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Domestic workers and their access to social policy

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Journal for Labour and Social Affairs in Eastern Europe

Domestic workers and their access to social policy

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The ETUI conducts research in areas of relevance to the trade unions, including the labour market and industrial relations, and produces European comparative studies in these and related areas. It also provides trade union educational and training activities and technical support in the field of occupational health and safety. Through its expertise, scientific publications, specialist journals and training programmes, the ETUI provides European trade unions with the tools to participate in the European debate and to contribute actively to achieving Social Europe. Its current work programme is built around the following five priorities: worker participation, social dialogue, the Lisbon/sustainable development strategies and their follow-up, trade union renewal and the economic and financial crisis.

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SEER aims to stimulate an exchange of information between researchers, trade unionists and people who have a special interest in the political, social and economic development of the region of eastern Europe.

It seeks to draw attention to new research results and the latest analysis about the ongoing process of political and social changes in the broader eastern European region, and tries to create deeper understanding of the importance of the elaboration of democratic structures within industrial relations.

SEER combines contributions from different disciplines and schools of thought into an information package intended to be of interest to policy-makers, researchers, academics and trade unionists from various backgrounds.

The editors would like to point out that it is the authors who are responsible for the content of their own articles and that neither the editors nor the publisher, the European Trade Union Institute, necessarily share the opinions of the authors whose work is featured in the SEER.

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Editorial

This second issue of the *SEER Journal for Labour and Social Affairs in Eastern Europe* for 2024 focuses on 'Domestic workers and their access to social policy' in the Western Balkans.

The focus section is based on the report *Access for domestic workers to labour and social protection* prepared in the framework of a project supported by the European Commission as part of an expert network for analytical support in social policies in co-operation with the Luxembourg Institute of Socio-Economic Research (LISER). However, the contributions set out in the individual country chapters included in the report reflect the views only of the authors involved.

Non-standard forms of work are not only emerging in the digital and platform economy, but appear also in more traditional segments of the labour market such as domestic work. While these work arrangements may enable greater flexibility and facilitate work-life balance, they are not necessarily beneficial to workers. In general, domestic employment is insecure in relation to the power dynamics and negotiations that occur at the intersection of age, class, gender and ethnicity. As the three country case studies included in this issue – North Macedonia, Kosovo and Serbia – illustrate, this is particularly true in the Western Balkans. The key questions are who are these workers, how secure is their employment situation and do they have access to policies offering labour and social protection in times of labour market hardship.

The article by Maja Gerovska Mitev examines the access of domestic workers to labour and social protection in North Macedonia. In mapping domestic work in the country – i.e. the number and main sociodemographic characteristics of domestic workers – the article describes the legal and employment arrangements frameworks that apply to domestic workers before setting out the specific conditions for (and possible gaps in) access to social and labour protection for such workers. Referring to a new draft law on labour relations, the author identifies a major gap as it omits from its protection a significant number of workers who are actually in work but without an employment contract: the new, as well as the old, law defines as an employee anyone in an employment relationship based on an employment contract. The author finds that this is not in accordance with European legislation and international standards.

Amir Haxhikadrija and Artan Mustafa look in their contribution at access for domestic workers to labour and social protection in Kosovo. Following a similar structure to the other studies under the project, but also looking at collective agreements and the situation of migrant workers, they draw several important conclusions as regards policy action. While the authors acknowledge that the government of Kosovo has recently intensified its efforts to regularise the employment of domestic workers, echoing similar initiatives in place aimed at seasonal agricultural labour, they also identify significant challenges ahead. To tackle these, their recommendations include enhancements in several areas, such as improving data collection and coordination, effective registration and strengthening the legal framework, while

they also make suggestions for raising awareness and empowering stakeholders to engage actively in these efforts.

Ljiljana Pejin Stokić presents the case of domestic workers and their access to labour and social protection in Serbia. Also following the structure of the other studies, she points to significant shortcomings in the country's legislative framework. Referring to a draft law from 2021 on non-standard forms of work engagements in construction, tourism and creative jobs, but also encompassing domestic work, she points to the broad criticisms this received from trade unions and civil society organisations. Chiefly, these focus on the draft law's potential to strip an unprecedented number of workers of their labour rights, including the right to unionise. A special concern is related to 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). Agreeing with the broad criticism, the author supports the view 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 the ILO conventions it has ratified.

Two of the articles in the open section of this issue are also related to the broad topic of working and living conditions.

Slobodan Milutinović analyses the relationship between workers' rights and environmental goals in Serbia in terms of the challenges trade unions face during the process of decarbonisation. Serbia is moving towards alignment with European Union policies, including in the area of energy via the development of environmental regulations that have significant implications for industries such as coal mining, manufacturing and agriculture. This shift presents unions with a dual challenge: safeguarding jobs while supporting Serbia's transition to a sustainable economy. After presenting a short history of trade unions and the country's progress in decarbonisation, the article focuses on the coal sector. The author argues that the active involvement of trade unions is critical in guaranteeing that the economic opportunities generated by the green transition are equitable and inclusive. Through social dialogue and collective bargaining, trade unions can help shape policies that address the needs of workers in a rapidly transforming labour market. The forthcoming development of a Just Transition Diagnostic Study will be instrumental in identifying strategies to support workers and communities affected by the decarbonisation process, ensuring they are not left behind.

Moving beyond the Western Balkans, the final two articles in this issue focus on Türkiye.

The article by Emirali Karadogán looks at the living conditions of workers and retirees in Türkiye in the context of the rising cost of living. After definitions and a discussion on what is meant by 'the cost of living' and how it is interpreted, the author presents a broad range of data on how it affects Turkish society, workers, households and retired people. He paints a bleak picture of the current reality of living conditions in a country in which the cost of living is increasing day-by-day. Both inflation and rising real unemployment are aggravating the conditions of people already under the impact of a rising cost of living. He expresses the concern

that wages which are leaving workers in conditions of working poverty, alongside pensions which are on the breadline for retirees, will remain the reality of Türkiye in future years. Concludingly, he delivers a sweeping criticism of government policies that benefit capital, not workers and the rest of the people.

Finally, the article by Can Büyükbay analyses the motivations of incumbent voters in Türkiye's 2023 presidential elections through semi-structured, in-depth interviews conducted with supporters of the AKP, the party of the president. The author seeks to present an anatomy of populism based on the personal narratives provided by the participants that illuminate their voting behaviour, allowing for a rich, contextualised understanding of their motivations. Here, populism and security concerns are emphasised as key drivers of voter loyalty amidst continuing economic and social challenges, while a pro-government media actively reproduces and reinforces this narrative. The wider message is that populist leaders able to manufacture consent through media-driven, highly personalised leadership may suggest a weakening of traditional party structures and an increase in leader-centric politics, with an impact on the stability of political parties across Europe and including in the Western Balkans.

If you read something here that challenges your thinking, or if you have research work that reinforces or contradicts the conclusions reached in this or any other edition of the *Journal*, do let us know. We are contactable at the addresses on the inside front pages and would love to hear your voice as we shape future issues of the *SEER* amidst the increased momentum for the EU integration of our region. We are open to a discussion at any time and would welcome your input.

January 2025

**Béla Galgócz
Calvin Allen**

Domestic workers and access to labour and social protection: the case of North Macedonia*

Abstract

According to the 2023 Labour Force Survey there are around 4800 domestic workers in North Macedonia (i.e. about 0.8% of all workers). Two thirds are employees and, among those, the vast majority (more than 80%) have a permanent contract. Domestic work is recognised under labour legislation although there is a lack of precise legal provisions specifying normative rights. However, domestic workers without employment contracts do not benefit from rights under the Law on Labour Relations, while their social protection is even less explicit as none of the associated legislation in this sector specifically targets domestic work. The way forward for improving social protection and labour rights for domestic workers in North Macedonia should include: (a) expanding the legal definition of workers to include workers who do not have an employment contract but are in a real employment relationship; (b) including domestic workers in the Law on Employment and Unemployment Insurance; and (c) including domestic workers as the eligible and targeted beneficiaries of active labour market programmes and measures.

Keywords: domestic workers, North Macedonia, labour and social protection, atypical work, regularisation, labour law, ILO conventions

* This article is based on the report *Access for domestic workers to labour and social protection: North Macedonia* which was prepared in 2024 for the European Commission as part of the contract ‘Expert network for analytical support in social policies’ between the European Commission and the Luxembourg Institute of Socio-Economic Research (LISER). However, it reflects the views only of the author. The original report this article is based upon can be found here: [https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/analytical-support-and-exchange-information-social-protection-and-inclusion/synthesis-reports_en](https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/analytical-support-and-exchange-information-social-protection-and-inclusion/country-reports_en). The Synthesis Report prepared for the European Commission on the topic (‘Access for domestic workers to labour and social protection: An analysis of policies in 34 European countries’), which covers the 27 EU member states as well as seven candidate and potential candidate countries (including North Macedonia) can be found here: https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/analytical-support-and-exchange-information-social-protection-and-inclusion/synthesis-reports_en. It has been lightly edited for publication in the *SEER Journal for Labour and Social Affairs in Eastern Europe* as regards house style and in terms of the need to deliver a standalone text which is integrated with the other contributions from this project included in this number of the journal. It is reproduced by kind permission of the author and the Commission.

Introduction

As elsewhere in Europe, the trend of new and non-standard forms of employment, including domestic work, has also been evidenced in North Macedonia. However, the low proportion of domestic workers in the national Labour Force Survey (LFS) sample, as well as the scarcity of research on this topic, prevents a more comprehensive analysis of the challenges related to the access by such workers to social protection. While non-standard forms of work may enable greater flexibility and facilitate work-life balance, they are not necessarily beneficial to workers.

At European level, studies have already examined and indicated how domestic employment is insecure in relation to the power dynamics and negotiations that occur at the intersection of age, class, gender and ethnicity (Nare 2009; Vullnetari 2012). Data from the LFS and Eurostat show that, within North Macedonia, non-standard forms of work are not the result of workers' own choice, but stem from an inability to find a full-time job (36.4%), other family or personal responsibilities (16.4%), care for children or elderly people in the family (4.9%), illness or disability (2.6%) and education and training (3.3%) as well as diverse other reasons (36.4%).¹ In addition, non-standard forms of work bring along the risk of lower union membership, which certainly limits the mechanisms of protection of their labour rights.

In view of the European Union's commitments under the European Pillar of Social Rights, North Macedonia's 'non-standard employees' require better access to social security and protection through legislation as well as more efficient access to benefits. For this purpose, this article maps domestic work in North Macedonia – i.e. the number and main sociodemographic characteristics of domestic workers; describes the legal and employment arrangements frameworks that apply to domestic workers in the country; and then sets out the specific conditions for (and possible gaps in) access to social and labour protection for domestic workers. It goes on to discuss the issues of undeclared work, regularisation and labour shortages in the country, before presenting recent and ongoing reforms and debates in the country. Finally, a concluding section makes suggestions on the way forward for improving social protection and labour rights for domestic workers in the country.

Scope and profile of domestic work in North Macedonia

To map and analyse the scope and profile of domestic workers, this article uses the following statistical definition of domestic work:

- all workers in NACE 97 (activities of households as employers of domestic personnel) are included among domestic workers
- the following ISCO 4 categories are then added, so long as they are not already included in NACE 97 (to avoid double-counting): 5152 (butlers), 5162 (companions and valets), 5322 (home-based personal care workers) and 9111 (domestic cleaners and helpers)
- unpaid family workers are excluded.

1 See the Eurostat dataset at: https://ec.europa.eu/eurostat/databrowser/product/page/LFSA_E_PGAR.

Based on this definition, In North Macedonia, the 2023 LFS data suggests that there are around 4,800 domestic workers (i.e. about 0.8% of all workers). In terms of profile, this indicates that:

- more than 55% of domestic workers in the country are men
- around 50% are aged at least 50 and less than 15% are 15-34
- around 30% have a low educational level (ISCED² levels 0-2) while around 60% have intermediate education (ISCED 3-4)
- more than 90% are employees and, among those, the vast majority (more than 80%) have a permanent contract
- around 90% work 30-40 hours per week
- more than eight in ten of domestic workers are in the non-care sector.

As with the rest of Eurostat data in this area, these figures should be interpreted cautiously.

It is worth mentioning that the gender profile of domestic work in North Macedonia is completely different when looking only at workers in NACE 97, where 100% of workers are women.

Legal framework

This section describes briefly the legal framework that applies to domestic workers, considering in turn the legal definition(s) of domestic workers, the key aspects of the legislation regarding domestic work, ILO Convention 189 and the coverage by collective agreements.

Legal definition

Domestic work in North Macedonia is recognised under the country's labour legislation along with other atypical forms of work. However, the Law on Labour Relations does not stipulate a legal definition of domestic work, nor does it determine the groups of domestic workers. Article 53 simply states that:

... employment contracts can be made for domestic workers, where accommodation and food may be included as part of the employee's salary. This contract must be certified by an employment agency, and the minimum amount of earnings paid in money cannot be less than 50% of the employee's total earnings. (*Official Gazette* No. 167/2015 and its amendments)

Legislation

The Law on Labour Relations thus stipulates rather few provisions regarding domestic workers such as their right to an employment contract, the possibility of including accommodation and food as part of the contract, and the obligation for the contract to be certified by an employment agency. Other provisions in regard to domestic workers – such as those related to working time and wages during leave from work – are, however, not specified.

2 International Standard Classification of Education.

Furthermore, the Law on Private Employment Agencies, which replaced the Law on Agencies for Temporary Employment (adopted in 2006, now no longer in force), regulates temporary agency work as a recognised atypical form of work. Although domestic work is not mentioned in this law, anecdotal evidence suggests that domestic workers providing LTC services register with private agencies while looking for work.

ILO Convention 189

North Macedonia has not ratified the ILO Convention 189 on Domestic Work. Despite academic advocacy for its ratification (Kalamatić and Ristovski 2015) and occasional information campaigns by the Ministry of Labour and Social Policy,³ there have been no visible, systematic efforts to ratify and implement this Convention. Some of the reasons for this may lie in most domestic workers being found in the informal sector which, along with a lack of professional representation, makes them less influential in advocating the improvement of their labour and social standards.

Collective agreements

As there are no registered trade unions or other professional associations representing domestic workers in North Macedonia, there are no collective agreements that refer specifically to them. If, however, a domestic worker has an employment contract (i.e. fixed-term, part-time, etc.) with a municipality for providing social protection services (i.e. homecare) they are covered by the existing collective agreement for social protection.

Overview of employment arrangements

It is worthwhile re-emphasising that, as indicated above, more than 90% of domestic workers in 2023 were employees and that, of those, more than 80% had a permanent contract. Furthermore, more than 90% of domestic workers have a working week of a standard 30-40 hours in length.

Research assessing the effect of the Covid-19 pandemic on precarious workers (Tumanoska 2021) has focused on, among other things, domestic (paid) workers. To identify domestic workers, it used the LFS and the following ISCO categories: 5152 (domestic housekeepers); 5311 (childcare workers); 5322 (home-based personal care workers); and 9111 (domestic cleaners and helpers). In addition, it included all workers who reported that their work took place at their employer's home, irrespective of whether they belonged to these or other occupations.

Based on this research, domestic workers are commonly found in precarious employment. The research showed that 42.9% of domestic workers worked in the

³ See, for instance, the report by the Ministry of Labour and Social Policy on the ILO's 100th Annual Conference ('ILO's 100th Annual Conference decides to bring 53 to 100 million domestic workers into labour protection'), accessed 19 April 2024 at: https://www.mtsp.gov.mk/sorabotka-so-megjunarodnata-organizacija-na-trudot-nas_article-100-ta-godishna-konferencija-na-mot-reshi-da-vnese-od-53-do-100-milioni-domashni-rabotnici-vo-ramkit.nspx.

employer's home, while 14.9% did not have a fixed workplace; and around 70.5% of paid domestic workers who performed their job solely at the employer's home did not have a formal employment contract. As this study concluded:

This makes them less visible for the labour inspectorates and short of access to collective barraging; therefore, their workers' rights are usually subject to violation. (Tumanoska 2021: 34).

Moreover, nearly one-third of domestic workers were own-account workers and had no skills to apply for the publicly available measures to support workers during the crisis even if they were formalised (Tumanoska 2021: 34).

Access to social and labour protection

For each of the seven areas of social protection covered by the 2019 Council Recommendation, this section describes the extent to which access to social protection for domestic workers differs from that of other workers in the same category of employment, seeking to explore where there are particular gaps in coverage. There are no publicly available studies or case law regarding domestic workers in North Macedonia, so the identification of gaps in terms of formal access and adequacy of coverage is mainly oriented to addressing their regulatory status.

Unemployment benefits

Domestic workers do not have formal access to unemployment benefits in North Macedonia. According to the Law on Obligatory Social Insurance Contributions, domestic workers are not obliged to pay for unemployment insurance unless they are employees of self-employed people (Article 12).

Domestic workers who are directly employed by individuals are frequently in undeclared work. This leads to their exclusion from contributory social protection including unemployment benefits. Even if domestic workers move from undeclared to declared work, they will still be excluded as the Law on Obligatory Social Insurance Contributions does not oblige them to pay for unemployment insurance.

Sickness benefits

Domestic workers do have formal access to sickness benefits. Beneficiaries of sickness benefits, based on the Law on Healthcare, the Law on Health Insurance, the Law on Obligatory Social Insurance Contributions and the Law on Labour Relations, are employed people and self-employed individuals. Regardless of whether they are employed or self-employed, if domestic workers have been compulsorily insured for at least six months before the occurrence of the sickness and have paid contributions regularly (no more than 60 days late), they can obtain the right to sickness benefits.

Based on the most recent available evidence from Fond za zdravstveno osiguruvanje na RSM/Fondi i Sigurimit Shëndetësor i RMV-së (OZORCM/FSSHRMV; the Health Insurance Fund),⁴ however, in December 2022 the number of domestic

4 <https://fzo.org.mk/pregled-osigureni-lica>.

workers who were insured was negligible and represented only 0.003% of all insured people. The negligible number of insured domestic workers reflects their labour market status (i.e. a majority of them work in undeclared jobs).

Healthcare benefits

Domestic workers also have formal access to healthcare benefits. They are not explicitly mentioned, but the beneficiaries of healthcare benefits are widely defined and extend to employees, pensioners, temporarily unemployed people receiving unemployment benefits, beneficiaries of social protection, self-employed people and any other citizen who has not gained income higher than the annual net amount of the minimum salary for the previous year.

Under a special programme, the state provides health coverage to people who cannot be insured on any other grounds (children and young people up to age 18 or 27 if enrolled in education, older people and unemployed women during pregnancy and confinement).

Parental leave

If domestic workers are formally registered and making social insurance contributions, they have formal access to maternity and the equivalent paternity benefits. These benefits are part of the social insurance scheme providing earnings-related benefits during maternity leave for all economically active people. The stipulated beneficiaries of maternity leave and benefits include employed people and self-employed individuals.

Invalidity benefits

Where domestic workers are formally registered and, again, making social insurance contributions, they have formal access to invalidity benefits. These benefits are part of the compulsory insurance system which is financed by contributions and which pays out earnings-related benefits. They cover employees, the self-employed, people/students engaged in practical or voluntary work and the unemployed during occupational and vocational retraining.

Old-age and survivor benefits

Formally registered domestic workers who are making social insurance contributions also have formal access to old-age pensions and survivor benefits. Domestic workers who do not have employment contracts are not eligible for contributory old-age benefits but they are entitled to the social pension financed via the taxation system (Law on Social Security for Old People). The social pension is a means-tested benefit.

Workplace accidents and occupational diseases

Domestic workers who are formally registered and making social insurance contributions do have formal access to benefits related to accidents at work and occupational diseases. These benefits are part of the compulsory contributions-based

insurance system and pay out earnings-related benefits in the event of an accident (whether or not related to employment) or occupational disease. They cover employees, the self-employed, people/students engaged in practical or voluntary work and the unemployed during occupational and vocational retraining.

The self-employed pay a contribution of 0.5% of their insurance base against the risk of work-related injuries.

Access to labour protection

On top of access to the seven areas of social protection set out above, this section describes access to the level of labour protection available to domestic workers.

Where a domestic worker has an employment contract (for example, a temporary agency worker) verified by an employment agency, they enjoy equal treatment under the labour legislation. As indicated by Kalamatiev and Ristovski:

... *de jure*, the temporary agency worker enjoys equal treatment in terms of the 'basic conditions of work and employment' relating to working hours, overtime work, breaks, rest periods, night work, holidays and allowances. (Kalamatiev and Ristovski 2019: 308)

In a separate report the same researchers had already also noted that:

... the regulation of the legal status and the rights and obligations of domestic workers in North Macedonia are at a rudimentary level. (Kalamatiev and Ristovski 2016: 45)

In addition, based on the third national report submitted by the government on the implementation of the Council of Europe's European Social Charter, domestic workers that have concluded an employment agreement are entitled to submit a request (i.e. a complaint) to Državen Inspektorat za Trud/Inspektorati Shtetëror i Punës (DIT/ISP; the State Labour Inspectorate) to carry out supervision in connection with the exercise of the rights stipulated in the Law on Labour Relations and under their employment agreement. In such a case, DIT/ISP may use all its powers, in the same manner as for workers who are not domestic workers (Ministry of Labour and Social Policy 2015: 57).

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 that exists in the sector and what this implies in terms of social protection and labour protection for these undeclared workers. Different policy instruments may be used to address and combat undeclared work which can be broadly classified as direct measures (e.g. vouchers and tax credits) and indirect measures (e.g. formalisation and professionalisation of domestic work).

This section explores the prevalence of undeclared work, alongside the impact of labour shortages, and assesses what the government is doing to regularise employment in the sector.

Prevalence of undeclared work

One of the rare studies of the prevalence of undeclared work among domestic workers in North Macedonia estimated that more than one-third (36%) of paid domestic workers are working in the informal economy (Tumanoska 2021). The same research noted that informality is even more widespread among paid domestic workers who only worked at the employer's house, with 70.5% not having a formal employment contract (Tumanoska 2021: 35).

Another study (Srbinoski et al. 2023), capturing approximately 81% of the workforce in North Macedonia as reported in the country's Structural Business Statistics,⁵ showed that 21.1% of total labour input in North Macedonia is undeclared. In the NACE S95 sector (repair of computers and personal and household goods) the rate of informality is as high as 119.3% (i.e. undeclared labour exceeded the declared labour input), while in NACE S96 (other services) there is also a high rate of informality (43.5%). However, the share of these two sectors in total employment is tiny, with NACE S95 contributing 0.3% and NACE S96 1.5% (see Figure 1).

For comparison purposes, some 12.2% of all workers in North Macedonia were informal workers in 2022, despite a 27% decline in this category over the period 2018-22, to a figure of a little above 84 000.⁶

Labour shortages

Recent research in North Macedonia (Slavkoska et al. 2023) – prompted by a lack of workers in the care sector – has found evidence that people caring for older people are reducing their work hours or resigning from their regular occupations. Moreover, an analysis of labour markets in North Macedonia (Petreski 2021) has also shown that almost every municipality is facing a shortage of workers. For example, the city of Skopje is:

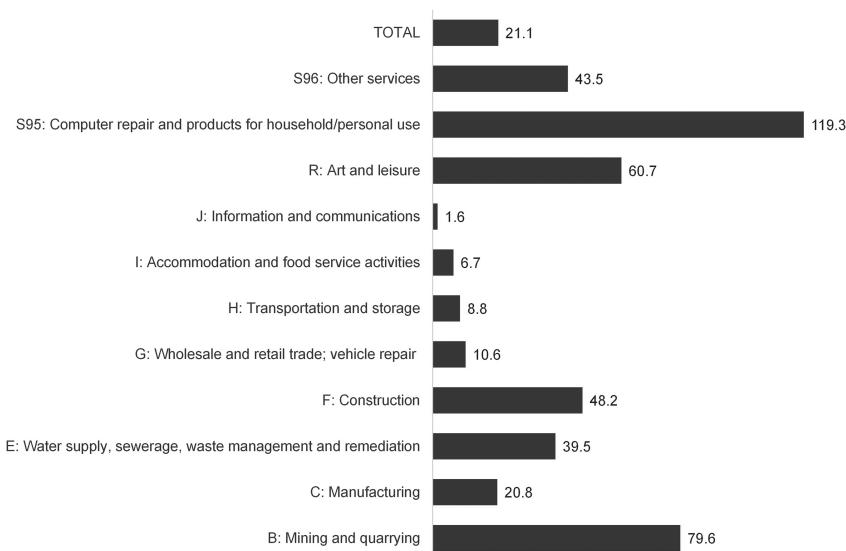
- 5 Data based on LFS (2022) and SBS (Structural Business Statistics) for 2022, both from Državen zavod za statistika/Enti shtetëror për statistikë (DZS/ESS; State Statistical Office). SBS includes only private sector, so the public sector, or sectors with public sector components, are excluded from the combined datasets. The NACE sectors excluded are D (Electricity, gas, steam and air conditioning supply); M (Professional, scientific and technical activities); N (Administrative and support service activities); O (Public administration and defence; compulsory social security); P (Education); and Q (Human health and social work activities). Additionally, SBS does not provide data for the following NACE sectors: A (Agriculture, forestry and fishing); K (Financial and insurance activities); S94 (Activities of membership organisations); T (Activities of households as employers; undifferentiated goods and services-producing activities of households for own use); and U (Activities of extraterritorial organisations and bodies). Finally, NACE L (Real estate activities) is also excluded due to abnormal negative discrepancies which might be attributed to a measurement error.
- 6 DZS/ESS MakStat database: https://makstat.stat.gov.mk/PXWeb/pxweb/en/MakStat/MakStat_PazarNaTrud_PazarTrudRevizija_AktivnoNaselenie_Vraboteni/066_Formalna_NeformalnaVrab_PoI_Vozrast_ml.px/table/tableViewLayout2/.

... facing a workforce shortage mainly for occupations with low skills, high skills for the occupations of information and communication technology professionals, and occupations in the service sector with medium skills level. (Petreski 2021: 18).

Municipalities also report a lack of certified assistants and carers able to be engaged through the public community work programme.⁷

Furthermore, emigration rates also have an impact on labour shortages. The 2021 census revealed that 12.4% of North Macedonian citizens live abroad.⁸ The combination of demographic ageing and migration, accompanied by skills mismatches,⁹ is significantly worsening the labour shortages that exist in the country.

Figure 1 – Undeclared work by sector, 2022 (share of undeclared labour input in total declared labour input)



Source: Srbinoski et al. (2023).

Regularisation of undeclared work

As mentioned already, undeclared work is falling quite quickly, so the initiatives being undertaken towards regularisation are having some impact. Indeed, the government is continually undertaking initiatives to promote regularisation. In this direction, the newest set of instruments at national level include: the Strategy

7 URL withheld but available on request (website only available in Cyrillic).

8 <https://popis2021.stat.gov.mk>.

9 Accessed 19 April 2024 via: <https://www.etf.europa.eu/en/publications-and-resources/publications/skills-mismatch-measurement-north-macedonia>.

for formalising the informal economy for 2023-27 (Ministry of Finance 2023); the National Employment Strategy for 2021-27, alongside an Employment Action Plan for 2021-23 (Ministry of Labour and Social Policy 2021); together with an Operational Plan for active programmes and measures for employment and labour market services for 2024 (Ministry of Labour and Social Policy and Agency for Employment 2024). These instruments are of course general and not specifically targeted at domestic workers.

At the beginning of 2024, the government (through the Ministry of Labour and Social Policy) proposed a law allowing people to perform work of an occasional and temporary nature for certain activities, under a simplified procedure.¹⁰ The aim of the proposed initiative is to formalise undeclared work, and reduce undeclared work, in specific activities and sectors of the economy where a high incidence of undeclared work has been found – especially in agriculture, forestry, fishing, tourism and catering, and household activities (domestic work), as well as in construction. The proposal sets out: the conditions and method of employment; the rights and obligations of the people hired and of the employer; the manner and procedure of reporting the people hired; and the payment and calculation of contributions and tax.

The Strategy for formalising the informal economy for 2023-27 only briefly mentions domestic workers, indicating here that:

Informal employment outside informal enterprises (for formal firms, households, etc.) includes domestic workers, seasonal workers, temporary workers, unregistered or undeclared workers. (Ministry of Finance 2023: 15)

Some of the measures within the Strategy include:

- a. improvement of the regulatory framework, particularly as regards labour relations (i.e. regulations for the simplified employment of seasonal, periodical and temporary workers in agriculture, tourism, hospitality and service activities)
- b. introduction of ID cards in construction and implementation of the ‘e-invoice’ project
- c. establishment of offices/centres for legal and economic counselling for registering micro and small-sized companies and for starting business activities in the formal sector
- d. increasing the effectiveness and efficiency of inspection services in detecting and preventing informal business activities via an e-inspector platform for recording inspections, by including all inspection services and by the further strengthening of capacities through training and regular monitoring.

Effective implementation of the measures and activities set out under the 2023-27 Strategy on formalising the informal economy and the related action plan is expected to reduce the informal economy to 26% of GDP by the end of 2027. In addition, a National Council has been established to co-ordinate activities under the action

10 Programme of work for the Government of the Republic of North Macedonia for 2024: https://vlada.mk/sites/default/files/dokumenti/strategii/programa_za_rabota_na_vrsm_za_2024_godina.pdf.

plan and to monitor their implementation. The Council is an inter-sectoral, inter-institutional body comprising 20 highest-level representatives (it includes: the deputy prime minister in charge of economic affairs and the co-ordination of economic sectors and investment; the deputy prime minister in charge of good governance policies; the ministers of economy, information society and administration, labour and social policy, agriculture, forestry and the water economy, environment and physical planning, and transport and communications; and senior officials of Uprava za javni prihodi na RSM (UJP; Public Revenue Office).

In the National Employment Strategy for 2021-27 and the Employment Action Plan for 2021-23, there is only one mention of domestic work in the context of undeclared work, specifying the:

... double-pronged objective to address informal employment in the domestic work and care sectors and promote women's participation to the labour market. (Ministry of Labour and Social Policy 2021: 45)

Some of the policy goals and targets indicated in this Strategy, intended to be achieved by 2027, are: a reduction in the share of workers engaged informally to 10%; a reduction in the tax wedge for workers at the low end of the salary scale by at least 10 percentage points; and a narrowing of the gender employment gap by 15 percentage points (Ministry of Labour and Social Policy 2021: 77).

The Operational Plan for active programmes and measures for employment and labour market services for 2024 provides for a 'care economy' programme targeted at unemployed people. This is designed to allow them to acquire knowledge, skills and competencies in the provision of community care services and to gain opportunities for work engagement and employment as formal service providers in the care economy field (i.e. in social and health services at local level). The programme pays 13 750 denars (223 euros) per employed person per month (including personal income tax and insurance for disability and bodily harm caused by injury at work and occupational disease) for a period of six to nine months, including training and work experience engagements, for an engagement of 20 working hours per week. Unemployed people who do not possess an appropriate recognised certificate of acquired skills/competencies as a provider of social services will necessarily be included in training programmes conducted by verified training providers. The training providers themselves will receive compensation of up to 30 000 denars (487 euros) per person.

For 450 unemployed people financed through the budget of the Agency for Employment, local self-government units provide co-financing of at least 20% of the monthly compensation during the programme. For the remaining number of unemployed people, the monthly compensation during the programme will be fully covered by the budgets of the municipalities and the City of Skopje (for up to 50 people). The maximum number of people hired per municipality financed by the Agency for Employment budget is 200.

The potential impact of this instrument may thus be negligible, given the limited number of beneficiaries targeted.

A recent impact evaluation carried out on selected active labour market measures implemented by the Agency for Employment showed that some of the direct measures whose aim is to increase the employability of unemployed workers have been poorly targeted regarding unemployed people from rural areas and the long-term unemployed. Furthermore, some have shown a diminishing impact on unemployment, associated with a positive impact on salaries and a negative impact on intentions to emigrate (Nikoloski 2021: 91-92).

Recent research focusing on informal employment and undeclared work in the hotel, restaurant and catering sectors, and based on surveys of employers (n= 28) and workers (n= 90), has shown that employers believe that indirect government initiatives could enhance the formalisation of temporary employment (Petreski et al. 2023). A majority of those surveyed (56%) believe that reducing social contributions could facilitate formalisation, as could also measures in connection with income tax (44%) (Petreski et al. 2023: 26). However, in relation to casual workers, the researchers noted that:

The subsidy for income tax and social contributions was not a sufficient motivation for casual workers to formalise. According to employers, the primary factors motivating the preference for undeclared engagement of daily workers are associated with the rigidity of regulations, administrative bureaucracy, and unfair competition. (Petreski et al. 2023: 22)

Recent and ongoing reforms and debates

This section reviews the recent or ongoing reforms in the country in the period since 2020 whose aim is to enhance social protection or the labour protection of domestic workers, while also reviewing the public debate in the country about the efficacy of the measures taken in this area.

Reforms

A reform of social protection launched in May 2019 under a new Law on Social Protection instigated a number of initiatives and encompassed the improved labour market integration of the beneficiaries of social protection measures.

Short-term measures that extended the coverage of social protection during the Covid-19 pandemic included enhanced access to guaranteed minimum assistance, which was introduced to ensure swifter access to the social protection system during extreme shocks. The measure was aimed at people who had lost their sources of income during the pandemic, including seasonal workers and informal workers. The estimated number of newly eligible beneficiaries, as indicated in the initial government projections, was 20 000 households, which represented 3.54% of the estimated number of households in the country. According to administrative sources, however, between April and December 2020 approximately only 5500 new households acquired the right to guaranteed minimum assistance, representing just 27.5% of the initial estimated number of beneficiaries of this measure (Gerovska Mitev and Bornarova 2024). This was a temporary measure regulated under amendments to the Law on Social Protection and may be activated again in a declared state of emergency.

Domestic workers, in the same way as others in non-standard forms of work, are eligible to apply for guaranteed minimum assistance if they do not own property and where the income level in the previous three months was below the guaranteed minimum (the base is 4000 denars (65 euros) per person per month, increasing according to an equivalence scale for each additional adult family member and child).

A significant anti-crisis measure adopted by the government in 2020 was the Decree for implementing the Law on Employment and Unemployment Insurance during a state of emergency. This entitled all workers who lost their job due to the Covid-19 pandemic during March-April 2020 to unemployment compensation (from the unemployment insurance system), regardless of their employment duration and of the reasons for the termination of the employment contract. According to administrative data from the Agency for Employment,¹¹ this policy change contributed to an 87% increase in the number of seasonal workers who benefited from unemployment assistance between the March and the May of 2020.

Furthermore, a new draft law on labour relations has been going through the internal consultation process with the social partners for more than four years.¹² The new law would define domestic work and domestic workers. According to Article 6, paragraph 14, 'domestic work is work performed in or for a household or households' while, according to Article 6, paragraph 15:

A domestic worker is a natural person who has established an employment relationship with a certain household or households, for the purpose of performing certain tasks in the household or households.

The draft law specifies the rights of domestic workers quite specifically, setting out that:

The domestic worker has all the rights of employment according to this law and collective agreement. The employer is obliged to notify the labour inspectorate about the conclusion of an employment contract for performing work in the household within three days from the day of conclusion of the contract. Inspection supervision can be carried out with prior notice and with the consent of the employee.

Among other things, the new law stipulates new provisions also regarding the duration of fixed-term contracts and new forms of contracts. According to Jovana Trencheska, the former Minister of Labour and Social Policy:

The new Law on Labour Relations will aim to improve the legal framework for protection of workers' rights and to provide harmonization with EU directives and ILO conventions with key innovations being new forms of employment contracts, arranging of transparent and predictable working conditions and creation of dignified jobs, equal opportunities for

11 Agency for Employment: <https://av.gov.mk/korisnici-na-prava2.nspx>.

12 Draft Law on Labour Relations (as of January 2023): https://www.mba.org.mk/index.php/mk/arkhiva-na-informacii/item/download/445_387861c21ea9da1a17860c941e71d041.

workers with family responsibilities, introduction of paternity and parental leave, and other aspects.¹³

According to one analyst, other expectations are that the new law will include:

... appropriate legal mechanisms ... to address undeclared (informal) work and disguised employment in order to protect 'de facto' employees and 'bogus self-employed persons' who are excluded from the protective framework of labour legislation and social security. (Ristovski 2022)

Public debate

The majority of the recent public debate has been related to the new draft law on labour relations. In relation to domestic workers, the main objections refer to the definition of workers. As indicated in the joint legal opinion submitted by Mreža za zaštitu od diskriminacija/Rrjeti për Mbrojtje nga Diskriminimi (MZD/RMD; Network for Protection Against Discrimination) and Platforma za rodova ednakvost (PRE; Platform for Gender Equality):

The Law leaves out of its protection a significant number of workers who actually work without employment contracts. The new, as well as the old, Law on Labour Relations defines as an employee any natural person who is in an employment relationship based on an employment contract. This definition is incorrect and does not provide protection for a large number of workers who actually work without an employment contract or with a different contract, and is not in accordance with European legislation and international standards.

The organisations suggest that the law should be harmonised with EU legislation and ILO Recommendation 198 on the employment relationship, and that the definition should be expanded to include workers who do not have an employment contract but are in a real employment relationship and whose existence can be determined on the basis of the related facts.¹⁴

Recently, the Federation of Trade Unions of Macedonia (SSM) and Glasen Tekstilec (Association for the Protection of Workers' Rights), and others, have also been vocal regarding the aspects of the proposed law which allow people to perform work of an occasional and temporary nature in certain activities under a simplified procedure. According to SSM:

The part of the law that stipulates that the hired worker can be paid in cash should be changed and that each amount paid to the employee should be through a bank account.

13 See the Minutes of the XIII Plenary Meeting of the Sector Working Group in the areas of education, employment and social inclusion, 14 November 2023, accessed 19 April 2024 at: https://www.mtsp.gov.mk/content/pdf/2024/EU_24/Minutes%20of%20XIII%20SWG%20EESP%20Meeting%2014.11.2023%20MLSPandMES.pdf.

14 https://mzd.mk/en/vesti/pravno_mislenje_zro/.

[Furthermore] [t]here are also ambiguities in other articles of the law related to the monetary compensation for work engagements.¹⁵

Meanwhile, Glasen Tekstilec, which has reacted strongly to the proposed law, comments thus:

Instead of creating a healthy climate for businesses, and thus for workers, unfair competition is being created here with the ‘amen’ of the government. This draft law discriminates against other sectors and workers, and thus destroys the domestic economy. What European law or directive is this solution based on?... This is total anarchy!¹⁶

Conclusions: improving social protection and labour rights for domestic workers

Based on the analysis set out in this article, the way forward for improving social protection and labour rights for domestic workers in North Macedonia should encompass the following aspects:

- ratification of ILO Convention 189 on Domestic Work and the accompanying Recommendation No 201
- expanding the legal definition of ‘workers’ in the Law on Labour Relations to include workers who do not have an employment contract but are in a real employment relationship
- enhancing the capacity and training of DIT/ISP in relation to the practising of the soft skills that labour inspectors need in their interactions with domestic workers and their employers
- including domestic workers in the Law on Employment and Unemployment Insurance so that they can benefit from unemployment insurance (provided that social contributions have been paid)
- including domestic workers as the eligible and targeted beneficiaries of active labour market programmes and measures.

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Statistical annex

Table 1 – Domestic workers in North Macedonia, by gender, 2023

	Total	As % of total
Total	4823	100
Women	2049	42.5
Men	2774	57.5

Source: State Statistical Office, Labour Force Survey 2023.

Table 2 – Domestic workers in North Macedonia, by age group, 2023

	Total			As % of total		
	15-34	35-49	50+	15-34	35-49	50+
Domestic workers	607	1889	2326	12.6	39.2	48.2

Source: State Statistical Office, Labour Force Survey 2023.

Table 3 – Domestic workers in North Macedonia, by educational level, 2023

	Total			As % of total		
	Low	Intermediate	High	Low	Intermediate	High
Domestic workers	1510	2905	408	31.3	60.2	8.5

Source: State Statistical Office, Labour Force Survey 2023.

Note: 'Low' educational level corresponds to ISCED 0-2 (less than primary, primary and lower secondary education); 'intermediate' corresponds to ISCED 3-4 (upper secondary and post-secondary non-tertiary education); and 'high' corresponds to ISCED 5+.

Table 4 – Full-time and part-time employment among domestic workers in North Macedonia, 2023

	Total			As % of total		
	Fewer than 30 hours	30 to 40 hours	More than 40 hours	Fewer than 30 hours	30 to 40 hours	More than 40 hours
Domestic workers	338	4312	173	7	89.4	3.6

Source: State Statistical Office, Labour Force Survey 2023.

Table 5 – Domestic workers in North Macedonia, by employment status, 2023

	Total		As % of total	
	Employees	Self-employed	Employees	Self-employed
Total	4466	357	92.6	7.4
Women	1776	273	87	13
Men	2691	83	97	3.0

Source: State Statistical Office, Labour Force Survey 2023.

Table 6 – Domestic workers in North Macedonia who are employed, by type of employment contract, 2023

	Total		As % of total	
	Temporary	Permanent	Temporary	Permanent
Domestic workers	758	3709	17	83

Source: State Statistical Office, Labour Force Survey 2023.

Table 7 – Care and non-care domestic workers in North Macedonia

	Total		As % of total	
	Care	Non-care	Care	Non-care
Domestic workers	765	4058	15.9	84.1

Source: State Statistical Office, Labour Force Survey 2023.

Note: ‘Care workers’ are those whose occupational status (ISCO) is either 5311 (childcare workers) or 5322 (home-based personal care workers). All other occupational statuses are considered ‘non-care’. It should be noted that there are people providing care in the ‘non-care’ category and vice versa. These categories should therefore be understood as categories that consist primarily of ‘(non-)care’ workers.



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Access for domestic workers to labour and social protection: the case of Kosovo*

Abstract

Survey data suggests that there are around 2000 domestic workers in Kosovo (i.e. around 0.5% of all workers). Women are present in greater numbers, while most domestic workers are aged between 35 and 49. However, Kosovo currently lacks a specific legal framework and clear legal definition of domestic workers. The general collective agreement was the only formal document that explicitly acknowledged domestic work, but this expired in 2017 and no new agreement has been agreed. The legal framework that pertains to formal employees therefore only extends to domestic workers under contract, leaving the majority of workers in this sector without adequate labour and social protection. Since most domestic work is, in reality, undeclared, this situation makes workers highly vulnerable. Current policy discussions are focused on formally defining domestic workers within the proposed new law on labour and on improving employment registration procedures to benefit all stakeholders, although these are still in their early stages. The article concludes with a series of suggestions for improving such workers' social protection and labour rights.

Keywords: domestic work, Kosovo, social protection, undeclared work, labour rights, collective agreements,

* This article is based on the report *Access for domestic workers to labour and social protection: Kosovo* which was prepared in 2024 for the European Commission as part of the contract 'Expert network for analytical support in social policies' between the European Commission and the Luxembourg Institute of Socio-Economic Research (LISER). However, it reflects the views only of the authors. The original report this article is based upon can be found here: <https://ec.europa.eu/social/BlobServlet?docId=27855&langId=en>. The Synthesis Report prepared for the European Commission on the topic (*Access for domestic workers to labour and social protection: An analysis of policies in 34 European countries*), which covers the 27 EU Member States as well as seven candidate and potential candidate countries, can be found here: https://employment-social-affairs.ec.europa.eu/access-domestic-workers-labour-and-social-protection-analysis-policies-34-european-countries_en. It has been lightly edited for publication in the *SEER Journal for Labour and Social Affairs in Eastern Europe* as regards house style and in terms of the need to deliver a standalone text which is integrated with the other contributions from this project included in this number of the journal. It is reproduced by kind permission of the authors and the Commission.

Introduction

This article – similar to the other country reports drawn from this research project and included in this volume¹ – seeks to map domestic work in Kosovo and to describe the legal framework that applies to domestic workers and employment arrangements in the sector. It goes on to set out the specific conditions regarding access to forms of social and labour protection for domestic workers, before moving on to issues of undeclared work, regularisation and labour shortages. Finally, it presents recent reforms and debates, and makes suggestions on the way forward for improving social protection and labour rights specifically for domestic workers.

In the absence of a national ‘legal’ definition, statistical estimates for Kosovo have been kindly calculated by Agjencia e Statistikave të Kosovës (ASK; Kosovo Agency of Statistics) on the basis of the national Anketa e Fuqisë Punëtore (AFP; Labour Force Survey), using exactly the same definition as set out for the project as a whole.

Mapping

In Kosovo, using the same definition as in the EU LFS and bearing in mind small sample sizes and the resultingly large confidence intervals, the data suggests that there are around 2000 domestic workers (i.e. around 0.5% of all workers and, therefore, in line with the lower levels found within all EU member states, for which the average is 2.1%). In terms of profile (see Table 1 in the statistical annex for further details):

- around 60% are women
- two-thirds are aged 35-49
- 90% are employees
- 7% are in the care sector (defined here as having an occupation falling in ISCO 5311 or 5322 categories), while most other domestic workers are either butlers or domestic cleaners and helpers.

Further breakdowns are possible only for NACE 97, which represents a little less than 20% of all domestic workers in the country. Of these workers (see Table 2 in the statistical annex):

- 70% have an intermediate educational level
- 80% work between 30 and 40 hours a week
- 80% are employees with a temporary contract.

Additional relevant information from other sources/definitions

ASK has never published indicators on domestic workers similar to those above. Instead, another ASK indicator was used to inform the analyses and debates on domestic workers – that of ‘employment shares based on activity by sex, age 15 and over: activities of households as employers, undifferentiated goods and services-pro-

1 i.e. by Maia Gerovska Mitev and Ljiljana Pejin Stokić. In particular, the Mitev article contains important methodological data on the key definitions adopted by the project and which are shared by all three articles.

ducing activities of households for own use'. This ASK indicator is calculated for both AFP data and administrative data (ASK 2024a, 2024b) and is narrower than the statistical definition used in the mapping section above. Contrary to the latter, it also encompasses 'service-producing activities of households for own use' (which is not included in NACE 97) but does not include any of the ISCO categories used in the ESPAN reports.

According to this narrower ASK indicator, domestic workers made up about 0.3% of all workers in 2022 and about 1% in 2021 (ASK 2024b).

A survey conducted by the UBO research agency in summer 2022 on behalf of Instituti për politika sociale 'Musine Kokalari' (IPS; Institute for Social Policy) recorded that about 1% of people in employment are engaged in 'activities of households as employers'² (IPS 2022). About 60% are women. In terms of the category of such domestic workers, the only relevant information that could be drawn from the survey is that 4.2% of households with children aged under 6 have domestic workers caring for their children.

Based on another survey (conducted in 2022) cited by Rrjeti i Grave të Kosovës (RrGK; Kosovo Women's Network), 7% of respondents 'said that someone from outside their household assisted them with childcare, cleaning the house, or other work' (RrGK 2024: 112).

Legal framework

This section briefly sets out the legal framework that applies to domestic workers. It considers the key aspects of the legislation regarding domestic work, ILO Convention 189 and the presence of collective agreements.

Legal definition

The current legal framework lacks explicit definitions concerning domestic workers. Consequently, this article adopts a policy-oriented definition to allow for a thorough examination of the status, challenges and potential policy implications affecting individuals involved in domestic work.

Legislation

The legal framework which is applicable to all formally employed people is extended to those domestic workers who are employed under contract.

Social protection and labour rights for domestic workers employed under contract are governed by a variety of legislative instruments. These include the law on labour, Marrëveshja e përgjithshme kolektive e Kosovës (MPKK, General collective agreement of Kosovo), the law on the Labour Inspectorate, the law on safety and health at work, the law on the minimum wage and the law on trade unions. These laws collectively establish the framework for working conditions, wages, occupational safety, non-discrimination and the right to organise.

2 All percentages from this survey cited in this report are the calculations of the authors based on the original dataset.

The law on labour sets the overall framework governing employment relations, covering aspects such as employment contracts, working conditions, wages, working hours, leave entitlements, termination of employment and collective bargaining. It recognises different types of employment contracts, including open-ended ones and those concluded for fixed periods or specific tasks or duties which are limited to a maximum of 120 days per year.

An employer is defined as a natural or legal entity that hires an employee and provides compensation for the labour or services rendered. However, Administrata Tatimore e Kosovës (ATK; Kosovo Tax Administration) only permits legal entities to declare workers, thereby excluding ordinary individuals from this process. Consequently, household heads, as ordinary individuals, are currently unable to register domestic workers with the ATK, even if they do seek to regularise their domestic employment arrangements. However, under current ATK regulations, domestic workers have the option to register themselves as self-employed.

The law on safety and health at work is aimed at ensuring occupational safety and health (OSH) standards and is largely aligned with the EU Framework Directive 89/391/EEC (ILO 2021). It extends coverage to a diverse spectrum of employed people, including interns and students engaged in practical training. However, it does not include specific provisions for the self-employed or domestic workers – although, if they work as registered workers, they are entitled to all OSH-related rights. The law outlines the general duties of employers, mandates preventive measures, specifies the responsibilities of protection and the preventive services to be undertaken by employers, requires risk assessment in workplaces, mandates employee training, delineates employees' duties, mandates medical examinations for employees, establishes procedures for reporting accidents at work and prescribes penalties for non-compliance. Additionally, Regulation No 04/2014 sets minimum safety and health requirements for workplaces, applicable regardless of employment or training status and the legal structure of the entity.

However, despite a relatively good legal framework, Kosovo lacks a structured mechanism for gathering and analysing data on work accidents and occupational diseases. Additionally, there is no specific legislation concerning data collection in the fields of occupational health medicine or occupational accidents.

Inspektorati i Punës (IP; Labour Inspectorate), established in accordance with the law on the Labour Inspectorate, serves as the primary inspection and supervisory institution in the field of OSH. This law has been amended and is currently undergoing another revision.

The minimum wage policy, which extends to all registered workers including those in domestic work, is also an important aspect of the legal framework. Guaranteeing that domestic workers receive at least the minimum wage is crucial for protecting their economic rights. The Kosovo government approved a new minimum wage in August 2024, increasing it from 170 (for a person aged 35 or over) to 350 euros per month. Although a previous increase (264 euros) was adopted a year before (Kuvendi i Republikës së Kosovës 2023), it did not come into effect, owing

to a ruling from the Constitutional Court remaining pending. Opposition parties are already advocating a further increase to 450 euros.³

There is currently no specific legislation in Kosovo addressing domestic workers who provide long-term care (LTC). Instead, as mentioned earlier, the existing legal framework designed for all formally employed people extends to those employed under contract in the LTC sector.

International Labour Organization Convention 189

Although Kosovo may incorporate the principles and standards established by the ILO into its legal framework, it cannot formally ratify ILO conventions since it is not formally recognised as a member of the ILO. The government has incorporated several such conventions into its legal framework on a voluntary basis, including the Occupational safety and health convention 155, the Forty-hour week convention 47 and the Promotional framework for occupational safety and health convention 187 (ILO 2021), which are all relevant to regular domestic workers. However, ILO convention 189 has not yet been incorporated into the legal framework because, until recently, there have been no formal discussions among policymakers regarding domestic workers.

Collective agreements

The only explicit mention of domestic work occurs in the MPKK, albeit without a defined scope and amidst limited provisions for this category of workers. According to its Article 20, a domestic worker must have an employment contract, while reimbursement of their salary may be provided either in financial terms or in kind as long as the latter does not exceed 50% of the salary. The provisions of the MMPK apply to foreign employers and workers, or those without citizenship who are carrying out economic activities in the Republic of Kosovo.

The first MMPK took effect on 1 January 2015, with a validity period of three years, as outlined in Article 90, paragraph 4, of the labour law. In 2018, following the conclusion of this MMPK term, Këshilli Ekonomiko Social (KES; Economic Social Council), the professional commission for tripartite legislation, was tasked with negotiating and drafting a new collective agreement. However, ongoing political disputes have prevented an agreement from being reached, leaving this process incomplete. There is therefore some ambiguity regarding the continued relevance of the outdated MMPK (beyond the period it was in force) in the light of the prolonged delay in signing and approving a replacement.

3 Note that this information postdated the original ESPAN report and has been included here as an essential update. Later references to the minimum wage in this article refer to the updated figures.

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) they work for.

Overall arrangements

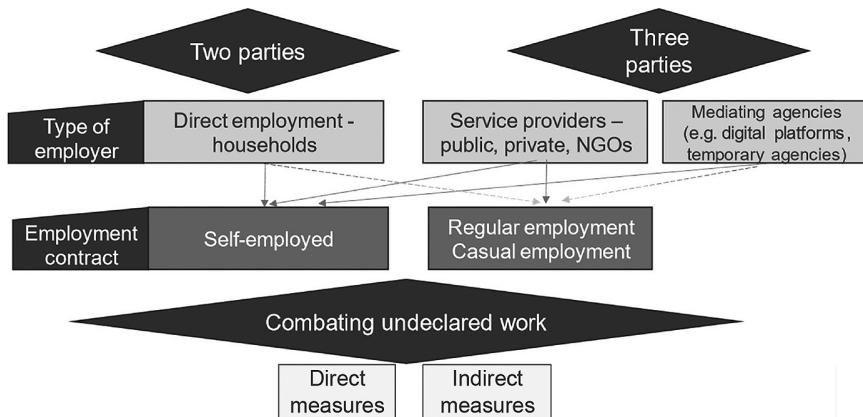
In Kosovo, domestic work may legally be arranged according to both two-party and three-party models of employment relations (see Figure 1 below), based on the labour law, the law on business organisations and the law on personal income tax. These arrangements may be made for both regular and casual employment.

The two-party model may be formally arranged in three ways. In the first, based on Kosovo's law on business organisations, the household may be registered as an individual business,⁴ which may then employ a domestic worker under an employment contract and pay taxes and contributions based on the law on personal income tax. In the second, a domestic worker may create a similar individual business (self-employment) and then provide services to households. Thirdly, domestic workers may also be registered with the ATK as individual taxpayers to declare payments received for services and to pay the required taxes.

However, in reality, there are almost no incentives for domestic workers to register to pay taxes and contributions as Kosovo does not have typical defined benefit social insurance rights (under which they could benefit from redistribution from better-off contributors) or tax credit schemes. On the contrary, there are potential disincentives as they might lose benefits deriving from social assistance or permanent disability benefits (if they are beneficiaries of these programmes), which are in practice cancelled upon receipt of any employment income. Furthermore, in both scenarios in which a domestic worker may register as a business or as an individual, it remains unclear whether the service must be procured from a formal entity. Most importantly, due to the complexities of having to register as a business and make tax and other reports required by law, in reality most households and domestic workers arrange undeclared employment relationships. For example, according to the survey cited by the Kosovo Women's Network (RrGK 2024: 112), only 4% of respondents from households hiring domestic workers report that they pay such workers via a company, and only 8% report paying workers via a bank transaction.

⁴ About 70% of all business organisations in Kosovo are registered as 'individual businesses' (ARBK 2023: 9).

Figure 1 – Employment relations models and types of measures addressing undeclared work in the domestic work sector



Source: Own elaboration on the basis of CELSI 2021, in European Labour Authority (2022) and Farvaque (2015).

The three-party model may also be legally arranged via a business or a licensed NGO providing services. Services of this type are rising in the LTC sector, where private businesses hire employees and provide personalised healthcare services purchased by clients. In the future, due to the growing number of foreign workers and demand, domestic work is likely to be arranged increasingly in this form. This is because foreign workers need employment documentation from a legal hiring entity and, in practice, service providers can provide such documentation more easily. On the other hand, the state has not directly contracted domestic workers so far.

However, it is worth noting that, even within formal employment relationships, domestic workers in Kosovo find themselves engaged under non-standard forms of employment, such as part-time or temporary arrangements. For example, according to the IPS/UBO survey, none of the domestic workers surveyed were covered by a full-time employment contract (IPS 2022). Furthermore, inspections to ensure compliance with labour laws are not commonly conducted in domestic work environments.

Migrant-related arrangements

Although the domestic work sector in Kosovo primarily draws on the national workforce, the country is experiencing a rise in the proportion of migrant workers, especially within wealthy households. This trend has resulted in a rising number of migrants coming to the country explicitly to engage in domestic work, both as care and non-care workers. According to insights from private employment agencies, the predominant arrangement for these workers is live-in employment. At the same time, Kosovo continues to be a significant source of emigration, with many prospective care and non-care workers seeking opportunities in EU member states. According

to one recent study, 28% of respondents expressed their intention to migrate immediately following visa liberalisation (GAP 2024). This outflow exerts pressure on both the paid and unpaid domestic work sectors in Kosovo, resulting in an increased dependence on migrant workers entering the country to fulfil the demand for domestic labour.

In order to secure a work permit in Kosovo, whether for corporate roles or household employment, both individuals and companies seeking workers must comply with certain regulations. Primarily, they must provide a contract in line with the labour law. This contract should specify a minimum gross salary of 420 euros per month (compared to the minimum wage of 350 euros) with a potential for increased compensation depending on the nature of the employed person's duties.⁵ Furthermore, the individual or company sponsoring the employment is responsible for providing the worker with suitable accommodation. Particularly for domestic workers, live-in accommodation is typically provided and often includes provisions for meals.

In addition to the salary and accommodation provisions, there are various administrative obligations that the individual or company seeking to employ workers in Kosovo must fulfil. These obligations include payments for health insurance and covering the costs associated with translating the documents of the prospective employee. These measures ensure compliance with the legal and administrative requirements and theoretically contribute to the overall welfare and protection of migrant workers in Kosovo.

Unfortunately, however, there is a lack of evidence regarding the practical implementation of these rights; hence it remains unclear whether they are effectively enforced in practice.

Access to forms of social and labour protection

The rights of domestic workers deriving from the labour law are described in the following subsections. However, it is important to note that most domestic workers (i.e. those who are undeclared) do not in practice have access to most social protection programmes – except when these are universal and not conditional on prior contributions, a means test or any other criteria restricting qualification. The most significant challenge to accessing rights is therefore posed by the existing complex legislation on employment arrangements. Since this is simply too complicated for both sides (the household and the domestic worker alike), domestic workers are pushed into undeclared work which then becomes a cost borne by them.

The MMPK, which was in force between 2015 and 2017, defined domestic workers as people employed on the basis of an employment contract. The labour law does not mention specific forms of employment, but similarly defines employed people as those with an employment contract. Both documents define the employment contract in a similar way (Article 10 of each one). Domestic workers with an employment contract therefore enjoy the same rights as other employed people.

5 Personal communication with the owner of Fiva Partners, a private recruitment agency, on 19 April 2024 in Pristina, Kosovo.

Unemployment benefits

There is no programme providing unemployment benefits in Kosovo. The lack of accessible unemployment protection could serve as one of the indirect disincentives to regularise domestic work.

Sickness benefits

Access to sick pay is regulated by the labour law. Domestic workers with an employment contract thus have the right to employer-paid sick pay for sickness leave based on general illness that covers a maximum of 20 days leave a year and which replaces 100% of prior earnings. Further unpaid sick leave may be granted for a maximum of one year.

Domestic workers often work in non-standard working arrangements, such as part-time work for several employers (households). Since sick leave benefits are borne by employers, in these cases it is not legally clear by whom the sick leave benefit costs are borne.

Healthcare benefits

Access to healthcare benefits is regulated by the law on health. Domestic workers, in the same way as all other residents, have access to the basic, universal and public healthcare system which, in practice, operates according to a national healthcare service model. Similarly, they have the right to tax-paid medicines, provided universally and free of charge at the point of use via the national essential list of medicines (see Mustafa 2023).

The presence of a universal and public basic healthcare system is welcome, in particular in ensuring that undeclared employment does not become a barrier for domestic workers seeking access to healthcare services. The access of domestic workers to the public healthcare system may, however, be challenged by potential reforms that, according to a current draft law (Ministria e Shëndetësisë 2024), may transform the system into one based on health insurance. Since most domestic workers are undeclared workers, eligibility based on formal employment and contribution criteria would penalise them.

Domestic workers also face challenges in accessing medicines because, in practice, the majority of medicines prescribed by the public healthcare system are purchased privately in private pharmacies, despite the continual growth of tax-financed expenditure via the national essential list of medicines (Mustafa 2023). Since domestic workers' earnings are low (Bytyçi 2023), they face difficulties accessing prescribed medicines.

Parental benefits

Access to parental benefits for employed people is regulated by the labour law.

As long as they have an employment contract, domestic workers have the formal right to access existing parental benefits in the same way as all other employed people with a contract. In other words, they have the right to maternity leave benefits, which include: a two-thirds wage replacement paid by the employer during the first

six months of leave; a general tax-financed state benefit equal to 50% of the average wage in the country for the next three months of leave; and three further general tax-financed state top-ups during these nine months of leave to the value of 170 euros per month (i.e. the value of the previous official minimum wage). Three more months of unpaid leave are optional. Fathers carrying out domestic work with an employment contract have the right to two days of fully paid leave upon the birth of a child; the financing is borne by employers.

In cases of children with permanent disabilities, one of the parents has the right to work on a half-time schedule until the child is 2 years old.

As in the case of sickness benefits, an important gap in practice with relevance to domestic workers in non-standard employment arrangements is the legal gap which makes it difficult to define who the employer is – and hence on whom the costs of leave benefits should fall.

The existing tax-financed maternity leave benefits available to unemployed women, which are issued for a period of six months at a value of 170 euros per month (MFPT 2024), may serve as a further indirect disincentive for domestic workers to regularise.

Invalidity benefits

Access to invalidity benefits is regulated by the law on pension schemes financed by the state; the law on the status and the rights of the martyrs, invalids, veterans, members of the Kosova Liberation Army, civilian victims of war and their families; the law for blind people; and the law on the status and rights of people with paraplegia and tetraplegia.

Domestic workers with a contract have formal access to invalidity benefits similar to those for other employed people in Kosovo or other citizens (for non-employment benefits). One other obstacle to accessing the benefit, applicable to all employees, derives from the harsh qualification criteria which require proof of a full, permanent disability from work. As a result, only a few dozen people (47 in February 2024) qualify for the benefit (ASK 2024c).

The categorical disability programmes (not specifically aimed at employed people) also apply tough qualification criteria which is why only about 30% of disabled people aged 15 or over are covered by disability benefits (Mustafa 2024: 12). This context makes it implicitly difficult for domestic workers to access disability benefits.

The state administration does implement a general permanent disability pension benefit, which does not explicitly require full disability from work, as a benefit which is cancelled upon any employment income (Mustafa and Haxhikadrija 2022). This implementation may serve as a disincentive for domestic workers to enter the formal labour market even if they were able to.

Old-age and survivor benefits

Access to old-age and survivor benefits is regulated by the law on pension schemes financed by the state and by the law on pension funds of Kosovo.

Formally employed domestic workers have the same rights to access old-age state benefits as contractually employed others. Key among these benefits is the statutory universal basic pension, managed by the government and financed out of general taxation (which pays a flat rate 120 euros per month), and the benefits paid out by mandatory pension savings.

As with the universal basic healthcare system, the presence of a universal basic pension ensures that domestic workers, despite working generally on an undeclared basis, may access the same basic retirement income as other older citizens. This is the only old-age pension in the western Balkans that is explicitly unconditional on criteria such as prior contributions or means tests. There are, however, proposals to transform the universal basic pension into a means-tested one (see e.g. World Bank 2022: 25). Should a transformation of this kind take place, it might serve as yet another indirect disincentive for domestic workers to regularise their employment.

The benefit from funded statutory individual pension savings is based on the defined contribution model, meaning that retirement annuities or phased withdrawals are dependent on the contributions made, the returns on investments and the fees charged for administration. This key part of the system tends to favour those doing well in the employment market (see e.g. GAP 2022: 10). Since most domestic workers are undeclared, the majority are effectively excluded from significant savings or the withdrawal of benefits. This defined contribution model does not serve as an incentive to formalisation due to the lack of any redistribution from better-off savings owners towards the worse-off. It is, furthermore, highly unlikely that domestic workers would contribute to supplementary market-based pension schemes.

Benefits in respect of accidents at work and occupational diseases

Access by domestic workers to benefits in this branch is regulated by the labour law and contractually employed domestic workers thus have formal access in the same way as others. The rights include sick pay benefits for sickness leave for up to 90 days within a year with a 70% replacement rate; and compensation for expenses during the treatment of injuries. The cost of both these rights are borne by employers.

One important gap within the current legal framework relevant for domestic workers derives from the circumstance that, in non-standard employment arrangements (where domestic workers are hired by several employers or households), it is difficult to identify which employer is responsible for financing these rights.

Access to labour protection

There are no gaps in access to labour protection that are specific to domestic workers in possession of a contract except in cases where, due to their non-standard employment arrangements, it is unclear who the employer is on whom the obligations fall (e.g. for financing days off and holidays).

The lack of a definition of the minimum hours of work for part-time workers (Article 21 of the labour law) is particularly unhelpful (cf. ILO 2016) on the grounds that domestic workers are expected to be engaged predominantly in part-time work.

Undeclared work, regularisation and labour shortages

This section considers the prevalence of undeclared work, possible labour shortages or unmet household needs for domestic services and the efforts being made to regularise domestic work.

Prevalence of undeclared work

Undeclared employment is extensive in Kosovo. Recent statistics indicate that about 29% of employed people (31% of employed women and 28% of employed men) do not have contracts (KWN 2024: 97). In an earlier survey conducted by the Millennium Challenge Corporation (MCC 2018: 55), only 59.2% of employed people reported having a job contract. According to the World Bank, up to 35% of employed people in Kosovo are in the undeclared work sector (Cojocaru 2017).

There are no official data on undeclared work among domestic workers, whether drawn from the AFP or from administrative data. According to a survey cited by the Kosovo Women's Network (RrGK 2024: 112), of all respondents who answered that 'someone from outside their household assisted them with childcare, cleaning the house, or other work', 47% said they paid in cash. The IPS/UBO survey reports that 60% of people in employment in 'activities of households as employers' report that they work without contracts (IPS 2022).

Labour shortages

There are no relevant data or studies on labour shortages in the domestic work sector. During the last week of April 2024, there was only one open call related to domestic work among 24 included on the website of Agjencia e Punësimit e Republikës së Kosovës (Employment Agency of the Republic of Kosovo); during the same week, there were 3205 registered jobseekers in general.

Regularisation of undeclared work

As part of its response to the socioeconomic situation created following the emergence of the Covid-19 pandemic in March 2020, the government introduced various short-term measures that were directly or indirectly aimed at tackling undeclared work in general. These were as follows:

- a. a scheme reimbursing 50% of the gross wage for a period of three months for women newly employed between 1 July and 15 October 2021. The measure was launched by Ministria e Financave, Punës dhe Transfereve (MFPT; Ministry of finance, labour and transfers, formerly the Ministry of labour and social welfare) in August 2021 as part of its economic revival package following the pandemic
- b. a scheme paying 130 euros in wages for two months for people employed on at least a 12-month contract following the pandemic. This was introduced in spring 2020 as part of the first emergency fiscal package in reaction to the pandemic
- c. a scheme compensating statutory pension savings (10% of the gross wage) for one year for all newly employed people registered between 1 August and 15 October 2021. This measure was also part of 2021's economic revival package.

The result of the first of these schemes was that about 5000 women (including women who may have previously worked in undeclared employment) were compensated with 50% of the wage.⁶ Moreover, the second scheme saw about 15 000 people employed – or who moved from undeclared to formal work – benefiting from the scheme (see Mustafa and Haxhikadrija 2021). Meanwhile, some 4000 employed people benefited from the attempt at regularisation (the third scheme).⁷

As such, these measures produced positive results, showing that incentives can work to reduce undeclared work (INDEP 2022; Mustafa and Haxhikadrija 2021).

The main longer-term instrument to tackle undeclared work was the National strategy for preventing and combating the informal economy, money laundering, financing of terrorism and financial crimes, 2019-2023. This identified undeclared employment as one of the three main challenges (along with the effect on revenues and unfair competition) that the informal economy poses. Through the strategy, key enforcement bodies joined forces to combat undeclared work through a complex mix of means and actions (MF 2019). A national strategy of some sort has been implemented since 2017. This was, however, no longer in force during the first half of 2024, but discussions about it were ongoing in parallel with campaigns against undeclared work. None of these instruments have been aimed specifically at domestic work, however.

According to a government report on the implementation of the strategy, a special project on undeclared employment was created, led by the ATK in co-ordination with MFPT. As part of the project, 405 inspection visits to workplaces were conducted in 2021, with 3817 undeclared employees identified, while 584 visits were made in 2022 identifying 4130 undeclared employees (MFPT 2023: 27-28).

In addition, several EU and German-funded projects have supported MFPT and the IP in restraining undeclared work. These initiatives focus on strengthening the work of labour inspectors, enhancing inter-institutional communication, promoting formal employment through legal alignment and harmonisation, developing a public awareness strategy and improving employment opportunities for seasonal workers through an electronic registration process. These donor-funded projects have also raised awareness among the self-employed and facilitated the drafting of bylaws and administrative instructions.

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, including possible avenues of support for these from elsewhere in the EU. Finally, it also covers the public debate in the country about this issue.

⁶ From a personal communication with an MFPT official on 26 April 2024 in Pristina, Kosovo.

⁷ *ibid.*

Recent reforms

Given the absence of a legal definition or framework specifically addressing domestic workers, the focus here is on reforms designed to enhance social and labour protection for all regularly employed people, since these measures thereby extend to domestic workers employed under a contract. However, it remains imperative to initiate reforms that specifically target undeclared workers.

A new labour law is in preparation which includes provisions for the improved protection of workers' rights, addressing issues such as employment contracts, working hours and leave entitlements. This is part of a broader effort to align Kosovo's labour standards with EU regulations and encompasses the aim of improving the working conditions and rights of temporary and part-time workers, who often face more precarious employment situations, providing them with greater job security and benefits comparable to those in full-time jobs. The draft is undergoing an internal consultation process within MFPT and has not yet been opened more widely. The draft was listed in the 2023 legislative programme, but it has yet to be brought forward for debate in the Assembly, leaving uncertainty about when it will be adopted.

Domestic workers have indirectly benefited from two government measures unrelated to employment. In September 2021, Kosovo introduced universal child benefits and extended maternity benefits to unemployed women. The child benefit is universal, citizenship based⁸ and funded through taxation, and amounts to 20 euros per month for children under 2 and 10 euros for children aged 2-15. Access by the children of domestic workers to these benefits is thus not hampered by conditionalities. In addition, since September 2021, upon the birth of a child, unemployed women have been entitled to a benefit consisting of monthly tax-financed payments of 170 euros for six months. Regardless of the impact on regularisation, this new layer of maternity leave rights may make the lack of access by domestic workers to maternity leave benefits less damaging (compared, for example, to the lack of access to sick pay benefits) since female domestic worker parents may at least access the same benefits as officially unemployed people.

In an effort to boost consumption amid the pandemic, the government created an opportunity for the premature withdrawal of 10% of individual pension savings. About 200 million euros in pension savings was withdrawn between December 2020 and April 2021 (Mustafa and Haxhikadrija 2021). The government has pledged to reimburse all sums withdrawn below 999 euros, amounting in total to approximately 100 million euros, starting in 2023. Reimbursement has begun for pension savers close to or entering retirement (12 800 people) and the government aims to complete the process by 2028. The other 100 million euros (corresponding to withdrawals above 999 euros) will not be reimbursed which will result in reduced pension income for future retirees in this category (Mustafa and Haxhikadrija 2021). Due to the prevalence of informality, most domestic workers should not have had access to these withdrawals.

8 Only children from families with Kosovo citizenship and residency are eligible for the benefit which, therefore, does not extend to migrant families with residence permits who are non-citizens nor to families who hold Kosovo citizenship but are not residents of Kosovo.

In April 2024 Ministria e Shëndetësisë initiated public consultations on a new health insurance law, confirming the shift to financing the health system through mandatory health insurance. Certain categories, such as social assistance scheme beneficiaries and war veterans, will be exempt but not the unemployed or undeclared workers unless they are also beneficiaries of social assistance. Although the introduction of health insurance is designed to create a more organised and sustainable healthcare system, it inadvertently threatens to marginalise domestic and undeclared workers, who currently benefit from universal healthcare access. These groups, already operating on the fringes of the formal economy, would face significant barriers under a mandatory insurance scheme, ranging from financial strain to outright exclusion.

In August 2024 the government raised the monthly gross minimum wage in the country to 350 euros. This adjustment is anticipated to benefit around 100 000 workers throughout Kosovo, most of them in the private sector. The minimum wage had not been increased since 2011 in practice. A previous increase, approved by the Assembly in 2023, failed to take effect in practice since a complaint was filed by the opposition centre-right Aleanca për Ardhmërinë e Kosovës (AAK; Alliance for the Future of Kosovo) at the Constitutional Court. The complaint was filed because the government decoupled the amount of the minimum wage from the amount of several social benefits, including the amount of the cash benefit for war veterans, which had led to resistance from parties more closely affiliated with veterans. By the time the court approved the amendment, the government moved on with the new increase.

The increased minimum wage holds significance not just for contracted domestic workers, who are legally entitled to it, but also for those in the undeclared sector who can use the formal minimum wage as a baseline during negotiations with employers.

Although the public generally welcomes the increase, policy analysts have raised concerns regarding the transparency of the formula employed to calculate the wage and its lack of alignment with the country's median income (Zeqiri 2023). Establishing this correlation is imperative to facilitate automatic and suitable annual adjustments to the amount of the wage. The call by opposition parties for a further increment to 450 euros has not been accompanied by substantial financial analysis regarding the feasibility of such an increase within the limits of existing national budgets.

In a bid to combat undeclared work, the ATK introduced an upgraded version of its electronic system for employed person declarations on 13 February 2024. This revised process now requires employers to inform the ATK one day prior to an employee's work commencement. The introduction of this latest electronic service aligns with the regulations set down in the law on the administration of tax procedures, in particular as detailed in Article 43, paragraph 5. Prior to this update, employers were not mandated to declare workers before or on the day of their work commencement, which provided a loophole for employers to evade declaring their workers. With the implementation of this new requirement, undeclared employment and the presence of undeclared workers will be more transparent and identifiable during routine inspection visits.

Programme support from elsewhere in EU

A ‘Support the Labour Inspectorate in fighting undeclared work’ project consisted of a two-year initiative between 2020 and 2022, funded by the EU, with the overarching goal of boosting formal employment in Kosovo. The project was designed to enhance the functioning of the IP through specific measures: first, by conducting genuine inspections and enforcing regulations, the project was aimed at restraining undeclared work; and, second, it was aimed at reducing accidents and enhancing workplace safety by enforcing regulations and imposing fines. The project was implemented through three interconnected components. The first focused on building the capacities of the IP, MFPT and the social partners to ensure satisfactory working conditions and to promote formal employment through legal alignment and harmonisation, the development of national policies and action plans, and the strengthening of inter-institutional co-ordination. The second was geared towards refining labour inspection practices to ensure effective control over health and safety at work and working relations, particularly in formal working conditions. The third involved implementing an inter-institutional communication and public awareness strategy to combat undeclared work and promote the advantages of formal employment and safe working conditions. Through these activities, the project is contributing to a more formalised and safer work environment in Kosovo.

The ‘Open regional fund for south-east Europe – modernisation of municipal services’ project, funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ; German Foundation for International Cooperation), is currently helping MFPT tackle the task of formalising seasonal workers in agriculture. The project is designed to provide better employment opportunities for seasonal workers in the western Balkans through an electronic registration process. The aim is to improve the legal framework for the engagement of seasonal workers, as part of efforts to combat the grey economy and to improve working conditions for seasonal workers. In the case of Kosovo, the project is extending its support to MFPT also in terms of formalising domestic workers.

The ‘Shaping development-oriented migration’ programme, also supported by GIZ, is aimed at enhancing social protection for migrant workers in Kosovo. This focuses on developing and implementing skills measures for managers and subject specialists. These measures are designed to address the issue of precarious working conditions for migrants, particularly in the care work sector.

Public debate

The central policy discourse concerning domestic workers in Kosovo predominantly revolves around addressing the pervasive issue of undeclared labour. In response to this challenge, MFPT is formulating a new strategy aimed at preventing and combating the informal economy: however, the specific details and provisions of this strategy remain undisclosed at present.

On 15 April 2024, a working group was established with assistance from GIZ whose intention is to draft bylaws and administrative instructions with regard to seasonal employment in the agricultural sector. Recommendations call for a more

streamlined and efficacious approach, proposing that Kosovo mirror the legislative frameworks of Serbia and North Macedonia by enacting dedicated bylaws relating to seasonal employment within the agricultural domain, with potential applicability and replicability in other industries, and to simplify employment registration procedures. This latter course is intended to regularise labour engagements while affording workers increased security, including the offer of pension benefits and health coverage in the event of work-related injuries. This proposition, endorsed by GIZ across the western Balkans, is designed to strengthen both the legitimacy and the welfare of these workers.

Driven by the lessons learned from their efforts to regularise the employment of seasonal workers in agriculture, MFPT and GIZ are working in parallel toward a comparable initiative to regulate domestic work in Kosovo. The objective is to identify optimal strategies for formalising domestic work while concurrently providing comprehensive social and labour protection. The initiative is in its nascent stages, with current efforts primarily centred on conducting a thorough mapping of the sector. This entails assessing the scale and complexity of the issue, including factors such as the number of domestic workers, the types of employment arrangements prevalent within the sector and the existing legal and regulatory frameworks governing domestic labour. As the initiative progresses, stakeholders anticipate using the findings from the mapping exercise to inform the development and implementation of policies and programmes geared towards promoting the regularisation of domestic labour.

In addition, the ongoing policy debates surrounding the new labour law are also crucial for domestic work. The new law is designed to regularise this sector, thereby enhancing social and labour protection for domestic workers. According to information provided by MFPT, the proposed formal definition for domestic work under consideration for the new law is:

The employment relationship of an individual who carries out work for an employer either at home or at another agreed-upon location during arranged working hours. This includes a variety of tasks such as, but not limited to, house cleaning, cooking, laundry, childcare, elderly or sick family member care, gardening, household management, assistance during family events and even pet care.

The new law would also stipulate that the registration process for employed people engaged in seasonal work and domestic work would be defined by a regulation issued by MFPT. The Ministry was hoping to initiate discussions on these amendments in the Assembly during May 2024. However, past experience suggests that this process may extend beyond the anticipated timeline.

Finally, during 2020 and 2021 policymakers actively debated the introduction of home-based care for older people, and amendments to the law on social and family services were designed to initiate such a programme. These sought to establish formal homecare services for older people, providing full government coverage for those without familial support, while other groups would contribute through co-financing. However, the policy focus has since shifted and home-based care is

not part of current policy discussions. Nevertheless, it remains an important approach that could be reactivated by current or future governments.

Conclusions: improving social protection and labour rights for domestic workers

The government of Kosovo has recently intensified its efforts to regularise the employment of domestic workers, echoing the similar initiatives in place aimed at seasonal agricultural labour. However, significant challenges lie ahead. To tackle these, the recommendations outlined below call for enhancements in several areas, while also making suggestions for raising awareness and empowering stakeholders to engage actively in these efforts.

- Improve data collection. This is essential for developing effective policies in the domestic work sector. Without comprehensive data on the size and scope of domestic work, it becomes challenging to develop informed or evidence-based policies. One approach involves making small adjustments to existing systems. For instance, Ministria e Punëve të Brendshme (Ministry of Internal Affairs) could modify its system to capture information on regular migrants entering Kosovo for domestic work. Since these individuals must register for residence and work permits, they are required to provide details such as their employment contract, address and employer. Utilising this data source could provide valuable insights into the number and characteristics of migrant domestic workers in the country. Additionally, as the domestic worker sector becomes more prominent in policy discussions, it is important for Eurostat and ASK to integrate specific questions into the AFP to capture more information about domestic workers. This would allow for a deeper understanding of demographic factors such as gender, age and nationality, providing a clearer insight into the dynamics of the domestic work sector. Furthermore, it is imperative to establish better coordination and synchronisation between labour, social assistance and ATK records. By integrating these databases, policymakers could gain a more holistic view of domestic workers' employment status, social welfare needs and tax contributions.
- Regulate the legal framework. The government of Kosovo has started to tackle the issue of domestic workers, and the classification of domestic labour in the forthcoming new legislation – such as the new laws on labour and on health and safety at work – is welcomed. This step is essential for facilitating smooth reforms and ensuring adequate protection for domestic workers. However, one drawback is the extended time required for debate and adoption. As stated, although the draft labour law was included in the legislative programme for 2023, it was not discussed in the Assembly, leaving its adoption uncertain. In such circumstances, it may be more practical to pursue incremental steps by drafting specific legislation for domestic workers or collectively for sectors where undeclared work is prevalent, a strategy advocated by GIZ in the western Balkans and adopted in North Macedonia and Serbia. These tailored laws or bylaws would still align with the overarching legislation but would be less susceptible to significant delays in approval. As a result, reforms could be implemented more swiftly, unimpeded by prolonged political struggles and debates.

- Enable domestic workers' registration. Advancing the regularisation of domestic workers in Kosovo requires modernising and digitising registration procedures. In addition, enabling individuals to register employees and providing personalised assistance to potential employers will represent a significant step in the right direction. The process of declaring pension contributions and taxes can now be completed online through the ATK, a process which is simple, user-friendly, efficient and free of charge. However, while the digitisation process is favourable, regulatory adjustments are needed to allow individuals to declare domestic workers, similar to the procedures being implemented in neighbouring countries for seasonal workers. These steps will minimise the administrative and bureaucratic barriers to formalisation which, in turn, will promote the integration of domestic workers into the formal economy and ensure adequate labour and social protection.
- Introduce home-based care. In 2020-21, the government was discussing the introduction of formal home-based care services for older people through amendments to the law on social and family services. Previous discussions have also revolved around the introduction of social insurance in Kosovo. Given the current government's focus on regulating the domestic work sector, it is advisable to reopen the debate on home-based LTC and broaden the discussions to include the introduction of a social insurance fund to regulate and finance such care (and other social protection aspects). The introduction of LTC allowances with varying benefit levels, akin to models observed in some EU member states (e.g. Austria), would not only benefit the underdeveloped LTC sector but also contribute to the regularisation of domestic workers providing care.
- Consider making tax-financed maternity leave benefits explicitly universal. The extension of tax-paid maternity benefits to unemployed women since September 2021 (MFPT 2024) is welcome since most women in Kosovo are unemployed. However, these benefits could serve as a disincentive to formal employment, such as in the case of undeclared female domestic workers. To avoid this risk, and given the already extensive tax-financed expenditure on maternity leave benefits, it might be worthwhile for Kosovo to consider making a part of tax-financed leave benefits explicitly universal.
- Consider establishing unemployment benefit. The absence of unemployment benefits is one of the main gaps in the existing social protection system. As a consequence, people who become unemployed but who do not necessarily qualify under the minimum income programme targeting people in poverty have to rely on their savings and loans or on family or community support. The Covid-19 pandemic showed that the absence of a programme of unemployment benefits might prove costly during similar crises. Even though the government created a temporary scheme in March 2020 to protect workers who were losing their jobs due to the closing down of the economy, the lack of proper infrastructure and knowledge to provide unemployment protection (unlike in countries that have permanent unemployment benefit schemes in place) led to a failure to provide efficient protection, with benefits eventually received by only a few hundred workers and only after substantial delay (Mustafa and Haxhikadrija 2021). The lack of unemployment benefit also serves as a disincentive for regis-

tration. Alongside the potential changes to the legal framework, unemployment benefit could provide protection for domestic workers as well.

- Consider establishing a social insurance agency to provide contribution-based benefits. Various social protection rights for employed people in Kosovo are borne by employers (e.g. six months of paid maternity leave, paid paternity leave, paid sick leave from work due to general illness, and paid sick leave and compensation for medical treatment in cases of work-related or occupational illness). This is difficult to implement in the case of domestic workers, who are often found in non-standard employment, including working part-time and for different employers within the same month. A social insurance agency, gathering mandatory contributions from employed people, would be better positioned to manage and pay out benefits in the interest of domestic workers and all other employed people. It would also contribute to the proper reporting of benefits.

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Statistical annex

Table 1 – Breakdowns of domestic workers in Kosovo

	Number of domestic workers	Distribution of domestic workers (%)
Total domestic workers	1882	100
NACE and ISCO categories		
NACE 97	327	17.4
ISCO 5152	693	36.8
ISCO 5162	0	0
ISCO 5322	100	5.3
ISCO 9111	762	40.5
Gender		
Men	704	37.4
Women	1178	62.6
Age groups		
15-34	192	10.2
35-49	1204	64.0
50+	486	25.8
Employment status		
Employees	1661	88.3
Self-employed with employees	119	6.3
Self-employed without employees	102	5.4

Note: there was a total of 1882 domestic workers or 0.47% of the total number of workers in the country (403 813) constituted from NACE 97 or the ISCO categories used in this report.

Source: data kindly produced by ASK for ESPAN.

Table 2 – Additional breakdowns of domestic workers (workers falling within NACE 97, 2022)

Category	Number of domestic workers	Distribution of domestic workers (%)
Total NACE 97	327	100
Education		
Low	49	15.0
Intermediate	232	70.9
High	46	14.1
Hours of work per week		
30-40	255	78.0
41 or more	72	22.0
Type of contract		
Temporary	258	78.9
Permanent	23	7.0
Not asked for type of contract	46	14.1

Note: the self-employed were not asked for type of contract.

Source: data kindly produced by ASK for ESPAN.



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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

* This article is based on the report *Access for domestic workers to labour and social protection: Serbia* which was prepared in 2024 for the European Commission as part of the contract 'Expert network for analytical support in social policies' between the European Commission and the Luxembourg Institute of Socio-Economic Research (LISER). However, it reflects the views only of the author. The original report this article is based upon can be found here: https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/analytical-support-and-exchange-information-social-protection-and-inclusion/country-reports_en. The Synthesis Report prepared for the European Commission on the topic (*Access for domestic workers to labour and social protection: An analysis of policies in 34 European countries*), which covers the 27 EU Member States as well as seven candidate and potential candidate countries, can be found here: https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/analytical-support-and-exchange-information-social-protection-and-inclusion/synthesis-reports_en. It has been lightly edited for publication in the *SEER Journal for Labour and Social Affairs in Eastern Europe* as regards house style and in terms of the need to deliver a standalone text which is integrated with the other contributions from this project included in this number of the journal. It is reproduced by kind permission of the author and the Commission.

Introduction and key definitions

This article – similar to the other country reports drawn from this research project and included in this number of the journal¹ – 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.² 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 complementary³ 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 country⁴
- 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.⁵ 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

Legal obligations	Labour law article	
	45 Employing household help	197 Temporary and casual jobs (120 days or fewer)
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.⁶

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).⁷ 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.⁸ 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.⁹

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.

8 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-poslovima-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%.¹⁰ In the same year, the share of undeclared workers in the

10 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).¹¹ 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.¹² 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.¹³

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.¹⁴

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.¹⁵

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.¹⁶

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.¹⁷ 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%.¹⁸ 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.¹⁹ 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.).²⁰ 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.²¹ 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.²² 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.

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.²³

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).²⁴ 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),²⁵ 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.²⁶

In January 2022, the American Bar Association Centre for Human Rights published a commentary on the impact of the draft law.²⁷ 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).²⁸

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.
- 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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Slobodan Milutinović

Balancing workers' rights and environmental goals: trade unions and the challenge of decarbonisation in Serbia*

Abstract

This article explores the challenges faced by trade unions in Serbia as the country navigates its transition to a low-carbon economy. Serbia's energy sector relies primarily on coal, which significantly contributes to greenhouse gas emissions. As the country aims for cleaner energy, the transition poses environmental and economic challenges, including potential job losses in coal-dependent regions. Trade unions are playing a crucial role in advocating workers' rights during this shift, emphasising equitable opportunities through social dialogue and collective bargaining. This research study examines the evolving role of trade unions in Serbia in addressing environmental issues and the necessary strategies for supporting workers in affected sectors. It highlights the importance of collective bargaining and social dialogue to ensure equitable outcomes amidst the economic transformations and environmental challenges that lie ahead. Ultimately, the findings call for coordinated efforts involving government, trade unions and civil society to facilitate a sustainable and inclusive transition for all stakeholders.

Keywords: green transition, decarbonisation, trade unions, Serbia, social dialogue, collective bargaining

Introduction

The green transition refers to the shift towards sustainable practices and policies aimed at reducing environmental impact while promoting economic growth and social equity. The transition to a low-carbon economy over the forthcoming decades constitutes a substantial global challenge. The process of decarbonisation, particularly in an economy still heavily reliant on fossil fuels, necessitates, among other factors, significant technological and industrial transformations, the establishment of innovative energy production and consumption paradigms, the formulation of new business models and an enhanced emphasis on circularity within production and consumption practices. Achieving climate objectives mandates a profound transformation in our methods of production and consumption of goods. In essence, compliance with the Paris Agreement demands an urgent and comprehensive reconfiguration of our production processes, modes of transportation and consumption patterns.

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The shift to a low-carbon economy is anticipated to have a substantial impact on workers, especially in sectors like coal mining, manufacturing and agriculture. Recognising this, trade unions globally have engaged with climate change and sustainable development for decades. The International Labour Organization (ILO) advocates 'just transition' policies aligned with its standards for decent work, which protect workers' rights, offer social security and promote skills development opportunities. The roots of this commitment stretch back to the 1992 United Nations Conference on Environment and Development in Rio, where organised labour was first involved in environmental discussions (Rosemberg 2013). Throughout the 1980s and 1990s, the concept of a 'just transition' gained traction and, with the founding of the Just Transition Alliance, a coalition of labour and environmental justice organisations, it became a formal demand (Güler and Demirkaya 2024). By the 2000s, the idea had solidified as individual trade unions and collective federations increasingly promoted it as a crucial approach to addressing the impacts of climate change on labour.

In 2006, trade unions convened their first Assembly on Labour and the Environment. Soon after, the International Trade Union Confederation (ITUC) was established and has since prioritised environmental issues, further developing the framework of 'just transition' to support workers in the low-carbon transition (Rosemberg 2013). Recently, in 2022, the United Nations Framework Convention on Climate Change (UNFCCC) launched the Just Transition Work Programme (JTWP) as part of the COP27 Sharm-el-Sheikh Implementation Plan, aiming to ensure that the Paris Agreement goals are pursued equitably and inclusively.

Nonetheless, trade unions are diverse, reflecting varied historical, economic and regional contexts. These differences influence how each union approaches climate change based on its members' immediate job needs and future employment prospects in a low-carbon economy. This diversity highlights that climate policies will have an uneven impact on workers, with unions in heavy industries and energy sectors balancing the need to support their current members while preparing them for sustainable employment in a low-carbon future.

As Serbia moves toward alignment with European Union policies, including in energy, environmental regulations are becoming tighter, with significant implications for industries such as coal mining, manufacturing and agriculture. This shift presents unions with a dual challenge: safeguarding jobs while supporting Serbia's transition to a sustainable economy. In response, unions are advocating a 'just transition' to ensure that workers in the affected sectors, particularly those in the coal industry, receive adequate support, retraining opportunities and new job prospects in green industries.

This article explores the challenges faced by trade unions in Serbia on its way towards a low-carbon economy. A significant portion of the text is dedicated to the green transition, focusing on how Serbia's trade unions are adapting to environmental challenges as the country aims to align with European Union standards. Specific attention is given to Serbia's heavy reliance on coal, the government's commitments to reduce greenhouse gas emissions and the implications for jobs in affected sectors. The article emphasises the critical role of trade unions in advocating a just transition,

aiming to balance environmental goals with workers' rights, job security and economic equity in a changing energy landscape.

Trade unions in Serbia

Trade unions in Serbia have a long history, influenced by the country's political and economic changes over the past century.

They began forming in the early 1900s, inspired by broader European labour movements. In 1903, the General Workers' Union of Serbia was founded, establishing a foundation for organised labour efforts. The first formal union structures emerged in industries like mining, transportation and manufacturing, where workers faced harsh conditions.

After World War I, the labour movement grew alongside the country's industrialisation. This period saw the rise of socialist and communist ideas which greatly influenced the labour movement. By the 1930s, unions were active, though often suppressed by the government for their perceived radicalism. Many union leaders joined the partisan resistance against the Axis forces.

After World War II, Serbia became part of the socialist Federal People's Republic of Yugoslavia. Unions were restructured under a centralised socialist system with a dual role: they represented workers but were also tightly controlled by the state. Savez Samostalnih Sindikata Srbije (SSSS; Confederation of Autonomous Trade Unions of Serbia) became the main union federation, working within the one-party system to mediate labour relations. Later, Yugoslavia implemented a form of self-management, where workers had a say in the management of enterprises, blurring the lines between unions and management.

The breakup of Yugoslavia in the 1990s had a severe impact on Serbia's economy, with inflation, unemployment and international sanctions hurting workers. During this period, unions faced significant challenges as they navigated between the collapsing state economy and a nascent private sector. Asocijacija slobodnih i nezavisnih sindikata (ASNS; Association of Free and Independent Trade Unions) and other independent unions emerged, trying to represent workers amid widespread economic instability and political turmoil.

With the overthrow of Slobodan Milošević in 2000, Serbia began to transition more fully to a market economy, and the labour movement adapted to this shift. Trade unions had to respond to privatisation, the decline of state-owned enterprises and the challenges of a competitive market economy. In recent decades, Serbia's unions have focused on labour laws, social protections and efforts to align with European Union labour standards.

Trade unions in Serbia today represent workers across various sectors, advocating their rights and enhanced protections in a challenging socioeconomic environment. The main trade union confederations include SSSS, ASNS and Ujedinjeni granski sindikati 'Nezavisnost' (Trade Union Confederation 'Nezavisnost'). SSSS is the largest and oldest federation, originally formed under socialist Yugoslavia. It represents workers in both the public and private sectors and has a significant influence on Serbian labour relations. ASNS is known for its more independent

stance as it was founded as an alternative to SSSS. ASNS focuses on calling for labour rights independently of government influence and has pushed for reforms to protect workers. Established during the 1990s, Nezavisnost ('Independence') is well-known for its advocacy of political and economic reforms and often represents workers in the more vulnerable private sector. These federations have numerous smaller sector-specific unions under their umbrellas, addressing the needs of workers in industries like education, healthcare, manufacturing, mining and the service sector.

Serbian trade unions face declining membership, especially among younger workers who see unions as less effective in today's labour market, as is the case in many post-socialist countries. Key issues include job security, wage stagnation and the influence of multinational corporations which often have complex labour policies. Unions continue to call for stronger labour rights, fair wages and alignment with EU labour policies, though they operate in an environment where labour laws are often seen as favouring employers over workers.

The green transition in Serbia

In Serbia, the green transition is critical due to the country's heavy reliance on fossil fuels and the urgent need to address climate change and environmental degradation. Serbia aspires to align with European Union (EU) environmental standards as part of its accession process, and a robust approach to sustainability is increasingly recognised as essential for the country's ecological health and economic resilience. Given Serbia's traditional focus on coal for energy production, particularly in mining and heavy industry sectors, transitioning to sustainable practices is challenging yet imperative.

Trade unions in Serbia are starting to view environmental sustainability as integral to labour rights, understanding that climate policies and the green transition will directly affect workers' lives. Historically, unions focused on wages, job security and working conditions, but they now recognise that environmental policies will have an impact on these issues. Many industries will face stricter EU-aligned regulations on pollution reduction, renewable energy adoption and waste management as Serbia progresses toward EU membership. For instance, coal mining – a major source of jobs and economic stability in certain regions – is likely to undergo substantial changes, leading unions to consider the social and economic impact on workers.

In response, Serbian trade unions are beginning to advocate a 'just transition' approach. Unions are calling for policies that not only meet EU environmental standards but also include social protections, such as retraining programmes for displaced workers, fair wages and health protections related to environmental factors. Moreover, unions are increasingly pushing for government and employer commitments to fund and implement transition plans that minimise job loss and ensure that affected communities can adapt economically.

The coal sector

Serbia's energy sector is a major source of greenhouse gas emissions, driven largely by its heavy reliance on coal for electricity production. Coal remains the

backbone of Serbia's energy system, accounting for 67% of electricity generation as of 2021, a slight increase from the 65% recorded in 2014 and about level with the 68% which was the case in 2019 (Ruiz et al. 2021). This coal dependency is supported by a robust coal power sector which includes 14 power plants with a combined capacity of 4.3 gigawatts (GW).

Beyond power generation, coal also plays a significant role in Serbia's energy-intensive industries. In 2018 alone, around 1.4 million tons of solid fossil fuels were consumed across various sectors, with 69% used in iron and steel production and nearly 21% in non-metallic mineral production (Ruiz et al. 2021). This high coal consumption contributes to Serbia ranking among the highest in Europe for carbon emissions per capita, underscoring the urgent need for energy sector reforms. Transitioning away from coal will be vital if Serbia is to align with global climate goals and reduce its carbon footprint. Introducing cleaner energy sources, improving energy efficiency and investing in renewables such as wind, solar and hydropower are critical steps for Serbia to reduce emissions and meet its climate commitments.

In 2018, Serbia's coal sector was a significant source of employment, supporting over 15 200 direct jobs, with around 12 300 people working in coal mining and nearly 2900 in coal-fired power plants. The Belgrade region stood out as one of only two areas in the western Balkans with a coal-related workforce exceeding 10 000. In addition to these direct jobs, an estimated 37 300 positions in Serbia are indirectly tied to coal-related activities. This indirect employment dependency places Serbia at the highest level in the western Balkans, comprising 54% – in contrast, for example, to just 7% in Ukraine. Despite this extensive workforce, Serbian coal mines lag in productivity compared to those in the European Union. Although Serbia's mines lead the western Balkans in productivity, they are still significantly less efficient than their EU counterparts. Consequently, the sector's employment intensity is notably high, with four times as many employees required per unit of output compared to EU coal mines. This underscores both the economic dependence on coal for jobs and the challenges that Serbia faces in modernising its coal industry amidst the global shift toward cleaner energy sources.

The Serbian government has announced plans to decommission all coal-fired power plants with capacities below 300 megawatts (MW) by 2024 as part of its efforts to modernise the country's energy infrastructure and reduce greenhouse gas emissions. This decision is primarily motivated by the outdated nature of these facilities, which are typically over 45 years old, operate with an efficiency of lower than 30% and contribute significantly to air pollution and carbon emissions (Republic of Serbia Ministry of Mining and Energy 2016). This decommissioning strategy has an impact on six of Serbia's 14 coal-fired power units.

Despite this initial step, the current Serbian energy strategy does not propose any alternative scenarios or long-term plans for additional coal plant closures. This indicates that, beyond these initial six units, further decommissioning is not anticipated. Without a broader roadmap for transitioning away from coal, Serbia risks falling short of climate and emissions reduction goals, as the remaining coal power plants are likely to continue operating. This limited approach may complicate Serbia's alignment with EU and global climate standards, highlighting a need for a more

comprehensive strategy to advance clean energy solutions and reduce reliance on coal in the years ahead.

In Serbia, coal mines are closely interwoven with the operations of nearby coal-fired power plants. This symbiotic relationship means that the long-term sustainability of these coal mines is deeply dependent on the continued operation of these power plants. According to the Serbian Energy Development Strategy (Republic of Serbia Ministry of Mining and Energy 2016), a strict adherence to the planned energy transition could put some 3000 coal mining jobs at risk over the course of the phase-out period. Beyond the coal mines, the potential closure of these power plants could jeopardise an additional 700 jobs in the power generation sector under a worst-case scenario. However, this figure accounts only for roles which are directly tied to power plant operations, assuming each facility functions as a standalone entity. In reality, most of these power plants are integrated within a larger national utility company, suggesting that the broader impact on employment could be much greater than the estimated figures. This integrated structure indicates that, as power plants are retired, there may be cascade effects across the utility company, affecting various departments and potentially leading to further job losses across related sectors and support services.

Challenges in emission cuts and the green transition

Beginning with its first Nationally Determined Contribution (NDC) submitted in June 2015, Serbia committed to the reduction of greenhouse gas (GHG) emissions. In this initial pledge, Serbia aimed for a 9.8% reduction in GHG emissions by 2030 relative to 1990 levels. Building on this, Serbia submitted a new NDC in August 2022, setting a more ambitious target of a 33.3% reduction by 2030. This updated commitment reflects the country's growing dedication to climate action.

Further expanding its targets, Serbia formally adopted net GHG emission reduction goals in December 2022, covering emissions related to land use, land-use change and forestry (LULUCF), in line with the Energy Community Treaty. These efforts were also strengthened by the Sofia Declaration on the Green Agenda for the Western Balkans, which Serbia signed in 2020. Through this agreement, Serbia committed to a wide-ranging set of environmental initiatives such as promoting renewable energy, improving energy efficiency and advancing sustainable agricultural practices.

In 2024, Serbia adopted its Integrated National Energy and Climate Plan (INECP) covering the period until 2030 with a vision extending to 2050 (Republic of Serbia 2024). The INECP sets the goal of reducing GHG emissions by 40.3% compared to 1990 levels. Central to this effort is Serbia's aim to invest significantly in renewable energy, with plans to add around 3.5 GW of new solar and wind capacity by 2030. This expansion is expected to bring the share of renewable sources to approximately 45% of electricity generation and contribute to renewables comprising 33.6% of gross final energy consumption by 2030. Additionally, lignite's share in electricity generation is projected to decrease by 25% compared to 2019 levels.

The country has introduced multiple strategies to diversify its renewable energy sources, including investments in wind, solar and hydropower. These actions align

with Europe's broader goal of achieving climate neutrality by 2050. In pursuit of this objective, there is a recognised need to transition toward a low-carbon economy, with a commitment to implementing policies and practices that support this shift. However, the path to a successful green transition remains challenging, despite various initiatives aimed at promoting sustainability. Progress in implementing environmental commitments has been limited, primarily due to economic policies and internal incentives that remain misaligned with the nation's green goals (Akbar et al. 2022). Multiple barriers, including limited financial resources, inadequate infrastructure and low public awareness of environmental issues, further complicate this transition. Additionally, political and economic factors frequently impede the necessary reforms, creating a complex landscape for achieving environmental targets.

Although there have been strides in reducing GHG emissions over the last two decades, the country's emissions intensity remains over 2.5 times higher than the European Union average, according to official International Energy Agency (IEA) data. Much of the nation's energy generation still relies on outdated and inefficient coal-fired power plants, yet the government has sent mixed signals about phasing them out. Unclear policies regarding the decommissioning of coal-driven facilities and their replacement with sustainable alternatives are creating an uncertain environment for potential investors, complicating efforts to transition to low-carbon energy sources.

The recent global surge in fuel prices has exacerbated these challenges, prompting the authorities to consider delaying the phase-out of coal-fired power plants. Such a delay risks embedding the nation in a carbon-intensive growth model which could have long-term economic and environmental repercussions. A clear, committed approach to sustainable energy transition, along with increased investment in renewable energy, will lie at the heart of meaningful progress toward green transition goals (Akbar et al. 2022).

The role and position of trade unions

Low-carbon development and the impact on the labour market

Serbia's coal mining sector is experiencing a steady decline in its labour force, a trend closely linked to the nation's ongoing decarbonisation efforts. The reduction in coal mining jobs is projected to continue as Serbia transitions to a greener energy framework. This shift is not only having an impact on employment levels within the industry but is also affecting the economic stability of communities that have long depended on coal mining for their livelihoods. As coal mining jobs decline, these regions face the challenge of adjusting to new economic realities and may require targeted support to develop alternative sources of income. To manage these impacts, a just transition strategy will be crucial, including reskilling programmes and economic diversification efforts to help affected workers and communities adapt to a low-carbon economy.

A comparable decline in labour force participation is also evident in the petroleum derivatives sector and in electricity production. This trend is primarily being driven by a transformative shift in the electricity generation mix, which is ex-

pected to evolve significantly up to 2050. The transition away from labour-intensive lignite-fired power plants toward more efficient and less labour-intensive renewable energy technologies signifies a profound restructuring of the energy landscape.

While this shift is significant in terms of achieving environmental sustainability and addressing climate change, it raises critical concerns about potential job losses in traditional energy sectors. The decreasing demand for fossil fuel-based energy production means that many workers in these industries are facing unemployment alongside reduced job opportunities. Consequently, there is an urgent need for targeted workforce retraining and reskilling programmes to equip affected employees with the skills necessary to transition into emerging sectors within the green economy.

The INECP is playing a pivotal role in defining Serbia's energy and climate objectives. However, it falls short in offering either a comprehensive analysis or sufficient measures to ensure a just transition for those workers who will be affected by these changes. In contrast, a just transition will be vital in maintaining social equity during the shift to a low-carbon economy as it seeks to address the pressing need for robust support systems and opportunities for affected workers to transition into new employment sectors, helping to mitigate the adverse effects of job displacement.

Recognising this gap in the current strategy, the development of a Just Transition Diagnostic Study is anticipated in the near future. This study is expected to deliver critical insights and strategies that will assist in pinpointing the necessary steps to support workers and communities affected by the transition from fossil fuels. By focusing on workforce retraining, skills development and job creation in emerging sectors, the study aims to lay the groundwork for an equitable energy transition. Furthermore, the Just Transition Diagnostic Study is likely to examine best practices from other regions that have successfully navigated similar challenges, providing a roadmap for implementing effective policies tailored to local contexts. Engaging stakeholders – including labour unions, community organisations and government agencies – in the diagnostic process will be vital in ensuring that the perspectives and needs of workers are prioritised. Ultimately, the insights gained from this study will contribute to a more inclusive and sustainable energy transition in Serbia, promoting economic resilience and social cohesion as the country moves towards its climate goals.

The importance of trade unions in Serbia in addressing the governance challenges involved in decarbonisation and climate change

The ambitious goals set by the Paris Agreement are expected to catalyse significant social and economic transitions within a relatively short timeframe, compelling signatory states, including Serbia, to adapt and restructure towards 'greener' systems of production and consumption. This transition is not only designed to foster technological advance and economic prosperity but also to create new jobs and to drive social innovation.

Trade unions play a crucial role in this context in advocating the rights and interests of workers as the transition unfolds. There is no doubt that the transition will yield positive effects both globally and locally, including improved air quality and reduced energy dependence. Moreover, it presents an excellent opportunity for

job creation and the enhancement of knowledge and technological capacity in environmental protection. However, a just transition will not happen without the active involvement of trade unions. To harness the economic potential of this transition in full, stable policies, effective planning and substantial investments are essential – efforts that unions must support and influence (Milutinović 2023).

Workers and communities dependent on fossil fuels will not find alternative sources of income in the immediate short-term. Therefore, the transformation requires not only the gradual phasing out of the most polluting sectors but also concerted efforts by trade unions to ensure the creation of new jobs, investment in emerging industries and opportunities for skills development. Strong, coherent industrial policies, championed by unions, are critical to supporting both developing and traditional sectors, and can drive the implementation of more efficient and sustainable production processes.

A just transition is rooted in the principle that no-one should be left behind. In regions historically reliant on coal and oil production, revitalising communities through investments in clean energy, new industries and job creation is vital. Trade unions are instrumental in calling for investments in low- and zero-emission public transport systems, clean energy and a circular economy. In the industrial sector, the shift to renewable energy must be accompanied by 'clean' industrial processes and unions must ensure that workers are equipped with the necessary skills for this transition (Milutinović 2023).

Collective bargaining, led by trade unions, is the pathway to a just transition, ensuring that workers receive the support needed for retraining and a fair distribution of the new opportunities. Ultimately, a just transition offers the government a unique opportunity to address the three intertwined challenges of climate change, rising inequality and social inclusion.

From a worker perspective, the transition will reshape the labour market, introducing both new risks and opportunities. While new jobs will emerge, some existing occupations may be phased out or replaced, necessitating new competencies and skills. Certain sectors and regions, especially those dependent on carbon-intensive industries, are likely to face the greater challenges. Anticipating these trends and their impact on workers should be at the forefront of unions' activities. By managing climate-related policies and their planning, unions can gain a better understanding of the changes and their implications for climate policy.

According to the ILO guidelines on a just transition (International Labour Organization 2015):

... sustainable development is only possible with the active involvement of the workforce.

Governments, employers and workers must act as agents of change, capable of developing new methods of working that protect the environment, eradicate poverty and promote social justice through sustainable enterprises and decent work for all.

Union participation in shaping medium and long-term decarbonisation strategies lies central to the realisation of a just transition. With this in mind, unions should be striving for consistent and formalised participation, ensuring social dialogue is em-

bedded within the policymaking process, facilitating the integration of strategies for reindustrialisation, innovation, clean technology adoption and investment in green infrastructure.

Furthermore, appropriate institutional arrangements that enable participation at all levels – national, regional, sectoral and especially local – must be established, particularly in communities expected to be at the forefront of the transition. Consultations must encompass all key policy areas relevant to the decarbonisation process, including macroeconomic policies; industrial, sectoral and enterprise-level strategies; skills development; occupational health and safety; social protection; active labour market policies; and workers' rights. Trade unions must be at the centre of these discussions to ensure that the transition is equitable and inclusive for all workers. Further activities should encompass the following (European Trade Union Confederation 2020; Milutinović 2023):

1. Economic diversification and industrial policies

Advocating integrated industrial policies that promote sustainable development is crucial. This includes establishing a clear regulatory framework to foster the creation of green jobs. Policies should also encourage technological innovation and investment in clean energy and efficient industrial processes, particularly within energy-intensive sectors. Furthermore, attracting international and national investments in green technologies, heightening the benefit of programmes like Horizon 2020 and national innovation funds, is particularly important. Unions should be involved in managing these funds to support a just transition for workers in regions affected by economic changes.

2. Education and skills development

Investment in education and training initiatives will ensure that workers can adapt to new roles in renewable energy and energy efficiency. By prioritising reskilling efforts, the country can mitigate the social impacts of this energy transition and create a workforce that is capable of thriving in a sustainable economy. Here, national training strategies must be able to draw on successful European practices in low-carbon policies. This involves adjusting education and vocational training systems to align with the emerging job opportunities arising from decarbonisation. Engaging unions through the establishment of sectoral councils will help address future skill needs, especially in sectors like energy, mining and transport. Mechanisms for information and consultation at enterprise level are also necessary to anticipate changes in competencies and to monitor the implementation of training related to climate policies.

3. Management and industrial relations

Achieving sustainable development goals is more likely to be realised where a just transition is integrated into national plans. Unions' active participation in discussions on low-carbon strategies and policies will enhance the implementation of these. Moreover, establishing an institutional framework for union participation across all levels is essential, as is promoting social dialogue to assess the impacts of industrial policies. Expanding collective bargaining to include low-carbon transition issues will address the employment, wages and retraining needs.

4. Social protection and occupational health and safety

Creating effective social protection systems is necessary to shield the population from adverse economic impacts during the transition. This includes integrating social protection measures with climate policies, particularly with regard to vulnerable workers. Assessing the risks related to climate change for occupational health is crucial, along with implementing protective measures and training for green jobs. Unions should advocate for the protection of employees' rights during the transition process, particularly concerning asset devaluation.

5. Internal functioning and change management within unions

A just transition should be a political priority for trade unions. In this cause, raising awareness among union members about climate change effects plays a major role. Conducting a needs analysis within the union will help define training requirements and will also facilitate the securing of appropriate resources. In addition, collaborating with broader alliances can further promote a just transition to a low-carbon economy.

Conclusion

The green transition represents a critical movement towards sustainable practices that aim to reduce significantly the impacts of economic activity on the environment, while promoting economic growth and enhancing social equity. As the country embarks on this vital but challenging journey, the difficulties posed by its heavy dependence on fossil fuels, particularly coal, highlight the urgent need for comprehensive reforms. Serbia's commitment to aligning with European Union standards and fulfilling its international obligations, such as the Paris Agreement, necessitates transformative changes in energy production, consumption patterns and industrial practices.

Currently, the energy sector in Serbia is heavily reliant on coal, which accounts for 67% of electricity production and is the primary source of greenhouse gas emissions. This dependence poses considerable environmental and economic challenges, especially as the country aims to transition to cleaner energy sources. The planned partial decommissioning of older coal-fired power plants marks a positive step forward, but it does raise significant concerns regarding potential job losses and the future viability of coal mining in regions where it has historically been a major source of employment. Therefore, alternative strategies must be developed that ensure a just transition for the workers affected by these changes.

Trade unions play an indispensable role in representing workers and protecting their rights and interests during this transition. Their active involvement is critical in guaranteeing that the economic opportunities generated by the green transition are equitable and inclusive. Through social dialogue and collective bargaining, trade unions can help shape policies that address the needs of workers in a rapidly transforming labour market. The forthcoming development of a Just Transition Diagnostic Study will be instrumental in identifying strategies to support the workers and communities affected by the decarbonisation process, ensuring they are not left behind.

In summary, while Serbia's path toward a low-carbon economy is fraught with challenges, it also presents significant opportunities for innovation, job creation and the improvement of social equity. A coordinated effort that includes government, trade unions and civil society will assist hugely in navigating these complexities and ensuring that the transition benefits all the stakeholders involved. By prioritising a just transition and actively addressing the challenges related to skills development, social protection and governance, Serbia can lay the groundwork for a sustainable and resilient future that respects both environmental integrity and the livelihoods of its citizens. This holistic approach will not only contribute to climate goals but also foster a more inclusive and equitable society.

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Living conditions of workers and retirees in Türkiye in the context of the rising cost of living

Abstract

The cyclical crises of the global capitalist system have begun to occur more frequently. In these times of crisis, while real income is decreasing or disappearing for many individuals and families, the cost of the goods and services necessary for a family to survive – that is, the cost of living – is also increasing. Therefore, in all countries that are integrated into this system, people who live by means of their labour have to struggle harder in order to survive and thrive. The aim of this article is to analyse the situation of employees and retirees in Türkiye in the context of the cost of living with reference to various economic and social indicators. The cost of living is not independent of the welfare practices operated in a country. For this reason, the article also features a short discussion of welfare and concludes by highlighting the policies and action agendas of the trade unions regarding the situation in Turkey, in view of the author's conclusion that the solution lies in the coming together of a conscious and organised society with the political will that prioritises economic policies in favour of the people and workers.

Keywords: cost of living, welfare, workers, retirees, minimum wage, average wage, trade unions

Introduction

The aim of this article is to discuss the cost of meeting the needs of material life and reproduction of the individual and the family, and securing a healthy and quality standard of living for tomorrow and the future.

While work itself is carried out by the individual for himself/herself, from a certain point in history, he/she also started to meet these needs by using his or her labour on behalf of others: those who are unable to work or who have withdrawn from working life must also have their needs met, and for the same reasons. At this very point, the following questions may come into mind:

- what does it mean to meet the material needs of life, to reproduce the individual and the family, and to ensure a healthy and quality standard of living for tomorrow and the future?
- if we consider these needs within the framework of the concept of the cost of living, what is the cost of this and how does it affect retirees as well as employees?

For this purpose, the article turns firstly to a definition and a discussion on the cost of living via a review of the relevant literature. The living conditions of workers

and retirees in Türkiye will then be evaluated through an examination of the cost of living.

Factors affecting the cost of living

This section focuses in the first place on the concept of ‘welfare’, which is considered to be of critical importance in debates about living conditions as well as those referring to the cost of living.

Cost of living: definitions and discussion

The concept of the cost of living has been discussed regularly in the last fifty years. It can be observed that cost of living discussions are based on two pillars: the first is the definition of the cost of the living and thus its content; and the second is the method used to calculate it.

The cost of living, which can be defined as the cost of maintaining a certain standard of living (IPA 2022), can be expressed in short as the decline in real disposable income experienced by individuals and households (Smith and Goodman 2023: 3). This decline refers to the inflation-adjusted decline that occurs after deductions for taxes and benefits (Hourston 2022).

Being able to maintain a certain standard of living means keeping the cost of living constant. In other words, keeping the cost of living constant means maintaining living standards.

The standard of living measures the quality of life or the level of material well-being that an individual enjoys. Quality of life includes achieving a standard of living that reflects personal progress, a healthy lifestyle, being able to access information and freedom, meeting basic economic, social and psychological needs such as food, clothing and shelter, and achieving a level of social welfare that is compatible with the conditions of the country (Economic Planning Unit 2012).

The cost of living, on the other hand, is the cost required to maintain the minimum basic standard of living at a given point. According to the Office for National Statistics (ONS) in the United Kingdom, the economic definition of the cost of living is ‘What is the minimum cost in this month’s prices to achieve the actual level of quality obtained in the base period?’ (ONS 2014). According to Boskin (2008), the cost of living is ‘how much more income consumers would need to be as well off as before with a new set of prices’. Meanwhile, Bank Negara Malaysia (2015) defines the cost of living as the amount that households spend on goods and services, including their financial obligations, to maintain a given standard of living.

Expenditures that directly affect the cost of living are food, clothing, housing, energy and transportation costs. Especially in recent years, energy prices have increased due to the impact of wars and conflicts, having a negative impact on household income. The impact of rising energy prices was felt by most households, but it is inevitable that rising bills in this area will have the greatest impact on low-income households since price increases consume a large share of their disposable income (Tatlow and Bartum 2022).

Method of determining the cost of living

When prices change, these changes are a reflection of the standard of living. Therefore, maintaining the same cost or standard of living depends on factors that determine the demand function, such as the prices of the goods concerned, the distribution of income, tastes and preferences, the number of buyers and future expectations about the prices of goods and services (Keat and Young 2009).

The cost of living theory can be explained through the utility function subject to the budget constraint. The utility function is the level of utility or standard of living that an individual can attain if he or she consumes a given quantity of a set of goods. The consumer seeks to minimise the cost of achieving a given level of utility, which defines the cost function (Diewert 1983).

The cost of living index theory originated with A. A. Konüs in the 1920s (see Konüs 1939) and demonstrated the widespread use of the Laspeyres index to measure the cost of living (Triplett 2001). Accordingly, a true cost of living index is one in which family satisfaction or the standard of living of that family remains constant.

One of the common methods of obtaining a cost of living index is based on the Laspeyres Price Index, which constitutes or determines the upper boundary of the real cost of living, while the Paasche Index, on the other hand, constitutes or determines its lower boundary. Consequently, the real cost of living lies within the boundaries of the Laspeyres and Paasche indices (Primont 2000) – that is, $L > I > P$.

In Türkiye, cost of living calculations have been made by independent researchers and institutions since 2022. As of May that year, TÜİK (the Turkish Institute of Statistics) started to announce detailed indices for commodity groups instead of average item prices. Instead of an average price of 409 items in a shopping basket, it started to use 144 item group indices at the COICOP 5-item level (classification of individual consumption according to purpose). Using the 5-item indices, the ‘cost of living index’ (COLI) is calculated by excluding semi-durable and durable goods and some services that are not frequently consumed by households but used in the Consumer Price Index (CPI). Since COLI is calculated using item group indices, it is comparable to CPI and other specific CPI indicators. The following points are taken into account when determining the 5-item group to be included in COI (Yükseler 2022):

- the selected items are highly likely to be consumed by households every month and every year
- the item is a basic necessity
- there is a high probability that the expenditure will be financed by a household’s regular and continuous income rather than past savings or use of credit
- goods and services purchased are not considered as investment expenditures by households.

The cost of living is a major topic of discussion in a wide range of countries. In a survey conducted in Australia in 2022, voters were asked about the most important issues that they cared about. Accordingly, the climate crisis ranked first, while the cost of living came second. What is striking here is that, while only 3 per cent of

voters in 2016 stated that the cost of living was the most significant issue for them, and just 4 per cent in 2019, this had increased to 13 per cent in 2022 (Baker 2022).

The cost of living crisis is a major social and economic issue affecting many Australians. Politicians often talk about this crisis in relation to skyrocketing gasoline, housing and grocery prices. But political action is limited to small financial subsidies that help people cover costs in the short term. Our research analyzes how the cost of living crisis, often portrayed as a problem for individual consumers, is deeply linked to growing income and wealth inequality in Australia. Governments have been reluctant to address this deeper problem. Drawing on Australian-based research, I argue that rising economic inequality is a direct consequence of Australian government policy, which has contributed to the cost of living pressures for many. Successive governments have sought to reduce the taxation and labour costs incurred by capital in Australia. Taxation reforms have favored high earners and capital, while industrial relations reforms have weakened labour power, facilitating labour fragmentation and undermining income growth. As a result, capital captured an increasing proportion of the profits generated in Australia. (O'Keeffe, 2024)

The Covid-19 pandemic has exacerbated inequalities across the UK, including inequalities in income, mental health and education. These inequalities have been deepened by the economic consequences of the cost of living crisis, which disproportionately affects low-income families in the UK (Blundell et al. 2022). In particular, as Richard Partington has noted for *The Guardian*, 'some of the poorest in Britain are being forced to make tough choices between heating and food' (Partington 2022). Despite being one of the most advanced economies in the world (Shittu et al. 2022), it was projected that, by 2024, some 30 million people in the UK would not be able to afford a decent standard of living (Elliott 2022).

What is included in the cost of living?

The main argument in the calculation of the cost of living is over the quality of the standard of living. For this purpose, food, clothing, housing, energy and transportation costs, which are the largest expenditure items included in COLI, come to the fore.

There are studies showing that, as the population increases, the cost of living also increases due to rising demand for goods and services (Neels 1979; Roback 1982; Hogan 1984; Blanciforti and Kranner 1997; Haworth and Rasmussen, 1973; Kurre 2000). These studies also find that this relationship is intensified in regions with environmental problems such as air pollution, traffic congestion and land costs, especially in capital cities. For example, as urbanisation rapidly proceeds, the increasing number of vehicles on the roads, rent and the increasing cost of housing are argued to indicate the existence of a rising cost of living. However, there is a significant problem where population growth is increasing at a relatively decreasing rate. Indeed, a small percentage change in population growth can indirectly affect the results. Nakamura et al. (2020) note that the cost of living is an important determinant of city productivity and population size although, in contrast, Nelson (1991) finds that population growth is not significant and has an ambiguous sign.

Apart from population and environmental factors, it is clear that the most important content is expenditure on items for material life. Working in this direction, İstanbul Planlama Ajansı (IPA; İstanbul Planning Agency) conducted a cost of living study for İstanbul. In order to determine the cost of living in the study, data on 321 items under the 10 main headings (food, clothing, housing expenses, cleaning materials, transportation, communications, technological devices, education, services and miscellaneous goods, and health and personal care) in COICOP were collected from 1600 households with consumption, quantity and type data collected in detail. Thus, the average monthly cost of living of the people of İstanbul was determined by taking into account expenditure tendencies and household preferences. In addition, information on the place of expenditure (stores, markets, bazaars, etc.) was also collected to provide a basis for the market research. The expenditures of each household were converted into equivalent individual costs through coefficients created using the OECD's Equivalence Scale. Finally, the cost of living for a family of four (two adults and two children) was calculated based on these equivalent individual costs (IPA 2022).

Welfare: a concept that divides individuals and society

Welfare is a highly controversial concept that brings with it different characterisations: individual and social welfare, welfare state and welfare policies. This article does not provide an in-depth discussion of welfare; rather, it briefly explains individual and social welfare, which directly affects the cost of living.

In short, welfare is:

... the highest possible access to economic resources, a high level of well-being, including the well-being of citizens, a guaranteed minimum income to avoid living in poverty and, finally, the possibilities for the individual to lead a good life. (Greve 2008: 58)

Individual welfare refers to the macro level and the maximisation of utility through the choices made by the individual. Social or societal welfare refers to the sum of all individual welfare in a society (Robert Walker, as cited in Greve 2008: 53).

The welfare state (Bondarenko 2024) is defined as the concept of government in which the state, or a well-established network of social institutions, plays an important role in protecting and promoting the economic and social wellbeing of citizens. It is based on the principles of equality of opportunity, the fair distribution of wealth and public responsibility for those who do not enjoy the minimum provisions for a decent life.

In simpler terms, wellbeing is the value that an individual places on income or, more generally, on the contribution to wellbeing of goods and/or services that can be purchased with money (Van Praag and Frijters 1999: 31). Therefore, economic wellbeing is linked to the individual's perceptions and benefits related to the use of income. This makes it difficult to analyse welfare at macro level, as the benefits that individuals derive from their income will vary. For this reason, GDP is considered to

be the best indicator of welfare, in which money is not considered the end goal but a means to achieve welfare. As Bent Greve then points out:

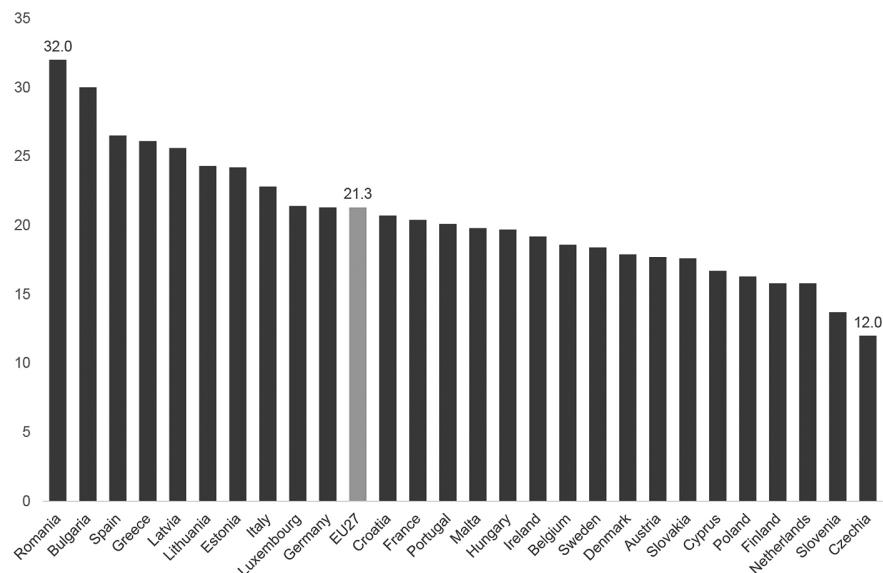
This is then used to argue for a broader interpretation of welfare as including GDP per capita, ratio of shares in total income (90/10), the Gini index of income, the population below the poverty line, the probability of dying before one's 60th birthday, obesity, lack of basic literate skills, the economic security index, the corruption perception index, social trust, and the prison population. (Greve 2008: 53)

Discussions on the concept of welfare as a characterisation of the state began in the 1930s. The welfare state represents a state that provides the content of the concept of welfare to all its citizens without exception. This content is realised in three dimensions (Briggs 2000: 16): first, families are guaranteed a minimum level of income, regardless of the market value of their work or assets; second, there is provision of a certain degree of security by reducing the social risks (such as illness, old age and unemployment) that individuals and families may face; and, third, there is a desire to provide the best standards of generally accepted social services to all individuals, regardless of status or class. The supply of these services and the practicalities of their implementation vary according to the conditions of the countries themselves. For example, in the UK, the responsibility for providing welfare for the whole of society is given directly to the government, whereas in the US the concept of welfare refers only to means-tested benefits (Alan Deacon, as cited in Greve 2008: 56).

The degree of happiness is also seen as a factor to be taken into account in welfare studies. There is a clear link between the degree of happiness and economic wealth measured in terms of GDP per capita. At the same time, poverty and social exclusion directly affect happiness (Greve 2008: 66).

Figure 1 shows the risk rates of poverty and social exclusion in European Union countries (Eurostat 2024).

Figure 1 – People at risk of poverty or social exclusion



Source: Eurostat.

Note: countries ranked on the at risk of poverty or social exclusion rate.

Thus, if happiness is part of our understanding of wellbeing, economic measures cannot stand alone. Instead, we need to combine economic indicators (especially GDP per capita) with measures related to happiness, poverty, etc. (Greve 2008: 68). This means providing not only public welfare but also fiscal and occupational welfare. Fiscal welfare, also defined as tax expenditure, provides favourable tax treatment for certain types of activities or groups of taxpayers (OECD 1984: 7); while occupational welfare is the set of goods and services provided by employers that can be seen as the functional, or near-functional, equivalent of public welfare. These may consist of a group of material goods and services, such as health, education, housing and childcare, which are provided as a condition of employment (Cutler and Weine 2001).

Consequently, the existence and extent of welfare services also indicates the level of the standard of living of the individual and society. We can see this in several European countries, especially in Scandinavian ones.

Cost of living and living conditions in Türkiye

Inequality in income distribution

The previous section referred to the risk of poverty and social exclusion among the factors affecting welfare. In Türkiye, this issue is discussed in the literature, while a 2016 study provides us with some helpful baseline data. According to this,

the poverty risk rate among those who were able to work in Turkey was 13.5% in 2016, almost 1.5 times higher than the EU average, while the general at risk of poverty or social exclusion (AROPE) rate was 32.9%, more than 2.5 times the EU average (Adaman et al. 2019).

The most appropriate indicator to be considered in terms of the cost of living is relative poverty. Relative poverty is defined as an individual or household having income or expenditure below a certain threshold compared to the level of the society as a whole. Either expenditure or income level can be chosen as a measure of welfare, depending on the purpose (TUİK 2024a). Income distribution in a country is one of the best indicators of its welfare and hence the cost of living; Table 1 provides an indication of the percentage of households with income at various levels below certain percentages of the median:

Table 1 – Poverty rate by equivalised household disposable income (%), 2014-23

TUİK survey year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income reference year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
40% of median income	8.7	8.7	8.4	7.4	7.9	8.3	8.9	8.5	7.6	7.0
50% of median income	15.0	14.7	14.3	13.5	13.9	14.4	15.0	14.4	14.4	13.5
60% of median income	21.8	21.9	21.2	20.1	21.2	21.3	21.9	21.3	21.6	21.3
70% of median income	29.4	29.5	28.7	28.1	28.5	28.5	29.0	28.7	29.3	29.0

Source: Türkiye İstatistik Kurumu (TUİK; Turkish Institute of Statistics) (2024a).

Note: 2023 survey year data is corrected.

Table 2 below shows Türkiye's Gini coefficient. The data in the table points to a worsening income distribution in the 2014-23 period. The Gini coefficient, which was 0.391 in 2014, climbed to 0.420 in 2023. The table also shows that the richest 20 per cent earned an income that, in the 2023 survey year, was 7.9 times higher than the poorest 20 per cent (the S80/S20 ratio). In other words, the distribution of income generated in the country has not been fair and that a greater share of resources have been taken by upper income groups.

Table 2 – Income distribution indicators by equivalised household disposable income, 2014-23

TÜİK survey year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income reference year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
S80/S20 ratio	7.4	7.6	7.7	7.5	7.8	7.4	8.0	7.6	7.9	7.9
S90/S10 ratio	12.6	13.3	13.6	13.4	13.7	13.0	14.6	13.7	14.2	13.8
Gini coefficient	0.391	0.397	0.404	0.405	0.408	0.395	0.410	0.401	0.415	0.420
Gini coefficient (excl. social transfers)	0.446	0.454	0.465	0.468	0.473	0.463	0.470	0.482	0.487	0.488
Gini coefficient (incl. pensions and survivor benefits but excl. social transfers)	0.399	0.406	0.412	0.414	0.417	0.405	0.420	0.419	0.423	0.431

Source: TÜİK (2024b). Note: 2023 survey year data is corrected.

As can be seen in Table 3, TÜİK data records that the share of the top income quintile in the 2023 survey year on the basis of equivalised household disposable income was 48.7%, recording an increase of 0.7 points on the year before, whilst the share of the bottom quintile was 6.1% with an increase of 0.1 points in comparison with the previous year.

Table 3 – Distribution of annual equivalised household disposable income by ordered quintiles (%), 2014-32

TÜİK survey year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income reference year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total	100	100	100	100	100	100	100	100	100	100
1st quintile (the bottom)	6.2	6.1	6.2	6.3	6.1	6.2	5.9	6.1	6.0	6.1
2nd quintile	10.9	10.7	10.6	10.7	10.6	10.9	10.6	10.8	10.4	10.2
3rd quintile	15.3	15.2	15.0	14.8	14.8	15.2	14.9	15.1	14.7	14.3
4th quintile	21.7	21.5	21.1	20.9	20.9	21.4	21.1.	21.3	20.9	20.6
5th quintile (the top)	45.9	46.5	47.2	47.4	47.6	46.3	47.5	46.7	48.0	48.7

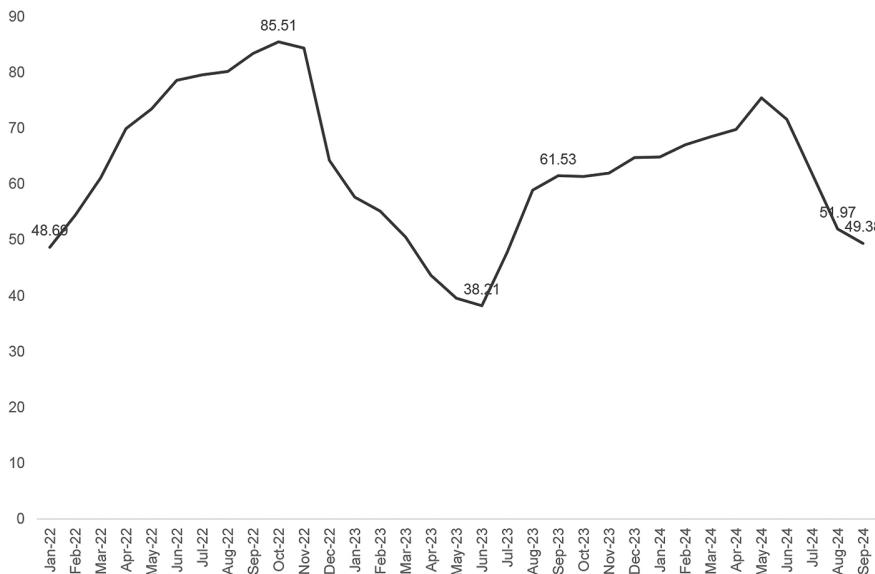
Source: TÜİK (2024b). Note: 2023 survey year data is corrected. Figures may not add up to 100 due to rounding.

Inflation at the top of Europe, top in the world

Even if inflation rates fall annually due to the base effect, they may well continue to rise on a monthly basis. Therefore, where there are increases in monthly inflation, wages are declining (purchasing power is falling) on the one hand, while the cost of living is increasing on the other.

As can be seen in the graph below, prepared by TUİK, Türkiye has one of the highest inflation rates in the world. According to the latest official figures, the 12-month inflation rate in Türkiye is 49.38%; while the story of the last three years since the start of 2022 has been one of a rollercoaster ride.

Figure 2 – The course of inflation in Türkiye, 2022-24 (September)



Source: TUİK (2024c).

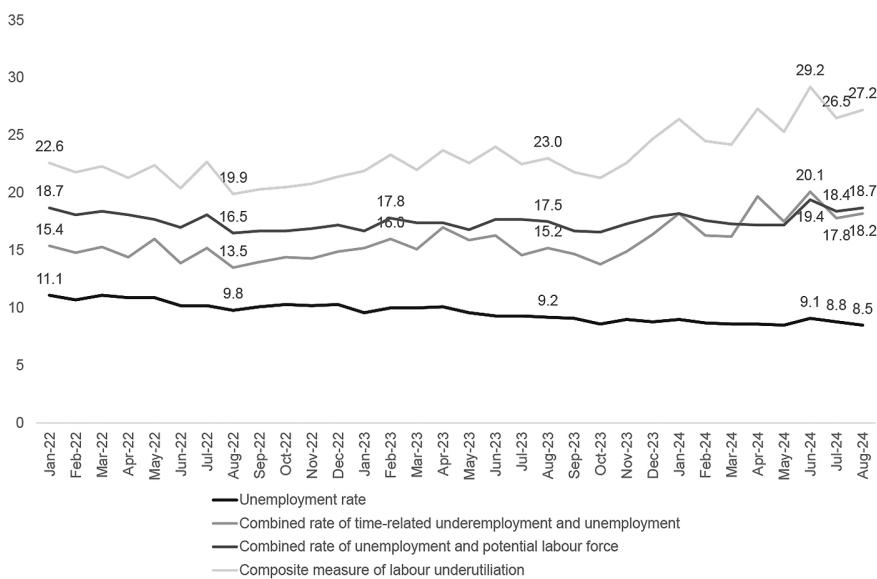
On the other hand, data from independent research companies report figures that are much higher than these. According to the inflation figures published by ENAG,¹ annual inflation in September was 88.63%: a significant difference to the data announced by the official authorities. And, unfortunately, because of this difference, trust in TUİK within Türkiye has plummeted, because it is also clear from the market that the inflation felt by the public is much higher than the official figures.

1 ENAGrup – Enflasyon Araştırma Grubu – is a research group collecting inflation figures and publishing them on social media, with data and methodology available in Turkish and in English. See: <https://enagrup.org/>.

Unemployment rate too high, contrary to official data

According to TUİK data, the official unemployment rate seems to have fallen to 8.5% in August 2024. However, its method of calculation obscures the real unemployment rate, which can nevertheless be seen within its own dataset. Along with the ‘officially unemployed’, it also classifies other unemployed people it does not take into account as the ‘idle labour force’. As can be seen in Figure 3, while the unemployment rate decreased by 0.3 points compared to the previous month, the idle labour force rate – the ratio of the sum of unemployed, time-related underemployment and potential labour force to the sum of labour force and potential labour force; that is, the composite measure of labour underutilisation – increased by about 0.7 points. This also means that many people have given up on working: a clear indication that unemployment is a structural problem in Türkiye.

Figure 3 – Seasonally adjusted supplementary labour force indicators, 2022-24 (August)



Source: TUİK (2024d).

Wages falling due both to inflation and rising exchange rates

The minimum wage for the following year in Türkiye is determined at the end of each year by the 15-member Asgari Ücret Tespit Komisyonu (AÜTK; Minimum Wage Determination Commission). The composition of this Commission is rather undemocratic: it consists of five workers, five employers and five members representing the public sector but, when we consider that the state, i.e. the public sector, is the largest employer in Turkey, we arrive at the fact that there are ten employer and five worker representatives on the Commission. Therefore, it does not seem possible

to determine a minimum wage which is in favour of employees: the wage levels determined from the past to the present are indicative of this. It should be clearly stated that the minimum wage is an entry-level wage. Therefore, it should – or should be expected to – increase over time, depending on quality and seniority. However, under conditions where this increase and these expectations do not materialise, the gross and the net minimum wage becomes an economic and, at the same time, a social problem.

Although the minimum wage in Türkiye has been subject to partial increases in certain periods, other labour wages have not been raised at the same rates, which has led to a convergence of other wages to the minimum wage. The narrowing of the gap between increases to the minimum wage and other wage rises in recent years has brought the minimum wage to the level of the average wage. This reflects a general decline in wages in the country to somewhere between the hunger threshold and the poverty line.

The hunger threshold and the poverty line are announced every month by Türk-İş (Confederation of Turkish Trade Unions) and BİSAM (Birleşik Metal-İş Class Research Centre) (Türk-İş 2024; BİSAM 2024). The net minimum wage determined by the AÜTK for 2024 is 17 002.12 Turkish lira (TL). At the start of the year, according to union data, the monthly food expenditure for a family of four (the hunger threshold) was determined as 14 431 TL and the total amount of income required for all other basic expenditures (the poverty threshold) was determined as 47 009 TL. However, on the basis of the figures for September 2024, the hunger threshold had increased to 19 830 TL and the poverty line to 64 595 TL. These figures demonstrate that the hunger threshold and the poverty line have increased by 37% since the last increase in the minimum wage. Therefore, the minimum wage has fallen to a level where it cannot even cover food alone. In other words, even though the wage has remained constant, the cost of living has increased.

There are several issues not only with the wages of workers but also with the pensions of retirees. On the one hand, pensions are fixed as a result of regulation; on the other, pension increases being index-linked have mean that pensions do not rise in real terms. According to the latest figures, the average pension has fallen below the minimum wage. In other words, there has been a decrease in the real income of pensioners as a result of the increase in the cost of living.

Inflation is the most important problem facing the Turkish economy today. In particular the economic crisis, which started before the pandemic, has grown exponentially under its conditions. Moreover, inconsistencies in the management of the relationship between interest rates and inflation have fuelled inflation. Although the persistence of low interest rates did not reduce inflation, it did reduce the purchasing power of the people, especially wage earners and retirees. This decline in purchasing power increased the cost of living and lowered living standards. Table 4 below demonstrates that, whereas a consumer would pay 17 002.12 TL for a basket of goods and services on 1 January 2024, the cost of this same basket rose during the course of the first nine months of the year as a result of inflation by 6096.86 TL.

Table 4 – Cost increase in the basket of goods due to inflation increase (31 December 2023-30 September 2024)

	Consumption basket cost	Rate of increase in inflation (December – September)
1 January 2024	17 002.12 TL	
1 October 2024	23 098.98 TL	35.86%
Difference	6096.86	

The most important political obstacle to wage increases is the argument that wages cause inflation. Deutsche Bank (DB) prepared a report following a series of interviews with sectoral employer representatives, bankers, economists and academics (*Gazete Memur* 2024) in which it states that it expects a 25-30 per cent increase in the minimum wage in 2025. The DB team highlighted the inflationary effect of an increase of more than 30 per cent. What is striking about the tone of the document is that, in the event of an increase of this order, the profit rates of companies will decrease. It is not therefore the increase in workers' income that is prioritised, but the decrease in the firm's rate of profits. The inflationary impact of the dramatic increase in the profit rates of capital is not mentioned.

Minimum wage eroding day-by-day

As already mentioned, the minimum wage is being eroded by ever-increasing inflation and the exchange rate. Table 5 below shows the number of working hours per week and the gross minimum wage earned by a worker in a selection of countries for the first quarter of 2024. In Türkiye, the minimum wage in January was approximately 612 euros. In October 2024, the gross minimum wage stood at around 526 euros and the net minimum wage at around 447 euros. It thus seems to have lost about 90 euros in value when measured against the exchange rate alone.

Table 5 – Weekly working hours and minimum wages – 2024 Q1

Country	Weekly working hours	Gross minimum wage (euros)
Luxembourg	37.9	2570.93
Ireland	35.8	2146.30
Netherlands	31.6	2070.12
Germany	34.9	2054.00
Belgium	36.4	1994.18
France	37.2	1766.92
Spain	37.6	1323.00
Slovenia	39.4	1253.90

Country	Weekly working hours	Gross minimum wage (euros)
United States	35.0	1137.25
Cyprus	39.9	1000.00
Poland	40.2	977.53
Portugal	39.8	956.67
Malta	39.0	925.34
Lithuania	39.1	924.00
Greece	40.9	910.00
Croatia	39.8	840.00
Estonia	37.7	820.00
Czechia	39.6	764.44
Slovakia	39.6	750.00
Latvia	38.9	700.00
Hungary	39.6	696.97
Romania	40.1	663.24
Türkiye	45.0	612.58
Serbia	42.7	543.64
Montenegro	N/A	532.54
Bulgaria	40.1	477.04
Albania	40.0	385.06

Source: Own compilation from ILOSTAT (2024).

Living conditions of workers and retirees in Türkiye in the context of the cost of living

This section turns to the living conditions of workers and retirees in Türkiye in the light of the information provided in the previous sections. The ability of employees to work in a decent job and live a decent life is directly proportional to the income they earn and the needs they can meet with that level of income. And it is imperative to ensure a ‘decent’ standard not only during active employment but also in retirement. The economic policies implemented in Türkiye have eliminated the difference in salary that comes with retiring from a skilled or an unskilled job – a problem that is also voiced by representatives of professions with high employment status, such as engineers and architects (TMMOB 2024). Keeping income constant in an economy with accelerating inflation is difficult given the rising cost of living, and it leads to a decrease in the quality of life because of the inverse relationship

between a high quality standard of living and the cost of living; as one increases, the other decreases. This is in contrast to an environment in which relative wage income is kept constant, i.e. where inflation and the cost of living maintain the same proportions.

The basic economic indicators account for the living conditions of workers and retirees, and, from the indicators presented in the previous section, it is evident that the state of the economy is leading to a sharp and continuous rise in the cost of living for workers and pensioners alike. Such an increase in costs negatively affects the living conditions of people, especially those who live on, or off, the wage income received during working life.

As already mentioned, the rising cost of many individual items, especially significant but basic expenditures such as on food, clothing, housing, transportation and energy is drastically affecting the cost of living. One survey of employees found that the cost of transportation had increased by 50% compared to 2023 (*Cumhuriyet* 2024).

Retirees are undoubtedly severely affected as they have lower levels of income to start with. The retirement age and the welfare of pensioners is a most important aspect of social rights and it is the duty of a caring state to provide citizens with a pension that guarantees a decent living to a decent age. The problems that arise in old age need to be addressed with a social and public approach. At the same time, retirement is also an aspect of the issue of wealth distribution (Çelik 2024).

It is not possible for retirees to live a dignified life on their monthly income alone. They cannot cope with the rising cost of living without public support. Although neoliberalism's intervention in the public sphere has not yet eliminated public health provision, the inadequacy of the service provided is, in every sense, directing retirees to private hospitals, as is the case with every other segment of society. It is striking that the health minister of the Turkish political elite, which in no way denies that it favours capital, owned a private hospital during the pandemic.

The level of happiness in Türkiye, an issue raised in the conceptual framework section regarding welfare, can provide a sense of the difficulties being experienced within the country. According to the 2024 Happiness Report (Wellbeing Research Centre 2024), Türkiye ranks 98th among 143 countries. Therefore, the happiness level of the working and non-working population in Türkiye is low. As mentioned above, there is a linear relationship between happiness and GDP. Türkiye ranks 90th in the 2024 per capita national income ranking, with \$12 764.71 (IMF 2024). That the two country's position in both sets of data are reasonably close to each other seems to confirm the existence of this relationship.

Trade union cost of living strategies

Defending and promoting the rights of workers and non-workers is undoubtedly among the duties of trade unions. The increase in the cost of living in times of economic crisis also mobilises trade unions because collective labour agreements signed during inflationary periods also succumb to inflation. For this reason, wage revaluations have to be made as a result of demands from members. This often pits unions against employers.

Trade unions keep track of inflation and increases in the prices of goods and services. In this way, on the one hand, draft wage calculations can inform the collective labour agreements to be made; and, on the other, provisions to safeguard occupational welfare may be introduced, as mentioned in the literature section.

Trade unions are working to ensure the position of the cost of living is at the top of the public policy agenda. Türk-İş, BİSAM and Büro Emekçileri Sendikası Araştırma Merkezi (BES-AR; the Research Centre of the Office Workers Union) calculate the cost of living based on the total amount of food expenditure and other essential monthly expenditures on clothing, housing (rent, electricity, water, fuel), transportation, education, health and similar needs (BES-AR 2024). It should be noted that all three trade union organisations find similar figures. Of course, there is no need for all unions to conduct similar surveys of this kind; reliable studies that are already in the public domain are sufficient. What is important is how unions can stop the rising cost of living and secure a decent wage and wage-adjacent rights and benefits.

Rising inflation and declining real incomes in Turkey led the three major labour confederations – Türk-İş, Hak-İş and DİSK – to come together for the first time in years and sign a joint statement in which they announced to the government and the public their ten priority claims under the heading ‘We demand a life worthy of human dignity’. The initiative was inspired by the workers facing in common the rising cost of living that brought the confederations together. Of the ten items listed by the confederations, taxes (fiscal welfare) ranked first, inflation and eroding wages second, third was the minimum wage issue and raising the minimum pension to the level of the minimum wage was fifth. As is evident, it was items that directly affect the cost of living and living conditions that featured on the list.

However, no action has been taken by the government on these items. Therefore, the unions decided to take action. However, the government choosing also to tighten its finances – in other words, to announce austerity measures – is a sign that the demands of the united labour front will not be met. From now on, this process will be determined by the resolve of the unions, alongside their capacity to mobilise their members and other segments of the population.

Conclusion

The cost of living in Türkiye is increasing day by day. In power for 22 years, the conservative right-wing party Adalet ve Kalkınma Partisi (AK Party; Justice and Development) has been conducting economic policies which benefit capital, not workers and the rest of the people. In recent years, insecurity in law and a fragile democracy has prevented foreign investors from entering Türkiye.

Inflation on the one hand and rising real unemployment on the other are aggravating the living conditions of the people under the impact of rising living costs. It seems that wages leaving workers in conditions of working poverty, alongside pensions which are on the hunger line for retirees, will remain the reality of Türkiye in further years. The principle of the social state, which is supposed to eliminate income inequality, is functioning in the opposite direction with new forms of taxation being imposed on those who live off their daily labour.

Price increases in essential items such as food, clothing, housing, energy and transportation not only increase the cost of living but also prevent people from allocating resources to the social and cultural areas which are necessary to life as a social being. The commodification of basic services such as education and health due to privatisation – that they must be bought and are sold for money – imposes access to quality education and health as separate cost items. In particular, directing the children of poor families to Mesleki Eğitim Merkezleri (MESEM; vocational training centres) is a step towards transferring and reproducing inequality in society to future generations. The children of poor families are being offered the opportunity to become, at best, intermediate staff in all sectors of industry, services, etc.

The solution lies in the coming together of a conscious and organised society with the political will that prioritises economic policies in favour of the people and workers.

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Can Büyükbay

Populist narratives and affective polarisation: analysing the motivations of incumbent voters in Türkiye's 2023 presidential elections¹

Abstract

This study investigates the motivations underpinning support for Recep Tayyip Erdoğan in Türkiye's 2023 presidential elections (14 and 28 May) and explores voter perceptions of Kemal Kılıçdaroğlu, put up in that election as the candidate of the opposition, and of the opposition at large. The findings indicate that participant narratives closely mirror the rhetoric promoted by Erdogan and the pro-government media, suggesting alignment between the sentiments expressed by Erdogan supporters and state-led discourse. Through a theoretical lens incorporating populist and charismatic leadership, affective leader polarisation and negative partisanship, the research highlights how these frameworks structure the expression of voter preference. A thematic analysis of semi-structured, in-depth interviews with 24 participants from diverse regions in Türkiye who identify as Erdogan supporters reveals the centrality of their emotional and ideological identification with him, while populism and security concerns are emphasised as key drivers of voter loyalty amidst continuing economic and social challenges.

Keywords: elections, voter behaviour, populism, charismatic leadership, state-led discourse, conservatism

Introduction

In Türkiye's 2023 presidential and parliamentary elections, Recep Tayyip Erdoğan's re-election was noteworthy not only for its domestic impact but also for its international significance. This election serves as a case for examining political polarisation and leadership dynamics, especially within the context of Türkiye's economic challenges, and highlights the need for analysing voter behaviour through political psychology.

Analysis of the interviews on which this research is based reveals strong emotional alignment with Erdogan among his supporters, who perceive him through lenses of loyalty and admiration. Participants often attribute Türkiye's economic issues to external forces rather than to the government, with an 'enemy subject' held accountable instead. Consequently, government-led narratives seek to amplify this perception and distance the blame from Erdogan. There is a powerful alignment between the perspectives of Erdogan's supporters and the narratives disseminated by the media which remains strongly dominated by the government. His administration

1 I would like to thank Konda Research and Consultancy for their valuable support.

appears successfully to have infused its definition of reality across various societal levels, particularly reaching rural areas, with the pro-government media actively reproducing and reinforcing this narrative.

The findings carry broader implications for Europe, especially as many EU countries are witnessing the rise of populist leaders who try to leverage similar strategies to that of Erdoğan. If populist leaders can effectively manufacture consent through media-driven, highly personalised leadership, it may suggest a weakening of traditional party structures and an increase in leader-centric politics. This shift could have an impact on party stability across Europe and raise questions about the longevity and resilience of democratic institutions. Additionally, the Turkish case highlights how populist leaders capitalise on a sense of ‘there is no alternative’, creating a perception of indispensability. This perception, combined with the strategic use of patriotic symbols, could foster societal divisions and hinder political pluralism in Europe.

Democratic erosion and power centralisation: Türkiye's 2023 presidential and parliamentary elections and the AKP

Türkiye's presidential and parliamentary elections were conducted on 14 May 2023. A second round of the presidential election was held on 28 May. The European Commission reports that biased media coverage and an uneven playing field resulted in an undue advantage for the incumbent. Moreover, its report addresses significant problems in the functioning of Türkiye's democratic institutions and structural weaknesses within the presidential system. According to the report, the constitutional structure maintains centralised powers within the presidency and lacks a robust and effective separation of powers among the executive, legislature and judiciary. Due to an ineffective system of checks and balances, the executive branch remains democratically accountable solely through elections (European Commission 2023: 4). Moreover, Türkiye has continued to distance itself from the EU and has not reversed the negative trajectory regarding reforms (European Commission 2023: 3).

Freedom House further supports these observations and states that President Recep Tayyip Erdoğan and Adalet ve Kalkınma Partisi (AKP; Justice and Development Party) have become increasingly authoritarian, consolidating power through constitutional changes. In 2023, a worsening economic crisis, a devastating earthquake² and the May elections provided the government with additional motivation to restrict the public discourse. Observers from the Organization for Security and Co-operation in Europe (OSCE) were critical of the election (ODIHR 2023), noting that the state-run media displayed strong favouritism toward AKP and that Erdogan frequently, and throughout the campaign, accused legitimate political opponents of supporting terrorism (Freedom House 2024).

Amidst democratic erosion, Türkiye has been experiencing a severe economic crisis for the last few years. In the past, similar crises have led to the fall of govern-

2 Affecting both Türkiye and Syria, this earthquake (6 February 2023) near the Turkish city of Gaziantep was the joint second largest ever to hit Türkiye. It affected 14 million people (16% of the population) and was responsible for the deaths of over 53 000 people in Türkiye alone.

ments and the marginalisation of mainstream political parties, prompting the public to seek alternatives. The following quote helps to explain the critical question of why, despite the worsening economic crisis coupled with increasingly authoritarian policies and social-political unrest, the AKP government remains in power:

While some of this can be explained by socio-economic reasons relating to the AKP's patrimonial policies towards the urban poor and ideological reasons relating to its use of Islamist, nationalist and victimhood narratives that appeal to wide sections of society, previously excluded from the political and economic life, one of the most tangible reasons is the Islamist AKP's successful co-optation of the Turkish nationalist, secularist, pro-Kemalist and far-right Nationalist Action Party (MHP), which commands about 10% of the votes and represents an important proportion of state bureaucracy. (Yilmaz et al. 2021: 162)

The AKP's ideological alignment with the MHP has not led to a loss of support for the party as Turkish nationalism and concerns about the country's unity are prevalent among voters across the major political parties. As a result, the AKP's anti-Kurdish nationalist stance has generally not been an issue for its supporters, with only a few exceptions (Yilmaz et al. 2021: 162). Adaman and Akbulut (2021: 279) support the perspective that authoritarian elements have been inherent in AKP governance from the beginning, with their intensity increasing significantly over time. They highlight that the authoritarian nature of the AKP's neoliberal approach has been marked by a blend of populism and developmentalism.

Theoretical framework and literature review

This section analyses the theoretical frameworks relevant to understanding Erdogan's impact on his supporters including charismatic and populist leadership styles alongside the concepts of affective leader polarisation and negative partisanship. Charismatic and populist leadership styles shed light on how Erdogan projects an image of a leader who embodies both strength and compassion, while an exploration of affective leader polarisation and negative partisanship facilitates a better understanding of the emotional and ideological bonds that reinforce Erdogan's support and underpin the antagonist relationship they have with opposition figures.

Charismatic leadership

Leadership plays a pivotal role in shaping political preferences, with charismatic leaders fostering strong emotional connections that solidify political support. Max Weber defines charisma as an extraordinary characteristic attributed to certain individuals, allowing them to influence followers with an aura of exceptional or even supernatural qualities (Weber 1978: 241-242). Expanding on this, Bernard Bass (1985) integrates charismatic leadership into transformational leadership theory, proposing that charismatic leaders inspire followers by articulating a clear vision, instilling purpose and demonstrating confidence. Bass underscores that followers often perceive these leaders as possessing unique abilities, particularly effective in crisis situations, which fosters trust and a sense of admiration.

Cas Mudde and Cristóbal Kaltwasser, addressing charismatic leadership within populist movements, suggest that populist leaders often position themselves as the authentic representatives of ‘the people’s will’, cultivating a highly personalised relationship with followers. This connection reinforces trust and amplifies the populist message against perceived elite threats (Mudde and Kaltwasser, 2017). Similarly, Madsen and Snow (1991) examine how charismatic leaders mobilise followers in times of crisis, creating a compelling vision that provides emotional reassurance and inspires collective action toward social change.

Populist leadership

Ernesto Laclau (2015) conceptualises populism as a political strategy that creates a collective identity by unifying diverse social demands under a shared identity of ‘the people’, set in opposition to an antagonistic ‘elite’ or ‘other’. This collective identity is organised around what Laclau terms an ‘empty signifier’, a flexible symbol with broad, symbolic resonance that allows various demands to be encapsulated within a single discourse. Charismatic leaders, in Laclau’s view, embody this collective will and act as the focal point around which diverse grievances and aspirations converge. Through simplified, potent symbols and rhetoric, populist leaders foster emotional unity and solidarity among their supporters.

Populism is also closely linked to identity politics. In Türkiye, nationalism, religious values and security policies are among the elements that underpin Erdoğan’s electoral support. In this context, in a political atmosphere where populist leadership is combined with identity politics, voters’ preferences have been shaped in line with Erdoğan’s political strategies.

Negative partisanship and affective polarisation

Political science studies on voter behaviour reveal that decisions extend beyond economic motives and policy proposals, driven by emotional connections to leaders and negative views of opposition figures (Abramowitz 2018). As identity politics intensifies, voters often polarise along emotional lines, forming affiliations with groups or leaders that foster both positive and negative partisanship. This dynamic leads voters to align with certain figures as a means of distancing themselves from others, creating strong, identity-based loyalties (Abramowitz and McCoy 2019). This narrative strengthens negative partisanship, where aversion to the opposition keeps voters loyal and prevents them from switching support (Abramowitz and McCoy 2019: 146-147). In this context, negative partisanship pushes voters to exclude or marginalise opposing identities.

Emotional leadership is often rooted in a leader’s capacity to decode (or perceive) their followers’ emotions and to influence these. The theory of affective polarisation, as applied to leadership, emphasises that leaders’ emotional impact goes beyond their own supporters to shape reactions among their opponents. Strong emotional responses to a leader – whether positive or negative – contribute to polarisation, driving individuals to align or distance themselves not only based on political beliefs but also as a visceral reaction to the leader’s emotional appeal. Thus, affective polarisation suggests that political divides are fuelled not only by ideological differences but

by the intense emotional responses that leaders evoke (Druckman and Levendusky 2019: 114). Furthermore, affective leader polarisation intensifies the divide created by partisanship through emotional bonds established by leader-centric narratives and symbols.

Methodology

This study employs a qualitative methodology to examine the motivations behind Erdoğan supporters' voting behaviour in the 2023 Turkish presidential election. The central research question asks: What factors motivate Erdoğan's voters and what shapes their voting decisions? Qualitative methods enable a comprehensive exploration of voter mindsets, emotions and preferences, offering deeper insights into individual perspectives than quantitative approaches typically allow. Through semi-structured, in-depth interviews, participants provided personal narratives that illuminate their voting behaviour, allowing for a rich, contextualised understanding of their motivations.

The study's qualitative design is based on interviews with 24 participants selected from among Erdoğan voters, identified through Konda Research and Consultancy's Barometer surveys conducted since January 2022, with a focus on balanced representation across Türkiye in terms of gender, age, education and occupation (Konda Barmometer 2022). The sample included 13 males and 11 females, incorporating an age range of 20-71 and reflecting diverse educational backgrounds (ranging from primary schooling to university graduates). Table 1 included at the end of this article captures the broad descriptive characteristics of each research participant.

Interviews were conducted by telephone in June 2023, shortly after the election, and were recorded, transcribed and analysed thematically to reveal key patterns. Discussion topics included demographic information, voting behaviour, evaluations of Erdoğan and Kılıçdaroğlu, and perceptions of campaign discourse. Thematic analysis, as proposed by Braun and Clarke (2006), was applied to identify and interpret themes systematically, focusing on consistency within responses and patterns across interviews.

Analysis and results

This section presents an overview of the interview findings within the study's theoretical framework, focusing on the factors that shape Erdoğan supporters' voting behaviours. Many participants view Erdoğan as a charismatic leader who commands respect domestically and internationally, aligning with Weber's theory of charismatic authority which frames such attachments as central to understanding voter loyalty.

Despite economic difficulties, respondents typically attribute these issues to external factors and minimise their criticisms of Erdoğan's government. Concerns about national security and stability often take precedence over economic grievances and reflect the appeal of a leader perceived as resilient and protective.

Among certain of the respondents, a hesitancy to continue supporting Erdoğan was noted; however, fears surrounding religious and security-related issues lead

them back to him. This reflects a reliance on Erdoğan as a ‘safe’ choice and demonstrates the role of affective polarisation and negative partisanship.

In Türkiye, Erdoğan’s critical portrayal of the opposition as a national security threat reinforces the perception that national values are at risk. Participants often indeed expressed negative views toward the opposition, perceiving it as aligned with terrorism. This connects with the theories of affective polarisation, fuelling the negative partisanship that overrides dissatisfaction with the administration. The findings indicate that emotional attachment to Erdoğan and negative partisanship towards his opponents are creating a strong, polarised support base.

To understand voters’ reasons for supporting the AKP and Erdoğan, the research examined key factors such as when they made their voting decision, their perceptions of Erdoğan and their level of satisfaction with specific policies. The following factors emerged as influential in shaping voting preferences:

- charismatic leadership and emotional connection: many voters see Erdoğan as a powerful and charismatic leader. This fosters a deep emotional attachment that plays a crucial role in their loyalty
- perceived lack of alternatives: voters often cite a sense of limited options. They feel that Erdoğan represents the only viable choice, especially in contrast to opposition figures who they see as lacking comparable leadership qualities
- perceptions of opposition and populist narratives: that the opposition alliance encompassed Halkların Demokratik Partisi (HDP; the People’s Democratic Party, a Kurdish political party) were frequently mentioned. This view is bolstered by government messaging on national security accomplishments, such as advancements in UAVs,³ the domestic production of TOGG⁴ and resource discoveries (natural gas/oil). These narratives serve as a counterpoint to opposition figures
- religious values and headscarf freedoms: religious values, particularly the headscarf’s status as a symbol of religious freedom, resonate strongly with voters who feel that Erdoğan safeguards these rights
- traditional voting patterns: some participants’ support is rooted in historical or familial loyalty to the AKP and reflects longstanding right-wing affiliations.

The following sections provide insights into how each of these factors reinforces a stable support base for Erdoğan and highlights the combined impact of emotional loyalty, ideological alignment and concerns about security and religious identity.

The image of Erdoğan as a charismatic leader

Erdoğan is viewed by his supporters as a sincere, strong and charismatic leader who commands respect internationally. Erdoğan voters highlight his knowledge and decisiveness, seeing these qualities as markers of effective leadership on the global stage, as one participant notes: ‘he understands things well... when he travels abroad,

3 Armed unmanned aerial vehicle; or, alternatively, just unmanned aerial vehicle (UAV) – both commonly called drones.

4 *Türkiye'nin Otomobili Girişim Grubu* (TOGG; Türkiye’s Automobile Joint Venture Group) is a Turkish automotive company established to develop and produce the first domestically manufactured electric car.

he demonstrates clear leadership' (I3). Statements such as 'He is a strong leader, my brother' reflect the pride and confidence many voters feel and this reinforces his image as a respected and reliable leader who embodies both national pride and resilience (I17).

In this context, the concepts of a 'world leader' and slogans such as 'the finger-wagging leader' and the man who 'stands tall in the saddle' emerge prominently (I4). Erdoğan is seen as embodying a leader who is both 'compassionate towards his people but instils fear outside,' which resonates with Machiavellian notions of effective leadership. Positive feedback from relatives or friends living abroad reinforces this view, as they repeat Erdoğan's reputation for assertiveness and resilience (I2). One participant notes, 'There's no one else who can stand up to America... we need someone who can take a stand – and that's Erdoğan' (I4), while another describes him as 'The upright man... the person who doesn't bend' (I11). This image exerts a strong pull for his voters while European perspectives add further weight: 'We used to be hesitant to mention we're Turkish, and no one recognised us. But now, just like kids in Germany know Merkel, they know Erdoğan' (I13). This collective pride reflects how Erdoğan's image abroad contributes to his supporters' conviction in his leadership. Erdoğan is thus perceived as a powerful and formidable leader, a symbol of Turkish strength:

Comments like 'Your president is very impressive, very fearless' highlight how Erdoğan, unlike previous leaders, projects confidence abroad, conveying, 'I'm in charge.' Compared to the opposition, Erdoğan is seen as a powerful world leader, respected and even feared abroad. (I2)

Participants describe Erdoğan as an honest, trustworthy and hardworking leader. One participant reflects, 'Honestly, when it comes to Erdoğan... whether he is honest or not, only God knows, but that's what comes to my mind. Also, his hard work comes to mind, his dynamism; he's such a dynamic person' (I11). Another participant highlights that Erdoğan's acknowledgment of issues like the refugee situation and inflation in his post-election speech fosters trust among supporters for his open address of the economic challenges and his demonstration of his awareness of the critical concerns affecting the country (I15). This combination of perceived honesty, diligence and responsiveness to key issues reinforces Erdoğan's appeal among his followers.

Erdoğan's religiousness and use of religious rhetoric are viewed positively by his supporters, who appreciate his alignment with their cultural and religious values. One participant notes that even supporters of the opposition party, Cumhuriyet Halk Partisi (CHP; Republican People's Party), are surprised by criticisms of Erdoğan's religious expressions: 'What's wrong with saying Bismillahirrahmanirrahim, the word of Allah? It's nice to see him reading the Quran, making supplications... it's our religion' (I3). Another participant adds that Erdoğan's religious stance resonates with those who view it as a defence against foreign influences, remarking 'Foreign countries... want to divide Türkiye. Those who don't love Islam, they don't love Erdoğan' (I4). This blend of religious identity and political leadership strengthens

Erdogan's connection with his voters who see him as a symbol of both national and religious unity.

The perception of Erdogan as a 'strong and winning leader' is particularly influential in areas affected by the 2023 earthquake. This shapes their voting preferences as they seek a leader who can effectively support them. Meanwhile, many want to align themselves with what they see as the winning side, setting aside personal losses for a sense of security and stability. As one participant explains, 'We leaned towards that side... because we believed that the one side was stronger. We thought he would win anyway' (I7). However, some voters express reservations and view Erdogan as less than ideal but see no viable alternative. One participant shares, 'No, he wasn't my leader... there are many mistakes with Recep Tayyip Erdogan, but I gave my vote considering the other alternative' (I9). This combination of a desire for strength and the feeling of a lack of other options underscores Erdogan's appeal among specific groups even where opinions are otherwise mixed.

In response to the question, 'What would Türkiye be like if Erdogan wasn't there?' participants expressed specific fears related to economic instability and security issues. Concerns about a potentially worsened economy and a return to past hardships were common. One participant reflected, 'Well, it used to be really bad in the past, and I still think it would be bad... our economy wouldn't be good; we could still be in misery' (I14). Worries about international relations emerged in addition, with fears that future leaders might face embargoes or export restrictions. Another participant noted, 'If someone else comes after Tayyip, they might impose embargoes... they could cut off our exports from different places' (I19). These responses underscore a belief among supporters that Erdogan's presence is essential to Türkiye's economic and geopolitical resilience.

Continuity and emotional bond in support of the AKP and Erdogan

The majority of the research participants indicate longstanding loyalty to the AKP and a strong emotional attachment to Erdogan himself. Many have supported him since the party's inception. One participant shares, '...we have wanted him for years, we have been following him' (I19). Others highlight how Erdogan's speeches feel genuine and that this motivates their support, with one saying, 'It's not about the party for me, but we voted for the AKP... because of his speeches' (I1). This sentiment is amplified by a sense of gratitude for tangible improvements; one participant reflects on their experience of poverty and that Erdogan's leadership had brought positive changes: 'He helps the needy, helps the orphans... I grew up in extreme poverty... now, thanks to him, we have a lot of things' (I14). These responses underscore the deep trust and connection that many supporters feel regarding Erdogan.

The concept of 'Erdogan's sincerity' frequently emerges in participant discourse, with sentiments of 'love' and admiration prominently shaping their narratives. This sense of loyalty is reinforced by emotional rather than solely rational appeals. Erdogan's campaign song possibly amplifying such feelings. One participant noted, 'We love him because we grew up with Uncle Tayyip', illustrating a deep-seated affection that transcends political logic (I5). Another described Erdogan as a fatherly figure who evokes happiness and trust, saying 'I feel happy, I love him' (I14).

Even when participants express dissatisfaction with some of Erdoan's actions or entertain doubts about supporting him, they often return to their emotional bond with him. For example, one participant remarked, 'I shouldn't have given my vote... but I did. I guess it's love, passion, or something like that' (I4). Another admitted they see both his flaws and strengths but remain committed, saying, 'Does that make me stop loving him? No... we love him as he is' (I19). These reflections highlight how Erdoan's image transcends standard political assessment, creating a relationship with his supporters that is deeply personal and resilient to criticism.

There is a clear continuity of support for the AKP and Erdoan and many participants cite longstanding allegiance to right-wing parties. This pattern appears inherited, some participants expressing that they have never leaned toward the left. As one participant put it, 'I have always been on the right wing' (I3). Another elaborated on this generational loyalty, tracing it through past right-wing parties from Adalet Partisi (Justice Party) to Anavatan Partisi (Motherland Party) under Turgut ozal, noting that support persists partly due to regional factors such as limited job opportunities and reliance on government support (I12). This attachment suggests that there is a blend of traditional, regional and emotional factors which are sustaining their loyalty to Erdoan and the AKP.

Erdoan or AKP?

Research participants actually expressed greater loyalty to Erdoan than to the AKP, often directing criticisms at the party rather than its leader. Most saw Erdoan as a trustworthy figure distinct from the party, suggesting that his leadership is what sustains the party's appeal. Statements like 'Trust is placed in the leader' (I12) and 'For us, the AKP is Erdoan himself' (I2) reveal a sentiment that the party's future without Erdoan would be uncertain. For the research participants, Erdoan's strength and personal connection among his voters outweigh criticisms of his administration. This attachment underscores that, for many supporters, loyalty is directed primarily at Erdoan rather than the party infrastructure.

Assessment of the policies of AKP and Erdoan: success of populist discourse

Research participants were asked which of the policies of the AKP and Erdoan they were satisfied with. The production of domestic cars, natural gas/petroleum extraction and the production of UAVs/AUAVs came to the fore, although the research explored other policy issues with the participants. The emphasis on 'domestic and national' resonates as a source of Turkish pride, independence and self-sufficiency.

Extraction of natural gas and petroleum, UAV/AUAVs and TOGG

The narratives of the pro-government media⁵ on discovering petroleum and natural gas appear highly influential among supporters who view such developments as milestones of national progress and self-sufficiency. Many participants express

5 It is worth noting that Turkiye ranks extremely low in terms of the Reporters Without Borders index of press freedom. See: <https://rsf.org/en/index>.

enthusiasm about the economic relief provided by access to domestic natural gas and highlight that ‘those who have access to natural gas don’t have to pay for cylinders anymore’ (I10) and see it as a benefit for those less able to afford fuel costs (I3). This pride stems from an elevation of Türkiye’s international standing: ‘Türkiye is no longer seen as a second or third-rate country... they know us’ (I13). Others anticipate that accessing Türkiye’s natural resources will reduce reliance on foreign powers and establish the country as a leading global force (I11, I12).

Supporters also cite Türkiye’s advances in defence technology and manufacturing – particularly UAV/AUAVs and the TOGG electric car – as symbols of national pride and progress on the international stage. One participant notes, ‘They have indeed made us proud on the international stage... we saw his accomplishments as a guarantee of what he will do in the future’ (I2). This view reflects the perception of these developments as markers of leadership success and a reason to support Erdoğan’s government. Participants highlight how these achievements allow Türkiye to ‘compete with European countries’ (I4) and contribute to a strong defence posture: ‘America cannot want anything from you’ (I10). This sentiment extends to a broad range of technological advances which creates a sense of national independence and self-sufficiency (I5) that supporters find highly meaningful. For many, the government’s focus on Türkiye producing its own vehicles, planes and defence systems embodies a commitment to Turkish autonomy and capability, in the process further reinforcing loyalty to Erdoğan’s leadership and policies (I17, I6, I11).

In all this, a direct reflection of the rhetoric of the pro-government media can be observed in the statements of the participants. In particular, UAVs/AUAVs were repeatedly mentioned. Considering that a documentary about drones was shown in the pro-government media on the eve of the elections, it stands out that this had a significant impact on voters.

Religious values and the dominance of the headscarf in discourse

Many Erdoğan voters view the freedom to wear the headscarf as central to their support and note that their loyalty is driven more by religious liberties than specific policies. For instance, one voter comments, ‘I voted for the AKP because of the comfort... the freedom to wear the headscarf’ (I18).

Supporters often contrast Erdoğan’s headscarf policies with those of opposition parties, especially the CHP which is regarded as having restricted religious expression in the past. Several participants noted that, under previous CHP influence, veiled women faced barriers, especially in education, with one explaining, ‘When Erdoğan came to power, all women became freer’ (I5). For many, Erdoğan embodies the protection of Islamic values and religious expression against perceived foreign and domestic threats.

This sentiment is intertwined with personal dignity and social acceptance, as participants recounted painful experiences of the previous restrictions, emphasising that Erdoğan’s policies had allowed them to wear the headscarf without fear or judgment (I11). Despite economic challenges, these voters prioritise religious freedom and the protection of Islamic values, which they feel Erdoğan uniquely safeguards.

Health services and infrastructure projects

Erdogan largely focuses on achievements in ‘services’ – a central theme for populist parties and a hallmark of the AKP’s long-term strategy. Themes such as healthcare services, social assistance and infrastructure projects continue to resonate with supporters who frequently cite these as significant achievements.

A significant number of participants express satisfaction with the healthcare services available and cite improvements in access to medication and the convenience of healthcare visits. One participant notes, ‘Now you can visit the hospital, get your medication and come back home in 15 minutes’ (I11), highlighting the system’s efficiency. Another participant expressed gratitude for the current availability, saying, ‘They provide all the medications at the pharmacy... In the past, none of these existed’ (I10), highlighting previous challenges when obtaining medication through social security was difficult and there were frequent shortages within the pharmacies.

Participants also identify patient care, social aid and elder support as essential factors in *Türkiye*’s progress and, at the same time, notably attributing the responsibility to Erdogan: ‘He provided us with many opportunities... he is interested in the strengthening of *Türkiye*’ (I5).

Infrastructure projects, such as bridges and roads, remain a prominent point of praise, participants paying attention to the improvement in travel times and accessibility across regions: ‘10-hour roads are now reduced to two hours’ (I18). This reflects an appreciation of the government’s visible investments in public welfare and national infrastructure (I24, I17).

Fight against terror

While the theme of ‘domestic and national’ is prominent among Erdogan supporters, a notable factor for some research participants is his stance against the HDP and Partiya Karkeren Kurdistanê (PKK; Kurdistan Workers’ Party), designated as a terrorist organisation and with which the AKP regards the HDP as having direct links. Many participants view Erdogan’s commitment to an anti-terror stance as critical, emphasising his firm opposition to the PKK. One participant remarks on the importance of security in the education sector, expressing concerns that, under different leadership, figures associated with the PKK might influence teaching: ‘The PKK will come to my school to give secret lessons at the university... I am very sure of this.’ (I23)

For others, Erdogan’s stance on maintaining national unity against separatism is key: ‘So that the country will not be divided... most of them are voting for Erdogan’ (I10). Participants believe that Erdogan has followed through on his promises to combat terrorism and cite this consistency as a central reason for their continued support. As one participant notes, ‘Today, whatever he promised to the nation, he did almost all of them... he mostly opposed terrorism’ (I12). This alignment with Erdogan’s perceived strong anti-terror stance reinforces his appeal for those concerned with national stability and security.

Economy: attributing the responsibility to external forces

While views on the economy vary, government supporters generally avoid blaming the administration directly. In examining the perspectives of Erdoğan supporters on economic issues, the findings reveal a complex interplay of resilience, loyalty, gratitude and national security concerns, with faith being put in Erdoğan's ability to improve the economic situation and the challenges often being attributed to broader, uncontrollable events, such as global inflation, opportunistic hoarding and the pandemic: 'The world is also in bad shape... It's not something unique to Türkiye' (I13).

A strong sense of loyalty emerges among participants: several see government support, such as pensions, as evidence of stability amidst crises. For example, one participant reflected, 'The economy is in good shape... we can still get our pension, alhamdulillah', noting the state's continued support despite recent challenges (I11). Others perceive economic issues as exaggerated by government critics and view the economy as manageable despite global challenges. Additionally, while some participants note income disparities, they regard this as a temporary issue.

This loyalty, framing hardships within a broader narrative of resilience, is underscored by security concerns, where defence and sovereignty are prioritised, further reinforcing a protective view of Erdoğan as a stabilising leader and deflecting criticism toward other actors.

Overall, in evaluations of the economy:

- some of Erdoğan's voters are satisfied and emphasise that people are not grateful
- others acknowledge that there are economic problems, but do not associate it with the government or Erdoğan.

How would he/she persuade people to vote for AKP/Erdoğan?

When asked how they might persuade a friend to support the AKP or Erdoğan, responses varied. Some preferred not to do so at all, while others suggest highlighting the opposition's alleged connections with groups like the PKK, as one participant emphasises: 'Look, on the one side, there's the PKK and, on the other side, there's the AKP... Now they [PKK] can't even lift their heads since the UAVs have been flying' (I22). Additionally, some cite the opposition's stance on releasing figures like Selahattin Demirtaş, former leader of the HDP, as a point of criticism and believe this stance could alienate certain voters (I2).

A strong theme was the prioritisation of 'unity and integrity' over economic concerns. This reflects a belief in the importance of national stability above material challenges (I13), summarised by one participant's sentiment that 'one can live without food, but not without a homeland' (I23).

Another policy regarded as persuasive was the headscarf issue. Some recount discriminatory rhetoric around the headscarf as a 'rag' or 'piece of cloth', underscoring the sense of relief they associate with Erdoğan's governance (I18, I21). For others, Erdoğan's alignment with religious values and perceived inclusivity strengthens their support, positioning him as a leader respectful of both conservative and secular lifestyles (I3, I8).

These responses underscore the two main issues which shape voter perceptions. First, the opposition's perceived association with terrorism is juxtaposed with AKP's emphasis on advances in defence, like UAVs/AUAVs and natural resource independence. Second, the importance of religious freedoms, especially regarding the head-scarf, remains a central concern, supporters seeing Erdoğan as a defender of religious identity and values.

The AKP's support reflects a mixture of affective polarisation, with voters identifying strongly against the CHP, amidst personal loyalty to Erdoğan arising from his charismatic and populist appeal. Negative party identification and the perception of Erdoğan as a protective leader further cement their choices. This view transcends economic considerations in favour of values tied to national unity and religious autonomy.

Assessment of the CHP and Kemal Kılıçdaroğlu: the impact of negative partisanship and affective leader polarisation

This section explores the evaluations of Erdoğan supporters of the CHP and its leader, Kemal Kılıçdaroğlu, through the lens of negative partisanship and affective leader polarisation. This framework helps elucidate how strong emotional aversion to the opposition shapes political alignment and reinforces loyalty to the incumbent. While some voters express dissatisfaction with certain government policies or economic issues, their aversion to the CHP – often viewed as culturally or ideologically conflicted – appears to solidify their commitment to Erdoğan. Examining these dynamics reveals the powerful role that negative partisanship and affective polarisation play in Türkiye's political landscape, particularly in driving voter resistance to Kılıçdaroğlu and his party.

Assessment of the CHP

The in-depth interviews reveal a deep-seated resistance among many of the participants to voting for the CHP, largely due to the historical and ideological associations. This resistance often reflects family traditions, as participants describe longstanding loyalty to the AKP and an unwillingness to change. One participant connects this resistance to a promise made to a deceased family member and emphasises a sense of personal commitment (I10).

Additionally, the electoral alliance between CHP and the HDP intensifies participants' reluctance. Some view this alliance as proof of the CHP's inability to address national security adequately, particularly concerning Kurdish separatism, with one participant expressing frustration with what they saw as CHP's ambiguous stance on the issue which they believe alienates conservative voters (I15).

Many participants, particularly those with conservative views, perceive the CHP as a party that would curb Islamic values, undermine domestic projects like drone development and restrict the freedoms they associate with religious expression. One participant highlighted the 'CHP mentality' which, he felt, worked against both national sovereignty and Islamic practices (I23).

The desire to practise religious values freely and without social judgment is particularly strong among conservative women, who see Erdoğan and the AKP as protectors of these rights and, conversely, the CHP as potentially undermining them (I19, I23). This sentiment makes it difficult for many conservative voters to consider alternative parties, even if they might feel some dissatisfaction with Erdoğan's recent policies, and this keeps them voting for Erdoğan and the AKP. In this context, Erdoğan is seen as the only viable protector of religious freedoms and national integrity, despite concerns over specific policies or figures.

Assessment of Kemal Kılıçdaroğlu

The interviews reveal deep-seated resistance among some participants toward voting for Kemal Kılıçdaroğlu, mainly due to perceived inconsistencies in his political stance and the association with the HDP and the PKK. These lead to a significant lack of trust in his leadership. Some voters describe his political style as opportunistic and inconsistent across different regions, one participant criticising Kılıçdaroğlu for adapting his stance to fit various regional political sentiments, creating an impression of insincerity and a lack of defined values (I10). Meanwhile, Kılıçdaroğlu's associations with the HDP intensify the scepticism in which he is held. Here, the government's portrayal of Kılıçdaroğlu as aligned with entities perceived as threats to national unity, amplified by media coverage, reinforces the negative partisanship with him among conservative voters. This sentiment was articulated by one participant who shared his belief that the CHP-HDP alliance threatened Türkiye's stability (I15).

The analysis also reflects the impact of the pro-government media in shaping conservative voters' views on religious freedoms. Media narratives emphasise the potential threats to religious expression, particularly around the headscarf, were Kılıçdaroğlu to come to power.

Concerns about foreign influence under a CHP-led government are also prominent. Participants suggest that Kılıçdaroğlu's perceived alignment with western powers could compromise Türkiye's sovereignty. This apprehension, coupled with doubts about his economic promises, drives a preference for the stability and continuity represented by Erdoğan, despite any reservations participants might have about the current economic situation (I5).

In summary, interviews underscore that Erdoğan's base views Kılıçdaroğlu as lacking the nationalist and religious credentials they seek. Concerns about security, national unity and religious expression, along with a deep-seated fear of division and instability, sustain a loyalist-based preference for Erdoğan, as participants perceive him as the more trustworthy and consistent protector of Türkiye's values.

Conclusions and discussion

The interviews reveal a strong alignment between the perspectives of Erdoğan's supporters and the narratives disseminated by the pro-government media. His administration appears to have successfully infused its definition of reality across various societal levels, particularly reaching rural areas, with the media actively reproducing

and reinforcing this narrative. This widespread alignment suggests Erdoğan has achieved what Antonio Gramsci refers to as ‘the production of consent’ whereby the government is able to consolidate its support by embedding its vision and values within the social consciousness, shaping perceptions and fears to match its political goals.

A notable observation is the limited presence of rational inquiry among many of the participants who, instead, tend to echo government rhetoric almost verbatim. This reliance on slogans and media-driven narratives over independent thought indicates a strategic cultivation of what might be considered ‘structured messaging’. By tapping into and amplifying voter anxieties – particularly around security, stability and sovereignty – the government has strengthened Erdoğan’s image as the embodiment of national resilience and security. Furthermore, the media’s focus on symbols of national strength, like natural gas production and the UAV/AUAV projects, has a strong influence on the electorate. This impact is amplified by the strategic timing of broadcasts such as the drone documentary aired just before the election. These efforts reinforce Erdoğan’s positioning.

The in-depth interviews reveal that many Erdoğan supporters express near-unconditional loyalty to him, seeing him as a father figure embodying trust, faith and respect. This emotional attachment, often referred to under the concept of ‘charismatic leader’, shows a willingness among supporters to forgive the mistakes of Erdoğan’s administration. The strength of this bond is intensified by media and political narratives that reinforce fears of a future without Erdoğan; for instance, conservative voters may fear religious restrictions, like the azan being made in Turkish or more limited access to courses about the Quran. Similarly, a former soldier expresses fears of national division, which deepened his ideological commitment to Erdoğan as a protector of national unity.

This loyalty persists even when participants acknowledge Erdoğan’s flaws, as they often view these as secondary to his broader symbolic value and leadership qualities. This aligns with Madsen and Snow’s (1991) insights on charismatic leadership, where the leader’s influence stems from a strong affective bond that endures beyond rational considerations. These observations illustrate how Erdoğan’s image fulfils key aspects of charismatic leadership, sustaining his support base through both personal loyalty and perceived alignment with national identity.

The unwavering support for Erdoğan, rather than the AKP itself, suggests that his leadership has transcended the party’s identity. Many participants note that they vote for the AKP solely due to their admiration for Erdoğan, acknowledging that, without him, the party would struggle to retain their vote.

Drawing on Machiavelli’s question in *The Prince* – whether it’s better for a leader to be loved or feared – Erdoğan’s image aligns closely with a blend of the two: he is viewed as compassionate toward his own people but assertive on the global stage, fostering a sense of both love and respect among his followers. This portrayal consolidates his support as voters perceive him as a singular leader who embodies both protection and strength in uncertain times.

Some voters, though dissatisfied, feel unable to change their vote due to a perceived lack of viable alternatives. This reflects a polarisation marked both by an

emotional attachment to Erdoğan and a negative partisanship regarding opposition parties. Potential swing voters seem currently to be clinging to the belief that the AKP can rectify its mistakes, hoping for a return to Türkiye's former stability. The narrative of 'there is no alternative' persists, underscoring that Erdoğan's supporters, even those who may be wavering, are hesitant to switch due to the absence of a compelling alternative. Those who vote for Erdoğan have strong negative feelings towards the opposition, especially the CHP and the HDP, and perceive the opposition as a threat. This perception, in line with Abramowitz and Webster's (2016) negative partisanship theory, suggests that voters form an oppositional political identity and this identity shapes their voting behaviour.

In the Turkish context, Erdoğan has built a strong populist hegemony by bringing together different social demands such as domestic and national production, security and religious freedoms. Laclau's theory of populist leadership thus provides a critical perspective for understanding Erdoğan's popular perception as a 'saviour'.

These findings show how the political atmosphere in Türkiye is shaped around the figure of leadership and how negative identities developed against an opposition figure can have an impact on the functioning of democracy. Comparative studies could usefully investigate similar dynamics in other European countries experiencing populist leadership and examine how these leaders utilise media channels to foster public consent and cultivate loyalty. Further studies could also focus on the psychological impact of populist narratives on voters' cognitive biases and emotional responses. Finally, political psychology research in Europe could explore how voters' affective attachment to populist leaders affects their perceptions of alternative political figures and policies, potentially contributing to a deeper understanding of negative partisanship and its effects on democratic decision-making.

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Table 1 – List of interviews

Code	Province	Gender	Age	Education status	Employment status	Lifestyle cluster
I1	Diyarbakır	Male	37	Secondary school graduate	Cook	Religious conservative
I2	Ankara	Female	39	University graduate	Housewife	Religious conservative
I3	Ankara	Female	47	High school graduate	Housewife	Religious conservative
I4	Istanbul	Female	63	High school graduate	Housewife	Religious conservative
I5	Sivas	Female	20	High school graduate	Student	Religious conservative
I6	Kayseri	Male	21	Studying at university	Student	Traditional conservative
I7	Kahramanmaraş	Female	71	High school graduate	Housewife	Traditional conservative

Code	Province	Gender	Age	Education status	Employment status	Lifestyle cluster
I8	Osmaniye	Male	21	Primary/secondary school graduate	Student	Religious conservative
I9	Ankara	Male	42	High school graduate	Unemployed	Traditional conservative
I10	Antalya	Male	51	Primary school graduate	Carpenter	Religious conservative
I11	Ankara	Female	67	Primary school graduate	Housewife	Religious conservative
I12	Erzurum	Male	63	Primary school graduate	Car mechanic	Religious conservative
I13	Manisa	Male	45	High school graduate	Retired farmer	Religious conservative
I14	Istanbul	Female	43	Primary school graduate	Unemployed	Traditional conservative
I15	Samsun	Male	32	University graduate	Private company manager	Traditional conservative
I16	Sivas	Female	36	University graduate	Officer	Traditional conservative
I17	Sivas	Male	38	Secondary education graduate	Municipality employee	Religious conservative
I18	Denizli	Female	41	Primary school graduate	Madrasa teacher	Religious conservative
I19	Izmir	Female	38	Primary school graduate	Unemployed	Traditional conservative
I20	Zonguldak	Female	52	Primary school graduate	Housewife	Religious conservative
I21	Istanbul	Male	45	Secondary school graduate	Textile worker	Religious conservative
I22	Hatay	Male	54	Primary school graduate	Carpenter	Religious conservative

Code	Province	Gender	Age	Education status	Employment status	Lifestyle cluster
I23	Sivas	Male	39	Primary/secondary school graduate	Civil servant, Department of Education	Religious conservative
I24	Antalya	Male	44	High school graduate	Cook	Traditional conservative



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Blockades and strikes in Serbia

Editor's note:

As we went to press with this issue of the *SEER Journal*, the longstanding student protests over the collapse of the canopy at Novi Sad train station took a deeper turn with a protester being hit by a car and further groups of actors joining the students.

Zoran Stojljković, himself a university professor and a past president of UGS Nezavisnost (Independence trade union confederation), very kindly gave us his thoughts on the protests, their direction and their political potential. We are indebted to him and include these thoughts below as a broad introduction to what is currently going on in Serbia.

It is not an easy task to analyse events such as the civil disobedience and strikes in Serbia when they are only now entering their critical phase.

However, the analysis of 'pre-revolutionary situations', also using the example of Serbia, shows that, first, the existing order must be delegitimised and an image of a possible different world created. The collapse of the canopy at the Novi Sad railway station, with the loss of 15 human lives and a widespread awareness that the cause lies in incompetent and corrupt actions under the patronage of a regime which is not ready to assume the responsibility that it should, provides the tragic framework on which the accumulated anger and dissatisfaction are focused.

An actor in change in which trust could be placed was then found in the form of the student body.

The crucial third step is to take activism and create solidarity in action based on individual assessment of the likely outcome of the risks being taken and the level of solidarity that has been achieved. Threats of dismissals and salary cuts, or warnings that students may be left without access to loans and thus lose a year of study, cease to form an insurmountable obstacle in the face of the established unity among students and pupils, teachers and parents.

The key thing that the students did to prepare for a return to normality was to block President Vučić, refusing to negotiate with him on their demands, seeing him as a person without competence. The myth of an omniscient leader, an ultimate authority capable of resolving all problems, is thus being shattered. Refusing to be beaten down by 'anonymous passers-by unhappy with the crowds due to the blockades', and evidence that these were, in any case, organised provocations by party supporters and government officials, is an important blow to the regime's clientelist network and its inner circle. This galvanized the protests, spreading the blockade to all universities. Frustrated, dissatisfied and already repeatedly disappointed citizens then logically recognised in the students those who are 'persistent, incorruptible and those to whom the future belongs as our children' because it awakens our own dor-

mant consciences. And then they began to question institutions like the Prosecutor's Office, the Constitutional Court, the Public Media Service...

This time, the students are looking for allies within civil society – unions, professional associations, farmers and campaign organisations such as ProGlas. In old-fashioned, socialist vocabulary, they want to gather together an ‘alliance of peasants, workers and honest intelligentsia’.

With the duration and spread of the protests, the something that seemed impossible is becoming possible. And this something, like a general strike, has never happened previously in Serbia. This needs to be a serious, unified and strategically designed action: one that tests the will of workers and citizens through the growth of a readiness to call a halt in Serbia, via mass warning and solidarity strikes for fifteen minutes, extending to an hour or so a day, and then even longer.

Blockades and student assemblies and the decision-making that takes place in such forums represent an excellent form of self-organised protest action and a calling out of the institutions but, to coordinate wider protests and enter into some kind of negotiations with the authorities, it is necessary to have a few rotating representatives with a short, but imperative, mandate so that no one individual can be picked off.

The government will buy time, spin and gather ‘its own people’, but I do not believe that it is ready to provoke the sort of mass conflict which would result in tragic consequences for victims but which would, also, be a pretext for introducing a state of emergency.

Strikes and blockades, no matter how important they are, do not lead to key changes on their own, but they do clearly set the boundaries beyond which the regime must not go. They might, however, create a climate in which it is possible that a government able to make a convincing offer based on the values of democracy and social justice might yet come to power in free and fair elections.

An alliance of workers, young people and the middle classes is, operationally, complex but necessary for any democratic option and outcome. **United we stand, divided we fall** – a slogan created to promote the association and solidarity of workers – is more relevant in Serbia today than ever.

Zoran Stojiljković

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