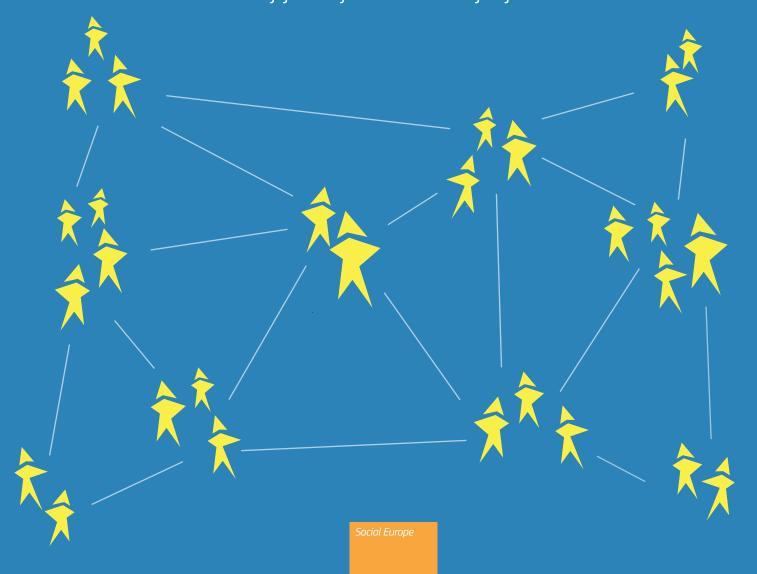


**EUROPEAN SOCIAL POLICY NETWORK (ESPN)** 

# Access to social protection for young people

## Serbia

Ljiljana Pejin Stokić and Jurij Bajec



## **EUROPEAN COMMISSION**

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## **European Social Policy Network (ESPN)**

## **ESPN Thematic Report:**

## Access to social protection for young people

## Serbia

2021

Ljiljana Pejin Stokić, Economics Institute, Belgrade Jurij Bajec, Faculty of Economics, University of Belgrade The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

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### SUMMARY

Social protection schemes in Serbia which encompass cash benefits do not have different eligibility conditions based on the beneficiary's age. In this regard young people are entitled to the same benefits as the older population. There are no special schemes which take into account the specific needs of young people.

Overall, in terms of access to unemployment, sickness and healthcare, maternity and parental benefits, guaranteed minimum income and housing benefits, the main gaps identified are the same for all age groups. To some extent access for young people is restricted due to their position in the labour market – a shorter contribution history and frequent engagement in non-standard work. In the case of entitlement to sickness benefits, the identified gap in access is generated by outdated legislation, adopted in the period when non-standard forms of work were not a feature of the Serbian labour market.

The main potential obstacles to access for young people are related to a lack of adequate information, and a lack of knowledge about rights and the procedures to exercise available rights. As social protection law changes frequently, it is reasonable to assume that young people who are not in regular employment do not have access to professional guidance about required administrative procedures.

The main reform was undertaken in 2017, and access to maternity, paternity and parental cash benefits has been improved by amendments and additions to the Law on Financial Support for Families with Children. The new law sets out eligibility conditions for unemployed people and people engaged in non-standard work, as these categories were not previously covered by the cash benefits. The new regulation will positively affect access to these benefits for young people aged 15-29, who had a higher share of temporary work than the older population over the 2015-2019 period.

In the past 10 years platform work has been one of the common sources of earnings for young people: however, current legislation does not recognise the specific characteristics of this type of work. At the end of 2020 a debate was initiated by the Association of Internet Workers, which called for amendments to the existing regulations. At the beginning of 2020 a transitional solution was adopted, while further improvements in this area have been announced for the beginning of 2022.

Improved counselling and guidance could help young people to access social protection. The current preparations for amendments and additions to the Youth Law 2011, and for revisions of the 2015-2025 national youth strategy, present a good opportunity for addressing these issues and for the adoption of systematic solutions. The main objective of the amendments to the strategy is to adapt it to the results of recent national and international research studies on the contemporary needs of young people (MoYS, 2021).

Even though the present social protection system does not directly limit access for young people, official statistics and annual surveys reveal the less favourable position of young people in society. Unfavourable working and living conditions influence the decisions of young people to leave the country: in 2019, 33% of people aged 24-29 planned to leave the country, and 24% of those aged 25-30 (Ninamedia, 2020). The government should assess the need to introduce special social protection schemes for young people, as rapid population ageing and the ongoing brain drain call for reforms of the traditional social protection system.

## 1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE<sup>1</sup>

## 1.1 Distribution of young people (aged 15-29) by main activity status

Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Serbia, % 15-29 and 30-64)

	SERBIA														
	15-29							30-64							
	2015 2016 2017 2018 2019 2020						2015	2016	2017	2018	2019	2020			
EMPLOYMENT RATE*	30.4	33.2	34.9	36.4	36.9	36.0	59.7	62.7	65.0	66.4	68.7	69.7			
Paid employment**	78.0	78.9	81.3	84.5	85.4	85.2	71.6	70.4	71.3	73.5	74.4	75.6			
Self-employment**	7.0	7.3	8.7	7.2	7.5	7.8	18.7	20.2	21.1	19.4	19.9	19.3			
Contributing family work**	15.0	13.8	10.0	8.2	7.2	7.0	9.8	9.4	7.6	7.1	5.7	5.2			
UNEMPLOYMENT***	34.4	29.8	26.7	24.5	21.5	20.5	14.4	12.8	11.3	10.8	8.7	7.3			
INACTIVITY****	53.6	52.8	52.4	51.8	53.0	54.7	30.2	28.1	26.8	25.5	24.8	24.8			

	EU-27														
	15-29							30-64							
	2015	2015 2016 2017 2018 2019 202					2015	2016	2017	2018	2019	2020			
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9			
Paid employment**	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2			
Self-employment**	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1			
Contributing family work **	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7			
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8			
INACTIVITY***	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5			

Notes: (\*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (\*\*) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (\*\*\*) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in Serbia, 36.0% of people aged between 15 and 29 were in employment, compared to 69.7% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in Serbia was 20.5% of the 15-29 age group and 7.3% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in Serbia in the 15-29 and 30-64 age groups were 54.7% and 24.8%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [Ifsa\_eegais], [Ifsa\_egaps], [Ifsa\_pganws] and [Ifsa\_igan]. Data downloaded on 24 May 2021.

<sup>&</sup>lt;sup>1</sup> Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <a href="https://ec.europa.eu/eurostat">https://ec.europa.eu/eurostat</a>): European Union Labour

Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded <a href="https://ec.europa.eu/europa.europa.eu/europa.eu/europa.eu/europa.eu/europa.eu/europa.eu/europa.eu/e

Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Serbia, ratios 15-29/30-64)

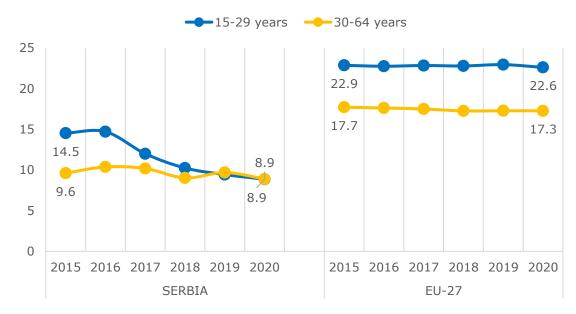
	SERBIA							EU-27						
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020		
EMPLOYMENT RATE*	0.51	0.53	0.54	0.55	0.54	0.52	0.63	0.63	0.64	0.64	0.64	0.62		
Paid employment**	1.09	1.12	1.14	1.15	1.15	1.13	1.11	1.11	1.10	1.10	1.10	1.10		
Self-employment**	0.37	0.36	0.41	0.37	0.38	0.41	0.36	0.36	0.36	0.36	0.36	0.38		
Contributing family work**	1.53	1.47	1.33	1.17	1.25	1.36	1.21	1.20	1.21	1.24	1.24	1.20		
UNEMPLOYMENT***	2.38	2.33	2.37	2.26	2.47	2.81	2.04	2.06	2.06	2.09	2.10	2.29		
INACTIVITY***	1.77	1.88	1.96	2.03	2.14	2.21	2.07	2.11	2.16	2.20	2.24	2.29		

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in Serbia, 36.0% of people aged between 15 and 29 were in employment compared to 69.7% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.52. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

Source: See Table 1a.

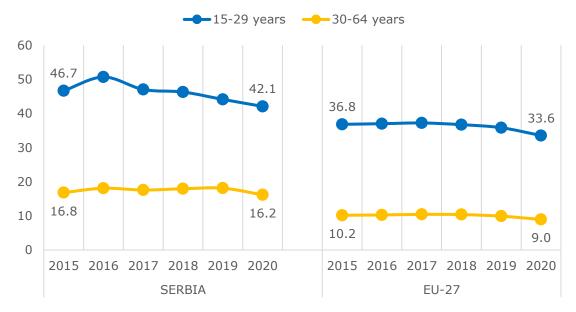
Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Serbia, %)



Reading note: In 2020, in Serbia, the share of part-time employment in total employment was 8.9% for the 15-29 age group and 8.9% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [Ifsa\_epgn62]. Data downloaded on 24 May 2021.

Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Serbia, %)

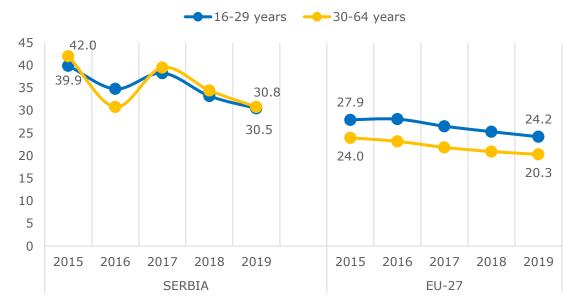


Reading note: In 2020, in Serbia, the share of temporary workers among employees was 42.1% for the 15-29 age group and 16.2% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa\_epgn62] and [Ifsa\_egaps]. Data downloaded on 24 May 2021.

## 1.2 Young people (aged 15-29) at risk of poverty or social exclusion

Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Serbia, %)

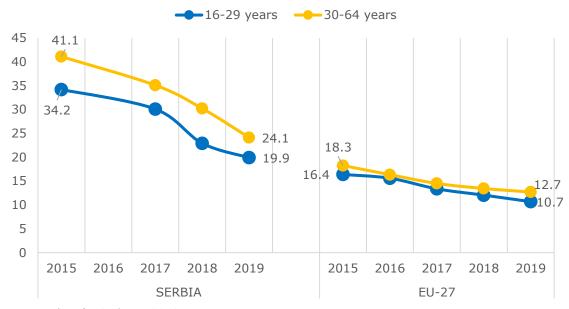


Reading note: In 2019, in Serbia, 30.5% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 30.8% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_peps02]. Data downloaded on 24 May 2021.

## 1.3 Young people (aged 15-29) materially and socially deprived

Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Serbia, %)



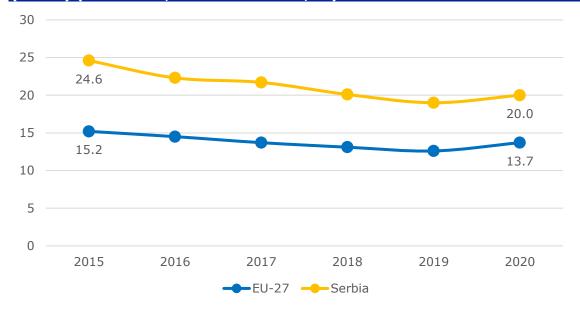
Note: No data for Serbia in 2016

Reading note: In 2019, in Serbia, 19.9% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 24.1% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc\_mdsd]. Data downloaded on 24 May 2021.

## 1.4 Young people (aged 15-29) neither in employment nor in education or training (NEETs)

Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and Serbia, %)

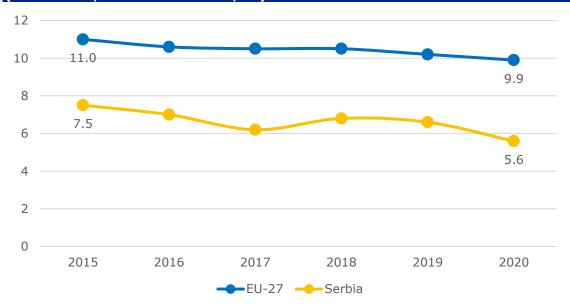


Reading note: In 2020, in Serbia, 20.0% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [Ifse\_20]. Data downloaded on 24 May 2021.

## 1.5 Early leavers (aged 18-24) from education and training

Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and Serbia, %)

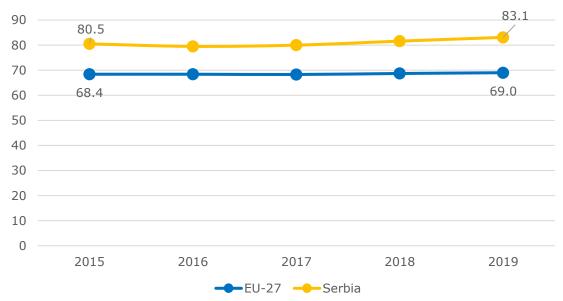


Reading note: In 2020, in Serbia, 5.6% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.

Source: Eurostat, LFS - indicator [edat\_lfse\_14]. Data downloaded on 24 May 2021.

## 1.6 Young people (aged 16-29) living with their parents

Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and Serbia, %)



Reading note: In 2019, in Serbia, 83.1% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.

Source: EU-SILC - indicator [ilc\_lvps08]. Data downloaded on 24 May 2021.

## 2 ACCESS TO UNEMPLOYMENT BENEFITS

Compulsory unemployment insurance is part of the statutory social insurance scheme; all earnings from employment and/or from non-standard work are subject to unemployment insurance contribution payments. This scheme covers the following rights: unemployment cash benefits, compulsory healthcare and pensions (for the period of unemployment benefit duration). There are guaranteed minimum and maximum levels of unemployment cash benefits, which are indexed annually to the consumer price index. The scheme is regulated by the 2021 Law on Employment and Unemployment Insurance.

## 2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Serbia as far as young people are concerned are the following.

## a) Age

Age is not a criterion for this scheme.

## b) Activity status requirement

Young people in employment, self-employment and non-standard work. Trainees are not considered in employment; they are compulsorily covered only by social insurance for accidents and occupational injuries, and they are not eligible for unemployment benefits (Gov. 2021a).

## c) Contributory history required to access the scheme

Unemployed people are entitled to benefits if they were previously covered by unemployment insurance for at least 12 months continuously, with pauses of less than 30 days; or for the previous 18 months with pauses of more than 30 days. The eligibility conditions are the same for those aged 15-29 as for older people.

## d) Waiting period

No waiting period is required.

## e) Replacement rate/benefit level

The level of benefits depends on earnings in the previous 12 months and on national average wages from the previous year. In 2020 the average benefit paid was RSD 15,606 ( $\leq$ 133), while the guaranteed minimum wage was RSD 30,367 ( $\leq$ 236) (NES, 2021).

Calculation of benefit levels for young people is the same as that for older groups.

## f) Duration

The duration of benefits for young people is the same as that for older groups. The maximum duration is 12 months (for more than 25 years of insurance) and the minimum is three months (one to five years of insurance).

## 2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Serbia are the following.

## a) Main gaps in access for young people

The main gap relates to the contributory history condition, as it excludes all people not covered by at least 12 months of insurance (in the previous 18 months). This might be the common situation for young people entering the labour market, who have a shorter contribution history.

## b) Main obstacles in access for young people

The potential obstacles are related to a lack of knowledge by young people entering the labour market for the first time about their rights. This mainly refers to temporary and seasonal work, which is common among young people during their education period (see Section 1 on the incidence of temporary work). Research in 2020 on the status and needs of young people in Serbia (aged 15-30) showed that around one third of those interviewed quoted a lack of information as an obstacle to realising their needs (Ninamedia, 2020).

## 3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

## 3.1 Sickness benefits

The scheme is regulated by the Labour Law (2018) and the Healthcare Insurance Law (2019). Employed and self-employed people are entitled to sick leave if either they or a dependent family member is ill. The base for calculating sickness benefits is average wages in the previous 12 months. Benefits equal to 100% of the base are applicable in the following cases: illness or injury caused by work-related conditions; pregnancy complications; and organ donations/transplants. In other cases, sickness benefit amounts to 65% of the base. There is a guaranteed minimum, equal to the minimum wage. The first 30 days of sick leave are reimbursed by the employer, and longer leave is covered by the health insurance fund (except for pregnancy complications, where 35% is covered by the central budget).

## 3.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Serbia as far as young people are concerned are the following.

## a) Age

Age is not a criterion for this scheme.

## b) Activity status requirement

Young people in employment with permanent and/or fixed-term employment contracts, and self-employed people. Non-standard workers are not eligible (temporary and/or seasonal work). Trainees are not considered to be in employment and are not covered by this scheme (Healthcare Insurance Law 2019).

## c) Contributory history required to access the scheme

Three months of continuous contributions, or six months with pauses in the previous 18 months, is a condition for receipt of benefit under the Healthcare Insurance Law. People with less than three months of contributions are entitled to a monthly payment of sickness benefit at the level of the minimum wage. The eligibility conditions are the same for those aged 15-29 as for older people.

## d) Waiting period

No waiting period required.

## e) Replacement rate/benefit level

The calculation of benefit levels for young people is the same as that for older groups.

## f) Duration

The duration of benefits for young people is the same as that for older groups.

## 3.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Serbia are the following.

## a) Main gaps in access for young people

The main gaps in access are related to the exclusion from the scheme of all people who are not registered as employed at the Central Register of Social Insurance, namely people who perform non-standard work. The main reason for this exclusion is that sick leave payments are made by employers for the first 30 days, and by the health insurance fund after 30 days. For non-standard work contracts there is no employer-employee relationship, and workers have no legal means to realise sick leave payments. This situation also applies if employers are foreign entities not registered in Serbia.

## b) Main obstacles in access for young people

There are no obstacles in access for young people who are eligible for these benefits.

### 3.2 Healthcare benefits

## 3.2.1 Eligibility conditions and benefit entitlements

Serbia has a compulsory healthcare insurance scheme, which covers almost the entire population. The scheme covers almost all aspects of healthcare, including prevention, medical treatments and rehabilitation, with the composition of services defined annually by the "Regulation on the content and volume of healthcare from compulsory healthcare insurance and on participation" (MoH, 2020). The regulation defines participation in costs for healthcare services and prescribed pharmaceuticals; there is a celling on annual participation costs. Exemptions from participation are defined according to age, income status, and health condition, and also in relation to the type of service provided and for a number of classified diseases. Pregnant women and new mothers are exempted from participation (for 12 months after childbirth). People from households with a defined minimum income, which equals 130% of the net minimum wage for a one-member household, are exempted from participation. There are no bariers to healthcare services for insured people (Healthcare Insurance Law 2019).

## a) Age

Age is one of the criteria for exemption from participation in healthcare costs.

- Young people up to age 18, and young people in regular education up to age 26, are exempt from all participation.
- Dental care is free of charge for young people, with insurers paying the full costs.

## b) Activity status requirement

No activity status is required. Young people (up to age 26 when in regular education) are included in the statutory healthcare insurance scheme, if not insured otherwise (through work contracts or as a family member of an insured person). Unemployed people at or below a defined minimum household income are also covered by healthcare insurance if not insured otherwise.

## c) Contributory history required to access the scheme

The right to healthcare can be exercised after three months of continuous contributions, or after six months of contributions with pauses in the previous 18 months. Emergency medical services and healthcare services for work-related injuries and diseases are delivered without contributory history restriction.

## d) Waiting period

No waiting period required.

## e) Replacement rate/benefit level

The benefit level for young people is the same as that for older groups for related services.

## f) Duration

The duration of benefits for young people is the same as that for older groups.

## 3.2.2 Gaps/obstacles in access for young people

## a) Main gaps in access for young people

There are no gaps in access for young people.

## b) Main obstacles in access for young people

There are no obstacles in access for young people; relevant information about accessibility and rights is available at healthcare institutions.

## 4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

## 4.1 Maternity and paternity cash benefits

Maternity leave starts 28 days before birth and ends three months after. It is granted only to mothers (fathers are eligible only if the mother is not able to take care of a child). After the end of maternity leave, one of the parents is entitled to take "leave for the care of a child", which ends 365 days after the beginning of maternity leave (Labour Law 2018). The related cash benefits are regulated by the Law on Financial Support for Families with Children 2021. This is a contributory scheme; since 2017 unemployed people with a previous contribution history have also been eligible. The cash benefit levels are the same for both types of parental leave, and are correlated with the previously recorded earnings. A guaranteed minimum maternity cash benefit is approved for women who are regularly employed as defined by the Labour Law (with fixed or open-ended contracts), but not for self-employed women.

## 4.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Serbia as far as young people are concerned are the following.

## a) Age

Age is not a criterion for this scheme.

## b) Activity status requirement

The scheme is accessible to employed people and to unemployed people with a previous contribution history, irrespective of type of work contract. Young people in employment are eligible, with all types of contracts, employed full or part time, or as temporary agency workers. Eligibility is extended to people (mothers or fathers) who, in the 18 months prior to childbirth, were self-employed or received earnings for temporary and/or seasonal work, and to mothers who are insured as farmers. Trainees are not eligible, since they are not covered by compulsory social insurance contributions schemes, whereas apprentices are generally eligible and covered by the social insurance scheme (Gov. 2021b).

## c) Contributory history required to access the scheme

A contributory history in the previous 18 months is required for self-employed people, those in non-standard work, farmers and currently unemployed people (in the latter case, on condition that they are not in receipt of unemployment benefits).

## d) Waiting period

No waiting period required.

## e) Replacement rate/benefit level

Benefits for young people are the same as those for older groups.

## f) Duration

The duration of benefits for young people is the same as that for older groups.

## 4.1.2 Gaps/obstacles in access for young people

## a) Main gaps in access for young people

There are no gaps in access for young people.

## b) Main obstacles in access for young people

The main obstacles concern people who are not registered as employees (with permanent or fixed-term contracts), as they have to prepare the necessary documents and submit a request for benefits by themselves. A lack of information about their rights, and a lack of information about the procedures required to exercise them, might result in a lower take-up of benefits among this population group (City of Novi Sad, 2019).

## 5 GUARANTEED MINIMUM INCOME SCHEMES

The guaranteed minimum income scheme in Serbia is the financial social assistance (FSA) scheme, funded from the central budget. It is non-contributory cash benefit designed as a safety net instrument to secure minimal living standards for people and households in need. The FSA payment represents the difference between the defined benefit and the household's estimated income (average of the previous three months). For the calculation of FSA benefits, the OECD<sup>2</sup> scale is used: for a single household 1, for each additional adult 0.5, and 0.3 for children under 18. Households with more than six members are entitled to benefits calculated for six members only. Benefits are increased by 20% for single-parent households and for households where all family members are incapable of work.

## 5.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Serbia as far as young people are concerned are the following.

## a) Age

All people of legal age (18 or over).

## b) Activity status requirement

The guaranteed minimum income scheme is not related to the employment status of beneficiaries. People capable of work, and households where the majority of family members are capable of work, are entitled to the benefits for nine months only in a calendar year. Young people in regular education (up to age 26), and/or engaged in training or in any kind of active labour measures programmes, are considered unable to work. Unemployed people of working age who are capable of work have to be registered at the National Employment Service (Social Protection Law 2011).

## c) Other eligibility conditions

There are conditions on nationality, but these are not different for young people.

 $<sup>^{\</sup>rm 2}$  Organization for Economic Co-operation and Development.

## d) Benefit level

Benefits for young people are the same as those for older groups. The benefits are indexed twice a year to the consumer price index. In April 2021 the FSA monthly benefit for single-person households was RSD 8,781 (€74.40), RSD 13,172 (€112) for two adults (18 and over) and RSD 15,806 (€134.50) for two adults with one child.<sup>3</sup>

## e) Distinctions between different groups of young people

There are no distinctions.

## 5.2 Gaps/obstacles in access for young people

There are no gaps and/or obstacles in access for young people for this scheme in Serbia.

## **6 HOUSING BENEFITS**

The law on housing and the maintenance of buildings regulates social housing support, which includes the renting or/and sale of housing units under non-profit conditions: non-profit prices; insurance of housing loans; long-term loans with low interest rates; and refunds of value added tax (Law on Housing and Housing Maintenance 2016). The law defines seven categories of eligible beneficiaries for housing support: homeless people, victims of violence, war veterans, people with disabilities, FSA beneficiaries, low-income households and occupations for which there is a shortage of skilled workers. Eligibility conditions include means-testing of income, ranging from 0.5 to 1.5 of the average wage (except for temporary accommodation). Social housing is financed from the central and local administration budgets.

The Law on Value Added Tax 2020 defines exemption from VAT payments for the first-time buyers of a housing unit; this exemption applies to all Serbian citizens aged 18 and over with residency in Serbia.

## 6.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Serbia as far as young people are concerned are the following.

## a) Age

Age is not a criterion for this scheme.

## b) Activity status requirement

No activity status is required.

## c) Other eligibility conditions

The eligibility conditions refer to the means-testing of individual/household income. The eligibility conditions are the same for young people as for older groups.

## d) Benefit level

Benefit levels for young people are the same as those for older groups.

For calculation of FSA benefits, the OECD scale is used: for a single household 1, for each additional adult 0.5, and 0.3 for children under 18. Households with more than six members are entitled to benefits calculated for six members only. Benefits are increased by 20% for single-parent households and for households where all family members are incapable of work.

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<sup>&</sup>lt;sup>3</sup> RS Official Gazette 39/2021.

## e) Distinctions between different groups of young people

There are no distinctions between different groups of young people.

## 6.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Serbia are the following.

## a) Main gaps in access for young people

There are no gaps in access for young people.

## b) Main obstacles in access for young people

The only obstacles relate to the selection criteria, as priority is given to families with a large number of under-age children, people with a long employment history, and households who have waited a long time to resolve their housing problems.

## 7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS

## 7.1 Reforms implemented since 2015

Adoption of the new Law on Financial Support for Families with Children in 2017 had positive effects on the universal accessibility of maternity, paternity and parental benefits. Its main positive effects are as follows.

- 1) Relaxation of eligibility conditions for maternity/paternity benefits. Under the previous 2009 law, only people employed with permanent and/or fixed-term contracts were eligible for these benefits. The 2017 law introduced a new category of financial benefit for mothers/fathers ("other compensations for maternal and paternal leave") who are not considered regularly employed under the Labour Law, and for unemployed people with a contribution history in the previous 18 months. The greatest positive impact has been for people in non-standard work, and young people who are not regularly employed. The regulation applied to children born from 1 July 2018 onwards.
- 2) The 2017 law laid the foundation for establishing the electronic information service, which simplified application procedures and reduced the number of legal documents required.

There have been no changes in access to social protection for young people as a consequence of the COVID-19 crisis.

### 7.2 National debates

Over the 2015-2021 period there was no public debate about young people's access to social protection. The only public debate that indirectly related to young people's access to social protection was initiated in October 2020 concerning the status of platform workers. The debate centred around issues of the social insurance obligations and rights of platform workers, since they were not adequately addressed by the existing laws (ESPN, 2021). A survey conducted in 2018 showed that most platform workers were young people aged 25-29. The government has acknowledged these problems, and the Minister for Finance has announced that a new law will be prepared to address issues relevant to flexible work arrangements; it is expected that the new law will be adopted at the beginning of 2022 (BBC News, 2021).

Housing benefits are the least developed scheme: during 2003-2018 only 3,850 apartments were built to meet the housing needs of low-income families. There are no special benefits for young people to assist them to move from their parents' home and live independently. EU-SILC data for 2015-2019 reveal that a high proportion of young people in Serbia were living with their parents (see Section 1.6). This practice is to be expected

for young people aged 16-24, since they are still in education – but the same holds true for those aged 25-29, 70.3% of whom were living with their parents in 2019, 28 percentage points (p.p.) more than the EU27 average. In the 2020 survey, prepared for the Ministry of Youth and Sport (MoYS), 69% of those interviewed aged 20-30 cited financial reasons as the main cause for delayed separation from parents (Ninamedia, 2020). The majority of those, 62%, proposed the construction of non-profit housing units and loan subventions as the preferred public housing policy for young people. At the end of 2019 the Ministry of Construction, Transport and Infrastructure (MoCTI) prepared a draft of the "National Housing Strategy 2020-2030" (MoCTI, 2019). A lack of financial resources is identified as the main reason for unmet housing need for a high number of young people and young families. One of priority goals in the draft is "assistance for families with insufficient resources to solve their housing needs under market conditions"; a proposed set of measures includes support for buyers and tenants and incentives for suppliers. Due to the COVID-19 pandemic the proposal was not put out for public debate till the end of June 2021.

In March 2021, the Minister for Youth and Sport announced that amendments and additions to the Youth Law 2011 had been prepared, including clarifications of the legal status of local youth offices (Youth Council, 2021). He also announced plans for revision of the 2015-2025 national youth strategy. This is an opportunity to bring problems of access to social protection for young people into focus and to introduce adequate systematic instruments to resolve potential shortcomings.

## 7.3 Good practice and recommendations

Healthcare protection is one area that provides adequate access to young people, with special protection of the most vulnerable groups. This is achieved by well developed units for healthcare for young people within the network of primary care institutions. Legislation secures healthcare protection, in most cases free of any charges, for the most vulnerable population groups.

On 24 June 2021 the government adopted a regulation on a programme of grants for the procurement of family houses in rural areas in Serbia for 2021 (Government, 2021c). The programme's main objective is the revitalisation of rural areas and assistance to young people to solve their housing problems. People up to age 45 who do not own a housing unit are eligible for the programme. A one-off grant is given of RSD 1.5 million (€10,212) per applicant; the earmarked funds in the central budget amount to RSD 500 million (€3.25 million). The average price of houses in rural areas in 2021 was in the range €5,000-15,000.<sup>4</sup> A similar programme ("return to villages") has been implemented by the AP Vojvodina government since 2015; over the 2015-2020 period 293 young families acquired their first house (85% were women owners); the total funds distributed came to RSD 286 million (€2.4 million)<sup>5</sup>. The funds dedicated to both programmes are minimal; however, evidence from these programmes could be used to further increase coverage of potential beneficiaries.

There are no relevant research papers and analysis about access to social protection for young people, and there is no information about the legal literacy of young people (City of Novi Sad, 2019). Regularly employed young people have better prospects of obtaining necessary information from their employers, while those in non-standard work may not be aware that they are missing important information about their rights. The same holds true for unemployed people who are entitled to some social protection benefits. The present evidence about legal literacy is only circumstantial, and based on surveys of young people's attitudes and opinions. The MoYS conducts an annual survey on the situation and needs of

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https://www.kurir.rs/vesti/srbija/3051627/kuca-sa-bastom-i-vocnjakom-6500-evra-na-samo-50-km-od-centra-beograda-citava-imanja-prodaju-se-za-bagatelu-100-seoskih-kvadrata-kostaju-koliko-3-beogradska, downloaded on 25 June 2021.

<sup>&</sup>lt;sup>5</sup> https://ravnopravnost.org.rs/podsticajni-programi, downloaded on 25 June 2021.

young people (aged 15-30), covering several areas of their lives, but without an assessment of access to social protection (Ninamedia, 2020). Indirect information on awareness about legal rights can be drawn from the surveys conducted in 2019 and 2020. A significant proportion of young employed people were engaged in informal work – 26% in 2020 and 21% in 2019 – with the result that they could not obtain proper legal advice from employers. A low awareness of legal rights was also evidenced in 2019, as 10% of employed people had no knowledge about their legal status at work.

Another important issue relevant to proper knowledge about rights is the need to keep up with frequent alterations in the related regulations. In the past five years every law that regulates one of the areas analysed above has been altered and amended several times. It is questionable whether young people have enough competence to acquire updated information. There is also a possibility that the relevant legislation is less understandable to young people.

There are no special social protection schemes for young people in Serbia, as the national welfare system is based on three stages in the life course - child, working adult and pensioner – which is also a common policy for many European countries (European Youth Forum, 2016). The official statistics and annual surveys confirm that young people are in a less favourable position to live an independent life than the older population. The at-riskof-poverty (AROP) rates for those aged 16-29 was constantly higher (by 2-4 p.p.) than for those aged 30-64 over the 2015-2019 period (see Section 1). Since a high proportion (83.1% in 2019, see Section 1) of young people aged 16-29 live with their parents, statistics on material deprivation might be partially distorted. After exiting the education system, a high proportion of people aged 25-29, 27%, were neither in employment nor in education or training (8.4 p.p. higher than the EU27 average) (see Section 1). Unfavourable working and living conditions influence the decisions of young people to leave the country: in 2019, 33% of people aged 24-29 planned to leave the country, and 24% of those aged 25-30; the majority, 85%, of respondents from both age groups cited work as the main reason (Ninamedia, 2020). As rapid population ageing and an ongoing brain drain call for reforms of traditional social protection systems, the government should assess the need for the introduction of special social protection schemes for young people, with a focus on the needs of the most vulnerable.

A new approach in the following key areas is essential for future improvements in social protection for young people.

- Regular assessment of the actual situation, and identification of potential gaps and obstacles.
- Inclusion of young people in social and political life, and their participation in public debates about social rights, is an important tool for addressing the actual gaps and obstacles. Statistics from surveys show that young people in Serbia have little interest in such engagement. In 2020 a high proportion, 59%, of young people said they would not be willing to engage in the work of bodies that make decisions relevant to young people; and of those who were willing, only 3% would engage at local level. In 2019 only 5.4% of young respondents participated in official public debates on the adoption of legislation. It can be concluded that young people in Serbia are excluded from taking part in decision-making, or in debates about key socio-economic issues. Empowerment of young people to actively participate in decision-making processes about key socio-economic issues is a necessary condition for an adequate response to their needs. For such an outcome, young people must know their rights and be educated to gain the necessary knowledge and capacity to participate in a meaningful way at all levels.
- Proper information and guidance about rights, and the procedures to exercise these rights, could be part of the mandate of local youth offices, which have been established in every local community (MoYS, 2015). Evidently there is a need for the visibility of these offices to be improved, as data from the 2020 survey reveal that more than half of respondents did not know about the existence of youth offices (Ninamedia, 2020).

In the City of Novi Sad (the second largest city in Serbia) only 14% of young people knew about the roles of local youth offices, while 40% did not know about their existence (City of Novi Sad, 2019). Youth offices should conduct a regular evaluation of access to social protection for young people and provide information that is tailored to the actual needs of young people. Another task is to promote awareness of the rights that young people should be able to enjoy and what they can do if their rights are violated.

• Inclusion of innovative solutions for the removal of identified gaps and obstacles within relevant legislation, with *ex post* impact analysis.

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