

YOUTH UNEMPLOYMENT IN ECONOMIC AND SOCIAL CRISIS: Case of Serbia*

Original Scientific Article
Dušan MOJIĆ
*Faculty of Philosophy,
University of Belgrade,
Serbia*

Youth unemployment has been an important economic and social issue in the last decades but it became of utmost importance during the current economic crisis. Youth employment is particularly vulnerable throughout Europe (compared to other age cohorts), but in Serbia the data have been most unfavorable. The reasons can be found in the overall social and economic crisis and circumstances of post-socialist transformation in Serbia in the last two decades: “the destroyed society”, economic decline and current unfavorable economic trends (as a result of economic crisis). Furthermore, the long-term discrepancy between the education system and the labor market can be seen as one of the most important social factors of massive and long-term youth unemployment.

Key words: Serbia, economic crisis, social crisis, youth, unemployment

Introduction

“UNEMPLOYMENT IS GENERALLY DEFINED AS the number of persons who are ready and willing to work who cannot find the job” (Janoski et al. 2014, 4). One of the most important topics in sociology and generally in the social sciences can be “embedded” in this short sentence about one of the key social, economic and political problems in contemporary world. This topic

* This paper is the part of the project “Challenges of the new social integration in Serbia: Concepts and actors” (No. 179035), funded by the Ministry of Education, Science and Technological Development of the Republic of Serbia.

concerns the individual vs. society or agency vs. structure dilemma in the social sciences and sociology in particular [see Giddens and Sutton 2013; Jenks 2000]. This dilemma stems from the studies of classical sociologists and their interest in the relative weight that should be granted to the social structure or human agency. “How far are individuals creative actors, actively controlling the conditions of their lives? Or is most of what we do the result of general social forces outside individual control” (Giddens and Sutton 2013, 86)?

This dilemma will be reviewed on the example of youth unemployment in a transitional country (or, in more sociological terms, country in post-socialist transformation) – Serbia. In other words, the paper analyzes to what extent the status of unemployed is a result of individual actions and preferences, and to what extent it is a consequence of structural forces – mostly social and economic factors in Serbia today. The main goal of this paper is to look into the processes of creating social biographies of Serbian youth in the sphere of work today and the relative impact of structural forces in creating these social biographies.

Theoretical and Contextual Framework

The analysis of social status of youth in post-socialist countries of Eastern Europe is especially important for social integration in these rapidly changing social systems. Generally, social integration is one of the major concerns in sociological theories. According to the influential social biography approach (Roberts et al. 1994), structures set the conditions, possibilities and limitations of action. These structures (institutions, resources and norms) are enabling but also constraining for young people in creating their social biographies, especially in transitional societies.

Transition risks force young people to create flexible strategies for advancement through education, work, and family relations. Neither life span nor transition paths are fixed any more in a variety of economical, political and cultural changes in post-socialism. The notion of flexibility itself has been at first applied to the explanation of the behavior of work force in the labor market. It explains non-standard forms of employment such as part-time employment, temporary and short-term employment, self-employment, working at home, work on a contract etc., that involve less formal rules and regulations. Late modernity theories brought about a connection of flexibility with risk, uncertainty, individualization

and reflexivity. Flexibilization of work represents a foundation for reflexive and self-creating biography, individual self-realization and creative uncertainty of freedom (Kovacheva 2001, 43).

These processes are well recognized by another influential theoretical framework in contemporary sociology – structuration theory, developed by Anthony Giddens (1984) (see also Giddens and Sutton 2013). Giddens proposes that people actively make and remake social structure during the course of their everyday activities. According to structuration theory, “structure” and “action” are necessarily interrelated. “Societies, communities and groups have ‘structure’ only insofar as people behave in regular and fairly predictable ways. On the other hand, ‘action’ is only possible because each individual possesses an enormous amount of socially structured knowledge which pre-exists them as individuals” (Giddens and Sutton 2013, 90).

As for the post-socialist societies (including Serbia), what all young people share is the disappearance of relatively well structured and predictable paths of life transitions and their flexibilization. Youth socialization is taking place in conditions where institutions, processes and social norms that previously used to channel transition into the world of adults now vanished, or they are also in the process of substantial transformation. Although, logically speaking, the youth may be said to be natural winners of transition (since they are oriented more towards, and prepared better for the changes brought about by social transformation), a majority of empirical studies showed that young people are still more exposed to new and greater risks than new and more favorable chances of social promotion (Ilišin 2005, 19).

Accepting key propositions of the social biography and social structuration approaches, we aim to present the key structural forces in Serbian society influencing the continuously high rates of youth unemployment in the last decades. In order to do that, we will outline briefly the socio-economic context of the Serbian society since the political changes in 2000.

After the World War Two Serbia (first as a Yugoslav republic and later as an independent state) had two social systems and economic regimes: socialist (bureaucratic and self-management from 1945 to 2000) and capitalist (from 2000 till today). “In both regimes, the state was a key actor, and the final outcome has been a continual accumulation of systematic deficit and usage of different mechanisms in order to temporary cover or to transfer this deficit into future at the expense of

the forthcoming, not even born generations” (Radonjić and Kokotović 2012, 156). Although the post-socialist transformation started in 1989, it had soon become blocked by combination of external (civil war, UN sanctions) and internal (the authoritarian nature of Slobodan Milošević’s regime) factors. After the political changes in 2000 the process of post-socialist transformation was unblocked and Serbia entered the period of slow consolidation of capitalist system (based on a genuine democratic, parliamentary, multiparty political system).

Youth Unemployment in Serbia After 2000

Generally, labor market situation and employment trends in Serbia have since the beginning of transition followed, more or less, the expected patterns of post-socialist societies. Already suffering from structural unemployment, Serbia experienced also transformation unemployment. This term has been introduced to identify more exactly the specific features of the unemployment encountered in countries in transition. “It can be seen as a special form of structural unemployment that emerges in connection with transformation and is due to abrupt drops in output as well as to the profound upheaval of the overall economic and social structure in these countries. This form of unemployment therefore takes on far greater dimensions than, for example, structural unemployment in industrialized countries” (Kausch 2003, 6).

In such circumstances, transition from education to employment in Serbia after 2000 reveals very unfavorable situation for young people. General labor market participation rate is low, since only 75% of the population that completed education enters the labor market. By comparison, more than 90% of the youth after completing education (at all levels) in OECD countries participate in the labor market (Arandarenko 2008, 271). According to the official data of the National Employment Agency of the Republic of Serbia, youth unemployment rates have constantly been near 50% during the whole past decade. On the other hand, activity and employment rates were very low. Because of a different methodology adopted in the unemployment survey (i.e. organizing the Labor Force Survey), the figures have been less dramatic in recent years, but still very high in comparative context. For example, in 2011, activity rate of persons aged 15-64 years (contingent work) was 58.9% (inactivity rate 41.1%), unemployment rate 22.9% and employment rate 45.5%. As for the youth from 15 to 24 years old, activity rate was 28.1

(inactivity rate 71.9%), unemployment rate 49.9% and employment rate 14.1. Finally, for young people aged 25-34 activity rate was 77.8%, inactivity rate 22.2%, while employment rate was 54.2% with unemployment of 30.3% (Anketa o radnoj snazi, april 2011) [Labor Force Survey, April 2011].

These negative trends have continued in the subsequent years. Data from the first quarter of 2014 reveal that Serbia is still a country with a very troubled labor market situation. Employment rate is 45.8%, far below the EU-27 average (64.3%). Unemployment rate, on the other hand, is among the highest in the region (25%), and well above the average unemployment rate of the EU countries (10.5%) (Arandarenko and Žarković Rakić 2014b, 217). Informal employment rate (share of the informally employed in the total number of the employed) is also very high – 18.2%. Furthermore, inactivity rate is one of the highest in the region, mostly because of the withdrawal of the work force from the labor market (including a great deal of youth).

Unemployment in Serbia is mostly long-term in its character. Youth unemployment in Serbia is very high; more or less double the rate of general unemployment. Compared to other (older) cohorts, the position of the young people at the labor market had worsened in the last years. In comparison to EU-27 countries, the biggest difference in employment and unemployment rates refers to youth in Serbia, confirming them to be one of the most vulnerable categories in this respect.

Methodology and Hypothesis

The above-mentioned data on employment will be complemented by the findings of the empirical study conducted in 2011 by a group of researchers from the Institute of Sociological Research of the Faculty of Philosophy (University of Belgrade). The study was carried out in 62 Serbian municipalities (without Kosovo and Metohija) on the sample of 1627 respondents. Target population were young persons aged 19 to 35 in four cohorts: 19–20, 24–25, 29–30 and 34–35 years (Stanojević 2012, 44).

Using the social biography approach (see more in Tomanović 2012), the goal of the study was to analyze the process of creating social biographies of young people in Serbia in the post-socialist transformation. The data presented in this paper focus on the creating of social biographies in the sphere of work, particularly of

the unemployed youth. Some comparisons will be made to a similar research conducted in 2003 (Mojić 2004). The main hypothesis in the study of the unemployed youth in Serbia is that their unfavorable position in creating work biographies is mostly the product of the structural difficulties of the transformation period in the Serbian society – mostly of systemic nature (economic and overall social situation).

Results and Discussion

Empirical findings from the study strongly supported previous data of the long-term youth unemployment in Serbia. Namely, the period of searching for a job for our respondents was almost four years. However, clear gender differences appeared: average time spent in active searching for employment was much higher for young women than for men: 52.78 vs. 41.21 months. The length of the period of unemployment was also strongly related with individual's skills and competences (years of education, additional activities and skills), as well as family resources (cultural capital, parents' education, household average income) – naturally, young people without these resources experienced much longer periods of unemployment. Inactivity rate was also very high – more than third (35%) of these young people from the study was not looking for a job at all. Gender differences were also revealed here: 42.1% female compared to 27.2% male respondents were not active at the labor market.

Table 1. Ways of job searching

Ways of job searching	%
Does not search for a job	35
Through National employment agency	20.9
Through student/youth cooperative	3.9
Following ads in the newspapers or on the Internet	15.4
Posting ads in the newspapers or on the Internet	2.1
Relying on friends and/or relatives	19.8
Addressing directly employers	2.2
Some other way	0.7

214 Having in mind these results and findings from the similar studies, we wanted to analyze the scope and effects of the state programs (organized by the Na-

tional Employment Agency) of active measures for improving youth employability. Such programs have been attended by just a small minority of respondents – 1.9% of them have received training in computers, while other 4.6 percent have been engaged in an apprentice employment program for a short period of time. Furthermore, these training programs have seen decrease in the last years because of the financial crisis and limited state funds.

In such a situation it is not surprising that young people do not expect help in this respect from the state (Table 2). Namely, our research showed that only 1.7 percent of them would ask state institutions and organizations for financial support in finding employment or starting their own business. On the contrary, young people dominantly rely on parents as the key potential source of such financial help. Of course, not all young people have parents with sufficient resources in that regard, since more than one-fourth did not expected such help from anyone.

Table 2. The source of potential financial help in getting a job or starting their own business

Source of financial help	%
Parents	54.6
Relatives	5.6
Friends	10.5
Partner/spouse	0.8
State institutions	1.7
Someone else	0.8
Nobody	26

As for individual youth resources for employment, besides education, additional specific knowledge and skills are also important (Table 3). Although formal education still represents the single most significant factor of the individual labor market situation, additional knowledge and skills are becoming also very important in that respect. We can see that a majority of youth have driving and computer skills, while less than a half of them claim competence in a foreign language.

Table 3. Specific knowledge/skill important for employment

Knowledge/skill	Yes	Partly	No
Driving	66.4	3.2	30.4
Foreign language	45.8	33.6	20.7
Computer skills	59.5	27.1	13.3

However, the possession of these knowledge and skills are significantly related with family resources (average household income), as well as family cultural and economic capital in general (Table 4). The correlation is particularly significant between family's cultural capital and parents' education, on one side, and young people's foreign language and computer skills, on the other. These "family investments" in youth cultural capital and education no doubt considerably improve their chances on the labor market, enabling social reproduction, especially for the middle class.

Table 4. Correlation of specific knowledge/skill with family resources

	Cultural capital	Parents' education	Average household income
Driver's license	.072*	.094*	.202*
Foreign language	.566*	.470*	.335*
Computer skills	.476*	.398*	.298*

* Correlation on significance level .01

Analyzing youth orientations with regard to factors of the choice of employment we reach very interesting findings if we compare 2003 and 2011 studies (Table 5). While in 2003 the most important factor for young people in choosing the job was the amount of salary, in 2011 we observe a significant increase in the importance of job stability and regular monthly income. These results are, without any doubt, mostly influenced by a dramatic increase of the unemployment rate and, consequently, a higher preference for certainty (of both job and income). On the other hand, having in mind the unfavorable economic and social situation, young people are more realistic and without much hope to find a creative job with good career prospects.

Table 5. Preferred factors in choosing employment (2003 and 2011 studies)

Please state your first and second choice of factor in regard to employment	2003			2011		
	First choice	Second choice	I+II	First choice	Second choice	I+II
Salary amount	50.7	12.2	62.9	33	13.9	47.8
Job certainty	10.0	13.1	23.1	28.3	18.5	46.8
Creative job	9.4	11.4	20.8	3.4	9.2	12.6
Career prospects	8.9	14.8	23.7	8.7	9.8	18.5
Regular monthly income	3.8	10.0	13.8	11.3	20.7	32

Please state your first and second choice of factor in regard to employment	2003			2011		
	First choice	Second choice	I+II	First choice	Second choice	I+II
Working with people I like	2.8	11.8	14.6	3.4	9	12.4
Important job (enabling power and respect)	2.5	8.5	11.0	3.1	6.4	9.5
Decent work conditions	0.8	6.5	7.3	3.1	8.8	11.9
I would accept any job no matter what	2.2	4.0	6.2	1.1	3.6	4.7

Transition from education to work has been considered to be the most important in the life pathways of young people. If this transition is so difficult (as the data presented clearly show), we wanted to find a possible correlation between employment status and preference for “exit strategy” (Table 6). This strategy refers to thinking and acting towards emigration from Serbia for a longer period of time.

Table 6. Preference for “exit strategy” of the unemployed and employed youth (2003 and 2011 study)

Year of the study	Unemployed youth		Employed youth	
	2003	2011	2003	2011
Not thinking or acting towards emigration	51.7	43.5	60.4	53.4
Thinking or acting towards emigration	48.3	56.5	39.6	46.6

Compared to 2003, in 2011 both observed categories of youth more often preferred “exit strategy”, while clear differences are revealed between unemployed and employed youth in both studies. Namely, in 2003 less than one half of the unemployed were thinking or acting towards emigration (48.3%), while this share increased significantly in 2011 – 56.5%. The respective share for the employed youth, on the other hand, was 39.6% in 2003 and 46.6% in 2011. We can see that the preference for “exit strategy” in 2011 (compared to 2003) increased to almost 10% (between unemployed and employed youth). Although various factors can influence this preference, employment status seems to be one of the most important factors in youth fragmentation in Serbia, in this case regarding the possible “exit strategy”. Namely, the popular belief after political changes in 2000 was that all youth should be viewed as potential winners of the transformation process. However, it became clear in the following years that only youth with better education

and additional knowledge and skills (also strongly dependent on overall family resources) experienced social promotion. Therefore, a lack of faith in the legitimacy of the social order in Serbia has increased among young people (especially the unemployed), resulting in more and more widespread thinking and acting towards emigration.

Conclusion

The main goal of this study was to examine the influence of structural factors on youth unemployment in Serbia one decade after the political changes in 2000. The delay in political and economic transformation, current economic crisis and socio-cultural factors showed to be the most important in that respect. Structures (institutions, resources and norms) in Serbia today are mostly constraining for young people's life transitions, including their creating of social biographies in the sphere of work. The absence of developed and enabling system measures in improving youth employability is one of the strongest proofs for that.

The latest data on employment – from the second quarter of the year 2014 (see a more detailed account in Arandarenko and Žarković Rakić 2014a) – are apparently less unfavorable: the employment rate increased from 48% to 49.3%, unemployment rate dropped from 21.6% to 21.2%, while inactivity rate decreased from 38.8% to 37.5%. However, these trends can be explained mainly by the raise in informal employment and the decline in the number of individuals aged 15 to 64. Generally, statistical data on the labor market trends, as Arsić (2014, 5) states, are still disturbing. “Formal employment is declining, which is in the line with the trends in economic activity, but total employment is rising as a result of informal economy?” Unfavorable trends in Serbia's economy continue in 2014, with the prognosis of the GDP fall of at least 1%. However, these trends can be observed as a long-time period incapability of Serbian authorities to provide fertile macroeconomic environment for sustainable economic growth (Radonjić and Kokotović 2012, 155). Therefore, structural unemployment, followed by constantly high youth unemployment rates in the last decades come as no surprise.

Generally, transition from education to work has become more difficult for young people all over Europe. Unfavorable economic and employment trends have made these transitions prolonged, more fragmented, diversified and less linear

tions”, referring to moving back and forth between education, employment, and unemployment. The destandardization of youth transitions has replaced security and predictability by personal choices and risks. This type of individualization is forcing young people to make individual decisions and to be individually held responsible for them although resources and opportunities remain unequally distributed.

“In fact, yo-yo transitions are not necessarily young people’s choice; they are frequently imposed on them by such traditional structures of social inequality as class and education, gender, ethnicity, or region. However, inequality takes new forms of disadvantage. For those with restricted economic, cultural, and social capital, a normal biography still stands for a ‘decent life’. However, a growing number of young people have to reorient themselves once they discover that the likelihood of realizing a normal life course has decreased and that they do not have sufficient resources to stand competition. Others who are better equipped have higher qualifications and families providing them with a safety net. These fortunate youngsters can make use of the new opportunities and lead their lives in accordance with their individual wishes” (Walther and Plug 2006, 79).

In that respect late modernity theories with an emphasis on self-creating biography, individual self-realization and creative uncertainty of freedom (Kovacheva 2001, 43) most definitely cannot refer to the situation of youth in Serbia. Also, in light of the basic dilemma in structuration theory (Giddens 1984) about the interplay of structure and agency, young people in Serbia are mostly restricted in their actions in regard to employment because of the highly unfavorable structures. In fact, one of the most frequent actions of Serbian youth is to withdraw from the labor market and to stay for prolonged periods of time in the education system. However, with the troubled system of education in Serbia at all levels and its significant discrepancy with the needs of the labor market, this “life strategy” is less and less likely to reverse the “vicious circle” of youth unemployment.

References

- Anketa o radnoj snazi, april 2011 [Labor Force Survey, April 2011]. 2011. Belgrade: Statistical Office of the Republic of Serbia.
- Arandarenko, M. 2008. „Od škole do posla u Srbiji (From School to Work in Serbia).” In *Tržište rada i politika zaposlenosti (Labor Market and Employment Policy)*, Edited by D. Vuković and M. Arandarenko, strane. Belgrade: Faculty of Political Science, pp 266–284.

- Arandarenko, M , and J. Žarković Rakić . 2014a. "Employment and Wages." In *Quarterly Monitor of Economic Trends and Policies in Serbia*. Issue 37, April-June, Edited by M. Arsić, 19-24. Belgrade: The Foundation for the Advancement of Economics (FREN).
- Arandarenko, M , and J. Žarković Rakić 2014b. "Nove institucije za nova radna mesta (New Institutions for New Jobs)." In *Ekonomska politika Srbije u 2014: Mogućnosti privrednog rasta u uslovima reformi i fiskalne konsolidacije (Economic Policy in Serbia in 2014: Possibilities of Economic Growth in the Conditions of Reforms and Fiscal Consolidation)*, Edited by M. Arsić and D. Šoškić, 217–227. Belgrade: Ekonomski fakultet.
- Arsić, M. 2014. From the Editor. In: Arsić, M. (Ed.). *Quarterly Monitor of Economic Trends and Policies in Serbia*. Issue 37, April-June, 5–6, Belgrade: The Foundation for the Advancement of Economics (FREN).
- Giddens, Antony. 1984. *The Constitution of Society: Towards a Theory of Structuration*. Cambridge: Polity Press.
- Giddens, Antony, and P. W. Sutton. 2013. *Sociology. Seventh Edition*. Cambridge: Polity Press.
- Ilišin, V. 2005. „Mladi, Hrvatska i Europa: uvod u istraživanje (Youth, Croatia and Europe: Introduction to Study)”. In *Mladi Hrvatske i europska integracija (Croatian Youth and the European Integration)*, Edited by V. Ilišin, 11–32. Zagreb: Institut za društvena istraživanja.
- Janoski, T., Luke, D. and C. Oliver. 2014. *The Causes of Structural Unemployment*. Cambridge: Polity Press.
- Jenks, Charles. ed. 2000. *Core Sociological Dichotomies*. London: Sage.
- Kausch, I. 2002. "Employment and Labour-market Policy in Transition Countries: Concepts, Framework Conditions and Areas of Intervention." In *Employment and Labour-market Policy in South Eastern Europe*, Edited by I. Kausch, 2–35. Friedrich Ebert Stiftung.
- Kovacheva, S. 2001."Flexibilisation of Youth Transitions in Central and Eastern Europe." *Young* 9(1): 1–32.
- Mojić, Dušan. 2004. „Zaposlena omladina u Srbiji danas (Employed Youth in Serbia Today)”. In *Mladi zagubljeni u tranziciji (Young People Lost in Transition)*, Edited by S. Mihailović, 205–227. Belgrade: Center for Policy Studies.
- Radonjić, Ognjen, and Srđan Kokotović. 2012. *The Second Decade of Transition in Emerging Europe: The Age of Capital Inflows, Macroeconomic Imbalances and Financial Fragility*. Belgrade: Faculty of Philosophy.
- Roberts, K., Clark, S. C. and C. Wallace. 1994. "Flexibility and Individualism: A Comparison of Transitions into Employment in England and Germany." *Sociology* 28(1): 31–55.
- Stanojević, Dragan. 2012. „Metodologija istraživanja, plan i karakteristike uzorka (Research Methodology, Plan and Sample Characteristics)”. In *Mladi – naša sadašnjost: istraživanje socijalnih biografija mladih u Srbiji (Young People are present. The Study on Social Biographies of Young People in Serbia)*, Edited by Smiljka Tomanović, 43–51. Belgrade: Čigoja štampa: Institut za sociološka istraživanja Filozofskog fakulteta.

- Tomanović, Smiljka. 2012. „Od omladine do socijalnih biografija mladih u postsocijalističkoj transformaciji društva Srbije: konceptualni i kontekstualni okvir istraživanja (From Youth to Social Biographies of Young People in Post-socialist Serbia: Conceptual and Contextual Framework of the Study).” In *Mladi – naša sadašnjost: istraživanje socijalnih biografija mladih u Srbiji (Young People are Present. The Study on Social Biographies of Young People in Serbia)*, Edited by Smiljka Tomanović, 9–42. Belgrade: Čigoja štampa: Institut za sociološka istraživanja Filozofskog fakulteta.
- Walther, A., and W. Plug. 2006. “Transitions from School to Work in Europe: Destandardization and Policy Trends.” *New Directions for Child and Adolescent Development* 113: 77–90.

Rezime:

Nezaposlenost mladih u ekonomskoj i društvenoj krizi: Slučaj Srbije

Nezaposlenost mladih važno je ekonomsko i društveno pitanje poslednjih decenija, ali je postalo izuzetno važno tokom tekuće ekonomske krize. Zaposlenost mladih je posebno ranjiva širom Evrope (u poređenju sa drugim starosnim kohortama), ali su ti podaci u Srbiji najnepovoljniji. Razlozi za to se mogu pronaći u sveukupnoj društvenoj i ekonomskoj krizi i okolnostima postsocijalističke transformacije u Srbiji poslednje dve decenije: „razorenom društvu“, ekonomskom padu i današnjim nepovoljnim ekonomskim kretanjima (kao posledicama ekonomske krize). Najzad, dugoročna neusaglašenost između obrazovnog sistema i tržišta rada može se smatrati jednim od najvažnijih društvenih činilaca velike i dugoročne nezaposlenosti mladih.

Ključne reči: Srbija, ekonomska kriza, društvena kriza, mladi, nezaposlenost

Paper Received: 3. XII 2014.

Paper Reviewed: 25. XII 2014.

Paper Accepted: 29. XII 2014.