**Analysis of the state of tobacco production in Macedonia with special reference to the young working population**

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**Abstract**

Tobacco production is a significant branch, from which about 30.000 families exist and brings foreign currency inflow of about 120 million euros per year, which is certainly enough incentive for the state to be oriented towards the maintenance and development of this branch. In fact, tobacco is our strategic export-oriented branch and in the past decade it has recorded stable and sustainable production ( 24.000 tons of tobacco were exported in 2020, and 30.000 tons of tobacco were exported in 2021 ), which provides a significant foreign exchange inflow to the state budget.

In order to achieve greater effects and sustainability of this significant industrial culture, special emphasis should be placed on the management and organization of the tobacco production process, with mandatory motivation and stimulation of younger people who are less and less present in this sphere. In this context, we mean not only subsidies as the only way of support, but also education and encouraging the creation of a mandatory business plan, as well as the purchase of modern agricultural machinery through the program for rural development. For the past harvest of 2022, the purchase price of tobacco, which is a primary condition for further production and which reached a record level of 285 denars per kilogram, which is an increase of 40% compared to previous years, was particularly stimulating. of course, it will give a positive signal to the tobacco producers who will still see tobacco production as a primary activity, from which they will provide a livelihood for their families, but also an opportunity to make a profit.

**Keywords**: sustainability, workforce, subsidies, purchase price, perspectives

**Introduction**

Tobacco production has great economic importance for our country, which is a well-known producer of high-quality oriental-type tobacco. All that in itself indicates the fact how important tobacco production is for the economic development of the country and how much tobacco is included in the calculations and projections for the country's economic growth. Investing in agriculture in our country, but also in the world, includes both public and private consumption of natural capital, which implies (land, water and biodiversity), physical capital ( animals, machinery, irrigation systems, warehouses, roads, infrastructure, etc. ), human capital (labor, education, training, advisory services) and knowledge-based capital (research, technology development, organization and innovation). These investments play an important role that is complementary to each other in the direction of increasing productivity, while the ways and needs of investment can vary depending on the economic and agrarian development.

Every national economy must dedicate itself to building a coherent and comprehensive vision for the development of agriculture and rural development, or more precisely, to the creation of a good strategy for the development of agriculture in each of its segments, including tobacco production. This means that the primary focus should be placed on institutional development, on the new approach in organizational and managerial work, and on technical - technological changes and innovations. Technological development and innovations continue to be important for the development of agriculture and rural development, but they must be supported by the development of appropriate structures for the management of that sector, i.e. with a competent workforce that will be properly educated to properly direct the development of this sector. very important sector for economic and economic prosperity of every country. In this context, we want to emphasize that when talking about a structure that will manage and manage, it is necessary to have enough young people with adequate education, with organizational and managerial abilities and a strong motive to see their vision in the field of agriculture and specifically tobacco production. In order to achieve that, of course, they need to be properly stimulated and supported by the state, which should make every effort through various measures and instruments to keep young people working and functioning in this activity.

**Data source and method of operation**

In the preparation of this paper, statistical information from the World Bank of Data, Finance think, from the State Statistics Office of the Republic of North Macedonia, the Ministry of Agriculture, Forestry and Water Management of the Republic of North Macedonia, data published by the magazines: Tobacco were used. journal, International year book, Statistics addresses brands, Tobacco, World Markets and Trade and wider literature.

Analytical, mathematical-statistical and comparative methods were used in data processing, as well as tabular and graphic presentation of data.

**Results and discussion**

When we analyze the situation with tobacco production, it is necessary to emphasize that a large part of the population in Macedonia finds its livelihood in this production and significantly supplements the family budget. Despite the fact that over time tobacco production loses its labor intensity, still in the process of picking and stringing tobacco, it is necessary to hire more people, i.e. a larger workforce that will be actively involved in all stages of the production process.

When we talk about the labor force and its necessity in the tobacco production activity, it is particularly significant to mention the economic and social aspect of tobacco production, which is of special importance and therefore needs to be considered and analyzed in detail. In that context, and in the direction of the topic of research of this scientific paper, it should be mentioned that as an agricultural crop tobacco activates over 10% of the population, i.e. over 200.000 people are involved in all its operations, with which they earn income for subsistence for themselves and their families. In our country, tobacco is an object of internal and external wholesale and retail trade, it provides relatively good incomes without major investments and current investments per household that have a tradition in this production and hires a large workforce of different ages and genders, i.e. all those who their state of health allows it and who express a desire to engage in this activity.

In fact, the fact is undeniable that a large part of the population in Macedonia finds its livelihood in tobacco production or supplements the family budget. Despite the fact that over time, tobacco production loses its labor intensity, still in the process of picking and stringing tobacco, it is necessary to hire more people. The analyzes and researches in this activity help to state that in the future tobacco production will be one of the most important activities in our country, which requires a modern approach to it, using the natural, demographic, economic and social aspects, as well as monitoring the development of science, technique, technology and experience from modern countries.

The size of the population is a crucial element that affects long-term sustainability, not only from a biological point of view, but also for planning the future growth and development of each country. Macedonia is a small country, compared to the European Union, which has 28 member countries, occupying only 0.57% of its surface and 0.40% of its population.

One of the biggest problems in the agricultural sector in our country is the aging of the workforce. Only about 10% of agricultural workers are young people ( age 15-24 ). Low incomes contribute to this (net salaries in agriculture amount to an average of 290 euros per month or an average of around 15 euros per day) and unfavorable working and living conditions in rural areas. All this discourages young people from starting a career in agriculture, and as a result of their mobility and less emotional connection to the land and the village, they increasingly migrate either outside the country or to urban areas. According to data from the Agency for Financial Support in Agriculture and Rural Development (AFPZRR), only 18.5% of the total number of agricultural holdings that applied for financial support in 2021 were represented by young farmers between the ages of 18 and 35.

In addition to the aging of the population, another very important risk is the lack of skilled labor in agriculture, and thus also in tobacco production, as well as the lack of seasonal labor, especially during the tobacco picking season. The majority of the agricultural workforce lacks formal agricultural training and management skills. More than 60% of agricultural employees work for wages and in basic work positions that do not require a higher qualification or qualified responsibility.

In addition to the above, there are tabular and graphic indicators of the state of unemployment in the Republic of North Macedonia according to the level of education, which indicate whether our country has enough free labor that would be actively involved in the labor market.





The data clearly indicate that Macedonia has sufficient labor force, but it should be sufficiently motivated and properly stimulated to remain working in its own country and be hired appropriately according to the level of education. The tabular and graphical data indicate that the workforce with basic education or without education is the most numerous, which could be included in the field of agriculture, and thus also in tobacco production.

A large number of employees on their own account, as well as unpaid family workers and hired workers, are involved in the agricultural activity. The situation in tobacco production is similar. Due to the seasonal nature of the work, it often happens that hired labor is sought and used, which contributes to the reduction of unemployment, to the improvement of the economic status and condition, especially of the vulnerable rural population, which often has low education or no education. However, in this context it should be emphasized that demographic aging is present as a trend almost everywhere in the world, especially in developed countries. In recent years, Macedonia is not an exception to this trend, which also appears in the agricultural sector, so only about 10% of agricultural employees are young people.

This is compounded by the fact that the agricultural population is decreasing year by year in all countries, and that share ranges from about 8% in the USA in 2021, to about 12% in the EU population. The share of the agricultural population in the total population in Macedonia is far above the mentioned percentages, but it also shows a decline ( 2012 - 17.3%, 2017 - 16.2%, 2021 and 15.1% ). The unfavorable trend is especially expected to intensify during this and the next decade, primarily due to the pronounced migration from rural to urban parts of the country, but also due to leaving for work in other countries.

The consequences of the migration of the population from rural to urban settlements consist in the fact that in the parts from which they move out, there is a lack of working population and unused physical capital (land, etc.), and in the parts where they move in, there is a surplus of labor force. , unemployment, poverty, increased population density and reduction in the quality of life. Another problem is the lack of skilled labor in agriculture, and thus in tobacco production. Only about 5% of the total employees in this sector have adequate education, and the rest have inadequate or no education.

The reason for the rural exodus is the insufficient attention that the state pays to rural areas, so young people dissatisfied with the existing living conditions (lack of road infrastructure, good water supply and sewerage systems, problems with electricity supply, health care) decide to leave the villages and seek their livelihood either in the cities or outside the country.

In recent years, the state has been investing in rural areas and agriculture, and for this purpose the Agency for Financial Support in Agriculture and Rural Development was established and the National Program for the Development of Agriculture and Rural Development for the period of 2018-2022 was adopted. The goal of this program is the establishment of continuous financial support, beneficial social, tax and credit policies for farmers, the full use of the development potential of the sector, increasing its competitiveness and, to a large extent, the development of rural areas by allocating greater financial resources from the Budget of the state.

The inclusion of the young able-bodied population in family businesses in tobacco production is important because today's youth increasingly have an entrepreneurial spirit and are willing not only to apply the latest technical-technological inventions but also to apply and develop their own agro-innovations. Today, successful young entrepreneurs are those: who believe in themselves, who plan, who are creative and innovative, who believe in their success, who do not give up, who take risks, who know their strengths and weaknesses, who learn constantly, at every opportunity they see opportunity, they are able to handle failure, they are able to inspire and be leaders.

**Conclusion**

Regarding the basic demographic components, our country does not deviate from the trends with other countries in the region. The current demographic trends that the country is facing are manifested in a decrease in the number of children born and the natural increase of the population, an increase in emigration abroad, as well as an intensification of the process of demographic aging, which results in an increased participation of the elderly in the total population. Also, Macedonia faces marked regional unevenness in population density and growth, as well as marked differences between urban and rural areas.

The structure of the population by age is one of the most important aspects of the population, which influence its development, but also the possibilities for the overall development of the population. In terms of the age structure, the population in Macedonia is getting older, i.e. the number of the old population is increasing, but so is its share in the total population. As a result of these processes, in less than sixty years, the Macedonian population skipped three stages of demographic aging and today is in a state of demographic old age.

Another characteristic that supports this thesis is that of the total employed population, as much as 16.2% are employed in agriculture, forestry and fishing, which means that there is a tradition of farming in Macedonia. Traditionality is particularly focused on tobacco production, for which there are not only climatic and soil conditions, but also five centuries of tradition and experience.