

The step under review	<i>Number of non-formal employed in the total number of employed, as per the State Statistical Office, is reduced by 20% by 2025</i>																																																										
Baseline	<i>12.2%, calculated as 84,319 informally employed persons out of the total number of 692,034 employed persons in 2022 according to data from the State Statistical Office.</i>																																																										
Deadline of the step	December 2025																																																										
Actual results	<p>The employment policy framework in the Republic of North Macedonia is defined by the Program of the Government of the Republic of North Macedonia, the Revised Employment and Social Reform Program 2023 and is in line with the obligations arising from the Global Jobs Pact of the International Labor Organization (ILO), the Youth Guarantee Plan 2023-2026 and the Law on Social Protection.</p> <p>The annual operational plans for active programs, measures and services for employment in the labour market, ensure the creation of new jobs and an increase in the employability of unemployed persons, especially young people, the long-term unemployed and beneficiaries of guaranteed minimum assistance.</p> <table border="1" data-bbox="316 1033 1432 1344"> <thead> <tr> <th></th> <th colspan="3">2022</th> <th colspan="3">2023</th> <th colspan="3">2024</th> </tr> <tr> <th></th> <th>total</th> <th>Formally employed</th> <th>Nonformally employed</th> <th>total</th> <th>Formally employed</th> <th>Nonformally employed</th> <th>total</th> <th>Formally employed</th> <th>Nonformally employed</th> </tr> <tr> <th></th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> <th>total</th> </tr> </thead> <tbody> <tr> <td>total</td> <td>692034</td> <td>607714</td> <td>84319</td> <td>688296</td> <td>614829</td> <td>73467</td> <td>694506</td> <td>609412</td> <td>85094</td> </tr> <tr> <td></td> <td></td> <td></td> <td>12,184%</td> <td></td> <td></td> <td>10,673%</td> <td></td> <td></td> <td>12,252%</td> </tr> </tbody> </table> <p>Source: State Statistical Office</p> <p>Considering the figures above, it can be concluded that the targets set out in the document for 2024 have not been achieved. The data for 2025 will be published in March 2026, by the State Statistical Office.</p> <p>Namely, although the measures taken through the Operational Plan have an impact on the formalization of informal work, they were still not sufficient to achieve the above-mentioned targets by the end of 2025.</p> <p>Another reason is that one of the measures of the Strategy for Formalization of Informal Economy which aims to reduce the informal economy was the Law on Work Engagement, which was adopted in May 2025, starts as of January 1, 2026, having in mind the electronic</p>										2022			2023			2024				total	Formally employed	Nonformally employed	total	Formally employed	Nonformally employed	total	Formally employed	Nonformally employed		total	total	total	total	total	total	total	total	total	total	692034	607714	84319	688296	614829	73467	694506	609412	85094				12,184%			10,673%			12,252%
	2022			2023			2024																																																				
	total	Formally employed	Nonformally employed	total	Formally employed	Nonformally employed	total	Formally employed	Nonformally employed																																																		
	total	total	total	total	total	total	total	total	total																																																		
total	692034	607714	84319	688296	614829	73467	694506	609412	85094																																																		
			12,184%			10,673%			12,252%																																																		

	<p>systems and the software of the Employment Service Agency and the Public Revenue Office, are appropriately upgraded and put into operation.</p> <p>The Law on Work Engagement was prepared by the Working Group with representatives of all relevant institutions and adopted by the Parliament in May 2025 (published in the "Official Gazette" No. 104/25). In the meantime, an upgrade of the existing software of the Employment Service Agency took place for the purposes of implementing the Law. The aim of the Law is to introduce a simplified procedure for registration, deregistration, taxation and payment of mandatory social contributions of workers, which will formalize their work in the identified sectors, and will ensure the lowest possible administrative burden for employers or workers. The beneficiaries are workers engaged in the informal economy and seasonal workers. The state will also benefit from the increased revenues that will result from the formalization of the work.</p> <p>The delay in achieving this step is mainly caused by the fact that implementation of the Law begins in January 2026.</p>
Evidence provided	<ol style="list-style-type: none"> 1. (Annex 1) Law on Work Engagement 2. (Annex 2) Plan for Youth Guarantee 2023-2026
Checks performed in the verification of the step and related findings	<p>When the Law on Work Engagement was prepared all relevant stakeholders were included and consulted as members of the Working group. Each Annual Operational plan for active programs, measures and services for employment in the labour market, before its adoption by the Government is reviewed by the Economics and Social Council, as a highest forum for tripartite dialogue at national level.</p>
Compliance with general principles and DNSH principle	<p>The implementation of the steps does not contravene the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement.</p> <p>The implementation of the steps does not contravene the 'Do No Significant Harm' principle (DNSH).</p>
Double funding	<p>Contributions from third parties were not reported in support of the achievement of this step.</p>
Clear conclusion on the achievement of the step	<p>Not achieved</p>