



Funded by
the European Union

ALTERNATIVE APPROACHES TO TACKLING YOUTH UNEMPLOYMENT

in North Macedonia





**Funded by
the European Union**

Disclaimer

This policy brief is produced in the framework of the Erasmus+ Capacity Building in the Field of Youth Project: "A Cross Regional Predictive Model for Youth Policy Shaping – Youth Observers (Y-Os)"

AI-assisted tools were used to generate and refine parts of the text for clarity and coherence. The research design, analysis, and policy recommendations were independently developed and validated by the authors under mentorship.

Author: Marko Danailovski, Mila Dinkovska

Mentor: Vesna Bochvarska Cvetkovska, Center for Change Management (CCM)

Editor: Jesmina Sengla, SCiDEV

Design: Viola Barjamaj, SCiDEV

Funded by the European Union.

Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union, the European Education and Culture Executive Agency (EACEA) or Y-O Model project partners. Neither the European Union, EACEA or Y-O Model project partners can be held responsible for them.

© Y-O Model
All rights reserved.

Content

01	Executive Summary	4
02	Introduction	5
03	Methodology	7
04	Institutional Framework and Ongoing Policies	8
	Ongoing Policies and Challenges in North Macedonia.....	9
	Youth Guarantee.....	10
	State Subsidies for Employment.....	10
	Career Counseling in Education.....	11
	Practical Work within University Study Programs.....	12
	Internships.....	12
05	Overview of Best Practices from the European Union	15
	Trends of Youth Unemployment in the EU.....	15
	Spain.....	16
	Greece.....	17
	Luxemburg.....	17
	Slovakia.....	18
	Lithuania.....	19
06	Lessons for North Macedonia	20
07	Recommendations	22
08	References	23

01

Executive Summary

Youth unemployment in North Macedonia remains structurally high, representing around one third of total unemployment and reflecting persistent mismatches between education outcomes and labour market needs. Despite a declining overall unemployment trend, many young people remain unemployed, underemployed, or employed in positions below their qualifications, contributing to brain drain and long term economic vulnerability. Existing measures, including the Youth Guarantee, wage subsidies, career counseling, and internship schemes, demonstrate institutional commitment but face limitations in coverage, consistency, and alignment with labour market demand.

Drawing on comparative analysis of successful policies in Spain, Greece, Luxembourg, Slovakia, and Lithuania, this paper identifies several structural drivers behind their progress in reducing youth unemployment. These include strengthening the operational capacities of public employment services to provide individualized counselling, job matching, and follow up support, as well as integrating career guidance more systematically within education systems, beginning in secondary education and continuing through higher education. In addition, these countries have implemented structured school to work transition pathways through compulsory practical training, apprenticeships, and internships that allow young people to acquire relevant work experience before graduation. Financial incentives, particularly targeted wage subsidies and hiring support for employers, have also played a critical role in reducing the perceived risk of hiring inexperienced young workers and encouraging their longer-term retention. Together, these measures have improved employability, reduced transition periods between education and employment, and strengthened the overall responsiveness of labour market institutions.

Based on these findings, this paper recommends a set of reforms tailored to the institutional and economic context of North Macedonia, with particular emphasis on career counseling and internships as priority interventions. This focus reflects the structural nature of youth unemployment in the country, which is driven largely by skills mismatch, weak career orientation, and takes into consideration the budgetary limitations of the country compared to its EU counterparts.

Therefore, the paper recommends employing trained, dedicated career counselors across education levels, introducing mandatory and credit bearing practical work components in all university programmes, and gradually expanding internship schemes. Strong coordination between educational institutions, employment services, employers, and civil society is also essential to ensure that education provision reflects labour market needs.

Implementing these reforms would support smoother school to work transitions, improve the alignment between skills supply and demand, and contribute to more sustainable and inclusive reductions in youth unemployment in North Macedonia.

02

Introduction

Youth unemployment is considered as one of the most pressing issues in the Western Balkan countries (WBC- North Macedonia, Serbia, Albania and Kosovo). This issue is a push factor for migration, known and referenced by the “brain-drain” and subsequently weakens the country’s economy and competitiveness. Hence, finding a solid policy solution for tackling this societal problem will have a wide reach.

Youth eligible for employment from the age of 20 to 29¹, makes up 31% of all unemployed citizens in 2022 according to the state statistical office. In 2023, unemployment dropped to 100,589, but youth accounted for 33,193 (33%), a 2% rise from the prior year. A similar percentage of youth unemployment persisted in 2024 also.

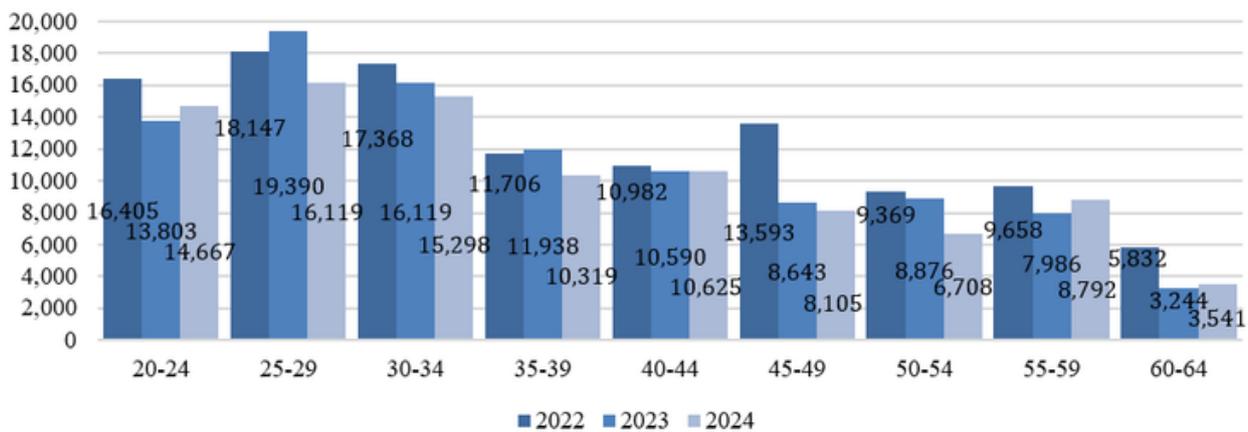


Figure 1: Changes in unemployment rates in North Macedonia, by age from 20 to 64 years old for the period 2022 – 2024 (State Statistical Office, 2024)

¹ In Macedonia the legal age for employment begins at 15 however for the purposes of this research, we will focus on the age range of 20-29 as they more accurately represent the portion of the population which are actively seeking employment as well more accurately reflecting the demographics seen in the comparative countries seen in the European Union.

Overall, the data suggests an overall decrease in both youth unemployment and overall unemployment in the country. However, the struggles of youth employment persist. According to the survey conducted on the framework of “Youth study North Macedonia 2024: navigating discontent: youth perspectives on education, employment, and migration”, only 30% of the people employed were employed in jobs related to their qualifications, among which 46% stated that the work that they were working in jobs that required a lower level of education compared to the one which they possessed. This inclines a significant mismatch between the educational output and the labour market requirements in North Macedonia. (Topuzovska Latkovik, Borota Popovska, Naumovska, & Starova, 2024).

The issue of youth unemployment is also acknowledged by strategic documents such as the National Youth Strategy. The document recognizes that many young people in North Macedonia face employment challenges due to the “low quality of education and the mismatch between education, including vocational education and training, and the needs of the labor market”. Furthermore, according to Macedonia’s National Youth Strategy high unemployment levels risk exacerbating brain drain and labor-force shrinkage, thereby undermining the long-term benefits of ongoing education and labor market reforms.

Because the solutions depend on the financial resources in disposal, the labor market structure and the extent to which multisector coordination is effective, youth unemployment is a challenging social problem to be addressed. Reflecting on good practices is particularly helpful in drafting new and/or improving existing policies, considering that youth unemployment is not an exclusively WB6 issue. Hence, this document aims to present best practices from several European countries with the highest drop of youth unemployment.

The first section of this paper briefly presents the national stakeholders of youth unemployment and provides an overview of the current programs that are in place to tackle youth unemployment in North Macedonia, whereas the second section presents best practices from 5 EU Countries with the highest level of youth unemployment decrease in the last three years.



03

Methodology

This policy paper employs a mixed-method approach that combines descriptive statistics of secondary data retrieved from official data sets, strategic document analysis and case studies.

The authors used official datasets from the National Institute of Statistics, the National Employment Strategy 2021–2027 and EUROSTAT to:

- a. Present the youth reach and financial cost of current employment policies that are being implemented in North Macedonia.
- b. Identify the European Union countries with the highest decrease of youth unemployment from which could be drawn useful practices that could be applied in the context of North Macedonia.

Secondary sources such as OECD, EU Commission and EU Parliament reports were used to contextualize statistical data from EUROSTAT. Priority was given to recent, credible, and verifiable sources to ensure the relevance and accuracy of the information used.

While efforts were made to ensure comprehensive data collection, the study may be subject to limitations such as data availability. These limitations were mitigated using multiple data sources and the use of verified state provided statistical information to support the reached conclusions.



04

Institutional Framework and Ongoing Policies

In North Macedonia the institutional framework for developing and implementing policies related to youth employment is robust and differentiated between the following different actors such as Ministry of Education and Sciences, Ministry for Economy and Labor and the Agency for Employment.

- a. **The Ministry for Economy and Labor (MEL)** is competent in the field of labor, meaning that it drafts and implements the laws, bylaws and policy documents such as strategies and programs in the field of labor rights, labor relations and employment.

More precisely, the MEL has competence over the following laws related to the topic of this paper:

- Law on labor relations,
- Law on Internships and Law on temporary work.

The MEL has competence over the National strategy for employment 2021-2027 (MSPDY, 2021). This strategy includes several targeted measures to address youth unemployment.

- b. **The Agency for Employment (AE)** is a central administrative body which has the competence to participate in the development of national policies for enhancing employment and it is responsible of their implementation through their local branch offices in each city. This institution is the main contact point for the citizens regarding employment services and policies. The AE participates in the development and implements the National Operational Plan for Active Employment Programs and Measures and Labor Market Services (hereinafter: Operational Plan) (AERNM, 2025), which contains the state measures for enhancing employment which can be used both by employers and employees. One of these measures, which is of interest to this document is the measure for internships.

All the above-mentioned policies, need to be develop accordance with the five-year program for the work of the government (Government of RNM, 2024).

- C. **The Ministry of Education and Science (MES)** contributes to the national youth employment through its competence to ensure coordination, regulation, quality of education and training relevant to labor market needs. The Bureau for Development of Education (BDE) operates within the MES, and is responsible for curriculum development, teacher training, and educational research for elementary and high school, while the Education Inspectorate oversees compliance and quality assurance across all levels. The MES adopts a national strategy for education with a duration of seven years. The current strategy is for the period 2018–2025, so the MES must adopt a new strategy for the period 2025–2032. This strategy includes preschool education, primary education, secondary education, higher education, science, research, adult education and general priorities in the field of education

Ongoing Policies and Challenges in North Macedonia

The National Strategy for Employment 2021–2027 includes several targeted measures to address youth unemployment. Its main instrument is the Youth Guarantee, along with funding for active labor market policies such as self-employment support, wage subsidies, training programs, and internships; strengthening the Employment Agency to provide individualized job assistance; and improving the link between education and labor market needs through better career guidance and skills development. These efforts aim to reduce the share of NEET youth to around 15% by 2027.

In the following sections of this document, we will analyze the youth guarantee, internships, subsidies for employment as well as the policies for career counselling and practical work within education, as we believe investments in these areas has the most potential to improve the situation of youth unemployment in North Macedonia.



Youth Guarantee

The Youth Guarantee scheme enables young people from 15 up to 29 years of age, who are not employed, nor part of any education or training programs (NEET), to receive a suitable job offer, continue their education or be included in one of the active employment programs and measures, within a period of 4 months after their registration as unemployed with the AE (NYCM, 2022). The scheme is being funded by European Union under EU4Youth Program to support its implementation in the three least developed regions of North Macedonia. Activities include group and individual counseling, provision of job search assistance services, training sections dedicated to boosting motivation, and inclusion in some of the labor market integration measures (employment, education, and training measures). (EU4Youth, 2026).

The National Strategy for Employment 2021–2027 plans to strengthen this program through the Enhanced Youth Guarantee, expanding its reach to vulnerable groups and improving effectiveness.

State Subsidies for Employment

AERNM provides a direct grant to employers who employ unemployed people, with a higher grant amount for employing young people (up to 29 years old). The grant obliges the employer to maintain the job for one year after the end of the subsidy. In 2019, this program used 32 percent of the active labor market policies (ALMP) resources and covered 24 percent of ALMP participants.

The subsidization of salaries by the agency is intended to be used by micro, small and medium-sized enterprises, social enterprises, civic (non-profit) organizations engaged in economic activity and new enterprises established through the Self-Employment Program.

	Quotas in the Operational Plan	Number of Applications	Number of Granted Subsidies	Number of Youths
2020	1.186	2.853	1.896	942
2021	1.896	3.925	1.771	912
2022	2.508	2.504	1.536	719
2023	1.725	2.582	1.36	704
2024	650	1.124	612	317
2025	1.186	n/a	n/a	n/a

Table 1: Overview of number of requested and accepted applications for subsidization in the period 2020 – 2025 (AERNM, 2026)



Career Counseling in Education in North Macedonia

Career education starts in high schools. The career counselor is appointed by the director of the school from one of the teachers in the school and is tasked with organizing training and workshops on career planning, conducting self-assessment and skills development tests, providing information about various professions and educational opportunities, and helping students develop personal career plans. Upon a proposal from the Bureau for the development of education, the MES adopts a Rulebook on the method of career counseling and the selection of a career counselor for students (MES, 2025).

The Strategy for Education 2018–2025² has established the strengthening of the career counseling as one of the key priorities. Within priority III, titled “Increasing coverage in vocational education and training” there are two measures related to career counseling.

The Strategy for Education 2018–2025 has foreseen the implementation of the measure 1.6, titled “Introducing career guidance and counseling services at all universities”, followed by the following indicators:

- a. Career guidance and counseling services manual developed and made available to all universities.
- b. Fully staffed career centers established in all universities.

However, career counseling in education is not effectively implemented in educational institutions from all levels, as it leaves out the secondary education. This shortcoming leaves young people without guidance when making important life decisions concerning their qualifications such as attending VET school or a general high school. This guidance is crucial to ensure that young people make informed decisions about their professional qualifications at all stages of their education. In addition, career counseling in high schools is foreseen more like an extracurricular activity that competes with daily workload of the teachers rather than an actual focus embedded in education.

² The MES adopts a national strategy for education with a duration of seven years. The current strategy is for the period 2018–2025, so the MES must adopt a new strategy for the period 2025–2032. This strategy includes preschool education, primary education, secondary education, higher education, science, research, adult education and general priorities in the field of education.

Practical Work within University Study Programs

Apart from Career Counseling, the Strategy for Education 2018–2025 foresaw the implementation of the measure 1.5, titled “Introducing a mechanism for students to learn through work in organizations (enterprises, institutions, etc.)” followed by the following indicators:

- a. Analysis of the practical training of university students carried out
- b. The Concept of Work-Based Learning approved
- c. Amendments to the legislation are prepared in accordance with the Concept of Work-Based Learning
- d. All universities have established a register for the implementation of student practice

The Law on higher education (LHE) regulates practical work within the curricula for study programs for medicine, dentistry, pharmacy and veterinary. The regulation of practice for other study programmes is left on the discretion of the University or Faculty. Without legal requirements for practice opportunities, limited university-employer collaboration can lead to inconsistent or nonexistent practical experience for students.

Internships

Since 2019, North Macedonia has a Law on Internships, which was amended by the Macedonian Assembly in 2021. The LI in article 2 defines internships as:

“Work activity that includes a work component through learning and acquiring practical work skills, which is carried out for a limited period of time, with the aim of gaining practical and professional experience, in order to improve employability and assist the transition to regular employment”.

The LI in article 6 stipulates that the duration of an internship with one employer may be up to six months and that an internship may be carried out with the same employer only once by the same person. The LI also limits the number of interns one employer might have at the same time, according to the number of permanent employees³:

³ From one to five employees - one intern, from six to 10 employees - up to two interns, from 11 to 50 employees - up to four interns, from 51 to 150 employees - up to eight interns, from 151 to 250 employees - up to 15 interns, from 251 to 500 employees - up to 30 interns and over 500 employees - up to 50 interns.

The intern has the right to monthly compensation from the employer, from 42% to 74% of the minimum net salary, determined in accordance with the law, for internships up to three months and in the amount of the minimum net salary determined in accordance with the law, for internships over three months, starting from the fourth month.

The calls for internships are published on the website of the agency for employment of North Macedonia as well as on the websites of private HR recruitment companies.

An analysis of the Operative plans for the previous four years (2021, 2022, 2023, 2024, 2025) (AERNM, 2025) shows that state supported internship is determined as measure in all years. As we can see from table no.1, the reach of this measure varies from 1.400 to 1.600 users, the compensation was 9.000 denars and has grown to 12.000 denars, the age limit was lowered from up to 34 years to up to 29 years and a constant is the requirement of at least high school diploma and that the internship can be up to 3 months.

According to these data, North Macedonia has allocated from 38.151.000 denars (623,382 euros) to 52.800.000 denars (862,745 euros), for implementing the measure for internships with part of the costs covered by donors such as UNDP, USAID, IPA and other international organizations. Being a costly policy, the data shows that the demand from both the employers and the potential interns surpasses the actual capacities.

2020	2021	2022	2023	2024	2025
42.525.000 denars ⁴ (690.340 euros)	38.151.000 denars ⁵ (623,382 euros)	43.740.000 denars ⁶ (714,705 euros)	52.800.000 denars ⁷ (862,745 euros)	42.900.000 denars ⁸ (700,980 euros)	48.672.000 denars ⁹ (795,294 euros)

Table 2: Overview of the financial implications of the state supported measure for internships in the national operational plans for the period 2020 – 2025

⁴ Monthly compensation of 9.000 denars * 3 months of internship = 27.000 denars per internship for one individual * 1.575 individuals = 42,525,000 denars (690,540 euros).

⁵ Monthly compensation of 9.000 denars * 3 months of internship = 27.000 denars per internship for one individual * 1.413 individuals = 38,151,000 denars (623,382 euros).

⁶ Monthly compensation of 9.000 denars * 3 months of internship = 27.000 denars per internship for one individual * 1.620 individuals = 43,740,000 denars (714,705 euros).

⁷ Monthly compensation of 11.000 denars * 3 months of internship = 33.000 denars per internship for one individual * 1.600 individuals = 52.800.000 denars (862,745 euros).

⁸ Monthly compensation of 11.000 denars * 3 months of internship = 33.000 denars per internship for one individual * 1.300 individuals = 42.900.000 denars (700,980 euros).

⁹ Monthly compensation of 12.000 denars * 3 months of internship = 36.000 denars per internship for one individual * 1.352 individuals = 48.672.000 denars (795,294 euros).

	Quotas in the Operational Plan	Applications by Individuals	Number of Interns Required by Employers	Number of Signed Agreements for Internships
2020	1575	2322	2794	1613 ¹⁰
2021	1413	1870	2.358	1283
2022	1620	1763	2330	1520 ¹¹
2023	1600	1832	2352	1575
2024	1300	1392	1.693	1209

Table 3: Overview of number of requested and accepted applications for internship in the period 2020 – 2025 (Annual report of the AERNM for 2020, 2021, 2022, 2023, 2024)

¹⁰ Out of the total 1.613 agreements, 69 were financed by a UNDP program.

¹¹ Out of the total 1.520 agreements, 89 were financed by an IPA project.



05

Overview of Best Practices from the European Union

Trends of Youth Unemployment in the EU

Figure 2 presents statistical data indicating that, on average, youth unemployment across the European Union increased by 0.2% from 2023 to 2024.

Among the 30 member states, five countries exhibit the most significant projected reduction in youth unemployment rates for the period 2023–2025. These countries will serve as case studies to illustrate effective strategies that may contribute to addressing the current youth unemployment challenges in Macedonia.

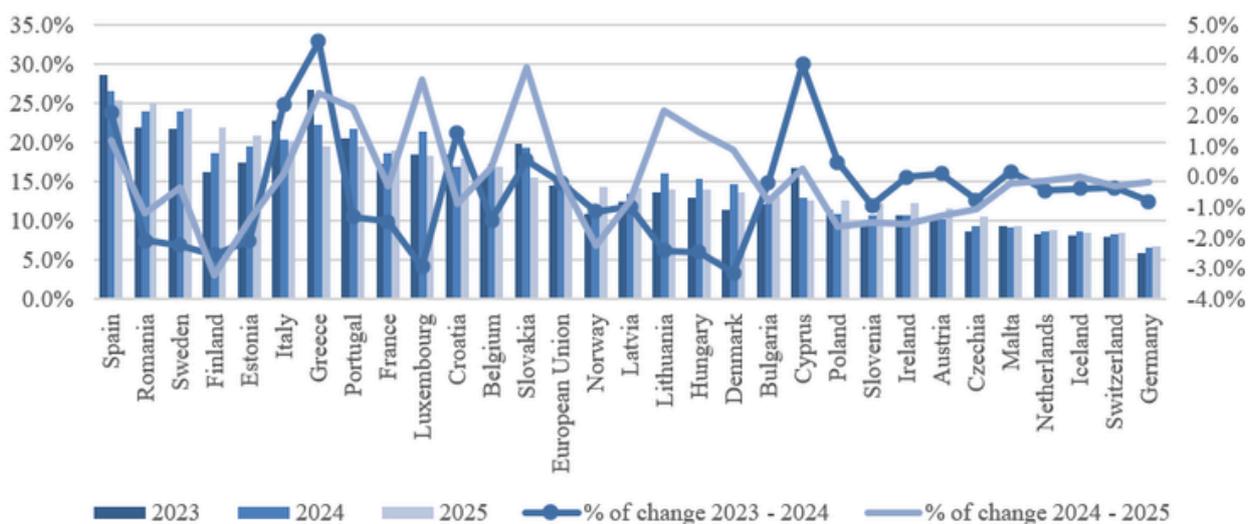


Figure 2: Rate of youth unemployment in the European Union for the period 2023 - 2025 (European Union, 2026)

As seen in figure no.3, the five countries seen have the highest level of lowering the youth unemployment rate in the European Union. Those being Spain, Greece, Luxemburg, Slovakia and Lithuania. Of the five states Greece and Spain have the highest level of lowering youth unemployment in the three-year timespan while the other three states face fluctuations as well as a lower rate of decreasing youth unemployment.

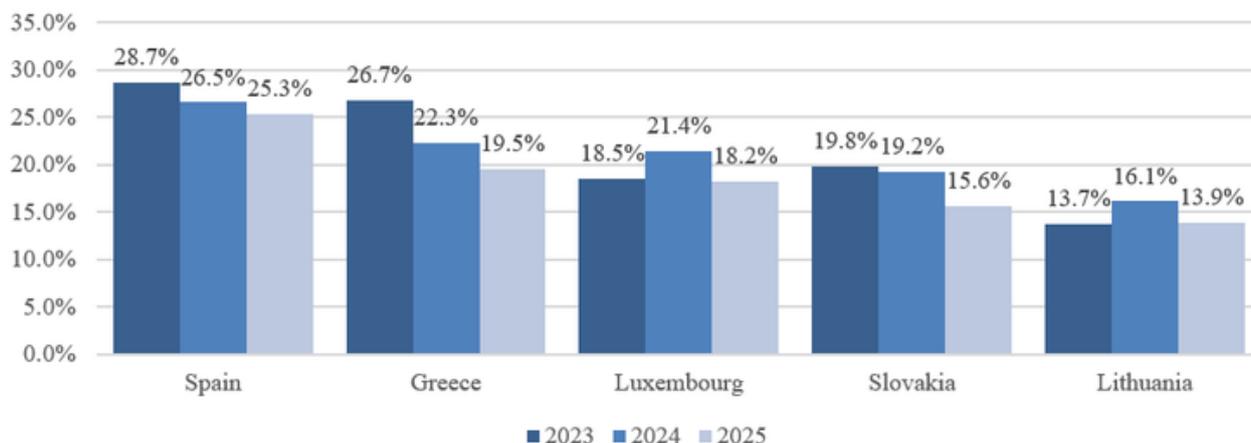


Figure 3: Highest rate of lowering youth unemployment in the European Union for the period 2023 – 2025 (European Union, 2026)

Spain

Spain has a noticeable decline in the rate of youth unemployment in the three-year period, with a lowering from 28.7% to 26.5% or a total of 2.1% from 2023 to 2024 and a further lowering from 26,5% to 25,3% or a total of 1.2% from 2024 to 2025. This presents a successful attempt to address the issue of youth unemployment by Spain, which over the past several years has had the highest rate of youth unemployment in the entirety of the European Union. According to a survey conducted by OECD titled “OECD Economic Survey: Spain 2025” (OECD, 2025) three main actions taken by Spain directly targeted and resulted in the lowering of the rate of youth unemployment, specifically these were actions which were initially introduced in 2023.

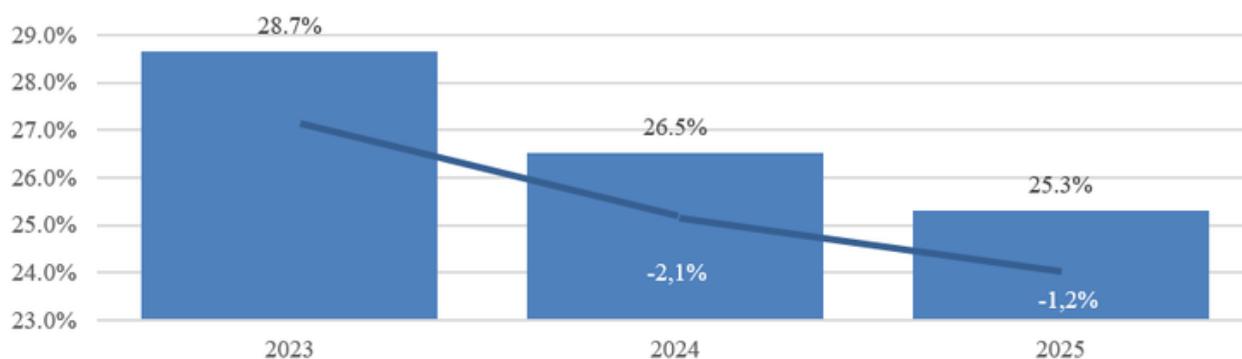


Figure 4: Rate of lowering youth unemployment in Spain for the period 2023 – 2025 (European Union, 2026)

1. The first program implemented had the priority of **promoting access to the first cycle of Early Childhood Education**, prioritizing areas with a higher incidence of poverty or social exclusion risk in mostly rural areas.
2. The second action noted by OECD was the **funding of small and medium enterprises (SMEs)** which could receive up to 2.250 EUR per worker to stimulate the hiring of young individuals through training and apprenticeship contracts.
3. Finally, the third positive step taken was the “expanded programs **combining entrepreneurship education with mentoring and financial support, including participative loans, in collaboration with ENISA and business incubators.**” (OECD, 2025) All with the aim to more adequately provide the young employment force with the skills most requested by the business sector.

Greece

Greece has the greatest rate of lowering youth unemployment with a notable decrease of 7,2%. in youth unemployment over the course of three years. According to the the European Commission as well as the European Parliament this can be attributed to many factors and steps taken by the Greek government in order to address this issue, however those persisted as main contributors to the lowered unemployment rate were the strengthening of the national service for employment ΔΥΠΑ, the **strengthening of the educational STEM system and finally the financial aid package granted to Greece by the European Union.** (European Commission, 2025) (European Parliament, 2025).

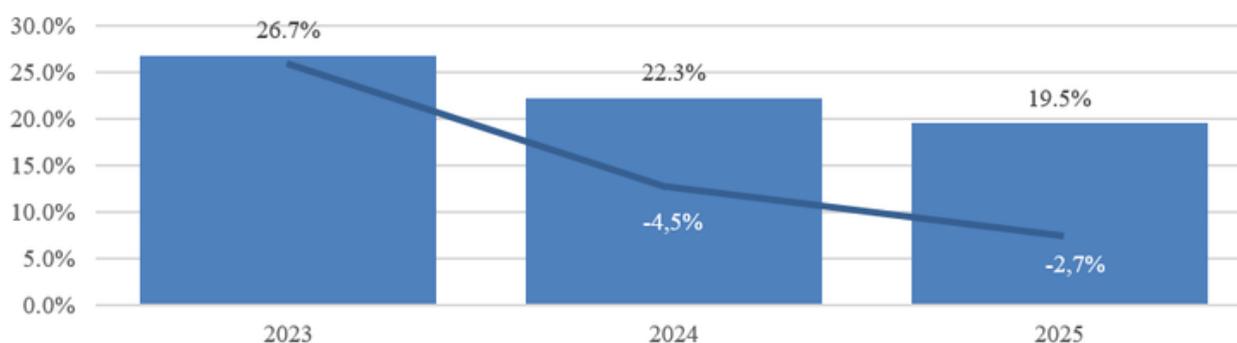


Figure 5: Rate of lowering youth unemployment in Greece for the period 2023 – 2025 (European Union, 2026)

Luxemburg

Luxemburg, unlike the previous two examples, saw both an increase and decrease in the rate of youth unemployment. According to both the European Union as well as the Luxembourgian Employment Development Agency – ADEM, the decrease of the youth unemployment rate can be attributed to several factors, those being **personal counseling for young people on**

finding a job in high schools, using the national ADEM agency as well as the focus on strengthening the VET educational program. (ADEM, 2025) (European Commission, 2025).

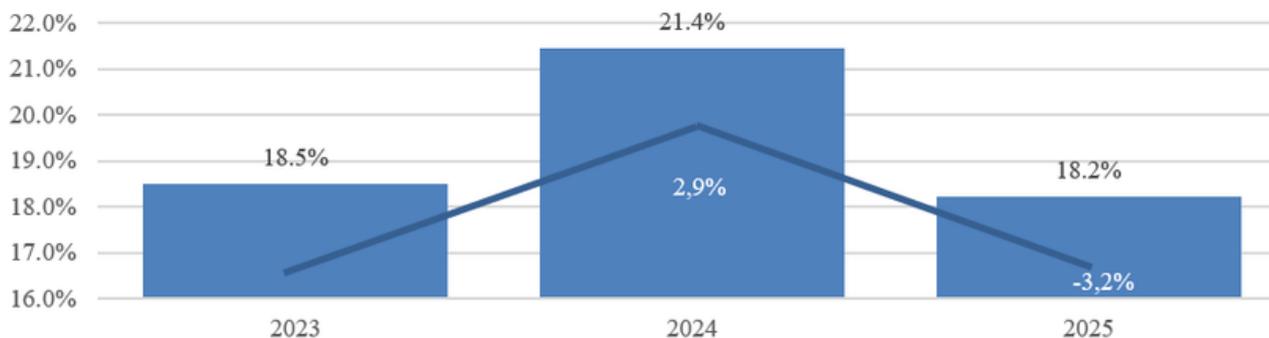


Figure 6: Rate of lowering youth unemployment in Luxemburg for the period 2023 – 2025 (European Union, 2026)

Luxembourg, through the Employment Development Agency (ADEM), implemented the "Youth Guarantee" and launched extensive programs where counsellors or coaches provide personalized support to help young people identify and pursue their career goals (ADEM, 2025). In conjunction with the counseling and training programs of ADEM, the Luxembourgian government also has taken steps to strengthen and implement the VET (VET, 2021) – Vocational education and training program in order to target high school students and to better match their education with the needs of the labor market.

Slovakia

The state of youth unemployment in Slovakia has been decreasing over the three-year timespan, with Slovakia having the largest decrease in youth unemployment recorded in one year. The country had the single largest decrease out of all the examples seen in a one year period that being a decrease of 3,6%, lowering the youth unemployment rate in Slovakia down to 15,6% in 2025. When looking at the steps taken by Slovakia to achieve these results, and according to the Slovakian Ministry for Labor, Social Affairs and Family as well as the European Commission those steps were primarily the **subsidization of the salaries of young job seekers as well as the utilization of the funds provided by the European Social Fund Plus which financially supported Slovakia's efforts to reduce youth unemployment.** (MLSAF, 2025)(European Commission, 2025).

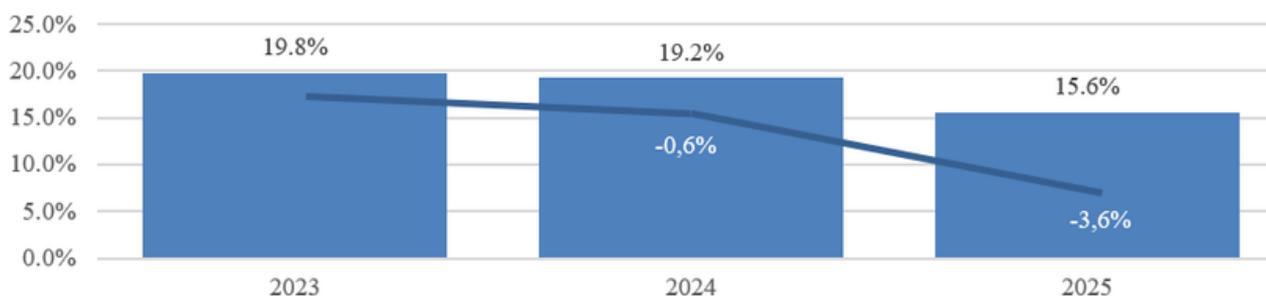


Figure 7: Rate of lowering youth unemployment in Slovakia for the period 2023 – 2025 (European Union, 2026)

The subsidization of the salaries was implemented as part of the “**Right to first employment**” programme where the state subsidized 80% if the salary of a young person with a maximum amount of 1.010 EUR for a period of 9 months, on the condition that after the 9 months were elapsed the person would be further employed for a minimum of 6 months (MLSAF, 2025). This is a successful method of motivating the business sector to employ inexperienced workers by subsidizing the initial “training period” that the inexperienced person would necessarily require. Slovakia also utilized funds from the European Social Fund Plus in order to finance individualized counselling, mentoring, the development of tools for the profiling of young jobseekers, support for job creation, as well as graduate traineeships and self-employment, all these with the aim to lower the rate of youth unemployment and better adapt the educational system to meet the requirements of the labor market. (European Commission, 2025).

Lithuania

Lithuania had a youth unemployment rate of 13,7% or the lowest of all five countries. This rate increased in 2024 by 2,4%, increasing the unemployment rate to 16,1% which then shrank again by 2,2% in 2025 or down to 13,9%. Despite the current rate is 0.2% higher than then in 2023, this remains the lowest youth unemployment rate of all five countries and therefore still a good example to be considered for good practices. **The Lithuanian Ministry for Social Security and Labor implemented an action plan with the explicit aim of “early intervention and activation activities and subsidized offers individually planned for the participant, promoting integration into the labor market, financed by European Union funds.”** (MSSL, 2024)(European Commission, 2025).



Figure 8: Rate of lowering youth unemployment in Lithuania for the period 2023 – 2025 (European Union, 2026)

Similarly to Slovakia, Lithuania applies youth salary subsidization policies. The country adopted the Law in Support for Employment in 2016, whose article 24 foresees the subsidization of salaries for the hiring of youth employees. There it defined the measures as a 50% subsidization to the salaries of youth employees who are registered in the Lithuanian Labor Exchange for a period not exceeding 6 months. Additionally, as a method to prevent the termination of young employees after the duration of the subsidization expires the law stipulates that the termination of the employment of such persons whose salary was subsidized cannot happen within 6 months of the end of the subsidization or the company would be barred for using such subsidies again for a further 12 months.

In conjunction with the financial stimulation efforts the Lithuanian government also developed the National Program for the Development of Youth Policy for 2023 – 2027 which has measures addressing NEETs. The Action Plan focuses on creating favorable conditions for youth and organizations dealing with youth to engage in consistent high-quality activities stimulating more active self-involvement of youth in organized activities. (European Commission, 2025).

06

Lessons for North Macedonia

Youth unemployment in North Macedonia remains a complex structural challenge, rooted in a labour market with limited absorption capacity, persistent skills mismatches, and systemic inefficiencies. Although the country has implemented measures such as the Youth Guarantee, wage subsidies, and internship programs similar to those used in European Union countries, these interventions have not fully addressed the barriers that young people face when transitioning from education to employment. This suggests that while financial incentives are helpful, they are not sufficient on their own to resolve the underlying structural causes of youth unemployment.

Experiences from EU countries demonstrate that a combination of strong employment services, effective career counseling, and targeted financial incentives can significantly reduce youth unemployment. In Greece and Luxembourg, strengthened public employment services and structured career guidance have helped young people make informed career choices and transition more efficiently into work. In Slovakia and Lithuania, wage subsidies have encouraged employers to hire young workers. However, given North Macedonia's more limited public resources, there is greater strategic value in prioritizing measures that address the root causes of unemployment in a sustainable and cost-effective way. In particular, expanding career counseling and internships offers significant untapped potential. These measures directly address the lack of career orientation and practical experience that often leave young people unprepared for labour market entry.

Expanding career counseling, especially in secondary education, is essential to ensure that young people make informed decisions about their education and professional pathways. This requires increasing the number of trained career counselors in schools, integrating counseling more systematically into the education process, and ensuring that counselors have access to up-to-date information on labour market trends and skill demands. Stronger cooperation between the Ministry of Education and Science and the Employment Service Agency is critical to support this process and ensure that guidance reflects current economic realities.



At the higher education level, universities should introduce compulsory practical work across all study programs to help students develop relevant skills and gain exposure to real work environments before graduation. Strengthening cooperation between universities, career centers, and the Employment Service Agency would further support students' transition into employment and improve alignment between education and labour market needs.

In parallel, expanding internship opportunities should be a key priority. This requires increased fundraising efforts and stronger partnerships with international organizations, businesses, and civil society to expand the reach and quality of internship programs. Unlike short term financial incentives, internships provide lasting benefits by equipping young people with practical experience, improving their employability, and increasing employers' confidence in hiring young workers.

By prioritizing career counseling and practical work experience, while maintaining effective coordination among institutions, North Macedonia can strengthen the link between education and employment. Such an approach would help align young people's skills with labour market demand and contribute to more sustainable and inclusive reductions in youth unemployment.



07

Recommendations

Ministry of Education and Science



Strengthen and expand career counseling services, particularly in secondary education, by equipping schools with trained, dedicated career counselors who can support students in making informed education and career choices aligned with labour market needs



Strengthen cooperation with the Employment Service Agency to provide career counselors and students with regular, up to date information on labour market trends, skills demand, and employment opportunities, including through an official annual labour market overview



Introduce mandatory practical work within all university study programs to ensure that students acquire relevant practical skills and work experience before graduation, easing their transition into employment

Universities



Increase collaboration with public and private employers to ensure effective practical work for students



Modernize curricula and strengthen school to work transition mechanisms



Ministry of Economy and Labour & Employment Service Agency



Expand and improve internship schemes as a strategic employability measure, including increasing the number of available placements and differentiating internship opportunities based on education level and socio-economic status to ensure fair access and meaningful learning outcomes.



Encourage the active involvement of youth organizations and civil society in supporting school to work transitions, including through mentorship, awareness raising, and monitoring of youth employment policies and services.



References

- 01 ADEM. (2025, 09 09). ADEM – Youth Guarantee. Retrieved from Agence pour le développement de l’emploi (ADEM). [Read here.](#)
- 02 AERNM. (2020, 2021, 2022, 2023, 2024, 2025). Operational Plans. Retrieved from AERNM. [Read here.](#)
- 03 AERNM. (2020, 2021, 2022, 2023, 2024). Yearly Reports. Retrieved from AERNM. [Read here.](#)
- 04 Employment Law – Republic of Lithuania. (2016, 07 05). Law on Support for Employment. Retrieved from Seimas of the Republic of Lithuania. [Read here.](#)
- 05 EU4Youth. (2026). EU4Youth. Retrieved from EU4Youth. [Read here.](#)
- 06 European Commission. (2025, 06 04). 2025 Country Report – Slovakia. Retrieved from European Commission. [Read here.](#)
- 07 European Commission. (2025). Country Report – Luxemburg. Retrieved from European Commission. [Read here.](#)
- 08 European Commission. (2025). Country reports – Greece. Retrieved from EU Commission. [Read here.](#)
- 09 European Commission. (2025, 11 30). Lithuania – 4.4 Inclusive programmes for young people. Retrieved from European Commission. [Read here.](#)
- 10 European Parliament. (2025, 06). Greece's National Recovery and Resilience Plan – Latest state of play. Retrieved from European Parliament. [Read here.](#)
- 11 European Parliament. (2025, 06 17). Greece's National Recovery and Resilience Plan: Latest state of play. Retrieved from European Parliament. [Read here.](#)
- 12 European Union. (2026, 01 23). Unemployment by sex and age – monthly data. Retrieved from Eurostat. [Read here.](#)
- 13 Government of RNM. (2021, 05 10). Law on Internships. Retrieved from MDT. [Read here.](#)
- 14 Government of RNM. (2023, 09 29). National Strategy for Youth 2023 – 2027. Retrieved from Ministry of Digital Transformation. [Read here.](#)

References

- 15 Government of RNM. (2024, 06). Government Work Program 2024 – 2028. Retrieved from MDT. [Read here.](#)
- 16 MES. (2025, 06 10). Rulebook for the Method of Career Consulting and Selection of Career Consultants for Students. Retrieved from MDT. [Read here.](#)
- 17 MES. (2026, 01). Law on high education. Retrieved from Ministry for Education and Science. [Read here.](#)
- 18 MLSAF. (2025, 10 02). The right to a first job: A successful project for young unemployed people, but also for employers, is coming in the second phase. Retrieved from Ministry for Labor, Social Affairs and Family. [Read here.](#)
- 19 MSPDY. (2021). National Strategy for Employment 2021 – 2027 . Retrieved from Ministry for Social Policy, Demography and Youth. [Read here.](#)
- 20 MSSL. (2024, 12 04). ORDER ON THE APPROVAL OF THE ACTION PLAN FOR THE IMPLEMENTATION OF THE YOUTH GUARANTEE INITIATIVE. Retrieved from REGISTER OF LEGAL ACTS. [Read here.](#)
- 21 OECD. (2025). OECD Economic Surveys: Spain 2025. Retrieved from OECD. [Read here.](#)
- 22 OECD Indicators. (2025, 09 09). Education at a Glance 2025. Retrieved from OECD. [Read here.](#)
- 23 State Statistical Office. (2024). Inactive population by educational attainment and age, by years. Retrieved from MAKSTAT database. [Read here.](#)
- 24 VET. (2021, 09). VET in Europe database – Luxembourg. Retrieved from Vocational education and training in Europe. [Read here.](#)
- 25 ΔΥΠΑ . (2024, 02 13). Record 854 million euros for active employment policies in 2023 – 62% increase in three years. Retrieved from ΔΥΠΑ. [Read here.](#)



Funded by
the European Union

