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СТРАТЕШКЕ МЕРЕ ЗА СМАЊЕЊЕ ДУГОРОЧНЕ НЕЗАПОСЛЕНОСТИ МЛАДИХ У СРБИЈИ

Апстракт: улагање у младе и њихово оснаживање да уђу на тржиште рада чим заврше школовање показало се као једна од мера које држава може предузети да повећа и свој укупни бдп, као и да осигура да млади професионалци граде здраву и дугу каријеру. У последњој деценији, србија се бори са високом стопом незапослености младих од 15 до 24 године. Висока незапосленост ове групе успорила је потенцијални привредни раст србије и каријерни потенцијал младих. Стога је од стратешког значаја да република србија настоји да повећа запосленост младих колико год је то могуће. Стопа незапослености младих у србији достигла је врхунац у 2012. Години, када је износила приближно 50%. Од тада, ситуација се побољшала интервенцијама владе, попут националне стратегије за омладину републике србије за период од 2015. До 2025. Године, као и рада међународних и локалних омладинских организација. Међутим, и поред таквог напретка на тржишту рада, србија се и даље суочава са дугорочном незапосленошћу младих. Статистички подаци из 2019. Године показују да 30% младих од 15 до 24 година у србији тренутно тражи запослење. Такође, у србији не постоје системи који би младе на бржи и ефикаснији начин припремали за улазак на тржиште рада након завршетка образовања или обуке, што успорава раст зарада као и имплементацију младог људског капитала у домаћу привреду. У просеку, ова старосна група у србији проводи од једне до једне и по године у потрази за послом. У поређењу са њиховим вршњацима у другим земљама европске уније, према еу27, слични прелазни периоди између студија и стицања првог запослења, у просеку износе шест месеци. У овом раду је представљено тренутно стање дугорочне незапослености у србији, са незапосленошћу младих као фокусом, анализирајући податке прикупљене од републичког завода за статистику и националне агенције за запошљавање србије, и упоређујући их са другим студијама у широј литератури. На основу иунетих закључака, аутори дају препоруке о томе како побољшати запошљавање младих проналазећи мере које ће обезбедити ефикаснији улазак младих на тржиште рада.

Кључне речи: Млади, незапосленост, тржиште рада, Србија.

1. INTRODUCTION

Developing countries are facing with high unemployment rate among young people. The causes include: their late entry into the labour market (Arandarenko, Bartlett, 2012). One reason stems from time needed for youth to gain the basic education needed to entry the labour market, which thereby causes their late entry. Furthermore, causes for a high unemployment rate among youth are lack of knowledge (Pavlovic et al., 2018) and work experience; influence of demographic trends (Zdravkovic et al, 2012) as well as high brain-drain rate which is an imbalance between qualifications of job seekers and demand (i.e., actual vacancies available) (Employer survey, National Employment Agency, 2017).

Additionally, demographic trends have had a significant impact on the labour market, especially for those active in the job market aged 15 – 24 (National Employment Agency, 2017). On the one hand, number of young people in the Republic of Serbia as well in the some EU countries has decreased since 2011 (SORS, 2019). According to data obtained by Statistical Office of the Republic of Serbia (2011), the total census of the Republic of Serbia for 2011 was 7.186.862. Citizens aged 15 to 24 make up 11.7% of the population or a total of 841,735. Further separated by category, the largest segment of young people under the age of 30 are those aged 25 to 29 years which amount to 480.286. Those 15-19 make up 401.994, while those 20-24 total 439.741. The majority of those who are 15-24 amount to 413.765 in northern Serbia, while the same group is represented by 183.848 in Southern Serbia. This distribution is comparable with other countries within the region as well as in the EU. In Germany, the percentage of those aged 15 to 24 years are 11% of the total population, in Belgium it is 12%, while in Bulgaria this group makes 11.8% of the entire population (the same as in Croatia), 14% in Montenegro and 15% North Macedonia (Eurostat, 2019). On the second hand, from 1991 to 2001, according to data provided from the Statistical Office of the RS (2016), it may be concluded that roughly 500,000 under the age of 30 have left the country.

Serbia's youth (those aged 15-24) have borne the main brunt of the financial crisis of the previous decade. By analysing statistical data, labour market indicators of the Republic of Serbia (the general rates of activity, inactivity, employment and unemployment) from 2008 to 2018, it is important to note that the inactivity rate reached 41% in 2010 for those 15 to 64 years of age), while the inactivity rate for those aged 15 to 24 amounted to approximately 72% in 2014, representing a record over the last 10 years in Serbia. Nevertheless, the situation of the youth labour market in Serbia as it stands deviates far from the EU norm (Eurostat, 2018). Anyhow, current situation indicates that youth labour market in Serbia indicates that we fall behind EU states average (Eurostat, 2018).

Paper is organized in the three parts. Firstly, we analysed the literature review in the field of youth unemployment and defining what kind of factors have the biggest influence on the position of young people in the labour market. Secondly, the paper also presents an insight into the characteristics of long-term unemployment for giving recommendations for policy makers in reducing high unemployment rate among youth in RS.

2. IMPACT OF SOCIAL-ECONOMIC FACTORS AT YOUTH LABOUR MARKET

The youth-labour market's instability, which has led to a high rate of unemployment, is primarily caused by socio-economic factors, such as: growth of the grey economy, youth emigration, negative demographic trends, the educational system of Serbia, asymmetry of labour supply and demand, differences in regional development, and insufficient acquired work experience.

Most authors consider education to be the primary factor affecting youth unemployment (Carneiro and Lee, 2011; Pavlovic et al, 2018). Multiple studies have shown that education, as a measurable component in defining human capital, affects the labour market (Bosio & Leonardi, 2010). The results of research conducted by Gorry (2013) implied that a highly educated staff have better wages and positions than less educated personnel. Research carried out by Pavlović et al. (2018) focusing on Serbia more precisely analyses those indicators which influence youth participation in the labour market; i.e., gender, age structure, level of education attained, region. These authors have demonstrated that education has a significant impact on active employment in the youth labour market.

Unemployment among young people has become a predominant research area among academics (Vasile, 2012; Marginean, 2014). These authors came to the conclusion that the economic crisis of 2008 has only had a short-term impact on the unemployment rate of young people, while different economic and social factors do influence their position in the labour market over the long term. Vasile (2012) had opinion that the issue of high unemployment rate among young people was current even before the crisis. Marginean (2014), who dealt with the position of young people in the post-crisis period in Romania, analysed the movement of the youth unemployment rate in the period from 2007 to 2013. The survey concluded that the crisis only affected the position of young people in the labour market in the short run. By reviewing the statistical data on the youth unemployment rate in the pre-crisis period, it was found that it was significantly higher than the general unemployment rate. Considering the impact of social and economic factors on the labour market, the level of education and migration trends have a major impact on the changes in the unemployment rate of young people in Romania. Zubović et al. (2015) conducted a survey analysing the impact of three groups of factors on youth unemployment in 41 countries from 2003 to 2014. By analysing youth unemployment in 41 countries, it has been found that unemployment differs significantly, ranging from single-digits in developed countries such as the Netherlands or Switzerland to over 40% in Balkan countries. The results of multiple regression analyses (controls based on long-term employment indicators) pointed to the disproportionate tax rate on minimum wages as a leading factor in hindering youth employment.

The economic crisis resulted in major changes to Europe's overall GDP, which ultimately had a greater impact on youth unemployment than on the overall unemployment rate in Europe (Chaundri et al., 2010). According to the latest data, the Republic of Serbia has 804.400 young people aged 15-24 (Statistical Office of the Republic of Serbia, 2017), of which approximately 40% are unemployed. In the last couple years, the position of young people has been improved but still is not on the level of developing countries.

3. CURRENT STATE OF YOUTH LABOUR MARKET IN SERBIA

The youth labor market has recorded significant fluctuations in rates since 2008; it increased from 35.2% to 50.9% in from 2008 to 2011. A slight decline in the youth unemployment rate was registered in the from 2012 to 2015, when it dropped from 51.1% to 43.2%, while according to data from the same source for 2018, their unemployment rate was 30%(Statistical Office of the Republic of Serbia, 2017).

The unemployment rate of the total expected working population (15 - 64 years of age) in 2018 was 13.3%, which was lower than the previous year.

The Republic of Serbia also faces the problem of a high inactivity rate among youth, which has remained almost unchanged over the last few years, hitting a peak of 72% in 2012. According to the 2018 data, the inactivity rate of youth was 70%.

Table 1. Labor market in the Republic of Serbia

	2016		2017		2018	
	youth (15-24)	adults (15-64)	youth (15-24)	adults (15-64)	youth (15-24)	adults (15-64)
Activity Rate	30.3	65.6	30.6	66.7	30.0	67.8
Employment Rate	19.7	55.2	20.9	57.3	21.1	58.8
Inactivity Rate	69.7	34.4	69.4	33.3	70.0	32.2
Unemployment Rate	34.9	15.9	31.9	14.1	29.7	13.3

Source: Statistical Office of RS, 2019.

Data from the Statistical Office of the Republic of Serbia indicate that the rate of informal employment in 2017 declined by 3.3 percentage points compared to 2016, but it is still significantly higher than selected top-performing economies of Europe (the UK, Germany, France, Belgium, and Norway etc.). The number of informal employees amounts to 579.000, out of which 46.300 are of the age 15-24. The number of informal employees is the highest in agriculture (231.000 aged 15 and over) and the service sector (273.000 -15 and over) (Statistical Office of the Republic of Serbia, 2017).

According to the Statistical Office of the Republic of Serbia (Population Census, 2011), 35% of all youth under the age of 24 have not completed their basic eight-year primary education or only have obtained their primary education. The progress shown in the number of educated employees is partially attributable to those aged between 30 and 34 having higher education. If regional development is taken into account, the 23% of the total population in urban municipalities have achieved a higher education, while 6% in rural areas do. In rural and underdeveloped municipalities, according to the 2011 census, more than 51% of young people have an elementary education or less than basic education.

Statistics show that the highest unemployment rate among young people (the population aged 15-24 years) in the South and East Moravian region; in 2014 amounted to 51.6%, to fall to 2017 in 34.1%. The unemployment rate of young people in Vojvodina region is the smallest in relation to all four regions.

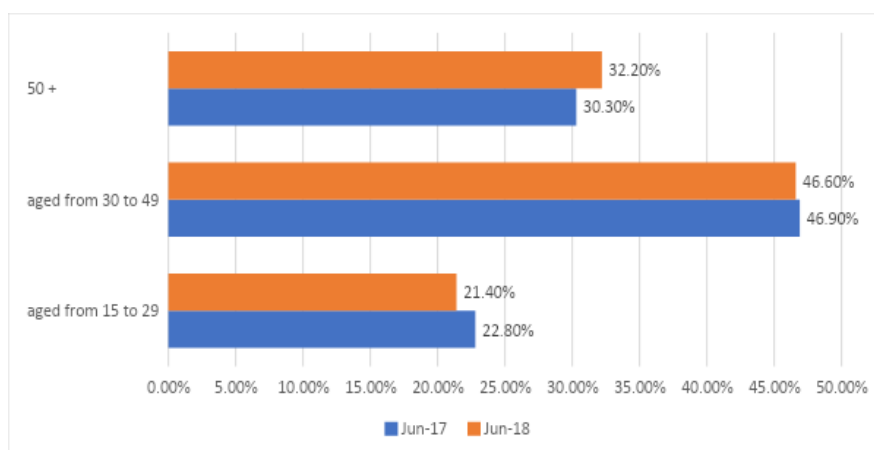


Figure 2. Share of the unemployed, 2017 and 2018.
Source: Registered unemployment, National Employment Agency, 2018.

The structure of unemployment according to age indicates that there has been an insignificant 1.5% decrease in the number of those unemployed who are under the age of 30. For women, this decrease was recorded at 1.2%.

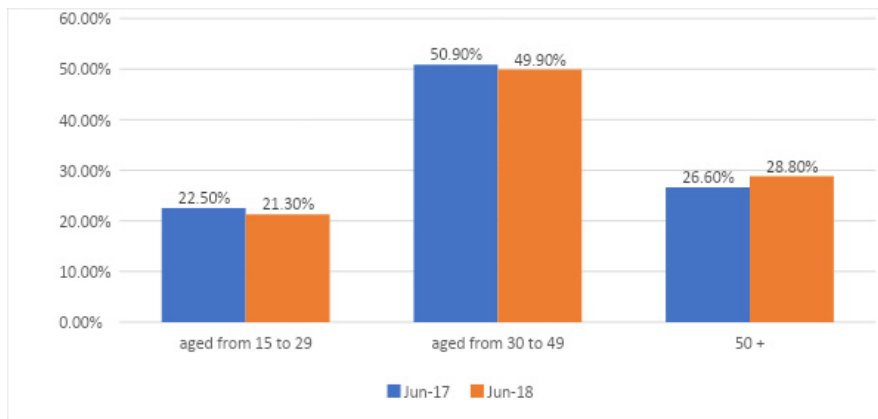


Figure 3. Registered unemployment, 2017 and 2018
Source: National Employment Agency, 2018

Table 2. Unemployment by age in 2017 and 2018

Age	Jun-2017		Jun-2018	
	Total	Women	Total	Women
15-29	146.843	75.770	123.686	65.105
30-49	303.070	171.656	268.632	152.968
50 +	195.513	89.582	186.754	88.161
TOTAL	645.426	337.008	579.072	306.234

Source: National Employment Agency, 2018.

The unemployment rate of those aged 15 - 29 who have obtained a higher education reached 32 in 2018. The level of one's education is a clear indicator of favorable employability when taken into account against the total number of unemployed. Youth participation in the labor market for those who have attained a higher education (university or above) is higher than those without, when compared to the total number of unemployed.

Data compiled from the National Employment Agency of Serbia indicates that there were 171,245 unemployed young people under the age of 30 in June 2016. 19.5% possessed no education or had only a primary school education, while approximately 58% had achieved only a secondary education and 23% a higher education. While the participation of those with a primary education or lower increased to 22% in 2018, the share of unemployed who possessed only a secondary education decreased to 56% and a higher education to 22%.

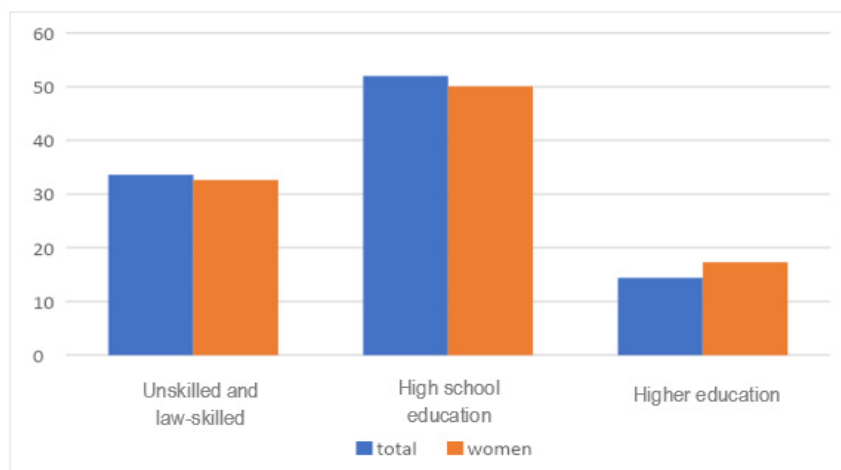


Figure 4. Unemployment by education level, 2018
Source: National Employment Agency, 2018

Table 3. The percentage of women unemployment in the Republic of Serbia

The unemployed, 30.06.2018.	Unemployed				Unemployed youth				The percentage of youth in registered unemployment
	total	%	women	%	total	%	women	%	
Unskilled and low-skilled	194.582	33.6	99.863	32.6	27.231	22	14.011	21.5	14
High school education	301.261	52	153.348	50.1	69.490	56.2	33.018	50.7	23.1
Higher education	83.229	14.4	53.023	17.3	26.965	21.8	18.076	27.8	32.4

Source: National Employment Agency, 2018

Long-term unemployment indicators show that 50.5% of all youth under the age of thirty who are actively seeking employment to have been unsuccessful for at least twelve months. For only women, this share lower 48.3%. What's more, 13,736 have been unable to find employment for 5 or more years and 9,704 are beneficiaries of social assistance through a social work center.

Table 4. The percentage of youth in registered unemployment

The unemployed, 30.06.2018.	Unemployed		Youth unemployed		
	Total %	Women %	total %	women %	The percentage of youth in registered unemployment
More than 12 months	30.9	29.3	49.3	48.3	34.2
1-2 years	13.8	13.3	18	18.4	27.9
3-5 years	12.4	12.4	10.9	11	18.8
8-10 years	5.8	5.9	2.1	2.3	7.7
More than 10 years	14.1	16.3	1.1	1.2	1.6

Source: National Employment Agency, 2018

4. RECOMMENDATIONS FOR YOUTH UNEMPLOYMENT REDUCTION

Literature indicates that European economies with low and decreasing labor productivity, such as Italy, Spain, Portugal and Greece face high rates of youth unemployment (Parisi, 2018). Unfavorable trends were even intensified due to the latest world economic crisis in 2008, as 74 million people aged 15 to 24 were trying to find employment in 2014 (Schmillen, Umkehrer, 2017). Therefore, these authors even argue about the occurrence of "generation jobless". Youth unemployment issues have resulted with numerous strategies and measures created by state governments, national and international organizations and NGOs, especially in low-income economies.

Among key strategies for reducing youth unemployment, literature proposes that young people should be encouraged to develop entrepreneurial skills and therefore create their own workplaces. Since positive connection was found between business education and entrepreneurial activities of students (Unger et al., 2011), it is argued that entrepreneurial education should be an integral part of school and university curriculum. These initiatives are of utmost importance when empowering young women for entering the labor market, as it was proved that female face more obstacles and unequal treatment when trying to obtain employment (Pavlović et al., 2018). This initiative is highly supported by the EU institutions, as their publications emphasize the importance of developing "transversal and entrepreneurial skills" among young people. It is believed that these skills will help young people to be more competitive in labor market, provide the organization they work for with innovative solutions or become self-employed (Youth Education and Entrepreneurship, 2015).

For the purpose of providing education for entrepreneurship and ensuring more employment opportunities, European Union has established European Social Fund. Other initiatives include the Employment and Social Innovation Program, which aim is to provide financial support for social entrepreneurs, and vulnerable individuals who aim to establish micro-enterprises (europarl.europa.eu). An important measure for reducing youth unemployment is Youth Guarantee, a commitment by EU Member States, which guarantees that young people under the age of 25 will receive a quality offer of employment, continued education, apprenticeship and traineeship within four months of becoming unemployed or leaving formal education. These programs aim to help young people make right career choices and develop skills and competences which are sought-after in labor market.

Observed measures could be applied for tackling unemployment within Serbian youth, as they face numerous obstacles when entering labor market. Main problems include mismatch between educational profiles and labor market needs and hyperproduction of certain educational profiles. Other issues include lack of needed competences and skills, such as the use of software, foreign languages, the knowledge of presenting themselves in job interviews or when applying for grants. Another issue within Serbian youth employment perspectives can be seen in the uneven distribution of job opportunities, especially in undeveloped regions or municipalities. Therefore, youth in Serbia mostly gravitates towards larger and more developed centers.

It would be of great importance to map those environments in Serbia in which youth faces most obstacles when trying to find a job. This should be the starting point in tackling youth unemployment in Serbia, as it can be claimed that not all young people in Serbia have equal chances of attaining higher and informal education or finding lucrative employment.

5. CONCLUSION

Long-term unemployment leads to the inability of youth to participate in the labor market, completely withdrawing from it and thereby losing any promise of achieving financial independence. Inability to achieve financial independence in society bears a highly negative impact on youth which may be seen in their economic behavior and their association, limiting their future professional development and prospects as their skills and knowledge obtained wither and become obsolete. A vicious cycle, this leads also to their further inability to become employed in any consistent manner, whereby they may only grow dependent on social assistance and welfare. Strategic measures which are presented in the paper are related to building capacities of youth in the Republic of Serbia through education such as mentoring, training, informal/formal education. Also, young people should be encouraged to develop entrepreneurial skills and therefore create their own workplaces especially women who are dealing with house wife jobs.

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STRATEGIC MEASURES FOR REDUCING LONG-TERM UNEMPLOYMENT AMONG YOUTH IN SERBIA

Abstract: Investing in youth and empowering them to enter the labor market as soon as they have finished their education has been shown to be one measure that a state may undertake to boost both its overall GDP as well as ensure that young professionals build healthy and long careers. In the last decade, Serbia has been battling a high unemployment rate for those 15 to 24 years of age. This group's high unemployment has hindered Serbia's potential economic growth and as well as the career potential of its youth. It is therefore of strategic importance for the Republic of Serbia to endeavor to increase youth employment as much as feasibly possible. Serbia's youth unemployment rate itself hit a peak in 2012 at approximately 50%. Since then, the situation has improved with some government intervention, such as the Republic of Serbia's Youth National Strategy for 2015 to 2025, as well as work from international and local youth organizations. However, despite such advances in the labor market, Serbia still faces long-term youth unemployment. Statistics from 2019 show that 30% of those 15 to 24 years of age in Serbia are currently looking to be employed. To make matters worse, young people have no fast-track system in place in order to more effectively insert them into the labor market once their education or training has been completed, delaying wage growth, training and the injection of young human capital into the economy. On average, this age group in Serbia spends from one to one and a half years looking for a job. Compared to their counterparts in other countries within the European Union, according to the EU27, similar transition times from study into employment average six months. The paper will therefore present the current state of long-term unemployment in Serbia, targeting youth unemployment as its focus, analyzing data collected by the Statistical Office of the Republic of Serbia and Serbia's National Employment Agency, comparing it against other studies within the wider literature. Based on the conclusions reached, the authors shall provide recommendations on how to better youth employment by finding measures that will ensure youth enter the labor market more effectively.

Keywords: Youth, Unemployment, Labor market, Serbia.