

STRATEGIC DEVELOPMENT PLAN 2024-2028

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1. ECONOMIC THINK TANK

OUR THEMATIC POSITIONING

Finance Think aims to enhance the impact of economic, social and development trends and policies on citizens in North Macedonia and the Western Balkans region, through economic research, evidence-based and data-driven advocacy, and steering critical debate on economic and democratic processes. To be successful in this endeavor, the think tank wants to thematically position – indeed, as an economic think tank, but precisely how? To better answer this question, i.e. to reveal and substantiate our thematic pillars, one needs to consider the economic context and, at best, to forecast the (near-term) future. Well, in absence of a crystal ball, to predict what the world may look like, we ask ChatGPT what the world may look like in 2034. One plausible answer is as follows:

“By 2034, advancements in technology are likely to continue at a rapid pace, potentially leading to increased automation, artificial intelligence integration, and transformative changes in various industries. Climate change concerns might drive a greater focus on sustainable practices and renewable energy sources. Demographic shifts may impact global population distribution and age structures. Health and medicine might see breakthroughs in treatments and disease prevention. However, these possibilities also come with challenges, such as ethical dilemmas, privacy concerns, and the need for global cooperation to address shared issues. Ultimately, the world in 2034 will be shaped by the ongoing interplay of technological, environmental, social, and geopolitical factors.”

With this vivid prediction in mind, the question for economic policies in North Macedonia and the Western Balkans is how to reap the benefits of such transformation, which policies we need to pursue, which reforms to tackle and how to manage the risks associated with such processes. Despite the economy of North Macedonia, similarly to the other economies of the Western Balkans, has shown some resilience over the past decade, the recovery from the recent shocks is slow. The economy is operating at about 2 percent, which is about half the potential, and well below the pre-pandemic averages. Uncertainty is now on the stage, propelled lately by a rapid fallout in the living standard and the sluggish process of EU accession. The big question is what will help the economy of North Macedonia, as well as its fellow economies from the Western Balkans to promise better future. One way to think about is through investment in strong economic foundations built through sound economic policies.

For us at Finance Think, the following is the thematic positioning revolving around the grand idea of supporting stronger economic foundations built through sound economic policies, for increased wellbeing tomorrow. Currently, one would say – price stability is indispensable. It is a prerequisite for growth and protects people, especially the poor. Monetary policies are on a steady path to secure their primary objective. However, prudent fiscal policy is more important than ever. In our region, debt and deficit are well above the pre-pandemic levels, which calls for restoration of the fiscal room. Governments need to prioritize spending the embark on credible medium-term fiscal reforms to attain this. This is where we position our work in the **Fiscal Transparency and Accountability** pillar.




From a CSO perspective, participation in the public money spending decisions, especially at the local level remain of paramount importance. In the **Municipal Finance and Policies** pillar, our focus revolves around the financial and policy dimensions crucial for the sustainable development of municipalities in North Macedonia. Our initiatives delve into crafting policies that optimize municipal resources, ensuring fiscal responsibility and transparency. Emphasizing the importance of revenue generation and expenditure efficiency, we work towards empowering municipalities to meet their diverse responsibilities. This pillar emphasizes the role of municipal finance in driving local development, fostering community resilience, and ensuring equitable service delivery.

Complementing these foundational policies, transformational reforms are also key to boost medium-term growth. Think of improved governance and institutions – helping to fight corruption. Coherent and robust set of state aid regulation – aligned with the EU rules – critical for boosting growth, jobs and competitiveness. Investment in infrastructure of any kind. The highest return of all comes from investing in people – primarily education, but also proper healthcare. Where will money come from for the investments in education, healthcare and institutions? One way to think for this is that domestic resource mobilization holds huge potential. Our research showed that the informal economy is at least 23.1 percent of GDP and could add up an annual tax revenue of at least 700 million EUR – the value of recent Eurobond issues. These are the issues we work on in the **Growth and Development Policies** pillar.

EU Accession and pertinent reforms attained central stage in the Western Balkans, amid all political, economic and democratic setbacks. Our focus centers on enhancing the competitiveness of our region while aligning with the accession process to the European Union. Recognizing the transformative potential of EU integration, we advocate for policies that bolster the economic competitiveness of our nations, aligning with EU standards and regulations. Our research and initiatives in the **Competitiveness and EU Accession** pillar perplex with the conceptualization of the competitiveness, i.e. the institutions, policies and reforms to strengthen the market economy of North Macedonia.

Development policies and proper management of the state budget may be critical for the poverty alleviation. Around one fifth of the population in the Western Balkans lives in relative poverty. We worked on understanding its various facets and created the first-ever Multidimensional Child Poverty Index in North Macedonia. In the realm of employment, our approach extends beyond job creation to encompass the quality and sustainability of employment opportunities. To achieve this, we advocate for targeted skill development initiatives, ensuring that the workforce is equipped with the competencies demanded by evolving industries. Our work in the **Poverty, Employment and Skills** pillar underscores the importance of inclusive policies that bridge the gap between the employed and unemployed, fostering social cohesion. Identifying innovative ways to support vulnerable populations and ensuring their access to dignified employment opportunities remains a key objective. By strategically integrating poverty reduction, employment generation, and skill enhancement efforts, we aim to contribute to the holistic development of individuals and communities, fostering a more equitable and sustainable society.





Closely related, in our **Gender and Income Inequalities** pillar, we address the critical issues of gender disparities and income inequalities to foster a more inclusive and equitable society. Recognizing that gender equality is not only a fundamental human right but also a catalyst for sustainable development, our focus extends to policies and initiatives that empower women economically, socially, and politically. We strive to dismantle barriers hindering equal wages and opportunities and advocate for workplace policies that promote diversity and inclusion. Concurrently, our efforts aim to bridge income gaps, emphasizing fair wages and opportunities for all. By conducting research and implementing evidence-based strategies, we work towards dismantling systemic biases and fostering a society where gender and income inequalities are progressively diminished. Our commitment lies in cultivating an environment where individuals, regardless of gender, can thrive and contribute meaningfully to social and economic progress.

In the last, **Green Economy** pillar, our focus is centered on the transition towards a sustainable and environmentally friendly economic model. Recognizing the urgency of addressing climate change and promoting ecological resilience, we advocate for policies that prioritize green technologies, renewable energy sources, and sustainable practices. Our research and initiatives emphasize the integration of environmental considerations into economic decision-making processes, fostering a circular economy that minimizes waste and maximizes resource efficiency. We work towards incentivizing eco-friendly businesses, promoting green innovation, and encouraging sustainable consumption patterns. This pillar underscores the interconnectedness of economic prosperity and environmental stewardship, aiming to create a resilient, low-carbon economy that not only preserves natural resources but also generates long-term economic benefits.

In conclusion, Finance Think strategically positions itself at the forefront of economic policy discourse in North Macedonia and the Western Balkans by focusing on thematic pillars crucial for sustainable development. Together, our seven thematic pillars form our comprehensive approach to shaping a resilient, inclusive, and environmentally conscious economic future for the region.

2. ORGANIZATIONAL TENETS

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VISION

Our Vision is to steer economic thinking for increased wellbeing tomorrow.



MISSION

Our Mission is to enhance the impact of economic, social and development trends and policies on citizens in North Macedonia and the Western Balkans region, through economic research, evidence-based and data-driven advocacy, and steering critical debate on economic and democratic processes.



VALUES

Finance Think is guided by these principles and values:

Research application, quality and ethics

- The research agenda is linked and integrated with the mission of the think tank, and the researchers are aligned with the strategic objectives that guide the research environment and the funding mechanisms.
- The research is applied, innovative, oriented to the policies and high-qualified.
- The research is interdisciplinary, collaborative and peer-reviewed.
- The researchers are focused on their research for the good of the mankind and for expanding the borders of the scientific knowledge, while enjoying the freedom of the thought and expression, as well as the freedom to identify methods for addressing the identified problems, according to the recognized ethical principles and practices.

Outreach and inclusiveness

- The results and findings of Finance Think's work are disseminated in a way that can be understood by the non-specialists, and thus lead to better public understanding of the economy, policies and reforms.
- The products of Finance Think are cutting-edge and innovative.
- The think tank provides cooperative and nurtured professional environment, recognition of all employees as professionals, and does not perform any kind of discrimination.

Transparency and efficiency

- Finance Think manages its operations in a cost-efficient manner, and focuses on outcomes and impact. It gratefully recognizes the support it receives and is keen on delivering value-for-money in the pursuit of its mission.
- The policies and procedures of Finance Think are transparent and well-rounded.
- The internal and external evaluation of the activities of Finance Think is permanent and transparent.





ASSETS

Independence. Finance Think has the legitimacy of an independent, impartial economic think tank. It has no institutional or political affiliation, and its only dedication is to serve its mandate.

Leadership and operational experience. Finance Think has accumulated strong and diverse leadership and operational experience in managing national and regional research programs and working with individuals and institutions across the country and the region. The leadership and operational capacity is sourced in first-class economists leading and working for the think tank.

First-class and diverse Advisory Board. Finance Think has a first-class, diverse Advisory Board. Finance Think's governance structure strengthens its independence and focus on quality.

Partnerships and global network. Finance Think builds on a strong domestic, regional and global network. It is the founder of FISCAST, the network on fiscal accountability and transparency and has many local and regional network partners, thus combining local and global reach. It is the founder of WEBecon, the regional network of economic think tanks, combining the best of regional economic expertise.

Staff. Finance Think has a small, competent and versatile staff. It is a nimble structure whose role is to initiate, coordinate and facilitate research-based work conducted by many other partners and organizations, and to learn from Finance Think's past operations and experience.

Public image. Finance Think enjoys a reputation of balanced, credible and open-minded institution in the public discourse, media and the policymakers. Its opinions expressed in the public debate are understood only through the lenses of competence and are hence propagated through a diversity of channels.



3. WHAT CHANGED SINCE THE STRATEGIC DEVELOPMENT PLAN 2017-2023?

External and internal context changed since the induction of the previous Strategic Development Plan 2017-2023.

EXTERNAL CONTEXT

The consciousness about and endorsement of evidence-based analyses from institutional stakeholders, primarily governmental but extending to others, witnessed a notable increase. This surge translated into important recognition of and active support to impartial analytical work, marking a noteworthy shift toward a more engaged stance, with some institutions actively nurturing this newfound support.

However, government institutions' transparency and openness to consultative processes and dialogue deteriorated, creating space for external watchdog and monitoring activities.

The need for a regional cooperation and donors' attitude towards regional topics became more apparent and receptive.

North Macedonia's accession in the EU first accelerated – supported with country's name change – and then slowed down lately, yet put in the pipeline a set of topics imminent to the approximation of the country to the EU at all levels. This meant opening space for analytic, evidence-generation and monitoring activities relating to the entire reform process, yet putting the EU accession central to the discussion.

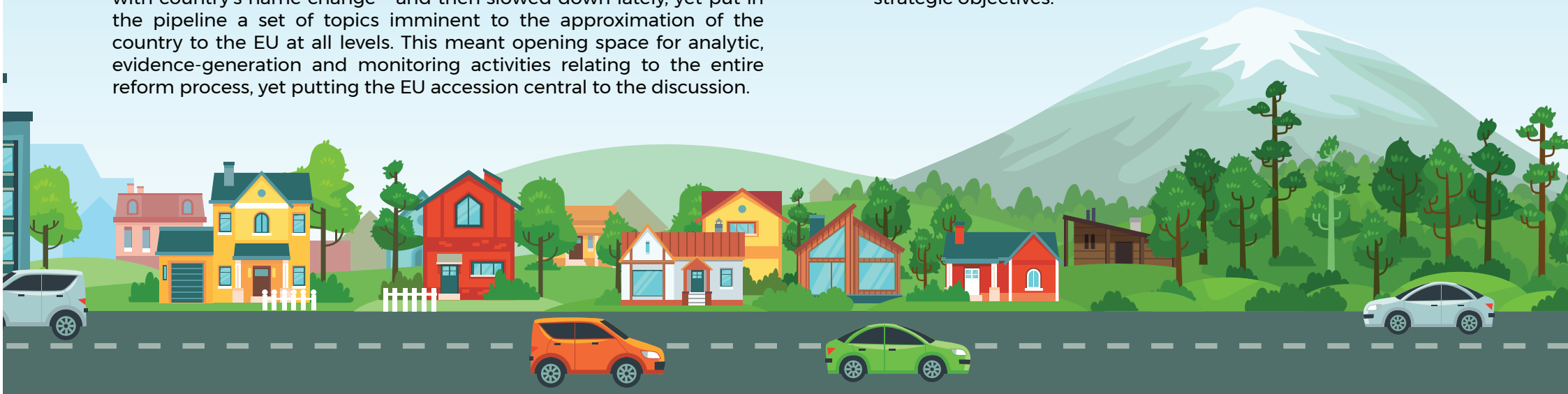
INTERNAL CONTEXT

Finance Think started positioning regionally within the Western Balkans 6, not only through embarking on regionally-relevant themes, but also by establishing WEBecon Network, the first network of economic think tanks in the Western Balkans, and securing through it several regional initiatives.

Key institutional support from one important donor strengthened internal capacities for regional networking and cooperation.

Several internal and external evaluations of Finance Think's capacity and/or monitoring, examination and auditing of its operational, financial and governance activities elevated institutional resilience.

Finance Think's human capital has been nurtured in a sense to grow qualitatively and become more aligned to Institute's mission and strategic objectives.



4. CURRENT SWOT ANALYSIS

The following analysis depicts the current internal and external environment of Finance Think cross-tabulated with the strengths, weaknesses, opportunities and threats of the Association.

SD1: PRODUCING EVIDENCE

SD2: IMPACT & ADVOCACY

SD3: CAPACITY AND REGIONALIZATION

STRENGTHS

Endowment with state-of-the-art rigorous and specific economic research methodologies and embedded skills for analyzing a variety of economic phenomena

Engagement in a multitude of research networks

Engagement with key domestic and international Institutions of the economic domain

Capability to engage in: i) producing evidence demanded by government, business sector, international organizations; ii) regional (Western Balkan) alliances for shared problems (e.g. unemployment, emigration)

Creation and inclusion of CSO networks for pursuance of joint causes

Positive public visibility and articulated position in front of the policymakers

Positive public image of credibility, independence, non-partiality, supply of evidence, balanced opinion

Swift and timely positions and reaction to policy actions, moves and intended changes in economic policies

Innovative, creative products and visualization of tangible data and findings

Ameliorated channels for cooperation with economic journalists

Opinion-maker and champion

Innovator rather than imitator

Economic staff with established background in economic research (published in peer-reviewed journals; presented at international conferences and workshops)

Simple management structure, favoring stimulating and positive working environment

Strong governance endowed with reputation and coherent yet wide set of internal regulations

Supervisory Committee observing the properness of work in its entirety

Regular and multifaceted exposure to endogenous and exogenous auditing process resulting in 'clear' reports

Established and operational regional WEBecon Network

WEAKNESSES

Insufficient pure institutional and pure research funding

Inexistence of government matching funds for project contribution where needed

Restricted and compromised access to micro-data from the administrative data holders

Underutilized some of the tools (e.g. the blog) and potential for new advocacy tools (e.g. forum)

Failure to introduce new working tools (e.g. communication/task platforms; design tools etc.) to improve personal and institutional productivity

Insufficient mid-level management capacity

Some space for further improvement of institutional alignment

Insufficient human resource time to attend/grasp part of valuable trainings and events (for NGO representatives and/or economists)

SD1: PRODUCING EVIDENCE**SD2: IMPACT & ADVOCACY****SD3: CAPACITY AND REGIONALIZATION****THREATS OPPORTUNITIES**

Changing environment created by relevant government institutions, recognizing the benefit of research/analytical work as input in their processes

Evolving demand for services in the economic analysis area, including field work

Sprouts of need of the business sector for research service

Strong potential for regional cooperation, leadership and impact

Emerging cross cutting topics with potential long term funds

Exposure to international networks could result in long-term project funding

Elevated governmental and societal awareness about the role of and benefit from the work of the CSO sector

Underutilized space for interacting at field level (e.g. work directly with the public administration on certain reform)

Growing number of various trainings involving travel abroad (post-pandemic expansion)

Growing number of invitations by partner or potential partner organizations to attend various networks, initiatives and causes

Few competing thematic CSOs frequently imitating FT's work, even through direct and flagrant copying of our approach, ideas and activities

Even non-economic competitors sporadically emulating FT's approach, hence throwing confusion on the market (imitators and improvisators)

Insufficiently-qualified economic professionals on the labor market (part of the general skilled labor shortage)

Relative closure of institutions for / insufficient transparency in sharing information and data

Always-looming risk of political etiquette in a society flavored with enduring polarization tendencies

Insufficient capacity by partner organization, either to deliver similar quality or in the technical processes (e.g. financial non-transparency) may undermine FT's attitude and image towards stakeholders

5. STRATEGIC ORIENTATION

Finance Think's **overarching strategic long-term goal** is to contribute to positive changes in economic, social and development policies for increased living standard of the citizens of North Macedonia and the Western Balkan.

Finance Think sets the following **strategic goals for the period 2024-2028** to serve achieving the overarching goal (mission). The operationalization of the strategic goals is left for the Annual program of activities, to be adopted at the beginning of each calendar year, while their evaluation for the Annual report of activities, to be drafted at the end of each calendar year.

MISSION

(Overarching goal)

STRATEGIC GOALS

(Five-Year Strategic Development Plan)

OPERATIONAL OBJECTIVES

(Annual Program of Activities)



STRATEGIC DIRECTION 1

Producing evidence, based on economic research and driven by economic data. Specifically, this strategic objective is founded on conducting first-class economic – empirical and policy-oriented – research, founded on sufficient theoretical basis and executed by the means of the state-of-the-art economic methods, while being relevant and beneficial for domestic and/or regional economic policymakers.

WHAT?

This strategic objective is broken down on the following objectives:

- 1.1. Increasing the supply and quality of economic research, based on sound and state-of-the-art economic methods and techniques;
- 1.2. Increasing the capacity of and support to target groups in conducting economic research;
- 1.3. Increasing confidence of economic experts in economic policies and reforms.

WHY?

Evidence-based and data-driven policymaking in North Macedonia is poorly developed. Research based on rigorous economic methods is insufficiently developed both in academia and the CSO sector. In particular, skills for economic data analysis are deficient. Investing in quality economic research, both within Finance Think and through equipping stakeholders with such skills, may have high returns in terms of the proper identification of problems, bringing about adequate solutions based on sound evidence, passable mobilization of resources, improvement of governance and policies, as well as may increase the quality and quantity of the democratic debate.

HOW?

Investing skills and effort in high-quality peer-reviewed research & policy publications, like policy studies, policy briefs, journal articles, books, booklets and manuals;

Investing skills and effort in producing regular data-driven monitoring publications like the Macro-monitor, Quality of Life, FT Comment, and others;

Investing skills and effort in converting complex results and findings into information understandable for the general public through visualizations like graphs, infographs, GIFs, videos, podcasts and so on.

Engaging prominent economic experts in the various initiatives of Finance Think;

Engaging national and regional journalists in the various initiatives of Finance Think, who write for the local or international media;

Investing in cooperation between Finance Think and other think tanks, specifically on economic/social issues from other countries.



STRATEGIC DIRECTION 2

Enhancing the effect that Finance Think's work exerts on economic policies, reforms and society. Specifically, this strategic objective is founded on the premise that Finance Think's work is done for the benefit of the society, channeled through influence onto the policy formulation and implementation process, through affecting the discourse of the public debate, and through direct impact onto the skills and work of immediate target groups.

WHAT?

This strategic objective is broken down on the following objectives:

- 2.1. Increasing the take up of research results, findings and recommendations by policymakers;
- 2.2. Supporting reforms and policy dialogue through supplying credible and evidence-based recommendations and advice;
- 2.3. Supporting reforms' alignment with the EU acquis and best practices;
- 2.4. Fostering positive impact of FT's work, findings and recommendations on immediate target groups;
- 2.5. Intensifying and structuring the public debate on economic policies and reforms.

WHY?

Economic policymaking in North Macedonia has been lacking proper founding on research/analytic results, evidence and data. Economic policies have been frequently made ad-hoc, or by replicating policies that succeeded elsewhere. Policymakers, in addition, lacked capacity to take up credible recommendations from research. The economic debate has been long shallow, polarized and biased. Effectuating the work of Finance Think onto pertinent policymakers, target groups and the society as whole may bring yields for the congruence, strength and the democratic values of the society.

HOW?

- Investing skills and effort for direct work with target groups within the initiatives/projects of Finance Think;
- Nurturing positive, impartial and balanced relationships with the policymakers, with multilateral and bilateral consultative and dialogue processes;
- Support of journalists to proliferate findings and results arrived at through regular research/analytic work;
- Wide participation in media, through interviews, statements, expert opinions, citations and so on;
- Wide activity on the social media through posting and twitting;
- Conduct of an array of public events like economic forums, round tables, annual panel debate, press coffees and so on, attended by policymakers, opinion leaders, experts and wide public.



STRATEGIC DIRECTION 3

Nurturing strong institutional capacity of Finance Think to impact economic reforms and to reinforce effects economic policies have for citizens; and enhancing own capacity for regional impact and leadership. Specifically, this strategic objective is founded on the premise for a permanent investment in building capacities and networks, both organizational and individual, for the purpose of better research, increased domestic and international visibility and increased overall reputation. This strategic direction is also based on the inevitable process of regionalization of our work which started before the adoption of this Plan, as a vehicle to achieve our objectives also within the Western Balkans region.

WHAT?

This strategic objective is broken down on the following objectives:

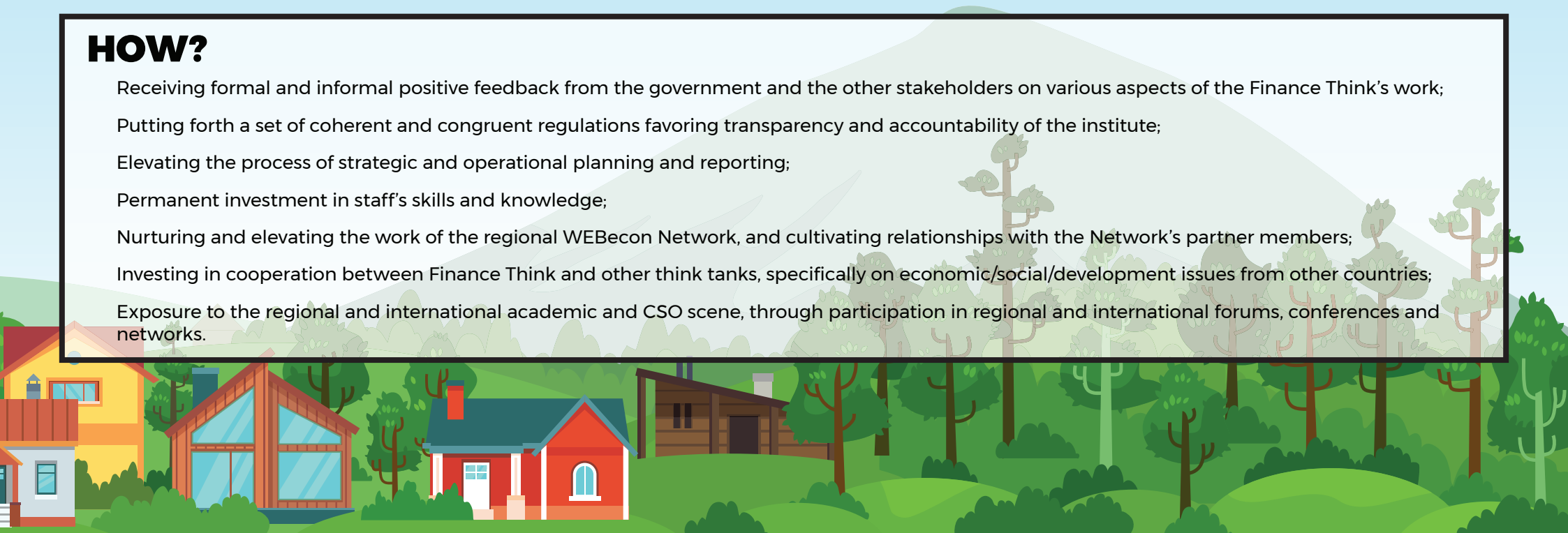
- 3.1. Sustained demand for FT research materials from the government and other relevant societal actors;
- 3.2. Increasing capacity for regional leadership and impact;
- 3.3. Safeguarding financial sustainability of FT;
- 3.4. Investing in recognized quality & credibility of entire FT output;
- 3.5. Increased capacity for operational and strategic planning.

WHY?

Strong economic think tank is the basis for building credibility in everything produced and supplied to policymakers and other target groups to further utilization. Moreover, strong think tank may feed the discourse of the public debate in a proper, balanced and impartial manner, with the ultimate objective to build better economy and society. The space in North Macedonia with economic think tanks has remained largely unpopulated; some efforts have been borne by non-economic think tanks, but initiatives soon faded out because of insufficient skills for economic analysis and hence incapability to supply credibility and confidence in results offered. Investing in strong economic think tank may hence advantage not only the founders and employees, but also the society as whole.

HOW?

- Receiving formal and informal positive feedback from the government and the other stakeholders on various aspects of the Finance Think's work;
- Putting forth a set of coherent and congruent regulations favoring transparency and accountability of the institute;
- Elevating the process of strategic and operational planning and reporting;
- Permanent investment in staff's skills and knowledge;
- Nurturing and elevating the work of the regional WEBecon Network, and cultivating relationships with the Network's partner members;
- Investing in cooperation between Finance Think and other think tanks, specifically on economic/social/development issues from other countries;
- Exposure to the regional and international academic and CSO scene, through participation in regional and international forums, conferences and networks.



6. A SUMMARY

VISION

To steer economic thinking for increased wellbeing tomorrow.

PURPOSE

To enhance the impact of economic, social and development trends and policies on citizens in North Macedonia and the Western Balkans region, through economic research, evidence-based and data-driven advocacy, and steering critical debate on economic and democratic processes.

THREE CORE VALUES

Research application, quality and ethics; Outreach and inclusiveness; Transparency and efficiency

SIX CRUCIAL ASSETS

Independence; leadership and operational experience; first-class and diverse Advisory Board; assorted partnerships and global network; versatile and competent staff and reputable public image.

THREE STRATEGIC DIRECTIONS


Producing evidence, based on economic research and driven by economic data; Enhancing the effect that Finance Think's work exerts on economic policies, reforms and society; Nurturing strong institutional capacity of Finance Think to impact economic reforms and to reinforce effects economic policies have for citizens; and enhancing own capacity for regional impact and leadership.


SEVEN THEMATIC PILLARS


Fiscal Transparency and Accountability; Municipal Finance and Policies; Growth and Development Policies; Competitiveness and EU Accession; Poverty, Employment and Skills; Gender and Income Inequalities; Green Economy.



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