Promote the employability of older workers through training and active measures

*Roma, 28–30 May. 2012*
Total number of population according to the new Censuses conducted in 2011 is 7,120,666. Compared with data from 2002 Census total population declining is 5%.

The next decade will see a relatively dramatic decline in the working age population of 8%.

This demographic shift will formally improve relative labour market indicators, but with an essential negative impact on the labour market and the potential for economic growth.

The potential and available human capital will be reduced and the aging process will put pressure on the social protection system, in particular the pension and health insurance funds.
Some LM figures

- The activity rate, for the age group 15–64, slightly decreased from 60.6% in 2009 to 59.9% in November 2011.
- Employment rates continued the decreasing trend registered since 2008, affecting in particular vulnerable groups, including older workers and low skilled young people.
- Unemployment rate (15–64) has been increasing sharply from 13.6% in 2008 to 24.4% in November 2011;
- Youth unemployment rate (15–24) increased from 35.2% in 2008 to 51.9% in 2011.
The younger age groups (15–24 and 25–34 years old) account for almost half of all the unemployed. The respective shares in total unemployment in 2010 amounted to 19.6% and 29.6%, respectively.

In the 2005–10 period, the share of unemployed aged 15–34 years old in total unemployment decreased, partly due to prolonged education due to low employment opportunities, while the share of unemployed in the age groups 45–54 and 55–64 years old increased.
Long–term unemployment (15–64)

- Long–term unemployment rate for working–age population (15–64) in November 2011 was 17.6%
- The share of long–term unemployment (one year or longer) in total unemployment for working–age population is high, reaching 74.0% in November 2011

### Unemployment structure per duration of unemployment, 15–64

<table>
<thead>
<tr>
<th>Duration of unemployment</th>
<th>October 2010</th>
<th>April 2011</th>
<th>November 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 12 months</td>
<td>28.3%</td>
<td>26.7%</td>
<td>26.0%</td>
</tr>
<tr>
<td>More than 12 months</td>
<td>71.7%</td>
<td>73.3%</td>
<td>74.0%</td>
</tr>
</tbody>
</table>

Source: LFS, Statistical Office of the Republic of Serbia
## Age structure of Unemployed Persons

<table>
<thead>
<tr>
<th>Age group</th>
<th>October 2010</th>
<th>April 2011</th>
<th>November 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–24</td>
<td>19.8%</td>
<td>18.7%</td>
<td>17.7%</td>
</tr>
<tr>
<td>25–34</td>
<td>30.3%</td>
<td>28.2%</td>
<td>28.7%</td>
</tr>
<tr>
<td>35–44</td>
<td>19.1%</td>
<td>20.8%</td>
<td>20.9%</td>
</tr>
<tr>
<td>45–54</td>
<td>20.7%</td>
<td>21.7%</td>
<td>22.4%</td>
</tr>
<tr>
<td>55–64</td>
<td>9.9%</td>
<td>10.4%</td>
<td>10.1%</td>
</tr>
<tr>
<td>65+</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: LFS, Statistical Office of the Republic of Serbia
## Labour market indicators of elderly, 55–64

<table>
<thead>
<tr>
<th>55–64 age group</th>
<th>October 2010</th>
<th>April 2011</th>
<th>November 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate</td>
<td>33.1%</td>
<td>31.8%</td>
<td>31.0%</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>12.2%</td>
<td>14.6%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Activity rate</td>
<td>37.7%</td>
<td>37.2%</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

Source: LFS, Statistical Office of the Republic of Serbia
Employment strategy 2011–2013

- the Serbian labour market has many dual dimensions:
  - formal and informal markets;
  - public vs. private sector;
  - permanent and fixed-term employment;
  - young and older labour force;
  - men and women;
  - educated and low-skilled labour force.

- There are no quick and easy solutions to reduce the duality of the labour market. It may need improvement of labour legislation.
The educational structure of the Serbian population has high dropouts at all levels of education and the majority of education indicators are among the worst in Europe.

About 10% of the population has not completed primary school.

Approximately 90–95% of those who complete primary school enrol in secondary education (about 80% of the cohort) but up to 15% of these, do not complete secondary education (35% of the cohort).

The situation looks better when only the active population is considered, but the rate is still far below the EU average (19% of the active population with university diploma compared to the EU average of 30%).

The reduction of early school leaving and the increase in the share of university-educated individuals in the total population, which are EU priorities, remain a challenge for Serbia.

In the forthcoming period, the share of less educated, older persons will be reduced since they leave the working age group and be replaced by less numerous, but better educated younger individuals.
Adult Training provision

- Coherent and comprehensive information on the status of art in Serbia on adult training are missing
- There were several strategies developed to promote CVT but... weak implementation and lack of monitoring
- Adult training is provided with public funds within the employment promotion measures implemented by NES.
- As the general rule the training for adult unemployed persons are organized and carried out following employer’s request (if are no job seekers registered with the NES with relevant skills for practicing the occupation/fill the job vacancy )
- During the training, there is compensation provided for
  - training expenses/ person,
  - financial support for trainee/ attendants (in compliance with the signed agreement for training) and
  - the health and safety insurance for trainees
- Financing include public /private participation
Although the training provision was increased with 33% in 2010 comparing with 2009 the provision for older (50+) was reduced at half.

The age group benefiting from increased provision is the 30–50 group with a growth of 69% (in 2010).

A 23% from age group 50+ was participating in training in active job search, being the second group after the 30–50 group with 62% (both 2009/2010).
Measures:

- It seems that the older age groups were not a specific target if consider the training,
- For supporting old workers employment are proposed some fiscal incentives/measures.
- Measures include in case of employment a:
  - decrease of social contributions for older workers paid by employer and
  - decrease of the income tax for worker.
- The measure is targeting workers older than 45 and is recent implementing with no information on results.
Actions aiming at promotion of the older workers employment (aged 50–64 years old) are developed to fight their disadvantage on the labour market.

- Designing and implementation of awareness raising actions concerning the potential benefits brought by employment of the older people, in line an active aging policy.
- Adequate active labour market programmes to be designed to reintegrate older workers in the labour market including an adequate system for adult learning aiming at acquisition of new skills on demand on the labour market.
- Special efforts should be made to promote active ageing policy, long–life learning concept and to motivate older workers to continue working according to their mental and physical abilities.
- Efforts will be made to eliminate obstacles and adjust the conditions of work to the age of the workers, promote new forms of flexible employment and work organisation conducive to work–life balance.
- The greatest possible number of older persons shall be included in active labour market measures, especially training programmes and job clubs.
- Enterprises should be encouraged to employ and retain older workers and prevent discriminatory practices in hiring older workers, especially women.