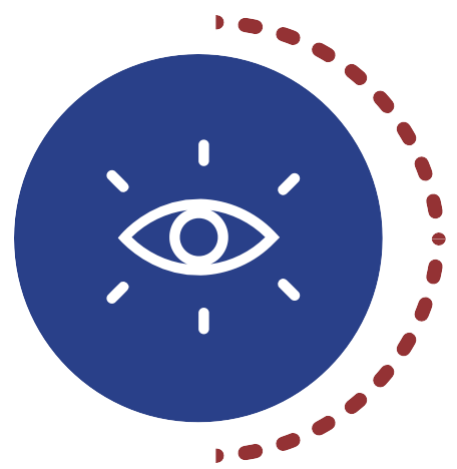


PERHOUSE: PERSONAL AND HOUSEHOLD SERVICES IN NORTH MACEDONIA

1 THE PERHOUSE PROJECT

- Seeks to improve working conditions and quality of personal and household services (PHS) through industrial relations in Central European countries;
- The PHS is defined as a broad range of services, such as care services including childcare and care for seniors and persons with disabilities and non-care services i.e. cleaning, home repairs, gardening, and other domestic work provided in and for your households.
- The project applied a multi-method approach, such as desk research, surveys, interviews, and focus groups, to analyse the structure of PHS, job and service quality, and the role of social dialogue in the PHS sector at the national and EU levels.



2 KEY FACTS ON PHS IN NORTH MACEDONIA

- Covers childcare, adult/senior care, and non-care services like cleaning, playing a significant role in the economy and society.
- Demand exceeds supply in childcare and senior care, with significant capacity shortfalls in public services and high costs in private care.
- Significant employment in both care and non-care services, with increasing formal employment in care but high informality, especially in non-care services.
- Labor shortages due to professional migration, widespread informality, and regulatory complexities that complicate service provision and employment.
- Subject to complex laws with efforts to simplify administrative processes for employing domestic workers and promote formal employment relationships.



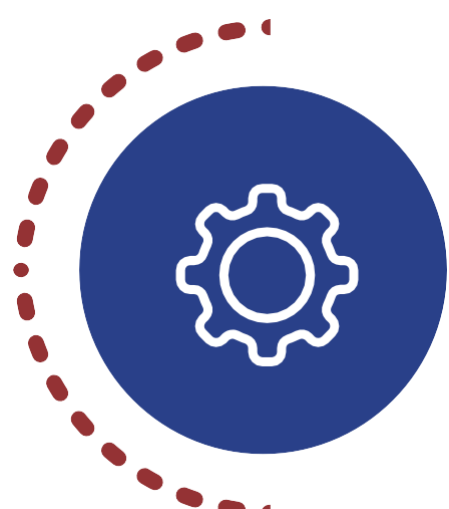
3 KEY CHALLENGES IN PHS

- The PHS sector is transitioning towards community-based care due to demographic shifts like aging populations and cultural changes.
- Many children and seniors lack access to needed services due to insufficient public capacities and high costs of private care.
- High levels of informal employment in the sector, with job losses in the non-care segment during the COVID-19 pandemic.
- "Care drain" phenomenon leading to skilled labor shortages, exacerbated by demographic trends and emigration.
- Differences in job quality and employment conditions between public and private sector workers, with issues around job security, wages, and workers' rights.
- High incidence of informal work arrangements leading to precarious employment conditions.



4 SOCIAL ACTORS IN PHS

- The Law on Labor relations governs the establishment and framework of tripartite social dialogue and collective bargaining, occurring at national, sectoral, and employer levels.
- General Collective Agreements (GCAs) are concluded at the national level for public and private sectors, applying directly to all employers and employees within these sectors. Special Collective Agreements (SCAs) are concluded at the sectoral level, applying to members of signatory trade unions and employers' organizations.
- Four main trade union confederations operate in North Macedonia, including the Federation of Trade Unions of Macedonia (SSM), the Confederation of Free Trade Unions of Macedonia (KSS), the Union of Independent and Autonomous Trade Unions of Macedonia (UNASM), and the Confederation of Trade Union Organizations of Macedonia (KSOM). SSM, being the largest, has eighteen affiliated trade unions.
- Key employers' organizations include the Organization of Employers of Macedonia (ORM) and the Business Confederation of Macedonia (BCM), with ORM being representative at the national level.



5 SOCIAL DIALOGUE IN PHS

- The public care sector has structured collective bargaining with agreements that address worker rights, but lacks focus on professional development.
- Private care providers have weak unionization due to legal ambiguities about public and private sector distinctions, affecting bargaining power.
- Some private childcare institutions engage in informal bargaining, lacking the protections of formal processes.
- There's a notable gap in collective bargaining for private care institutions, due to legal uncertainties and lack of clear guidelines.
- The non-care sector, especially intermediary agencies, lacks effective social dialogue structures, impacting worker rights.
- A significant part of the workforce is informal, lacking formal employment protections, with formalization efforts hindered by administrative complexities and resistance.

6 POLICY IMPLICATIONS

- ✓ **Enhancing Formal Employment and Legal Frameworks:** Implement legal amendments to facilitate the formalization of domestic workers' employment. Simplify administrative procedures for households to register as employers, reducing financial and administrative burdens. Encourage digital registration to promote formal employment relationships.
- ✓ **Addressing Labour Shortages and Skill Gaps:** Launch programs for training and certifying caregivers, focusing on addressing skilled labour shortages in the PHS sector. Promote the professionalization of workers to ensure quality service provision.
- ✓ **Supporting Sector-Specific Challenges through Policy Interventions:** Introduce targeted policies to address challenges specific to the PHS sector, such as the "care drain" phenomenon and the need for increased public investment in social services. Implement national strategies to mitigate the effects of demographic changes and emigration on the demand and supply of PHS.
- ✓ **Enhancing Service Quality and Accessibility:** Increase investments in public services to expand their availability and affordability. Encourage the development of flexible service offerings by private providers to meet diverse client needs and preferences.
- ✓ **Promoting Digital Platforms for Labour Registration:** Utilize digital platforms for the registration of seasonal and occasional workers to facilitate formalization and provide valuable data for policy analysis and decision-making.
- ✓ **Incentivizing Formalization through Financial Measures:** To introduce financial incentives for employers to formalize employment relationships, such as subsidizing social contribution rates for formalized domestic workers.
- ✓ **Fostering Public-Private Partnerships:** Encourage collaboration between public institutions and private service providers to enhance the quality and accessibility of PHS. Include private service providers in government-funded training and capacity-building programs.
- ✓ **Strengthening Social Dialogue and Collective Bargaining:** Improve social dialogue in the PHS sector to establish industry-wide wage standards, working conditions, and professional development opportunities; Establish dedicated social dialogue platforms for PHS sector stakeholders; Promote inclusive representation of a broad spectrum of PHS stakeholders in social dialogue; Enhance capacities of social partners through training and support; Engage with EU-level social dialogue mechanisms to align national strategies with broader European objectives and benefit from cross-national learning and support; Increase public awareness about the role and importance of social dialogue in the PHS sector to garner wider support for its outcomes.

