

# Analysis of the Labour Market Demand

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**May 2020**

**The views expressed in this publication are those of the author and do not necessarily represent those of GIZ.**

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## Abbreviations

ALMP – Active labour market policy

BO – Branch office

CSO – Civil Society Organisation

FMCG – Fast moving customer's goods

GIZ - German Agency for International Cooperation

GDP – Gross domestic product

PROA - Publicly recognized organizers of adult education activities

LEAP – Local employment action plan

LEC – Local employment council

LFS – Labour Force Survey

LSG – Local self-governments

MoESTD - Ministry of Education, Science and Technology Development

MoLEVSA – Ministry of Labour, Employment, Veteran and Social Affairs

NEAP – National Employment Action Plan

NES – National Employment Service

PWD – Persons with Disabilities

SAE – Serbian Association of Employers

SBRA - Serbian Business Registers Agency

SCoC – Serbian Chamber of Commerce

SORS – Statistical Office of the Republic of Serbia

ToR – Terms of Reference

VET – Vocational Education and Training

YEP - Youth Employment Promotion Programme

## 1. Introduction

### 1.1. Background and the Terms of Reference

This analysis looks into establishing a clear picture of the current, and where possible, future demand for skills and labour and identify which training providers are able to provide training in these skill areas, whether training is certified/accredited, and the level of training and costs of delivery.

Analysis is conducted within the framework of the project “Inclusion of Roma and other marginalized groups in Serbia - GIZ- InR programme” implemented by the German Agency for International Cooperation (GIZ). The programme is focused on building capacity at the local level in pilot cities and municipalities<sup>1</sup>, through civil society organisations (CSOs), including local Roma coordinators, pedagogical assistants, health mediators, social workers, and working within existing structures e.g., local self-governments (LSG), Social Economic Council and National Employment Service (NES) local branch offices (BO), in areas such as supporting the formulation of the Employment Action Plans (2020-2021).

The work undertaken by GFA, contracted by the GIZ, throughout the 30 month contract period, will specifically contribute to the achievement of Output 3: “Implementation of the objectives and requirements of the National (Roma) Strategy in selected municipalities has improved”.

A key element to achieve this Output is to improve the employability and inclusion into the labour market of Roma and other marginalized groups. As per the Terms of Reference (ToR), and GFA Technical offer, the focus will be on the achievement of indicator 3.2: 3,000 marginalized persons (especially Roma), 900 of which are girls and women and 600 of which are returnees, are supported through needs-orientated gender-responsive measures (e.g., non-formal qualification measures, internships, business start-ups, measures on (psycho)social and school integration), which are improving structural social inclusion.

The specific indicators for the GFA support, as specified in the GFA Technical proposal are as follows:

- 750 marginalized persons are reached with Active Labour Market Measures (ALMMs), including 33% girls and women (250) and 20% (150) returnees; and
- From the 750 supported marginalized persons, 450 are expected to be employed 33% girls and women (150) and 20% returnees (90).

In order to set the ground for sound planning and design of active labour market measures (ALMM), the task of the consultant, and this exercise, is to conduct research under Work Package 2: Planning of ALMMs, namely to undertake an assessment of the demand for labour market skills and, based on the skills in demand, to assess where possible, the current providers of training in these skill areas.

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<sup>1</sup> Aleksinac, Apatin, Bač, Koceljeva, Kragujevac, Kraljevo, Kruševac, Novi Beograd, Novi Pazar, Pirot, Požarevac, Raška, Sombor, Subotica, Tutin, Valjevo, Vranje, Vršac and Zvezdara.

More precisely, the consultant is expected to conduct the following tasks:

1. Establish a clear picture of the current, and where possible, future demand for skills and labour on the national, and where possible regional/local labour market, drawing on existing results of the assessments of national and regional/local strategic documents and action plans. This will involve:
  - a. Identifying, collating, and analysing existing data and reports on businesses and demand for skills and labour in Serbia;
  - b. Mapping the generators of labour market related information nationally and regionally/locally (which organisations are collecting what data, frequency of collection, accessibility of data, and any perceived weaknesses or strengths of the available data, including gaps); and
  - c. Establishing a clear picture of what the current and future demands for labour and skills on the labour market are (nationally, regionally, locally and by sector), based on the available data. Disaggregated data should be provided (if possible) so as to inform the work being carried out in municipalities.<sup>2</sup>
2. Once the skills in demand have been identified, establish which training providers are able to provide training in these skill areas, whether training is certified/accredited, the level of training and costs of delivery.
3. Based on the research data, and in discussion with GFA and the Employment Promotion team, define:
  - i. The relevance of the findings to the target groups and selected LSGs;
  - ii. The need to refine and/or scale up the successful measures developed through the former project Youth Employment Promotion (YEP), based on the assessment results; and
  - iii. The need to develop additional innovative employment promotion ALMMs i.e., for specific target groups, within specific sectors, or geographical locations.<sup>3</sup>

With regards to the tasks from the ToR there are several issues that are important to be highlighted.

- Most of the data relevant for the research are collected by the Statistical Office of the Republic of Serbia (SORS), NES and Serbian Business Registers Agency (SBRA). Data are collected regularly and accessible through their websites. With regards to the **current labour market demand**, the author managed to find only **two sources** that could provide relevant insight - the first is the NES, the public employment service entrusted to provide a wide

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<sup>2</sup> Aleksinac, Apatin, Bač, Koceljeva, Kragujevac, Kraljevo, Kruševac, New Belgrade, Novi Pazar, Pirot, Požarevac, Raška, Sombor, Subotica, Tutin, Valjevo, Vranje, Vršac, and Zvezdara.

<sup>3</sup> The detailed design of the new measures will not be part of this contract. These measures will be designed in a participatory manner following the approval of the research report and for employment measures specifically targeting the participation of women; care will be taken to design measures that are gender-sensitive. The design of new measures will take account of other programmes/projects activities being delivered by GIZ, as well as other donor and national Serbian partners, and will be designed in a participatory manner.

range of services to the unemployed in Serbia, while the second source is Infostud poslovi<sup>4</sup>, an on-line platform of vacancies that matches demand and supply. While there are a few other web platforms (poslovi.rs, lakodoposla.com, etc.), there are not many vacancies published there, so these cannot be treated as relevant sources. In order to strengthen the section of the report on current demand, the statistics on the economic sectors that currently employ the largest number of people is provided, both for the national level and the level of LSGs.

- On the other hand, **data on the future labour market demand were collated from a single source**, which is the NES Annual Employers Survey. The data from the Survey are also used by the Ministry of Labour, Employment, Veterans and Social Affairs (MoLEVSA), when preparing the National Employment Action Plan (NEAP) and planning ALMMs. Although deficient, because of the relatively small sample of enterprises encompassed and sometimes low response rate, it is the only source of information on future labour demand. Also, data are provided only for the national level, not the level of regions/districts, or LSGs. Because the collection is done once a year, any major disturbances that might occur within the calendar year are not recorded.
- While most of the data are available for the national and partly for the local level (the most relevant sources being SORS, NES and SBRA), there is **not so much data available for regional/district level**. Another difficulty is the fact that GIZ InR municipalities are not concentrated within several districts but are rather scattered throughout Serbia. The only exceptions are 4 municipalities located in the district of Raška (Kraljevo, Novi Pazar, Raška and Tutin), and two city municipalities, Zvezdara and Novi Beograd, within Belgrade District. Another issue worth noting is related to the fact that although within the same district, LSGs can be very diverse in every sense. As such, it might be difficult to find commonalities, and apply the same rules for all municipalities within one district (Kraljevo and Tutin for example). Having said that the lack of district level data is not considered a major setback for this research.
- This analysis was based on **desk research** only, which proved an insufficient method to collect all relevant information. Meetings would have been helpful with some of the key stakeholders (NES, MoLEVSA, Serbian Chamber of Commerce etc.), to obtain documentation, ask additional questions, and clarify certain issues. This was not possible due to the COVID-19 outbreak, that not only made meetings impossible in person, but to a great extent affected obtaining of some of the documentation e.g., Local Employment action Plans prepared by LSGs. Some local Plans the author did manage to find on municipal websites, others were requested by email. However, apart from Novi Pazar, who did send their LEAP, other contacted municipalities did not reply. This is partly understandable as LSGs currently have a primary focus on the COVID-19 pandemic. Thanks to support from the project team, additional LEAPs were obtained, but still not all (9 out of 19).

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<sup>4</sup> Internet poslovi is part of part of Infostud group that is one of the major internet companies in Serbia that leads different internet business dealing with automobiles, education, employment, real estate and insurance (among Internet poslovi)

- A related issue is the unfortunate **timing of this analysis**. Namely, work on the analysis started at the beginning of March 2020, when all data examined showed positive trends i.e. GDP growth for 2020 was estimated to be 3.9%, and net job creation growth 3.1%. The economic outlook was good, labour demand existed, employment opportunities were promising. However, in the first week of March, Serbia reported the first case of COVID-19, by mid-March 2020 a state of emergency was introduced, due to pandemic and a nationwide lockdown was imposed. As we are witnessing the same scenarios all over the world, in parallel with health related concerns there are growing economic and social concerns on how the COVID-19 outbreak will affect the worlds' economy. At this point we can only assume that the consequences will be significant and that the world will face another recession which will inevitably lead to loss of jobs. For that reason, in the discussion with the GFA project team (beginning of April 2020), it was agreed to extend the scope of the analysis to look at the current effects of the COVID-19 pandemic, as well as the possible impact it might have. As such, the labour market forecasts for this year that are detailed in this analysis should be taken with reserve as their achievement seems questionable under the present circumstances. The overall consequences will only become clear once the pandemic is over.

What is important to keep in mind is that those that are targeted by this programme were marginalized in e Serbian society, and even before this crisis occurred had difficulties entering the labour market. They are very likely to be amongst the worst hit by the economic crisis that will result from COVID 9. There are already reports that Roma are in a more vulnerable position than the rest of the population for several few reasons. For example:

- Many of them live in settlements without basic sanitary conditions (water and electricity) and for most of them maintaining social distancing is difficult due to the circumstances they live in; and
- Their opportunities for generating income are limited, or in many cases, completely disabled. Many Roma work in the informal economy, collecting and selling secondary waste material, in seasonal jobs, or are selling goods in open markets, which are all affected by the lockdown, being closed because of preventive measures. As a result, many of them already lost their income; do not have any savings to live on, and, as most of them work in the informal economy, they will be deprived of basic protection that formal jobs provide, including social protection coverage. They are also disadvantaged in access to health-care services and have no income replacement if they stop working in case of sickness.

The GIZ InR programme therefore may need to re-think its strategies to adjust to these new economic/social realities that will become clearer in the months ahead. One important thing to note is that once the pandemic and lockdown is over, Roma will need opportunities for quick income in order to recover. Labour market oriented training that lasts several months might not be the best immediate solution after the pandemic is over.

## 2. Relevant strategic and legal framework

The strategic and legal framework, that guides and regulates employment policy in Serbia, is largely in place. The MoLEVSA and the NES have a mandate to design, implement, and monitor employment promotion policies and programmes in Serbia.

The **National Employment Strategy 2011–2020**, and annual action plans for employment, set the framework for strategic and operational priorities in employment and skills development. The National Employment Strategy for the period from 2011 to 2020<sup>5</sup>, as a key strategic goal sets out the establishment of an efficient, stable, and sustainable employment growth trend, in parallel with the harmonization of labour market employment policies and institutions with the Community acquis. The strategy outlines the specific objectives intended to contribute to the growth of employment in Serbia, through the implementation of various programmes, measures and activities:

- ✓ *boost employment in underdeveloped regions and develop regional and local employment policies;*
- ✓ *enhance the quality of human capital;*
- ✓ *develop institutional capacities and expand active labour market policies, and*
- ✓ *reduce labour market duality.*

The **National Employment Action Plan** (NEAP) is the key annual employment policy operational document that defines active labour market policies designed to improve employability of hard to employ groups. Every year **hard-to-employ categories**<sup>6</sup> are defined within NEAP. In the document for 2020 the following categories are listed: Roma; refugees and internally displaced persons (IDPs); returnees returned to Serbia based on the readmission agreements' persons with disabilities (PWD); redundant workers; persons with no qualifications; women"; youth (aged 15–24); youth in institutional care; foster or guardian care; the older population (aged 50–64); the long-term unemployed; single parents; social welfare benefits recipients; both unemployed parents; former criminal offenders; victims of domestic violence; and victims of human trafficking. Inclusion of certain categories into hard to employ implies they will have **priority** inclusion in active labour market programmes, while at the same time, special employment programmes are implemented for certain groups (among others, unemployed Roma), as a form of affirmative action.

The NEAP active labour market policy programmes and measures are designed on the basis of the **assessed labour market situation and trends, employer needs identified through NES collected Employers survey, and impact assessment results of ALMM implemented in previous years**. While the general design of ALMMs is provided in NEAP, procedures, and other issues relevant for the implementation, are regulated in more detail by the NES through general act. An integral element of the NEAP is the **Annual Further Education and Training Programme**, that **outlines further education and training measures** that will be implemented. This programme is based on an analysis of labour market demand, i.e. on employers' needs in terms of the knowledge and skills required for the specific jobs, identified in contact with employers.

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<sup>5</sup> Official Gazette of the Republic of Serbia No 37/11

<sup>6</sup> Hard to employ persons are defined as persons who have greater difficulties in finding employment, for health-related reasons, insufficient or inadequate education, social and/or demographic characteristics, the regional or professional mismatch between the labour market supply and demand, or other objective circumstances



NES gives priority to assisting people facing difficulties in finding employment. ALMMs provided by NES can be divided into several broad categories:

1. *job matching services to job seekers;*
2. *career guidance and counselling services;*
3. *employment subsidies;*
4. *support for self-employment;*
5. *further education and training;*
6. *incentives for unemployment benefit recipients;*
7. *public works;*
8. *other measures aimed at employment or retention of employment, in accordance with the relevant Government's act.*

Support for jobseekers is provided in line with **each person's profile**, particular needs, and potential opportunities in the labour market. All these are recorded in the **individual employment plan** that provides the framework for support.

Measures are useful but have limited impact on improving job prospects for unemployed people as **funding for the implementation of ALMPs is very low** (0.08% of GDP in 2018). The measures provided under the NEAP **are mostly one-day services**, such as job fairs and job-search training, covering around 120.000 participants per year, which is **only one quarter of the unemployed** persons registered with NES (22.4% in 2017 and 26.2% in 2018). It is worth noting that only around 3% of registered unemployed people are included in financial measures such as training, employment, self-employment subsidies, or public works. Training measures are mostly for medium and highly educated jobseekers, as between 60 to 63% of those included in the training have secondary education, while the percentage of those with low qualifications is between 21 and 23%<sup>7</sup>.

With the adoption of the ***Strategy for the Social Inclusion of Roma in the Republic of Serbia***<sup>8</sup> for the period from 2016 to 2025, an attempt was made to address the position of Roma in a holistic manner and the identify systemic solutions, measures, and activities that need to be implemented to enable their integration into society. The measures envisaged within the area of employment policy aim to stimulate the integration of working-age Roma in the formal labour market, improve their employability, employment, and self-employment. The Strategy envisages the implementation of measures and activities that are expected to have a positive impact on raising the share of working-age members of the Roma national minority in the formal labour market, decreasing the number of functionally illiterate Roma, and increasing competences of those who leave the formal education system prematurely etc.

The third layer relevant for an overview of the employment policy are ***Local Employment Action Plans*** (LEAP), that are an instrument for planning and implementation of decentralised active employment policies that address local labour market needs. The idea behind LEAP is that local

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<sup>7</sup> NES Performance Reports for 2017, 2018, 2019

<sup>8</sup> Strategy for the Social Inclusion of Roma in the Republic of Serbia Official Gazette of the Republic of Serbia No. 26/2016

communities analyse local labour markets, identify key problems to be addressed, and based on the needs identified propose adequate solutions (ALMMs).

Decentralisation of local employment policy started in 2010 when the Government offered to LSGs the possibility of co-financing of LEAPs, if they provide more than half of the funding needed for its implementation.<sup>9</sup> From 10 LSGs that applied in 2010 this practice has advanced significantly, as in 2018, 121 LSGs signed co-financing agreements with the MoLEVSA, 104 in 2019, while for 2020, 107 requests for financing were submitted. Moreover, there is a significant number of LSGs (e.g. 43 in 2017, 48 in 2019) that have financed ALMP measures envisaged in their LEAPs exclusively from the local budgets, implementing them with technical support provided by the NES (through Technical implementation agreements). The NES holds information on LEAPs and ALMMs implemented through them (both co-financed and implemented through Technical implementation agreements), as well as the number of Roma included. However, this information can be obtained from the NES only through separate request.

The following measures are to be co-financed from the central level in 2020: public works; traineeship programme' self-employment subsidies; programme for the acquisition of practical knowledge for long-term unemployed and non-qualified persons; trainings at the employer's request; and subsidy to employers for employment of persons that belong to hard-to-employ group. However, due to COVID-19 pandemic, the funding for ALMMs can be redirected to some other priorities, as we witnessed after the flooding in 2014.

While the interest and the commitment of large number of LSGs are undisputable, there are still weaknesses related to the process of LEAP development. LSGs often lack capacities for proper analysis and interpretation of labour market data, proposed solutions are often not strongly correlated with the analysis, and in general, data on employment outcomes are missing. Also, there is a list of ALMMs that LSGs can choose from every year. If co-financed by the MoLEVSA, LSGs cannot change design of the measure, but as witnessed in the case of those LSGs that implement LEAPs from their own resources, LSGs act conservatively and do not innovate/change the design of ALMMs. Also, **training for the labour market are always implemented centrally**, by the NES, due to the fact that training providers of labour market trainings are selected through public procurement which would be administratively complex for local NES BOs.

### 3. Relevant data sources

#### 3.1. National level

Relevant labour market data can be computed from several actors and sources. The most relevant are data collected and published by SORS, the MoLEVSA, the NES, and the SBRA). Data are collected and published regularly, and easily accessible through the organisations' websites. A number of researches are also available in the area. It is expected that sector skills councils work on the identification of skills trends and occupational changes, specific to each sector, and provide input to

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<sup>9</sup> Law on Employment and Unemployment Insurance, Article 60, Official Gazette, No. 36/09, 88/10, 38/15, 113/17- other law and 113/17

evidence-based development of qualification standards, but this is still at an early stage of development.

**Statistical Office of the Republic of Serbia** collects labour market relevant data that are presented in the *Labour Force Survey (LFS)*. The LFS is published quarterly and contains data on key labour market indicators. At the end of March a more comprehensive LFS bulletin, for the previous year, is published by SORS. The LFS provides data on employed, unemployed, active and inactive. Data on the number of employees, per economic sectors, are also provided. SORS does not provide any forecast of future labour market demand. Data are publicly accessible through the website of SORS <https://www.stat.gov.rs>.

**The National Employment Service** issues a *Statistical bulletin* on a monthly basis in which information on: the number of unemployed at the NES registry, and their characteristics, are provided; unemployment and employment data by areas and municipalities; number of registered vacancies; and overview of the most frequently demanded occupations, by education levels, according to the requests for job matching services etc. are provided. The last Statistical Bulletin available on the NES website is for March 2020. Bulletins can be accessed through the following link: <http://www.nsz.gov.rs/live/dokumenti/e.cid667>

The **NES maintains records on vacancies, based on the employers' reports** on vacancies for which they require NES job placement services, and based on reports on the delivery of those services. It should be noted though that the NES bulletin is providing only a partial picture on vacancies in the country, as number of employers seek for employees in some other ways and there is no centralised record of all announced vacancies. However, as this is the only available systemic record on vacancies that can be looked at, it is relevant for the analysis of the labour demand.

Another important instrument used to forecast/monitor labour market needs is the Annual *Employer Survey* conducted by NES. This survey is conducted since 2011 each November by NES employees and it includes active companies employing 10 or more people. A stratified sample is used, which is determined by the number of employees, economic sector, and geographical distribution. Self-employed people, and micro-companies, are excluded from the sample as this would make the sample size too large. NES collects data on their employment plans, and skills and knowledge their potential employees need to have. The results are then used to assess the situation in the labour market, to align/match services and ALMMs that are provided by the NES with the needs of employers, and to improve NES services. The purpose is also to identify deficit occupations in all regions as well as in economic sectors.

Data on deficit occupations are not included in the Employers survey published at the NES website but are used by NES when planning labour market oriented trainings. It should be noted that shortcomings in data collection were identified. For example, in 2019/2020 the sample included 2.500 companies, out of which 1.486 filled in questionnaires (59.45% response rate). The response rate of employers is something that is noted every year, and recommendations were provided by MoLEVSA to the NES related to improved collaboration with the Serbian Chamber of Commerce and Association of Employers to improve the response rate.

Employer's survey is a public document that can be found on the NES website [http://www.nsz.gov.rs/live/dokumenti/a\\_e\\_o\\_o\\_.cid25684](http://www.nsz.gov.rs/live/dokumenti/a_e_o_o_.cid25684)

Results and findings of the survey guide planning and targeting of ALMMs (set out in the NEAP) and hence, contribute to addressing mismatches between supply and demand of qualifications, competences and skills. Also, based on the survey findings, MoLEVSA/NES prepare an **Annual Programme of further Education and Training**, that sets out programmes and measures of further education and training to be implemented. The NES survey allows calculation/projection of occupational needs for the year ahead.

Closely related to the Annual Programme is the **Catalogue of labour market trainings** that NES publishes every year. For 2020, two catalogues have been published - **Catalogue of labour market training for the unemployed**, and **Catalogue of labour market training for unemployed with no/low qualification (low skilled workers) and for those completing functional adult elementary education** for 2020. A closer look at the training listed in both catalogues is provided in a later chapter to this report. Catalogues are provided on the NES website and can be accessed through the following link: [http://www.nsz.gov.rs/live/dokumenti/o\\_o\\_e\\_2020\\_o\\_.cid54172](http://www.nsz.gov.rs/live/dokumenti/o_o_e_2020_o_.cid54172)

### 3.2. Relevant data sources for the local level

**Statistical Office of the Republic of Serbia** again is an important source of local level information. Within their publication **Municipalities and Regions of the Republic of Serbia**, annual data for municipalities are provided that enable the development of municipalities to be monitored. The presented data includes data of the Ministry of the Interior, Ministry of Finance, Republic Geodetic Authority, NES, and Institute for Health protection of Serbia. Data on registered employment, employment per sectors, average salary, and the recorded unemployment, are provided within this publication. The last issued publication is for 2019 and can be accessed through the following link <https://publikacije.stat.gov.rs/G2019/Pdf/G201913046.pdf>

Within the SORS **Devinfo database**, there are municipal profiles that provide an overview of several key areas including population, economy, agriculture, education, culture, health, social care, social participation, judiciary, transport and infrastructure, and a composite index. Data are collected from different sources and presented in a PDF document that is publicly accessible through the SORS website for every municipality through the following link <http://devinfo.stat.gov.rs/diSrbija/diHome.aspx>

**Serbian Business Registers Agency** also provides relevant data per regions, districts and cities/municipalities on several areas including: basic data (population, area, number of employed/unemployed, income and GDP breakdown of qualification of unemployed persons); breakdown of business entities (number of companies and entrepreneurs)' breakdown of non-profit entities' financial performance of companies, entrepreneurs and non-profit entities' indebtedness; and total regional development incentives by purpose, type of recipient and implementing authority. More details on the businesses operating in GIZ InR municipalities are provided in a later section of

this report. The data base is available for general public and can be accessed through the following link <http://pretraga2.apr.gov.rs/APRMapePodsticaja/>

Information relevant for local labour markets can be found in **Local Employment Action Plans** that in most cases provide a comprehensive and updated picture of the labour market situation. LEAPs provide: general labour market statistics (number of employed, unemployed); characteristics of local economy; characteristics of the unemployed (educational attainment, age structure etc.); identifies priority groups; and lists ALMMs. Budget for ALMMs is a mandatory part of the LEAP. Unfortunately, most LSGs do not publish the LEAP on their municipal website.

The **Serbian Chamber of Commerce (SCoC)** is the organization of business entities (companies) that have membership in this organization. They are grouped into sectors of agriculture, industry and services. There are 16 regional chambers of commerce<sup>10</sup> and the Belgrade one, which provides expert support and efficient representation to its members. The Chamber represents the interests and views of its members by participating in the creation of laws and regulations relevant to the business community, promotes economic cooperation with foreign countries, provides information and analytical support to the economy, and encourages export activity and involvement of domestic companies in international supply chains.

According to the information on their website they provide different services to their members (business entities) including: information on documents and certificates that are needed for import/export, on how to start a business, and they organize participation in fairs for companies, but also education and training that might be relevant for their members (training on how to improve business through digital marketing, training on MS Power Point 2016, how to prepare business plan, how to apply for tax relaxation in relation to state of emergency, training on effective business communication, conflict management etc.). Training can be attended by anyone interested with the only difference that non-members have to pay participation.

All regional Chamber of Commerce have their own websites that provide a brief overview of the economy/economic sectors that are the most represented in their region. Due to the fact that one chamber covers several districts information on economic sectors is not so relevant. There is no information on the labour market demand.

There is an interesting exercise that Chamber of Commerce did with NES at the end of the last year, when a questionnaire was sent to employers on the occupations in demand (which occupations, reasons for deficit etc.), investment of employer into employees training, and cooperation with schools etc. Data collected are currently being analyzed and will be available by mid-May 2020.

The **Serbian Association of Employers (SAE)** gathers employers with the purpose of representing, promotion and protection of their business. The mission of the SEA is to improve the business environment, promote and protect business interests, participate in social dialogue, and provide a platform for exchange of information among employers. They provide services that include: representation of their interests in dealings with the Government, trade unions, other organisations; provision of relevant business information on legal framework relevant for doing business; legal advice; and tailor made training for business entities. They currently have 133.000 members

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<sup>10</sup> Kragujevac, Kruševac, Nis, Pančevo, Sombor, Subotica, Valjevo, Zrenjanin, Kikinda, Kraljevo, Leskovac, Novi Sad, Požarevac, Sremska Mitrovica, Užice, Zaječar.

(individual companies and collective members – territorial or sectoral associations). On their website they advertise jobs available in their member companies. However, since there are only 4 jobs currently advertised they do not seem relevant for the analysis of jobs in demand.

#### 4. Relevant labour market and business information

In order to understand the current context related to the labour market in Serbia, a brief overview of the **key labour market indicators** is provided, followed by the relevant information on the **business entities**.

Over the last few years, more specifically in 2018 and 2019, the Serbian economy registered economic growth that resulted in positive changes in employment and the general improvement of key labour market indicators. Economic growth, measured by real GDP growth, was 4.4% and 4.2% in 2018 and 2019 respectively.

The **LFS** data computed by SORS showed **positive trends** in employment for 2019. In the fourth quarter of 2019, the number of employees was 2.938.200 and the number of unemployed 314.100. The employment rate for the given period was 49.7%, and for unemployment 9.7%. The inactivity rate remained high, reaching 45%.

Within total employment, which remained at the same level as in the third quarter of 2019, there was an **increase in formal employment** (by 33.100), primarily in non-agricultural activities, and a decrease in informal employment (by 33.600), primarily in agriculture. However, rates of informal employment are still high reaching 17.6%, most of which is recorded in agriculture (8.3%). This means that nearly **one in six employed persons is working in non-formal jobs**. Employment growth was recorded only in the Belgrade region (by 18.300), due to the transition of inactive persons to the category of those that got employed, as the number of unemployed remained almost unchanged.

The **educational attainment** of the total workforce in Serbia is dominated by those with medium level of education (over 50%), while those who have completed a high level of education account for around 25%. Although there is a positive relationship between the level of education and the probability of labour market participation, insufficient relevance of skills acquired in upper secondary and tertiary education leads to a lengthy school to work transition.

The number of unemployed registered with the NES in December 2019 was 529.508 (out of which 286.872 were women). The number of the unemployed registered with NES has been steadily decreasing from 2013 onwards. The number of Roma registered with NES also varied, between 22.000 in 2013 and 26.500 in 2019. The worrying trend is that the share of unemployed Roma has been constantly increasing, from 3.2% in 2015 to 5.1% in 2019 respectively.

General characteristics of jobseekers are **very unfavourable** if we consider their educational attainment, age structure and unemployment spells. Attainment level is predominantly low as the biggest group are those with I level of educational attainment (156.868 – 29.6%), followed by those that have III and IV level of education (110.261 and 153.390 respectively). Close to 70% of the unemployment fall within the category of long-term unemployed. The table below presents characteristics of the unemployed at NES registry in more details.

**Table 1: Unemployed at NES registry by attainment level in 2018 and 2019**

	No of unemployed in NES records		Share in the total number in %	
	2018	2019	2018	2019
<b>TOTAL</b>	583.099	529.508		
Men	274.609	242.636	47.1	45.8
Women	308.490	286.872	52.9	54.2
<b>EDUCATION</b>				
Persons without qualifications and with low qualifications (I and II)	194.417	173.606	33.3	32.8
Secondary education (III and V)	303.756	266.953	52.1	50.4
Post-secondary and higher education (VI-VIII)	84.926	75.949	14.6	14.3

If we look at the business entities that are operating in Serbia, it can be noted that both the number of companies and entrepreneurs decreased in 2018 and 2019. It is however important to mention that in 2019 inactive businesses (those that did not file a financial report for the two consecutive years) were deleted from the registry of the SBRA.

**Table 2: Number of companies in Serbia**

	2017	2018	2019
<b>Active</b>	129.286	133.737	117.008
<b>Newly established</b>	8.602	8.600	4.626
<b>Deleted/wounded up</b>	2.939	3.991	1.860

Source: Serbian Business Registers Agency

**Table 3: Number of entrepreneurs in Serbia**

	2017	2018	2019
<b>Active</b>	238.664	253.984	261.093
<b>Newly established</b>	34.708	37.259	18.569
<b>Deleted/wounded up</b>	21.717	22.118	11.541

Source: Serbian Business Registers Agency

#### 4.1. Inclusion of Roma in ALMMs provided by NES

Since the GIZ InR programme has a focus on Roma community and their inclusion into labour market, participation of Roma in ALMMs provided by the NES is relevant for understanding the volume and the range of NES measures. If we, for example, look at 2017, for which detailed data were provided by the NES to GIZ YEP project, for the purpose of conducting and analysing participation of Roma in ALMMs, it can be noted that in total 5.142 unemployed Roma (2.253 women) were included in ALMMs provided by NES, thus accounting for a 3.54% share of the total

number of unemployed who participated in ALMMs. However, it should be noted that when other **sources of funding**, as well as other **services are taken into account**, support was provided to 6.802 Roma<sup>11</sup> in 2017. The largest number of unemployed Roma, 1.683 was included in **motivational trainings** (active job search training, motivation-activation training for Roma, and motivation-activation training for persons with no/low level of qualifications), followed by **job fairs** (1.454 persons) and **public works** (1,006 persons). In addition, unemployed Roma account for 51.12% of the total number of unemployed participants in the **functional elementary education for adults** (so called second chance programme). In the case of the so-called **financial measures**, the largest number of unemployed Roma is included in the public works programme. In **labour market training programme** only 7 Roma participated (out of 323 participants), while in the **training for the known employer** only 5 (out of 515 participants).

**Table 4: Participation of Roma in NES funded ALMM in 2017**

Active labour market measures	Output in 2017		Persons employed in 2017	
	Total	Women	Total	Women
Job fairs	1,454	604	246	93
Job Clubs	28	15	1	0
Active job search training	253	102	65	31
Motivation-activation training for persons with no or low qualifications	1,430	663	120	44
Self-efficiency training	30	7	5	1
Workshop for coping with job loss-related stress	1	0	0	0
Educational services in the Business Centre	194	74	83	28
Mentoring services	3	1	3	1
Internship	5	4	0	0
Acquisition of practical knowledge for redundant workers and long-term unemployed	5	2	4	2
<b>Practical skills programme for unemployed with less than secondary education</b>	4	2	3	2
<b>PwD –Practical skills programme for redundant workers and long-term unemployed</b>	1	0	1	0
Practical knowledge programme for persons with no qualifications	4	2	3	2
Functional elementary education for adults	683	384	5	0
Training in response to labour market needs	7	4	2	2
<b>Labour market-oriented trainings</b>	2	2	1	1
<b>Labour market-oriented trainings for PwD</b>	5	2	1	1
Trainings at the employer's request	5	3	1	0
Subsidized employment of unemployed from hard-to-employ category	231	122	231	122
<b>Subsidies for new jobs</b>	165	90	164	89

<sup>11</sup> 5,136 persons were funded from NES funds, 336 through the LEAP co-financing programme, 1,085 persons through technical support for the implementation of LEAPs, 17 persons through technical support with the Autonomous Province of Vojvodina and 228 persons under IPA 2012.



<i>Subsidizes for the employment of unemployed belonging to the hard-to-employ category for new jobs –PwD</i>	2	1	2	1
<i>Subsidies to employers for creating new jobs –LEAP –Co-financing</i>	64	31	64	31
Public works	<b>665</b>	<b>219</b>	<b>655</b>	<b>218</b>
<i>Public works</i>	375	138	374	138
<i>Public works–PwD</i>	60	17	59	16
<i>Public works– LEAP – Co-financing</i>	230	64	222	64
Self-employment subsidy	<b>140</b>	<b>46</b>	<b>140</b>	<b>46</b>
<i>Self-employment subsidy</i>	12	7	12	7
<i>Self-employment subsidy – Roma</i>	84	29	84	29
<i>Self-employment subsidy – PwD –Roma</i>	2	0	2	0
<i>Self-employment subsidy– LEAP –Co-financing</i>	42	10	42	10
Subsidized wages for PwD with no working experience	<b>4</b>	<b>1</b>	<b>4</b>	<b>1</b>
TOTAL	<b>5,142</b>	<b>2,253</b>	<b>1,568</b>	<b>591</b>

Source: S. Aksentijević, Integration of Roma man and women<sup>12</sup> (adapted)

When assessing the overall impact on employment and increased employability, out of a total of 6.802 participants in the measures, 1.942 were employed, which is equivalent to a 28.56% impact, and is lower than the impact among the total unemployed participants on the NES register, which stood at 32.43%. However, it should be noted that the employment outcome of self-employment subsidies was recorded<sup>13</sup> as being 100%, which provides a false picture and indicates that impact is even lower than reported.

Data on inclusion of Roma in ALMMs are available for 2018 but are less detailed than those provided for 2017. In total, 6.139 unemployed Roma (2.761 women) were included into ALMMs, representing 4.01% of the total number of unemployed included in the measures (152.936 unemployed included in ALMMs). As in 2017, the largest number of Roma were included in the Active job search measures - 4.188 (1.797 women), in additional education and training programmes 775 (464 women), presumably most of them in functional elementary education for adults, while 527 unemployed Roma (234 women) was included in employment subsidy programmes. Through public works, 649 unemployed Roma (266 women) were covered. If support provided through IPA 2013 funded project is also taken into account, in total 6.175 unemployed Roma (2.781 women), were included into ALMMs, representing 3.99% of the total number of all unemployed included in the measures.

## 5. Demand for skills in the labour market

According to LFS for 2019, total number of employees in Serbia (15-64) was 2.733.500, out of which the highest number of people was working in **manufacturing sector (19.7%), wholesale and retail, repair of motor vehicles and motorcycles (14%), agriculture (13.4%), transport and storage (5.7%) and construction (5%)**. Expectedly, state is a big employer as the large number of people (over 20%)

<sup>12</sup> S. Aksentijević, Integration of Roma man and Women, published within GIZ implemented Youth Employment Promotion Programme, Youth Employment Promotion Project, December 2018

<sup>13</sup> This is related to the timing of the analysis as the obligation of registration was still in force.

works in state and local administration, health, education and social protections sectors. Table 5 below provides more detailed information on the number of people employed per economic sector.

**Table 5: Total number of employees (15-64) per economic sectors, gender in 2019 (in thousands)**

Economic sectors	Total no of employees 2,733,500			
	Total no. of employees per sector	%	No of women	%
Agriculture, forestry and fishing	366,1	13.4%	140,5	5.1%
Mining and quarrying	30,9	1.1%	4,0	0.1%
Manufacturing	539,9	19.7%	209,3	7.7%
Electricity, gas, steam and air conditioning supply	38,2	1.4%	8,7	0.3%
Water supply; sewerage, waste management and remediation activities	45,6	1.7%	10,5	0.4%
Construction	136,3	5.0%	10,3	0.4%
Wholesale and retail, repair of motor vehicles and motorcycles	381,9	14.0%	212,1	7.8%
Transportation and storage	154,6	5.7%	31,6	1.2%
Accommodation and food services activities	104,4	3.8%	51,8	1.9%
Information and communication	77,5	2.8%	30,0	1.1%
Financial and insurance activities	45,9	1.7%	2,1	0.1%
Real estate activities	4,8	0.2%	46,9	1.7%
Professional, scientific and technical activities	91,1	3.3%	22,3	0.8%
Administrative and support services	52,1	1.9%	67,3	2.5%
Public administration, defence and mandatory social insurance	151,3	5.5%	134,7	4.9%
Education	182,2	6.7%	119,3	4.4%
Health and social work activities	155,8	5.7%	18,3	0.7%
Arts, entertainment and recreation	46,8	1.7%	26,1	1.0%
Other service activities	48,8	1.8%	26,1	1.0%
Activities of households as employers <sup>14</sup> ;	81,2	3.0%	47,0	1.7%
Activities of extraterritorial organisations and bodies	/	/	/	/

Source: SORS, LFS 2019

When looking at the number of employees (15-64) per occupations, the largest number of people works in **services and trade occupations (15.7%)**, followed by those employed **as professionals and artists (14.3%)**, **agricultural workers (13.4%)**, **machine operators, installers and drivers (11.2%)**. More detailed overview is provided in the table below.

<sup>14</sup> Undifferentiated goods- and services-producing activities of households for own use

**Table 6: Total number of employees (15-64) per occupations and gender in 2019 (in thousands)**

Occupations	Total no of employees 2.733.500			
	Total no. of employees	%	No of women	%
Managers (directors), lawmakers	81,6	3.0%	27,3	1.0%
Professionals and artists	391,1	14.3%	230,9	8.4%
Technicians	324,8	11.9%	171,2	6.3%
Administrative clerks	229,2	8.4%	136,8	5.0%
Services and trade occupations	428,7	15.7%	245,0	9.0%
Agriculture, forestry and fisheries	365,5	13.4%	159,3	5.8%
Craftsmen and alike	331,3	12.1%	57,1	2.1%
Machine operators, installers and drivers	307,0	11.2%	66,7	2.4%
Simple occupations	258,5	9.5%	127,9	4.7%
Military related occupations	15,8	0.6%	/	/

Source: SORS, LFS 2018

If we look at demand for labour, though data provided by the NES on the job matching services requested by employers, in 2019 there were in 93.821 requests for job matching services filed by employers. The number of requests varied from month to month but in average it was between 4.300 to 11.000 requests. Peaks in terms of employer's requests are noted in March and April as well as Sep-Oct-Nov 2019.

The **biggest number for job-matching** requests was for the following groups of occupations: Trade, hotels, restaurants and tourism (4.266 or 15.2%), Mechanical engineering and metal processing (12.926 requests or 13.8%), Economics, law and administration (9.237 or 9.8%), Geodesy and civil engineering (7.701 or 8.1%), etc. More detailed data on job-matching services are presented in the table below.

**Table 7: Data on job-matching services provided by NES per groups of occupations for 2019**

Ref.	Occupation groups	Request for job matching services	Requests in %
I	<b>Agriculture, food production and processing</b>	3.575	3.81%
II	<b>Forestry and wood processing</b>	2.040	2.17%
III	<b>Geology, mining and metallurgy</b>	3.693	3.94%
IV	<b>Mechanical engineering and metal processing</b>	12.926	<b>13.78%</b>
V	<b>Electrotechnical engineering</b>	6.296	6.71%
VI	<b>Chemistry, non-metals and typography</b>	2.362	2.52%
VII	<b>Textile and leather processing</b>	5.130	5.47%

VIII	Public utility, upholstery and painting services	3.974	4.24%
IX	Geodesy and civil engineering	7.701	<b>8.21%</b>
X	Transport	4.505	4.80%
XI	Trade, hotels, restaurants and tourism	14.266	<b>15.21%</b>
XII	Economics, law and administration	9.237	<b>9.85%</b>
XII	Education and upbringing	1.945	2.07%
XIV	Social and humanistic fields	521	0.56%
XV	Mathematics	210	0.22%
XVI	Culture, arts and media	384	0.41%
XVII	Health, pharmacy and social protection	2.903	3.09%
XVIII	Fitness and sports	88	0.09%
XIX	Other	12.065	12.86%
	<b>TOTAL</b>	<b>93.821</b>	<b>100.00%</b>

NES: Statistical bulletins for 2019, calculation of the author

In the table below, a detailed overview is provided of the **most frequently demanded occupations for the I, II and III level of education** according to the requests for job-making services in vacancy filling during February 2020. This statistics is available in NES monthly bulletin for every previous month.

**Table 8: Most frequently demanded occupations per level of education for February 2019**

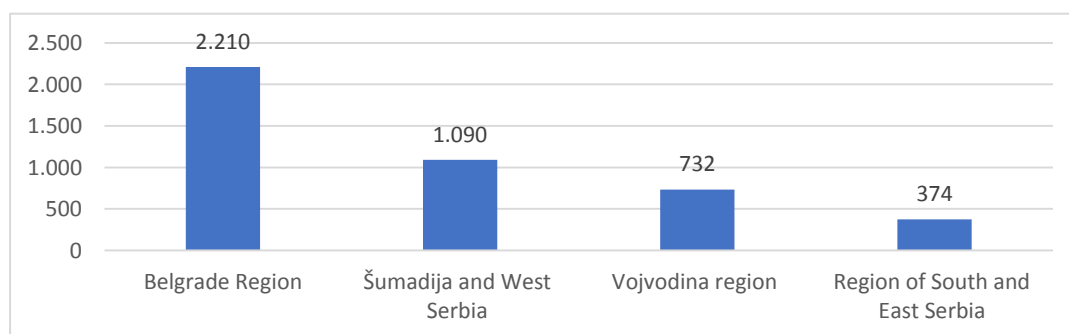
I attainment level	Number of vacancies
Unemployed without any education	272
Cleaner of premises	92
Operator in electro-energy sector	50
Operator in food production industry	24
Operator in plant production industry	12
Operator in production of cables and conductors	11
Electrotechnical operator in serial production of parts	10
II attainment level	Number of vacancies
Packaging worker	123
Assistant textile worker	52
Assistant armature maker	51
Guard	38
Assistant cook	35
Textile tailor	23
Assistant rubber and plastic processing worker	20
Assistant construction worker	16
Assistant carpenter	15
Assistant wood processing worker	12
Server	11
Barbeque worker	10
	Number of

III attainment level	vacancies
Salesperson	241
Seamstress (sewer)	134
Truck driver	112
Carpenter	110
Bricklayer	83
Locksmith	72
Security guard	69
Driver of a road vehicle (III level)	62
Armature maker	53
Warehouse clerk	47
Electrical installer	43
Auto mechanic	34
Painter	30
Cook of simple dishes	24
Butcher	24

NES: Statistical bulletin for February 2020

With regards to reported requests for job-matching services per region, Belgrade region is an absolute leader with 2.210 requests in February 2020, followed by Šumadija and West Serbia region with 1.090 vacancies, Vojvodina region with 732 vacancies, and the region of South and East Serbia with only 374 vacancies.

**Graph 1: Requests for job matching services per region**



Source: NES Statistical Bulletin, February 2020

However, it should be noted that through job mediation provided by the NES, **less than 50% of vacancies are filled**. The main reason according to NES are lack of unemployed for the required occupation, lack of adequate knowledge and skills by the unemployed, and rejection of the job offer by the person due to different reasons (poor working conditions - salary below occupational standards, unpaid overtime, distance to work, non-payment of wages etc.).

### 5.1. Effects of COVID -19 on the current labour market demand

All data presented above are data for February 2020, the period before COVID-19 outbreak in Serbia when businesses were operating normally. According to the NES, in the period from 16 March to 6 May 2020, 7.483 people lost their job and applied for unemployment benefit. Based on comparative data on the number of claims for unemployment benefit for the period from January to April 2019 and 2020, NES concluded that there was no significant increase in the number of claims. Furthermore, in the reference period the number of unemployed on the NES record dropped from 515.145 to 512.691 unemployed.<sup>15</sup> However during the state of emergency the NES BO did not work with clients so only on-line registration was possible, so it is realistic to expect that this number may increase once they return to registration in their BOs.

On the other hand, in April 2020, the organisation SeConS carried out research on the effects of pandemic, according to which about 200.000 people or 8% of those who were employed (including the informally employed and self-employed) lost their jobs during the pandemic and state of emergency. For almost half of those who lost their jobs, the reason was dismissal due to the suspension of company's work (46.2%) while one fifth of the total number (20.5%) was not offered a new contract after the previous expired. In most other cases, employees were forced to resign because with the closure of public transport, schools and kindergartens and suspension of social support services for the elderly, they could not organize to go to work and take on increased responsibilities of caring for family members. The greatest burden, but also the greatest risk during the pandemic was borne by women: they accounted for as many as 86% of employees "on the first line of infection" and they have faced increased workload in the household due to obligations related to care for other family members (in 70% of households).<sup>16</sup> There are also reports of decreased demand for labour, measured through decreased job offers. The only credible sources that could be consulted are the websites of the NES and Infostud poslovi.

According to Infostud poslovi certain demand for the workforce was recorded from 16 March – 2 April 2020, and the sectors where the demand was recorded belong to the IT, trade and sales, manufacturing, construction and transportation. IT companies were primarily looking for the following positions: Java Developer, Java Script Developer, C # / C ++ Developer, IT manager and System Administrator / Engineer.

In the area of trade and sales, gas station workers, salespersons, sales managers and cashiers were in demand. In the manufacturing sector, most vacancies were for the following positions: manufacturing worker; support worker; and hygienist; and janitor. Construction firms also wanted to hire new workers. The most demand was for geometers, civil engineers, construction managers, reinforcers, and armature workers. In the category of transport there was a demand for drivers, C-category drivers, truck drivers, delivery drivers and couriers. In the reference period, jobs were also available for warehouse staff, forklift operators, heads of warehouses, and while in logistics there was demand for referrals and procurement managers, and logistics managers. If we look at ads in

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<sup>15</sup> National Employment Service, Report on the activities of the National Employment Service during the state of emergency from March 16, 2020 to May 6, 2020

<sup>16</sup> SeConS, Research on the effects of pandemics and emergencies on employment, working conditions and household care, May 2020

the mechanical engineering category, employers were most interested in mechanical engineers and mechanics.

At Infostud poslovi website there are currently 1.309 vacancies in 721 companies. Most jobs are IT related (232), followed by mechanical engineering (179 jobs), trade and retail (163 jobs), electrical engineering (110), construction (97), and logistics etc. Most job postings are for Belgrade (859), Novi Sad (247), Niš (154), Subotica (141), and Kragujevac (129) etc.

The analysis of the jobs posted on the NES website show that out of 177 job vacancies most are in the health sector (public), as the local health institutions obviously want to hire anyone available to support their efforts to fight the pandemic. Other sectors with recorded demand are trade and supply (salespersons, warehouse operator, store manager etc.), construction (construction workers, operators of construction machines, architects), mechanical engineering, and metal cutting (assistant workers in different operating sectors), followed by personal services (hairdressers etc.) and transport (truck drivers and heavy machine operators). Unlike at the Infostud Poslovi website, there are no recorded vacancies in IT simply because the profile of the employers looking for workers is different.

In May, slight increase in the number of vacancies was recorded at both NES and Infostud Poslovi when compared to April 2020. At the NES website, 248 vacancies have been published compared to 177 vacancies in April, while at Infostud Poslovi website the number of vacancies increased from 1.309 in April to 2.329 vacancies in May 2020. When sectors in demand are compared, they are the same as in April 2020 with the only difference that the highest number of vacancies is in trade/sales and retail followed by IT, mechanical engineering and metal cutting, construction, food preparation and processing.

Further monitoring of job vacancies at Infostud poslovi website might be useful to provide picture on the demand.

## 6. Forecast of the labour market needs (nationwide)

According to data presented, in the NES computed **Employers survey** for 2019/2020, based on the analysis, the **net job creation rate is expected to be 3.1%**. The highest expected growth rates are in **macro-sectors**: professional, administrative, health and artistic activities (4.6%); manufacturing industry (3.9%); wholesale and retail and repair of motor vehicles (3.3%); followed by construction (2.6%); transport and storage, accommodation and information (2.6%); mining, electricity, gas and steam supply, water supply and wastewater management (1.2%); and agriculture, forestry and fisheries (0.6%), while negative rates were not recorded for either of the macro-sectors.

In 2019 the highest net job creation was recorded in jobs with III and IV secondary education, completed primary school, and then with VII-1 degree (4-6 years of higher education). There are similar estimates for 2020, but more jobs will be created with a VII-1 degree (4-6 years of higher education) compared to primary school jobs. In 2020, a slight decrease is expected only in jobs that do not require school, and for V level education (5 years).

The **largest number of job creation** in 2020 is forecasted in the following **occupational groups**: Services and Crafts Occupations (40.0%); Professionals and Artists (20.7%); Simple Occupations<sup>17</sup> (12.4%); Machinery and plant operators, installers (8.2%); Officers, administrative workers, agents and related (6.8%); and Drivers and operators of mobile machinery (6.1%).

In 2020, the following **occupations** are expected to be the most in demand: **salespersons; textile tailors; heavy truck and truck drivers; simple occupations in construction' foreign language teachers; packaging workers; simple occupations in manufacturing; product installers; waiters; auxiliaries metal cutting workers; rope and cable machine operators; carpenters; locksmiths; cleaners and support staff; and property and personnel security workers.**

As in previous years a number of employers reported **having problems in hiring new workers** during 2019. Compared to the survey results from the previous years (2017 Survey), when 29.3% of businesses stated that they had a problem, it could be concluded that **employers were facing more problems than in previous years**, as 36.7% reported facing problems. The most common reasons provided include: occupational deficits (35.4%); lack of knowledge and skills (24.1%); and lack of work experience (17.1%). When looking at companies with reported employment problems, in relation to the total number of enterprises, small enterprises (73.5%) most often faced problems, and by belonging to certain sectors of activity, the most common problems are with enterprises in the following sectors: Accommodation and catering services (58.7%); Professional, scientific, innovation and technical activities (46.7%); Manufacturing (42.1%); Construction (43.9%); Transport and storage (39.8%); wholesale and retail trade and repair of motor vehicles (32,5%); Information and communication (27,5%); and Agriculture, forestry and fisheries (24.3%).

Employers' expected needs for specific knowledge and skills related to **broader competencies** and personal characteristics that will be in demand including: tendency to work with things/ products; tendency to work quickly; tendency to solve problems; tendency to find practical solutions; analytics; and independence etc. Missing specific knowledge and skills related to broader competencies and personal characteristics are: communicativeness; tolerance to stress and emotional stability; creativity /innovation; ability to understand people's behaviour; accuracy and precision; tendency to find practical solutions; rapid pace of work; and tendency towards solving problems.

The expected needs for **transferable knowledge and skills** were most pronounced for the needs of: ICT; different types of licenses; languages; entrepreneurship and management; as well as safety and security at work.

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<sup>17</sup> Simple occupations include performing simple and routine tasks which may require the use of hand tools and considerable physical effort. The tasks performed by workers in the simple occupations usually include: cleaning, stocking and basic housekeeping of houses, kitchens, hotels, offices and other buildings; washing of cars and windows; assisting in kitchens and performing simple tasks | food preparation; delivering messages or goods; carrying luggage and handling luggage and cargo; filling machines for sale or reading and emptying meters; garbage collection and sorting; cleaning streets; performing a variety of simple tasks in agriculture, fishing, hunting or setting traps; performing simple mining-related tasks, construction and manufacturing, including product sorting; manually packaging and unpacking products and filling shelves; pedalling or operating manually operated vehicles for the transport of passengers and goods etc. Occupations related to simple occupations are classified into the following types: Cleaners and helpers, Simple occupations in agriculture, forestry and fisheries, Simple occupations in mining, construction, manufacturing and Transport, Food preparation assistants, Street and related occupations in trade and services, Waste collectors and other simple occupations etc.



However, having in mind the COVID-19 outbreak, and the grim outlook that it might have on the entire world's economy, the forecasted GDP, expected job creation, and the overall employment trends should now be viewed observably.

### 6.1. Possible impact of COVID-19 on the future labour market in Serbia

The effects and the possible impact of the COVID-19 pandemic on the Serbian labour market are difficult to assess while the crisis still lasts. It makes a big difference whether businesses will become operational in one month, or three months from now, as well as from the economic measures that the Serbian government has announced to facilitate recovery of the economy that will be implemented as of May 2020. According the World Bank projected growth for Serbia will be -2.5% if containment measures are fully lifted in June 2020 or -5% if they are lifted in late August 2020.<sup>18</sup>

What we know at this point is that the global economy will certainly not reach projected growth that according to the IMF will contract sharply, by -3 percent in 2020, much worse than during the 2008–09 financial crisis<sup>19</sup>, which will result in the significant loss of jobs. According to the ILO, the COVID-19 crisis is expected to wipe out 6.7 per cent of working hours globally in the second quarter of 2020 – equivalent to 195 million full-time workers. The sectors most at risk include accommodation and food services, manufacturing, retail, business and administrative activities<sup>20</sup>.

Since the declaration of the pandemic and the introduction of the state of emergency in Serbia, we have witnessed a decline in the offer of jobs, and layoffs. The sectors most affected by the crisis that will take more time to recover are Tourism and Hospitality, followed by Non-Food Trade and the Transport sector, but also Mining and Construction. On the other hand, the industries that have the least negative impact are IT, Fast Moving Consumer Goods (FMCG), Pharmacy, Telecommunications, and Manufacturing, that still record demand for workers. The only increase in employment is seen in 17% of employers in the FMCG industry.<sup>21</sup>

More than half of the companies surveyed by Infostud poslovi<sup>22</sup> in the first week of April said that the pandemic had a significant negative impact on their business (56%), and in 36% the impact was moderately negative. In only 5% of businesses, the impact of the pandemic is positive. The expectations of the companies surveyed are that the pandemic and the subsequent recovery of their economic activities will last an average of 19 months.

Although the largest percentage of companies believe that the crisis will affect the sustainability of their businesses in the short term (57%), as many as 19% stated that there was a risk of long-term business sustainability. In this regard, as many as 80% of companies have started or will soon start cutting costs, including marketing and other internal costs, supplier costs, and employee costs.

According to the research, the crises will have the least effect on the finances of the largest companies (500+ people), while the smallest ones (up to 10 employees) will be most affected.

Manufacturing might remain an important generator of future jobs, as well as wholesale and retail. This is however not very likely for construction. Although job vacancies are still recorded in this

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<sup>18</sup> World Bank, Western Balkans Regular Economic Report No.17, The Economic and Social Impact of COVID-19, Spring 2020

<sup>19</sup> International Monetary Fund, World Economic Outlook, April 2020

<sup>20</sup> ILO Monitor 2nd edition: COVID-19 and the world of work, Updated estimates and analysis, ILO 7 April 2020

<sup>22</sup> Ibid

sector, if the demand decreases we are likely to witness lesser job offers in this sector. Companies operating in agriculture will be most probably looking for seasonal workforce as the spring/summer approaches.

## 7. NES planned trainings for 2020 based on forecasted demand

In this section of the report an overview of NES ALMMs is provided, with emphasis on the measures that are part of the further education and trainings, but also an overview of training that NES is planning in LSGs in which the GIZ InR programme is active. This was considered important as the NES is the largest training provider in the country and this information can hopefully assist planning of the measures of the GFA project team. It is worth mentioning that the NES still **did not publish the tender for training provider for labour market training**, although this was expected to take place in March 2020. It cannot be excluded that they redirect the funds allocated for training to something else that might be assessed as more relevant in the current situation.

Provision of on the job mediation for job-seekers, active job-seeking measures, and professional guidance and counselling on career planning, are implemented by NES staff continuously throughout the calendar year. To implement policy programmes and measures, NES issues public calls and competitions, and/or initiates public procurement procedures.

Based on the **Further Education and Training Programme that is an integral part of NEAP**, the NES prepares detailed **Further Education and Training Programme**, published within NES Annual Work Programme that **outlines education and training measures** that will be implemented in the year ahead. This programme is based on an analysis of labour market demand, i.e. on employers' needs in terms of the knowledge and skills required for the specific jobs, identified in contact with employers. Accordingly, further education and training will be implemented for those areas of work where deficit of knowledge and skills has been identified. The annual programme of further education and training involves the implementation of the following programmes and measures.

<b>Further education and training measures for 2020</b>
<p><b>Traineeship programme</b> - for unemployed persons with no work experience, at least secondary education completed. No employment obligation. Implemented with employers that belong to the private sector (up to 30% allowed in public sector). The duration of the programme is maximum of 12 months.  <b>A total of 4,030 unemployed persons are planned to be covered in 2020 (30 PWD).</b></p>
<p><b>Internship programme for youth with higher education</b> - training for independent work in an occupation (at least post-secondary three or four-year education). Employment is mandatory during internship. Implemented with employers that belong to the private sector. The employer has the right of reimbursement of the costs of earnings for the intern. The duration of the programme can be maximum of 12 months.  <b>A total of 530 unemployed persons are planned to be covered in 2020 (30 PWD).</b></p>
<p><b>Internship programme for unemployed persons with secondary education</b> - training for independent work in the profession for those with no previous work experience. Mandatory employment during internship. The programme is being implemented with employers belonging to the private sector. The employer has the right to the reimbursement of the costs of earnings for the intern. The duration of the programme is maximum 6 months.  <b>A total of 590 unemployed persons are planned to be covered in 2020, with 40 of them persons with disabilities</b></p>
<p><b>Programme for the acquisition of practical knowledge for non-qualified persons, redundant workers and long-term unemployed persons</b> that have been unemployed more than 18 months. The employer</p>

<p>establishes fixed-term labour relations with the unemployed person and has the right to reimbursement of the costs of earnings for the persons involved for duration of 3 months. Obligation of retaining the person in employment for another 3 months after the programme is completed.</p> <p><b>A total of 820 unemployed persons are planned to be covered in 2020, with 20 of them persons with disabilities.</b></p>
<p><b>Training in response to labour market needs</b> - acquisition of further professional theoretical and practical knowledge and skills in accordance with the needs of the labour market and employers, with the aim of improving the employability of unemployed persons (primarily for hard-to-employ persons without qualifications or with low qualifications).</p> <p><u>Training for non-qualified persons and persons completing primary education</u> based on the model of formal elementary adult education by publicly recognized organizers of adult education activities (PROA) and issuing a publicly recognized document.</p> <p><b>A total of 200 unemployed persons are planned to be covered in 2020.</b> Training for other unemployed persons is being implemented by publicly recognized organizers of adult education activities, except in cases where the trainings in demand in the labour market have no publicly recognized adult education activities, when the trainings may be performed by other training providers.</p> <p><b>A total of 500 unemployed persons are planned to be covered in 2020.</b></p>
<p><b>Trainings at the employer's request</b> - acquisition of additional knowledge and skills required to work in a specific job, at the request of an employer belonging to the private sector. The employer has the obligation of establishing labour relations for duration of at least 6 months after the expiry of financing with at least 50% of the persons that successfully complete the training. <b>A total of 530 unemployed persons are planned to be covered in 2020, with 30 of them persons with disabilities.</b></p>
<p><b>Training for the needs of the employer for an employee</b> - an employer in the private sector may submit a request to NES for participation in the financing of the costs of training an employee lacking additional knowledge and skills to for performing their work and job duties with the aim of maintaining employment with that employer. The costs of participation in the financing of training for the employee may be borne by NES in accordance with available funds and regulations for awarding state aid.</p>
<p><b>Functional elementary education for adults</b> - acquiring primary education, with the option of gaining competences for performing simple jobs. The programme is intended for unemployed persons without primary education. The NES finances the costs of transport for programme attendees or school educational institutions.</p> <p><b>A total of 1,500 unemployed persons are planned to be covered in 2020</b></p>
<b>Employment subsidies</b>
<p><b>Subsidies for the employment of unemployed persons from the hard-to-employ category</b> in newly opened jobs. One-off financial incentive for employers in the private sector. The amount of subsidies is provided in accordance with development level of LSG (from 200.000 to 250.000). The employment obligation is 12 months. Interested employers have to apply to Public call announced by the NES and submit all relevant documentation which includes proofs that they did not layoff any workers in past 3 months that they do not have pending tax obligations as well as the business plan that is rather of detailed overview of the company.</p> <p><b>A total of 2,730 unemployed persons are planned to be employed in 2020 (230 PWD).</b></p>
<p><b>Self-employment support</b> - one-off amount of RSD 250,000.00 (priority given to youth, Roma, redundant workers, PWD, women). Implementation is monitored for 12 months. Persons needs to be registered with NES and completed training on entrepreneurship provided by NES or other relevant institutions such as Regional Chamber of Commerce, Regional development agency etc..</p> <p>A total of 3,100 unemployed persons are planned to be employed in 2020 (100 PWD).</p>
<b>Wage subsidies for PWD without work experience</b>
<b>Incentives for the employment of unemployment benefit recipients</b>
<b>Public works A total of 4,000 unemployed persons are planned to be covered in 2020 (1,000 PWD).</b>
<b>Active labour market policy measures for persons with PWD under special conditions</b>

Source: National Employment Action Plan 2020

Based on the analysis and forecasted demand for labour in the local labour markets, analysis of the characteristics of the unemployed persons and their individual employment plans (input provided by the NES BO), available offers for provision of training in local markets, as well as determined quotas

and funding available for the training program, the NES prepared the Catalogue for 2020. List of training that will be financed by the NES are provided in the table below with reference to LSGs which are relevant for GIZ- InR programme.

**Table 9: NES training in response to the labour market needs for unemployed to be provided in 2020 per LSG<sup>23</sup>**

Ref	NES BO	Location	Title of the training	Entry requirement (min)	No of people
1.	Belgrade	Belgrade	Training in accounting	IV level of education	10
		Belgrade	Training in construction machinery	Elementary education	8
		Belgrade	Training for forklift operator	Elementary education	10
		Belgrade	Training for air conditioning installer	Secondary education	10
		Belgrade	Training on digital marketing	Not provided	30
2.	Subotica	Subotica	Training for forklift operator	Elementary education	6
		Subotica	Training for hairdresser	Elementary education	6
		Subotica	Training for administrative assistant	Not provided	10
3.	Vršac	Vršac	Training for welders	Elementary education	5
		Vršac	Training for a beautician	Secondary education	5
4.	Sombor	Sombor	Training for welders	Elementary education	5
		Apatin	Training for welders	Elementary education	5
5.	Valjevo	Valjevo	Training for operators on CNC machines for metal cutting	Secondary education	5
		Valjevo	Training in accounting	IV level of education	6
		Valjevo	Training on manicure and pedicure	Secondary education	6
6.	Kragujevac	Kragujevac	Training for operators on CNC machines for metal cutting	Secondary education	10
		Kragujevac	Training for baker	III level of education	10
		Kragujevac	Training for a beautician	Secondary education	10
		Kragujevac	Training on digital marketing	Not provided	10
7.	Kraljevo	Kraljevo	Training in accounting	IV level of education	10
		Kraljevo	Training for forklift operator	Elementary education	5
		Kraljevo	Training for operators on CNC machines for metal cutting	Secondary education	5
		Kraljevo	Training on manicure and pedicure	Secondary education	5
		Raška	Training for a beautician	Secondary education	5
8.	Novi Pazar	Novi Pazar	Training in accounting	IV level of education	9
		Novi Pazar	Training for a beautician	Secondary education	6
9.	Kruševac	Kruševac	Training for a pastry chef	III level of education	5
		Kruševac	Training for forklift operator	Elementary education	5
10.	Požarevac	Požarevac	Training for welders	Elementary education	7
11.	Nis	Aleksinac	Training on embroidery	Elementary education	5
12.	Pirot	Pirot	Training for a pastry chef	III level of education	5
		Pirot	Training for a beautician	Secondary education	5
		Pirot	Training for forklift operator	Elementary education	5
		Pirot	Hairdresser training	Elementary education	5
13.	Vranje	Vranje	Training in accounting	IV level of education	5
		Vranje	Training for industrial shoemaking	Elementary education	5
<b>TOTAL</b>					<b>264</b>

Source: NES, Catalogue of labour market training for the unemployed

<sup>23</sup> At this point procurement process for provision of training is still not initiated

A separate list of training for people with no/low qualifications has been also issued by the NES for 2020. In the table below overview of this training is provided but only with reference to LSG which are of the interest to GIZ InR programme.

**Table 10: NES labour market training for people with no/low qualification to be provided in 2020 per LSG<sup>24</sup>**

Ref no	NES BO	Location	Title of the training	No of people
1.	Belgrade	Belgrade	Hairdresser training	10
		Belgrade	Training for motorcycles and vehicles maintenance	10
		Belgrade	Training for car painters	10
		Belgrade	Training for the salesperson	10
2.	Sombor	Apatin	Training for the salesperson	5
		Sombor	Training for installation of thermo-facade	5
3.	Valjevo	Valjevo	Tailoring and sewing training	6
4.	Kraljevo	Kraljevo	Training for pizza master	5
		Kraljevo	Gardener training	5
5.	Požarevac	Požarevac	Training in the production of white pastry	10
6.	Pirot	Pirot	Training for caregivers	5
7.	Vranje	Vranje	Training for hairdresser	5
<b>TOTAL</b>				<b>86</b>

Source: NES, Catalogue of labour market training for unemployed with no/low qualification and for those completing functional adult elementary education for 2020

What should be reiterated is that labour market needs are big and there is a **need to increase the coverage of unemployed persons** with further education and training measures, as NES programmes are not sufficient. As shown in the table on the page 15 there is a small number of Roma that benefit from financial measures provided by the NES. The existing level of opportunities for short-term training/adult education, but also the way in which ALMM are provided/combined, are insufficient to improve the labour market integration of vulnerable groups, especially of Roma.

In 2020, the NES also allocated resources and announced a separate Call for self-employment subsidies for members of the Roma community. The amount of the subsidy is RSD 250,000.00 per beneficiary to establish a shop, cooperative or other form of entrepreneurship, or for establishing a company if the founder will be employed therein. The contractual obligation runs for 12 months. The business needs to be registered and NES provides the list of businesses that cannot be subsidised. This includes businesses in the area of agriculture, forestry and fisheries, taxi services, gambling, and financial services such as exchange offices. The public call was published on 28 February; the deadline for the submission of business plans is 28 April 2020.

<sup>24</sup> At this point procurement process for provision of training is still not initiated

## 8. Local labour markets

Data relevant for the local labour markets were collected from three main sources: SORS, SBRA, and LEAPs. The most informed and comprehensive overview of the situation at the local labour markets (supply and demand) should be obtained from the **LEAPs** under the conditions that LSGs prepares one, as LSGs use SORS, SBRA and NES data for LEAP preparation.

However, out of the 19 LSGs in which the GIZ InR programme is implemented, the LEAPs for 2020 were available for only 9 of them. For two - Čačak and Valjevo - information on the ALMMs was obtained from the website of the NES that published the Call for participation in ALMMs financed from LEAPs prepared by these two LSGs, which is the reason only ALMMs are included in Table 13. Challenges related to obtaining LEAPs has been mentioned in more detail in the introductory section of the report.

In the absence of LEAPs, relevant information was obtained directly from the information that was available at the SORS and SBRA websites, and includes the **number of business entities** registered in GIZ InR municipalities, overview of **number of people employed in different entities** as well as number of **people employed per economic sector**, as this should hopefully give an idea of the most dominant economic sectors that presumably have the highest demand for labour.

Based on the data provided by the SBRA on their web-site, the overview on business entities operating in GIZ InR municipalities was compiled. When 2018 and 2019 are compared, the number of companies decreased, as a number of them were deleted from the registry after being passive and not submitting financial reports for two consecutive years. On the other hand, the number of entrepreneurs in most selected municipalities slightly increased from 2018 to 2019, apart from Apatin, Bač, Sombor, Valjevo and Tutin, that recorded a slight decrease in the number of active entrepreneurs.

**Table 11: Overview of no of companies and entrepreneurs per LSG**

Municipalities	No of companies 2018	No of companies 2019	No of entrepreneurs 2018	No of entrepreneurs 2019
Aleksinac	215	192	1,180	1.223
Apatin	260	230	858	834
Bač	143	128	343	342
Beograd Zvezdara	4.984	4.522	7.556	7.953
Beograd Novi Beograd	11.402	10.004	8.343	8.554
Koceljeva	102	94	309	327
Kragujevac	2.094	1.854	7.102	7.379
Kraljevo	1.524	1.339	4.468	4.639
Kruševac	1.369	1.166	4.564	4.615

Novi Pazar	1.315	1.134	3.391	3.650
Pirot	486	437	1.363	1.395
Požarevac	724	600	2.279	2.315
Raška	251	234	857	870
Sombor	1.181	961	2.361	2.338
Subotica	3,670	3.217	3.893	3,960
Tutin	223	189	1.044	982
Valjevo	1.346	1.237	3.914	4.057
Vranje	990	893	2.374	2.429
Vršac	634	556	1.413	1.426

Source: Serbian Business Registry Agency

If on the other hand we look at the data that provides an overview of employees in different entities, including **legal entities** (companies, enterprises, cooperatives, institutions), **entrepreneurs** (persons performing independently business and those employed with entrepreneurs), and **registered individual farms**, it is not surprising to see that the largest percentage of people are employed in **legal entities**, followed by those working as entrepreneurs, or with entrepreneurs. It is interesting to see that those employed at individual registered farms represent a significant percentage in Koceljeva, Bač and Tutin municipality.

**Table 12: Overview of number of employees per type of entity**

Municipalities	Total no of employees	Employed in legal entities	Entrepreneurs	Registered individual farmers
Aleksinac	9,482	68.4%	22.9%	8.6%
Apatin	5,812	73.7%	22.5%	3.8%
Bač	2,719	65.6%	18.6%	15.9%
Beograd Novi Beograd	142,935	92.9%	7.1%	0.0%
Beograd Zvezdara	41,651	79.6%	20.4%	0.0%
Koceljeva	3,023	56.2%	16.7%	27.0%
Kragujevac	51,947	79.7%	18.3%	2.0%
Kraljevo	29,937	71.3%	25.1%	3.6%
Kruševac	31,611	71.3%	22.0%	6.7%
Novi Pazar	21,195	68.1%	28.9%	3.0%
Pirot	15,088	80.7%	14.4%	0.8%
Požarevac	22,187	81.8%	14.8%	3.4%
Raška	5,745	70.5%	27.5%	1.9%
Sombor	20,955	76.1%	17.3%	6.6%
Subotica	45,631	84.2%	12.7%	3.2%
Tutin	4,722	56.7%	27.7%	15.7%

Valjevo	29,008	75.2%	18.6%	6.3%
Vranje	21,594	84.3%	15.3%	0.5%
Vršac	14,551	81.2%	14.4%	4.4%

Source: SORS, Municipalities and regions in the Republic of Serbia 2019

Analysis of the number of employees per economic sector, in GIZ InR municipalities, has also been conducted and similarly to the data for the national level, the largest number of people is employed in the **manufacturing sector** (in average 24.1%), followed by **wholesale and retail, repair of motor vehicles** (average 14.8%) etc. Sectors where predominant employer is state (health, education, public administration, social work) employ over 21% of employees.

Data on number/percentage of employees per economic sector per LSG are provided in the tables 13 and 14 (Source: Statistical Office of the Republic of Serbia, Municipalities and regions in the Republic of Serbia 2019).

Data extracted from the LEAPs, that were available, are presented in the table 15. Most LSGs unfortunately, in the LEAPs, fail to provide relevant analysis of the local labour markets (needs and demands), or the needs identified are not correlated to the ALMMs suggested. As a general rule they suggest measures that are more addressing needs of the LSGs, than the needs of unemployed/employers. Almost all LSGs opted to implement **public works** and **traineeship programme** that are, as we know from practice, used to bridge the existing employment freeze in LSGs and public utility companies. In terms of target groups, young people (mostly those that do have some qualifications) are targeted (again through traineeship programme). It is therefore not surprising that the largest allocations are for public works that absorbs the largest number of people. Out of 9 LSGs, for which data was obtained, only 1 is planning to implement labour market skills training (Pilot), but with the allocation of only 1 million RSD.



**Table 13 Number of employees per economic sector per LSG**

Municipalities	Total no of employees	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas, steam and air conditioning supply	Water supply; sewerage, waste management	Construction	Wholesale and retail, repair of motor vehicles and	Transportation and storage	Accommodation and food services activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration, defence and compulsory	Education	Health and social work activities	Arts, entertainment and recreation	Other service activities	Registered individual farmers
Aleksinac	9.482	111	327	3028	30	274	205	1191	271	289	62	82	3	214	71	457	838	985	86	139	819
Apatin	5.812	559	1	1615	19	60	177	799	338	227	22	75	11	169	223	321	416	396	63	101	220
Bac	2.719	230	2	493	0	86	170	438	88	100	14	26	1	40	65	167	204	109	16	39	431
Beograd Novi Beograd	142.935	655	283	7534	1585	550	7250	28117	7598	5147	12351	10518	1048	14779	20949	11283	4058	4768	2055	2373	31
Beograd Zvezdara	41.651	82	9	3314	306	1147	3764	8779	2984	1698	1586	816	216	3789	3055	1161	3623	2854	743	1706	19
Koceljeva	3.023	5	35	920	18	22	100	321	111	55	14	13	3	57	18	164	195	113	11	30	817
Kragujevac	51.947	141	9	15143	976	731	1923	7729	2547	1913	1318	1018	134	1931	1612	2645	4351	4924	948	925	1029
Kraljevo	29.937	342	163	6335	553	470	1548	4877	2070	1305	504	447	71	1092	816	2386	2035	2712	455	669	1087
Krusevac	31.611	377	14	7930	530	646	1708	5201	1367	999	358	554	205	1090	551	1801	2115	2856	617	579	2113
Novi Pazar	21.195	58	59	4161	152	378	2075	3862	1441	856	250	217	6	537	324	1356	2211	1725	258	630	639
Pirot	15.088	163	117	5794	178	291	640	1645	510	590	217	245	9	321	692	927	857	1191	183	394	124
Pozarevac	22.187	305	46	3049	3315	340	889	3117	1206	628	231	318	23	461	1670	1824	1236	2062	318	396	753
Raska	5.745	97	460	827	110	141	197	776	358	817	77	38	15	93	149	455	459	205	219	140	112
Sombor	20.955	967	0	4431	214	317	673	3020	1227	740	222	351	65	686	927	1397	1617	2094	296	329	1382
Subotica	45.631	632	5	14481	360	570	1829	7337	3136	1802	1056	621	127	1503	1088	1997	2596	3416	653	984	1438
Tutin	4.722	78	55	897	43	52	210	516	121	135	27	20	0	91	18	357	720	416	38	189	739
Valjevo	29.008	466	113	10014	347	512	1587	4021	1181	823	308	388	45	843	435	1633	1795	1748	290	636	1823
Vranje	21.594	185	312	8086	190	424	564	3037	987	658	206	289	4	618	353	1529	1431	2016	255	347	103
Vrsac	14.551	420	2	4538	104	267	435	1871	659	669	194	230	37	472	566	712	932	1449	176	181	637

**Table 14 Percentage of employees per economic sector per LSG**

%	Total no of employees/100%	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas, steam and air conditioning supply	Water supply; sewerage, waste management	Construction	Wholesale and retail, repair of motor vehicles and	Transportation and storage	Accommodation and food services activities	Information and communication	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Administrative and support service activities	Public administration, defence and compulsory	Education	Health and social work activities	Arts, entertainment and recreation	Other service activities	Registered individual farmers
Aleksinac	9.482	1,2%	3,4%	31,9%	0,3%	2,9%	2,2%	12,6%	2,9%	3,0%	0,7%	0,9%	0,0%	2,3%	0,7%	4,8%	8,8%	10,4%	0,9%	1,5%	8,6%
Apatin	5.812	9,6%	0,0%	27,8%	0,3%	1,0%	3,0%	13,7%	5,8%	3,9%	0,4%	1,3%	0,2%	2,9%	3,8%	5,5%	7,2%	6,8%	1,1%	1,7%	3,8%
Bac	2.719	8,5%	0,1%	18,1%	0,0%	3,2%	6,3%	16,1%	3,2%	3,7%	0,5%	1,0%	0,0%	1,5%	2,4%	6,1%	7,5%	4,0%	0,6%	1,4%	15,9%
Beograd Novi Beograd	142.935	0,5%	0,2%	5,3%	1,1%	0,4%	5,1%	19,7%	5,3%	3,6%	8,6%	7,4%	0,7%	10,3%	14,7%	7,9%	2,8%	3,3%	1,4%	1,7%	0,0%
Beograd Zvezdara	41.651	0,2%	0,0%	8,0%	0,7%	2,8%	9,0%	21,1%	7,2%	4,1%	3,8%	2,0%	0,5%	9,1%	7,3%	2,8%	8,7%	6,9%	1,8%	4,1%	0,0%
Koceljeva	3.023	0,2%	1,2%	30,4%	0,6%	0,7%	3,3%	10,6%	3,7%	1,8%	0,5%	0,4%	0,1%	1,9%	0,6%	5,4%	6,5%	3,7%	0,4%	1,0%	27,0%
Kragujevac	51.947	0,3%	0,0%	29,2%	1,9%	1,4%	3,7%	14,9%	4,9%	3,7%	2,5%	2,0%	0,3%	3,7%	3,1%	5,1%	8,4%	9,5%	1,8%	1,8%	2,0%
Kraljevo	29.937	1,1%	0,5%	21,2%	1,8%	1,6%	5,2%	16,3%	6,9%	4,4%	1,7%	1,5%	0,2%	3,6%	2,7%	8,0%	6,8%	9,1%	1,5%	2,2%	3,6%
Krusevac	31.611	1,2%	0,0%	25,1%	1,7%	2,0%	5,4%	16,5%	4,3%	3,2%	1,1%	1,8%	0,6%	3,4%	1,7%	5,7%	6,7%	9,0%	2,0%	1,8%	6,7%
Novi Pazar	21.195	0,3%	0,3%	19,6%	0,7%	1,8%	9,8%	18,2%	6,8%	4,0%	1,2%	1,0%	0,0%	2,5%	1,5%	6,4%	10,4%	8,1%	1,2%	3,0%	3,0%
Pirot	15.088	1,1%	0,8%	38,4%	1,2%	1,9%	4,2%	10,9%	3,4%	3,9%	1,4%	1,6%	0,1%	2,1%	4,6%	6,1%	5,7%	7,9%	1,2%	2,6%	0,8%
Pozarevac	22.187	1,4%	0,2%	13,7%	14,9%	1,5%	4,0%	14,0%	5,4%	2,8%	1,0%	1,4%	0,1%	2,1%	7,5%	8,2%	5,6%	9,3%	1,4%	1,8%	3,4%
Raska	5.745	1,7%	8,0%	14,4%	1,9%	2,5%	3,4%	13,5%	6,2%	14,2%	1,3%	0,7%	0,3%	1,6%	2,6%	7,9%	8,0%	3,6%	3,8%	2,4%	1,9%
Sombor	20.955	4,6%	0,0%	21,1%	1,0%	1,5%	3,2%	14,4%	5,9%	3,5%	1,1%	1,7%	0,3%	3,3%	4,4%	6,7%	7,7%	10,0%	1,4%	1,6%	6,6%
Subotica	45.631	1,4%	0,0%	31,7%	0,8%	1,2%	4,0%	16,1%	6,9%	3,9%	2,3%	1,4%	0,3%	3,3%	2,4%	4,4%	5,7%	7,5%	1,4%	2,2%	3,2%
Tutin	4.722	1,7%	1,2%	19,0%	0,9%	1,1%	4,4%	10,9%	2,6%	2,9%	0,6%	0,4%	0,0%	1,9%	0,4%	7,6%	15,2%	8,8%	0,8%	4,0%	15,7%
Valjevo	29.008	1,6%	0,4%	34,5%	1,2%	1,8%	5,5%	13,9%	4,1%	2,8%	1,1%	1,3%	0,2%	2,9%	1,5%	5,6%	6,2%	6,0%	1,0%	2,2%	6,3%
Vranje	21.594	0,9%	1,4%	37,4%	0,9%	2,0%	2,6%	14,1%	4,6%	3,0%	1,0%	1,3%	0,0%	2,9%	1,6%	7,1%	6,6%	9,3%	1,2%	1,6%	0,5%
Vrsac	14.551	2,9%	0,0%	31,2%	0,7%	1,8%	3,0%	12,9%	4,5%	4,6%	1,3%	1,6%	0,3%	3,2%	3,9%	4,9%	6,4%	10,0%	1,2%	1,2%	4,4%

**Table 15: Overview of LEAPs**

LSG	Total no of unemployed	Labour market needs	ALMM	No of people per ALMM	Allocation per ALMM (RSD)	TOTAL allocation (allocation of LSG) in RSD
Aleksinac	6.121 (3.081 women)	Foundry worker, mechanics for heating and air-conditioning devices, textile technicians, IT professionals, facades installers, knaufers	Self-employment subsidy	12	3.000.000	14.000.000 (5.000.000 LSG)
			Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	20	5.000.000	
			Public works	40	6.000.000	
Apatin	2.404 (1.173 women)	Textile and leather workers, salespersons, workers in catering and tourism, agriculture, food production and processing and economics, law and administration	Self-employment subsidy	10	2.500.000	4.655.000 (2.660.000 LSG)
			Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	7	1.495.000	
			Public works	Not provided	660.000	
Novi Pazar	20.223 (10.262 women)	Workers in textile industry, shoemaking and footwear and wood processing industry	Traineeship programme	20	6.000.000	22.000.000 (only funds of LSG)
			Public works	130	16.000.000	
Pilot	5.463 (3.122 women)	Clothing manufacturers, economists, salespersons, metalworkers, food and beverage processing, mechanics and machinists electrical engineers, occupations related to hotels and tourism, textile workers (sewers)	Public works	Not provided	6.000.000	18.000.000 (14.000.000 LSG)
			Traineeship programme	29	8.000.000	
			Self-employment subsidy	Not provided	7.272.000	
			Training in response to the labour market needs	Not provided	1.000.000	
Sombor	4.796 (2.246 women)	Not available	Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	24	4.900.000	20.400.000 (15.000.000 LSG)
			Self-employment subsidy	24	6.100.000	

			Public works	22	9.400.000	
<b>Kraljevo</b> <sup>25</sup>	10.045 (6.104 women)	Not provided	Public works Traineeship programme Self-employment subsidy	Not provided		10.000.000
<b>Čačak</b> <sup>26</sup>			Public works			
<b>Valjevo</b> <sup>27</sup>			Public works Traineeship programme Self-employment subsidy Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	Not provided		
<b>Bač</b>	1.604 (776 women)		Traineeship programme	18	3.834.000	19.554.000 (5.908.000 LSG, 8.220.000 GIZ)
			Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	35	6.490.000	
			Self-employment subsidy	20	5.310.000	
			Public works	25	3.920.000	
<b>Belgrade Zvezdara</b>	6.317 (3.789 women)	Mathematics professors, physics professors, doctors, licensed civil	Employment fairs	Not provided	Provided by NES	3.480.000
			Training on entrepreneurship	Not provided	Provided by NES	

<sup>25</sup> LEAP has not been adopted as the session of the City Assembly planned for March 2020 was postponed due to state of emergency

<sup>26</sup> Public calls published on NES website, LEAP not available

<sup>27</sup> Public calls published on NES website, LEAP not available

		engineers, welders, cooks, plumbers, butchers, hairdressers, certified accountants, masons, carpenters, car mechanics with knowledge of diagnostics, tailors, medical technician, qualified driver with a C, D and E cat.	Public works	Not provided	3.000.000	
<b>Kruševac</b>	10.435 (6.164 women)	Not provided	Self-employment subsidies	Not provided	8.000.000	21.000.000 LSG
			Subsidies for the employment of unemployed persons from the hard-to-employ category in newly opened jobs	Not provided	3.000.000	
			Public works	Not provided	4.000.000	
			Traineeship programme	Not provided	2.000.000	
			Programme for acquisition of practical knowledge	Not provided	2.000.000	
			Internship programme	Not provided	2.000.000	

## 9. Adult education

The area of adult education became more regulated in recent years as the Ministry of Education, Science and Technological Development (MoESTD) adopted the Law on Adult Education and the National Qualifications Framework Act (in 2013 and 2018 respectively). These Laws provided greater flexibility in developing the skills of the adult population. There are two types of key mechanisms that enabled achieving this flexibility - first is a non-formal learning as a recognized path to formal qualifications which is accomplished by accrediting informal courses, and the second is an organized process of validation of competences acquired through non-formal and informal learning.

Adult education is part of the education system, which provides adults with lifelong learning to acquire the competencies and qualifications needed. Adult education is achieved through **formal education, non-formal education, and informal learning**.

**Formal adult education** is acquired through the school system, covers primary and secondary education, and is implemented in certified elementary schools, adult elementary schools, secondary schools, and adult secondary schools.

- a) **Primary adult education** (also referred to as Functional elementary education for adults) is provided by 65 primary schools in Serbia. In 2019, the programme was attended by 5.626 adults. Only 52% of participants completed training, 48% dropped out. Out of the total number of attendees, 75% are Roma (4.255 people). High dropout rates are the result of the fact that transport costs are not covered by the MoESTD, and most Roma find it difficult to cover these costs by themselves, and because many of Roma drop school due to seasonal work. In recent years MoESTD reached agreement with MoLEVSA and NES to cover transport costs.<sup>28</sup>
  
- b) **Secondary adult education** is currently provided by 180 secondary schools. In 2019 there were 447 adults that attended secondary education, out of which first grade was successfully completed by 459. In total, 434 were enrolled into the second grade.<sup>29</sup> As the primary problem identified by the MoESTD is low motivation of people to take part in the programme, but once they enrol, dropout rates are not high. In order to motivate people from vulnerable groups to join the adult education programme, the Ministry allocated sufficient number of places for Roma interested to take part. Candidates that are Roma were given extra points (increased by 30 percent from the number of points which they lack up to 100 points). If the candidate is also a beneficiary of financial social assistance the number of points was increased by 35%. No number on Roma that took part in the programme is provided in the report.

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<sup>28</sup> MoESTD, Report on the implementation of the Annual Education Plan for Adults for 2019. Full report can be accessed through the following link <http://www.mpn.gov.rs/wp-content/uploads/2020/02/Izve%C5%A1taj-GPOO-2019.-%C5%A0TAMPA.pdf>

<sup>29</sup> Ibid

- c) **Retraining and specialization programmes** are provided by 310 secondary schools. These programmes are mostly funded by trainees themselves, sometimes employers, or the NES. Number of adult students that attended retraining and specialization in 2019 was 8.554.<sup>30</sup>

**Non-formal adult education** is a process of adult learning through specific programmes aimed at acquiring knowledge and skills. The Law recognises two different types of training organisers: organizers of adult education activities and publicly recognised organizer of adult education activities (PROA).

## 10. Training providers

### 10.1. Publicly recognized organizer of specific adult education activities

Following adoption of the Law on Adult Education, the MoESTD in 2015 adopted relevant by-laws regulating **non-formal adult education** and participation of institutions and other organizations<sup>31</sup> in the implementation of adult education activities. Through **two Rulebooks**<sup>32</sup>, the Ministry has defined the conditions (in terms of programmes, staff, premises, equipment and teaching tools) under which institutions and other organizations may acquire status of PROA, and a public document issued within this system (the type of public document, its name and content etc.). In September 2018, the Government of Serbia established the Agency for Qualifications that took over accreditation of these organisations/institutions from the Institute for advancement of education.

This has created the necessary preconditions for development and advancement of non-formal adult education.

Accreditation of PROA started in 2016 and has significantly advanced since then. In order to acquire accreditation, the potential organizer of the adult education needs to meet the prescribed conditions for that activity and has a decision on verification issued by the Ministry, in accordance with the Law. In 2019, 57 organisations/institutions have received accreditation for adult education for a total of 203 training programmes. Out of 57 institutions that received PROA status, 14 are (VET) schools, 8 adult education institutions (public, workers universities), and 35 other organizations (centres, companies, business associations, institutes). From 2016 to 2019 an interesting trend can be noted when it comes to provision of training – through the years the number of trainings

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<sup>30</sup> Ibid

<sup>31</sup> This may include the following: public agency, public company, organization responsible for employment affairs, employment agency, company, holders of professional rehabilitation, registered entrepreneurs), trade union organizations, associations, professional societies, adult education organizations, national, labour, open universities, third-rate universities, centres and organizations vocational training centres, foreign language learning centres, centres and schools for information and communication technologies, centres and organizations for training and development of human resources, centres and schools for driver training, chamber of commerce, centres for career guidance and counselling, employers' association, cultural -Cultural educational centres, as well as other entities registered for the educational activity in accordance with the regulations governing the classification of activities

<sup>32</sup> Rulebook on closer conditions regarding programs, personnel, premises, equipment and teaching aids for obtaining the status of a publicly recognized organizer of adult education activities, Official Gazette of the RS no 89/2015  
Rulebook on the Type, Title and Content of Forms and Methods of Keeping Records and the Title, Content and Appearance of Forms of Public Documents and Certificates Official Gazette of the RS no 89/2015 -

provided by other organisations continually increased, when compared to the number of trainings provided by schools and peoples universities. For example, schools implemented 43 training programmes, 65 people universities, and 95 other organisations.

According to the 2019 Report of the MoESTD on the implementation of the Annual Education Plan for Adults for 2019<sup>33</sup>, the following PROA delivered the following training in the listed economic sectors:

- **Safety and Health Working Conditions** - 15 PROA - **38 training programmes;**
- **Mechanical engineering and metal processing** - 16 PROA - **27 training programmes delivered;**
- **Geodesy and construction** - 10 PROA - **19 training programmes;**
- **Agriculture, food production and processing** - 6 PROA - **18 training programmes;**
- **Trade, hotels, restaurants and tourism** - 9 PROA - **18 training programmes;**
- Health and Social Care - 10 PROA - 15 training programmes;
- Economics, Law and Administration - 10 PROA - 14 training programmes;
- Informatics - 7 PROA - 14 training programmes;
- Foreign languages - 6 PROA - 11 training programmes;
- Textile and leather - 6 PROA - 8 training programmes;
- Electrical Engineering - 4 PROA - 7 training programmes;
- Transportation - 5 PROA - 6 training programmes;
- Forestry and wood processing -6 PROA - 7 training programmes; and
- Geology, Mining and Metallurgy - 2 PROA - 2 training programmes;

The fact that Serbia in 2020 has 65 accredited training providers, and 223 courses across the country, has enabled that this now becomes a mandatory requirement when trainings are financed by the state. The MoLEVSA, in the NEAP for 2020, envisaged that training for persons with no/low qualifications and persons completing primary education based on the Functional elementary education of adults model, has to be implemented by **publicly recognized organizers of adult education activities** (PROA). Training for other unemployed persons is being implemented by publicly recognized organizers of adult education activities, except in cases where the trainings in demand in the labour market have no publicly recognized adult education activities, when the trainings may be performed by other training providers. Ability of the training provider to issue a certificate is a must.

In several LSGs, that are in the focus of the GIZ- InR programme, there are accredited PROA: 2 in Valjevo (9 training courses); 1 in Vranje (5 training courses); 1 in Kragujevac (4 training courses); 1 in Kraljevo (3 training courses); 1 in Požarevac (11 training courses); 1 in Pirot (1 training programme); 1 in Subotica (1 training course); and 80 training courses provided by Belgrade based PROA. The full list of PROA and accredited training programme is provided at <http://www.mpn.gov.rs/obrazovanje-odraslih/>. The list is regularly updated by the MoESTD.

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<sup>33</sup> MoESTD, Report on the implementation of the Annual Education Plan for Adults for 2019. Full report can be accessed through the following link <http://www.mpn.gov.rs/wp-content/uploads/2020/02/Izve%C5%A1taj-GPOO-2019.-%C5%A0TAMPA.pdf>

Labour market training, financed by the NES in 2019, is presented in the table below as a reference. Training providers are selected through public procurement process and there is an obvious domination of one training provider (Mokrogorska škola menadžmenta) that is accredited as PROA. The number of beneficiaries to be trained, as well as entry criteria defined by NES for every training, is also provided. Within the procurement notice NES issues mandatory training modules.

Prices are provided in the table, but since NES procurement is divided into LOTs price per lot was the only available price, although when bidding training providers do provide process per training. However, in order to provide at least indicative prices per training, a simple calculation was applied, whereby the total LOT price is divided by the number of trainees.

The prices shown in the table include all costs of training providers (teaching staff salaries, their travel costs, accommodation, training material (handouts, manuals etc.), material to be used for training purposes – expendables, equipment, running costs for the premise renting, heating, electricity etc., as well as expenses related to organizing practice with employers).



**Table 16: Labour market training funded by NES in 2019**

LOT	Training provider	Training	No of classes	Entry requirement (min)	No of people to be trained	Training cost per LOT (in RSD without VAT)	Training cost per participant (in RSD)
<b>LOT1 Areas of work: Culture, art and public information</b>	Mokrogorska škola menadžmenta (Užice) Akademija Oksford Agent (Jagodina)	<b>German language classes</b>	50	Knowledge of German	100	4.725.000,00	47.250,00
<b>LOT2 Areas of work: Health, Pharmacy and Social Welfare</b>	Mokrogorska škola menadžmenta (Užice), Narodni Univerzitet Niš (Niš), Zanatsko obrazovni centar Adžija (Novi Sad), Akademija Oksford Agent (Jagodina)	<b>Training for caregivers for elderly</b>	400	II level of education (advantage medical professions and social protection)	118	5.607.200,00	47.518,00
<b>Lot 3: Area of work: Mechanical Engineering and Forestry</b>	Mokrogorska škola menadžmenta (Užice) Akademija Oksford Agent (Jagodina)	<b>Training for CNC operators</b>	180	Secondary education	127	10.788.250,00	73.390,00
		<b>Training for furniture manufacturer and installer</b>	150	Elementary education	10		
		<b>Training on manufacture of wood products</b>	150	Elementary education, professional interest and capabilities	10		
<b>Lot 4: Area of work: Textiles and leather</b>	Mokrogorska škola menadžmenta (Užice), Zanatsko obrazovni centar Adžija (Novi Sad)	<b>Training in tailoring and sewing</b>	240	Elementary education	190	11.539.500,00	57.698,00
		<b>Training for industrial shoe making</b>	300	Elementary education	10		
<b>Lot 5: Area of work: Economics</b>	Agencija za obrazovanje "Akademija" Dragana Grbović PR (Čačak)	<b>Training for accountant</b>	240	IV level of education	39	1.924.260,00	49.340,00
<b>Lot 6: Scope: Other - personal services</b>	Mokrogorska škola menadžmenta (Užice), Narodni Univerzitet Niš (Niš)	<b>Training for hairdressers</b>	360	Elementary education	27	7.426.150,00	68.130,00
		<b>Training for pedicure and manicure</b>	350	Secondary education	27		
		<b>Training for massager</b>	250	III level of education	5		

				(advantage health professions)			
		<b>Training for beautician</b>	540	Secondary education	50		
<b>Lot 7: Areas of work: Agriculture, food processing and catering</b>	Mokrogorska škola menadžmenta (Užice), Narodni Univerzitet Niš (Niš)	<b>Training for burek and pie maker</b>	170	Elementary education	5	8.088.900,00	84.259,00
		<b>Training for waiter</b>	240	Secondary education	5		
		<b>Training for cook</b>	450	Elementary education	5		
		<b>Training for butcher</b>	350	Elementary education	17		
		<b>Training for baker</b>	350	III level of education – advantage completed catering and nutrition	17		
		<b>Training for pastry maker</b>	400	III level of education – advantage completed catering and nutrition	35		
		<b>Training for pizza maker</b>	150	Elementary education	12		
<b>Lot 8: Area of work: Construction and transport</b>	Mokrogorska škola menadžmenta (Užice), Akademija Oxford Agent (Jagodina)	<b>Training for armature makers</b>	160	Elementary education	5	6.397.450,00	66.640,00
		<b>Training for locksmiths</b>	450	Elementary education, interest and capabilities	21		
		<b>Training for mason</b>	240	Elementary education	10		
		<b>Training for ceramists</b>	250	Elementary education	5		
		<b>Training for carpenter (stolar)</b>	480	Elementary education, interest and capabilities			
		<b>Training carpenter (Tesar)</b>	250	Elementary education	10		
		<b>Training for facade installer</b>	160	Elementary education	5		
		<b>Training for forklift operator</b>	120	Elementary education	30		
		<b>Training for construction machinery operator</b>	360	Elementary education	10		
<b>Lot 9: Area of work: Ethno crafts</b>	Agencija Sveti Sava Katarina Krstić PR (Čačak) and Agencija za obrazovanje “Akademija” Dragana Grbović PR (Čačak)	<b>Training on embroidery</b>	150	Elementary education	26	3.737.000,00	66.732,00
		<b>Training on knitting</b>	150	Elementary education	24		
		<b>Training on weaving</b>	150	Elementary education	6		

Source: NES Tender dossier

## 10.2. Organizers of adult education activities

Apart from training providers that are registered as PROA there are other organizers of adult education that can be found across the country. They provide different trainings/short term courses – from language and computer courses to more specialized ones (related to occupation in construction, food processing, personal services, and transport etc.). They also issue training certificates. Only a few of them are listed here and it is difficult to find one exhaustive list, as with PROA:

- ✓ Radnički univerzitet “Crveni barjak” Kragujevac - <http://rukg.edu.rs/>
- ✓ Udruženje samostalnih zanatlija Niš - <http://www.uzip.org.rs/>
- ✓ Radnički univerzitet “Šumadija” Čačak - <http://www.rus.rs/rus/index.html>
- ✓ Academia Educativa - <https://www.academiaeducativa.org/>
- ✓ Edukacioni centar Novi Sad - <http://www.centar.edu.rs/>

What is certain is that those training providers that have received accreditation for PROA have undergone more systematic verification by the Ministry (both the training programme and premises), which should be a guarantee of a better training quality.

The general practices, verified with several projects that currently provide short-term, labour market oriented VET trainings for hard to employ groups, is that they all engage registered providers of adult education (not necessarily accredited as PROA, but licensed for adult education that can issue a certificate) through procurement process. When looking for providers they were primarily inviting to tender those close to residence of the trainees, although in many cases organizers of adult education have branches across Serbia.

In one of the projects, VET training was successfully organized based on the initial needs assessment of the employers. The assessment was done for Nis area and findings on the labour market demand are not surprising as they include the following occupations: in constructions (bricklayer, painter, ceramist, and carpenter); catering (cook, waiter, and maids); textile occupations (tailors); and personal services (hairdressers). In total, 60 persons were trained for the total cost of 2,260,000.00 RSD. An average price per person was 37.666,00 RSD. Training was provided by Radnički univerzitet “Crveni barjak” Kragujevac, that is not accredited as PROA.

## 11. Conclusion

When the work on this analysis started at the beginning of March, the economic outlook was good, labour demand existed, and employment opportunities were promising. However, with the COVID-19 outbreak the situation has changed rapidly, not only for Serbia, but for the entire world. What we know at this point is that the global economy will certainly not reach the projected growth. According to the IMF growth will contract by –3 percent in 2020, which is very likely to result in significant loss of jobs.

Therefore, data presented in the analysis, especially on the future labour market demand, should be taken with reserve, as they all refer to the period before the crises.

What we know by combining data from several sources, the most relevant being SORS, NES, SBRA and Infostud poslovi is that the highest number of people is currently employed in the manufacturing sector, followed by people employed in wholesale and retail, repair of motor vehicles and motorcycles agriculture, transport and storage, and construction. The state is expectedly a big employer with over 20% of people working in state and local administration, health, education and social protection sectors. Analysis of the number of employees per economic sector in GIZ InR municipalities shows similar results, as the largest number of people are employed in the manufacturing sector (in average 24.1%), followed by wholesale and retail, and repair of motor vehicles (average 14.8%) etc.

The biggest number for job-matching requests was for the following groups of occupations: Trade, hotels, restaurants and tourism, Mechanical engineering and metal processing, Economics, law and administration, Geodesy and civil engineering etc.

However, all these data refer to the period before the COVID-19 outbreak in Serbia, when business was operating normally.

As shown in the analysis, a certain demand for workforce was recorded in the period from 16 March – 2 April 2020, and the sectors where the demand was recorded belonged to IT, trade and sales, manufacturing, construction and transportation. Apart from those sectors already mentioned, the analysis of the jobs posted on the NES website showed demand in the health sector (public) that was recruiting an additional number of people to fight the virus outbreak.

There are already reports of around 4.300 people registering with NES since the pandemic outbreak due to loss of jobs. There are also reports of decreased demand for labour, measured through decreased job offers. However, a clearer picture on the number of people laid off as a consequence of pandemic, current demand but also trends in terms of demand, will only be available once more data are available that can provide the basis for a more systemic analysis.

With regards to future labour market demand the following occupations were expected to be the most in demand: salespersons; textile tailors; heavy truck and truck drivers; simple occupations in construction; foreign language teachers; packaging workers; simple occupations in manufacturing; product installers; waiters; auxiliaries metal cutting workers; rope and cable machine operators; carpenters; locksmiths; cleaners and support staff; and property and personnel security workers.

However, the effects and the possible impact of the COVID-19 pandemic on the Serbian labour market are difficult to assess while the crisis still lasts. It makes a big difference whether businesses will become operational in one month or three months from now, as well as from the economic measures that the Serbia government has announced to facilitate recovery of the economy that will be implemented as of May 2020.

Based on the available analysis the sectors most affected by the crisis that will take more time to recover, are Tourism and Hospitality, followed by Non-Food Trade and the Transport sector but also Mining and Construction.

More than half of the companies surveyed in Serbia said that the pandemic had a significant negative impact on their business (56%), and in 36% the impact was moderately negative. In only 5% of businesses, the impact of the pandemic is positive. The expectations of the companies are that it will take them an average 19 months to recover. As many as 80% of companies have started, or will soon start cutting costs, including marketing and other internal costs, supplier costs, and employee costs. According to the research, the crises will have least effect on the finances of the largest companies (500+ people), while the smallest ones (up to 10 employees) will be most affected.

Any prediction with regards to future labour demand is difficult. If manufacturing remains stable there are still changes that it stays an important generator of future jobs. This is very likely for IT, wholesale and retail, and less likely for the construction. Although job vacancies are still recorded in this sector, if the demand decreases we are likely to witness lesser job offers in this sector. Companies operating in agriculture will be most probably looking for seasonal workforce as the spring/summer approaches.

What is important to keep in mind is that those that are targeted by the GIZ InR programme are a marginalized part of the Serbian society, and even before this crisis occurred had a difficulty to enter labour market. They are very likely to be the worst hit by the possible economic crises. As many of them work in the informal economy, collecting and selling secondary waste material, or seasonal jobs, or selling goods in open markets, they have already experienced loss of income. Once the pandemic and lockdown is over, Roma will need an opportunity for quick income in an attempt to recover. Labour market oriented training that lasts several months might not be the best solution for them in the first months after the pandemic is over.

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Local Employment Action Plan of Bac municipality

Local Employment Action Plan of Aleksinac municipality

Local Employment Action Plan Apatin municipality

Local Employment Action Plan for City of Novi Pazar

Local Employment Action Plan of City of Pirot

Local Employment Action Plan of the City of Sombor

Local Employment Action Plan of the City of Kraljevo

Local Employment Action Plan of the City Municipality Zvezdara

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