

**MUTUAL LEARNING PROGRAMME:  
PEER COUNTRY COMMENTS PAPER - SERBIA**

The position of the young in the labour market in Serbia

Peer Review on “Project Learning for Young Adults: A social integration programme helping young people back into work and education”

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# 1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

*This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on Serbia's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.*

According to the Statistical Office of the Republic of Serbia, 1,842,149 individuals were employed in July 2009 in Serbia, of which 1,410,511 were in enterprises, institutions, cooperatives and organisations and a further 431,638 were private entrepreneurs, self-employed persons and their employees. Compared to the previous month, employment decreased by 0.18% (or 3,157 individuals) and compared to the same period of the previous year employment decreased by 7.85% (or 156,741 individuals).

The official registered unemployment rate in July was 26.72 %. By the end of August 2009, 747,456 unemployed individuals were on the unemployment register, of which 399,171 (53.40%) were women. Unemployment decreased by 1.22% (or 9,206 individuals) compared to the previous month. In August 2009, there were 35,040 newly registered unemployed, of whom 15,923 were first time job seekers and just over 50% of these were women. The remaining 19,117 individuals had previously been employed (for more information, see [www.nsz.gov.rs](http://www.nsz.gov.rs) ).

Even though elementary education has been compulsory in Serbia since 1958 (General Law on Education), the last Census from 2002 showed that 21.9% of the population over 15 years of age had still not completed elementary school and 23.9% of the total population over 15 years of age had completed only elementary school. The most recent data on poverty in Serbia (preliminary results of the Living Standard Measurement Survey from 2007) indicates that 71.3% of the poor in Serbia are those who have not completed elementary education or who have completed only elementary education. Faced with a total of 350,000 illiterate individuals and 1,500,000 individuals with only elementary level education, Serbia still has no adult education model which would adequately address this problem. One additional fact is that a large number of unemployed individuals with secondary and higher education do not have relevant the competences and skills for the jobs at the qualification level they occupy. The duration of unemployment has a significant impact on the loss of competences (currently 28% of jobseekers are unemployed up to 1 year, 20% for between 1-2 years and 50% are unemployed for more than 2 years).

Young people are significantly more likely to be unemployed and have lower employment and participation rates than the labour market average. Unemployment rates among young people (April 2009) by age group were: 40.7% among those aged 15-24 years and 20.4% among those aged 25-34 years. Unemployment rates among young people under 25 years of age are almost three times higher than the average, while the unemployment and participation rates are around two and a half times lower than the average for all the age groups. With regards to the Roma population, approximately 61.9% have not completed elementary education and the average unemployment rate for the group stands at over 60%. Among Roma people in employment, 90% work in unskilled jobs and this group makes of over 50% of the total beneficiaries of social assistance.

The position of Serbia in relation to youth unemployment is unfavorable in comparison to not only developed countries but also developing countries. On the other hand, due to greater flexibility and lower salary expectations (i.e. the minimal salary they are willing to work for), young have people have an equal chance of finding temporary or informal employment compared with other age groups.

Among the group of young unemployed people, early school leavers are a particular sub-segment. Roma people are most represented among this group, along with children and young people with disabilities and children and young people from rural communities. These groups of young people qualify as adult learners for the purposes of labour market and training policy.

The existing system of adult education is aimed at those over 15 years of age, where they complete two grades in the course of one school year. The educational programme offered to adults is inadequate and replicates an educational programme aimed at children and reduced by 50%. The programme's quality is further undermined by the insufficient preparation of teachers to work with adults, as well as extremely limited resources, particularly with regards to the use of inadequate textbooks and learning materials. The schools for adults have outdated equipment, inadequate educational materials and textbooks for adults are not available. Moreover, some schools for adults do not have a clear legal status as they have been working as a part of other institutions (workers or community universities), which are not under the jurisdiction of the Ministry of Education. According to the current Law on Elementary Education, which sets the basis for the functioning of these schools, students should not be younger than 15.

On the other hand, in the last few years there has been a noticeable decline in children's enrolment in secondary schools, which shows that there is capacity in these schools to work with adults in the implementation of the project of functional elementary education of adults (FEEA). Since 2004, with funding from the EU through the CARDS Programme of Reform of Secondary Vocational Education (2003-2005), capacity building for work with adults was supported in a number of secondary vocational schools, especially in five regional training centres (Bor, Beograd, Kragujevac, Nis and Zrenjanin). The fact that there is no adequately defined mode for acquiring secondary vocational education and training for adults is a problem. According to the current legal framework, if someone who is older than 17 wants to attend secondary school, they have to wait until the start of the school year and pass an entry exam, after which they can attend one of the schools available to them on the basis of test results and academic record. Even though the Constitution states that secondary education is free of charge, adult starters have to pay for it. The curriculum is the same as for children and there is no regular organisation of lessons, only individual consultation with students. Adults have to pass an exam for each year without taking into consideration their previous experience; this is a prerequisite for starting the subsequent year.

## 2 ASSESSMENT OF THE POLICY MEASURE

### ***General policy measures to reduce youth unemployment (point from National Employment Services)***

The Government of Serbia carries out a number of active employment policy measures, some of which are relevant to unemployed young people. The goals and priorities that are directly focused on the sustainable increase of employment and which are included in the National Employment Action Plan for the period 2006-2008 are outline below<sup>1</sup>:

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<sup>1</sup> National Action Plan for Employment for the period 2006-2008 (Official Gazette the Republic of Serbia, No. 45/06); National Action Plan for Employment for 2009, March 2009

- The reduction of unemployment, the increase of competitiveness, the moderation of differences between regional labour markets, as well as the moderation of differences between labour markets in the Republic of Serbia and the EU;
- The increase in the scale and type of active employment measures (programmes to support to self-employment, creation of new jobs, additional education and trainings, public work programmes and other programmes in accordance with the law), transformation of passive measures to active measures of the labour market, support to professional and geographical mobility, understanding of the long-term needs of the labour market with special focus on unemployed youth;
- Resolution of the legal position of redundant employees, promotion of the adaptability of workers and companies to changes, improvement of the labour force supply through programmes supporting continuous education and training, including the increased participation of marginalised groups;
- Improvement of social dialogue and the effectiveness of social-economic councils and local councils for employment, active participation of promoters of social, educational, tax, economic, regional and other policies towards the creation of conditions for the increase of employment;
- Decentralisation and modernisation of work in the National Employment Service.

The system of measures aimed at increasing the youth peoples' chances in the labour market, initiated by National Employment Office, includes different forms of additional education and training such as programmes for volunteering, internships and stages, as well as developing knowledge and skills. The goals of these measures are to:

- Increase the youth employment rate within the 15-24 age group to 20 % in 2010.
- Decrease the gap between the youth unemployment rate among those aged 15-24 years and the general unemployment rate to 2:1 in 2010.

In 2009, the government plans to adapt the Action Plan for the Employment of Young People, implement the activities that are proposed in the National Strategy for Youth and implement the Project "Supporting of promotion employment of youth and leading of migration".

Currently, in Serbia, there are no appropriate means to encourage adults to return to the education system, i.e., adult education schools do not offer a motivating curriculum that is adjusted to this age group. The system also lacks a developed mechanism that is sensitive enough to recognise the educational needs of different groups of adults. In the last 15 years many literacy and adult training programmes were developed, however they were not systematically implemented. Programmes were mostly implemented outside of the system, which has become "the black market of education". Results of these unofficial programmes were not available and it is not possible to draw conclusions about their quality, as these kinds of diplomas and certificates were not recognised on the market. Although some progress has been achieved, due to the scope of illiteracy and the lack of education it is difficult to identify more efficient options other than those aimed at enabling the adult education system to engage in a long-term process of resolving the issues of illiteracy, low educational attainment, raising professional competences and improved the quality of education.

The Strategy for the Development of Adult Education was adopted in December 2006 and includes the reform of elementary and VET education for adults as one of its key priorities. The model suggested recommends formulating a curriculum that is adjusted to the needs of society and to the educational needs and interests of adults. This Strategy and the Strategy for VET Development (2006) proposed a number of measures which could support adults

and early school leavers to return to education or to participate in different courses and training organised by the National Employment Service, VET schools or Regional training centres.

### 3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

Within active labour market policy measures, priority is given to particular at risk groups, specifically: young people, older people, people with , women, members of ethnic minorities (especially Roma people), long-term unemployed individuals, returnees, refugees and internally displaced persons, employees who have been made redundant, and people with specific social needs. Young people are primarily included in education and training programmes, i.e. the financing of occupational freelance work, and self-employment incentives. Employers can also obtain subsidies and tax and social security relief for offering jobs to unemployed young people.

In 2007, the National Employment Service (NES) organised training for about 12,000 unemployed individuals out of a total of 450,000; as such less than 3% of the unemployed were involved in training.

The VET system <sup>2</sup>does not adequately serve the labour market in Serbia and skills mismatches exist. VET schools only play a marginal role in continuing education and training. The labour market is still in transition and the communication systems between the world of work and the world of education have not yet been properly established. The efforts to develop a national qualification system have created a productive framework for a stronger social dialogue on skills issues and build bridges between employers and the VET system. An added emphasis on curriculum development and delivery should reflect the longer term need for broader key competences.

Policy-making in Serbia tends to be too supply driven and sector-based and would profit from better coordination of strategies between economic, trade, employment, social and educational policies<sup>3</sup>. A functional and integrated view on VET and adult learning as central instruments for achieving overall national development goals would be an important stimulus for the education sector.

The Ministry of Education (MoE) started to set up pilot regional training centres based on existing and dynamic VET schools with the support of CARDS. As yet only 5 regional centres are in place and have limited capacity<sup>4</sup>; a further 3 new centres are planned to open soon. However, evaluation shows that this experience is promising, particularly in terms of the close cooperation mechanisms set up between schools and companies for the design and implementation of targeted courses. Five VET schools were supported to function as RTCs for VET. These RTCs for continual education provide a good basis for key support to schools in the surrounding area and other institutions and organisations that cooperate in researching labour market needs, building modules for short trainings focused on labour market needs and following-up with and evaluating training participants. The RTCs are also places where the interests of different social partners meet (companies, the NES,

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<sup>2</sup> ETF COUNTRY REVIEW OF HUMAN CAPITAL DEVELOPMENT IN SERBIA, October 2009

<sup>3</sup> As of 2009, the Government starts the reform of the Central Policy Coordination (CPC) function.

<sup>4</sup> A report made in the context of the CARDS programme in November 2007 about evaluation of the 5 Regional Training Centres showed 1500 participants between March 2006 and October 2007.

Chambers of Commerce, the local community, NGOs, etc.). The methodology used in producing short training modules for adults and conducting outcome oriented education evaluations will be adapted and utilised for this project.

## 4 QUESTIONS

- What should be done by national authorities (ministries and other governmental institutions) to support young people who left school to get back into education?
- What should the role of VET schools be in continuing education and training?



## ANNEX 1: SUMMARY TABLE

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| <b>Labour market situation in the Peer Country</b>   |
| <ul style="list-style-type: none"> <li>• Unemployment rates of young people (based on April 2009) by age group were: 15-24 (40.7%), 25-34 (20.4%).</li> <li>• One additional fact is that a large number of unemployed individuals with secondary and higher education do not have the relevant competences and skills for the jobs at the qualification level they occupy. The duration of unemployment has a significant impact on the loss of competences; currently 28% of jobseekers are unemployed up to 1 year, 20% for between 1-2 years and 50% for more than 2 years.</li> </ul> |
| <b>Assessment of the policy measure</b>  |
| <ul style="list-style-type: none"> <li>• Increasing the youth employment rate among those aged 15-24 years to 20 % in 2010.</li> <li>• Reducing the gap between the youth unemployment rate among those aged 15-24 years and the general unemployment rate to 2:1 in 2010.</li> <li>• There are plans in 2009 to adapt the Action plan for employment of young people, implement activities which are proposed in National Strategy for Youth and implement the Project – Supporting of promotion employment of youth and leading of migration.</li> </ul>                                 |
| <b>Assessment of success factors and transferability</b>   |
| <ul style="list-style-type: none"> <li>• Currently, in Serbia, there are no appropriate means aimed at encouraging adults to return to the education system, i.e., the adult education schools do not offer a motivating curriculum adjusted for this age group. The system also lacks a developed mechanism that is sensitive enough to recognise educational needs of different groups of adults.</li> </ul>   |
| <b>Questions</b>   |
| <ul style="list-style-type: none"> <li>• What should be done by national authorities (ministries and other governmental institutions) to support young people who left school to get back into education?</li> <li>• What should the role of VET schools be in continuing education and training?</li> </ul>   |