

## Access for domestic workers to labour and social protection: the case of Serbia\*

### Abstract

2023 EU LFS data suggests that there are around 17 000 domestic workers in Serbia (i.e. less than 1% of all workers). Almost 85% of them are women and more than 60% are aged at least 50. Serbia has not ratified ILO Convention 189 and no legal definition of domestic workers has been adopted. Employment arrangements are still dominated by the direct engagement of domestic workers by private households, due also to the limited number of private and state providers of homecare services. Some domestic workers are not willing to take up formal engagements, worrying that this will reduce their wages or that they might lose rights to other social benefits. Undeclared work is being tackled within broader efforts to combat the grey economy, although a proposed draft law on work engagement remains pending. This would bring a positive simplification of procedures and a reduction of fiscal burdens; however, it fails to address the nature and dynamic of domestic help. The article concludes by identifying some of the main ways in which social protection and labour rights for domestic workers could be improved.

**Keywords:** domestic work, Serbia, undeclared work, grey economy, regularisation, LTC services

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## Introduction and key definitions

This article – similar to the other country reports drawn from this research project and included in this number of the journal<sup>1</sup> – seeks to map domestic work in the country and to describe both the legal framework that applies to domestic workers and the sorts of employment arrangements in which they are found, including access to forms of social and labour protection. The article then goes on to discuss the issues of undeclared work, regularisation and labour shortages in the country, turning next to a presentation of recent reforms before concluding with some suggestions on the way forward for improving social protection and labour rights for domestic workers.

In the absence of a national ‘legal’ definition in the case of Serbia, two different definitions of domestic work are used, as follows.

1. a ‘statistical’ definition, agreed for the specific purpose of this report.<sup>2</sup> This is the definition used by Eurostat for extracting the relevant data from the EU Labour Force Survey (LFS).
2. a ‘policy-oriented’ definition, used in the second half of this report subsequent to the description of the legal framework. This definition draws on ILO Convention C189 of 2011. According to Article 1 of this convention:
  - ‘the term *domestic work* means work performed in or for a household or households
  - the term *domestic worker* means any person engaged in domestic work within an employment relationship
  - a person who performs domestic work only *occasionally or sporadically* and not on an occupational basis is not a domestic worker.’

In this article, a domestic worker is regarded as someone providing care and/or non-care services in or for a household or households within a paid employment relationship (either directly or through a third party). This includes all home-based and complementary<sup>3</sup> activities. Examples of such services include those provided by nannies, babysitters, au pairs, domestic cleaners and personal assistants. It is possible that, in some cases, these services are provided outside of the household (e.g. nannies may take care of children in their own homes; or a personal assistant may accompany a dependant outside the latter’s house). Insofar as there is a paid work relationship with the household (as an employee or as a self-employed person), this is considered to be domestic work. Importantly, family members performing these activities are excluded from the scope, even if in some cases they may receive remuneration from the dependant.

1 i.e. by Maja Gerovska Mitev and by Amir Haxhikadrija and Artan Mustafa.

2 See the article by Maja Gerovska Mitev for the precise details of the definition.

3 For example, support provided to meet the household’s needs that is performed outside the home, such as doing shopping and accompanying a member of the household to a medical appointment or a leisure activity.

## Mapping

This section provides estimates of the number of domestic workers in the country and their main sociodemographic characteristics, on the basis of the 2023 wave of the EU LFS. This suggests that there are around 17 000 domestic workers in Serbia (i.e. less than 1% of all workers) – i.e. about half the percentage incidence found on average across the EU27.

In terms of profile (see also the comparative statistical annex):

- around 85% are women
- more than 60% are aged at least 50
- two-thirds have an intermediate educational level
- 90% were born in the country<sup>4</sup>
- two-thirds work between 30 and 40 hours a week
- 25% are self-employed (compared with just 6% at EU level)
- among the three quarters who are employees, two-thirds have a temporary contract (EU27 average: 18%)
- 60% work in the non-care sector.

## Legal framework

This section briefly describes the legal framework that applies to domestic workers, considering the key aspects of the legislation regarding domestic work and ILO Convention 189. It should be noted at the outset that collective agreements do not play an important role for domestic workers in Serbia.

### Overall legal framework

The legal framework that applies to domestic workers in Serbia incorporates several laws: the labour law, the law on compulsory social insurance, the law on income tax and the law on tax procedures and tax administration (NSRS 2023a, 2023b, 2020, 2018a). The labour law prescribes two options for contracting domestic workers, as follows.

The first – prescribed by Article 45 (employing household help) – states that ‘An employment relationship may be established for the performance of work relating to household help’. Employers may be legal entities or natural persons. Domestic workers are considered as employees and they are entitled to all rights stipulated by the law for any other employee. Employers are obliged to pay all social insurance contributions. Under the law on compulsory social insurance, Article 36 prescribes that ‘The monthly contribution base shall not be less than the minimum contributions base’ and Article 37 that ‘The minimum monthly contribution base shall be the amount of 35% of the average monthly salary paid in the preceding quarter’. For an employee who works less than full-time (under 40 hours a week), the employer pays a monthly contribution prescribed by Article 40:

4 This figure does not necessarily reflect the proportion of migrant workers as a high number of Serbian citizens were born in the former republics of Yugoslavia.

For an employee who works part-time with one employer, and the revenue earned is lower than the minimum monthly contribution base, the contribution base shall be the minimum monthly contribution base.<sup>5</sup> For an employee who works part-time at two or more employers, and so achieves full-time work, and the total revenue earned at all employers is lower than the minimum monthly contribution base, every employer shall calculate and pay contributions on a proportionate amount of the minimum monthly contribution base determined in proportion to the work time of the employee at each employer.

The article specifies that the contract may also stipulate in-kind payment of part of the salary (e.g. providing accommodation and/or food). The value of any in-kind payment must be indicated in monetary terms. The lowest percentage of salary that must be calculated and paid out in money may not be less than 50% of the employee's salary. Where the salary is stipulated partly in money and partly in kind, the employer must pay the employee in money during compensated absences from work. A contract may not be concluded with a spouse, adopter or adoptee, or blood relatives in a straight line regardless of the degree of kinship. The employee is entitled to a minimum salary for standard performance and time spent at work (Article 111).

The second is defined in the 'special provisions' section of the labour law, in the subsection on 'work outside an employment relationship'. Article 197 (temporary and occasional jobs) stipulates that 'For performing jobs whose nature is such that they do not exceed 120 workdays in a calendar year, an employer may conclude a contract on performing temporary and occasional jobs'. As this type of engagement is considered to be outside of employment, the contract does not guarantee entitlement to all the employment rights stipulated by the law. The employee is, however, entitled to social security rights as the employer is obliged to pay all compulsory social insurance contributions. Amendments made in 2023 to the law on financial support to families with children extended the right to paid maternity leave in respect of children born on 1 August 2023 or later to mothers employed in the previous 18 months on temporary or occasional work contracts or who are unemployed at the moment of childbirth (fathers are entitled in cases where the mother is not able to care for the child). The calculation basis for maternity benefits is related to the compulsory social contributions paid in the previous 18 months (NSRS 2023d). Other labour rights (annual leave and sick leave) are not guaranteed but may be agreed with the employer.

A contract may be concluded with:

- unemployed people
- part-time employed people, taking them up to full working hours
- old-age pension beneficiaries
- members of a youth or student co-operative, in accordance with the regulations on cooperatives (aged 15-35, with Serbian citizenship).

5 This rule is imposed in order to suppress the ongoing practice of (mainly) private employers paying part of the salary as cash in hand, thus evading contribution payments for the whole salary.

Under both these two options set out in the law, the employer and the employee must sign a written employment contract. The required administrative procedures are, to some extent, complex for ordinary individuals, requiring computer and book-keeping skills and knowledge.

Table 1 – Legal framework for employing domestic workers

<b>Legal obligations</b>	<b>Labour law article</b>	
	<b>45 Employing household help</b>	<b>197 Temporary and casual jobs (120 days or fewer)</b>
Possession of qualified electronic certificate	Yes	Yes
Written contract	Yes	Yes
Registration with PU / obtaining a PIB	Yes	Yes
Online registration at CROSO	With the qualified electronic certificate	By a certified employee of the social insurance organisation
Payment of income tax and compulsory social contributions	The employer is responsible for the calculation and payment of tax and contributions	

Source: labour law; law on tax procedures and tax administration.

Note: PU ‘Poreska uprava’ (Tax Administration); PIB ‘Poreski identifikacioni broj’ (Tax ID); CROSO ‘Centralni registar obaveznog socijalnog osiguranja’ (Central registry of compulsory social insurance).

Long-term care (LTC) services organised by public authorities comprise institutional residential care and the provision of daycare services. The social care law defines the rights of access to homecare services, whose delivery is delegated to local communities (NSRS 2011). Local social work centres are responsible for contracting the providers, selecting eligible users and monitoring the quality of delivery. Under the social care law, the providers of these services may take different legal forms – including social work centres, associations, enterprises and business entities. In 2022, 135 local communities (83.9% of all those in the country) provided this service to their residents (RZSZ 2022). The highest proportion of providers (47.3%) are civil society organisations, 22.2% are local social work centres, 19.3% are enterprises and the remainder have other organisational forms. Overall, 2821 employees delivered services in that year, of whom 79.5% were licensed ‘geronto domaćice’ (housekeepers to the elderly) for the provision of homecare services to older people. All employees who deliver homecare services through this scheme are officially registered and have all social protection and labour rights.

The delivery of these services depends on local community budgets and their capacities to apply for additional funds from the central budget. In 2023, some 600

million dinars (5.12 million euros) was approved from the central budget to 146 local communities for the provision of homecare services.<sup>6</sup>

### **ILO Convention 189**

ILO Convention 189 has not been ratified by Serbia; a 2019 addendum to a UN report on the implementation of the UN resolution on violence against women migrant workers identifies that the convention was not identified as a priority in Serbia at that time (UN 2019).

There is no information about any ratification plans. Due to the snap parliamentary elections in December 2023, new officials were appointed at Ministarstvo za rad, zapošljavanje, boračka i socijalna pitanja (MRZBSP; Ministry of labour, employment, veterans and social affairs) in May 2024; hence it is not presently feasible to obtain an explanation as to why the convention has not been ratified.

### **Overview of employment arrangements**

This section provides an overview of the main characteristics of the domestic work sector in the country regarding the types of employment arrangements/relationships that link them to the household(s) for which they work.

There are two types of employment relationships regarding the delivery of home-care services.

First, a three-party relationship is where the domestic worker is employed by a public or private service provider of homecare services: this is a relatively new form of employment of domestic workers. Private service providers may register as self-employed or as a business entity. As mentioned above, around 25% of domestic workers are self-employed. Private agencies that take care of children in private homes are one form of self-employment, with the number of registered private providers of homecare services slowly increasing since 2010. A review of online adverts for the provision of services (via websites, Facebook, etc.) shows that the number of private providers is, however, still rather limited, with no more than 15 websites accessible; the majority are from private providers in Belgrade, with most specialising in homecare services for only one group of users, either childcare or the care of older and disabled people.

There is no information on the types of contracts that providers conclude with domestic workers, while the profile of domestic workers from private agencies varies: they include high school graduate medical nurses, professional licensed child-carers, students and retired people with work experience. The capacities of private providers are limited to around 20-30 staff, almost exclusively women. The largest provider is Bebi Servis (Baby Service), founded by the City of Belgrade in 1994: in 2023 it provided childcare services for 311 households (0.09% of all households

6 See 'Vranju 8,4 miliona dinara za usluge geronto domaćica, ličnih pratilaca i asistenata' (Vranje receives 8.4 million dinars for services of housekeepers to the elderly, personal companions and assistants) *Danas* 26 April 2023, accessed 15 April 2024 at: <https://www.dan.rs/vesti/drustvo/vranju-84-miliona-dinara-za-usluge-geronto-domacica-licnih-pratilaca-i-asi-stenata/>.

with children in Belgrade) (RZS 2023b). The supply of domestic cleaning services is limited, mostly from agencies that provide cleaning services for companies or residential units. Private providers are predominantly located in large cities.

Second, customary practice in Serbia is for the direct engagement of domestic workers by private households. A survey conducted at the beginning of 2020, including focus group interviews with employers of domestic workers (private and legal entities), provides some insights into recent practices (GIZ and NALED 2022).<sup>7</sup> The results show that private households prefer to engage domestic workers directly instead of employing them through an agency, the main reason being better communication with the workers as they are directly accountable to the employer. Among the employers interviewed, the most widely used service is childcare (29% of households), followed by domestic cleaning (21%) and taking care of older people (16%); the remaining work engagements are for home repairs, pet care, etc. These jobs are predominantly performed by women (92% of them). The survey estimates that 5.5% of Serbian citizens have been engaged as domestic workers at one point in time over the year (2019). Out of the total number of domestic workers, 37.6% are residents of Belgrade.<sup>8</sup> Currently there are a number of specialised online platforms advertising domestic work offers and house calls by individuals.

### *Migrant-related arrangements*

The number of foreign workers in Serbia has been increasing over the last three years, mainly due to the inflow of residents from Ukraine and Russia. In 2023, Nacionalna služba za zapošljavanje (NSZ; National employment service) approved 52 184 working permits (19% for female workers), almost 50% more than in 2022 (35 180) and four times more than in 2020 (12 931) (NSZ 2023, 2022). The majority of foreign workers are employed by foreign companies operating in Serbia. Since 2019, foreign workers have also been engaged in seasonal work in agriculture, largely from Uzbekistan and India.<sup>9</sup>

It is not known how many migrant workers are working in the domestic work sector but, given the above, the number is not likely to be significant.

### Access to social and labour protection

This section describes the extent to which access for domestic workers to the seven areas of social protection listed in the 2019 Council recommendation differs from that of other workers in the same category of employment. There are no regional differences in access to social protection in Serbia.

7 The survey was conducted on a stratified representative sample of 1038 residents in 38.5% of local communities.

<sup>8</sup> The share of the population of Belgrade in the total population of Serbia was 27.3% in 2020.

9 See 'Na sezonskim poljoprivrednim poslovima angažovano 1.179 stranih radnika, najviše iz Uzbekistana i Indije' (1179 foreign workers engaged in seasonal agricultural work, mostly from Uzbekistan and India) *Plodna Zemlja* 5 April 2023, accessed 15 April 2024 at: <https://plodnazemlja.com/2023/04/05/na-sezonskim-poljoprivrednim-poslovi-ma-angazovano-1-179-stranih-radnika-najvise-iz-uzbekistana-i-indije/>.

The main challenge common to many of these seven areas is tackling undeclared work via the introduction of adequate instruments to regularise the employment of domestic workers by private households.

### ***Unemployment benefits***

Domestic workers have formal access to unemployment benefits and without specific conditions, gaps or particular challenges.

### ***Sickness benefits***

Only employees with an employment contract under Article 45 of the labour law have access to sickness benefits. Under Article 72 of the law on healthcare insurance, self-employed people and workers employed in temporary or occasional work do not have the right to receive sickness benefits (NSRS 2023d), even though employers pay compulsory health insurance contributions for temporary and occasional work contracts, as do the self-employed.

### ***Healthcare, parental, invalidity, old-age and survivor benefits, and benefits in respect of accidents at work and occupational diseases***

As with unemployment benefit, domestic workers have formal access to benefits in each of these areas without facing specific conditions or access requirements which create gaps.

### ***Access to labour protection***

Labour protection is regulated at republic level and there are no regional differences in access to these forms. There are no publicly available studies or case law that identify gaps in terms of formal access, adequacy or transparency affecting domestic workers, although only those domestic workers who are employed with an employment contract under Article 45 have access to labour protection. Neither are self-employed domestic workers and those employed under temporary or occasional work contracts covered by labour protection rights and benefits.

### ***Undeclared work, regularisation and labour shortages***

In many EU member states, a key challenge concerning the situation of domestic workers is the very high proportion of undeclared work in the sector and what this implies in terms of access to forms of social and labour protection. The different policy instruments that may be used to address and combat undeclared work can broadly be divided into direct measures (e.g. vouchers and tax credits) and indirect ones (e.g. formalisation and the professionalisation of domestic work).

### ***Prevalence of undeclared work***

ILO estimates for 2019 show a high prevalence of undeclared work in the domestic work sector, of 93.6%.<sup>10</sup> In the same year, the share of undeclared workers in the

10 [https://www.ilo.org/re-Search/DomesticWorkers/map1\\_en.html](https://www.ilo.org/re-Search/DomesticWorkers/map1_en.html); accessed 15 April 2024.

service sector was 14.3%, while the overall informal employment rate was 18.2% (RZS 2020).<sup>11</sup> Considering that the supply of homecare by registered private or state providers is limited, it is most likely that domestic workers are being employed directly by private households without official registration.

The 2018 LFS data for Serbia were presented in a 2020 study on the engagement of workers in temporary and casual jobs (GIZ and NALED 2020). The study estimated that over half of domestic workers (NACE 97) – 55.6% – were engaged informally.<sup>12</sup> Compared with the total number of undeclared workers in the services sector, their share was rather small, at 2.4% (1% of all undeclared workers). The study also estimated that, on average, only 2.3% of households used the services of domestic workers temporarily or occasionally. This estimate is in line with data from Anketa o potrošnji domaćinstava (APD; Household Budget Survey) for 2021 and 2020 (RZS 2023a, 2022). An average household spent just 0.1% of its total expenditure on expenditure on social protection services (sub-category 12.4) in both years.<sup>13</sup>

This 2020 study also explored the attitudes of domestic workers and employers to work arrangements (GIZ and NALED 2020). Employers stated that they did not have essential information about compulsory registration procedures or those related to social insurance payments and that, in the majority of cases, they simply did not register domestic workers. Overall, employers confirmed a willingness to pay on average 25% more for the inclusion of domestic workers in formal employment schemes. The authors of the study estimate that this sum would not, however, cover all the social contribution payments and taxes required, calculated on the basis of the current average fees for childcare and care for older people. Furthermore, employers believe that decisions about registration have to be made by domestic workers themselves.

Domestic workers are, in general, not motivated to take on formal employment for a number of reasons. Some are either formally employed elsewhere or otherwise retired and thus already have social insurance coverage. The other important fact to note here is that the compulsory healthcare insurance scheme is accessible to the majority of Serbian citizens who are not formally employed, through a number of different schemes. Unemployed people, for example, are covered in the following cases:

- a. as dependent family members of an insured person
- b. as registered unemployed
- c. under Article 16 of the law on health insurance which prescribes payment for health insurance out of the central budget for the following categories of people: beneficiaries of novčana socijalna pomoć (NSP; financial social assistance);

11 The services sector encompasses household activities as an employer.

12 Includes: childcare, homecare for older people and disabled people, cleaning and home repairs.

13 Individual consumption for social protection (12.4.1) as defined in the APD) covers expenditure on assistance and support to people who are: old, disabled or suffering from occupational injuries and diseases. It also covers the assistance and support services provided to families and children.

people aged over 65 with low income; the Roma population; the unemployed with income below the threshold; etc. (NSRS 2023d).

Another reason for the lack of take-up of formal employment is the worry that the employer would deduct compulsory tax and social insurance contributions from their salary. In cases where a domestic worker is a beneficiary of NSP, registration with CROSO might jeopardise their eligibility.

### **Labour shortages**

There are no official data on shortages of domestic workers. The largest online employment portal (Infostud) did, however, publish a 2023 list of shortage professionals on which domestic cleaning workers took seventh place.<sup>14</sup>

The potential drivers of shortages of domestic workers are:

- gender segregation of occupations – men rarely apply for these jobs due to workplace stereotypes
- informality of engagement
- instability of employment and the difficulties of predicting medium or long-term employment
- short-term employment as a means to top-up income
- job strain and the precarious character of work
- possible stigmatisation of domestic workers (especially for domestic cleaning jobs).

The ongoing shortages in the general carer market are also an illustrative example of a distorted labour supply. Employers from private homes for the residential care of older people have started to employ foreign workers, which is a novelty in this sector. Workers from Nepal and Kenya are presently employed in two homes for older people in Belgrade. The director of Udruženja privatnih ustanova socijalne zaštite (Association of private providers of residential social care) revealed that it is planning to assist in organising the engagement of foreign workers for its members in the future due to labour shortages in the domestic market.<sup>15</sup>

An unregulated and unstable labour market, on top of the inadequate provision of social protection daycare services, has had a negative impact in terms of satisfying the needs of the most vulnerable people. In 2019, unmet needs for help with personal care or household activities were reported by a high number of older disabled people

14 See ‘Koja je cena spremaćica koje rade na sat u Beogradu?’ (‘What is the hourly cost of cleaning workers in Belgrade?) *N1 Info* 22 September 2023, accessed 15 April 2024 at: <https://n1info.rs/vesti/cena-na-sat-ciscenje-stanova-i-kuca/>.

15 See ‘Negovateljice iz Srbije odlaze u Nemačku, u srpskim domovima za stare već rade žene iz Kenije i Nepala’ (Carers from Serbia are leaving for Germany, women from Kenya and Nepal are already working in Serbian nursing homes) *Euronews Serbia* 20 January 2024, accessed 15 April 2024 at: <https://www.euronews.rs/srbija/drustvo/111533/negovateljice-iz-srbije-odlaze-u-nemacku-u-srpskim-domovima-za-stare-vec-rade-zene-iz-kemije-i-nepala/vest>.

(aged 65+). Half of those with severe disabilities (50.4%) and almost one-quarter (23.3%) of those with moderate ones reported a lack of required assistance.<sup>16</sup>

### *Regularisation of undeclared work*

Instruments for tackling undeclared work have been incorporated into broad campaigns to combat the grey economy in the country, although there are no instruments specifically aimed at domestic workers. The government adopted a first programme combating the grey economy in 2015, as informal employment in 2014 was already high at 21.2% (RZS 2015); the next programme was adopted in 2019. The main planned measures were in the area of strengthening the capacities of labour inspection, simplifying administrative procedures, introducing e-government and reducing tax burdens. The programmes focused mainly on the evasion of social contributions and tax payments by business entities, however, and only partially on combating undeclared work. The latest, third, programme (for 2023-25) was adopted in December 2023 (RS Ministarstvo Finansija 2023).

In June 2018, parliament adopted a law on the simplification of work engagement in seasonal jobs in certain activities (NSRS 2018b), defining the contractual obligations of employers in the engagement of seasonal workers in the agricultural, forestry and fishery sectors. Under this law, seasonal work is not regarded as employment and seasonal workers may keep their status as registered unemployed while such engagements do not affect eligibility for NSP.<sup>17</sup> The employer must cover the compulsory social insurance contributions in respect of the pension and invalidity scheme (25%) and for healthcare protection in cases of in-work injuries and/or professional diseases (2%), and must pay income tax of 10%.<sup>18</sup> The employer is not obliged to draw up a written contract with the worker; however, the worker must be informed about social protection rights and may request written verification of the work engagement. To simplify the procedures for registration and the payment of social insurance contributions, a web portal for the electronic registration of seasonal workers was installed on the PU website.<sup>19</sup> In the process, the time taken to register was cut from five hours to five minutes. At the end of each month, registered employers receive online information on their payment obligations.

In 2020, an online contact centre was established on the website of the co-ordinating body for combating the grey economy where citizens may report irregularities in different areas of the grey economy (informal employment, evasions of fiscal receipts, etc.).<sup>20</sup> In 2021, a chatbot virtual assistant was developed to simplify communication with citizens.

The results of these programmes and the application of the 2018 law are mixed and it is not possible to evaluate the impact they have had on changes in informal employment rates.

16 Source: Eurostat (hlth\_ehis\_tadlh).

17 Registered unemployed people are entitled to coverage by mandatory healthcare insurance.

18 Contribution payments and tax are calculated on the basis of the gross wage.

19 <https://www.sezonskirkadnici.gov.rs/>.

20 <https://inspektor.gov.rs/>.

The overall effects are, however, evident in terms of changes in informal employment rates. In 2023, the informal employment rate fell by 4.1 percentage points compared with 2020, from 16.3% to 12.4% (RSO 2024, 2021). Furthermore, the share of undeclared workers in the services sector in total informal employment almost halved, from 46.0% to 24.9% (a drop of 21.1 points). A reduction in informal employment was also recorded within services: 13.1% of workers were informally employed in 2020 while by 2023 the share had fallen to 5% (a fall of 8.1 points). At the same time, the share of informal employment in the agricultural sector in total informal employment went up from 39.8% to 54.5% (an increase of 14.7 points) – even though the government considers the impact of the 2018 law as positive. Some 44.7% of all workers in this sector were informally employed in 2020, whereas by 2023 the share had increased to 51.8% (an increase of 7.1 points).

### **Recent and ongoing reforms and debates**

This section reviews recent reforms in the country whose aim is to enhance the social and labour protection of domestic workers, while it also explores the public debate in the country about the issue.

#### **Reforms**

In June 2021, parliament adopted a law amending the law on financial support to families with children while, in September 2023, a set of further amendments was introduced (NSRS 2023d). The major changes introduced in 2021 related to the abolition of the limitation on parental cash benefits previously introduced by the 2017 law. Rights to claim cash benefits were also extended to new mothers engaged in temporary and occasional employment – this has a positive effect on domestic workers as a relatively high proportion (some two-thirds) are engaged on temporary contracts.

Following the adoption of the 2018 law on seasonal engagements in primary industries examined earlier, the government decided to extend it to other sectors that employ seasonal workers. In the action plan on combating the grey economy for 2019-20, measure 3.4 sets out the expansion of coverage of the 2018 law to new industries and activities and envisages the adoption of a new normative act.<sup>21</sup> In 2020 MRZBSP established a working group to draft an amendment to the 2018 law with the objective of expanding the regulation of non-standard forms of work engagements to construction, tourism and creative jobs, but also to domestic work. The first draft of the law, presented in 2021, was broadly criticised by trade unions and civil society organisations in response to which MRZBSP appointed another working group which produced a draft law on work engagements due to increased volumes of work.<sup>22</sup> The main amendments compared with the 2018 law are in the expansion of activities covered and a lengthening of the maximum allowed duration of contracts.

21 See: [https://www.mfin.gov.rs/upload/media/5UiKL6\\_6016c299db47e.pdf](https://www.mfin.gov.rs/upload/media/5UiKL6_6016c299db47e.pdf).

22 See: <https://www.paragraf.rs/dnevne-vesti/070921/070921-vest11.html>.

In this draft, domestic work is described as ‘domestic help for the need of natural persons: taking care of children, care of older people and domestic cleaning’ (Article 4). The legal nature of work engagements is defined in Article 2: ‘Work engagements in accordance with this law shall be considered work outside an employment relationship’. As with the original 2018 law, the employer is obliged to provide written information about working conditions but there is no obligation to draw up a written contract for signing. The employee is entitled to wages that must not be lower than the guaranteed minimum wage per hour (Article 21), while the maximum duration of contracts for domestic work is set at 120 working days. Finally, the proposal regulates working hours and rest periods in the course of daily and weekly work, but there is no regulation of the paid leave rights guaranteed by the labour law, including annual leave, sick leave, parental leave and leave for the care of dependent family members. The employer must register the engagement of the worker online at the tax registration portal at the beginning of every month of engagement.<sup>23</sup>

The apparent major focus of the regulations on seasonal increases in workload was the construction and tourism industries, and the dynamics of domestic work were not taken into account. Work engagements for the care of older people and children may well last longer than the proposed maximum of 120 working days. Another regulation with a negative impact on domestic workers’ future incomes relates to Articles 33 and 34 of the draft which state that ‘the base for the calculation of tax and compulsory social contribution payments equals 30% of the lowest monthly base, irrespective of the paid salary’. Under the law on compulsory social insurance, the lowest contribution base equals 35% of the average wage over the previous 12 months (Article 37) (NSRS 2023). In 2023, the lowest contribution base was RSD 35 025 (298.80 euros), so the defined base under the draft would therefore be RSD 10 508 (89.60 euros).<sup>24</sup> Considering that, in 2023, the estimated monthly costs for childcare and care for older people (eight hours per day) were in the range of RSD 65 000-75 000 (554-640 euros),<sup>25</sup> those engaged would be entitled to substantially lower contributions for pension and invalidity insurance which would negatively affect the level of their pensions once they retired.

The draft was, however, not put for adoption in 2023 as planned, partly due to the snap parliamentary elections and partly due to several objections received from trade unions and civil society organisations. Adoption is proposed in the latest programme for combating the grey economy for 2023-25 and the related action plan for 2023-24 (measure 3.6) (RS Ministarstvo Finansija 2023), but there is as yet no official information on a future timetable.

- 23 The draft law uses the term radno angazovani (work engaged person) rather than zaposleni (employee).
- 24 See PU’s regulation set out at: ‘Najniže mesečne osnovice za plaćanje doprinosa’ (Minimum monthly basis for payment of contributions), accessed 15 April 2024 at: <https://www.purs.gov.rs/aktuelnosti/Ostalo/608/najnize-mesecne-osnovice-za-placanje-doprinos-a.html>.
- 25 See ‘Koliko po satu i mesečno može da zaradi dadilja u Srbiji?’ (How much can a nanny earn per hour and per month in Serbia?) *N1 Info* 30 September 2023, accessed 15 April 2024 at: <https://n1info.rs/biznis/cuvanje-dece-dadilje-cene-zarada/>.

## **Public debate**

The issue of undeclared domestic work was officially recognised for the first time in the programme for combating the grey economy for 2019-20, where domestic work was referenced as an example of an activity which ought to be legally covered (RS Ministarstvo Finansija 2019). The example, however, only quoted work of a limited duration ('several days per month').

As part of one of the activities in the related action plan, an 'ex ante analysis of broadening the system of the engagement of workers on temporary and casual jobs' was carried out in 2020 (GIZ and NALED 2020). Following a media conference on the results of the study, a number of national mass media outlets discussed the issue of undeclared domestic work. Responses from civil society organisations and trade unions primarily focused on the draft law's classification of these work engagements as being outside of a traditional employment relationship, arguing that the expansion of industries and activities would inevitably increase the scope of precarious work in the country.<sup>26</sup>

In January 2022, the American Bar Association Centre for Human Rights published a commentary on the impact of the draft law.<sup>27</sup> The authors comment that the draft law would strip an unprecedented number of workers of their labour rights, including the right to unionise. Here, of special concern is the violation of migrant worker rights as the proposal relaxes the requirements around the recruitment of foreign workers by allowing their engagement without a work permit (those who may enter the country without a visa). They conclude that the draft is inconsistent with the provisions of the Serbian constitution and with Serbia's international human rights commitments, including those stemming from its ILO membership and ratified ILO conventions.

Finally, in November 2023 Savez Samostalnih Sindikata Srbije (SSSS; Confederation of Autonomous Trade Unions of Serbia) called for the Constitutional Court to conduct a constitutional review of the 2018 law (this, however, remains pending).<sup>28</sup>

## **Improving social protection and labour rights for domestic workers**

A number of suggestions may be made with the aim of improving social protection and labour rights for domestic workers in mind, as follows:

- 26 See 'Zajedničko saopštenje povodom izmena i dopuna Zakona o sezonskim poslovima' (Joint statement on amendments to the law on seasonal jobs), Centar za politike emancipacije, 12 April 2021, accessed 15 April 2024 at: <https://cpe.org.rs/zajednicko-saopstjenje-povodom-izmena-i-dopuna-zakona-o-sezonskim-poslovima/>.
- 27 See 'Commentary on the impact of the draft law on seasonal and other occasional employment in specific business activities in Serbia on migrant workers and the right to unionize', accessed 15 April 2024 at: [https://www.americanbar.org/content/dam/aba/administrative/human\\_rights/justice-defenders/review-of-draft-law-serbia.pdf](https://www.americanbar.org/content/dam/aba/administrative/human_rights/justice-defenders/review-of-draft-law-serbia.pdf).
- 28 See 'Ustavni sud da oceni odredbe Zakona o radu na sezonskim poslovima' (Constitutional Court to assess provisions of the law on seasonal work), News section of SSSS website, 20 November 2023, accessed 15 April 2024 at: <https://sindikat.rs/2023/11/13/ustavni-sud-da-oceni-odredbe-zakona-o-radu-na-sezonskim-poslovima/>.

- ILO Convention 189 should be ratified and an official legal definition of domestic workers should be adopted. This could raise awareness about the inadequate levels of social protection and facilitate the necessary cross-sector statutory changes
- the sustainability of the provision of community daycare services should be improved in the long run and coverage increased in accordance with residents' needs. This would involve an increase in the number of formally employed domestic workers
- data collection should be improved in order to facilitate accurate situational analysis in support of evidence-based decision-making in this area. The CROSO database is highly accurate and constitutes a valuable data source on the number of individuals who are registering the employment of domestic workers
- the current legal solutions for the formal employment of domestic workers should be amended in order to simplify procedures and reduce fiscal burdens. The present regulations are especially unfavourable for domestic workers who work a small number of hours, as the fiscal burden is the same as for workers who work full-time. Private households should be encouraged to secure appropriate social protection for domestic workers by applying innovative measures and instruments. Analysis of evidence-based positive solutions from EU member states would also be beneficial.

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## Statistical annex

Table 1 – Number of domestic workers, share of all people in work (%) and distributed by care/non-care sectors (%) (2023, EU27 (selected countries), Bosnia and Herzegovina, and Serbia)

	Number of domestic workers	Share of all people at work	Sector	
			Care	Non-care
EU27	4.081 m	2.10%	46%	54%
Austria	40 500	0.90%	51%	49%
Bulgaria	36 000	1.30%	70%	30%
Croatia	9500	0.60%	87%	13%
Romania	67 200	0.90%	59%	41%
Slovenia	8000	0.80%	73%	27%
Bosnia and Herzegovina	8780	0.80%	39%	61%
Serbia	17 362	0.70%	37%	63%

Note: the numbers in italics have low statistical reliability and should therefore be interpreted cautiously.

Source: Labour Force Survey (LFS) 2023; Eurostat data; DG EMPL calculation.

Table 2 – Distribution of domestic workers by sociodemographic characteristics (gender, age, educational level and country of birth), % (2023, EU27 (selected countries), Bosnia and Herzegovina, and Serbia)

	Gender		Age			Educational level			Country of birth		
	Women	Men	15-34	35-49	50+	Low	Intermediate	High	Native	Other EU	Non-EU
EU-27	88%	12%	19%	35%	46%	39%	50%	11%	59%	10%	31%
Austria	89%	<i>11%</i>	20%	32%	48%	27%	58%	16%	60%	21%	19%
Bulgaria	82%	<i>18%</i>	<i>11%</i>	37%	52%	25%	67%	:	100%	:	:
Croatia	96%	:	:	39%	54%	19%	79%	:	79%	:	:
Romania	83%	<i>17%</i>	17%	43%	39%	30%	66%	:	100%	:	:
Slovenia	82%	<i>18%</i>	25%	37%	38%	17%	63%	20%	87%	:	:
Bosnia and Herzegovina	75%	25%	26%	39%	35%	33%	66%	:	96%	:	:
Serbia	84%	<i>16%</i>	6%	30%	64%	31%	62%	8%	89%	:	:

Note: the numbers in italics have low statistical reliability and should therefore be interpreted cautiously.

Source: Labour Force Survey (LFS), 2023; Eurostat data; DG EMPL calculation.

Table 3 – Distribution of domestic workers by main job characteristics (number of hours per week usually worked, employment status and degree of permanency), % (2023, EU27 (selected countries), Bosnia and Herzegovina, and Serbia)

	Weekly hours			Employment status		Permanency	
	< than 30	30 to 40	> than 40	Employees	Self-employed	Temporary	Permanent
EU27	47%	45%	8%	94%	6%	18%	82%
Austria	59%	35%	:	80%	20%	:	93%
Bulgaria	:	90%	:	98%	:	30%	70%
Croatia	19%	81%	:	95%	:	64%	36%
Romania	:	86%	:	72%	28%	15%	85%
Slovenia	:	100%	:	96%	:	16%	84%
Bosnia and Herzegovina	:	71%	29%	79%	21%	27%	73%
Serbia	34%	66%	:	74%	26%	63%	37%

Note: the numbers in italics have low statistical reliability and should therefore be interpreted cautiously.

Source: Labour Force Survey (LFS), 2023; Eurostat data; DG EMPL calculation.



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