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## **Especially vulnerable groups in EU and Serbian labor market**

Andrei, Jean and Saša, Stefanovic

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# Especially vulnerable groups in EU and Serbian labour market<sup>1</sup>

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*Jean Andrei*<sup>2</sup>

*and*

*Saša Stefanovic*<sup>3</sup>

**Abstract:** The paper analyzes the situation of especially vulnerable groups both in EU and in the Serbian labour market. They include Roma as particularly vulnerable ethnic minority, refugees and displaced persons from Kosovo and Metohija (IDPs) and people with disabilities. The results of the analysis indicate that the position of these groups is particularly disadvantaged since their unemployment rate in Serbia is significantly higher than among the general population. It turned out that the high unemployment and low employment activity rates are the main causes of extreme poverty among the Roma and Romani women which are particularly affected by the problem of unemployment. The population of refugees and IDPs is different than in the general population of Serbia primarily in higher participation of self-employed and lower participation of persons who share the status of unpaid family members. Unemployment rate of persons with disabilities is close to the level of average unemployment rates due to high rates of inactivity. Roma and people with disabilities belong to category of highly vulnerable population, as long as the refugees and internally displaced persons belong to moderately vulnerable population. Due to the lack of data we could have not determined a solid indicator of change in their position during the economic crisis.

**Keywords:** *Labour Market, Especially Vulnerable Groups, Unemployment*

**JEL classification:** J78, J82

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<sup>2</sup>Department of Economics, Marketing and Business Administration, Faculty of Economic Sciences, Petroleum and Gas University of Ploiesti, Romania, E-mail: [ajvasile@upg-ploiesti.ro](mailto:ajvasile@upg-ploiesti.ro)

<sup>3</sup>GMS International, Belgrade, Republic of Serbia, E-mail [stefanovic.sasa@gmail.com](mailto:stefanovic.sasa@gmail.com)

## **INTRODUCTION**

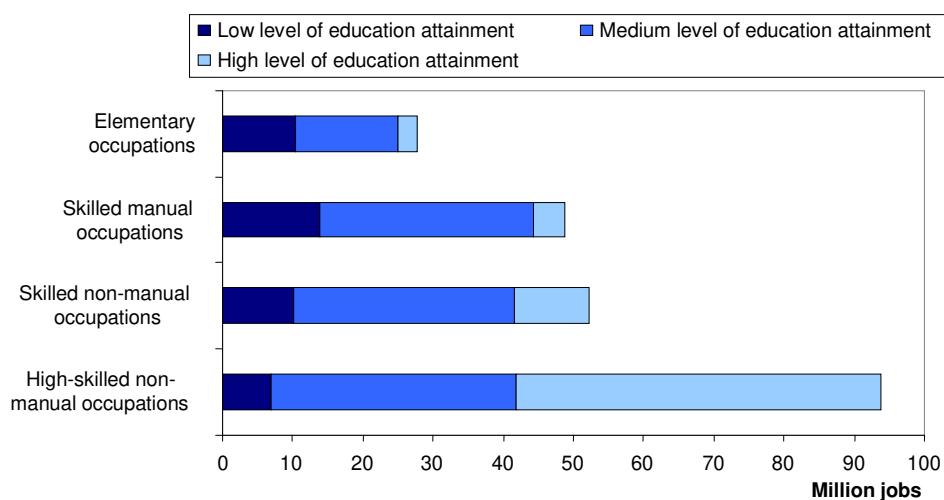
As defined by the International Labour Organization (ILO, 2011) vulnerable employment includes self-employment (the owners of enterprises, shops, self-employed and farmers) and helping household members. This indicator should point out the employment in insecure jobs, often in the informal sector, with low wages, low productivity, low levels of safety, poor working conditions, and it is not uncommon that these are the jobs without basic health and social security.

In the context of the economic crisis' emphasis, the labor market is one of the most affected elements from both of the national and European economic structure, by being the most resistant to the changes required for adapting to the new economic context and also by the nature of the structure of the relations it incorporates. Reducing the economic activity has a direct and explicit effect on the number of employees engaged in production structures, heavily contributing to lower income and therefore to the standard of living.

As it was noticed in an European Commission document (COM, 2010, 682), the current economic crisis has dramatically reduced the labor employment in the European Community by up to 69%, and also significantly contributed to rising the unemployment, this phenomenon reaching by 10%. The stabilization of the labor market began in 2010, under the uncertain conditions where the employment rate was very high and after many efforts it will be expected around 75% in perspective of 2020, which means, an average increase of this rate with at least 1%. Increasing labor employment can be a viable way of reducing social exclusion for some classes of individuals if we consider that the income from work in modern economies has the highest share in family budgets.

Considering this situation, figure 1 presents the projected employment levels by broad categories of occupations and education attainment level, EU-25 in 2020 perspective.

Figure 1 - Projected employment levels in 2020, by broad categories of occupations and education attainment level in EU-25



Source: according to Cedefop (2008) estimations and COM(2008) 868 final

According to some forecasts (Cedefop, 2008), in terms of employment level, considering the categories of occupations and education attainment level, the situation is favorable for those with secondary education level. A low professional training and a high professional training can be the causes of exclusion in the current labor market, depends how the phenomenon is perceived. So the risk of job loss is much higher for those with a low level of training. A high professional training often generates incompatibilities with the production structures and systems. The level of professional training turns into growth factor of labor market exclusion for those who fail to adapt to the conditions of training and adaptation to production structures.

According to the European Commission (COM (2008) 868 final) in the 25 EU Member States, without taking into account the new states accessed into Union in 2005, for the period 2006 -2020, the proportion of jobs involving a high level of training should grow in 2020 by at least 6%, respectively from 25.1% to 31.3% of the total. A slight increase is recorded in the case of intermediate-skilled jobs, respectively from 48.3% to 50.1%. In absolute terms this situation describes about 38.8 respectively 52.4 million high-level and medium-level jobs. Although the number of jobs is estimated to have increased by 135% in 2020 perspective, the prospect of unemployment is quite high. If we add to these the low

level of wages we get the image of a process by which current employees can easily turn into potential unemployed.

Going further, the same European Commission (COM (2008) 639 final) states that for those who can work, getting a job is the safest route out of poverty, but this should be limited to issues related more to economic growth and the level of employment than to the policies promoting active inclusion in the labor market. In this sense long-term unemployment still grows up to 3% and 16% of the population is at risk of poverty and one in five people lives in poor conditions or extreme poverty. Enlightening for this situation is the analysis of the indicator in-work at-risk-of-poverty rate. According to Eurostat methodology in-work at-risk-of-poverty rate represents the share of persons who are at work and have an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers).

Table 1 presents the evolution of this indicator at EU level in 2005-2010. The data in the table presents the income's disparity in the case of the employees is kept constant throughout the period analyzed. Thus in the case of EU-27 it varies around 8.3%, instead for the EU-15 Member States, although this rate has registered a slight increase, the situation tends to balance. In the case of EU-12 which represents the wave of the 12 new states entering the EU, the situation is dramatic. The risk has significantly increased, over the European average, exceeding the psychological threshold of 10%. The most difficult situation is in the case of Greece, Spain, Poland, Portugal and Romania.

*Table 1 – In -work at-risk-of-poverty rate*

<b>Country /Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
EU -27	8.2	8.2	8.5	8.6	8.4	8.5
EU -15	7.3	7.4	7.9	8.1	7.9	8
EU-12	11.7	11.2	10.4	10.5	10.3	10.5
Belgium	3.9	4.2	4.4	4.8	4.6	4.5
Bulgaria	-	5.4	5.8	7.5	7.4	7.6
Czech Rep.	3.5	3.5	3.3	3.6	3.1	3.7
Denmark	4.9	4.5	4.2	5.1	5.9	6.6
Germany	4.8	5.5	7.5	7.1	6.8	7.2
Estonia	7.5	7.5	7.8	7.3	8.1	6.4

Greece	12.9	13.9	14.3	14.3	13.8	13.8
Spain	10.4	9.9	10.7	10.7	11.4	12.7
France	6.1	6.1	6.5	6.8	6.7	6.6
Italy	8.8	9.6	9.8	8.9	10.2	9.4
Hungary	8.8	6.8	5.8	5.8	6.2	5.3
Malta	4.8	4.4	4.5	5	5.7	5.9
Austria	6.7	6.4	6.1	6.4	5.9	4.9
Poland	13.9	12.8	11.7	11.5	11	11.4
Portugal	11.9	11.3	9.7	11.8	10.3	9.7
Romania	-	-	18.5	17.7	17.9	17.3
Slovenia	4.6	4.8	4.7	5.1	4.8	5.3
Slovakia	8.9	6.3	4.9	5.8	5.2	5.6
Finland	3.7	4.5	5	5.1	3.7	3.6
Sweden	5.5	7.4	6.5	6.8	6.9	6.5
United Kingdom	8.3	7.8	8	8.5	6.7	-
Norway	4.6	6.2	5.8	5.4	5.6	5.3

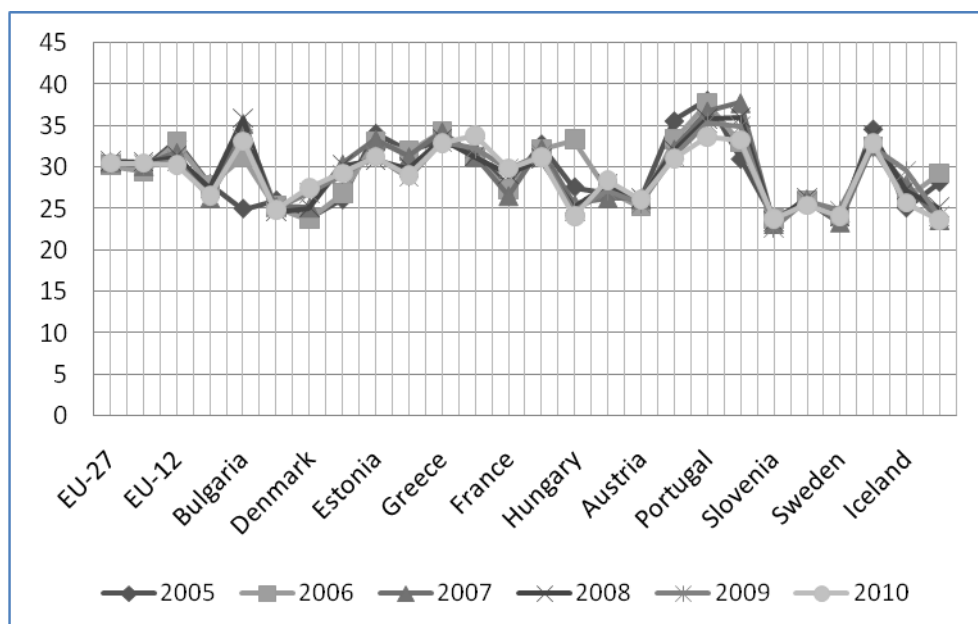
*Source: EUROSTAT (2011)*

The difficulty in finding a job and the fear of unemployment are just some of the elements which lead to a docile behavior of the employees and their compliance to personnel policies promoted by companies, which most of the times taking advantage of this situation impose on the market low levels of wages or promote employment with minimum wage. Companies are in this respect the greatest beneficiaries of this situation, frequently promoting employment policies and staff remuneration at lower limit of the formal regulations regarding the labor market. Although the measures to combat discrimination on the labor market have increased, and the state promotes active legislative and financial measures that stimulate employment of people of 45 years old and older, of young people, retraining, provides incentives for the companies which create new jobs or employ persons with disabilities, the effects are very hard to measure and often take a long time to be put into action.

According to Hernanz et al. (2004) the estimated levels of recourse to social assistance services in the case of countries like UK, France, Germany and the Netherlands varies between 40% and 80%. If we referring to the EU average the reality is much more difficult. Thus a study as Ecorys (2008) or Immervoll et al. (2004) claims that only 18% of the unemployed population is at risk of poverty and benefit from social assistance in these

circumstances. The figure 2 presents the evolution of Gini coefficient on inequality of income distribution in EU countries, at the level of the European Community.

*Figure 2 – Inequality of income distribution in EU countries – The evolution of Gini coefficient in 2005-2010*



*Source: authors own adaptation based on EUROSTAT database (2011)*

The issue of poor employees is one of the most current debated in the global context of European economic relations. The salary is often the only and most important source of revenue for European households. In this context, the minimum wage does not cover through its level the value of the average monthly cost. On the other hand, the unemployment incensement, labor migration, industrial changes are just some of the factors that significantly alter the economics of labor relations.

Both in literature and in European public debate the notion of poor employee is frequently imposed, describing the situation of workers unable to earn an income that would ensure a minimum living standard and thus being in a state of economic dependence they form a social group which becomes more vulnerable to the evolution of the economic environment.

In terms of determining a poor employee status we see that the term is ambiguous. If we consider the fact that poverty is defined under a double aspect, the first referring to the

activity carried out for individuals employed and the second examining the household, the level of understanding the phenomenon is seriously flawed. According to the definitions provided by literature (Allègre,2008, Ponthieux,2009) and in European analysis documents (Social Protection Committee, 2011), the risk of poverty indicator under employment conditions includes in its analysis sphere all people who had a job for at least seven months of the 12 in the reference period. Thus in the chart below is presented the situation of the indicator Poverty and in work-poverty in the European Union, in 2006.

The situation described in figure 3, shows a trend that can be classified at most interesting, from the perspective of the two elements considered - at risk of poverty after social transfers for people in employment and at risk of after social transfers, in the case of the EU member states. The rate of the employees at risk of poverty varies significantly from one state to another with different consequences from one state to another. According to the data presented in the chart above, Greece and Poland recorded the highest values of this indicator for workers, situation which is still present in the case of at risk poverty after social transfer, for general population, with one change of hierarchy in the case of Portugal.

Thus, according to the European Commission's records (2008), at the end of 2006, approximately 16% of Europeans were at risk of poverty, and 8% of EU workers were below the minimum threshold of poverty. These values are however dispersed, ranging from 4% in the case of countries like the Czech Republic, Belgium, Denmark, Netherlands and Finland and 13-14% in Poland and Greece. Referring to the causes which created this situation, in the same report (European Commission, 2008), are mentioned the low skill level, precarious jobs, low payment, but also part-time work regime.



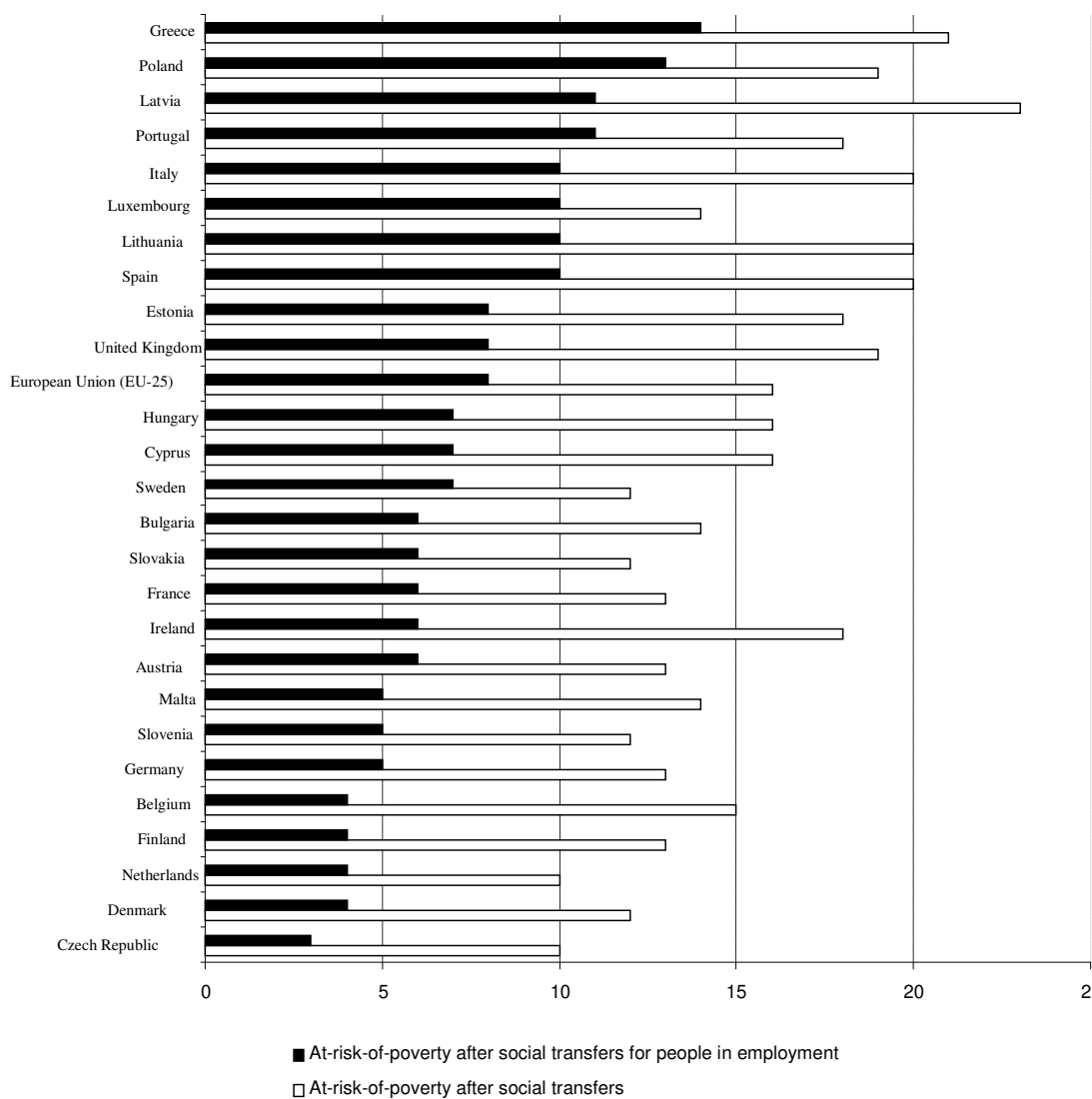
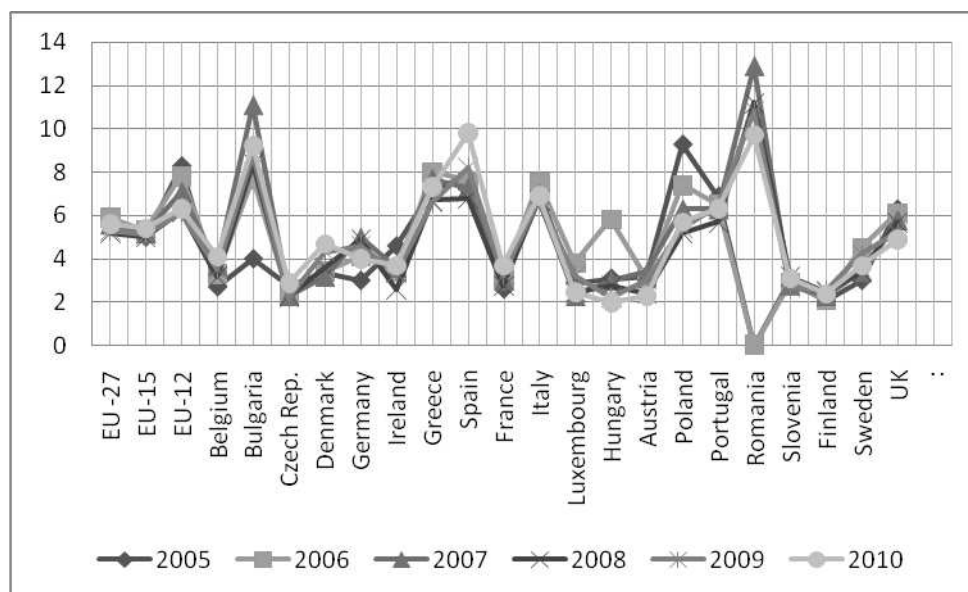


Figure 3 – Poverty and in-work poverty in the European Union in 2006

Source: own author adaptation based on Eurostat database, EU-SILC and European Economic and Social Committee, SOC/336

Continuing the analysis regarding at risk of poverty situation, in figure 4 is presented a new component for the same indicator, dispersion around the at-risk-of-poverty threshold. At risk of poverty for those whose cut-off point: 40% of median equivalised income. According to the calculation methodology of EUROSTAT (2011), this indicator shows the percentage of persons with an equivalised disposable income below respectively 40%, 50%, 60% and 70% of the national median equivalised disposable income.

Figure 4 – Dispersion around the at-risk-of-poverty threshold at risk of poverty rate (cut-off point: 40% of median equivalised income)

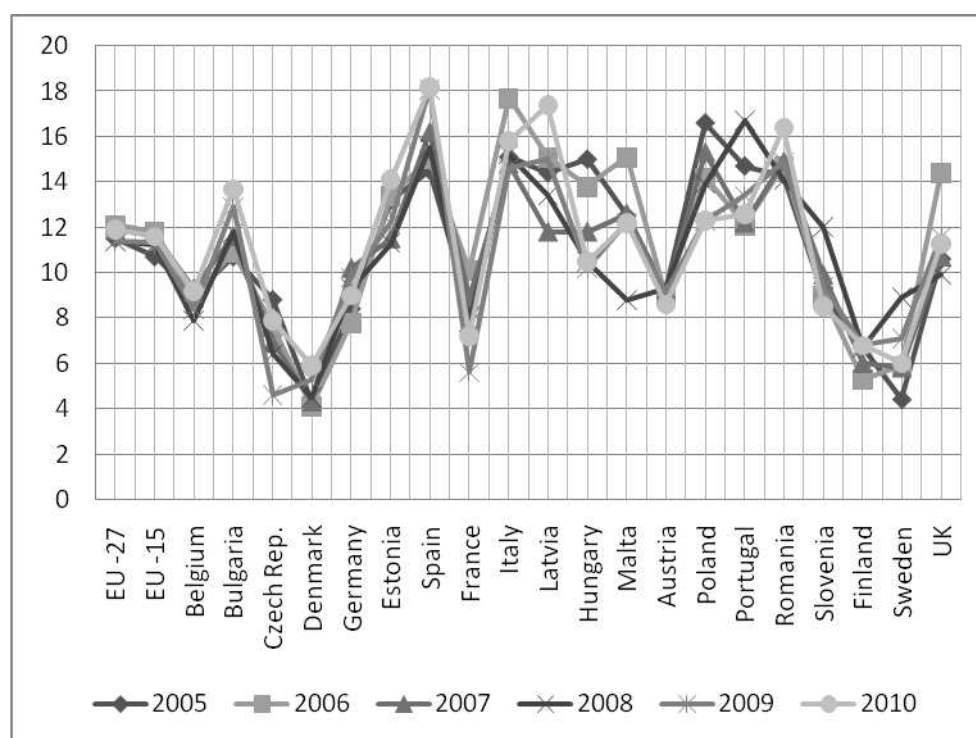


Source: own author adaptation based on Eurostat database 2011

Regarding the evolution of the average level of this indicator we can appreciate that for the period 2005-2010 this is relatively constant across the EU. If we consider the structure of the Member States, based on seniority in the EU, and for the same period, in the case of EU-27, the value of this indicator oscillates around 5.2%, 5.1% for EU-15, the disadvantage is for EU-12 new member states, where the average level of this rate is 6.99%.

Thus at the beginning of the analysis period, in 2005 the highest levels of this indicator were recorded in Poland (9.3%), Spain (7.8%), Greece (7.2%) and Italy (7.1). Levels below the EU-27 were recorded among the new EU states, such as the Czech Republic (2.8%), Hungary (3.1%) and Bulgaria (4%). Five years later, in 2010, the situation is favorable for the latter, the level of this indicator significantly diminishing. The only exception being Bulgaria which recorded a 9.2% rate (164% higher than the EU-27 average).

Figure 5 – At-risk-of-poverty rate - Two adults with one dependent child (%)



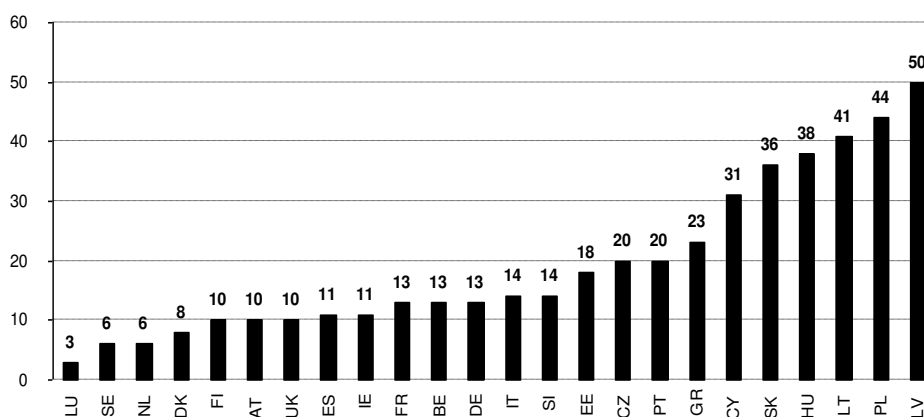
Source: own author adaptation based on Eurostat database 2011

But if we consider the ability to financially support a family in the classic situation of two adults and one dependent child, the risk of social exclusion and to be below the threshold of poverty is unevenly distributed across the EU. The highest levels and above the European average in 2005 were recorded in Spain, Lithuania, Poland, Portugal and Romania with range between 14.5% to 16.5%. The lowest levels oscillated between 4.3% in the case of Denmark and 4.4% for Sweden, countries with very well articulated systems of social protection. Five years later, in 2010, the trend is upward; the minimum level is a bit higher and is still registered by the two countries - Denmark (5.9%) and Sweden. The greatest value of this indicator is registered in Spain of 18.2%. The evolution of this indicator for 2005-2010 is shown in figure 5.

In the context of the analysis regarding social exclusion analyzed by generalization of the poverty degree, in the literature are frequent references to the recorded material deprivation at the level of households. According to the European Economic and Social Committee (SOC/336/2009) the indicator measures the proportion of people living in households without at least three of the following: 1) ability to cover unexpected expenses, 2) a week of vacation per year, 3) ability to pay loans, 4) a meal with meat, chicken or fish at least

once every two days, 5) a properly heated home, 6) a washing machine, 7) a color TV, 8) a phone, 9) a personal car. The figure 6 presents the Material deprivation in the EU Percentage of people living in households that lack at least three of the listed elements for the year 2006.

*Figure 6 – Material deprivation in the EU Percentage of people living in households that lack at least three of the listed elements (2006)*



Source: own

author adaptation based on Eurostat database, EU-SILC and European Economic and Social Committee, SOC/336

The highest levels of this indicator are recorded in countries such as Latvia (50%), Poland (44%), Lithuania (41%) and Hungary (38%), which are part of the new EU member states. We can say that the indicator's level through which are considered the materials shortages, or at least their perceived level, for the former communist states is high, as a result of evolution and economic constraints to which the population was subjected over a long period of time.

Some of the limitations of the indicators (ILO, 2011, p. 21-22) are:

- Employees for pay may also be exposed to great uncertainty and economic risk,
- Unemployed are not included, although they are vulnerable,
- Persons who fall into the category of vulnerable employment don't need to be exposed to high economic risk and vulnerability, especially in developed countries.

Despite these limitations, it is argued, vulnerable employment can serve as an indicator of informal employment, especially in less developed countries and regions (ILO, 2010, p. 18). According to the data and estimates of the International Labour Organization (ILO, 2011) in the world, about half of total employment related to vulnerable employment (between 49.4% and 52.8% in 2009).

Under the vulnerable groups in the labour market are considered the working age population groups whose position on key indicators of labour market (employment rate, unemployment rate, activity rate, the share of vulnerable employment) substantially less favorable than the corresponding average values for the total population of working age.

The population groups identified as vulnerable in the labour market in Serbia (Ministry of Labour and Social Policy, 2005; Arandarenko, Nojković, 2007, Krstic et al., 2010; Krstić, Arandarenko, 2010) include: women, youth (15-24 years), older working-age persons (50-64 years), uneducated, and rural dwellers (especially in South Serbia and those who do not own land), and particularly vulnerable groups - Roma, refugees and internally displaced persons (IDPs) and people with disabilities, whose position is the subject of this paper. Their characteristic is that they make a relatively small group, and their disadvantage in the labour market is closely linked to long-term or permanent state of social exclusion.

This paper analyzes the vulnerability in the labour market of each of these particularly vulnerable groups using the following key indicators:

- Unemployment and/or inactivity rate
- Employment rate
- Share of vulnerable employment in total employment.

Due to unavailability of more recent data the analysis of the situation of particularly vulnerable groups in the labour market will be based on the data from the Labour Force Survey (LFS) in 2009 and the Living Standards Measurement Survey (LSMS) in 2007, and data from other surveys: the Living Standards Survey of internally displaced persons in Serbia (LSMS-IDP) conducted by UNHCR in 2007, Research survey of refugees in 2006 conducted by the NGO Group 484, and data obtained from recent research studies in this area (Krstic et al., 2010; Krstic, Arandarenko, 2010).

## **POSITION OF ROMA IN SERBIAN LABOUR MARKET**

Roma in Serbia are recognized as a National Minority from 2002, and in 2009 the Government of the Republic of Serbia adopted a Nation-wide strategy to improve the situation of Roma and established the Council for Advancement of Roma, which is responsible for the implementation of this strategy and the Decade of Roma Inclusion<sup>4</sup>.

According to the census in 2002 in Serbia lived 108,193 people that declared themselves as Roma (1.44%), while in the same year a survey was conducted in 593 villages inhabited by 201,353 indigenous Roma people and 48,238 Roma IDPs from Kosovo and Metohija (the Ministry of Human and Minority Rights, 2009 ). The results from the survey (Government of Serbia, 2011) note that most authors estimate total population of Roma in Serbia to be around 450,000 Roma (about 6% of the total population of Serbia).

According to Statistical Office of the Republic of Serbia (LMS, 2009)<sup>5</sup> it can be concluded that the situation of Roma in the labour market in Serbia is extremely unfavorable. All the basic labour market indicators (unemployment, employment and activities) among Roma are significantly worse than the overall population.

Unemployment rate among Roma is as high as 40.7% (compared to 16.4% of total population). In a particularly disadvantaged position are women and youth members (ages 15-24) of this population, whose unemployment rate is 68.2% and 60.0% respectively.

The employment rate of Roma is only 27.8%, compared to the average rate of 50.8%, and again women and youth are particularly vulnerable (the employment rate of 10.3% and 11.1%, respectively). The activity rates of 32.3% for women and 27.7% for the Roma youth are below the average for the total Roma population (46.8%) and significantly below the average total population of Serbia (60.8%). The data also point out to the disadvantage of these two groups of Roma.

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<sup>4</sup>The Decade of Roma Inclusion 2005-2015 is an international initiative to promote social and economic status of Roma integration. Serbia has chaired this initiative in 2008/2009.

<sup>5</sup> Survey does not include Roma from illegal settlements (urban slumps), categories that are certainly more vulnerable than the Roma integrated into the basic population.

The picture of a very unfavorable situation of Roma in the labour market is further illustrated by the fact that the share of long-term and very long-term unemployment of Roma are above the average of the total population (74.2% and 66.3%, respectively), and that the share of unemployed with no prior work experience is almost twice as high than among total population, reaching 61%.

According to data from the same source, the percentage of vulnerable Roma employment is significantly higher than the total population (46.8% vs. 28.6%) as a result of almost ten times larger share of self-employed Roma (34.3% versus 3.8% in the general population).

As a further illustration of the plight of Roma serve the data from the National Employment Service (NES, 2009) and the monthly changes on the number of unemployed members of ethnic minorities in 2009, according to which 90% of registered unemployed Roma are unskilled workers and have the lowest level of education (i.e. have not completed at least the primary school). Also, broken down by sector of activity (ARS, 2009, ANS, 2007), most Roma were engaged in services and agriculture. We can see the very low percentage of full-time employees in the Roma population of 39%, well below the average for the total population of 88%.

A very unfavorable position of this group is illustrates by the fact that almost half (49%) of the employed Roma work as seasonal workers or are temporarily employed (32% and 17% of total employment respectively).

According to the National Employment Service (NES, 2010, Serbian Government, 2011b), among the total number of unemployed persons registered at the NES the share of Roma is 1.9%. Looking at the duration of job search, 40% of Roma actively seek for job less than one year. However, the biggest problem is the job quality of employed Roma, which is very low because it is dominated by informal employment. High number of Roma lack adequate education in order to successfully participate in the labour market. Their exclusion from the labour market and non-participation in productivity and income generation results with an annual loss of around 231 million Euros in productivity and 58 million Euros in fiscal contributions (World Bank, 2010) in Serbia.

Given the demographic trends and forecasts that the share of Roma in the working population will grow, social integration and employment of Roma would have to be given special attention in the future.

## **REFUGEES AND INTERNALLY DISPLACED PERSONS**

The large influx of refugees and internally displaced persons from former Yugoslav republics and Kosovo and Metohija lead to the mechanical increase in population of Serbia (excluding Kosovo and Metohija), which served to largely offset the natural demographic losses (due to low birth rates) and mechanical outflow of the Serbian population, which was particularly evident in the nineties. These developments resulted in the great change in the ethnic structure of population.

The total number of refugees and displaced persons in 2010 amounted to 304,152, out of which 82,603 persons were with a refugee status, and 204,753 as internally displaced persons. In 2010 collective centers were home to 4791 people, out of which there were 1,044 refugees and 3,747 internally displaced. At the same time in the unofficial collective centers there were about 1,600 persons. It is estimated that in private accommodation live around 8,500 very vulnerable refugees, such as chronically sick and people with disabilities (Government of Serbia, 2011).

The situation of internally displaced persons (IDPs) in the labour market is extremely unfavorable (Cvejić and Babović, 2007), given that their unemployment rate, according to LSMS-IDPs was 36% which is significantly higher compared to the main population, with unemployment of Roma is less than IDPs (30.1% compared to 36.7%). To illustrate the magnitude of the problem is the fact that 90% of unemployed IDPs (not including the Roma) who previously had jobs, waited for work for two or more years. The data (LSMS, 2007) indicate a somewhat smaller share of long-term (67.7%) and very long-term unemployed IDPs (51%) in total unemployment.

Among the IDPs, women (excluding Roma) were particularly vulnerable, given that only 43.2% of women of working age were active, and 22.5% are employed, which is much lower compared with the population of Serbia.



The unemployment rate of refugees by SLS was 18.1% and was significantly higher than the general population (13.9%) and significantly less than the study of refugees in 2006, which included the entire population of refugees (30.6%). The employment rate of refugees according to the LSMS was approximately at the level of employment rate of the total population (53.6% vs. 55.3%), and also very close to the rate of employment for the entire refugee population (54.4%).

The greatest risk of unemployment had wives, then persons with the lowest levels of education, and young people (15-24). These categories of refugees integrated in the basic population were significantly more vulnerable compared to the same category of the general population (Babović, 2007).

Participation of long-term unemployed and the very long term unemployed in total unemployment was extremely high, since 83.7% of the refugees sought a job a year or longer and 76.1% sought work for two years or longer. The percentage of long-term unemployed was the same for integrated refugees as well as the general refugee population (83.5%). However, the problem of long-term unemployment was more pronounced among refugees than among the overall population (83.5% vs. 75.1%).

More than half of unemployed refugees seek first time employment (56.5%), slightly higher share than in the total population (45.9%). In contrast, the data of the entire population of the refugees say that about a third of the unemployed have never been employed, while 14.5% lost their jobs during the restructuring or liquidation of the company or they just got fired. According to the LSMS, the percentage of unemployed that reached that status because of the termination or liquidation of companies was 56.2% in the general population. This suggests that the refugee population was less affected by the restructuring or liquidation of companies than the general population, due to their lower involvement in markets that had been exposed to these processes.

According to labour market status, refugee populations differ, according to the LFS to the general population of Serbia primarily in higher participation of self-employed and lower participation of persons who share the status of unpaid family members. Percentage of vulnerable refugees in employment was slightly higher than the general population in Serbia (28.6% versus 25%). The data of the entire refugee population indicate a very

similar structure of employees by labour market status of refugees as integrated in the basic population. Employees committed 70.2% of total employment, 27.6% self-employed and 2.2% and the integrated refugee population consisted of 71.4% employed, 28.1% self-employed and unpaid family members were not in this example. Percentage of vulnerable employment in total employment of the entire refugee population was approximately equal to the indicator for the integrated population of refugees (29.8% vs. 28.6%).

Comparing the data of unemployment and employment among the vulnerable population of refugees and integrated refugee population, as well as key indicators of vulnerability in the labour market, we can conclude that the integrated refugees were in a much better position in the labour market when it comes to unemployment, and that there were no significant difference in the position of employees, taking into account approximately the same percentage of their vulnerable employment (Arandarenko and Nojković, 2007).

According to labour market status (Cvejić and Babović, 2007), the population of IDPs is different than in the general population of Serbia primarily in higher participation of self-employed and small businesses owners and the participation of persons with the status of unpaid family members. Percentage of vulnerable employment is slightly lower than the general population of Serbia (22.7% versus 25%). Within the IDP, there are important differences in the structure of employees by labour market status between the Roma (mostly self-employed) and other IDPs.

In terms of job protection, IDPs are different than the general population of Serbia with a much smaller share of employees in full-time (58.7% vs. 77.5%), and greater participation of employees in seasonal and part-time jobs.

According to the sector of activity, IDPs are different than the general population with a much higher share of employment in services (68.5% vs. 51.6%) and smaller share of employees in agriculture (3.8% versus 19.3%). Within the IDP, there is also a significant difference between the Roma and other IDPs. Roma were the most engaged in trade, catering and repairs jobs than other IDPs (53.2% vs. 23%).

The educational structure of unemployed IDPs is significantly worse than in the general population of Serbia, which makes their employment harder. Participation of persons with

education below high school was 36.5%, and the general population that accounted for 21.7%. Also there is a smaller share of unemployed with secondary education compared to the general population (51% vs. 67.6%).

Based on the indicators of unemployment and vulnerable employment, we can conclude that the IDP population integrated into general population were in a much better position when it comes to the unemployed in the total population of IDPs, while no significant differences in the position of employees.

According to the sector of activity, the largest integrated representation of the population of refugees was in the service sector, more than in the total population (62.2% vs. 51.6%), and in industry (24.2% vs. 29.1%). According to the type of work, refugees were more likely to work part-time jobs in relation to the total population of Serbia, while the share of informal employment of refugees was slightly lower (32.5% vs. 34.9%).

Of the total number of refugees registered with NES as many as one third of them are unskilled, while over a half (55% of total applicants) have completed three or four years of secondary school. This educational structure of unemployed refugees is at the level of the total unemployed population (about 30% of the total number of unemployed are without qualifications, and about 50% of them completed some high school).

Somewhat more unfavorable structure of the unemployed by level of education can be found among internally displaced persons. About 40% of the total population of IDP's, recorded in the NES, are unqualified, while the largest share of this population (50%) completed secondary school.

While the number of unemployed refugees decreased throughout the 2009, the number of unemployed IDPs basically follows a pattern of movement of the total unemployed population - growth in the first half of 2009, and continued, albeit moderately, and then decline since July 2009. However, the relatively favorable trends in unemployment of refugees can be interpreted as part of a secular process of reducing the refugee population through the integration (with the resulting loss of refugee status), return, or emigration (Krstić et al., 2010).

## **PERSONS WITH DISABILITIES**

According to estimates by the World Health Organization (WHO), the number of people with disabilities in Serbia is about 800,000. Status of persons with disabilities is regulated by a number of legal acts and legal procedures, as well as international conventions ratified by Serbia. Serbia has also adopted the strategy of improving the situation of persons with disabilities (Government of Serbia, 2006), which sets the targets for the period 2007-2015, and its strategic goal is “the advancement of people with disabilities to positions of equal citizens enjoying all rights and responsibilities”.

According to the Living Standards Measurement Survey (LSMS, 2009), the unemployment rate of persons with disabilities was 13.6% and was approximately at the level of average unemployment rate to this survey (13.9%), and as the main reason for such low unemployment rate, persons with disabilities may be considered highly inactive with a rate of 69%. This can be explained by the fact that most persons with disabilities are discouraged to find work. This is indicated by a very small number of people with disabilities who are reported to the National Employment Service. The main reason for high discouragement of people with disabilities to find work is related to the prejudice of employers to recruit these people and their lack of willingness to adapt the workplace to people with disabilities. In addition, there is concern that persons with disabilities will lose the right to social protection when they find a job (Krstić and Arandarenko 2010).

The activity rate of people with disabilities is extremely low (31.1% compared to 64.2% in the basic population), regarding that they are the most inactive group. Also, just over a quarter of the population of working age (15-64 years) people with disabilities are employed. Women, uneducated and elderly persons with disabilities are significantly disadvantaged in the labour market, since their employment rates are significantly lower compared with the average of this group.

Although a relatively low unemployment rate does not give a true picture of the extent of the problem of unemployment within this group, we will briefly analyze the basic characteristics of the unemployed actively seeking work (not including the category of discouraged). As with the main population, the highest unemployment rates have women, youth and persons with secondary education. Participation of long-term unemployed in

total unemployment was slightly lower compared with the main population (69.1% compared to 75.1%), but still very high. Also, the share of very long-term unemployed in total unemployment is slightly higher than the overall population (64.8% compared to 60.1%). This means that the share of those jobs require between one and two years less than the basic population, and the participation of these groups in the overall employment rate of persons with disabilities is at least (4.3%).

The structure of the unemployed, about 86% are persons who were already employed. The most common reasons for staying out of work vary in relation to the total population. The most common reasons for people with disabilities to get unemployed are personal reasons such as illness, education, etc., and retirement which account for 29.4%. People with disabilities stated liquidation of companies as the reason to get unemployed at a much lower percentage (49.2%), which could indicate that unemployed persons with disabilities were relatively less affected by the restructuring process because they were the less integrated part of the labour market that is subject to the restructuring, or that there was no discrimination in dismissals of employees with disabilities (Krstić et al., 2010).

The share of vulnerable employment for people with disabilities is slightly higher than the total population (31.2% compared to 25%), mainly due to greater participation of farmers than the total population (16.2% compared to 7.5%). Participation of owners of companies and shops is much less than the total population (3.6% compared to 7.2%), as was expected given the nature of work and various restrictions that brings with it the nature of disability.

Observed by sectors of activities (LSMS, 2007), most people with disabilities are employed in the service sector (42.5%), and in agriculture (31.7%). People with disabilities were more represented in temporary, seasonal jobs, and were also represented in the informal economy compared to the total population (47.3% versus 34.9% respectively). And among people with disabilities there is a slightly higher percentage of unqualified persons as compared to the total population of registered unemployed. Among the unemployed, people with disabilities have the largest share of those with secondary education (50%), corresponding to the participation of education in the total number of unemployed.

Encouraging employment by reducing discrimination in employment is a priority to reduce poverty and improve the living conditions of persons with disabilities. Encouraging active employment of persons with disabilities could be achieved through subsidies for equipping the workplace, wage subsidies and social security contributions.

## **CONCLUSION**

The situation of Roma in the labour market is very unfavorable, since their rate of unemployment in Serbia more than 40% which is significantly higher than among the general population. High unemployment and low participation rates and employment are the main reasons of extreme poverty among Roma. Roma poverty is several times more widespread, and also much deeper and sharper compared with the main population. Almost half of the Roma population was poor, and almost every tenth member of the Roma population is extremely poor.

Roma unemployment rates observed by some structural features suggest that Roma are particularly affected by the problem of unemployment, since more than half of active women are unemployed. This high rate of women comes on top of their greater inactivity, which fits into the traditional pattern whereby women mostly take care of children and household, as the average number of children per household Roma is much higher than the basic population.

Observed by education level and age groups, there are no significant differences in the unemployment rates. Unlike the total population, where young people are most affected by unemployment, the Roma population of this age group (15-24 years) had an unemployment rate similar to persons aged 25 to 49 years of age, while older (50-64 years) had slightly lower unemployment rates.

The picture of a very unfavorable situation of Roma in the labour market is further illustrated by the fact that the share of long-term and very long-term unemployment of Roma above the average of the total population, and that the share of unemployed with no work experience almost twice higher than the total population.

The unemployment rate of refugees is much higher than the permanent population of Serbia. According to labour market status, the refugee population is different than in the general population of Serbia primarily in higher participation and lower self-employment and unpaid family member status.

The situation of IDPs in the labour market is extremely unfavorable, since their unemployment rate on average is far above the general population. According to labour market status, the population of IDPs is different than the general population in Serbia in the first place with a greater share of self-employed and small businesses and the participation of persons in the status of unpaid family members.

Although there is no accurate data on the number of people with disabilities, it is estimated that around 800,000 people with various types of disabilities are living in Serbia. Unemployment rate of persons with disabilities is approximately at the level of average unemployment rate.

The main reason for such a low unemployment rate of persons with disabilities is the high rate of inactivity. This can be explained by the fact that most are discouraged to seek work. This is indicated by a very small number of people with disabilities who are reported to the National Employment Service.

The main reason for high discouragement of people with disabilities to find work is related to the prejudice of employers to recruit these people and their lack of willingness to adapt the workplace to people with disabilities. In addition, people with disabilities fear they will lose the right to social protection when they find a job.

In the category of particularly vulnerable groups, Roma and persons with disabilities have very deep vulnerability, while refugees and internally displaced persons have shallow vulnerability. Extremely deep vulnerability of Roma is primarily due to their very high unemployment rate and low rate of activity also, as the percentage of vulnerable employment is higher than the average by 5.5 percentage points.

Extremely deep vulnerability of people with disabilities is the result of their significantly low rates of activity. In a way, people with disabilities are below standard "radar" of

unemployment due to them being excluded, and therefore their extremely low rate of inactivity is a leading indicator of their high vulnerability.

In the category of particularly vulnerable groups, due to lack of comparable data, there are no strong indicators to trace the change in the position of especially vulnerable groups during the global financial crisis.

However, we can assume that the relative position of Roma in the labour market deteriorated bearing in mind that they are a very young population. Also, we can assume that the situation of persons with disabilities improved to some extent due to the effects of implementation of the Law on Vocational Rehabilitation.

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