



## **Report on Measures to Combat Youth Unemployment in Serbia**

### **Overview of the political situation with regards to youth unemployment**

National Employment Strategy for the Period 2011-2020 was adopted in May 2011. One of the important individual goals is the development of institutional capacity and expansion of active labour market programs. Young people from the age of 15 to 24 are recognized as a category of persons with fewer opportunities for employment.

National Employment Strategy provides active measures to promote youth employment. Those measures are target oriented and aligned with the specific needs of young people and also aimed at creating opportunities for productive employment and effective transition from school to work. They also provide assistance to young people who have graduated to find initial employment, but also provide further education and training, including apprenticeship program implementation. In order to improve the employability and gain relevant experience, to promote and encourage the organization of practical training for students of final year. A particular challenge are young dropouts whose skill level is low. Adult education, especially short training courses aimed at modernizing and improving the level of knowledge and competence should primarily be covered by young people without qualifications or with insufficient qualifications.

One of the key indicators of success in the implementation of the Employment Strategy, the aim of which is related to youth employment, and the expected results are:

- 15-24 youth activity rate - 30.7 % in 2020.
- Employment rate of young people 15 - 24 to 23.3 % in 2020.
- Youth unemployment rate 15-24 - 24 % in 2020.
- 15-19 Youth participation in education - 90 % in 2020.
- Participation of young people aged 20-24 in education - 40 % in 2020.

### **Overview of the welfare system with regards to young people**

LAW ON EMPLOYMENT AND UNEMPLOYMENT INSURANCE ("Official Gazette of RS", no. 36/09 and 88/10)

Article 66 and Article 67 regulate the right to compensation:

### Entitlement to unemployment benefit

#### Article 66

The individual covered by mandatory insurance shall be entitled to unemployment benefit if he/she was insured for at least 12 months continuously or intermittently within the past 18 months. Insurance with an interruption shorter than 30 days shall also be deemed to be continuous insurance referred to in paragraph 1 of this Article.

#### Article 67

An unemployed person shall be entitled to unemployment benefit in case of termination of the employment contract or termination of mandatory insurance on the grounds of:

- 1) Termination of the employment contract by the employer in accordance with labour regulations:
  - If, owing to technological, economic or organizational changes, the need for carrying out a certain job ceases or the workload decreases, in conformity with the law, with the exception of persons who have voluntarily chosen a benefit or a special benefit exceeding the amount of severance pay stipulated by the Labour Law, pursuant to the Government decision setting the redundancy programme in the process of streamlining, restructuring and preparation for privatisation;
  - If the employee fails to perform at work, or lacks the knowledge and competencies required to fulfil tasks at work;
- 2) Expiry of a fixed-term employment contract, contract on temporary and casual work, probation period;
- 3) Termination of public office of the elected, appointed and nominated persons, unless the right to administrative leave or salary reimbursement has been exercised, in accordance with the law;
- 4) Transfer of ownership rights of the company owner or member;
- 5) Commencement of the bankruptcy or liquidation procedure, as well as other cases of winding up of the employer, in conformity with the law;
- 6) Relocation of the spouse, in accordance with specific regulations;
- 7) Termination of the employment contract abroad, in accordance with the law or international agreement.

Articles 78 - 80 Act regulates the right to insurance:

### Right to Health and Pension and Disability Insurance

#### Article 78

The beneficiary shall be entitled to health insurance and pension and disability insurance during the exercise of the entitlement to unemployment benefit. Health and pension and disability insurance contributions shall be contained in the unemployment benefit and paid at the expense of the beneficiary. The base for which the contributions are paid shall equal the amount of unemployment benefit.

The NES shall compute and pay the contributions for the insurance referred to in paragraph 1 of this Article.

### Article 79

The beneficiary's family members shall be entitled to health insurance unless they are health-insured on some other grounds.

Procedure for exercising insurance rights

### Article 80

Decisions on the insurance rights of an unemployed person shall be taken in the procedure stipulated by the law governing the general administrative procedure, unless otherwise stipulated herein. The first-instance decision on the rights of an unemployed person shall be taken by the NES competent body specified by the NES statute. The second instance in decision-making on the insurance rights of an unemployed person shall be the NES director.

With respect to the final NES decision, the unemployed person may institute proceedings in contentious administrative matters by filing a lawsuit with the competent court, in accordance with the law.

The beneficiary has the right to compensation to healthcare, pension and disability insurance during the realization of the right to compensation. Contributions for health, retirement and disability insurance are included in the fee-paid and charged to the person receiving financial compensation. The base on which contributions are paid is the amount of the benefit. Calculation and payment of insurance contributions is done by the National office. Family members of unemployment benefit recipients are eligible for health insurance if they are not insured on another basis.

### **Measures brought in to address youth unemployment since 2008**

Active labor market programs aimed at young people:

National action plans for employment provides: synergistic effects of various policies and the establishment of a unique youth employment policy, development of career guidance and counseling, increase youth employability by gaining additional knowledge and skills; education and training to work independently through the program "First Chance", promoting and encouraging practical training for students of final year as a way to introduce young people to the world of work, work experience and employment preparation; incentives for employers to hire young people; supporting young entrepreneurs, financing of active labor market through the Youth Employment Fund.

National Employment Service has improved record of people with fewer opportunities and their involvement in active labor market measures.

### **Perspective of the National Youth Council of Croatia on what has been done so far**

Restrictive Serbian budget imposed decrease on spending for any measures concerning the boost of employment, despite the rate of unemployment, especially of youth, is growing. At the beginning of 2013 only 0,1% of GDP (3,4 billion dinars) had been set for ALMP (Active Labour Market Policies) for the whole population. In July 2013 the budget had been rebalanced with only 1,2 billion dinars (around 10 million euros) available for the whole year. Number of young people (15 to 30 years of age) that can be involved is

extremely low compared to the unemployment rate of 49,7% for 15 to 24 and general unemployment rate of 24,1% (source: *Labour Force Survey, April 2013*). Numerous employment instruments have been invoked in past few years and there are no sufficient positive data on their success, or they have been implemented on very limited number of people.

The National Youth Council of Serbia (KOMS) has set a Working group for Education and Employment and developed Policy Paper on Youth Education and Employment, with specific recommendations to be implemented in future years in order to improve position of youth in these important areas for their development.

Currently, KOMS is implementing project More experience for more job opportunities, with the support of the Embassy of the Kingdom of Norway. The project is designed to have two aspects, educational and practical that will be implemented in total 8 months. Educational aspect aims to provide basic skills and knowledge on different employment oriented topics for 200 young persons. These topics include: searching for a job, writing a CV, preparing for and attending the interview, communication with the employer, colleagues/team and customers/service users, presentation skills, working as an individual and in a team, business ethics, legal rights and responsibilities of the employer and employee, combating discrimination etc. Basic trainings are organized for all 200 people in 10 cities that cover all regions in Serbia.

From initial 200, 40 participants will be chosen, based on their interest and motivation, to participate on a preparatory one day workshop where they will be introduced to their advisors, mentors and where they will be presented with the working plan and conditions for the following 3 months practice. Their working plans will be created with the inputs from the employers and the experts/advisors that shall be hired for the project.

After the preparatory workshop, 40 participants will start their practice in already designated NGOs, municipal Youth Offices, and potentially in local self-government and local businesses. Best effort will be invested to find the posts related to their field of education. For those 3 months they will work as volunteers, with only their meals and local transportation covered.

When the 3 months practice is over they participants will be invited to share their experience with others. One of the goals of the project is development of a hard-copy and online guide for job seekers with all the topics that were covered through the project and more. Guide will be distributed to the KOMS member organizations, employment offices, municipal Youth Offices etc. In addition to the actual steps towards job, guide will contain the experiences of all those participants who are willing to share their stories.

### **Other additional measures**

What we see as necessary is to bring formal education system closer to the modern labor market needs. That would mean adjusting the curricula together with social partners and the State on strategic course and priority areas. Closer cooperation with the business sector would finally equip young people with practical knowledge and experiences. Lack of soft skills and practical experiences are often numbered by employers in Serbia as most deficient.

Organizations of youth need to be recognized as partners when making actions plans and strategies for employment of youth, because institutions tend to treat people only through statistics and neglect actual people's needs.

Many young people work in informal economy with low wages, with no job security, safety at work and proper legislation. We ask the institutions to change this situation in order to make young people have decent lives and decent jobs. We ask the institutions to protect and not further diminish Labour rights of young people through further flexibilisation of the regulations (e.g Labour Law).