



**UNLEASHING
THE POTENTIAL
OF FREELANCING:**

A NEW ECONOMIC FRONTIER FOR BETTER OPPORTUNITIES

BACKGROUND

Over the past decade, the world of work has undergone a significant shift, with more and more individuals choosing to work independently as freelancers.

Freelancing is a type of self-employment where individuals work independently for different clients on a project-by-project basis, rather than being employed by a single company. Since the rise of freelancing, individuals have been able to work on projects that align with their interests and passions while setting their own schedules and working from anywhere. In recent years, freelancing has increasingly become a viable option for many people in the Western Balkans, who value autonomy and the ability to work on projects they are passionate about. There have been a number of challenges surrounding this unregulated digital marketplace in the region, such as a lack of awareness and understanding of the benefits and how it works for freelancers, a lack of security, a non-favorable regulatory and institutional environment, and so on. In order to improve the situation and rectify these challenges,

RECONOMY facilitated the design and implementation of a pilot intervention in North Macedonia. The intervention aimed of improving the skills of women and young people, including the most disadvantaged and excluded, to engage in effective online work through tailor-made trainings and mentorship programs from experienced freelancers.

RECONOMY is an inclusive and green economic development program of the Swedish International Development Cooperation Agency (Sida), implemented by HELVETAS Swiss Intercooperation (Helvetas) in partnership with local and regional organizations in the Eastern Partnership and the Western Balkan countries. RECONOMY stands for “starting afresh,” which refers to its role in revitalizing the developing economies in the two regions.



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aims to enable women and youth, including the most disadvantaged and excluded, to benefit from economic opportunities by increasing their income and taking up decent and green jobs, inclusively and sustainably. To accomplish this goal, RECONOMY works along three workstreams:

Services: When businesses embrace the new or better services facilitated by RECONOMY, it is expected that their investment and growth would increase as a result, making the private sector more competitive. These changes on the demand side, however, are insufficient.

Competencies: Competencies of the labor force are required, as is the ability to join companies or launch one's own economic endeavors. These come from inclusive, affordable, and demand-driven skills and intermediation services and support systems, leading to the employability and mobility of women and youth.

Influences: Further, businesses benefit from an enabling environment that is tailored to their industry or company, as it influences their productivity and spurs them to do business in a better way.

APPROACH OF RECONOMY

RECONOMY has used the inclusive systems approach - also known as the Market Systems Development (MSD) approach - to build initiatives that fit a specific country while examining how these can be adapted to other countries in the region, as opposed to choosing a one-size-fits-all strategy. To effectively implement its activities, RECONOMY relies on creating partnerships to generate significant and sustainable results.

Thematic focus.

In response to the dynamic nature of the new reality, especially upon the outbreak of the COVID-19 pandemic, RECONOMY evaluates concepts and initiatives that foster collaboration and quick learning. The program addresses common challenges and leverages common opportunities to benefit more than one country.

Institutional focus.

RECONOMY aims to serve as a multi-stakeholder initiative by bringing together and creating synergies among private-sector enterprises, public-sector institutions, academia, and civil society organizations. To support improvements in all systems and for all target groups, RECONOMY focuses on cross-cutting sectors and engages stakeholders that can anchor the common challenges and opportunities.

Territorial focus.

RECONOMY cooperates with local partners to develop innovative ideas and harness diversity to put forward initiatives with high potential for regional replication. The target groups of the program live in different countries and hence RECONOMY needs to check if the thematic issues in the different countries are relevant and feasible for stakeholders to play a role.

RECONOMY's contribution to the regional value addition focuses on three areas:



VIBRANT SERVICE SECTOR FOR BETTER ECONOMIC OPPORTUNITIES
(SELF-EMPLOYMENT THROUGH FREELANCING) IN NORTH MACEDONIA

In North Macedonia, women and young people have poor prospects for better incomes and decent jobs. In the aftermath of the COVID-19 pandemic, the labor market was adversely affected, and jobs were created at an exceptionally low rate. Despite a progressive decrease in the unemployment rate since 2015, North Macedonia entered the COVID-19 crisis with a relatively high unemployment rate of about 17.3%. A contemporary feature of labor markets worldwide, including Eastern Europe and the Western Balkans, is self-employment through **freelancing**. However, there are a number of barriers that prevent this new way of working (freelancing) from reaching its full potential in North Macedonia and generally in the Western Balkans.

Among these barriers are:

First, there is low awareness or high misperception of freelancing as an insecure and low-paying job. The majority of people still consider freelancing to be an informal job.

Second, the freelancing market is hampered by a skills mismatch between what is needed and what is available. There is a lack of public-private partnerships in education and weak non-formal training in the country, which also impedes freelancing growth.

Third, North Macedonia's legal and institutional framework does not support freelancing as a viable profession.

In order to address these challenges, RECONOMY designed and piloted the intervention "Vibrant service sector for better economic opportunities (self-employment through

freelancing) in North Macedonia". Helvetas partnered with Impact Foundation to implement this intervention. Impact Foundation is a private sector development organization that works on green economies, sustainable tourism, innovative technologies, and social prosperity. It achieves its impact through a participatory and inclusive approach to public, private, and civic initiatives at local and regional levels.

RECONOMY provided support as follows:

1. Enhancing the skills of young people, women including those from vulnerable categories so they can engage in freelancing more effectively. Three mainstreams are developed at this point.

First, RECONOMY supported a series of market actors in developing training modules that non-formal training centers could use to deliver training to interest groups. Four training modules have been developed in this regard, namely "3D Clothing Design", "Digital Marketing", "Graphic Design", and "How to Become a Freelancer". Private educational training centers deliver these modules. As of now, 597 people have enrolled in these freelancing courses, and 537 of them have completed the courses. There are 373 women, 164 men, and 130 minorities among them. Of the 537 trainees, 205 started their careers as freelancers, and 124 were women.

Bojan and Ilaria are among those who took advantage of the freelancing opportunities after completing courses facilitated by RECONOMY.



Bojan's Journey to Becoming a Digital Marketer in the Freelance World

Bojan is 27 years old. In 2015, he started studying Computer Science in Skopje, North Macedonia. In addition to studying, Bojan was involved in many student organizations. Three years later, he left the university to pursue his passion. It involved content creation, digital marketing, and social media management. Bojan started working full-time for an organization based in North Macedonia as a Social Media/Community Manager and Event Organizer. During the COVID-19 pandemic, he left his job and began taking online training and participating in webinars and other certified courses with the aim to certify his digital marketing knowledge. During 2022, Bojan participated in RECONOMY-supported events. During one of the events, he learned about the freelance mentorship program and decided to apply. Bojan was mentored by an experienced freelancer, who worked on the most popular freelance platforms. The program was completed by 84 mentees, 54 of whom were women.

In total, Bojan attended six sessions of mentorship, each lasting around two hours. As part of this mentorship program, Bojan learned how to optimize his Upwork profile to attract more clients. Furthermore, he learned how to prepare a great proposal tailored to the needs of different customers. He also learned to find the right clients and set a reasonable price. Finally, he received mentoring in preparing for an interview with a potential client.

By using all his marketing expertise and the tailored guidance he received through the RECONOMY-supported mentorship program, Bojan has developed an effective strategy to complete his Upwork profile. He is currently negotiating with three international clients through Upwork. He also provides freelance marketing and content writing services to some companies in North Macedonia. Despite starting as a freelancer slowly, Bojan was able to turn freelancing into a full-time job by being patient and committed.



Ilaria's Path to Becoming a Fashion Freelancer: A Journey of Passion and Perseverance

Ilaria, now 25 years old, graduated from the *European University of Art and Design* in Skopje, North Macedonia. She is a fashion designer by profession, and she always looks for creative opportunities in the fashion industry. The fashion industry is indeed experiencing a digital revolution, and 3D fashion design is one of the latest trends that many fashion designers are embracing. Ilaria wanted to learn more about it. Ilaria was informed about the "3D Fashion Design" training developed by VM3D. This organization was supported by RECONOMY. Hence, last year Ilaria enrolled in a 12-week RECONOMY-supported program divided into two parts. The first part of the training program focused entirely on *3D Clothing Design*, and the second part was on *how to become a freelancer*.

With the ever-changing landscape of the fashion industry, keeping up to date with the latest technology and trends is crucial for any designer. The training program provided her with the necessary skills to create 3D visualizations of her designs, which not only saves time and money, but also benefits the environment by reducing waste from physical samples.

In addition to the 3D Clothing Design training, Ilaria also took part in the Freelancer program. The program provided her with the necessary skills to work as a freelancer in the fashion industry. The training taught her how to create a profile on popular freelancing platforms such as Upwork and Fiverr, as well as how to find clients and showcase her work. Ilaria's success in securing her first client on Upwork is a testament to the effectiveness of the training program. As a freelancer, she now has the flexibility to work on projects she is passionate about and to create her own schedule. She can also work with clients from all over the world, which opens a world of new opportunities.

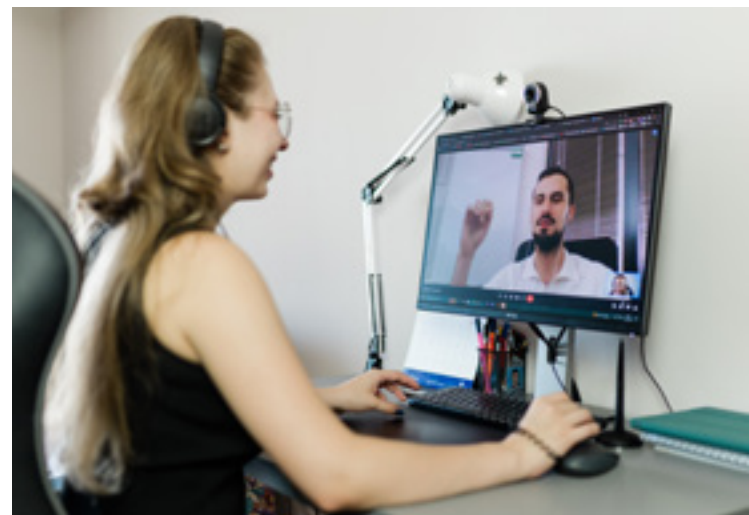
Ilaria's decision to enrol in the 3D Fashion Design and Freelancer training programs was a smart move. She now has the necessary skills to succeed in the ever-evolving fashion industry, and the freedom to work as a freelancer gives her the opportunity to pursue her passion in her own way.





Second, RECONOMY supported market actors in designing an outreach strategy to include as many women as possible and those from marginalized groups, into the freelancing community. For example, Women in Tech, a partner organization in North Macedonia, organized a *Mompreneurs* event aimed at attracting as many mothers as possible to join the freelancing community. In the *Mompreneurs* event, a co-organized event during Global Entrepreneurship Week, four exceptional mothers who are also entrepreneurs and company founders, participated. These mothers served as nudges to other mothers to take up freelancing opportunities, in addition to the time limitations that mothers face due to caring for their children. Besides that, RECONOMY worked closely with training centers with the aim of reaching out to the most disadvantaged categories, especially women. Therefore, they established cooperation with 21 women-empowering organizations on a local and national level in order to spread as widely as possible the opportunities these training centers were offering. Scholarships were provided by the training centers so that the most vulnerable women could take part in these training modules. For example, women with rare diseases, single mothers, and girls from single-parent families are among the groups that Seavus Education Center (one of the training centers supported by RECONOMY) invited to attend the training programs for freelancers. Scholarships have been provided to 20 women, and 19 have completed the course.

Third, RECONOMY supported the creation of a mentorship program. In 2022, RECONOMY facilitated mentorship workshops with ten local freelancers. Mentors shared their knowledge and experience with aspiring freelancers during the workshops. Through mentorship sessions, webinars, and one-on-one coaching, mentees learned how to pitch themselves, accomplish tasks, and be competitive. This model was piloted with 144 participants. Among those 144, 60% completed the mentorship program, 54 of whom were women.



2. **Increasing awareness of the benefits and opportunities of freelancing.** Freelancing was not well understood by many skilled individuals and it was not clear how it could benefit them. A conference was organized for freelancers in North Macedonia specifically to address this lack of awareness. Discussions focused on the opportunities and obstacles freelancers face in North Macedonia. The event also gave some freelancers the chance to share their experiences. A number of aspiring freelancers and members of the freelancing community attended the event, giving others an example to get involved. In addition, RECONOMY supported a wide number of actors promoting freelancing.

In response to the buzz surrounding freelancing, banks have also been paying attention to it. In an interview with Natasa, ProCredit Bank's representative in North Macedonia, she explained that the bank has been working on a huge campaign to promote its services to freelancers. In the past, the bank provided freelancers with a range of services. However, interest was low. In response to the recent advocacy and buzz generated by various actors, including the RECONOMY-supported intervention, implemented by Impact Foundation, ProCredit Bank started offering these types of services in special packages.

3. **Advocating for policy changes.** RECONOMY designed an advocacy campaign for policy changes. Freelancers were not recognized as a category in the current labor law, which leads

to many inabilities to contribute to and obtain state health and pension benefits. RECONOMY coordinated its advocacy efforts with those of the Ministry of Labor and Social Policy and the Ministry of Finance. These ministries are currently working on establishing a platform for all honorary workers in the country, which could also be used by freelancers. This platform will be the responsibility of the Ministry of Finance. RECONOMY has urged the government to include freelancers in the platform. With all these coordinated advocacy efforts, the government has made "freelancing" part of its agenda and approved for freelancers to contribute to their health and pension benefits on a voluntary basis. This solution will be implemented further as a special law for social insurance on a voluntary basis and will be applied from 1 January 2024. This government decision is welcomed as it will positively change the climate in which freelancers operate. It will also give them access to social benefits such as pensions and health insurance, which were previously unavailable to them.

These RECONOMY-supported activities have achieved two major successes. Freelancing is no longer stigmatized. Individuals and institutions in North Macedonia and the region understand its benefits for individuals and economies in general. Additionally, while actors have been understanding freelancing more and more, they are now all discussing how to improve it. RECONOMY has been able to attract a few international actors interested in improving the freelancing ecosystem in the Western Balkans.



IV. KEY TAKEAWAYS AND CONCLUSIONS



As the world of work continues to change and evolve, freelancing is likely to become an even more important economic opportunity for young people and women in North Macedonia and the Western Balkan region.



Freelancing is not only a growing trend in the global economy, but also an important opportunity for vulnerable groups to access economic opportunities and improve their livelihoods. Freelancing offers individuals who may face barriers to traditional employment, such as women, people with disabilities, and those in rural or remote areas, the chance to work from home, set their own schedules, and provide valuable services to clients around the world.



RECONOMY has supported the development of freelancing in North Macedonia through initiatives such as training and mentoring programs, access to capital and resources, and policy changes to ensure that freelancing remains a viable and empowering option for all, especially for young people, women, including those from disadvantaged and excluded groups. A long journey lies ahead, and RECONOMY has been playing a critical role in ensuring the success of that journey.



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Revitalize Reconnect Reshape



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Produced: April 2023

“Vibrant service sector for better economic opportunities (self-employment through freelancing) in North Macedonia” was a pilot intervention of RECONOMY during its inception phase, implemented by HELVETAS Swiss Intercooperation in partnership with Impact Foundation in North Macedonia. For more information about the pilot intervention, please contact Emilija Jovanova Stoilkova, Regional Manager Western Balkans: emilija.jovanova@helvetas.org.