

III International Scientific Conference  
**REGIONAL DEVELOPMENT AND CROSS-BORDER COOPERATION**  
Pirot, Republic of Serbia

**NEW CONCEPT FOR EQUAL REGIONAL  
DEVELOPMENT IN THE REPUBLIC OF NORTH  
MACEDONIA**

**Zoran Matevski  
Dushka Matevska**

December 7, 2019

# PLANNING REGIONS



# Situation analysis by key indicators

- R. North Macedonia is still one of the most fiscally centralized states in Europe
- most municipalities do not have sufficient financial resources to successfully execute legal responsibilities and provide quality services to citizens
- R. North Macedonia is an extremely unevenly developed country. There are huge differences in the level of development between the urban and rural municipalities, as well as between the City of Skopje and the rest of the Republic of North Macedonia.
- life in villages and smaller municipalities is very difficult, and many people, especially young people, go to urban centers or abroad

# Situation analysis by key indicators

- more than 50% of the demographic growth of the population in the Republic of North Macedonia comes from the Skopje region
- it has the highest birth rate in the Polog region with 90% of the national demographic population growth in the country
- Pelagonia and Eastern regions are characterized by higher mortality rates than population births
- certainly this contributes to the constant migration of the population from the interior to the capital of the country, as well as migration abroad
- the situation in the north-east and south-east region with a minimal population growth is worrying

# Situation analysis by key indicators

- the distribution of unemployment by region leads to the conclusion that the main differences remain and should serve as the basis for different measures and activities in different regions
- in some regions, for example in the Southeast region, the unemployment rate is higher by almost 16%, and in the Southwest region it is higher by 7% than the national average for the last five years
- the Skopje region, which is home to 1/3 of the country's population, generates 43% of GDP. Therefore, this region is dominant in terms of regional GDP per capita
- it should be noted that this rate is two and a half times higher than GDP per capita in the Northeast, as the least developed region.
- this is a sufficient signal of the need for a comprehensive and detailed policy for balanced regional development that can deliver positive results in the short, medium and long term

# Situation analysis by key indicators

- the Skopje region accounts for about 40% of the total number of active business entities in the country
- in terms of this indicator for regional development, the Polog region comes second, followed by the Southwest and Pelagonia regions
- other regions have an extremely low percentage of economic capacities, leading to a situation where their population is on the verge of poverty
- the analysis of regional representations in total investment is a cause for concern, as more than half of the economic investments are made in the most developed region of Skopje, and almost no investments are made in the least developed Northeast region

# Conclusions

- Skopje region, as the largest urban area in the Republic of North Macedonia is populated by the highest income citizens in the country
- citizens of this region have many business opportunities
- the high concentration of the higher income population is a very favorable environment for the market for the leisure industry, which generates high rates of economic growth in the Skopje region
- the Skopje region also has the highest level of income and the lowest unemployment rate
- this region also has the lowest illiteracy rate, which results in the fact that most students and academics live in this region. These citizens have access to quality health services and numerous public cultural facilities

# Conclusions

- the rest of the regions are characterized by low educational level of the population, poor health services and lack of cultural manifestations
- there is a clear division of regions and municipalities in the social index rankings depending on their urban or rural characteristics
- the Polog and Northeast regions rank lowest in terms of social index, as these regions are dominated by rural municipalities
- there is a satisfactory attendance of educational institutions, but cultural, health and sports facilities are concentrated in urban areas
- infrastructure is another area with a sharp division between the Skopje region and everyone else

# Conclusions

- in general, the public infrastructure in the Republic of Macedonia is extremely poor in terms of two categories: economic infrastructure and social infrastructure
- economic infrastructure refers to facilities that directly affect the economic activities of a country, including: electricity supply, transport (national and local roads) and telecommunications
- when it comes to determining the economic growth of our country, the progress of public infrastructure by all indicators is one of the key indicators. A state with well-developed systems in transport, communication, energy, water, sanitation and public utilities create an environment that fosters investment in all spheres of industrial, economic and service capacities in the state
- creating employment and economic opportunities for all, especially youth, should be a necessary precondition for social and economic inclusion and integration of socially disadvantaged people

# Priority 1: Promotion of sustainable and inclusive socio-economic balanced regional development

- Priority Objective 1: Creating Institutional Mechanisms for Implementing Equal Regional Development Policies
- Measure 1: An inclusive process for identifying needs for balanced regional development projects
- Activities:
  1. Amendments to the Law on Balanced Regional Development and Harmonization of the By-Laws on Inclusive Citizenship (Community Forum Model)
  2. Establishing a model of citizen involvement in the decision-making process
  3. Increase the funding budget for balanced regional development. For regions with significantly lower rates of development to set priority quotas from the regional development budget
  4. Financing projects for regional infrastructure improvement

## Measure 2: Mechanism for creation, implementation and monitoring of projects for balanced regional development

- Activities:
- 1. Harmonization of laws and bylaws for inclusive citizen involvement (Community Forum Model)
- 2. Created an electronic system for monitoring investments in balanced regional development

## Priority Objective 2: Increase public administration and whole society awareness of the concept of "One Society and Interculturalism" and balanced regional development

- Measure 1: Promote the concept of "One society and interculturalism" through balanced regional development to achieve social cohesion
- Activities:
  - 1. Informative meetings with public administration employees
  - 2. Organizing trainings, seminars etc.

# Priority Objective 3: Strengthening the overall capacities and resources of the entities in order to ensure sustainable balanced regional development

- Measure 1: Improving the Functionality of Local Economic Development in Municipalities
- Activities:
  - 1. Training for preparation of project proposals of the employees in the local economic development
  - 2. Hiring competent experts



# Priority Objective 4: Harmonized legislation in different institutions with policies for balanced regional development

- Measure 1: Creation of legal possibilities for using funds for balanced regional development
- Activities:
  1. Preparing a functional analysis of the legal framework and allocation of funds on the basis of balanced regional development
  2. Amendments to the Specific Legal Framework by Institutions Harmonized with the Law on Balanced Regional Development