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Mapping European Social Economy: Employment, Social Dialogue and the European Pillar of Social Rights Project nr. 101052222

Policy lab – North Macedonia

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# **Policy Brief**

# Strengthening Social Economy Sector's Role in Industrial Relations and Social Dialogue in North Macedonia

**Executive Summary:** Since its independence, North Macedonia has experienced a transformative shift in industrial relations towards a pluralistic model. This transition, guided by European Union aspirations and global labor standards, has positively influenced labor policies and collective bargaining frameworks. However, challenges persist, particularly in integrating social enterprises into this evolving landscape. The social economy sector struggles with participatory governance, effective social dialogue, and a lack of regulatory frameworks. Social enterprises, rooted in Yugoslav-era cooperative practices, face hurdles in identification, business acumen, and resource access, necessitating further support and development. The sector's participation in social dialogue is fragmented, and current policies inadequately support their involvement or network capacities. This policy brief outlines strategic recommendations to enhance the role of the social economy sector in North Macedonia's industrial relations and social dialogue.

## **Key Findings:**

- 1. Legal structures to bolster social dialogue and collective rights have been established, but the influence of social partners in policymaking is limited.
- 2. The social economy sector faces challenges in participatory governance and effective social dialogue due to economic underdevelopment.
- 3. There is a lack of systematic data on social enterprises, complicating their involvement in social dialogue.
- 4. Social enterprises' participation in social dialogue is fragmented, with small and micro entities often neglected in collective bargaining.





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#### **Recommendations:**

- 1. **Strengthening Institutional Frameworks:** Enhance the capacity of institutions like Economic and Social Councils for more inclusive social dialogue, ensuring adequate representation of social enterprises.
- 2. **Enhancing Data Collection and Research:** Develop a comprehensive database of social enterprises to inform policy development and advocacy efforts.
- 3. **Promoting Legal Recognition and Support:** Create a legal definition for social enterprises in North Macedonia, providing necessary recognition and supportive policy frameworks.
- 4. **Facilitating Access to Finance:** Develop financial instruments and support mechanisms tailored to the unique needs of social enterprises.
- 5. **Building Capacities:** Invest in capacity-building programs focusing on business knowledge, leadership, and advocacy skills for social enterprises.
- 6. **Improving Participation in Social Dialogue:** Implement measures to enhance social enterprises' participation in social dialogue at all levels.
- 7. Addressing Challenges in Collective Bargaining: Work towards inclusive collective bargaining processes, especially focusing on small and micro entities.
- 8. Enhancing Social Partner Empowerment: Strengthen the role of social partners, including social enterprises, in policy-making processes.
- 9. **Promoting Best Practices in Participatory Governance:** Encourage social enterprises to maintain participatory governance frameworks and share best practices.
- 10. **Raising Awareness and Advocacy:** Launch campaigns to highlight the role of social enterprises and promote their inclusion in social dialogue and industrial relations.

**Conclusion:** Addressing these recommendations will strengthen the social economy sector's role in industrial relations and social dialogue, contributing to a more inclusive and sustainable economic environment in North Macedonia.







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