

STRUCTURE, FUNCTIONALITY AND EFFECTIVENESS OF LOCAL ECONOMIC AND SOCIAL COUNCILS

in North Macedonia

A 2019-2025 Overview



Contents

1. INTRODUCTION.....	2
2. METHODOLOGY.....	4
3. STATUS OF LOCAL ECONOMIC AND SOCIAL COUNCILS IN NORTH MACEDONIA	6
3.1 LESC BITOLA.....	6
3.2 LESC VELES.....	7
3.3 LESC GOSTIVAR.....	8
3.4 LESC DEMIR HISAR.....	9
3.5 LESC KAVADARCI.....	10
3.6 LESC KRIVA PALANKA.....	10
3.7 LESC KUMANOVO.....	11
3.8 LESC RESEN.....	12
3.9 LESC STRUMICA.....	12
3.10 LESC STRUGA.....	13
3.11. LESC SVETI NIKOLE.....	14
3.12 LESC TETOVO	15
3.13 LESC SHTIP.....	15
4. INSTITUTIONAL AND REGULATORY FRAMEWORK FOR EFFECTIVE SOCIAL DIALOGUE AT LOCAL LEVEL	16
4.1 MANDATE AND ROLE OF LESCS	16
4.2 OPERATIONAL PROCESS: TECHNICAL AND ADMINISTRATIVE SUPPORT AND BUDGET FOR LESCS.....	21
5. DEVELOPING RECOMMENDATIONS AND OPINIONS: POTENTIAL BOTTLENECKS IN CURRENT WORKING METHODS AND SUGGESTED IMPROVEMENTS.....	23
6. LESC MEMBERSHIP AND COMPOSITION.....	25
7. IMPACT OF LESC RECOMMENDATIONS, ADVICE AND OPINIONS.....	26
8. CONCLUSIONS AND RECOMMENDATIONS.....	27

1. INTRODUCTION

The report “Structure, Functionality and Effectiveness of Local Economic and Social Councils in North Macedonia 2019–2025” examines how Local Economic and Social Councils (LESCs) developed between 2019 and 2025, looking at both the dynamics and the defining features of that process. It covers 13 LESCs in North Macedonia that took part in the analysis and provided information on their work during this period. The aim is to take stock of their functionality and effectiveness exactly seven years after a similar report was produced, which likewise reviewed the situation of LESCs at the time. The report highlights the main achievements and challenges in the work of LESCs and, to some extent, compares the two periods. It was prepared using the methodology of the International Labour Organization (ILO) under the project “Promoting Social Dialogue in the Community”, implemented by the Youth Cultural Center Bitola (YCC Bitola) in cooperation with the ILO and with financial support from the Olof Palme International Center, Sweden.

The ILO defines social dialogue as all types of negotiation, consultation and exchange of information between representatives of government, employers and workers on matters of economic and social policy. Social dialogue is both a means of achieving economic and social progress, giving people a voice and a stake in their communities and workplaces, and an end in itself. It helps reduce inequality, secure decent working conditions and uphold fundamental workers' rights, while also contributing to social peace, justice and fair institutions. Social dialogue can take place at a tripartite level (negotiations involving the Government and the social partners) or at a bipartite level (negotiations between the social partners alone).

In North Macedonia, the tripartite social dialogue takes place at national level through the Economic and Social Council (ESC), established and regulated under the Law on Labour Relations, and at local level through LESCs. Although there is no specific legislation governing LESCs, the legal framework for a tripartite social dialogue provides a basis for applying the same model locally, drawing on the competences in economic and social development that the Law on Local Self-Government assigns to municipalities. There is no one-size-fits-all model of social dialogue, but experience shows that the key principle is to adapt the model to the local context and legal framework while fully respecting fundamental rights and freedoms such as freedom of association (ILO Convention No. 87) and the right to organise and bargain collectively (ILO Convention No. 98).

Support for Establishing and Running LESCs

This report was inspired by the work of international and domestic organisations supporting the establishment, development and operation of LESCs. The review shows, among other things, that two key projects during this period played a major role in establishing LESCs as local platforms for social dialogue. Both are outlined briefly below in chronological order.

1 Ignatova-Gjosheva, M. Report on the Structure, Functioning and Effectiveness of LESCs in Macedonia, International Labour Organization, October 2019, available at: <https://socijalendijalog.mk/wp-content/uploads/2020/04/Izvestaj-za-struktura-funkcioniranje-i-efektivnost-na-LESC.pdf>

2 The social partners are the trade unions and employers' organisations.

3 Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), available at: https://normlex.ilo.org/dyn/nrmlx_en/?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312232

4 Right to Organise and Collective Bargaining Convention, 1949 (No. 98), available at: https://normlex.ilo.org/dyn/nrmlx_en/?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C098

5 The analysis focused on LESCs and the support provided through these two projects and was not intended as a comprehensive review of other initiatives or projects in this area.

1. Project: Strengthening Social Dialogue, 2019–2021, ILO

Building on the foundations for quality social dialogue laid by the “Promoting Social Dialogue” project in 2014–2017, the ILO’s “Strengthening Social Dialogue” project (2019–2021) set out to make social dialogue more effective and relevant as a tool of democratic governance, with the ultimate goal of creating more and better jobs. Alongside its work at national level, this project also carried out a wide range of activities with LESC. It supported the establishment or revitalisation of LESC in 12 municipalities: Bitola, Resen, Struga, Kichevo, Tetovo, Skopje, Sveti Nikole, Shtip, Strumica, Radovich, Veles and Kumanovo. New LESC were set up in Veles, Kichevo, Radovich, Resen, Sveti Nikole and Struga, while the others were revitalised with new mandates and new members. Twelve peer visits were carried out for a horizontal review of LESC, assessing the situation on the ground and laying the groundwork for the 2019 analytical report “Structure, Functioning and Effectiveness of LESC” and its set of recommendations. Twelve local labour market analyses/diagnostics were produced for the municipalities covered, with recommendations on closing the skill gaps and tackling any imbalance between supply and demand, along with two local employment action plans (Strumica and Kumanovo). In 2022–2023, the ILO, working with the Economic and Social Council (ESC) and the Ministry of Labour and Social Policy (MLSP), used LESC in several municipalities to hold public consultations on the draft Law on Labour Relations, bringing in the social partners at local level. In 2019, the MLSP and the social partners, with ILO support, also highlighted for the first time the role of LESC in local policymaking through the discussion platform Let’s Go Local! Local Challenges, Shared Solutions! LESC served as a forum where more than 300 employers and trade union representatives helped shape the Operational Plan for Active Labour Market Measures and Employment Services, so that these measures and services would match the real needs of the labour market. The ILO project also produced a Tripartite Action Programme for Social Dialogue 2019–2022 for the ESC and LESC, which stressed the need for cooperation between the two. In addition, the project launched a dedicated platform, <https://less.mk/>, to raise the visibility of LESC and support their networking and communication. The ILO helped build LESC capacity by furnishing their premises with furniture, technical equipment and libraries, and by training members on topics of interest to them: systems for anticipating labour market skills needs, the informal economy, labour market and employment policies, social security, collective bargaining skills and techniques (building consensus in times of crisis), labour market activation strategies and more. Beyond these key results, the project trained all 12 LESC in the methodology for setting up local employment partnerships (LEPs), and all 12 submitted project proposals to establish one. Following a thorough evaluation, four local employment partnerships were selected and established (Bitola, Veles, Kumanovo and Skopje), each basing its final project on a detailed diagnostic of local labour market conditions and needs. The first local employment partnership, the Business Start-up Centre in the Municipality of Bitola, was also piloted. LESC were actively involved in the awareness campaign on workers’ rights and obligations, “My Work, My Rights!”, particularly in getting more than 1,000 students from 56 secondary schools across the 12 LESC municipalities to take part in the training and competition based on the ILO training programme “Youth Rights @ Work”, approved by the Bureau for Development of Education.

2. Project: Promoting Social Dialogue in the Community, 2019–2026, YCC Bitola

Launched in 2019, the “Promoting Social Dialogue in the Community” project aims to help local stakeholders establish, revitalise and develop LESC. Over its lifetime, it has supported local

governments, employers and trade unions in 11 municipalities: Bitola, Demir Hisar, Resen, Struga, Gostivar, Tetovo, Kavadarci, Sveti Nikole, Kriva Palanka, Shtip and Kumanovo. New LESC were set up in Demir Hisar and Kriva Palanka, while in the other municipalities the project helped revive and develop existing ones.

By the end of 2025, the project had held 62 capacity-building events for the social partners, local governments and civil society organisations, including training sessions and workshops on workers' rights, participation in local decision-making, monitoring of local policies and measures, and the role of social dialogue and the social partners. More than 1,200 people took part.

The project also supported networking and the exchange of experience among LESC at national and regional level, including study visits to Croatia, Slovenia and Greece. Panel discussions and forums were held on issues that matter to local communities, such as the just transition, job opportunities for young people, the labour market, migration, transport infrastructure and dealing with the aftermath of the pandemic.

In 2025, particular attention was paid to the role of LESC in the just energy transition. A just transition planning event was held in the Pelagonia region, bringing together the LESC of Bitola, Resen and Demir Hisar with local authorities, trade unions, employers, civil society organisations and industry representatives. At national level, the event "Just Energy Transition at Local Level: Workers, Communities and Dialogue" opened a direct dialogue between local structures and national institutions and gave municipalities a chance to learn from one another.

Special attention was given to youth participation through the establishment of the Youth Assembly for a Just Transition within the University Hub for the Triple Transition, in cooperation with "Eko-svest" and St. Kliment Ohridski University in Bitola. In addition, panel discussions and expert workshops with national and international partners addressed workers' rights and the socio-economic impacts of the transition.

2. METHODOLOGY

The report builds on the ILO methodology for assessing LESC, piloted in 2019. This core methodology was expanded with the additional methods described below, in order to gain a more detailed picture of the activities LESC have carried out over the period and to document examples of their possible influence on municipal economic development. The analysis followed the same framework of four analytical areas, covering establishment, functioning, composition and effectiveness, which allows the two periods to be compared. The analytical areas are:

1. Institutional and regulatory framework for effective social dialogue at local level
 - 1.1 Mandate and role of LESC;
 - 1.2 Operational process: administrative and technical support and LESC budget;
2. Developing recommendations and opinions: potential bottlenecks in current working methods and suggested improvements;
3. LESC membership and composition;
4. Impact of LESC recommendations, advice and opinions.

This report is structured around these areas and also includes conclusions and recommendations. The working methods are explained below.

● Document review

Document review provided the analytical foundation throughout. Through desk research, and in cooperation with YCC Bitola and the ILO, a body of documents was analysed, including legal frameworks for establishing LESC, agreements, rules of procedure, project reports, work plans and programmes, project outputs, and international documents on social dialogue.

● Introductory interviews with YCC Bitola and the ILO

The introductory interview with YCC Bitola was held with the coordinator of the “Promoting Social Dialogue in the Community” project. It was designed to gather information on project activities in 2019–2025, the progress and results achieved, and the impact on how LESC function and how effective they are. The interview looked at individual LESC, how well they work and what sets each of them apart. It also aimed to identify good practices and lessons learned about what makes LESC work and succeed. The interview with the ILO Office in Skopje was held with the coordinator of the “Strengthening Social Dialogue” project and provided information on ILO support to LESC in 2019–2021, covering how they functioned, the challenges they faced and the results achieved. It also sought information on international practice, focusing on local employment partnerships as a model for boosting local employability and on how they work in practice. Finally, it produced recommendations on how to make LESC more effective in local economic development.

Both interviews followed a semi-structured interview guide

● Survey of LESC

The survey aimed to collect data on the establishment, functioning, effectiveness and impact of local LESC and was based on the list of questions in the ILO methodology. It was sent to the 17 LESC covered by the projects, with instructions for the technical secretary and the chair to coordinate with LESC members and return a single joint questionnaire. The survey was run in Macedonian on SurveyMonkey. The questionnaire contained 35 questions covering the four focus areas. Most were closed questions, which made it possible to collect responses efficiently. Of the 17 LESC, 13 responded, and their answers were used in preparing the analysis.

Survey data were analysed separately for each LESC to build a picture of each individual case. Where relevant, the data were also cross-analysed to identify points of convergence and divergence.

● Interviews with LESC, trade union representatives and employers' organisations

Following the document review and survey, the expert conducted nine interviews with LESC Bitola, Kumanovo, Gostivar, Demir Hisar and Kriva Palanka, the Business Confederation of Macedonia and the Organisation of Employers of Macedonia (OEM). The selection took into account the survey responses and the information gathered on individual LESC. The aim was to include LESC with outstanding results in order to learn from their practices and ways of working. LESC with weaker results were also included, to identify the main reasons for their inactivity and the bottlenecks they face. Care was also taken to ensure a balanced geographical spread across the country. The interviews complemented the survey findings and provided qualitative data that could be triangulated with other

sources to draw preliminary conclusions and recommendations.

The interviews followed the detailed questions set out in the ILO methodology

● Validation meeting

An online validation meeting was held to present the draft findings and conclusions to LESC, the ILO and YCC Bitola. The meeting helped build a full picture of how LESC function and provided an opportunity to discuss recommendations for improving their work and standing. The input received was then incorporated into the final report.

3. STATUS OF LOCAL ECONOMIC AND SOCIAL COUNCILS IN NORTH MACEDONIA

3.1 LESC Bitola

Date of establishment: 19 September 2013, based on the Decision on Establishing a Local Economic and Social Council and the Agreement on Establishing the Local Economic and Social Council of the Municipality of Bitola⁶.

Current composition: 25 members, including 2 representatives of local government, 4 from the trade unions and 2 from the Organisation of Employers of Macedonia (OEM)⁷. External members of LESC Bitola include civil society organisations, representatives of educational institutions and associations, chambers of commerce and the Employment Centre. The LESC operates under its adopted Rules of Procedure.

Administrative and technical support: Provided by the Municipality of Bitola through the deputy chair, who is also the Municipal Secretary, and the LESC secretary. Support is efficient and covers organising LESC meetings, preparing materials and minutes, and circulating the necessary information.

General activity, 2019–2025: After its establishment in 2013, LESC Bitola was at its most active until 2017, when it developed both the LESC Strategy and the Local Economic Development (LED) Strategy of the Municipality of Bitola. Following a short period of inactivity, the council was revitalised in 2019 with a renewed mandate and new members, and the then Mayor took on the role of chair. It has been active ever since, holding a total of 7 meetings. In 2022, a new council was formed, with an OEM representative elected as chair and the Municipal Secretary as deputy chair. The chair of the most recent council is again from the OEM, a local business owner. The Municipality of Bitola supports the LESC from its budget, mainly through programmes in various sectors.

LESC Bitola has carried out a considerable number of activities since 2019. Under the “Promoting Social Dialogue in the Community” project implemented by YCC Bitola, a forum was held to set priorities for the LESC after its mandate was renewed, which led to the LESC Bitola Action Plan for 2019–2022. With further support from the same project, LESC members took part in numerous training sessions and

⁶ LESC established with support from the USAID YES Network, the ILO “Promoting Social Dialogue” project and the YCC Bitola “Promoting Social Dialogue in the Community” project were set up on the basis of a Municipal Council decision and a signed agreement on establishment, and have adopted Rules of Procedure. However, the data gathered for the analysis show that some LESC have no adopted Rules of Procedure. This may reflect a lack of institutional memory of earlier processes, a lack of continuity and failure to renew membership.

⁷ LESC are established on the basis of an agreement that explicitly enshrines equal representation of the social partners as a key principle. Under the agreement, the official membership of the LESC should include an equal number of representatives from each partner. All LESC signed such agreements when they were first established. However, this analysis found that in practice LESC do not always uphold this principle, which is why examples of unequal representation appear here and later in the report. Among the reasons given by LESC and explained further below, the key ones are lack of capacity and interest among some local partners (usually the trade unions and employers) in taking part in LESC.

workshops on rights under the Law on Labour Relations, collective agreements, the Law on Prevention and Protection against Discrimination, the Law on Prevention of Harassment at the Workplace, participation in decision-making, monitoring of municipal programmes and similar topics, as well as in networking events and study visits at home and abroad. The project also organised panel discussions on the impact of the Government's economic measures during the pandemic, transport infrastructure, the role of social enterprises in the local ecosystem and the importance of free economic zones for the local economy. More recently, the council has focused on the just transition, both through the lens of local policy and in relation to national commitments and planned activities under the Reform Agenda and specific plans in this area. After the new council was formed in 2022, a Local Economic Development Strategy was drawn up and adopted in 2023. That same year, the Municipality of Bitola, together with St. Kliment Ohridski University in Bitola, launched the University Summer Internship project, allocating MKD 500,000 from the municipal budget. In 2019–2021, LESC Bitola was also actively involved in many activities under the ILO's "Strengthening Social Dialogue" project. With the project's support, a labour market diagnostic was carried out for the Municipality of Bitola, which served as the basis for a request to open a dual education class. The LESC also received training on setting up a local employment partnership. Through LESC Bitola, and with ILO support, a public consultation was held on the Law on Labour Relations, along with a discussion of the 2020 Operational Plan for Active Labour Market Measures and Employment Services, among other activities. LESC Bitola encouraged secondary schools to take part in the youth training and competition run as part of the ILO project's campaign, and the "Gjorgji Naumov" technical secondary school won the award for best school in North Macedonia. LESC Bitola received ILO support to establish a local employment partnership, under which it set up the Business Start-up Centre. Through this partnership, it also provided mentoring, training, financial support for new start-ups, career fairs and more.

Effectiveness analysis of LESC Bitola: According to the survey, LESC Bitola has been consistently active and has carried out a series of activities, both on its own and in cooperation with YCC Bitola, the ILO and other stakeholders. It cooperates regularly with external members such as civil society organisations, secondary schools, chambers of commerce, the Employment Centre and the University. Although the municipality consults LESC Bitola regularly (almost monthly) when adopting programmes and strategies, laws and bylaws related to local economic development, and on specific local issues and trends (such as environmental challenges, the just transition and dual education), the recommendations that come out of these consultations are only partly implemented. The council's influence on local policymaking is considered significant, as is its role in mobilising the community around important issues. One example was raising the issue of the just energy transition, which grew into a much wider debate, drew in both the local public and national stakeholders, and ensured that the issues were handled transparently and that information flowed properly.

3.2 LESC Veles

Date of establishment: 26 August 2015, based on the Decision on Establishing a Local Economic and Social Council and the Agreement on Establishing LESC Veles.

Current composition: 12 members: 4 representatives of local government, 4 from the trade unions, 3 from the Organisation of Employers of Macedonia and 1 from the Business Confederation of Macedonia. External members include the Employment Service Agency, secondary schools, the Faculty of Technology and Technical Sciences in Veles, civil society organisations, the Chamber of Crafts and the

Youth Council of the Municipality of Veles. There have been no significant changes in membership over the years, but members' terms have expired and the council is currently not constituted.

Administrative and technical support: The Municipality of Veles provides technical support through municipal staff, usually the secretary. Support is rated as efficient and consists of administrative and logistical help with organising meetings. The ILO provided technical equipment, a library and furniture, while the municipality provided premises for the LESC.

General activity, 2019–2025: LESC Veles was set up in 2015 but was active only until 2021, after which it effectively stopped functioning. Five or six meetings were held in 2019 and 2020. Identified activities include drafting an application for the local employment partnership “Adaptability and Upskilling of Women and the Long-term Unemployed” and a Territorial Diagnostic Report for the Municipality of Veles, prepared under the ILO’s “Strengthening Social Dialogue” project; a work programme was also adopted in 2020. LESC Veles was likewise involved in supporting the introduction of the local employment partnership concept under the ILO project. The council has had no activities since 2021. On one occasion, LESC Veles received funding from the municipal budget.

Effectiveness analysis of LESC Veles: According to the survey, LESC Veles is not an active council. Its mandate has expired, communication between support staff and members was very infrequent (once a year), and interaction among the members themselves has dwindled. The municipality consulted the council very rarely, mainly on annual work programmes and on local employment partnerships and models. As a result, its recommendations were only partly implemented and had no effect on local policymaking: its influence is rated as small or non-existent, and its work has neither mobilised the community nor strengthened local partnerships. Cooperation with local stakeholders (civil society organisations, educational institutions, vocational education centres) was occasional. On the positive side, there are clear procedures for nominating and selecting members, adopted Rules of Procedure, and a high level of mutual trust and commitment among the key social partners. This suggests that the problem lies not in the quality of the membership but in the lack of institutional support and continuity.

3.3 LESC Gostivar

Date of establishment: 30 September 2013, based on the Decision on Establishing a Local Economic and Social Council and the Agreement on Establishing the LESC.

Current composition: 10 members: 2 representatives of local government, 5 from the trade unions and 3 from the Organisation of Employers of Macedonia. External members are the Employment Centre, civil society organisations, an educational institution and the Chamber of Crafts. Membership has been reduced compared with previous councils to make meetings more efficient, regular and well attended. The LESC has adopted Rules of Procedure.

Administrative and technical support: Provided by the municipality through staff of its Investment and Development Department. Support is efficient and covers organising LESC meetings, preparing materials and minutes, and circulating the necessary information.

General activity, 2019–2025: LESC Gostivar has been consistently active, holding a total of 12 meetings on a regular quarterly basis. It has carried out a wide range of activities relevant to the local context. Under the “Promoting Social Dialogue in the Community” project, a forum was held to set the LESC’s priorities, followed by an annual work programme. Panel discussions covered topics such as internships as a pathway into the labour market, the impact of the COVID-19 pandemic on Gostivar’s socio-economic situation, the minimum wage in light of local economic conditions, the state of education

and the risk of redundancy among some teaching staff, and transport infrastructure and possible solutions to traffic congestion. In 2023, the LESC Gostivar Action Plan 2023–2025 was drawn up. The Municipality of Gostivar occasionally allocates funds for the LESC's operation.

Effectiveness analysis of LESC Gostivar: According to the survey, LESC Gostivar has been consistently active, with regular quarterly meetings and a series of public events on current socio-economic issues of direct concern to the community: employment, the minimum wage, the effects of the pandemic, education and infrastructure. The municipality consults the council from time to time, most often quarterly, focusing on local economic development programmes and strategies, annual work programmes, and specific local issues and trends. Its recommendations are partly implemented, and it has a moderate influence on local policymaking. Its recommendations have helped mobilise the community and strengthen local partnerships, for example through a local agreement on redeploying staff across educational institutions to avoid redundancies. The LESC frequently cooperates with local civil society organisations, educational institutions and vocational education and training centres, and keeps in occasional contact with national institutions, international organisations and donors, which gives it an open channel to the national and donor level.

3.4 LESC Demir Hisar

Date of establishment: The Municipal Council adopted the decision to establish the LESC on 15 May 2023, and the Agreement on Establishing the LESC was signed on 25 May 2023.

Current composition: 9 members, with equal representation of the three social partners: 3 representatives each from local government, the trade unions and employers' organisations. External members include secondary and primary schools, the Employment Centre and civil society organisations. The LESC has not adopted Rules of Procedure.

Administrative and technical support: Provided by the municipality, with clearly defined administrative and technical tasks, although support became less efficient after the first council's term expired.

General activity, 2019–2025: Although it is the youngest of the councils analysed, LESC Demir Hisar showed real momentum in 2023, holding 4 meetings and meeting quarterly. Its representatives attended the LESC networking event organised by YCC Bitola. With support from the “Promoting Social Dialogue in the Community” project, the LESC held a forum to set its priorities, five members took part in capacity-building training, and a panel discussion was held on making the most of the municipality's export, investment and tourism potential. LESC representatives take part in capacity-building workshops and training, networking events and study visits organised through the YCC Bitola project. The materials needed to constitute the new council have not yet been prepared.

Effectiveness analysis of LESC Demir Hisar: According to the survey, LESC Demir Hisar, although relatively new, shows promisingly strong early activity. The municipality sometimes consults the council, at least quarterly, on local economic development programmes and strategies, the municipality's annual work programmes and social issues, but only partly implements its recommendations. Its influence on local policy is rated as moderate, and the council has helped mobilise the community and strengthen local partnerships. Examples include public forums to set LESC priorities with community participation, mobilising companies around the just transition, and rallying the business sector to make better use of the municipality's export and tourism potential. Each year the municipality has earmarked MKD 200,000 in its budget under the hospitality line, but these funds have never actually been made available to the LESC.

3.5 LESC Kavadarci

Date of establishment: 2013, based on a Decision of the Council of the Municipality of Kavadarci and the Agreement on Establishing the LESC.

Current composition: 9 members, with equal representation of the three social partners: 3 representatives each from local government, the trade unions and employers' organisations. One civil society organisation is also involved in the LESC's work. New members have recently been appointed, so the council is in a consolidation phase. Rules of Procedure and an Action Plan are also being drafted. Administrative and technical support: Provided by the municipality and covers preparing materials and minutes and helping to organise meetings.

General activity, 2019–2025: The council has been largely inactive, holding only 2 meetings in the past six years. Its one activity was a priority-setting forum under the "Promoting Social Dialogue in the Community" project. The LESC has not been consulted by either local stakeholders or the municipality. Cooperation with external bodies is minimal, limited to occasional contact with civil society organisations. LESC members actively take part in workshops, training sessions, networking events and study visits run through donor projects.

Effectiveness analysis of LESC Kavadarci: According to the survey, this LESC is almost entirely ineffective. It is not consulted in local processes, its influence on local policymaking is small, and it has neither mobilised the community nor strengthened local partnerships. That said, there are encouraging signs of reactivation, with an Action Plan and Rules of Procedure now in preparation. The municipality has not allocated any funds to this LESC.

3.6 LESC Kriva Palanka

Date of establishment: 27 November 2024, based on a Decision on Establishing the LESC

Current composition: 12 members: 5 representatives of local government and 4 from the trade unions, while the business sector has 3 representatives nominated by the local economic council set up by the municipality. Unlike the other councils, this LESC has no representatives of the Organisation of Employers; it was established by a decision of the Mayor, and no tripartite agreement has been signed. It has no external members. Given its composition and the way it was established, this council departs from the principles and steps followed in setting up the other LESC. Although it is included in this report, there is limited scope for analysing it and comparing it with the others. The LESC operates under adopted Rules of Procedure, but an Action Plan has not yet been prepared.

Administrative and technical support: Provided by the municipality and consists of preparing materials and supporting meetings, but it is rated as only partly efficient, with administrative and technical tasks only partly clear.

General activity, 2019–2025: Since the council was only formed at the end of 2024, there was no activity at all in 2019–2023. So far it has held just 1 meeting, and its only documented activity is the forum to set LESC priorities for 2025, organised with support from the "Promoting Social Dialogue in the Community" project. The council has existed for too short a time to show how functional and operational it is.

Effectiveness analysis of LESC Kriva Palanka: According to the survey, this council is inactive. The few consultations with the municipality concerned local economic development programmes and strategies and local employment partnerships and models. Even so, the recommendations from these consultations have only been partly implemented. Since its establishment, the LESC has not helped

mobilise the community or strengthen partnerships, and it has neither an Action Plan nor any approved budget for its operation.

3.7 LESC Kumanovo

Date of establishment: 7 December 2009, based on the Decision on Establishing a Local Economic and Social Council and the Agreement on the Scope and Working Methods of LESC Kumanovo.

Current composition: 9 members, with 3 representatives each from local government, the trade unions (the Federation of Trade Unions of Macedonia, SSM, and the Confederation of Free Trade Unions, KSS) and the Organisation of Employers of Macedonia. External members include civil society and youth organisations, the Employment Centre, the Centre for Social Work, the media, the Kumanovo Interior Affairs Sector (SVR), the Chamber of Crafts and the Social Services Department of the Municipality of Kumanovo. A business community representative was elected chair and a trade union representative deputy chair. The LESC's mandate has now expired, and all relevant institutions have been asked to nominate new representatives. LESC Kumanovo operates under adopted Rules of Procedure.

Administrative and technical support: The Municipality of Kumanovo provides efficient support by supplying meeting space, assigning a member of municipal staff and providing logistical help (minutes, materials, organising meetings).

General activity, 2019–2025: Although it was set up as early as 2009, LESC Kumanovo was relaunched in 2019. Since then it has held a total of 36 working meetings, convening regularly, usually quarterly. As one of the most active councils, LESC Kumanovo has carried out a wide range of activities, mostly on its own initiative but also with other stakeholders. It organised meetings with businesses in the Dobrošane industrial zone to speed up gasification, which led to a five-member Steering Board being set up to lead work on the issue. During the COVID-19 pandemic, the LESC was heavily involved in humanitarian work, and it later took part in international fairs (the Bulgarian-Macedonian Business Forum and the “Organic Table” fair). Together with the Employment Centre, it regularly presents the operational plan of employment measures. In 2022, it adopted the LESC Strategy 2022–2026 and an Action Plan, set up the Local Economic Development Commission (LEDC), and brokered a meeting between the Deputy Prime Minister for Economic Affairs and the meat industry on pork import quotas. The LESC also organised a meeting on solar panels that raised local awareness of energy efficiency and the green transition. Other activities include meetings with the footwear industry (including arranging a meeting with the Prime Minister to seek systemic solutions), promoting dual education, and labour market research and analysis as the basis for a Local Employment Strategy. Although not a primary beneficiary, LESC Kumanovo hosted an experience- and knowledge-sharing visit organised under the “Promoting Social Dialogue in the Community” project and held a public debate on “Gasification and Water Supply in the Dobrošane Industrial Zone”. The LESC has also set up an internal body, the Women Entrepreneurs' Forum, an innovative step towards specialising and stepping up its work at local level. Under the “Strengthening Social Dialogue” project, LESC Kumanovo received support, training and mentoring to establish a local employment partnership. LESC Kumanovo receives no financial support from the municipality.

Effectiveness analysis of LESC Kumanovo: According to the survey, LESC Kumanovo is one of the most active local councils, with a strong focus on economic issues: developing the industrial zone, supporting specific industries (meat, footwear), energy and renewables, employment and dual education. The municipality consults it most often on a quarterly basis, mainly on local employment

partnerships and models, social issues, and specific local issues and trends. Despite the LESC's high level of activity and influence, its recommendations are only partly implemented. The examples show that LESC Kumanovo has significant influence on local policymaking, and its recommendations have helped mobilise the community (for example, by raising awareness of renewable energy and energy efficiency, rallying businesses around issues that matter to them, as with the footwear and meat industries, and mobilising businesses for humanitarian work during COVID-19). Its institutional innovation stands out, namely setting up the LEDC and the Women Entrepreneurs' Forum as working bodies within the LESC. So does its role as a go-between for local businesses and national institutions (the Deputy Prime Minister and the Prime Minister), which gives the council a reach beyond the purely local, even though there is no cooperation with the national Economic and Social Council.

3.8 LESC Resen

Date of establishment: 28 July 2015, based on the Decision on Establishing the LESC, the Agreement on Establishment and the Rules of Procedure

Current composition: 9 members: 4 representatives of local government, 3 from the Organisation of Employers of Macedonia and 2 from the trade unions. External members are the Employment Centre, educational institutions and the Centre for Social Work.

Administrative and technical support: The Municipality of Resen provides support. The council received furniture, technical equipment and a library through the ILO's "Strengthening Social Dialogue" project, while the municipality provided premises.

General activity, 2019–2025: LESC Resen has held 5 meetings in the past six years, roughly once a year. Its activities include public forums on occupational safety, training sessions and seminars, and a labour market diagnostic for the Municipality of Resen, prepared with support from the "Strengthening Social Dialogue" project. In 2023, LESC Resen was reactivated with support from the "Promoting Social Dialogue in the Community" project, and a forum was held to set its priorities. In the following years, it took part in study visits, exchanges and networking events.

Effectiveness analysis of LESC Resen: According to the survey, this LESC is active, though its activities are limited. The municipality rarely consults it (once a year), on local economic development programmes and strategies and on social issues and activities, and partly implements its recommendations. Recommendations are followed up through written requests for information to institutions, a practice that sets it apart from the other councils. Although the recommendations are said to have influenced local policymaking, their influence is rated as small or non-existent, and the council has neither mobilised the community nor strengthened local partnerships. It operates under adopted Rules of Procedure and Action Plans, although there have also been periods without a work plan. The municipality allocates no funds for the LESC's work.

3.9 LESC Strumica

Date of establishment: 22 December 2011, based on the Decision on Establishing the LESC and the Agreement on Establishing the LESC of the Municipality of Strumica.

Current composition: 9 members, with 3 representatives each from local government, the trade unions and the Organisation of Employers of Macedonia. External members include a representative of the Employment Centre, educational institutions, the Federation of Farmers' Trade Unions, the Youth Council and the Regional Chamber of Crafts. There have been no significant changes

in membership over the years; the most recent renewal took place in January 2022, after members' four-year terms expired. The LESC operates under adopted Rules of Procedure.

Administrative and technical support: The Municipality of Strumica provides administrative and technical support, although under the Agreement on Establishment the LESC should also be supported by the Federation of Trade Unions of Macedonia and the Organisation of Employers of Macedonia. Support is rated as efficient and covers organising LESC meetings, preparing materials and minutes, and circulating the necessary information, with clearly defined administrative and technical tasks.

General activity, 2019–2025: Since 2019, LESC Strumica has held only 2 meetings, and its documented activities are concentrated in 2019–2022. The LESC's eighth meeting, held in May 2019, discussed its role in implementing the ILO's "Strengthening Social Dialogue" project, and 5 representatives were selected to carry out the project's second component, a horizontal review of LESC's. At this meeting, LESC Strumica also expressed interest in a local employment partnership under the ILO's restricted call for proposals. In 2020 and 2021, the Local Labour Market Action Plan of the Municipality of Strumica was prepared on the basis of the municipal labour market diagnostic. Through LESC Strumica, a public consultation was held on the draft Law on Labour Relations, along with the discussion platform on the 2020 Operational Plan for Active Labour Market Measures and Employment Services. In 2019, LESC Strumica, as one of only two LESC's that stayed active without donor support, presented its work at the EU-ILO Regional Ministerial Conference on Economic and Social Councils. LESC members also attended a national LESC networking event in Skopje, organised by YCC Bitola under the "Promoting Social Dialogue in the Community" project. LESC Strumica has consistently received a modest operating budget from the municipality (MKD 100,000 a year).

Effectiveness analysis of LESC Strumica: According to the survey, LESC Strumica has shown no activity since 2022. The municipality rarely consults it (once a year), mainly on local economic development programmes and strategies, but implements its recommendations in full. The LESC's influence on local policymaking is rated as significant (for example, in preparing the Local Employment Action Plan 2022–2025), and the council has also helped mobilise the community and strengthen local employment partnerships, although no examples were given. However, its cooperation with local and national civil society organisations, the national Economic and Social Council, national institutions, international organisations, donors and educational institutions is only occasional.

3.10 LESC Struga

Date of establishment: 26 May 2016, based on the Decision on Establishing the Local Economic and Social Council of the Municipality of Struga and the Agreement on Establishing the LESC. Current composition: 8 members: 4 representatives of the trade unions, and 2 each from local government and employers' organisations. There are no external members.

Administrative and technical support: The municipality has supported the organisation of events and meetings. After its establishment, the council received support from the ILO's "Strengthening Social Dialogue" project in the form of a library, technical equipment and furniture, while the municipality provided premises for the LESC.

General activity, 2019–2025: LESC Struga held one meeting in 2019, at which members' mandates were renewed, followed by a period with no meetings, although the council did carry out some activities. Under the "Promoting Social Dialogue in the Community" project, it held a forum to identify LESC priorities with the participation of the municipality and the social partners, a panel discussion on

occupations in short supply in Struga, and a discussion on new ways of activating the local unemployed population. At certain times the municipality also allocated funds to support LESC activities. In addition, the “Strengthening Social Dialogue” project produced a local labour market diagnostic for Struga, on the basis of which the Organisation of Employers of Macedonia organised a discussion forum and submitted an initiative to amend the secondary vocational education (VET) curriculum to meet staffing and skills needs in the HoReCa sector in Struga and Ohrid. LESC representatives take part in capacity-building workshops and training, networking events and study visits organised through donor projects.

Effectiveness analysis of LESC Struga: According to the survey, this council is partly inactive. In the past, when consultations did take place, the municipality consulted the council rarely (once a year) on laws and bylaws related to local economic development, but did not implement any of its recommendations. Its influence on local policy is therefore small or non-existent, and it has neither mobilised the community nor strengthened local partnerships. According to the information received, the LESC has not adopted Rules of Procedure.

3.11. LESC Sveti Nikole

Date of establishment: 20 May 2015, based on the Decision to Initiate the Establishment of the Local Economic and Social Council of the Municipality of Sveti Nikole.

Current composition: 9 members, including representatives of the Municipality of Sveti Nikole, the two largest trade union federations (SSM and KSS) and the Organisation of Employers of Macedonia. The Employment Centre is an external member. No Rules of Procedure have been adopted. Administrative and technical support: Provided by the municipality, but support cannot be effective because the council itself is not functioning. After its establishment, the council received support from the ILO’s “Promoting Social Dialogue” project in the form of a library, technical equipment and furniture, while the municipality provided premises for the LESC.

General activity, 2019–2025: LESC Sveti Nikole has held only 2 meetings in the past six years, once a year as planned, but these produced no initiatives or conclusions. The “Strengthening Social Dialogue” project produced a labour market diagnostic for Sveti Nikole, and the “Promoting Social Dialogue in the Community” project later supported a priority-setting forum. In 2024 and 2025, the council took part in training, exchange and networking events. It never receives requests for advice from local stakeholders and has never initiated debates, forums or panel discussions. It cooperates only occasionally with local civil society organisations and not at all with national civil society organisations, the national Economic and Social Council, national institutions, international organisations, donors, educational institutions or vocational education centres.

Effectiveness analysis of LESC Sveti Nikole: According to the survey, this LESC is inactive. The municipality rarely consults it (once a year), mainly on civil society initiatives, and does not implement its recommendations. Its influence on local policy is small or non-existent, and it has neither mobilised the community nor strengthened local partnerships. That said, the municipality does occasionally provide some funding: MKD 30,000 in 2024 and a total of MKD 78,000 in 2025, shared among four municipal advisory councils (including the LESC). The council works intermittently and has no Action Plan.

3.12 LESC Tetovo

Date of establishment: 24 August 2012, based on a Decision of the Council of the Municipality of Tetovo and the signing of the Agreement on Establishing LESC Tetovo.

Current composition: 7 members: 5 representatives of local government, 1 from the trade unions and 1 from employers' organisations. External members are the Employment Centre and representatives of civil society organisations and educational institutions. The LESC operates under adopted Rules of Procedure.

Administrative and technical support: Provided by the Municipality of Tetovo. Support is rated as efficient, with clearly defined administrative and technical tasks, and communication between support staff/the secretary and members is regular, on a monthly basis.

General activity, 2019–2025: LESC Tetovo is a very active council, having held a total of 30 meetings over the period and meeting monthly. Its activities in 2019–2025 have been continuous. In 2019, a debate and a strategic planning seminar resulted in a strategic plan for the LESC, which was adopted by the Council of the Municipality of Tetovo. Later, under the “Promoting Social Dialogue in the Community” project, a forum was held to set LESC priorities, along with panel discussions on topics such as interaction between business and young people, workers' rights and youth migration. LESC Tetovo members actively take part in workshops, training sessions, networking events and study visits run through donor projects. Under the “Strengthening Social Dialogue” project, a labour market diagnostic was produced for the Municipality of Tetovo. Through LESC Tetovo, a public consultation was held on the draft Law on Labour Relations, along with the discussion platform on the 2020 Operational Plan for Active Labour Market Measures and Employment Services. In 2019, LESC Tetovo, as one of only two LESCs that stayed active even without donor support, presented its work at the EU-ILO Regional Ministerial Conference on Economic and Social Councils. The municipality allocates funds to support the LESC's operation.

Effectiveness analysis of LESC Tetovo: According to the survey, LESC Tetovo is one of the most active councils. The municipality sometimes consults it, at least quarterly, on local economic development programmes and strategies, the municipality's annual work programmes, and social issues and activities, but only partly implements its recommendations. Its influence on local policymaking is rated as moderate, and the council has helped mobilise the community and strengthen local partnerships. LESC Tetovo has built good working relationships with local stakeholders as well as with international donors and organisations.

3.13 LESC Shtip

Date of establishment: 8 February 2013, based on the Decision on Establishing the LESC and the Agreement on Establishing the Local Economic and Social Council of the Municipality of Shtip.

Current composition: 9 members: 2 members of the Municipal Council and 2 deputies, 2 members of the municipal administration, 1 from the Federation of Trade Unions of Macedonia, 1 from the Confederation of Free Trade Unions and 1 from the Organisation of Employers of Macedonia. External members include the Employment Centre, representatives of civil society organisations and educational institutions, the Textile Cluster and the East Planning Region Development Centre. The council was relaunched in 2019, when new members were nominated under the ILO's “Strengthening Social Dialogue” project. The LESC operates under adopted Rules of Procedure.

Administrative and technical support: The Municipality of Shtip supports the LESC's work. Support is rated as efficient and covers organising meetings, preparing materials and minutes, and circulating information.

General activity, 2019–2025: Between 2019 and 2025, the LESC held 10 meetings; it

generally meets once a year, and its meetings are rated as effective. Activities include panel discussions under the “Promoting Social Dialogue in the Community” project on topics such as local social dialogue during COVID-19. Under the “Strengthening Social Dialogue” project, a local labour market diagnostic was produced for Shtip, and LESC members actively take part in workshops, training sessions, networking events and study visits run through donor projects. In 2025, the LESC held Hackathon 2026: Business Ideas for Youth.

Effectiveness analysis of LESC Shtip: According to the survey, LESC Shtip is moderately active. The municipality rarely consults it, and then on local economic development programmes and strategies, local employment partnerships and models, and laws and bylaws related to local economic development. Its recommendations are partly implemented and have no influence on local policymaking. Its contribution to mobilising the community and strengthening local partnerships is rated as very small. The LESC has received no funding to date: the municipality has set no budget for it, there is no plan with specific funding sources, and at times LESC Shtip has operated without an Action Plan or work programme.

4. INSTITUTIONAL AND REGULATORY FRAMEWORK FOR EFFECTIVE SOCIAL DIALOGUE AT LOCAL LEVEL

4.1 MANDATE AND ROLE OF LESCOs

Articles 246 and 247 of the Law on Labour Relations⁸ regulate how the Economic and Social Council is established, and what its role composition are. Since 2010, LESCOs in North Macedonia have been set up on the model of the national Economic and Social Council. In addition, the Law on Local Self-Government⁹, in setting out municipal competences, makes municipalities responsible for local economic development and social affairs, which also provides a basis for establishing this kind of consultative body. It should be highlighted, however, that no law on labour relations, the economy, social services or local self-government contains a specific provision governing the establishment of LESCOs. This goes some way to explaining the limits on how LESCOs currently function: on the one hand, they are established by a Municipal Council decision and a signed Agreement; on the other, because they are advisory (non-binding) and their funding remains unresolved, they are often sidelined in local economic and social affairs and end up not functioning.

The establishment process begins with a decision of the Municipal Council instructing the Mayor to set up the LESC, that is, to invite local trade union and employer representatives to nominate members. The decision sets out the LESC's composition and function, along with general provisions on how it works and how it contributes to municipal affairs. A more detailed description of the LESC's function and remit can be found in the Agreement on Establishing the LESC, a tripartite legal document signed by all three parties to social dialogue. In the survey, LESCOs confirmed that their establishment rests on a Municipal Council decision and a signed Agreement. The only exception is LESC Kriva Palanka, as explained earlier in the report. The document review shows that the Agreement is a framework document whose content is almost identical from one LESC to the next. It sets out why the LESC is established as an advisory body on economic and social issues. Based on the Agreement, the objectives of LESCOs can be summarised as follows:

⁸ Law on Labour Relations, consolidated text, available at: https://aa.mk/WBStorage/Files/Zakon_rabotnite_odnosi.pdf

⁹ Law on Local Self-Government, available at: <https://portal.mdt.gov.mk/post-body-files/zakonii-file-1bsL.pdf>

- to establish, encourage and develop social dialogue between the social partners and reconcile their differing views and interests at local level;
- to establish, encourage and develop local dialogue between the public and private sectors, in particular between the education system and employment support services on the one hand and employers on the other;
- to encourage and support private sector participation in dialogue;
- to establish and strengthen links between the labour market needs identified by businesses and the skills young people develop through the education system;
- to involve young people in regional dialogue through their participation in LESC;
- to exchange views and information and agree upon important socio-economic issues within the competence of local government (analysing the municipality's key development documents that affect socio-economic development, especially improving young people's employability skills);
- to launch joint initiatives to amend existing decisions and adopt new ones within the competence of local government;
- to take part in shaping legislation that affects the material and social well-being of employees, the unemployed, redundant workers, pensioners, young people, women and others;
- to promote the material, economic and social well-being of workers and employers in the municipality;
- to develop company- and institutional-level talks/bargaining, negotiations and agreement-signing;
- to monitor and assess the impact of local policies on economic and social stability, development and living standards in the municipality;
- to monitor employment and propose measures to boost it and to align education with labour market needs;
- to analyse and propose measures to improve citizens' quality of life in the municipality;
- to promote the amicable settlement of collective and individual labour disputes at local level;
- to keep each other informed on important matters relating to the social partners' activities;
- to publish journals, brochures and other publications within the LESC's operational remit.

The Agreement also lists more specific issues and areas for LESC to focus on:

- local economic policy and measures for economic and social development and stability;
- employment policy, especially youth employment;
- price and wage policy;
- competitiveness and productivity;
- living standards and poverty;
- developing and promoting collective agreement-reaching;
- promoting peaceful labor dispute resolution;
- improving working conditions and occupational safety;
- protecting the working environment and the environment at large;
- education and vocational training;
- health care, social protection and social security;
- child protection;
- protection of older people and persons with disabilities;
- demographic trends;
- other issues in line with LESC regulations.

Judging by what LESC focused on in 2019–2025, the list above is fairly comprehensive, not least because it leaves room for them to address other subtopics or issues specific to each municipality. Interviews with representatives of some LESC suggest that discussions sometimes covered topics not directly related to local social dialogue, such as culture, transport and social enterprises, which some members feel have little to do with the LESC and are of less interest to them. During COVID-19, almost all LESC supported by the “Promoting Social Dialogue in the Community” project also held discussions on the pandemic's impact on the local economy and how to deal with its consequences. This suggests that some LESC, particularly the most active ones, are seen as platforms for local dialogue on important social issues, going beyond the classic tripartite model and opening up space for broader involvement of different stakeholder groups in the local community.

Based on the information presented so far and the survey analysis, it can be concluded that the role of LESC is clearly defined. Of the LESC that responded, 87% (11 of 13) consider their role very clear (5 of 11) or clearly defined (6 of 11). However, members' actual understanding of the LESC's role is only at a medium level (average score 2.9¹⁰), and the mandate is put into practice to a low degree (average score 2.4). The many project training activities for LESC members focused on building knowledge of tripartite dialogue and participation in local decision-making, which explains why understanding of the LESC's role is higher. On the other hand, these results, together with the review of LESC activities, show that members need to do more to apply the knowledge and skills gained through the many training sessions and workshops.

Furthermore, the Agreement contains no article specifically obliging the municipality to consult the LESC; instead, advising the municipality on local economic and social matters is defined as one of the LESC's objectives. As a result, some municipalities are fairly passive in consulting their LESC, and in some municipalities LESC are not functioning at all, with expired mandates and no activity. According to the survey, 46% (6 of 13 LESC) said the municipality rarely consults the LESC, that is, once a year, while 38% (5 of 13 LESC) said they are consulted sometimes, at least quarterly. This shows that LESC are consulted from time to time, even routinely, most often before the adoption of local development plans, strategies and programmes, the municipality's annual programmes, local employment partnerships and models, and the like.

The effect of municipal consultations with LESC varies. According to the survey, municipalities most often partly implement LESC recommendations (9 of 13 LESC), but some LESC reported that their municipality does not implement them at all. This points to a moderate effect of LESC work and moderate value for the local community. Some positive examples of consultation:

- Twelve local labour market analyses/diagnostics produced for the municipalities covered led to recommendations for closing skills gaps and tackling mismatches between supply and demand. LESC Kumanovo and Strumica also drew up local employment action plans.
- Based on the labour market analysis for Tetovo, LESC Tetovo recommended introducing new secondary education profiles. The municipality accepted the recommendation, and new vocational profiles were introduced in cooperation with the Ministry of Education and Science and the Vocational Education Centre.
- After LESC discussions on the effects and significance of the just transition for the Municipality of Bitola and REK Bitola, and a review of national planning documents in this area, it was recommended that the LESC be more involved in discussions on the issue and that the public be

¹⁰ Rating scale from 1 (lowest) to 5 (highest).

¹¹ These are only some of the examples. Others can be found throughout the text.

better informed. The municipality then began organising public events on the topic, with the LESC acting as a platform for conveying the views of the local community to national level. At the same time, the municipality exerts influence nationally through its representative in the just energy transition working groups at the Ministry of Energy, Mining and Mineral Resources.

- Following a panel discussion organised by the LESC in Demir Hisar on the municipality's tourism potential, the municipality is working with UNDP to add a dedicated section to its website promoting its tourism offer¹².

The review of LESC activities also shows that most LESC reported activities they initiated with support from an ongoing project (less often on their own or with municipal support). These were mostly forums to set LESC priorities and local panel discussions on issues of local importance, such as youth migration, internships, the just transition, the role of social enterprises and local employment partnerships. Activities carried out independently include regular meetings and the preparation of annual programmes. Closely linked to the level and scope of consultation between municipalities and LESC is the question of how LESC are funded. The Agreement itself provides for LESC to be funded by their founding members, as agreed among them, and through additional funds from donations and sponsorship. In practice, funding for LESC usually comes from the municipality through its regular programmes (as in Bitola), through other budget lines (as in Demir Hisar, where funds are allocated under the hospitality line but never actually disbursed or used), and through other municipal budget lines and programmes (as with LESC Tetovo, Gostivar and Struga).

The LESC representatives interviewed stressed that the unresolved legal status of LESC, the lack of funding and the absence of a settled funding model are the key factors behind LESC becoming inactive and dysfunctional. Low community awareness of the importance of local social dialogue, members' somewhat limited capacity, and poor knowledge and practice of the LESC's mandate and role compound the problem and weaken the standing of these bodies locally. Other stakeholders interviewed also emphasised the importance of political support, citing examples where the mayor's membership of the LESC made it more effective and functional. Some municipal representatives disagree, however, arguing that setting up the LESC and the mayor's occasional attendance at its meetings or events is support enough. In discussions with LESC representatives and other stakeholders, various proposals were put forward to address these issues, including exploring ways to strengthen the legal status of LESC by including them in municipal statutes, and activating LESC by giving their members a contributing and consultative role in municipal bodies and committees. Along these lines, designated representatives of the LESC involved in the "Promoting Social Dialogue in the Community" project are already taking steps to explore possible legal arrangements for regulating the mandate and role of LESC, as a way of making them more sustainable and functional. Stronger political support for LESC could also take the form of local political leaders taking part in LESC work and local events, and of the municipality and economic and social institutions channelling their activities through the LESC's work programme.

Compared with the situation described in the previous report on the operationality and effectiveness of LESC in North Macedonia, it is worth noting that LESC are now better organised and better connected as a structure at national level. Through networking events, exchanges and visits made possible mainly by donor projects, LESC have proposed creating a joint structure: a union, network or association of LESC. In addition, the OEM representative on LESC Demir Hisar was appointed coordinator of all LESC, representing them both in the Assembly of the Organisation of Employers of Macedonia and in other dealings at national level. During the period under review, LESC initiated local employment action plans, built capacity to set up local employment partnerships and served as a platform for discussing many fundamental issues. LESC supported a comprehensive consultation process

4 <https://demirhisar.gov.mk/turisticka-ponuda/>

on the new Law on Labour Relations and made a significant contribution to defining new active labour market measures and employment services in the Operational Plan. It is also worth noting that, as a result of LESC proposals, curricula have been revised and new occupations introduced in some municipalities. The role of civil society in supporting tripartite social dialogue at local level has also been strengthened. Under the “Promoting Social Dialogue in the Community” project, an informal network of civil society organisations was formed to support LESC. It includes YCC Bitola, Multikultura Tetovo, the Community Development Centre Struga, the Association for Democratic Initiatives Gostivar, the Women's Organisation of Sveti Nikole and RCS “Spektar” from Kriva Palanka. These organisations have also gained credibility and capacity in their dealings with trade unions and employers' organisations. In addition, the “Strengthening Social Dialogue” project upgraded the LESC website as a shared platform for presenting and promoting LESC and their work, and ran promotional campaigns to raise awareness of the importance of these bodies in the local community and of social dialogue more generally.

4.2 OPERATIONAL PROCESS: TECHNICAL AND ADMINISTRATIVE SUPPORT AND BUDGET FOR LESC

The operation of LESC is governed by the Agreement and the Rules of Procedure. The Agreement sets out the key LESC functions which, among other things, provide administrative and technical support and keep the council running:

- LESC Chair (practice varies: in some places this is an OEM representative, in others a trade union or municipal representative, or even the Mayor).
- Deputy Chair, where practice also varies and there is no set rule on which side holds the post.
- Secretary, a member of municipal staff.

The Chair, or in their absence the Deputy Chair, has the following roles:

- represents and acts on behalf of the LESC and promotes its work;
- prepares and submits the LESC's annual work plan;
- implements the policies, conclusions and decisions adopted by the LESC;
- convenes and chairs LESC meetings;
- proposes the establishment of working bodies and appoints their coordinators;
- prepares and submits an annual report on the LESC's work to the Council of the Municipality of Bitola and to the LESC;
- ensures the sustainable development of the LESC; and
- performs other tasks set out in these Rules of Procedure or by decision of the LESC.

The review of the Rules of Procedure shows that the duties and role of the Secretariat are not specifically listed, but this function is usually performed by the municipality through an appointed LESC Secretary. The LESC Secretary has the following duties:

- takes part in preparing, communicating, organising and holding LESC meetings;
- carries out administrative work for the LESC and maintains its archive;
- takes part in preparing the annual report on the LESC's work;
- submits a quarterly progress report on the LESC's work to all members;
- provides suggestions and further information on topics where consensus is needed on solutions and activities;
- ensures the sustainable development of the LESC;
- follows all developments related to achieving the common goals of the

- social partners and informs the LESC Chair accordingly; and performs other tasks set out in these Rules of Procedure or by decision of the LESC.

The Secretary's term is 4 years, the same as that of members.

Among the LESC interviewed, meetings are held on municipal premises. It should be noted that the ILO's "Strengthening Social Dialogue" project provided premises, furniture and technical equipment for the LESC in Veles, Kichevo, Radovich, Resen, Struga and Sveti Nikole. The survey and interviews show that some LESC are inactive because members' mandates have not been renewed, meaning that new members have not been nominated and the council has not been reconstituted. This is currently the case for LESC Struga, Demir Hisar and Veles.

According to the LESC surveyed, the administrative and technical support provided by municipalities is generally rated as efficient (8 of 13 LESC, with 1 rating it very efficient), while 3 LESC consider it partly efficient and 1 said it is not efficient at all. Support usually covers scheduling meetings, preparing agendas and materials, circulating information, taking minutes and the like, as well as providing meeting rooms. The reasons given for partly efficient or inefficient support are the secretariat's unclear role and the inactivity of the LESC or its members. Indeed, most of the inactive LESC said that administrative and technical support arrangements are unclear.

Nine LESC have adopted Rules of Procedure, while 4 have not. For most of the non-functioning LESC without Rules of Procedure, administrative and technical tasks are only partly clear or not clear at all. Under the Rules of Procedure, the LESC Chair prepares and proposes the annual work plan, but the preparation and planning process is not explained, nor is there any provision for how other members take part in drawing it up. The survey shows that only 2 LESC regularly prepare Action Plans (Bitola and Tetovo), while the remaining 7 have at times worked without one. As many as 4 LESC do not prepare such plans at all, namely Sveti Nikole, Kriva Palanka, Struga and Kavadarci. Again, these are inactive or ineffective LESC or, in the case of Kriva Palanka, a relatively new one. Importantly, the lack of a clear work plan is one of the reasons LESC become passive. Without one, members have no shared direction or common goals, which reduces both effectiveness and motivation. It is also confirmed that whenever LESC were supported by projects run by USAID, the ILO and YCC Bitola, they almost always prepared work programmes and even three-year strategies. The priority-setting forums introduced through the "Promoting Social Dialogue in the Community" project are a tool for broad consultation and participatory democracy at local level. This piloted tool is already up and running and should be adopted by LESC as good practice.

As noted earlier, although funding is regulated by the Agreement and the Rules of Procedure, it remains one of the unresolved issues for LESC. On the positive side, a number of municipalities set aside some funds for LESC under existing sectoral programmes or other budget lines. In some cases these amounts are symbolic, for example MKD 30,000, but larger sums have also been allocated for certain LESC and their activities, such as MKD 500,000 for the summer internship programme in Bitola, a joint initiative of the LESC and the University "St. Kliment Ohridski" – Bitola.

According to the survey, LESC do not consistently prepare budgets for their action plans. Six councils never prepare a budget alongside their action plan, while the remaining 7 do so sometimes (4 councils) or always (3 councils); these are the more active councils. Only the municipalities of Strumica and Tetovo allocated funds for their LESC in every year covered by the analysis. In Strumica, the amount was MKD 100,000 a year. In most cases, LESC have no other sources of funding, although some mentioned external sources such as the projects that support LESC now or have done so in the past. Most LESC agree that they lack stable funding and donor support for their work. Some national and local stakeholders interviewed, on the other hand, point out that LESC activity becomes visible whenever projects and donor support are in place.

5. DEVELOPING RECOMMENDATIONS AND OPINIONS: POTENTIAL BOTTLENECKS IN CURRENT WORKING METHODS AND SUGGESTED IMPROVEMENTS

The Rules of Procedure govern how often LESC meetings are held. Meetings are held as needed, but at least once a quarter. A meeting may be convened by the Chair or by any member, including external members. The Rules of Procedure also set the notice period before a meeting and the accompanying documents, such as the agenda, minutes of the previous meeting and working materials.

In practice, meeting frequency varies. Most councils said they meet once a year (6 LESC), followed by 4 that meet quarterly and 1 that meets monthly, while some do not meet at all because they are inactive. LESC Kriva Palanka has held only one meeting since its establishment, though it is a newly formed council. LESC Sveti Nikole, Kavadarci and Strumica, all inactive councils, have held 2 meetings each, while the rest have held between 4 and 36. LESC Kumanovo has held the most (36), followed by LESC Tetovo with 30. The number of meetings itself reflects how active these councils are: their activities in 2019–2025 show that they do indeed do more than the others, and they also regularly adopt annual work plans that underpin their activity.

As mentioned, information is mainly shared by the LESC Chair and Secretary sending working materials, minutes and the like to members. Any member can also initiate information sharing. In practice, however, communication within LESC appears to be limited. As many as 9 LESC, or over 68%, describe communication as infrequent (2–3 times a year) or very infrequent (once a year), meaning it is generally tied to meetings. In the remaining 4 LESC, communication is regular, either monthly (2 LESC) or quarterly (2 LESC).

The Rules of Procedure also set out how discussions are conducted: how agenda items are introduced and opened, the format and length of discussion, and decision-making. Decisions may be put to a vote at the request of the Chair or members, but they can also be reached by consensus. In practice, both methods are used about equally: voting is the main method in 7 LESC and consensus in 6. Decisions put to a vote are adopted if at least half of the members vote in favour, while electing the Chair, Deputy Chair and Secretary requires a two-thirds quorum, with the candidate who wins a majority of the votes of those present being elected. Under the Rules of Procedure, members have the right to have a dissenting opinion recorded in the minutes.

The Rules of Procedure require the Chair to submit an annual report on their work. This report is an opportunity to give a full account of the status of the LESC's recommendations, opinions and advice. In practice, however, in most councils the Chair or Secretary reports on the status of recommendations, opinions and positions at LESC meetings. In 3 LESC, the status of recommendations and opinions is not tracked at all, while in the rest it is followed up through written requests for information or through LESC members. This shows that although each LESC may legitimately develop its own way of tracking its opinions and recommendations, there is no established, precise and comprehensive system for monitoring recommendations, opinions and their effects, nor any procedure for cases where recommendations are not implemented or are only partly implemented.

LESCs cooperate with a range of local stakeholders. In fact, many of the stakeholders directly affected by LESC work are usually involved in the LESC themselves as external members. LESC frequently cooperate with the Employment Service Agency and local Employment Centres, local and national civil society organisations, educational institutions and secondary vocational education centres. They sometimes cooperate with international organisations and donors, and very rarely with the national

ESC. A positive example of cooperation with civil society is the “Promoting Social Dialogue in the Community” project implemented by YCC Bitola together with a network of six partner organisations, which either sit on LESC as external members or initiate cooperation and organise joint activities involving LESC, most often panel discussions and debates on issues relevant to local communities. The ILO’s “Strengthening Social Dialogue” project is an example of successful cooperation with an international organisation: in addition to supporting the establishment and operation of LESC, it helped solve practical problems in the local community, such as setting up a start-up centre to support youth employment. LESC Kumanovo is an example of cooperation with national institutions, specifically the Government, on economic issues. LESC Tetovo, meanwhile, established cooperation with the Ministry of Education and local secondary vocational schools to introduce new education profiles.

Under the Agreement, LESC consider issues within their remit that are scheduled for Municipal Council sessions and provide opinions, proposals and recommendations on them. The Municipal Council or the Mayor must then inform the LESC within 30 days of the outcome of its opinion and the decisions taken. However, the Agreement contains no article requiring the municipality to inform and consult the LESC on matters within its remit. As a result, LESC rarely receive requests for advice or opinions in practice. Six LESC never receive such requests, and 2 receive them very rarely (once or twice a year). In the remaining LESC, requests come in quarterly. LESC deal with these requests at their regularly scheduled meetings, except where an urgent response or opinion is needed, though no such example was cited. In practice, LESC are sometimes not consulted at all on matters within their remit, and LESC themselves make too little use of the opportunity to give their opinion.

Under the Rules of Procedure, LESC may initiate debates and issue opinions or recommendations even when not explicitly asked, provided the issue falls within their remit. LESC tend to act proactively where external projects working with them provide the impetus to open important discussions in the local community. There are examples of such proactive action resulting in public recommendations, although it cannot always be said that these were formally submitted by the LESC to the Municipal Council, the Mayor, institutions or national level. Some examples follow:

- At LESC Kumanovo, after a discussion with representatives of the meat industry, the issue of pork import quotas was raised with the Mayor. Having concluded that the matter was beyond the competence of local government, the LESC arranged a meeting with the Deputy Prime Minister for Economic Affairs. The LESC intervened in a similar way in the crisis in the footwear industry, initiating a meeting with the Prime Minister to find a systemic solution.
- Another example is LESC Demir Hisar, which joined the just transition debate concerning the Municipality of Bitola and REK Bitola on its own initiative, even though its involvement had not originally been planned. Because some businesses in the Demir Hisar area stood to be affected by possible job cuts and a scaling back of operations at REK Bitola, the LESC decided of its own accord to take part in the regional just transition debate.
- Similarly, when transport infrastructure in Bitola was raised at a panel discussion organised by the LESC, one of the demands put to the municipality was to build cycle lanes to encourage alternative modes of transport. The municipality included this recommendation in its programme and began building cycle lanes according to a predefined plan.

6. LESC MEMBERSHIP AND COMPOSITION

The Agreement sets out the composition of the LESC as a body for tripartite social dialogue at local level, comprising the municipality and the social partners, namely representatives of the

representative trade unions (the Federation of Trade Unions of Macedonia and the Confederation of Free Trade Unions) and of employers (the Organisation of Employers of Macedonia and the Business Confederation of Macedonia). In addition to regular members, the Agreement allows for external members such as educational institutions, employment centres, universities, vocational education centres, civil society organisations and others.

The Agreement does not specify the number of members, but in the LESC reviewed it ranges from 8 to 12. In setting the number of members, each LESC is supposed to follow the rule of equal representation of all three parties, but in practice this does not always happen. While some LESC apply the rule and have equal numbers (for example, 3 from each side in LESC Demir Hisar, Kumanovo and Kavadarci), others are guided mainly by the parties' interest in membership and their ability to nominate members who can contribute actively. LESC Tetovo, for example, has as many as 5 local government representatives, but only one each from the trade unions and employers. LESC Gostivar, for its part, has 5 trade union representatives, 2 from local government and 3 from employers' organisations. Under the Agreement, each partner nominates members in line with its own internal rules and procedures.

The discrepancies – between the rules set out in the Agreement and actual practice, as well as gaps in LESC's adopted documents and operability and missing information on implemented activities, both now and in the period before this analysis – may stem from a lack of institutional memory in municipalities and the departure of individuals who were directly involved in setting up the LESC but no longer work there.

Under the Agreement, LESC may set up internal committees and working bodies on specific issues within their remit, a provision also reflected in the Rules of Procedure. LESC Kumanovo is one such example: it set up a Local Economic Development Committee focusing on economic issues, and later the Women Entrepreneurs' Forum as a working body to strengthen and support women's entrepreneurship. Member commitment is a crucial factor in how functional and effective LESC are. The analysis shows that commitment is only partial, and that members need to be more proactive, attend meetings regularly, carry out assigned tasks consistently, launch initiatives and show a willingness to contribute to the LESC. According to the survey, local government representatives are most often rated as partly committed and less often as highly committed. Employers' representatives are also rated as partly committed, though in some councils they are considered not committed at all. Trade union representatives are likewise rated as partly committed, with a number of councils considering them not committed.

Mutual trust among LESC members is at a medium level. This may be explained by relatively infrequent communication among members, the lack of a shared strategic direction and the lack of support for the council's operation. Since trust takes time to build, it is clear that with infrequent meetings and communication, members spend little time together, which is evidently not enough to build the necessary trust. One factor that has helped raise trust is the networking events and conferences regularly organised during the period under review by the "Promoting Social Dialogue in the Community" project. These events create space for joint discussion, sharing views and opinions, developing joint proposals and forging common positions, both among members of a single LESC and between LESC from different municipalities, which certainly helps build trust.

Technical capacity also affects how effective and functional LESC are. To begin with, it is essential that internal nomination and selection procedures put forward members with the capacity to contribute to local social dialogue. Local governments usually nominate heads of departments related to the LESC's remit, such as heads or representatives of the local economic development department. Mayors are often LESC members too, as in Kumanovo and previously in Bitola and Sveti Nikole, which demonstrates political support and makes the council more efficient (decisions are made and processed

quickly). In some municipalities, such as Demir Hisar, Veles and Bitola, Municipal Council members also sit on the LESC. This helps keep communication between the two bodies open and ensures the LESC's opinions and recommendations, and the Council's follow-up decisions, are regular, coordinated and timely. However, interviewees reported cases where these Council representatives are passive and do little to maintain a working relationship between the LESC and the Council. According to the survey, members' technical capacity is rated at a medium level, which should be enough to keep LESC's functional and basically effective. This level shows that members take part in local social dialogue within the limits of their capacity and knowledge, although there is room for improvement, both by strengthening their technical expertise in the areas they represent and by building their capacity for dialogue, communication and participation in decision-making. It should be noted that the projects mentioned above have already run numerous training sessions, workshops and study visits on local social dialogue, decision-making, employment, the economy and tripartite cooperation. The "Strengthening Social Dialogue" project stands out for its expert support: it produced labour market assessments for 12 municipalities and helped introduce local employment partnerships. The "Promoting Social Dialogue in the Community" project went beyond building the social partners' capacity. It also strengthened partner civil society organisations, helping them understand social dialogue, contribute to it locally and support LESC's.

7. IMPACT OF LESC RECOMMENDATIONS, ADVICE AND OPINIONS

The impact of LESC recommendations, advice and opinions has come up at various points in the analysis so far, but this section looks at it in a more structured way.

The analysis shows that most LESC's took an active part in preparing local documents, strategies and plans and had the opportunity to feed their views and opinions into the process. For example, the LESC's in Tetovo, Kumanovo and Bitola helped develop local economic development strategies. Municipalities also consulted LESC's, regularly or occasionally, on their annual programmes. The general view is that LESC recommendations were partly taken into account.

The labour market assessments are a good example of real influence on local policy. With expert support from the "Strengthening Social Dialogue" project, LESC's helped produce local labour market assessments in 12 municipalities. These then formed the basis for local labour market action plans, such as those prepared by the LESC's in Strumica and Kumanovo. With ILO support, LESC's also co-organised regional public consultations on the new draft Law on Labour Relations, and served as a platform for introducing new services and measures under the Operational Plan.

In the Pelagonia region, community engagement on the just transition built local support for shaping and adopting policies in line with just transition principles. Through the LESC, the municipality held public events where a wider range of stakeholders could learn about the just transition and related plans, and voice their own demands. The process also showed that LESC's can reliably bring people together, first locally and then regionally, and channel community views to national institutions.

Local partnerships emerged mainly through the "Strengthening Social Dialogue" project. Under it, 12 LESC's took part in a mentoring programme, training and support to understand the concept of local employment partnerships. Following a predefined selection process, 4 LESC's were then given the opportunity to propose local employment projects based on a local needs diagnostic. A success story from this process is LESC Bitola's "Business Start-up Centre", which delivered mentoring programmes, jobs for young people and new start-ups. Specifically, it led to 35 people being hired, while the Start-up training and mentoring programme developed 22 business ideas and created or formalised 8 start-ups.

The advanced ICT skills programme involved 30 participants, 185 jobseekers attended the career fair, and 20 companies presented themselves there. Through the ILO, the concept of local employment partnerships was incorporated into the National Employment Operational Plan for 2020.

All L ESCs in the analysis point to positive examples of their influence on policy and strategy development, community mobilisation and local partnerships. However, such cases are the exception rather than the rule, which is why most L ESCs rate their own influence as low to moderate.

8. CONCLUSIONS AND RECOMMENDATIONS

L ESCs still lack legal status

Over the years covered by the analysis, social dialogue in North Macedonia has gone through various phases at both national and local level. While the legal framework for national social dialogue has remained largely unchanged, at local level there is still no legislation regulating L ESCs, nor any other arrangement that would help strengthen their status and role. The analysis shows that L ESCs have managed to survive over the past years, albeit with varying momentum and scope. New L ESCs have also been set up since 2019, which shows that municipalities recognise the need for local tripartite dialogue. The advisory role of these bodies is regulated in the tripartite Agreement on Establishment and the L ESC Rules of Procedure, with obligations regarding programme work and sustainability shared fairly evenly among the founders. These documents also enshrine the principle of equal representation on which L ESCs are founded. These documents divide responsibility for the councils' work programme and sustainability fairly evenly among the founders. In practice, however, according to the analysis, some councils no longer meet this principle, mainly because representatives were not nominated on time or members did not renew their membership. Although in theory, the provisions on the role and function of L ESCs are clear, in practice, consultations have been irregular and recommendations only partly implemented. This points to the conclusion that L ESCs need a stronger formal status so they can engage consistently in effective local social dialogue.

Recommendations:

- Support L ESCs in strengthening their legal status by providing resources and a platform for discussion and finding solutions.
- Explore options for regulating L ESCs as advisory bodies under municipal statutes, following the example of similar advisory bodies.
- Explore other ways of strengthening L ESC influence on the work of the municipality and the Municipal Council by giving L ESC members a direct role in committees and working bodies.
- Support L ESCs in holding a meeting to discuss the consistent application of the principle of equal representation and representativeness of the social partners in L ESC membership.

Financial sustainability: the key challenge

Funding for L ESC operations and activities remains a key challenge. Practice shows a pattern of municipalities only occasionally allocating funds to L ESCs, with few examples of sustained funding over the years. Even where funds have been allocated, in many cases they were never actually made available to the L ESC. There are also examples where municipalities have not funded their L ESC at all. While the expectation is that municipalities will ensure the financial sustainability of these bodies, it should not be forgotten that the Agreement on Establishment provides for all members to fund the establishment and operation of the L ESC according to their means and by mutual agreement. External projects also

contribute to LESC operations through financial support for capacity building and events, and indirectly through participation in training, exchanges, study visits etc.

Recommendations:

- Promote good practice in sustained municipal funding of LESC through dedicated budget allocations.
- Better integrate and fund LESC activities within municipal sectoral programmes, such as those for local economic development and education.
- LESC should regularly prepare budgets for planned expenditure and revenue.

Irregular planning and lack of a shared vision among members

Unresolved legal status and insufficient funding are not the only reasons LESC performance has been uneven. Irregular annual planning also plays a part, as does the lack of a shared vision among members, whether for the year ahead or for the longer term. Without a common agenda, members have little reason to meet or get involved, and they stay passive. To keep LESC active year-round, members need a shared understanding of why the LESC matters and agreed expectations and responsibilities.

Recommendations:

- Hold regular forums to set LESC priorities, following the methodology already in place.
- Strengthen ownership of the LESC's annual work programme by regulating how it is prepared through a dedicated article in the Rules of Procedure, and require every LESC member to take part in that process.
- Strengthen institutional memory by keeping proper archives and ensuring continuity and tracking of LESC activities from one council to the next.

External support: a key factor in the survival and development of LESC

The analysis of each individual LESC shows that their establishment, development and effectiveness are closely tied to the presence of external projects and actors, such as international organisations and domestic civil society organisations. Without external support, LESC were generally inactive, and these periods were marked by a lack of funding, low member motivation, lost institutional memory and little interest in using LESC for local social dialogue.

External support has helped LESC operate, build networks and engage with the wider community. Many LESC develop their action plans and strategies through project support. External projects and actors have also provided substantial funding for LESC activities, through forums, panel discussions, labour market diagnostics, local employment action plans, training sessions, workshops, study visits and networking events. This programme support has helped strengthen local and tripartite dialogue on important issues such as education, youth employment, migration, the just transition, infrastructure and transport.

Recommendations:

- Find ways to continue and step up external support, focusing on mentoring LESC so they develop into local platforms for broader social dialogue with active community participation.
- Use external projects to develop sustainability models for LESC so that they remain functional after donor support ends.
- Continue and strengthen cooperation with civil society organisations in building social dialogue in local communities.

Understanding of social dialogue has improved, but putting it into practice required long-term support. The analysis shows that, in recent years, the partners in tripartite dialogue have taken part in a number of significant capacity-building activities. These included numerous training sessions: sessions on skills for social dialogue and decision-making, sessions on understanding social dialogue and strengthening it in the community, and thematic sessions on topics of interest to LESC members, reflecting local needs and changes driven by the EU integration process. Understanding of social dialogue, and of the partners' role in it, has noticeably increased, but practice lags behind. Many factors affecting how LESCs function explain this gap, including the lack of consultation, the partial uptake of recommendations, and the wider political climate and level of support for LESC work.

Recommendations:

- Continue developing LESC capacity to practise social dialogue by supporting initiatives and negotiations between the partners in dialogue.
- Continue producing local labour market diagnostics and support programmes for establishing local employment partnerships.

Impact on local development and policy remains partial

LESC impact has varied from one municipality to another. LESCs have not yet established themselves as indispensable partners in local development. In some cases, however, LESC action proved a turning point, drawing attention to crucial local issues or changing how they were handled. Their impact was visible in shaping local employment policies and local policies supporting the business climate, in piloting employment partnerships, and in engaging the wider community in the just transition process. While some of these examples are still ongoing (such as the just transition) and the LESCs' impact can be assessed in the future, others clearly show a lack of sustainability due to inconsistent national and local policy and the absence of a broader local consensus and strategy (for example, local employment partnerships).

Recommendations:

- Promote good practices and examples of LESC impact on local policy and local economic development.
- Relaunch, regularly maintain and update the LESC website, adding new sections to promote LESC work and enabling the wider community to take part digitally in LESC work through proposals and suggestions.
- Establish a direct channel for exchanging information and views with Municipal Councils and actively involve the Council President and councillors in LESC initiatives.



Publisher:
Youth Cultural Center – Bitola

Address:
29 Car Samuil St., 7000 Bitola

On behalf of the publisher:
Zlatko Talevski

Author:
Elizabeta Markovska Spasenoska

English translation:
Elena Shalevska

Design and printing:
Grafo Prom

Bitola, 2026

This report was prepared according to the methodology of the International Labour Organization (ILO). The ILO provided its technical contribution to the preparation of the report based on its long-standing experience in promoting and strengthening social dialogue at the national and local levels, as well as in establishing, re-establishing, building the capacity of, and supporting local economic and social councils in North Macedonia. The findings, views, opinions, and recommendations presented in this report are those of the author and do not reflect the views, opinions, or policies of the ILO.

This publication is part of the project “Promoting Social Dialogue in the Community”, implemented by the Youth Cultural Center – Bitola, funded by the Olof Palme International Center and supported by the Swedish Government. The content of this publication reflects the views of the author and not necessarily those of the Olof Palme International Center.



**STRUCTURE, FUNCTIONALITY AND
EFFECTIVENESS OF LOCAL ECONOMIC
AND SOCIAL COUNCILS
in North Macedonia**