



European Social  
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Network (ESPAN)

# Access for domestic workers to labour and social protection

## Montenegro

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Social Europe



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## Summary

In Montenegro the 2023 national Labour Force Survey data suggested that there were about 3,000 domestic workers, which constituted approximately 1.1% of the total workforce. Three quarters of these domestic workers were women, and most had a medium educational level. Around 60% of these workers were aged at least 50, and about 30% were not born in the country. Around 55% of domestic workers were employees, and around 80% were employed in the non-care sector.

There is no legal definition of domestic workers in Montenegro. However, according to the Labour Law, one type of employment contract that employers may sign with employees is a contract for performing household chores, which is the country's equivalent of domestic work. Employees with this type of contract have the same status as those with any other employment contract defined by the law.

Although Montenegro has expressed interest in ratifying International Labour Organization Convention 189, in order to align with international labour standards, progress remains pending.

There is no national collective labour agreement on domestic work. However, the general collective agreement does refer to domestic workers. There are no data providing an insight into the types of contracts these workers have.

If domestic workers have signed a legal contract, they enjoy the same benefits as any other employee in the country. There are no specific conditions for accessing social protection and labour protection conditions that are specific to domestic workers.

According to a survey carried out in 2022, 15.7% of the working population worked in unregistered businesses, or in registered businesses but without contracts and without paying social security taxes and contributions. In addition, 10.8% had contracts, but taxes and contributions were paid only on part of their salary, with the remainder received in cash without tax and contribution payments. This means that 1 in 4 employees in Montenegro worked without paying all or some taxes and contributions.

There are currently no assessments that provide information on possible labour shortages or unmet household needs for domestic services.

The Law on Fiscalisation in the Trade of Goods and Services (adopted in 2021), and the new programme for combating the informal economy in Montenegro for 2024-2026, are the latest policy efforts to combat the grey economy and undeclared work. Despite these efforts, there is a lack of reforms aimed at legalising these undeclared activities in order to enhance the social protection of the workers concerned and their access to labour benefits.

To address this, measures should focus on encouraging registration by simplifying the process, reducing administrative burdens, and offering incentives such as tax benefits or subsidies for both workers and employers. Additionally, the lack of comprehensive data on domestic workers poses a major challenge to evidence-based policy-making.

## Introduction

### European Union policy context: quantification and key issues

More and more attention has been recently given by policy-makers and civil society organisations to the situation of domestic workers. The European Parliament, social partners and stakeholders have called on the European Commission (EC) to improve the working conditions and social protection of domestic workers within the limits of its Treaty competence.

Domestic workers provide services to support households, including care (e.g. childcare or care for older people and for people with disabilities) and non-care activities (e.g. cleaning or cooking). At European Union (EU) level, the concept of “domestic workers” has been approached for a decade through the concept of “personal and household services (PHS) workers”. However, there is currently no agreed methodology for quantifying the number of domestic workers in the EU. Existing research uses different statistical definitions and, therefore, produces different estimates. For example, a study published by the European Labour Authority estimated that there were between 6 million (narrow definition) and 8.8 million (broader definition) people formally employed in the PHS sector in the EU in 2019 (Holubová and Kahancová, 2022)<sup>1</sup>. The **statistical definition** of domestic work needs to be fine-tuned to allow for the production of consistent estimates of the phenomenon throughout the EU.

**Undeclared work** is an overarching issue in the sector in many Member States, which undermines the social and labour protection of the domestic workers concerned. According to the same study, the estimated level of undeclared domestic workers in the EU may have been as high as 50% in 2019; and thus the actual number of domestic workers may be much higher than that which can be estimated on the basis of statistical data<sup>2</sup>.

Even when in formal employment relationships, domestic workers are often hired under **non-standard forms of employment** – including part-time, temporary employment and platform work – with more limited social and labour protection rights. In some countries, self-employment is also widespread in the sector.

Domestic work involves professions that are often on **shortage lists**; for example, this is the case for long-term care (LTC) workers. Domestic workers often acquire skills through their hands-on tasks, but it remains a challenge to have these skills validated and certified to facilitate access to more qualified work.

At EU level, domestic workers fall within the scope of the [2019 Council Recommendation on access to social protection](#) (which covers any workers, whether employees or self-employed people). However, only limited measures targeted at this group have been announced/implemented at national level since 2019. Domestic workers are also targeted by the [2022 Council Recommendation on access to high-quality affordable long-term care](#), which calls on Member States to address the challenges of vulnerable groups of workers, such

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<sup>1</sup> In this study:

- a) the narrow definition of PHS includes the following NACE (nomenclature of economic activities) categories:
  - 88 (“social work activities without accommodation”); and
  - 97 (“activities of households as employers of domestic personnel”);
- b) the broader definition includes, in addition, NACE categories 95 (“repair of computers and personal and household goods”) and 96 (“other personal service activities”).

<sup>2</sup> Holubová and Kahancová claim that, all in all, taking account of both formal and informal work, there may have been between 12.8 million (narrow definition) and 18 million (broader definition) workers in the PHS sector in the EU in 2019. To estimate the scale of undeclared work, they rely primarily on the 2019 Eurobarometer survey 92.1 on the topic.



as domestic LTC workers, live-in care workers and foreign (EU or non-EU) care workers, including by providing for effective regulation and professionalisation of such care work.

The International Labour Organization “Domestic Workers Convention” ([ILO Convention C189 of 2011](#)) calls on countries to provide fair recruitment and working conditions to domestic workers: the right to treatment equal to that of other workers; daily and weekly (at least 24 hours) rest hours; entitlement to a minimum wage; entitlement to representation of their interests; and the right to choose the place where they live and spend their leave. The EC has called on Member States to ratify this convention on several occasions. However, ratification has been subject to delays, with only nine Member States having ratified it<sup>3</sup> to date; and some of them face problems of implementation. To date, Montenegro has not ratified it.

## Objectives of the report

This report on “Access for domestic workers to labour and social protection”:

- seeks to map domestic work in the country – the number and main socio-demographic characteristics of domestic workers (Section 1);
- describes the legal framework that applies to domestic workers in the country (Section 2);
- describes the employment arrangements in the domestic work sector in the country (Section 3);
- describes the specific conditions for (and possible gaps in) access to social protection and labour protection for domestic workers in the country (Section 4);
- discusses the issues of undeclared work, regularisation, and labour shortages in the country (Section 5);
- presents recent and ongoing reforms and debates in the country (Section 6); and
- makes suggestions on the way forward for improving social protection and labour rights for domestic workers in the country (Section 7).

## Key definitions

Three different definitions of domestic work will be used in this report according to the purpose of each section, as follows.

1. A **“statistical” definition of domestic work**, which has been agreed upon between the EC (DG EMPL) and the European Social Policy Analysis Network (ESPAN) for the specific purpose of this report. This definition has been used by Eurostat for extracting the relevant data from the EU Labour Force Survey (LFS) for 29 countries: each of the 27 EU Member States as well as Bosnia and Herzegovina and Serbia. These data should allow for a harmonised quantification of domestic work across these countries (i.e. a harmonised estimate of the number of domestic workers and their main socio-demographic characteristics in each country). These LFS data are briefly presented in Section 1.1 of this report for the EU as a whole. Estimates for Montenegro are also presented in this section; they were kindly calculated by the national statistical office (MONSTAT) on the basis of the national LFS, using exactly the same definition. According to this definition:
  - all workers in NACE 97 (“activities of households as employers of domestic personnel”) are included among domestic workers;

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<sup>3</sup> These countries are Italy and Germany (ratification in 2013), Ireland (2014), Belgium, Finland and Portugal (2015), Sweden (2019), Malta (2021) and Spain (2023).

- the following ISCO<sup>4</sup> 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”)<sup>5</sup>; and
  - unpaid family workers are excluded.
2. The **national “legal” definition**. In the case of Montenegro, there is no such definition (see Section 2.1 below).
3. A **“policy-oriented” definition of domestic work**, which is the one used in Sections 3 to 7 of the report. This definition draws on the 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 report, a domestic worker is someone providing care and/or non-care services in or for a household or households within a *paid* employment relationship (*either directly or through a third party*). This includes all home-based and complementary<sup>6</sup> activities.

Examples of such services include those provided by nannies, babysitters, au pairs, domestic cleaners, and personal assistants. It is possible that, in some cases, these services are provided outside of the household (e.g. a nanny may take care of children in her own house, or a personal assistant accompanies a dependant outside of the latter’s house). Insofar as there is a paid work relationship with the household (as an employee or a self-employed person), this is considered to be domestic work.

Importantly, family members performing the above-mentioned activities are excluded from the scope of this report, even if in some cases they may receive remuneration from the dependant.

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<sup>4</sup> International standard classification of occupations.

<sup>5</sup> Therefore, unless they are included in NACE 97, workers in:

- ISCO 9121 (“laundryers and pressers”) are **not added** to the definition, as most of them work for industrial or commercial clients (such as hostels or hospitals); and in
- ISCO 5311 (“childcare workers”) are also **not added** to the definition, as most of them work outside the home.

Similarly, unless they are included in the four ISCO categories in the statistical definition (5152, 5162, 5322 and 9111), workers in NACE 81.21 (“general cleaning of buildings”) are also not added to the definition, as most workers in this sector are not domestic workers, but instead clean offices or factories.

The fact that these workers are not added is due to the limits of the LFS, which does not make it possible to identify those workers in these categories who work in or for a household or households. Adding these workers would have meant adding to the definition of domestic workers groups of workers who are not mostly or primarily domestic workers.

<sup>6</sup> 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.

## 1. Mapping

The main purpose of this section is to provide estimates of the number of domestic workers in the country and of their main socio-demographic characteristics.

Section 1.1 presents EU estimates calculated for the EU as a whole and for Montenegro from LFS data on the basis of the harmonised statistical definition provided in the Introduction. These estimates are based on the most recent data available (for 2023).

If additional relevant information is available from other sources/definitions in the country, this information is provided in Section 1.2 to complement the mapping provided in Section 1.1.

### 1.1 Mapping based on the harmonised statistical definition

As mentioned above, the number of domestic workers in the EU and their main socio-demographic characteristics are estimated on the basis of the 2023 wave of the EU LFS, using the aforementioned harmonised statistical definition. According to these data, there were about 4.1 million domestic workers in the EU; this represents 2.1% of all people at work, whether employed or self-employed. Depending on the Member State, this share varies between less than 0.5% and around 4%.

Because of this very small share, the number of domestic workers in the national LFS samples is also very small and the confidence interval of the various statistical estimates calculated from these data is therefore very large. As a result, it is important that these figures be interpreted very cautiously, as providing an order of magnitude.

In Montenegro, using the same definition, the 2023 LFS data suggested that there were around 3,100 domestic workers (i.e. about 1.1% of all workers). In terms of profile (see Table A1 in Annex):

- three quarters of the domestic workers in the country were women;
- around 60% were aged at least 50;
- three quarters had a medium educational level;
- around 30% were not born in the country;
- around 55% were employees; and
- around 80% were working in the non-care sector.

These figures should also be interpreted very cautiously.

### 1.2 Additional relevant information from other sources/definitions

There is no additional relevant information that could usefully complement the mapping provided in Section 1.1.

## 2. Legal framework

This section describes briefly the legal framework that applies to domestic workers. It considers in turn: the legal definition(s) of domestic workers (Section 2.1), the key aspects of the legislation regarding domestic work (Section 2.2), the ILO Convention 189 (Section 2.3) and the presence of collective agreements (Section 2.4).

## 2.1 Legal definition(s)

There is no legal definition of domestic workers in Montenegro. However, according to Article 45 of the Labour Law (Official Gazette of Montenegro, No 145/21 dated 31 December 2021), one type of employment contract (among several others) that employers may sign with employees is a contract for performing household chores. Employees who have this contract have the same status as employees with any other employment contract defined by the law.

## 2.2 Legislation

### 2.2.1 Overall legal framework

In Article 45 of the Labour Law, provisions under points 2-6 outline the terms of compensation for the employment of household workers. A contract under these provisions allows for the possibility of a fair and reasonable part of the salary being provided in kind. Such an arrangement should be mutually agreed upon by the employee, serve their benefit, and contribute to social security objectives.

Paragraph 3 of the same article of the law stipulates that if an employee lives in the household unit where they have an employment contract, no reduction in salary due to accommodation is allowed unless otherwise agreed by the employee.

In the contract the employer is obliged to express the monetary value of the part of the salary paid in kind. The minimum percentage of cash salary is determined by the employment contract and may not be lower than 50% of the employee's salary. If the salary agreed is partly in cash and partly in kind, the employer is obliged to pay the employee cash wage compensation during absence from work.

Regarding the tax treatment of the income of employees under contracts for performing household chores, it should be noted that according to the Law on Personal Income Tax (Official Gazette of Montenegro, No 65/01, 40/07 and Official Gazette of Montenegro, No 86/09, 152/22 dated 30 December 2022) it is considered personal income and is taxed accordingly.

The aforementioned legal norms therefore define the legal basis for registration for mandatory social insurance of people employed by employers based on an employment contract for performing household chores, in which the employer is a natural person who does not have a registered economic activity.

Given the specificity implied by business situations where a natural person appears as an employer without a registered economic activity (is not registered as an entrepreneur), internal procedures for the conduct of the Tax and Customs Administration – Services and Registration Sector specifically regulate this process.

According to the aforementioned procedures, in these cases a natural person (employer), when registering this category of employees, is required to submit to the competent territorial unit of the Tax and Customs Administration (according to the employer's residence) a unique application (“JPR form”) – Appendix B “registration of a natural person”, and the employment contract, certified by the Basic Court or notary. Since this natural person (employer) does not perform an economic activity, they do not submit the JPR application for registration in the general tax register – that is, the tax authority does not issue a registration decision.

The natural person (employer) registers the employee under the “PIO 101” code. The competent territorial unit of the Tax and Customs Administration issues to the submitter of the application for pension and disability insurance and health insurance – the natural person (employer) – a certificate of registration or deregistration of insurance for the employee.

Furthermore, the natural person (employer) is obliged, in accordance with the law, to calculate, report, and pay income tax and contributions for mandatory social insurance on a monthly basis through the form for reporting on calculated taxes and contributions.

## 2.2.2 Legislation specifically related to long-term care

There is no legislation specifically related to LTC in Montenegro.

## 2.3 International Labour Organization Convention 189

The current status regarding the ratification of ILO Convention 189 by Montenegro reveals both progress and challenges. Although Montenegro has expressed interest in ratifying the convention, it has yet to complete the ratification process. The government has sought technical assistance from the ILO to address this issue, indicating a commitment to aligning national labour laws with international standards.

However, several shortcomings persist. Firstly, there are legislative gaps that need to be addressed to ensure compliance with the convention. Although efforts are underway to overcome these gaps, concrete steps towards ratification are still pending. Secondly, the effectiveness of the proposed reforms hinges on the thoroughness of the legal and implementation gap analysis conducted by the ILO.

The process of discussing and addressing recommendations in a tripartite format involving the government, employers, and workers is essential for inclusive and sustainable reform. Without meaningful engagement from all stakeholders, the likelihood of successful implementation diminishes.

Although the ILO's involvement is crucial in providing technical support and expertise, the ultimate responsibility for enacting and enforcing labour laws lies with the Montenegrin government and parliament. The sustainability of any reforms will depend on their commitment to upholding international labour standards beyond the assistance provided by the ILO.

In conclusion, although there is a recognition of the need for reform and for co-operation between Montenegro and the ILO, significant steps remain to be taken to ensure the ratification of ILO Convention 189 and the effective implementation of labour laws in line with international standards.

## 2.4 Collective agreements

There is no national collective labour agreement on domestic work. However, the general collective agreement (GCA) does refer to household workers, since they are recognised by the Labour Law. In December 2022 the new GCA (CEE Legal Matters, 2023) was published (Official Gazette of Montenegro No 150/22 on 30 December 2022) and will be valid for three years. The new GCA is harmonised with the current Labour Law (Official Gazette of Montenegro No 74/19, 8/21, 59/21, 68/21 and 145/21) and follows its legal solutions. It expands employees' rights and establishes grounds for further measures that would guarantee more rights for employees.

## 3. 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.

### 3.1 Overall arrangements

Domestic workers in Montenegro may be hired under three types of employment relationships.

Firstly, they may be directly employed by the head of a household, as regulated by the Law on Labour. In this scenario, the domestic worker is considered an employee of the household, with the employer being responsible for tax procedures and other legal obligations.

Secondly, domestic workers may provide services through private agencies that support temporary employment. These agencies, regulated by the Law on Temporary Employment Agencies, employ domestic workers and assign them to households. The agencies handle wage payments and ensure compliance with employment regulations.

Thirdly, domestic workers may also be self-employed. In this case, they operate as independent contractors, providing services directly to households without intermediary agencies. They manage their own schedules, set their own rates, and are responsible for their tax obligations and social security contributions.

The employment of domestic workers through a public or private provider of homecare services is a relatively new working practice, as households still prefer to employ domestic workers directly.

As mentioned in Section 1.1, around 55% of domestic workers in Montenegro are employees.

### 3.2 Migrant-related arrangements

According to the available data, most domestic workers are from Montenegro and have Montenegrin citizenship. There is no information on migrant-related arrangements.

## 4. Access to social protection and labour protection – specific conditions and gaps in access

The purpose of this section is not to describe all the conditions for accessing social protection and labour protection but only those conditions (and possible gaps) that are specific to domestic workers. Section 4.1 focuses on access to social protection, and Section 4.2 on access to labour protection.

### 4.1 Access to social protection

For each of the seven branches 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. Four aspects are addressed: (a) do they have formal access to the branch?; (b) are there specific conditions that apply to them?; (c) are there gaps in access to the branch that are specific to domestic workers?; and (d) do they face specific challenges linked to their specific employment arrangements as described in Section 3?

Domestic workers with a legal employment contract enjoy the same social and labour protection as other people with a legal employment contract.



## 4.1.1 Unemployment benefits

### 4.1.1.1 Formal access

Domestic workers have formal access to these benefits.

### 4.1.1.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

### 4.1.1.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

### 4.1.1.4 Challenges

There are no challenges that are specific to domestic workers.

## 4.1.2 Sickness benefits

### 4.1.2.1 Formal access

Domestic workers have formal access to these benefits.

### 4.1.2.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

### 4.1.2.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

### 4.1.2.4 Challenges

There are no challenges that are specific to domestic workers.

## 4.1.3 Healthcare benefits

### 4.1.3.1 Formal access

Domestic workers have formal access to these benefits.

### 4.1.3.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

### 4.1.3.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

### 4.1.3.4 Challenges

There are no challenges that are specific to domestic workers.

## 4.1.4 Maternity and equivalent paternity benefits

### 4.1.4.1 Formal access

Domestic workers have formal access to these benefits.

#### 4.1.4.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

#### 4.1.4.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

#### 4.1.4.4 Challenges

There are no challenges that are specific to domestic workers.

### 4.1.5 Invalidity benefits

#### 4.1.5.1 Formal access

Domestic workers have formal access to these benefits.

#### 4.1.5.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

#### 4.1.5.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

#### 4.1.5.4 Challenges

There are no challenges that are specific to domestic workers.

### 4.1.6 Old-age benefits and survivor benefits

#### 4.1.6.1 Formal access

Domestic workers have formal access to these benefits.

#### 4.1.6.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

#### 4.1.6.3 Gaps in access

There are no gaps in access to this branch that are specific to domestic workers.

#### 4.1.6.4 Challenges

There are no challenges that are specific to domestic workers.

### 4.1.7 Benefits in respect of accidents at work and occupational diseases

#### 4.1.7.1 Formal access

The provisions of the Law on Safety and Health at Work do not extend explicitly to individuals for whom, as outlined in the law, an employment contract has been established for household chores (domestic workers). However, they do cover all workers with an employment contract.



#### 4.1.7.2 Specific conditions

Not applicable.

#### 4.1.7.3 Gaps in access

Not applicable.

#### 4.1.7.4 Challenges

Not applicable.

## 4.2 Access to labour protection

This section describes the access to labour protection available to domestic workers. Four aspects are addressed: (a) do they have access to the same protection (as other workers)?; (b) are there specific conditions that apply to them?; (c) are there gaps in access that are specific to domestic workers?; and (d) do they face specific challenges linked to their specific employment arrangements as described in Section 3?

### 4.2.1 Formal access

Domestic workers with an employment contract enjoy the same labour protection as other people with a legal employment contract.

### 4.2.2 Specific conditions

There are no specific conditions for accessing this branch that apply to domestic workers.

### 4.2.3 Gaps in access

There are no gaps in access to labour protection that are specific to domestic workers.

### 4.2.4 Challenges

There are no challenges that are specific to domestic workers.

## 5. Undeclared work, regularisation and labour shortages

In many 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 social protection and labour protection for these undeclared workers. Different policy instruments may be used to address and combat undeclared work in the sector. These 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 considers in turn the prevalence of undeclared work (Section 5.1), possible labour shortages or unmet household needs for domestic services (Section 5.2), and efforts to regularise domestic work (Section 5.3).

## 5.1 Prevalence of undeclared work

According to a survey carried out in 2022, 15.7% of the working population worked in unregistered businesses or in registered businesses but without contracts and without paying social security taxes and contributions. In addition, 10.8% had contracts, but taxes and contributions were paid only on part of their salary, with the remainder received in cash without tax and contribution payments. This means that 1 in 4 employees in Montenegro worked without paying all or some taxes and contributions (IPSOS, 2022).

According to the type of employment and the type of (in)formality, 1 in 2 self-employed people did not pay taxes and contributions (51.5%), while approximately 1 in 7 received part of their earnings in cash without paying taxes and contributions (13.7%). The self-employed category includes employers, individuals who work for themselves, and contributing family members. Employees working for an employer are in a better situation. Approximately 1 in 20 people employed by an employer did not have taxes and contributions paid (5.6%); and for 1 in 10, taxes and contributions were paid on only part of their salary (IPSOS, 2022).

## 5.2 Labour shortages

There are no assessments that would provide information on possible labour shortages or unmet household needs for domestic services.

## 5.3 Regularisation of undeclared work

### 5.3.1 Existing instruments

The government of Montenegro has recognised the challenge of the informal economy through the programme of economic reforms of Montenegro for 2023-2025, which contains reform measure No 14: "strengthening of mechanisms for the formalisation of the informal economy". This measure includes steps designed to strengthen the information system of the Revenue and Customs Administration in order to more effectively fight against the informal economy.

In addition, the new programme for combating the informal economy in Montenegro for 2024-2026 (Government of Montenegro, 2023) includes five general operational goals that should be achieved by overcoming the identified causes of the informal economy. The measures include:

- stimulating preventive actions, with the aim of simplifying procedures and reducing costs for business operations and registering employment;
- activities to raise social awareness about the negative implications of the informal economy and strengthening the role of education; and
- enforcement and deterrence activities through the strengthening of supervision and the application of appropriate sanctions in relation to those who benefit from undeclared work, as well as the protection of informally registered people.

Operational goals include: improving the business environment by simplifying tax administration and reducing levies; support for fair entrepreneurship and the transition to a formal economy; transforming undeclared work into formal employment, with a greater focus on young people, women, and green jobs; enhancing electronic public administration services, the institutional framework, and administrative capacities in reducing the informal economy; and reducing the social acceptability of the informal economy.

The Law on Fiscalisation in the Trade of Goods and Services (Official Gazette of Montenegro, No 008/21 dated 6 January 2021), regulates the taxation of cash and non-cash payments in the trade of goods and services, the content of fiscal receipts, the entities required to comply

with taxation, and other important aspects related to taxation. The adoption of this law represents a step towards combating informal economic activities.

## 5.3.2 Impacts

### 5.3.2.1 Direct measures

Although the adoption of this law represents an important step forward, its efficacy in curbing undeclared work remains to be seen. To date, no assessment of the impact of the implementation of the programme has been made publicly available.

### 5.3.2.2 Indirect measures

Not applicable.

## 6. Recent and ongoing reforms and debates

This section reviews the possible recent (since 1 January 2020) or ongoing reforms in the country whose aim is to enhance the social protection and labour protection of domestic workers (Section 6.1). Possible EU support for these reforms is discussed in Section 6.2. Finally, Section 6.3 covers the public debate in the country about the social protection and labour protection of domestic workers.

### 6.1 Reforms

#### 6.1.1 Social protection

There are no reforms whose aim is to enhance the social protection of domestic workers.

#### 6.1.2 Labour protection

There are no reforms whose aim is to enhance labour protection of domestic workers.

### 6.2 European Union support

The EU supports Montenegro through an *Instrument for Pre-accession Assistance* (IPA III), under the thematic priorities “education, employment, social protection and inclusion policies, and health” (68%) and “private sector development, trade, research and innovation” (32%). One of the objectives of this EU support is to improve the monitoring of the implementation of the revised labour law, and to reinforce the labour inspectorate’s staffing and institutional structure.

The Ministry of Labour, Employment and Social Dialogue and the Ministry of Social Welfare, Family Care and Demography has continued intensive programming for IPA III (for 2024-2027) in the employment and social inclusion sectors. The multi-annual Operational Programme (2024-2027) will have four main components: a youth guarantee fund, active labour market measures, social service improvement, and institutional and technical support. Although it is not yet known whether any projects will specifically target domestic workers, all of these areas represent potential opportunities for implementing projects that will (also) benefit these workers.

## 6.3 Public debate

There are no public debates around enhancing the social and labour protection of domestic workers. Existing public debates are mainly focused on undeclared work.

## 7. Improving social protection and labour rights for domestic workers

To improve the position of domestic workers in Montenegro, it is crucial to address the significant issue of their employment in the grey economy. A large number of domestic workers operate undeclared, which deprives them of the legal protections and benefits that come with formal employment.

If these workers were registered, they would gain access to all the benefits provided to formally employed individuals, such as social security, healthcare, and labour benefits. Measures should therefore focus on encouraging registration. This might include simplifying the registration process, reducing administrative burdens, and providing incentives such as tax benefits or subsidies for both workers and employers.

A major challenge hindering evidence-based policy-making is the absence of comprehensive data on domestic workers. Investing in rigorous research and data-collection initiatives specific to this sector is important to understand its dynamics, challenges, and demographics accurately. MONSTAT should enhance data-collection efforts by integrating specific inquiries into the LFS, targeting workers falling under the NACE 97 category ("activities of households as employers of domestic personnel"). This approach would ensure a more comprehensive understanding of demographic variables such as gender, age, and nationality, offering valuable insights into the domestic work sector.

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## Annex: Statistical annex

**Table A1: Main socio-demographic characteristics of domestic workers in Montenegro**

Total number	3,100
Share of domestic workers among all people at work	1.1%
Distribution by gender:	
Men	26%
Women	74%
Distribution by age:	
15-24	:
35-49	:
50+	58%
Distribution by educational level:	
ISCED 0-2	:
ISCED 3-4	74%
ISCED 5-8	:
Distribution by country of birth:	
Natives	71%
Non-natives	29%
Employment status:	
Employee	55%
Self-employed	45%
Distribution by sector of activity:	
Care	19%
Non-care	81%

Note: (:) Not zero but extremely poor reliability of the estimate.

Source: LFS 2023, MONSTAT.

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