



STUDY ON  
**YOUTH  
EMPLOYMENT**  
IN  
**SERBIA**

good.  
better.  
regional.

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## LABOUR MARKET DATA-METHODOLOGY NOTE

All labour market data in the RCC ESAP Youth Employment Study, Serbia Annex are for the 15-24 age bracket for youth and the 15-64 age bracket for the general population, unless it is specifically indicated that the data presented are for a different age group. The source of data is indicated in notes to the individual figures; where the source is indicated as the [RCC ESAP Observatory](#), the data are from the Statistical Office of the Republic of Serbia (LFS data), the National Employment Service (NES) of Serbia or EUROSTAT, unless specifically indicated otherwise under the figure and/or at the RCC ESAP Observatory.

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# Abstract

This Chapter outlines the nature and challenges of the youth labour market in Serbia, among which the lack of job opportunities, a lack of support for youth entrepreneurship, the prevalence of precarious employment of youth, poor educational provision and lack of infrastructure and teaching materials at secondary vocational education and training (VET) schools (attended by three quarters of upper secondary school pupils) leading to a mismatch of skills with labour market needs, and a revolving door of internships and a difficult transition from higher education to work of university graduates as well as the prevalence of informal channels of finding a job have been identified as key factors holding back the integration of young people into the labour market. The Serbian youth labour market is characterised by high level of youth unemployment, large gender gaps in labour market participation and employment especially for the less well educated youth, and a high share of part-time and temporary jobs creating a precarious situation for young people. The Annex analyses the existing youth employment measures that have been adopted by the government, showing that many existing measures are relevant to the creation of a

Serbian Youth Guarantee, but need to be scaled up and given a major and game-changing financial boost. The Annex has mapped the main dimensions of the “neither in education nor in employment or training” (NEET) phenomenon and made suggestions how policies towards NEETs could be improved. It has also identified the capacity issues in the main agencies that are responsible for implementing youth employment policies. A comprehensive set of labour market policy measures has been outlined, building on European Union (EU) policy approaches to the Western Balkans and policy recommendations. A roadmap has been developed, tailored to local circumstances, to implement a Youth Guarantee in Serbia to ensure that no young person is left without a job, or a place in education or training for more than four months after leaving school or university. While this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Youth Guarantee Implementation Plan for Serbia. The implementation of a Serbia Youth Guarantee would make a significant contribution to eliminating social exclusion experienced by many young people living in Serbia today improving their well-being and future life chances.



# 1 INTRODUCTION

The Serbian economy has experienced a remarkable recovery from the global financial crisis of 2008/9 which severely hit the economy at that time. By providing incentives to foreign investment, the economy has attracted a substantial amount of new investment in greenfield sites and in Free Zones where foreign companies have privileges as a part of business friendly environment. This has generated a substantial increase in employment in recent years. However, young people have not yet benefitted from this recovery and youth unemployment rates remain stubbornly high, although falling until the COVID-19 pandemic brought the recovery to a halt. The government has introduced innovative measures to support the economy, involving wage subsidies to the business sector to maintain employment. At the same time the Employment Strategy which has guided employment policy over the last decade has come to its end and new Strategy has been developed and adopted. This is an opportune moment to revisit youth employment policy and to engage with the Economic and Investment Plan for the Western Balkans and its flagship priority to introduce Youth Guarantee scheme to the region.

Most unemployed people have been searching for steady employment for more than six years. All regions around Belgrade show high unemployment rates, apart from the Belgrade area whose large population and centralisation have created a separate economy from that of the rest of Serbia. In conjunction with the fact that Serbia has an ageing population, most

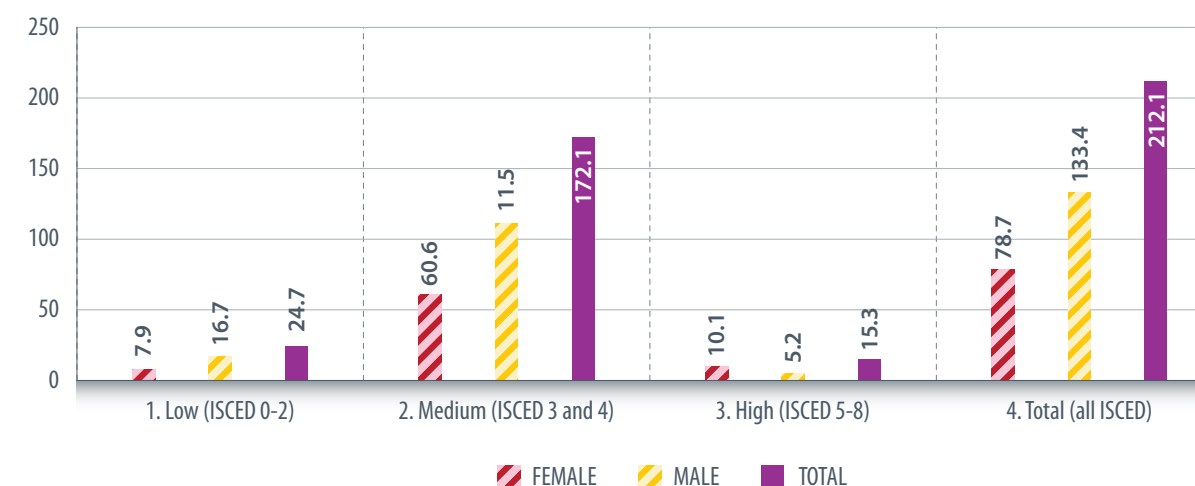
unemployed people are older workers who have experience but who have been unable to find work for some time, thereby discouraging them from participating in the active labour force. This creates downward pressure on youth employment as there is a surplus of older workers who may be more attractive to employers due to the experience and training they possess.

## 1.1 Youth in the labour market

In 2020, Serbia had a population of 6.9 million of which just over one in ten (10.4%) was aged 15-24 and one in six (16.5%) was aged 15-29 years; these are similar proportions to the EU-27.<sup>1</sup> Serbia has an ageing society, as the share of youth aged 15-24 in total population has declined from 12.5% in 2009, a fall that is similar to that in the EU-27.

In 2019, the youth labour force, either in work or seeking work, amounted to 212 thousand young people aged 15-24 years, of whom 133 thousand were young men and 79 thousand young women (see Figure 1). Most of these had a medium level of education having completed upper secondary schooling. Most of the employed youth had a medium level of education and had not attended university; unemployed youth had a similar profile. The unemployed youth are most likely those who have attended VET school and have been unable to find work with the skills they had

Figure 1: Labour force 15-24 age group by gender and educational level, Serbia 2019 (thousands)



Source: World Bank Jobs Gateway in Southeastern Europe, online data

available to them; students who graduate from grammar schools (gymnasias) typically continue their studies at university.

The labour force participation rate of young people (the activity rate) was just 29.7% of the working population in 2019. There is a large gender difference in the activity rate of with 36.2% of young men being active compare to just 22.7% of young women (see Figure A1 in the appendix). This gender difference is most pronounced among those with low or medium education: the activity rate of young men is 52.9% whereas for young women it is just 32.5% (the activity rate of all medium educated youth

is 43.3%). The gender difference disappears among highly educated young people, whose activity rate is 61.2%, compared to an activity rate of just 8.4% among low educated youth (although it should be noted that the absolute number of both high and low educated young people in the labour force is much lower than

### 2020 UPDATE

In 2020, the youth activity rate declined to 28.3%, the gender gap remained almost the same as in 2019. The activity rate of young men was 35.1%, while for young females the rate was 21.1% in 2020.

### 2020 UPDATE

In 2020, there was a decline in overall youth employment rate in Serbia to 20.8%, where the employment rate for young females fell to 14.9%, while for young males the rate decreased to 26.3%.

the medium educated group – See Figure 1).

The youth employment rate increased slightly over the three years from 2017-2019, remaining at a very low level of just over one in five of the

1 Eurostat online data.

### 2020 UPDATE

The decreasing trend of youth unemployment rate continued in 2020, with the unemployment rate equal to 26.6%. In 2020, for young females, the unemployment rate was equal to 29.5%, while for young males the rate was 25.0%.

15-24 age group in the labour force; in 2019 it was 21.5%, far below the overall employment rate of 60.7% (see Figure 2). The employment rate for young men is higher than for young women; in 2019 it was 26.8% for men and 15.9% for women (see Figure A2). Just as with the activity rate the gender differences are concentrated among the low and medium educated. The highly educated had a higher employment rate than the medium educated (43.0% versus 32.3%), while few low educated young people had a job, with an employment rate of just 5.1%. The youth unemployment rate has been falling

in recent years, but at 27.5% is still very high (see Figure 2); over one quarter of the labour force of 15-24 years are out of work and looking for a job. The youth unemployment rate is almost three times the overall unemployment rate. On the positive side, there is little gender difference in youth unemployment rates, and also no marked differences between educational groups in their average unemployment rate.

One in ten young people are self-employed, either as entrepreneurs in the sense of setting up a business as an entrepreneur capable of creating jobs for others or in the more traditional role of craftsperson, working on their own account as a sole trader or a farmer. The highest share of self-employment is found among the less educated and medium educated youth, of whom 22.4% are self-employed, mainly young men.

When young people do find work, it is often in precarious jobs that are either part-time, temporary or both. Some 13.2% of youth aged 15-24 have a part-time job; youth with a low level of education are three times more likely than others to have such a job (see Table A5). Young people are also adversely affected by

temporary employment, with more than half (54.7%) having a temporary job (See Figures A4 and A5). These forms of precarious employment are broadly based, with little difference between education levels or gender. This suggests that youth employment policy should seek to support a greater proportion of young people into permanent, more secure, job positions.

## 1.2 COVID-19 Pandemic

The COVID-19 pandemic has slowed or suspended the process of finding gainful employment and has hindered professional training. Some companies have stopped working, and the youth who worked in service industries have been the most affected. The recovery from the pandemic and reopening of training facilities are a precondition for improvement. The coronavirus has also had an adverse impact on youth education, requiring students to attend online classes and removing pathways by which university students may enter the labour force and acquire workplace competencies.

- ▷ All institutions of higher education in Serbia carried out the second semester of the 2019-2020 academic year online.
- ▷ Final year students have also been deprived of their internships as well as being able to participate in student activism and organisations.

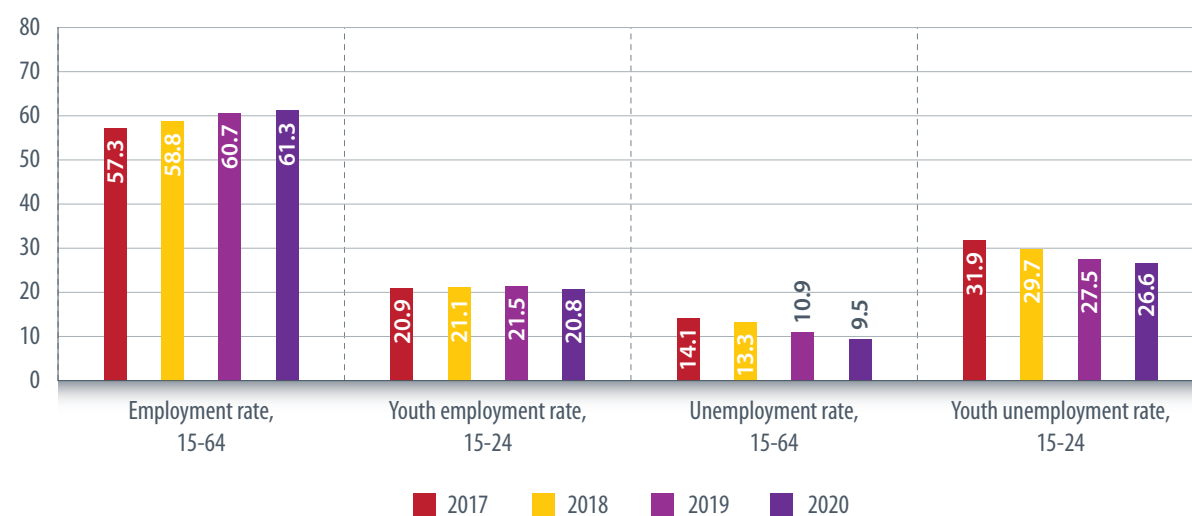
This academic and social deprivation is likely to prolong the transition of youth into the labour market, through the necessity of additional forms of training and education.

Due to the coronavirus, it is also expected that there will be a return of emigrants which may increase unemployment and put downward pressure on wages in the private sector.

The government has introduced several measures that aim to support the economy. The first set of measures introduced in March 2020, involved a deferral of payment of taxes and contributions on salaries.<sup>2</sup> A second set of measures aimed to support jobs in small and medium enterprises (SMEs) was introduced in May 2020. Direct financial assistance was given to entrepreneurs in the private sector who run SMEs in the form of payment of the minimum wage for employees, and 50% of the minimum wage for employees of large companies. This direct job subsidy aimed to preserve employment during the lock-down introduced to combat the pandemic. The cost was estimated to be about 1.8% of GDP and was applied to 232,000 companies employing over one million people. A third set of measures was introduced in March, which involved €2.2 billion of loans for SMEs registered with the Development Fund, backed up by guarantees for commercial loans to maintain company liquidity. A fifth set of measures<sup>3</sup> introduced at the end of July reduced the job subsidy for SMEs to 60% of the minimum wage and continued to postpone the payment of taxes and contributions for a further month. It also introduced the "My First Salary" project which involved a payment of RSD 20,000 to employers who take on a graduated high school student for nine months and RSD 24,000 for taking on a university graduate.

As of 30 June 2020, the Government had committed cash support to enterprises and individuals in the amount of 11 per cent of GDP. Around €950 million were allocated to employment retention subsidies for March, April

Figure 2: Labour market performance indicators, Serbia 2017-2020 (%)



Source: [Observatory on employment in the Western Balkans](#), RCC's ESAP 2 project

<sup>2</sup> See RCC Employment Observatory Public Policy Tracker: <https://www.esap.online/observatory/measures/6/socio-economic-measures-for-the-coronavirus-crisis-in-serbia>

<sup>3</sup> The fourth set of measures involved distributing one hundred euros in local currency to all adults in Serbia who applied for it.











Table 2: Summary of youth employment policies

Policy area	Measures targeted at youth	Non-targeted measures available to youth <sup>12</sup>
Joined-up policymaking and implementation involving multi-agency work	National Employment Strategy	National Employment Strategy
Wage subsidies, social insurance relief, and tax incentives for employers who take on young people	My First Salary	
Subsidies for employment of unemployed persons from hard-to-employ category, which include youth up to 30 years of age - without qualifications/ with low qualifications, youth in institutional care, foster families and guardian families		
	National Employment Action Plan	
Employment through public works	National Employment Action Plan & Youth Service Package	..
Vocational training programmes for inactive and unskilled youth, including developing digital skills	National Employment Action Plan & Youth Service Package	..
Work-based training	National Employment Action Plan & Youth Service Package	..
Reimbursement of employers' costs for internships and work experience placements	National Employment Action Plan & Youth Service Package; Internship Programmes for Youth with Higher Education and for Youth with Secondary Education	..
Youth entrepreneurship programmes	National Employment Action Plan& Youth Service Package; National Youth Strategy; Impact Hub Belgrade	..
Assistance to self-employed youth	National Employment Action Plan& Youth Service Package; National Youth Strategy	
Career guidance and counselling implemented continuously by NES	National Employment Action Plan& Youth Service Package	National Employment Action Plan

<sup>12</sup> In some of the general measures which are part of the National Employment Action Plan and which have been implemented in 2020, youth have had priority in obtaining the benefits of the program, based on their previous working experience and other criteria that are applied in a certain program. Programs are planned on the annual basis within the National Employment Action Plan. Depending on qualifications and work experience, youth can be included in all available measures implemented by the NES including public works, and in some measures and programs, youth have a priority.

### 3 MAPPING THE SITUATION OF NEETS IN SERBIA

According to the Council of the European Union, youth unemployment combined with limited access to education and training can have a scarring effect, increasing the risk of future unemployment, reducing future earnings and increasing the risk of poverty (Council of European Union, 2020). Young people neither in employment, nor in education or training (NEET) run the risk of falling out of the labour market entirely. A major obstacle hindering the improvement of NEETs position is that there is a severe lack of trainers, who are able to assist them as well as individual counsellor who are needed to work with them. Moreover, unregistered NEET have sense of helplessness and do not expect any government agency to assist them. They also lack of the soft, social skills to attend interviews and training procedures. NEET is not a socially categorised group within the government policy framework of Serbia. While it is acknowledged and analysed statistically, most policies favour a general rise in employment for youth as opposed to specific measures targeting NEET. Therein, according to the NEAP, youth are officially considered to be a “hard-to-employ” group, and those up to 30 years of age, regardless of whether they are NEET or not receive special consideration and compensation within Serbia’s Employment Action Plan as do those who are long-term unemployed and those low or lacking qualifications, which NEET may fall under. The NEAP generally proposes further training be

provided through government sponsored initiatives with private or public firms in order for NEET to acquire real-world experience and work-related training. The NEET rate for 15-24 year old in 2018 was 16.5%, and in line with economic growth that Serbia enjoyed between then and 2020, the NEET rates have been declining. In 2019, the NEET rate was 15.3%, it slightly increased to 15.9% in 2020, and then further declined to 14.1% in the first quarter of 2021.<sup>13</sup> The NEET rate has not increased during the first six months of the COVID-19 pandemic, perhaps indicating the success of the government’s job retention measures. Given the total population of 15-24 year old in Serbia, a NEET rate of 14.1% implies that the total number of NEETs is 102,500, which is a sizeable number. The NEET rate varies primarily by the level of education and not so much by gender: both young men and young women are equally affected by this phenomenon. As can be seen in Figure 4, the NEET rate is high among medium educated who have a NEET rate of 18.2%. NEETs who have a medium level of education have graduated from upper secondary education. Since most of the students who studied at the elite gymnasiums (grammar schools) proceed to university, the unemployed school leavers are for the most part from VET schools. The relatively high rate of these NEETs indicates that there is a challenge with secondary VET education, with its ability to provide young

<sup>13</sup> The NEET rate is defined by the ILO and Eurostat as the share of the relevant age group (here 15-24) not in employment, education or training divided by the total population age group.



between the Centres for Social Work and the NES. For the 19-24 age group who have graduated from VET school, short-term booster training courses should be provided in skills that are required by the labour market in partnership with employers and vocational training centres. For the 25-29 year age group, careers advice and job-search counselling services should be provided by NES and as well as business start-up advice and loans for those with a viable business plan. NEETs should be engaged in local projects in collaboration with business representatives and youth organisations.

There should be a labour market analysis of the need for competencies so that educational institutions can offer educational profiles that match the labour market demands and provide practical approaches to equipping students with relevant skills.

Parental benefits should be provided for young women who are caregivers in the home and who may require childcare services or other care services to assist them in leaving the home in pursuit of work. This should be done through flexible programmes where such women receive government subsidies and flexible working hours to achieve a satisfying home-work balance as they transition to the labour market.

Youth and NEETs who have physical or cognitive disabilities demand to be active members in the labour market and want to be capable of full employment or education but may be hindered by a lack of transport infrastructure and assistance to address the needs they may have that would allow them to do so. The visually or hearing impaired are able to participate in the labour market, but generally need added permissions to work from home or other software that will allow them to function within a business or learning environment. Until these are fully provided, through public private partnerships, any single person facing a disability will also face a hurdle to live a normal

life. NGOs and other charity organisations and associations that aim to assist those with disabilities should be consulted, and research should be conducted in order to provide better assistance to them.

The centralisation of Serbia has been a long-standing issue. Those who live outside Belgrade are more likely to be unemployed, and those who live in depopulated areas have to rely on governmental resources. Few youth and NEETs are affected as these areas tend to have an older age profile than the main urban areas. Nevertheless, youth offices should also be organised in these areas to support and engage young people in local projects and activities which could also provide these regions with the infrastructure and social support that they need.

Tangible (monetary) benefits should be introduced to encourage young people to register with the NES under the condition that they attend counselling programmes. The budget allocated to NEETs needs should be increased for programmes to encourage training in soft skills to become employable.

It is expected that the Labour Law will be amended in 2021 to (i) reform contracts on temporary and part-time jobs to assist young job seekers, (ii) prevent abuse of the provisions of the law through legal loopholes and allow employers to rehire through new contracts on a 120 day-basis and (iii) strengthen workplace inspection for the enforcement of regulations. The newly adopted National Employment Strategy for 2021-2026 identified and tracks NEET needs. It is in line with NEET outreach measures proposed by the European Commission, key strategies could be implemented through prevention and early intervention, mapping and tracking NEETs as well as tailoring strategies and services to young people.

### 3.2 Tailored outreach mechanisms to identify and assist the most vulnerable NEET groups

The development of a future Youth Guarantee scheme in Serbia is predicated on an ability to identify and reach the group of unregistered NEETs and encourage them to register with the NES so that they can benefit from the envisioned Serbia Youth Guarantee. Lessons should be drawn from international experience especially that in the EU (Santos-Brien, 2018). For unregistered NEETs, dedicated youth outreach workers can be trained and deployed to identify and inform the marginalised youth, building up relationships with them over time. Mobile NES units can be deployed, especially in remote rural areas. A survey of marginalised youth should be carried out by a polling company to provide more detailed and granular information about the characteristics of different NEET groups and their social and economic situation, problem areas and intentions to engage with the labour market. In the EU, about 5% of young people who are NEETs have no intention of accessing the labour market, while others are inactive but would like to find work but do not know how to do so. It would be important to better understand the marginalised NEET groups so that support can be offered where appropriate and likely to achieve success. For marginal ethnic groups such as Roma, a mediator service can be especially important to engage with displaced and marginalised young people. Ex-prisoners and ex-offenders should be followed up by the probation service and offered enhanced support and training to re-

engage with the labour market. Young women who have children but wish to re-engage with the labour market are another group that should be offered enhanced support by the public employment service, in coordination with women's associations and NGOs and local community groups. Youth organisations play a particularly important role in providing information to unregistered NEETs, since they have already established channels of modern communication suitable to young people's communication habits (for example, attractive interactive web pages, social networks and electronic information systems).

Actively reaching out to NEETs by giving them a special status in the Serbian employment system that would allow them to receive mandatory guidance and career training while also receiving welfare payments for doing so could be a push in the right direction. It would allow NEETs to receive further training and skills which must be set up by the government through public private partnerships to better acquire and enhance the skills and knowledge to work or educate themselves. Guidance must also be given to youth before they graduate from secondary school or their tertiary education to assist them in understanding and entering the job market. Moreover, NEETs require more involvement within the community to further encourage them to be a more active part of it and be reintegrated, which may be done through the expansion of youth offices in number and in the services they provide. CSOs should be invited to conduct workshops in all regions of Serbia in order to better engage NEETs to apply for training programmes to enhance their skills and capacities. Conducting workshops and recording feedback from NEETs is instrumental at this stage to find new methods to conduct outreach programmes for them.



# 4 CAPACITIES TO IMPLEMENT YOUTH EMPLOYMENT PROGRAMMES

Regardless of any actual policy implementation within government bodies, ALMP has been severely underfunded. Serbia had originally pledged to set aside 0.4 to 0.5% of its national budget in the interests of employing NEET from 2011 to 2020. However, the total spent in ranged from 0.03% to 0.18%, falling far short of the initial plans.

## 4.1 National Employment Service (NES)

The NES, overseen by MoLEVSA, is a front-line agency in the fight against youth unemployment through its direct work with unemployed individuals. The NES provides services to the unemployed through its offices

Table 3: Overview of realized expenditures and expense of NES by programme structure in 2020

Programme	Planned (RSD)	Implemented (RSD)	% of implementation
PROGRAMME SUPPORT OF IMPLEMENTATION OF WORK FROM JURISDICTION OF THE NATIONAL EMPLOYMENT SERVICE	5.922.055.000,00	5.093.577.147,82	86.01%
PROGRAMME - EXERCISING RIGHT FOR UNEMPLOYMENT INSURANCE AND OTHER RIGHTS	12.861.445.000,00	11.934.199.441,80	92.79%
PROGRAMME - ACTIVE EMPLOYMENT POLICY	5.488.500.000,00	4.301.234.472,31	78.37%
TOTAL EXPENSES AND EXPENDITURES	24.272.000.000,00	21.329.011.061,93	87.87%

Source: National employment service (NES), 2020<sup>15</sup>

<sup>15</sup> [http://www.nsz.gov.rs/live/digitalAssets/15/15758\\_izvestaj\\_o\\_radu\\_nsz\\_za\\_2020\\_godinu.pdf](http://www.nsz.gov.rs/live/digitalAssets/15/15758_izvestaj_o_radu_nsz_za_2020_godinu.pdf)

throughout Serbia, through 34 regional offices and 120 local offices. In 2020, the NES provided services to 27,637 jobseekers (down from 32,639 in 2017). It has a staff of 1,611 of whom 542 service employers, giving a caseload of 51 jobseekers per counsellor.<sup>16</sup> This compares well with the average caseload in EU public employment services of 140, while the regional peer countries of Croatia and Slovenia have caseloads of 169 and 137 respectively. More than half (53.8%) of the registered jobseekers had an upper secondary education, 25.7% had only a primary education and a further 20.5% had a higher education. However, advisors in local NES branches have limited experience in working with NEETs. When individual counsellors within NES were interviewed about their experiences with youth, they stated that there was a distinct lack of enthusiasm upon the part of the unemployed youth. Counsellors easily become disappointed and frustrated as they feel that working with unmotivated young people wastes time that

they could better spend working with other vulnerable groups. The capacity of the NES to work with NEETs therefore encounters significant barriers. In addition, the NES does not collaborate with CSOs to work with NEETs despite their skills. Nor is the business sector sufficiently involved in the policy-making process. The consequence is that the number of NEETs who have been processed by the NES is minimal compared to the overall number of youth unemployed. One of the chief barriers to young people's engagement with NES is that their concerns have not been directly addressed despite efforts by both public and non-governmental institutions. Youth possess specific attitudes on the shortcomings of their education system, and difficulties and problems in employment they encounter. Researching their opinions on how these systems may be improved would contribute to addressing their needs to enable them to become better educated, employed and more satisfied with life.

<sup>16</sup> Authors own research and NSZ website ([http://www.nsz.gov.rs/live/digitalAssets/15/15948\\_podaci\\_o\\_broju\\_zaposlenih\\_i\\_radno\\_anga\\_ovanih\\_lica\\_u\\_nsz.pdf](http://www.nsz.gov.rs/live/digitalAssets/15/15948_podaci_o_broju_zaposlenih_i_radno_anga_ovanih_lica_u_nsz.pdf))

## 5 A ROADMAP TO YOUTH EMPLOYMENT IN SERBIA

Youth employment policies have been developed in Serbia in an integrated way through the Employment Strategy of Republic of Serbia for the Period 2021-2026 (National Employment Strategy-NES). However, the active labour market policies and other measures addressing youth and NEETs have not been adequately financed in relation to the size of the problem. Experience from the EU and around the world identifies a number of essential components of effective policies in this field. These are summarised in Box 1.

### Box 1: Essential components of effective youth employment policies

- Joined-up policies involving multi-agency work
- Job creation: Wage subsidies for businesses who employ young people
- Youth entrepreneurship programmes
- Self-employment incentives
- Training programmes for inactive and unskilled youth
- Apprenticeships and work-based training
- Developing the digital skills of young people
- Career guidance, information and networking
- Outreach programmes to NEETs
- Building the capacity of public employment services
- Monitoring and evaluation

Many of these policies have already been partially implemented in Serbia as identified in section 2 above. There remain several gaps that need to be filled to enable a coordinated and coherent policy approach to addressing the youth employment problem. These could best be addressed by implementing a Youth Guarantee along the lines that has been suggested by the European Commission for the EU member states, with appropriate modifications taking into account Serbia's level of development and extent of progress in the EU accession process.

In 2020 the EU set out an "Enhanced Youth Guarantee", which aims to create youth employment opportunities, promote youth entrepreneurship, and harness the opportunities arising from the digital and green transitions (Council of the European Union 2020). Specifically, it aims to encourage firms to hire unemployed youth, and to provide training to facilitate the matching of unemployed and inactive youth to vacancies. The reinforced youth guarantee expands the age range for youth measures under the guarantee up to 29 years (which is in line with the standard definition and practice of youth policies in Serbia). It also recognises that NEETs require an individualised approach: for some NEETs a lighter approach may be sufficient, whereas other, more vulnerable, NEETs may need more intensive, lengthy and comprehensive interventions. The development of a strategic framework, through a new Employment Strategy of Republic of Serbia for the Period 2021-2026 represents the

first step in ensuring systematic action to be taken through the application of consistent standards across all levels. With this in mind the next section sets out a road map for a Youth Guarantee in Serbia.

This section presents the roadmap for Youth Guarantee in Serbia, and while this roadmap is an important analytical input, this roadmap cannot replace or prejudice the Serbian Youth Guarantee Implementation Plan.

### 5.1 A Youth Guarantee for Serbia

The Youth Study Comparative Chapter presents key elements of the EU Youth Guarantee, including recommendations on phases and stages stemming from Recommendation of the Council of the European Union (2020) and the European Commission's Economic and Investment Plan for the Western Balkans, (European Commission, 2020a, 2020b), respectively (for full details, please consult the Comparative Chapter). Thus, while this section of the Annex for Serbia may contain some repetitive material to the Comparative Chapter, its purpose is to contextualize these recommendations to the Serbia context.

As noted in the Comparative Chapter, it is important to distinguish between the **chronological, implementation stages** of the Youth Guarantee (of the European Commission's Economic Investment Plan) and the **thematic policy phases** of the Youth Guarantee (of the Council of the European Union).

The Economic and Investment Plan for the Western Balkans for the Flagship 10, Youth Guarantee proposes four **chronological-implementation stages**, with a zero stage of awareness raising, **the four chronological-implementation stages** and stage zero are:

- ▷ **Stage 0: Awareness raising, Political Commitment and Creation of a Task Force**
- ▷ **Stage 1: Youth Guarantee Implementation Plans**
- ▷ **Stage 2: Preparatory work--** capacity building of stakeholders and authorities, resources made available, mechanism and systems enhanced, feasibility and technical studies
- ▷ **Stage 3: Pilot phase--** to test the measures that have been planned on the new intake of NEETs who have been identified through the outreach programme in a selected number of local authority areas
- ▷ **Stage 4: Rollout to full implementation** – based on the evaluation of the pilot phase, modifications to be made to the Youth Guarantee plan, and commence with its full implementation

For the **thematic-policy phases according to the European Council recommendation**, following four phases are recommended:

- ▷ Phase 1: Mapping
- ▷ Phase 2: Outreach
- ▷ Phase 3: Preparation
- ▷ Phase 4: Offer (of an opportunity in employment, education or training).

with three crosscutting enablers:

- ▷ Mobilising partnerships
- ▷ Improving the data collection and monitoring of schemes
- ▷ Making full and optimal use of funds

Section 5.2 provides recommendations related to the **chronological, implementation stages** related to the introduction of the Youth Guarantee in Serbia.





## 5.3 Youth Guarantee- Thematic, Policy Phases, according the Council recommendation of 30 October 2020

### 5.3.1 Phase 1: Mapping

The NES should further develop mapping systems, early warning and tracking capabilities to identify young people at risk of unemployment or inactivity. Rapid research should be carried out to identify the different needs of the various categories of young people, including those already at school, early school leavers without a job or inactive, graduates from secondary school level who face difficulties entering the labour market as first-time jobseekers and those who are either long-term unemployed or inactive but would like to work, and university graduates who do not have a job, especially young women graduates without work or who would like to start their own business but face financial or other barriers to doing so.

In order to implement the Youth Guarantee, the NES will need to forge intensive partnerships with the business sector, youth organisations, Centres for Social Work, local self-government authorities, and private employment agencies. The NES must establish effective communication with schools and other providers of training and education. Intensive cooperation with employers is also vitally important. Cooperation with institutions working with young people, such as Centres of Social Work, schools and universities, youth organisations and NGOs that operate within the youth sector is essential in order to inform and encourage young people to

register with the NES as soon as possible after they complete schooling or graduating from university, or if they are in a NEET situation.

### 5.3.2. Phase 2: Outreach

In order to get an offer of employment, continued education, apprenticeship or traineeship with the Serbia Youth Guarantee framework, a young person among the eligible categories should be obliged to register with the NES, and for some categories it is necessary to do some work prior registration with the NES, which may include social services and NGOs. The capacity of NES to reach out to encourage greater numbers of young people to register for the Serbia Youth Guarantee will need to be further developed. Outreach programmes should be developed for the hard-to reach NEETs as described above in section 3.2. These may be young people with low skills who have only completed primary compulsory education, or youth from other marginalised groups. An Outreach Strategy should be developed to identify the best way to involve partnerships between the social services, employment services, community groups and youth NGOs to reach out to marginalised NEET groups.

### 5.3.3. Phase 3: Preparation

In this phase, new activation measures should be implemented including prevention measures to tackle early leaving from education and training by disadvantaged. Existing measures of active employment policy will need to be strengthened and more intensive measures will need to be developed and implemented for less advantaged young people such as NEETs with low and medium levels of education. The Youth Guarantee should ensure that all young people are supported by NES to access

the labour market through the provision of high-quality public employment services, including the provision of labour market information on vacancies, and improved career counselling and guidance services, as well as tools for independent career management. Prevention measures to tackle early leaving from education and training by disadvantaged youth should be designed and implemented. For more advantaged young people, such as graduates from school or university, measures of job referral procedures and career counselling and mentoring are already available and should be strengthened. For less advantaged young people such as NEETs, more intensive measures of active employment policy should be provided, as well as the opportunities for further education and skills development. Additional interventions should address young people's preferences and personal development needs, for instance through age-appropriate communication, peer-to-peer learning, positive adult-youth relationships, and support to goal management.

After registering with NES, all eligible young people in the target group should be provided with information and basic career counselling by a Youth Guarantee Counsellor. An initial career counselling session would aim to identify the specific needs of the client, their employability, interests and competences. This would lead to an agreement on the client's employment targets and follow-up activities, including the type of offer that would provide the best match to the identified needs. The counsellor should check the job search skills of the client and agree an individual plan to improve their skills. For those who are ready for the employment, an appropriate support will be provided, including the creation of a high-quality CV and profile in relevant job portals and providing job referrals to employers who are partnered to the Serbia Youth Guarantee. Young people enrolled on the

Serbia Youth Guarantee would be provided with information on possibilities and opportunities for training, education or realisation of their business ideas.

After three months of unemployment, another round of career counselling needs to be provided which will involve checking the effectiveness of the activities already carried out and the job or training application documents, including the profiles in the job portal. A further agreement on activities to be carried out under the Serbia Youth Guarantee should be drawn up after an intensive set of job-search or training/apprenticeship application activities have been agreed. Such activities should comprise intensified career counselling, the creation of new employment objectives and intensified job search activities, and inclusion in a group workshop on career management skills provided by NES. In this phase, the measures of the Youth Guarantee should introduce a greater focus on opportunities for education and training that are available, with the aim to increase the client's employability. Training should be adjusted to specific target groups and individual needs in connection with the needs of employers who are partnered with the Serbia Youth Guarantee. Job referral should be continued as well as other methods of presentation to employers.

After four months of unemployment and/or after conclusion of different forms of training the client would be offered a more intensive service and additional measures of support within the Serbia Youth Guarantee scheme. The intensified services should include in-depth career counselling and/or enrolment in a group learning the career management skills provided by specialised private consultants. The measures should also include more intensive incentives for employers (employment subsidies, co-financed traineeship in certain sectors, mentoring schemes) to encourage





Until recently, VET secondary schools in Serbia only offered practical learning in VET the schools' own workshops, which are often poorly equipped with the necessary infrastructure and teaching materials. In the 2018 PISA international test of education performance of 15 year-olds, almost half (46.7%) of students attend schools whose principal reported that the school's capacity to provide instruction is hindered at least to some extent by a lack of physical infrastructure, while 48.8% of students are held back by a lack of educational materials<sup>21</sup>.

Under the new dual education law and its bylaws enacted in 2020 the VET schools will also be able to offer professional practice in partnered enterprises thus introducing work-based learning as an option for VET students. Therefore, VET schools should be supported to partner with the business sector to develop dual education work-based training programmes for secondary school students. In this way students will gain work experience while still at school and will learn practical skills relevant to the labour market. At the same time, and in parallel, the quality of education provision at VET schools should be improved, including through provision of adequate teaching materials, broadband infrastructure and up-to-date computer equipment for practical instruction.

A graduate apprenticeship programme should also be developed and fully supported by partnerships between universities the business sector and through business-university collaboration agreements to ensure the quality of the training and work experience that is provided. The current unpaid internship programme should be converted to fully-financed graduate apprenticeship programme. The programme should be designed for

21 PISA 2028 online database

22 See: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_18\\_4242](https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4242)

eligible companies who employ more than 50 workers, with finance provided through an apprenticeship levy on such companies.

### 5.3.4.3 Training

Training sessions of short duration should be provided to NEETs for immediate labour market integration including digital and green skills, entrepreneurial skills and career management skills. These should be provided at the NES training centres. Pathways for reintegration of NEETs into education and training should be developed, including second chance education programmes for early leavers from education and training and low-skilled young people. Youth Offices should be expanded and act as a One Stop Shop to assist in training, placement, employment and to analyse diversified needs of the youth and NEETs.

## Digital agenda

More investment in digital learning infrastructure and technology should be made in schools and higher education institutions. Relevant authorities should engage with the EU's Digital Agenda for the Western Balkans<sup>23</sup> to provide Digital Opportunity Traineeships to students and young people and to provide NEETs with training in digital skills. The EU Code Week should be more intensively promoted to young people in Serbia.

#### 5.3.4.4 Career guidance and job placement programmes

Career guidance and support for all young people should become mandatory in secondary schools and universities. A career guidance service in educational institutions, would not only give instructions to the students about the

labour market demands, but also conduct testing and provide individual assistance and guidance to students. Moreover, as has been reviewed above, NEETs as well as all youth in Serbia need to be better engaged and outreach programmes should be developed to encourage their active participation within the labour market.

A common programme in many developed countries but absent in Serbia is the implementation of a job-search assistance programme for pupils and students who are completing their final year of education. Frequently, it is a challenge to ask students to switch to a professional environment, as even those possessing some work experience are unsure of how to transition to the labour market. Therefore, having such services present in educational institutions would be likely to boost the employability of youth.

### 5.3.5 Youth Guarantee-crosscutting enablers

Effective use of the three cross-cutting enablers is key for successfully implementing the Youth Guarantee scheme and achieving the delivery of quality offers to young people.

### 5.3.5.1 Mobilising partnerships

Policies to address youth employment have a cross-cutting nature and should be designed and implemented jointly by governmental institutions at all levels, the private sector, the business sector, NGOs and youth associations. In order to implement the Youth Guarantee, government ministries and agencies will need to forge more intensive partnerships with the business sector, youth organisations, municipalities, and private job agencies and new partnerships will need to be developed. Effective cooperation among these institutions will be crucial for successful implementation of

the Serbia Youth Guarantee. Formal partnerships should be developed with employers who are willing to offer jobs, work-experience training opportunities and apprenticeships to young people within the framework of the Serbia Youth Guarantee. Partnered employers will benefit from public subsidies but will also be regulated to ensure that the jobs they offer are decent high-quality jobs and that their training provision and apprenticeship schemes offer added value to each involved young person's human capital

### 5.3.5.2 Improving the data collection and monitoring of schemes

Monitoring and evaluation: All youth labour market measures and employment programmes implemented by NES and other institutions and special programmes for NEETs including outreach programmes should be regularly monitored and evaluated. The Youth Guarantee implementation plan should be regularly monitored by a working group in which representatives of all sectors responsible for the Serbia Youth Guarantee implementation should participate. The providers of the measures should report to the working group on a regular basis on the implementation of the measures under the Serbia Youth Guarantee scheme.

### 5.3.5.3 Making full and optimal use of funds

Serbia needs to dedicate adequate own resources to the implementation of the policy measures put forward by the Youth Guarantee. The EU funding through IPA III can support the introduction of the Youth Guarantee, in line with the European Commission Economic and Investment Plan for the Western Balkans, Flagship 10, Youth Guarantee.



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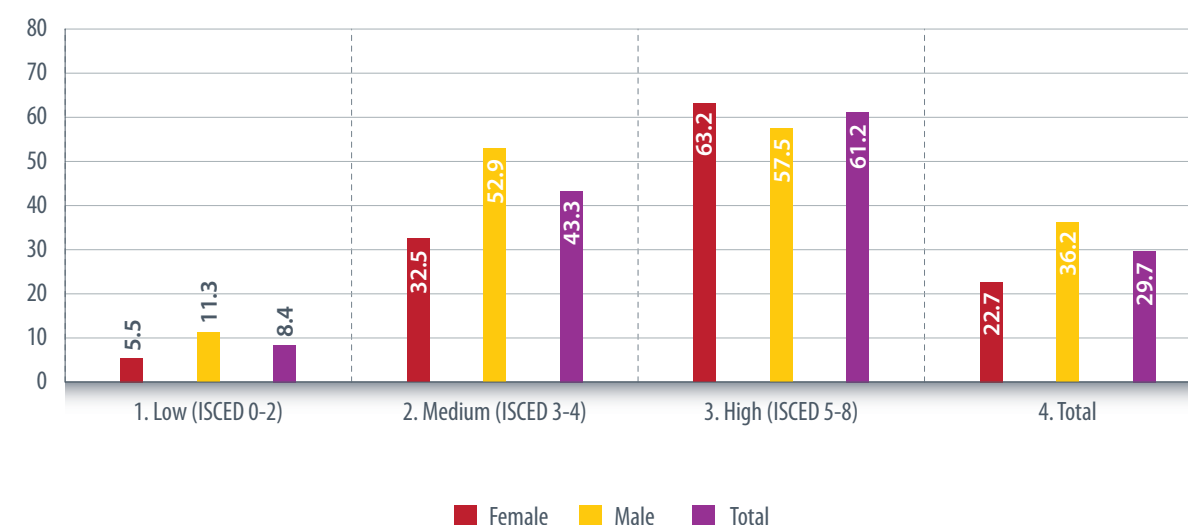
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## 7 APPENDIX

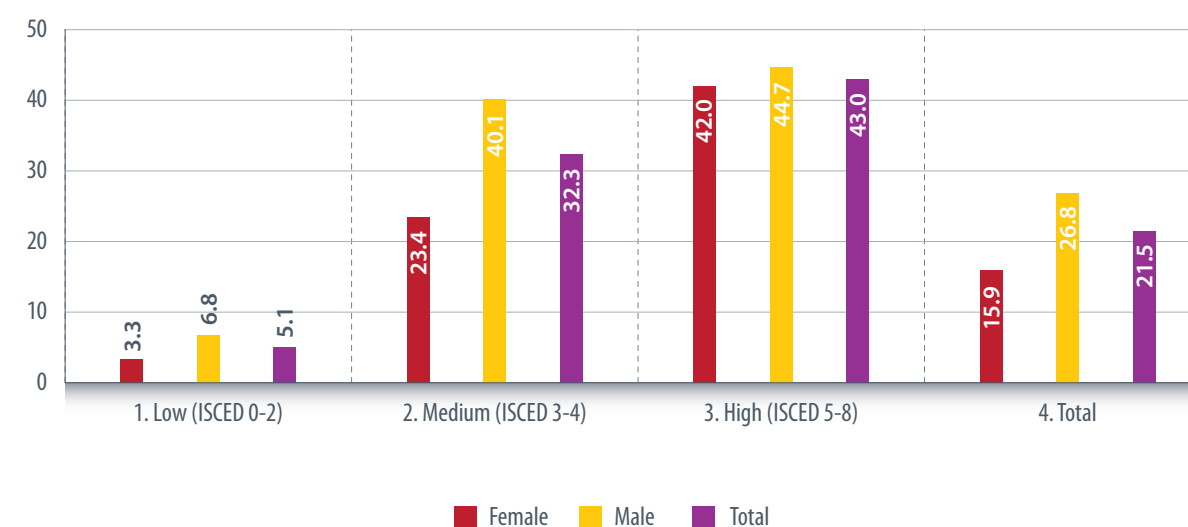
This appendix shows the main labour market performance indicators for 15-24 years age group in Serbia in 2019. The Figures are constructed from data in the Eurostat online database.

**Figure A1: Labour force participation rate by gender and educational level, 15-24 years, Serbia 2019 (%)**



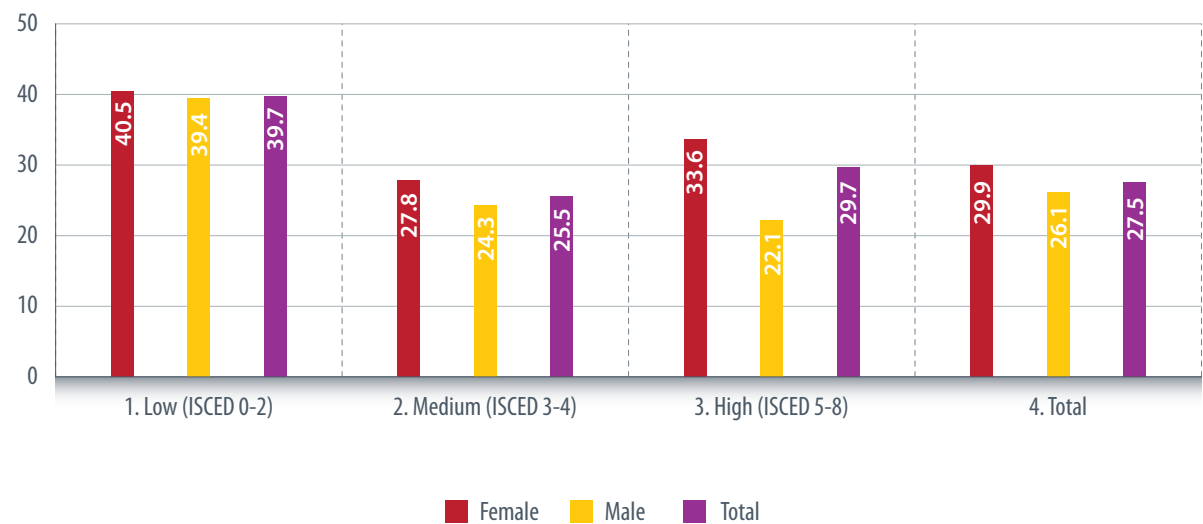
Source: Eurostat online database

**Figure A2: Employment rate by gender and educational level, 15-24 years, Serbia 2019 (%)**



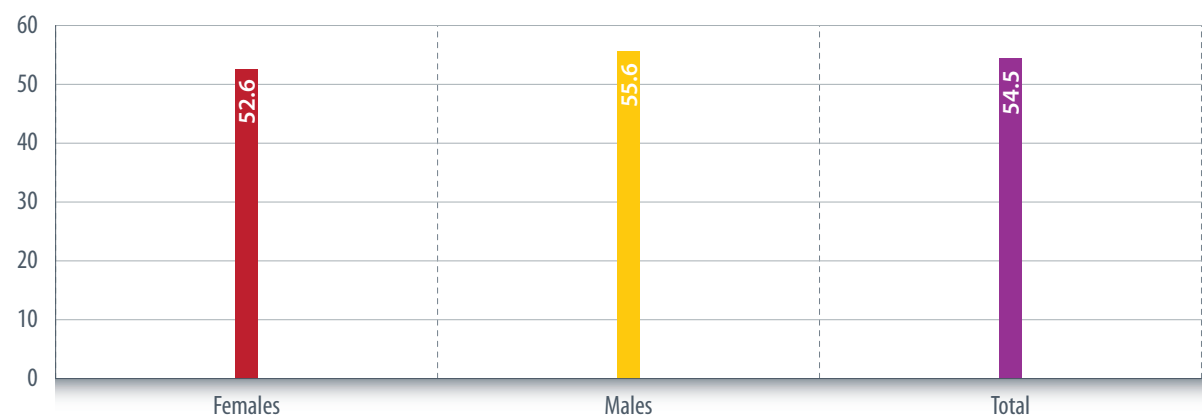
Source: Eurostat online database

Figure A3: Unemployment rate by gender and educational level, 15-24 years, Serbia 2019 (%)



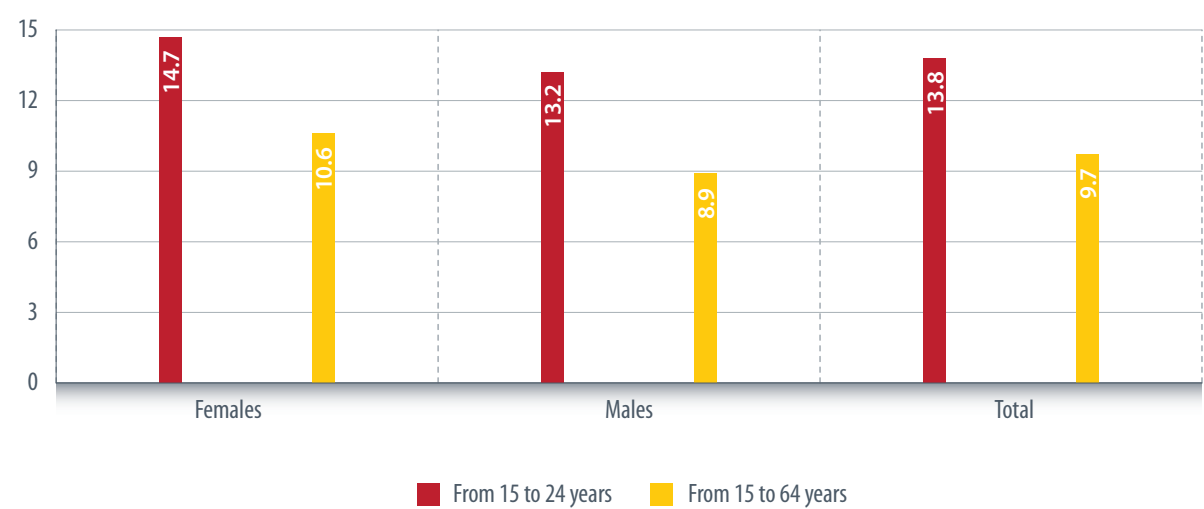
Source: Eurostat online database

Figure A4 - Temporary employment in all temporary employment by gender 15-24 age group, 2019



Source: Eurostat online database

Figure A5: Part-time employment share of all employment by gender, 15-24 years, 2019 (%)



Source: Eurostat online database

Table A1: NEET rates by educational attainment level among group 15-29 years

ISCED11 Categories	2017	2018	2019	2017	2018	2019
	European Union - 27 countries (from 2020)			Serbia		
All ISCED 2011 levels	13.7	13.1	12.6	21.7	20.1	19
Less than primary, primary and lower secondary education (levels 0-2)	15.3	14.7	14.3	15.3	15.8	15.1
Upper secondary, post-secondary non-tertiary and tertiary education (levels 3-8)	12.8	12.2	11.7	24.2	21.8	20.5
----Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	13.9	13.2	12.7	23.3	21.2	19.7
-----General (levels 3 and 4)	9.6	9.2	8.9	7.1	8.2	6.6
-----Vocational (levels 3 and 4)	17.4	16.5	15.9	26.9	24.2	23
----Tertiary education (levels 5-8)	10.1	9.7	9.4	27.7	24.3	23.7

Source: Eurostat, 2020

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