



PHS in North Macedonia

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Introduction

- ❖ Institutional setting of the service providers
- ❖ Statistic data
- ❖ Regulation and governance
- ❖ Industrial relations/social dialog

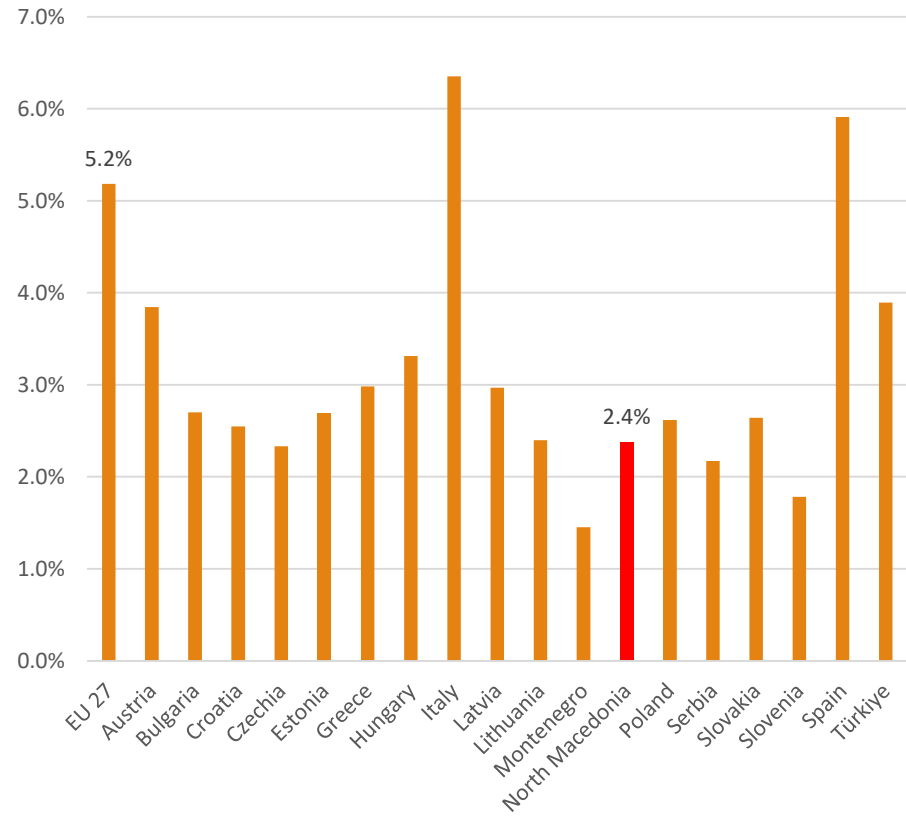
PHS Sector – service providers

- ❖ **Public providers of care services** – good network of public institutions (kindergartens, care for elderly persons etc.) – **registered as social and healthcare providers**
- ❖ **Private providers of care services** - most usually are private institutions for child care and care of elderly persons and **registered as social and healthcare providers**
- ❖ **the Agencies offering cleaning and childcare services at home** - **providing homecare services based on entrepreneurship license**. They employ workers on various short-term contracts. Self-employed also operate in the sector, although their numbers are unknown.
- ❖ **Informal individual providers of PHS services** – not registered in any form, part of informal labor market

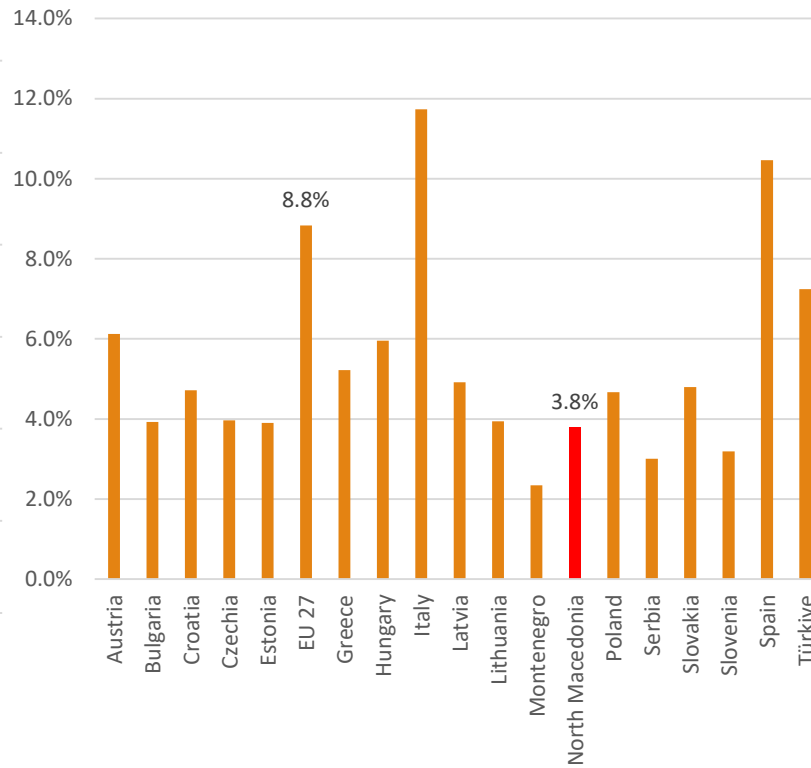
PHS Sector – statistical data

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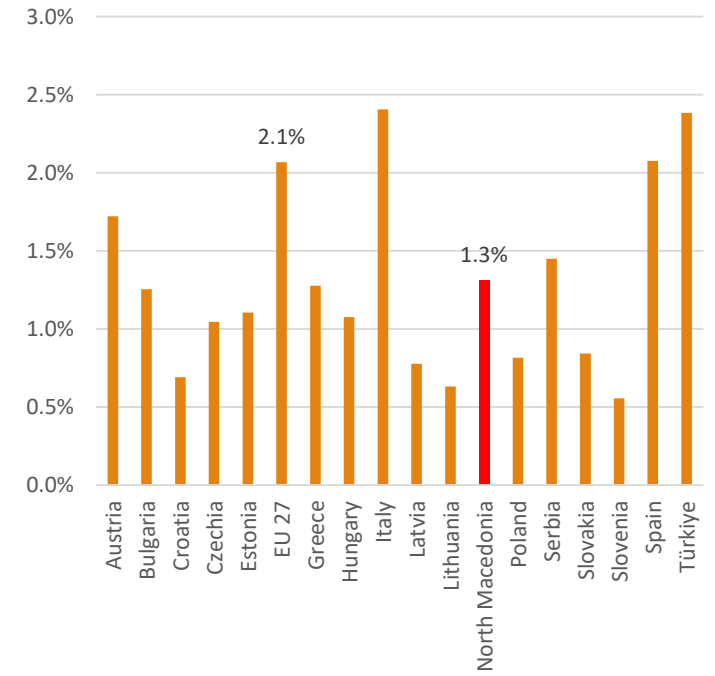
PHS as % of Total Employment (2020)



PHS Employment in % of Total Employment, Female (2020)



PHS Employment as % of Total Employment, Males (2020)



Introduction to the North Macedonian Legal System

- ❖ The North Macedonian legal system operates under a binary model for work relationships.
- ❖ The model consists of two main categories:
 - employment relationships
 - other working relationships/contracts for services.
- ❖ The Labor Relations Law (LRL) regulates the employment relationship, while other working relationships are governed by civil law and commercial law.

Employment Relationship and Employment Contract

- ❖ An employment contract is a strictly formal contract that must be in writing.
- ❖ The LRL defines the employment relationship as a contractual relationship between the employee and the employer.
- ❖ The employee voluntarily joins the work process organized by the employer, receives a salary and other remuneration, and works in person under the employer's supervision.

Importance of "Employee" Status

- ❖ Labor and social protection rights are associated with the employment relationship and the status of being an employee.
- ❖ Self-Employed Workers and Non-Employment Relationships:
 - Self-employed workers and individuals in non-employment relationships fall under civil law and commercial law.
 - The Law on Obligations primarily governs the rights and obligations of self-employed workers.
 - Labor law does not regulate self-employed workers or non-employment relationships.

Importance of "Employee" Status and informality

- ❖ The undeclared, i.e. informal workers **do not have status of “employees”** and the protective provisions of the labour legislation are not applicable to them.
- ❖ administrative burdens for households to register as an employer for a domestic worker discourages the formalization of working relations in the sector.
- ❖ this mean they would need to register in at least 3 different institutions (healthcare insurance, social insurance company and the tax office) and follow the accountant agenda as a regular employer. The household would be thus obliged to pay social and healthcare contributions and tax to the three different offices on a monthly basis.

Households, logically, opt for the easier and cheaper options of either hiring agencies that employ domestic workers or hiring self-employed workers or hiring without any form of contract.

Informal workers without any type of the contract are mostly students, retired, and unemployed.

PHS sector – Labor Relation Law

- The current Labor Relations law regulates the PHS sector/ workers only in the section related to the type of employment contracts.
- The employment contracts for domestic workers or more specifically “housemaids” is regulated as a flexible form of employment.
- The difference between other types of employment contracts and this one related to the domestic workers **relates to the wage**.
- The wage to the domestic workers can be paid in cash and in kind (accommodation and food).
- The in kind payment must be expressed as money value in the employment contract. However there is limitation in respect to the size of the cash payment as it cannot be lower than 50% of the total wage.

PHS sector – Labor Relation Law

Proposed changes and amendments to the Labor Relations Law which are still not adopted by the Parliament.

The changes anticipate that:

- ❖ the wage for the domestic workers cannot be lower than the minimum wage in the country as well as
- ❖ there is no possibility for combined payment method (cash and in kind).
- ❖ establishes the legal grounds for the Labor inspectorate to make inspections on the working place for those workers that provide PHS services at the employers' home place.

PHS sector – Active labor market measures

There are no active labor measures as a part of the Operational plan of the Employment Agencies that target the PHS sector.

In the past there was a joint initiative between the MLSP and ILO to implement a voucher system based on the experience of Belgium and Austria but it was never implemented in practice.

Industrial Relations and Social Dialogue

- ❖ **public institutions for child care and care of elderly persons** - General collective agreement for public sector and special collective agreement for child care, special collective agreement for provision of services of elderly people as well as individual collective agreements on the level of employers.
- ❖ **private institutions for child care and care of elderly persons** does not have collective agreements (neither general, neither specific nor individual).
- ❖ general collective agreement for public sector stipulates that the agreement might be applied and to the private entities that provide public services, however up to date there is no application of this collective agreement in the private intuitions that provide child care services or care for elderly persons as there are different views among the social partners whether this collective agreement can be applied also for the private providers of the public services.

Industrial Relations and Social Dialogue

- ❖ **agencies that mediates the provision of the child care services, care for an adult and dependent adult, housekeeping, small repairs, gardening, care for pets etc.** - no specific collective agreements in this sector.
- ❖ It is also unclear whether the general collective agreement for private sector applies.
- ❖ the employers are not organized in organization of employers neither workers are organized in the trade unions on the employer level.
- ❖ The informal workers can not be members of the trade unions as the membership in the trade unions requires the possession of the employment status. The payment of the membership fee is actually done as a % of the wage and the employers pay membership fees on behalf of the employees.

Industrial Relations and Social Dialogue

The industrial relations, social dialog, collective bargaining shall be additional elaborated based on the findings from the stakeholders survey and interviews.

Thank you for your attention!

