besides external migration, internal migration and population concentration in major cities are also problematic - Low quality of life (healthcare, environment, etc.) - High level of corruption - Trending among the population - High pollution level - Emigration as a trend. 	<ul style="list-style-type: none"> - Reduced development potentials - Lack of workforce with appropriate skills - Increase in prices of some products and services - Increased financial remittances from abroad - Difficulties in planning future needs of society (especially in circular migration) 	<ul style="list-style-type: none"> - Incentives for investment by returnees from abroad - Promotion of career development opportunities for young people - Convergence of the standard of living towards the EU average - Creating preconditions for the rule of law - Countering corruption ("zero corruption" policy) - Encouraging return migration by improving the attractiveness of the country - Accurate and detailed statistics on external migrations - System for attracting professionals from abroad to meet the labor market needs and integrate them into society - System for monitoring the career progress of young boys and girls who have emigrated - Measures to bring back emigrants, particularly the productive ones - Changing the mindset and perception of emigration as a trend

	<ul style="list-style-type: none"> - Distorted value system - Lack of data on our students studying abroad. - Absence of a strategy for integrating foreigners 		
Vulnerable Categories on the Labor Market	<ul style="list-style-type: none"> - Low level of education - Limited opportunities for acquiring skills and competencies - Limited capacities of the social protection system and Employment Centers for the activation of Guaranteed Minimum Assistance (GMA) recipients in the labor market - Non-implementation of the "case management" model outlined in the Law on Social Protection - Underdeveloped social entrepreneurship and unregulated forms of social enterprises 	<ul style="list-style-type: none"> - Increase in budget allocations for social transfers - Increased risk of poverty and social exclusion - Socio-pathological phenomena (alcoholism, drug abuse, crime, etc.) 	<ul style="list-style-type: none"> - Indexing social transfers with the growth of inflation - Conditioning social transfers with measures to activate the labor market - Promotion of social entrepreneurship - Establishment of an activation program aimed at activating GMA recipients, with accompanying elements of support for women in households - Introduction of greater flexibility in the Law on Social Protection by allowing the employment of children over 18 from GMA-receiving households while the household remains in the system.
Efficiency and Sustainability of the Social Protection System	<ul style="list-style-type: none"> - Financially unsustainable social policies - Treating social protection as a populist measure and misuse by politicians - Insufficient alignment between different types of social assistance - Incomplete implementation of the deinstitutionalization process - Insufficient number of public institutions that provide care for the elderly - Absence of a law for social entrepreneurship 	<ul style="list-style-type: none"> - Large number of households affected by poverty and social exclusion - Emergence of crime, juvenile delinquency, begging, etc., to meet existential needs - Individuals not registered in the system, so-called "phantoms," and issues related to documentation - Increased risk of inactivity and underutilization of human resources 	<ul style="list-style-type: none"> - Activation of the population in the workforce to reduce social protection costs - Policy of total inclusivity, in the sense of not leaving anyone out of the system - A flexible, sustainable social protection system to be integrated into the economy - Adoption of a Law on Social Entrepreneurship - Development and investment in the care economy

		Limited opportunities for integration in higher education and career advancement	
Sustainability of the Retirement System	<ul style="list-style-type: none"> - The trend of population aging continuously contributes to an increase in the number of retired persons - Reducing the workforce diminishes potential revenues in the Pension and Disability Insurance Fund (PDIF). - The deficit in the PDIF burdens the central budget - Inefficiency of the second and third pillars in the retirement system - Retirement conditions are not adjusted to the concept of active aging - Pension amounts incompletely cover living expenses 	<ul style="list-style-type: none"> - Low pensions that do not cover basic existential needs - Risk of unsustainability of the deficit in the PDIF - Vulnerability of the retirement system in times of crises (pandemic, energy crisis, etc.) 	<ul style="list-style-type: none"> - System of sustainable financial flow planning in the PDIF - Creating alternative scenarios for future changes in the number of retired persons and system flexibility - Evaluation of the second and third pillars in the retirement system - Effective and flexible legislation (allowing individuals who have acquired pension rights to be able to work and receive their pension) - Ensuring a dignified level of minimum guaranteed pensions
Better Health Indicators for Macedonia	<ul style="list-style-type: none"> - No systematic monitoring of the quality of healthcare services - A small range of necessary diagnostic equipment and insufficiently trained staff (outside the capital city) - No systematic planning for the production of necessary medical personnel (a large number of higher education institutions) - Infrastructure passed down from Yugoslavia with different demographics/priorities 	<ul style="list-style-type: none"> - Excessive number of hospitals and their geographic distribution - Underutilized hospital capacities, doctors, and support staff relative to the total population - Long waiting lists for certain healthcare services - Migration of healthcare workers - High number of unemployed dentists - Insufficient number of medical nurses - High patient dissatisfaction due to poor conditions in healthcare facilities and inadequate healthcare services 	<ul style="list-style-type: none"> - Ensuring accessible and quality healthcare services for every citizen, including women, men, children and vulnerable groups of citizens - Efficient and functional national Clinical Center (at a single location with effective management) with complete equipment and the ability to conduct the most complex diagnostics and treatments - Strengthening all regional clinical hospitals and establishing a new one for Skopje with the necessary equipment and personnel to fully meet the needs of the population from the entire region - Transforming surplus infrastructure capacities of general hospitals and healthcare centers

	<ul style="list-style-type: none"> - Overemphasis on tertiary healthcare (focused on the University Clinical Center, showing signs of dysfunction and disintegration, even leading to increased administrative costs) - Inflexibility of the system despite waiting lists - Continuous migration of medical personnel from the public to the private sector - Insufficient number of highly skilled and educated medical personnel - No coordinated work between systems - Lack of preventive medical personnel - No coordination between "Moj Termin" (My Appointment) and the Institute of Public Health 		<ul style="list-style-type: none"> - Strengthening the capacities (equipment and personnel) of emergency medical services and preventive teams to cater to the needs of the population of all ages - Planning the educational system and producing the necessary medical and support staff based per region and profile - Making quality the sole criterion for enrollment in medical faculties, graduation, specialization and employment - Digitizing the entire healthcare system and implementing diagnosis-based registries - Increasing control of the Ministry of Health over the provision of healthcare services by doctors - Strengthening policies for reproductive health - Revising preventive health programs and establishing a new modern prevention system that takes contemporary health risks into consideration and prevents them
<p>Financially Unsustainable Public Healthcare System</p>	<ul style="list-style-type: none"> - There is no appropriate national strategy for establishing a sustainable healthcare financing system - Low percentage of GDP from the budget allocated to public healthcare - Bulky and inefficient healthcare infrastructure that incurs higher costs - Partial, rather than systemic decisions for healthcare financing - Small number of insured individuals financing the healthcare system 	<ul style="list-style-type: none"> - High indebtedness of public healthcare institutions - Shortage of medications - Shortage of medical supplies - High percentage of out-of-pocket payments (private payments) - Underpaid and unmotivated healthcare workers - Increasing number of private healthcare services within public institutions - Long waiting lists for healthcare services 	<ul style="list-style-type: none"> - Elimination of the need for insured individuals to purchase medications and consumables privately and reduction of private healthcare services within public healthcare - Elimination of long waiting lists for examinations and treatment - Provision of state-of-the-art medical equipment and medications - Implementation of a "satisfied patient" system - Implementation of a sustainable financing system for public healthcare from the state budget as a percentage of the budget and a percentage of the GDP and reduction of private payments or introduction of a basic healthcare package for those who pay for their health insurance and a reduced

		<ul style="list-style-type: none"> - High patient dissatisfaction due to poor conditions and inadequate healthcare services in healthcare institutions -Continuous migration of medical personnel from public to private healthcare - Insufficient number of highly skilled and educated medical personnel 	<ul style="list-style-type: none"> healthcare package for those who do not pay for health insurance - Well-paid and motivated medical personnel, with a prohibition on working in private institutions and strengthened regulations regarding the provision of private services within public institutions - Provision of health insurance regardless of whether someone has paid for their health contributions, is a redundant worker, etc. - Functional reciprocity regarding treatment for foreigners - A flexible public healthcare system that also offers services to foreign patients - Establishing a healthcare insurance system and maternity leave for female farmers
Inefficient Public Healthcare System	<ul style="list-style-type: none"> - No continuous healthcare statistics for monitoring efficiency and quality of services - Lack of monitoring health indicators of the system and the population - Disinterest of relevant institutions for monitoring the system's efficiency and implementing changes - No criteria for monitoring the success of managers in public healthcare institutions, as well as their appointment and dismissal based on performance - Financing unsustainable public healthcare institutions (loss-making entities) without any plans for improvement 	<ul style="list-style-type: none"> - Underestimated use of generic drugs - Higher (than necessary) prices of medications - Inadequate and inefficient use of medications - Excessive use of health services/products or offering unnecessary equipment, tests and procedures - Inadequate or expensive composition of staff, unmotivated workers - Inadequate hospital admissions and length of stay 	<ul style="list-style-type: none"> - Mapping and adjusting the healthcare network based on population and needs. - Reorganizing healthcare institutions/infrastructure by regions to meet the population's needs while maintaining efficiency and service quality - Efficiency over politically motivated strategic decisions in healthcare - Reforms in payment/incentive systems for healthcare institutions and medical staff - Financing in healthcare should be based on results - Measuring performance indicators in healthcare through digitization - Mobility of healthcare staff across cities according to population needs

	<ul style="list-style-type: none"> - Lack of an efficient system for sanctioning corruption in the healthcare sector - No system for monitoring hygiene in healthcare facilities - Insufficient palliative care - Inadequate number of inspectors to control service quality, working conditions, and adherence to protocols - Outdated infrastructure in primary healthcare - Irrational spending of funds from the Health Insurance Fund's budget, poor management of public health - Overburdening of the healthcare system with unnecessary staff 	<ul style="list-style-type: none"> - Inadequate size of hospitals (low infrastructure utilization) - No monitoring and measurement of medical errors and suboptimal care quality - Corruption - High patient dissatisfaction due to poor conditions and inadequate healthcare services in healthcare institutions 	<ul style="list-style-type: none"> - Strengthening the role of GPs to provide more healthcare services and facilitate medication prescriptions - Functional Clinical Hospital in Skopje - Restructuring the Health Insurance Fund and overcoming the problem of overstaffing - Overcoming the problem of overstaffing with administrative staff in public healthcare
<p>The Healthcare System is not Flexible Enough to Meet the Needs of the Growing Elderly Population</p>	<ul style="list-style-type: none"> - Inflexible healthcare infrastructure - Migration - Increased life expectancy of the population - Decreased birth rate - Lack of strategy - Weak response to gender-based violence by the healthcare system 	<ul style="list-style-type: none"> - Limited healthcare capacity for elderly care - Limited healthcare capacity for palliative care - Development of private care centers - High demand for medical staff for elderly home care 	<ul style="list-style-type: none"> - Conversion of unnecessary/underutilized infrastructure capacities in general hospitals and some healthcare centers into nursing homes - Transformation of vacant capacities in gynecological and pediatric departments towards healthcare for the elderly (palliative services) - Establishing regional centers to respond to gender-based violence, including sexual violence - Organizing a comprehensive and sustainable training system for healthcare staff to address contemporary health risks

<p>Systemic Digital Transformation and Connectivity in the Tourism and Culture Sectors</p>	<p>Non-existence of a unified institution that will integrate both sectors</p> <p>Data sets per sector</p> <p>Lack of connectivity among stakeholders</p> <p>Partial data analysis (economic, socio-cultural, environmental)</p> <p>The digitized tourism sector does not innovate and generate new business opportunities to ensure continuous competitiveness, growth and sustainable development in the sector</p>	<p>Weak destination management</p> <p>Tourism products that do not fully utilize their potential</p> <p>Incomplete understanding of the satisfaction levels of tourists</p> <p>Limited dissemination of necessary information to tourists during their travel planning</p> <p>No data-driven tourist offers connected in a system such as the Internet of Things (IoT)</p> <p>Underutilization of existing booking systems in tourism for consumer-related analyses</p> <p>Non-existence of a TSA (Tourism Satellite Account)</p> <p>Percentage of the population using sharing platforms for travel and accommodation services (e.g., Airbnb) - this indicator is measured by EUROSTAT for EU countries but is still not measured for North Macedonia</p>	<ul style="list-style-type: none"> • Advancement of tourism development systems • Designing and utilizing destination management platforms • Creating applications with AI-powered content for tourist information • <i>Smart</i> tourism in <i>smart</i> destinations, introducing the Internet of Things (IoT) system to unify data and information from various cultural and tourism sites • Digitization of cultural heritage (starting from databases and information from cultural institutions, then moving towards tourism promotion)
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<p>Sustainable and Responsible Tourism Through Connecting Cultural Heritage Preservation and Tourism</p>	<p>Urban planning that neglects conservative principles and valorization of cultural heritage</p> <p>Weak mechanisms for controlling activities that impact cultural heritage</p> <p>Lack of incentives for tour operators to promote inbound tourism</p> <p>Lack of a tourism strategy</p> <p>Inability to measure the effects of policies</p> <p>Strong influence of internationalization and cultural hegemony</p> <p>Economic and social pressures on marginalized communities</p>	<p>Urban degradation of old cultural cores in cities and settlements</p> <p>Damage or loss of cultural heritage</p> <p>Loss of local culture, identity and diversity</p> <p>Insufficient economic valorization of the conservation and protection of cultural heritage</p> <p>Weak presentation of the essential values of cultural heritage</p>	<ul style="list-style-type: none"> • Responsible and sustainable tourism that strengthens cultural characteristics and transforms them into tourist attractions • Revitalization of cultural heritage through inclusion in the tourist offer • Creating favorable conditions for balanced tourism development while adhering to the principles of local participation, gender equality, social inclusion and multicultural integration
<p>Government Support and Investments in Cultural Tourism</p>	<p>Weak coordination in subsidizing tourism and investments in culture and cultural heritage</p> <p>Not recognizing women as custodians of cultural heritage</p> <p>Inadequate tourist valorization of sites with cultural heritage</p>	<p>Cultural events without tourist valorization</p> <p>Absence of analyses regarding the economic effects of investments in cultural heritage</p> <p>Lack of tourist infrastructure in sites with significant cultural heritage</p>	<ul style="list-style-type: none"> • Subsidies and investments that will have significant economic effects in the development of areas with particularly valuable cultural heritage • Tax relief in the field of culture for cultural heritage investments (restoration)

<p>New Destinations and Changes in Travel Patterns</p>	<p>Tectonic geopolitical changes</p> <p>Ongoing monitoring of competitiveness in Macedonian tourism and global trends</p> <p>Weak diversification of the tourist offer</p> <p>Underdeveloped rural tourism</p>	<p>Dynamic emerging tourism markets bypassing North Macedonia</p> <p>No innovation in creating tourism products</p> <p>Tourism products with low attractiveness</p>	<ul style="list-style-type: none"> - Cultural tourism products competitive within the European framework and beyond - Diversification of the tourist offer through innovative solutions and development of high-quality tourism types that involve women as drivers of rural tourism development
<p>Technological Advancements in Tourism</p>	<p>Cultural tourism based on standard models</p> <p>Insufficient representation of all tourists by ages</p>	<p>Underutilization of possibilities brought upon technological advancements in cultural tourism</p> <p>Dominance of tourists from older age categories</p>	<ul style="list-style-type: none"> • Utilizing AR/VR/XR in cultural tourism that will provide unique experiences to all tourist groups • Developing forms of virtual tourism as promotional content