



Employment and Social Affairs Platform

Peer review workshop on youth employment programmes

Report on Serbia

Prepared in May 2018

SERBIA

The youth labour market in the Republic of Serbia is characterized by high youth (15-29) unemployment rates (over 30 per cent); long unemployment spells (the youth long-term unemployment rate is around 50 per cent); irregular employment (with 12 per cent of the youth population in either self-employment or paid employment with contract of less than 12 months); and widespread skills mismatch (with over 18.8 per cent of young workers being overqualified for the job they do). Educational attainment pays in the labour market, with highly educated youth more likely to experience shorter transition from school to work and to find a stable job compared to young people with secondary education or less (11.7 and 24.3 months, respectively).

Table 1: Total number of young NEETs, by labour market status and sex (2016, annual data, thousands)

	Total	Women
Total NEETs (15-29)	267,563	142,791
Unemployed (LFS), 15-29	147,120	67,677
Registered with the NES, 15-	113,049	54,286
Inactive, 15-29	120,443	75,114

Source: Labour Force Survey, 2016

1. PES ALMPs Targeting Youth

Since 2013, the National Employment Service (NES) has been implementing a *Youth Service Package*. This package includes: (i) employability assessment, (ii) the development of an individual employment plan (IEP), and (iii) job matching or participation to active labour market measures that may contribute to labour market entry (vocational guidance and career counselling, traineeship, entrepreneurship skills development, functional primary education programmes, vocational training). An impact evaluation conducted in 2016 revealed that this service line did not improve service delivery to unemployed youth compared to adults.

The country has a fairly developed portfolio of active labour market programmes aimed at supporting individuals back to the labour market. Most labour market integration measures are available to all jobseekers registered in the live register, rather than specifically targeted to youth.

Further education and training

The *Functional elementary education of adults* is the only second chance programme currently implemented by the NES. The programme targets unemployed individuals without primary education and it leads to a recognized qualification that gives access to further formal education.

The NES offers three main types of vocational training programmes, none specifically targeting youth. The programme *Labour market training* provides unemployed clients with theoretical and practical training to carry out the tasks of an occupation. In 2015, approximately 43 percent of all participants were young people (up to 30 years of age) while 7 percent were over 50. The *Training at employer's request* is offered to enterprises that have a vacancy that cannot be filled from the pool of registered unemployed. The partner enterprise has an obligation to retain the worker at the end of the six month training programme. In 2015, 56 percent of all participants were young unemployed, mostly with secondary educational attainment (70 per cent). The programme *Acquisition of practical skills* is the only vocational training programme targeting unskilled unemployed. It follows the design of a training programme piloted under the aegis of the *Youth Employment and Migration* Project, funded by the MDG Fund, but it obliges partner enterprises to recruit trainees at the end of the training. The NES is currently facing difficulties in the organization of the scheme: in 2015 only 67 unemployed individuals attended the programme (and 36 per cent were young people).

Employment and self-employment

The country has a lump-sum subsidy for the opening of new jobs for, among others, youth with low qualifications, long-term unemployed, children of fallen soldiers and without parental care. The subsidy ranges from 150,000 to 300,000 RSD, depending on personal characteristics and level of development of the geographical area of residence. There is also a more generalized subsidy (75 per cent discount on social security contributions) for employers recruiting jobseekers who have been registered for at least six months.

The NES also offer self-employment and business start-up schemes that include business training and a non-refundable grant (ranging from 180,000 to 220,000 RSD according to individual characteristics). Young people have priority access to the scheme. The promotion of youth entrepreneurship is highlighted as a specific set of activities within the National Employment Action Plan (NEAP). These activities include training programmes, mentoring, social entrepreneurship, support to disadvantaged groups and funding mechanisms. No specific line of funding, however, has been set aside for this purpose.

Apprenticeship

Apprenticeship schemes leading to formal, recognized qualifications are not currently available in the country.

Traineeship

The NES offers a traineeship programme (*Practical practice*) targeting young unemployed with secondary and tertiary educational attainment and no work experience. The traineeship last usually up to one year and provides young people with the experience required to take the public exam for carrying out

the chosen occupation. Young people are entitled to an allowance (different according to the level of initial education) and insurance against accidents. The practice may take place in private companies, public sector enterprises (health, education and social protection) as well as in civil society organizations. The programme does not lead to a recognized qualification.

2. Activities of other Institutions Promoting Youth Employment

Ministry of Economy is currently implementing the *Decade of Entrepreneurship* programme encompassing various initiatives aiming at developing an entrepreneurial spirit, particularly among the youth, training, professional development, training, employment support as well as professional advisory services in order to improve one's business.

<http://privreda.gov.rs/program-decenija-preduzetnistva/>

Ministry of Youth and Sports

Enhancing youth employability and improving the conditions for their employment was set as the key strategic aim of the Ministry of Youth and Sport from 2014. Hence, the Ministry organised different activities and funded projects to develop services and mechanisms for youth employability and employment promotion through cross-sectoral cooperation, with a view to stimulating different forms of youth employment, self-employment and entrepreneurship.

<http://www.mos.gov.rs/vesti/omladina-konkursi-kategorija>

Ministry of Agriculture

The Ministry of Agriculture offers support to young farmers through a national programme as of last year. In 2017, 677 young farmers were supported in the value of approximately EUR 3.8 million. This programme, however, considers youth up to the age of 40.

<http://www.minpolj.gov.rs/nedimovic-667-resenja-za-mlade-poljoprivrednike/>

Development Fund of Serbia

The Development Fund of Serbia offers various credit lines to support the establishment or development of business in Serbia.

<http://www.fondzarazvoj.gov.rs/>

Ministry of Education



The Ministry of Education supports various activities of researchers, in particular, it financially supports innovators and innovation.

<http://www.mpn.gov.rs/konkursi-i-javni-pozivi/tr-konkursi/>

3. ALMP Evaluation

The first net impact assessment was commissioned by the Government in 2016 (traineeship and acquisition of practical skills). The analysis showed that the traineeship programme targeting university graduates had no impact on participant's labour market outcomes two years after participation. Conversely, the programme *Acquiring practical skills* targeting low skilled youth had a statistically significant impact on employment and active job search. Prior evaluation exercises showed that both *Labour market training* and *Training on request of an employer* had significant impact, but with substantial creaming and deadweight effects.