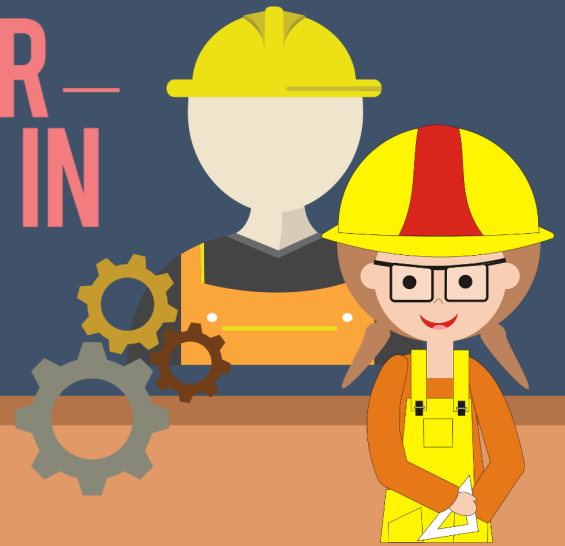


# THE SHADOW WORKER – UNDECLARED LABOR IN MACEDONIA



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The data presented below come from two methodologically identical population surveys, representative regionally and demographically, conducted in October 2014 (on 1116 participants) and May 2016 (on 1097 participants) in Macedonia.

Often words such as "shadow", "underground", "informal", "undeclared", "grey", and "unobserved" are interchangeably used with "hidden" to describe the same phenomenon. Although all these terms carry a negative connotation it must be noted that in the short to mid-term the hidden economy can aid societies and its population to recover from severe economic crisis or transition, for example, from socialist to market based economy. However, in mid to long-term it jeopardizes workers safety net, increases inequality, unfair competition and economic imbalances.



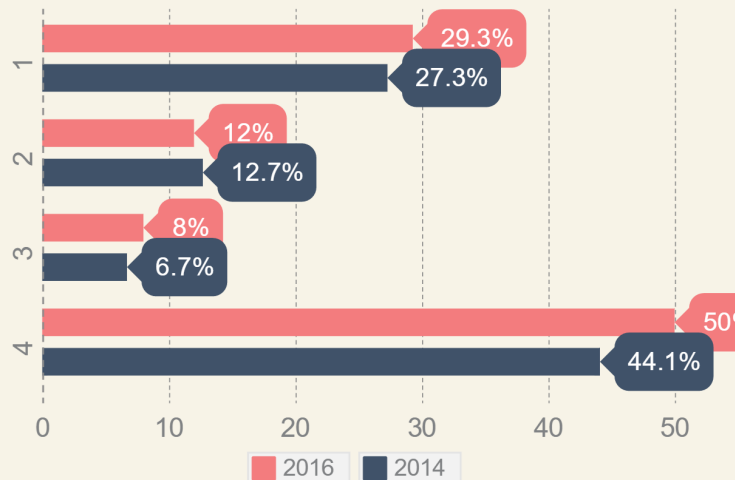
**1/2** Employment income of almost half the employees is partially or completely undeclared

Actual wage is higher than the contracted minimum wage

The minimum wage is the actual wage received

Actual wage is higher than contracted wage

Actual wage is the same as the contracted wage.



What is the wage amount on which your social security contributions are being paid?

**9%** of the employees work without a contract for their primary employment (a rise from 7% in 2014), and are not being paid any social security contributions whatsoever



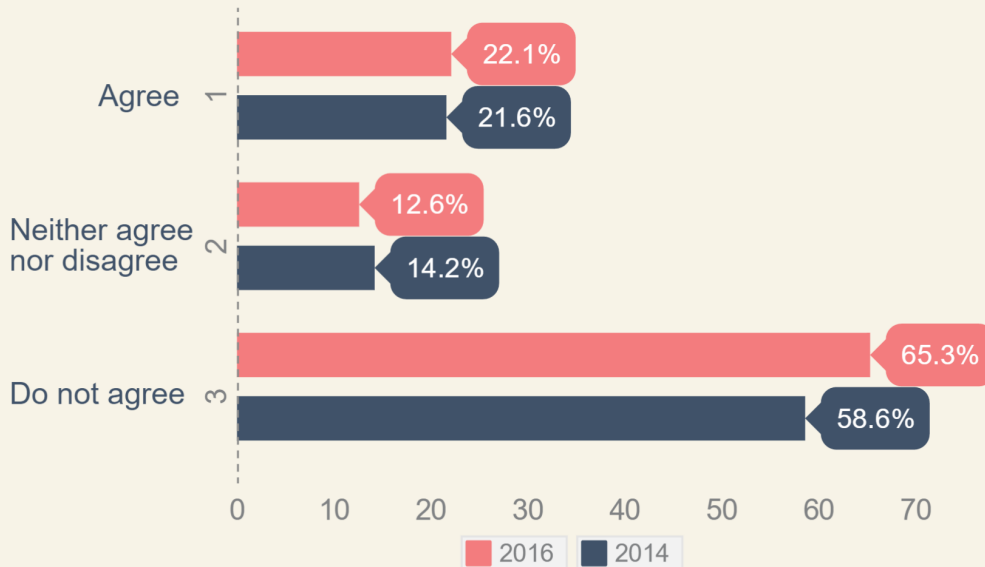
**90%** Around 90% of the employees with secondary / additional occupation (including the self-employed) work without a written employment contract

% of employees working with a written job contract



1/5

Every fifth respondent would rather be an undeclared worker with a higher wage, than a declared one with a lower wage. However, more people disagreed with this statement in 2016, compared to 2014



In 2014, respondents from lower income households were more likely to hold an opinion that they would rather be undeclared worker with a higher wage than a declared one with a lower wage. In 2016, the differences among households with different income levels with regards to the statement were much smaller.

