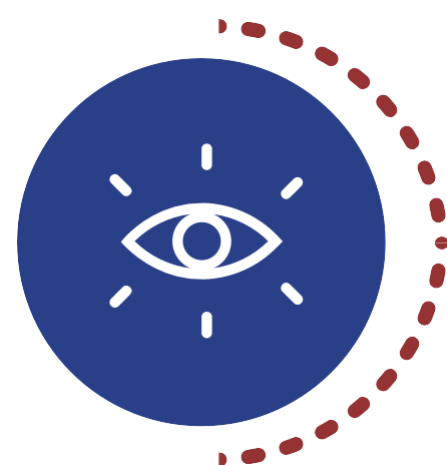


PERHOUSE: PERSONAL AND HOUSEHOLD SERVICES IN NORTH MACEDONIA

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 childcare and care for seniors and persons with disabilities, 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.



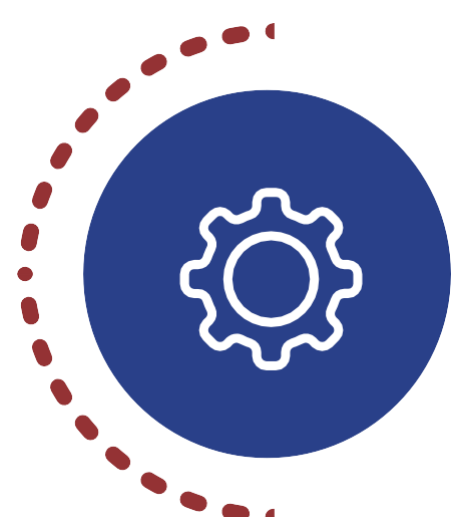
3 KEY CHALLENGES IN PHS

- 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 Labour governs the establishment and framework of tripartite social dialogue and collective bargaining, occurring at national, sectoral, and employer levels.
- General Collective Agreements (GCAs) are made at the national level for public and private sectors, applying directly to all employers and employees within these sectors. Special Collective Agreements (SCAs) are made 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

- PHS employment is significant, with 2.4% of total employment in 2020, split between non-care (54.3%) and care services (45.7%). The care sector showed resilience during the COVID-19 pandemic by creating new jobs, whereas the non-care sector saw significant job losses.
- The "care drain" issue, where professionals leave for better opportunities abroad, has created labor shortages, especially in the care sector, affecting service delivery.
- Low fertility rates, population aging, and high emigration rates forecast a growing demand for PHS, particularly long-term care, underscoring the need for adequate and affordable care services.
- High informality, especially in non-care services, is driven by legislative, economic, and social factors, leading to precarious employment and a lack of social protection for workers. Informal arrangements often result in exploitation and undermine labor standards.
- Efforts like the proposed Law on seasonal and occasional work aim to formalize employment in the sector by simplifying administrative procedures and providing financial incentives to employers for formalization of the work.



Funded by the European Union,
Project No. 101052340

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