

## **Dynamic Historical Analysis of Longer Term Migratory, Labour Market and Human Capital Processes in Serbia**

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## **Overview on abbreviations, acronyms and English translations**

Bosnia and Herzegovina – BIH

Commissariat for Refugees and Migration of the Republic of Serbia – CRMRS

European Union – EU

European Integration Office of the Government of the Republic of Serbia - SEIO

Federal People's Republic of Yugoslavia – FPRY

Federal Republic of Yugoslavia - FRY

Government of the Republic of Serbia - GRS

Institute of Social Sciences – ISS

Internally Displaced Persons – IDPs

Kosovo and Metohija – KM

Migration Profile of the Republic of Serbia – MG Profile of RS

Ministry of Interior – MI

National Bank of Serbia – NBS

National Employment service of Serbia – NES

Republic of Serbia - RS

Socialist Federal Republic of Yugoslavia – SFRY

Statistical Office of the European Union – Eurostat

Statistical Office of the Republic of Serbia – SORS

Total fertility rate - TFR

## Executive Summary

SFR Yugoslavia, and thereby Serbia as well, was considerably more liberal in comparison to other European socialist countries of real socialism in the economic and political sense from the 1950s up to the end of the 1980s. Numerous economic and social reforms, especially in period of crisis of mid-1960s, aimed to strengthen the economy of the country. In the late 1980s a program of economic reforms and the *Law on Social Capital* were adopted, which was the beginning of the transition to the market economy. However, the changes started too late considering the presence of very strong disintegration processes that resulted in the break-up of the SFR Yugoslavia in the early 1990s.

The dissolution of the SFR Yugoslavia in 1991 and the ensuing wars and international sanctions imposed to Serbia led to a major decrease in economic activities and to the blocking of the transition process. After the fall of Milošević's regime in 2000 and complete lifting of severe international sanctions, comprehensive political and economic reforms began, as well as intensification of Euro-Atlantic integrations (the stabilisation and *Association Agreement* was signed in 2008, and visas for Schengen area were abolished in 2009). It is also a period of intensified increase of GDP *per capita* (the level of 1980 was achieved in 2005) which again started to decrease with the beginning of the global economic crisis in 2009 together with a general trend of increased unemployment.

The political and socio-economic situation in the SFR Yugoslavia considerably affected international migration. After the Second World War, the communist regime almost completely suppressed legal international migration. In case of Serbia, the exception were the controlled emigration of the majority of remaining ethnic Germans (beginning of the 1950s) and Turks, namely population of Islamic affiliation (based on *Balkan pact* from 1954). Political liberalization from the middle of the 1960s was followed by an expansion of international economic migration. The emigration stock continually increased until the figure of 270,000 persons in 1991. Emigration intensified during the 1990s, so the stock rose to 415,000, according to the 2002 Census, while the 2011 Census showed that it decreased by more than 25 per cent in relation to 2002. However, based on available data on main countries of destination, it may be concluded that the emigration stock was considerably higher.

During and after the wars in the Western Balkans in the 1990s Serbia became one of the main destinations for refugees (mainly ethnic Serbs) from Bosnia and Herzegovina and Croatia (more than 600,000 according to refugee census from 1996). Right before and during the NATO military campaign in 1999, over 200,000 internally displaced persons from Kosovo and Metohija came to Serbia. The refugees from Croatia are mainly settled in Vojvodina, and the refugees from Bosnia and Herzegovina and internally displaced persons from Kosovo and Metohija in Central Serbia excluding Belgrade.

Serbia never had a complex migration policy as an independent country or as a part of Yugoslavia (from 1950 to 2006). The Yugoslav government led a very rigorous migration policy all up to the mid 1960s. Emigration was possible only based on bilateral agreements with other countries. Strict limitations for leaving the country were abolished in the mid 1960s, employment abroad and emigration were completely liberated, and there was an effort to protect the legal rights of Yugoslav citizens "temporarily" working abroad through bilateral international agreements. During the 1970s, the government helped returnees to start their own business in the country, but only as a response to intensive return migrations (after the 1973 Oil Crisis).

If we consider the case of Serbia's joining the EU as a realistic future, we would not expect it could happen before 2021 given the current status of the country in respect to the joining process. In the meanwhile, the negative net migration, roughly estimated to be around 15,000 persons per year in the period 2009-2011, might reduce slightly, owing to the financial crisis in Europe. In addition, the perspective of Serbia's joining the EU may generate a deferred demand for emigration, to be realized after Serbia's accession.

Serbia's accession to the EU would surely have an important effect, namely, a large-scale emigration of an explosive but relatively short-lived nature, as it happened with emigration flows of Poles, Lithuanians, Latvians and Slovaks after the 2004 EU enlargement. This is supported by the results of the representative survey from 2010 aimed at estimating potential for emigration from Serbia. However, the post-accession negative net migration from Serbia should be relatively lower, as compared to the situation in the new, post-socialist Member States during the period from 2004 to 2009, mainly due to retiring of the vast majority of the post-war baby boom generations. After the short period of high volume emigration induced by the EU accession, it is reasonable to expect a rapid reduction of negative net migration and, finally, a turn towards positive net migration some 10-15 years later. In that sense, the significance of immigration from third countries will most likely rise over time. However, migration component of the population development is not visible in the political, economic, academic and public discourse of Serbian society. In the strategic documents which the state adopted towards migrations, there has not even been an attempt to find solutions regarding a more complete political response towards international migrations.

In the absence of official Serbian statistics, the best source of information on international migration flows from and to Serbia are the data from the destination countries. However, it is probably even impossible to give a reliable estimate of the flows and its changes in time due to political changes in respect to borders and name of the country during the last decade, which particularly affected quality of the destination countries' migration data by citizenship. Consequently, even in those countries with good registration systems and good statistics on international migration, there are no series of data covering the period prior to 2009 and relating specifically to migrants coming from, or departing to, the territory of the present-day Republic of Serbia excluding Kosovo and Metohija. Furthermore, there is a lack of data for some important destination countries, particularly in respect of return flows.

A sufficiently developed consciousness in the political and public discourse on the significance of the migratory phenomenon does not exist in Serbia, nor are the potentials completely recognized of including migrations in development programmes for the country's revival, including demographic revitalization, and particularly the requirement to comprehensively act in this sphere is underdeveloped. Thus it is necessary to convey the findings of various research regarding migrations to decision makers.

The necessity for understanding the emigration drivers should especially be underlined. In that sense, the least what is expected from the state is to strengthen the economy, support health, educational and ecological programmes, develop democratic processes and create an atmosphere of optimism. At the same time, it is important to promote circular movements, accelerate reintegration of returnees and stimulate transfer of knowledge, enhancing the role of Serbian diaspora.

Economic and social development of Serbia would not only contribute to a decrease of emigration but would also accelerate immigration into the country. Apart from that, it is important to promote registration of all types of immigrants, define target groups of immigrant population and develop integration measures such as language learning, education or active measures of employing foreigners. At the same time, it is important to create a positive climate towards immigration, develop tolerance and acceptance of immigrants in Serbia.

## 1. INTRODUCTION

Proceeding from the most important aims of the SEEMIG ("Managing Migration and its Effects in the SEE countries") project, and having in mind recent specific social, economic and political development of Serbia both at state and regional aspect, the existence of the special goal for Serbia should be emphasized. The goal is reflected in widening the possibilities for deeper understanding of analyzed processes which would contribute to better understanding of the decision makers.

There is an unsatisfying degree of development of statistics regarding international migration in Serbia. Some of the records are not fully accessible to decision makers, academic community and other stakeholders. This Country Report would enable bringing appropriate public policies and development strategies, and the implementation of measures would be more efficient – on the national, as well as on the local level. Furthermore, the findings in this Country Report, which refer to a broad spectrum of information on socio-demographic development, economic indicators, human capital and international migration processes, can be significant as information to potential foreign investors when bringing decisions on investing in Serbia.

Experience so far indicates that there is a vast interest in knowledge on population phenomena and the possibilities of resolving demographic problems in Serbia, not only by the highest state authorities, their specialized institutions, local self-governments, academic and scientific communities, but of the wider public as well. However, the importance of migration component of the population development is not recognized. Through this Country Report, such an interest could be used to inform the public better on the past and future results of the study, as well as the whole SEEMIG project.

### 1.1. Methodology

This Country Report is based on data which represent the results of the existing statistical data, their analyses and critical review on data quality and methodological framework, as well as the outlook for future international migration and migration policy framework. When conclusions were drawn, care was also taken on the historical analyses of socio-economic development, migration processes, as well as their legal and political frameworks. This report is a result of cooperation between the *Institute of Social Sciences (ISS)* and two other partners in the SEEMIG project: the *Statistical Office of the Republic of Serbia (SORS)* and the Municipality of Kanjiža.

The reference period covered by this Country Report refers to the 2000s and for some indicators (infant mortality rate, employment and GDP *per capita*) from 1950s. Both national and international sources were used for the making of this report. National sources included data obtained from SORS<sup>1</sup>, *Commissariat for Refugees and Migration of the Republic of Serbia (CRMRS)*, *National Bank of Serbia (NBS)*, the Archives of Serbia and the Archives of Yugoslavia. The most used international sources were Eurostat data base, as well as the national statistics of the main destination countries. Furthermore, alternative data sources were used for elaboration of report such as *Maddison GDP Database*, as well as the results of specially carried out expert interviews for this report on perceptions of international migration. As well, for the purposes of this Country Report, there were additional data processing conducted, and gathered data that were not available to the public until now.

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<sup>1</sup> So far (September 2013), the following population structure data from the 2011 Census has been published: age, sex, ethnicity, religion, marital status, fertility, disability, economic activity, and immigrant stocks. Furthermore, LFS data is available for the post-2004 period. For the earlier periods, the analysis used (where possible) data from the annual SORS statistics. The two are not fully comparable, as is explained in the text.



The political and social changes caused by the dissolution of the former SFR Yugoslavia during the 1990s induced differences in applied definitions, content of research over time and reflected on defining certain categories, primarily migratory and economic (issues of defining an international migrant, foreigner, refugee). Some data necessary for this report could not be analyzed because they had not been processed, or collected in the first place, and in some cases were not accessible, or were accessible for a shorter time period. On the other hand, some available data were not adequate, as they have been grouped in categories which are not in conformity with the SEEMIG project requests (e.g. unemployment rates for population aged 15-64 were not accessible, but only for population aged 15 and over), or because they came from sources which are not in conformity with project requirements (usually-resident population by citizenship or by countries of birth can be obtained only from population censuses).

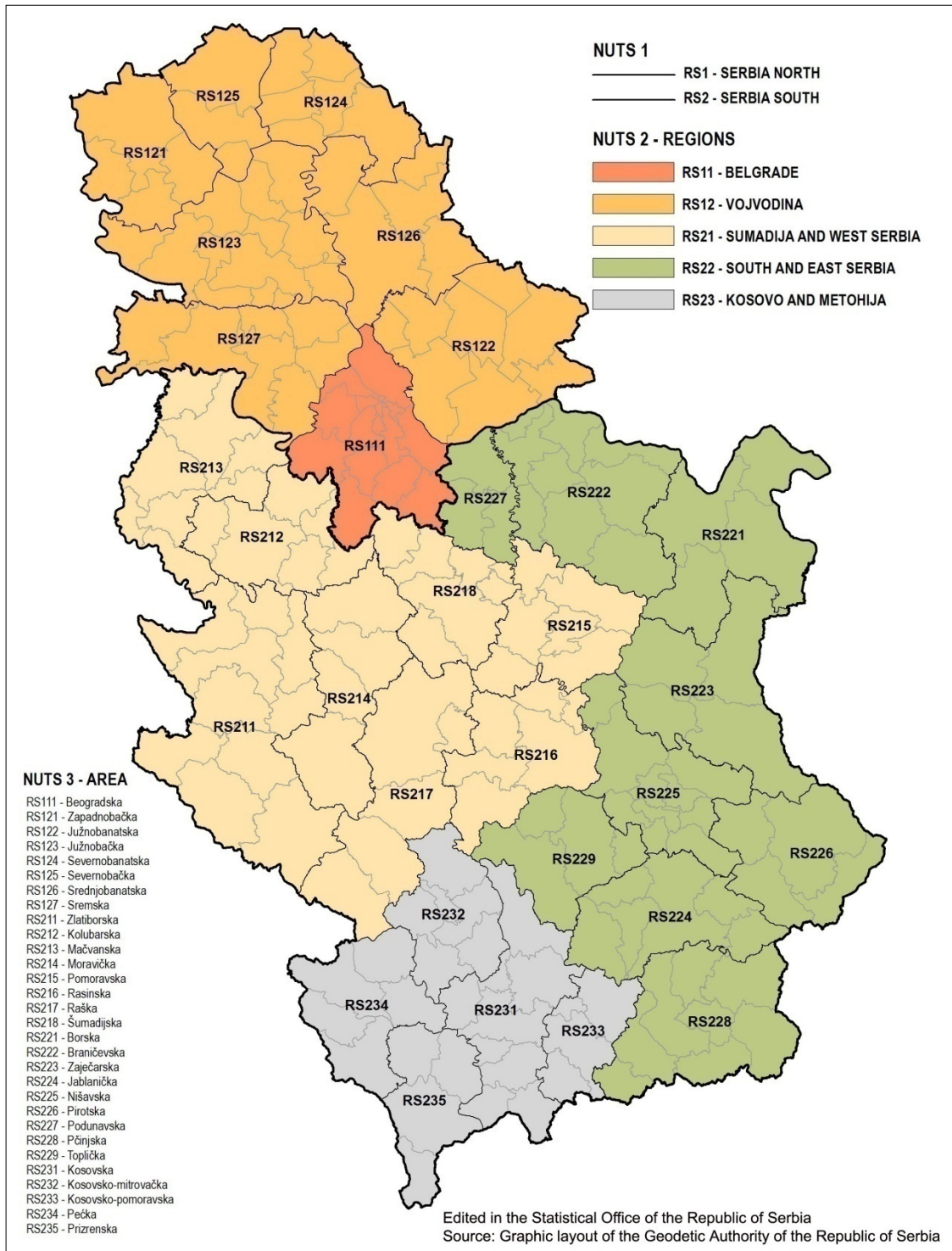
In this report, terms "former" and "socialist" Yugoslavia refer to the federal state that existed from 1945 until 1991 under the name of Federal People's Republic of Yugoslavia (FPRY) or Socialist Federal Republic of Yugoslavia (SFRY). Republic of Serbia was part of this federal state. In 1992, Republic of Serbia and Republic of Montenegro formed a new federal state called Federal Republic of Yugoslavia (FRY). After constitutional changes in 2003, FRY was transformed into the State Union of Serbia and Montenegro. This Union existed until June 2006, after which the Republic of Serbia became an independent state.

According to Serbia's Constitution, *Autonomous Province of Kosovo and Metohija* (KM) is an integral part of the Republic of Serbia. In 2008, KM was declared to be an independent state. SORS has no post-1998 data for AP Kosovo and Metohija. In this Country Report, we deal with Serbia without KM.

## 1.2. Definitions

Definitions stated in the *SEEMIG Glossary* have mainly been used in this report. In addition, the usual definitions given in the Eurostat base glossary have been used for socio-demographic characteristics. Definitions used which differ from the stated definitions, are given in Glossary Annex of this report (see Annex 2 - Glossary).

Map 1-1. Statistical functional territorial units by NUTS levels (with municipality borders)



## 2. HISTORIC-DYNAMIC ANALYSIS OF LABOUR MARKET, HUMAN CAPITAL AND MIGRATION DEVELOPMENTS

### 2.1. Political and Socio-Economic Overview

Workers' self-management was introduced in Yugoslavia as the social and economic model from 1950 until the SFRY ceased to exist. Decisions in enterprises were independently brought, workers' councils had their autonomy, but on the other hand, they were under the supervision of the Communist Party of Yugoslavia. Self-management remained unfinished and under considerable government-party control, which resulted in its stagnation and deep crisis in the 1980s. However, it still enabled a high degree of independence in economic work organizations and their greater exposure to the laws of the market than was the case in the Soviet Union and other Eastern European countries (Popović 1991).

The social and economic crisis began as far back as the 1970s and caused very serious consequences. They primarily reflected in a drastic decline in the living standards of the population and an increase of unemployment, but also in causing an ever greater inter-layer differentiation (widening income inequality between layers of society). The end of 1989 is associated to the reforms of the premier Ante Marković who initiated the first programme of economic reforms, *Programme of Economic Reform and Measures for its Realization*, which included the stabilization of the Yugoslav dinar, as well as implementing the privatization process by granting shares to the workers. This resulted in stopping high inflation, which rose dramatically during the 1980s, as well as a fast, but short-termed, increase of living standards (György 2003). The economic transition formally began in this period with the bringing of the *Law on Social Capital*.

The disintegration of the SFRY led to significant macro-economic instability and an increase of social tensions (Mijatović 1998). FRY, composing of Serbia and Montenegro, was founded on 27 April 1992, after Slovenia, Croatia, Macedonia and Bosnia and Herzegovina declared independence. Previously, immediately after disintegration of SFRY, the *Law on Transforming Socially-owned Property into Private Property* was adopted, which was based on the model of insider privatization (distributing shares of the companies free of charge to its workers up to 70 per cent while 30 per cent went to state funds (Šuković 2011). Such a form of company privatization was abandoned in 1995 with the argument that hyperinflation contributed to devaluation of instalments to shareholders who decided to purchase the shares of their companies.

Economic and political sanctions were imposed on FRY by the international community in May of 1992 and were lifted in November of 1995 after signing of the *Dayton Peace Agreement*. A sharp decrease of economic activity was marked in 1992 with an inflation rate expressed in thousands of billion index points. With an aim of curbing inflation, stabilizing economic trends and revitalizing the economy, a second stabilization programme was implemented in the beginning of 1994 under the title *Programme of Monetary Reconstruction and Economic Recovery*. The position of FRY was further worsened by the NATO military campaign, from March to June 1999, during which the transport and communication infrastructure of the country was considerably damaged.

#### Political and socio-economic changes after 2000

Numerous restrictive measures and sanctions towards FR Yugoslavia, brought by the EU starting from 1998 because of the crisis which arose in Kosovo and Metohija, were finally abolished only after political changes in October 2000. These changes represented a clear signal of support by Western countries for the new political course of the country. With the overthrowing of the Milošević's regime, FRY was admitted to international institutions, starting from the United Nations, World Bank, International Monetary Fund and others. After constitutional changes in 2003, FRY was transformed

into the Union of States of Serbia and Montenegro. This Union ceased to exist in 2006. In 2008, KM was declared to be an independent state.

After the political changes in the year 2000, conditions for developing more intense relations with the EU were created. With an aim to support the rule of law and implementation of democratic changes in Serbia, the EU unilaterally applied duty-free access to the EU market for products coming from its markets. The *Agreement on Stabilization and Association* with Serbia was signed in April 2008 together with the *Interim Agreement on Trade and Trade Related Matters*, and presently is in the process of ratification. Serbia began implementation of the *Interim Agreement* on 1 January 2009. Serbia submitted a request for EU membership on 22 December 2009. A significant move towards the EU was realized with the liberalization of the visa regime for citizens of Serbia in 2009. The *Government of the Republic of Serbia* (GRS) adopted the *National Programme for Integration* with the EU for the period 2008-2012, in October 2008, with an aim of coordinating its legislation with the legal attainments of the EU. Taking into consideration the significant progress towards fulfilling the *Copenhagen criteria*, as well as conditions from the *Process of Stabilization and Association*, the *European Council* brought a decision in March 2012 that Serbia awarded candidate status for EU membership (European Commission 2011).

If the GDP *per capita* trends (*Maddison Historical GDP Data*) in Serbia are analyzed for the period 1950-2010 (data for 1991 and 1992 are not available) it can be seen that this indicator mainly recorded positive growth rates all up to 1991 (see Graph 4-1). These rates were at their highest level between 1953 and 1959. A slower GDP *per capita* growth can be noticed from 1970. As previously pointed out, the end of the 1970s marked the beginning of troubled crisis processes which negatively reflected on the development of Serbian economy and caused its stagnation. It can be concluded that the GDP *per capita* growth was negative from 1987 to 1990. A considerable decrease of GDP *per capita* was noted in 1993 due to the war conflicts and imposing of UN sanctions in 1992 (see Graph 4-2). After that, the growth of this indicator was moderate and only in 2006 it managed to exceed the level from the 1980s. The global economic crisis caused a decrease of the GDP *per capita* in 2009, bringing about serious consequences in the whole region of the country and especially in the south-western, southern and south-eastern parts of Serbia (Radovanović 2010). The recession of the growth of economic activities in Serbia is also in direct connection with all happenings in the country, which have to do with the disintegration of SFRY, war conflicts during 1990s, imposing of UN sanctions in 1992, internal processes of social and state system disintegration, NATO bombing of Serbia in 1999, transformations of the economic system and similar.

## 2.2. Development of International Migration

### International migration in the socialist period

With the establishment of the communist regime, migration acquired a completely different character from the pre-war or Second World War migration. While pre-war migration was for the most part voluntary and motivated by economic considerations, and the one during the Second World War and immediately after it was almost exclusively forced and politically motivated, at the beginning of the observed period (in the 1950s), international migration was strictly controlled and relatively less intense. The emigration of the remaining ethnic Germans<sup>2</sup> (around 40,000 persons, mainly from Vojvodina) to Austria and Germany was especially massive (Krel 2006). The emigration of ethnic Turks, and other ethnic groups of Islamic religion were also massive in this period and were incited by the signing of the Balkan Pact (August 1954) and the agreement between Yugoslav authorities and the Republic of Turkey. It is estimated that at least 10,000-20,000 persons, out of the 250,000 migrants to

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<sup>2</sup> According to the 1953 Census data, the total number of inhabitants of Serbia who declared their ethnic affiliation to be German was 46,154.

Turkey (mainly from the People's Republic of Macedonia), emigrated out of Central Serbia (mainly from the region of Sandžak and southern Serbia) in 10 years (Horvat 1989). At the same time, the borders of the country were practically closed for all other citizens who wanted to move out because of economic or political reasons.

Liberalization of political conditions in the SFRY, improvement of political relations with Western countries, implementation of economic reforms (1965) and the emergence of "open" unemployment, resulted in a complete change in policies toward travelling abroad and massive economic migration once again (Vinski 1970). At the same time, intensive economic development in west European countries occurred which was followed by an increased demand for a labour force which could not be satisfied domestically. Such opposed economic conditions, as well as an almost complete liberalization of the emigration policy of Yugoslav authorities at that time, enabled a real expansion of external economic migration international labour migration officially called "temporary employment abroad" by the authorities at that time. According to results of censuses carried out in 1971, 1981 and 1991, the number of Serbian citizens working or staying abroad continually increased (from 204,000 to 269,000 and then to 274,000), which meant that around every thirtieth citizen of Serbia lived abroad at that time (from 2.8% in 1971 to 3.5% in 1991).

The grave political crisis (disintegration of SFRY and wars on its territory, significantly worsened interethnic relations, unstable political situation in Serbia, heavy economic and political sanctions imposed by the international community, NATO military campaign...), a very unfavourable economic situation, and a sense of lost perspective for a large part of the population, and especially for the young generation, were the main push factors of intense emigration once again. According to the 2002 Census, 415,000 Serbian citizens (5.3% of total population) were registered to be working or staying abroad, which was an increase of over 50% in relation to the previous 1991 Census<sup>3</sup>. From the occurrence of such a form of international migration (middle of the 1960s), the 1991-2002 period was the era of most intense emigration of Serbian citizens from the second half of the 1960s.

### **Recent international migration**

Emigration continued in the years of 2000 as well. This, however, is not confirmed by the 2011 Census data. According to preliminary census results, 294,000 Serbian citizens lived abroad. The actual number is much greater, and the great decrease in the number of respondents abroad could be attributed to the boycott of ethnic Albanians of the 2011 Census<sup>4</sup>, the usual low coverage (estimated at least about 50%), and also due to the partial change in the method of collecting census data of persons abroad (census data about such persons was now collected exclusively based on statements of members of their households who remained in the country).

### **Forced migration**

The wars at the beginning of the 1990s, first in Croatia, then BIH and finally in KM and in Macedonia, set off major flows of migration. Over 5 million persons are estimated to have left their place of residence by force. Many returned later, but a few million permanently changed their place of residence (Hovy 2006). Out of this number, almost a million persons (over 90% were Serbian ethnic affiliation) temporarily resided or permanently settled on the territory of Serbia.

According to the refugee census from May and June 1996, 598,000 war affected persons (mainly from BIH and Croatia) were registered in Serbia, which represented 8 per cent of total population of the country (without data for KM). According to the census on refugees from 2001, there were

<sup>3</sup> Only a very little part of the growing number of Serbian citizens living abroad can be explained by the increasing number of Serbs living in other former Yugoslav Republics. By the 2002 Census results, 5570 persons or 1.3% of total number of Serbs who was residing or working abroad was in Bosnia and Herzegovina (677), Croatia (1175), Macedonia (916) or Slovenia (2802).

<sup>4</sup> Albanian ethnic community is characterized by a very high emigration rate. According to the 2002 Census, there were 61,000 Albanians in the country, and 21,600 were abroad.

377,000 refugees in Serbia, which is, in relation to 1996, a decrease of over 220,000 persons (37%). This decrease was caused by the return to country of origin, emigration to third countries or by death. The same year registered 202,000 IDPs from KM who came to Central Serbia and Vojvodina in 1999, namely during and after the NATO military campaign<sup>5</sup>.

### **Main countries of destination**

As regards contemporary labour migration, the beginnings are referred to the middle of the 1960s and were exclusively directed towards west European countries (Germany, Austria, Switzerland and France). There were between 68 per cent (2002) and 82 per cent (1971) of all census registered migrants from Serbia in the first four most important countries of destination. According to the 2002 Census, every fourth person from Serbia who was residing or working abroad was in Germany.

The destinations of Serbian migrants started to expand from the 1990s, and the most important new receiving country was Italy but also some former socialist countries (primarily Hungary and Russia). Although less intense, intercontinental migration flows were continually present, and apart from the USA and Australia, Canada and New Zealand had become frequent destinations.

### **Regional aspects**

Emigration from the 1950s and first half of the 1960s was clearly ethnically and religiously marked, and by territory it was mainly located in the regions where there were mostly ethnic Germans (Serbia-north; Vojvodina region), then regions with mostly ethnic Turks, namely population of Islamic religion (Serbia-south: Zlatibor, Raška and Pčinja areas).

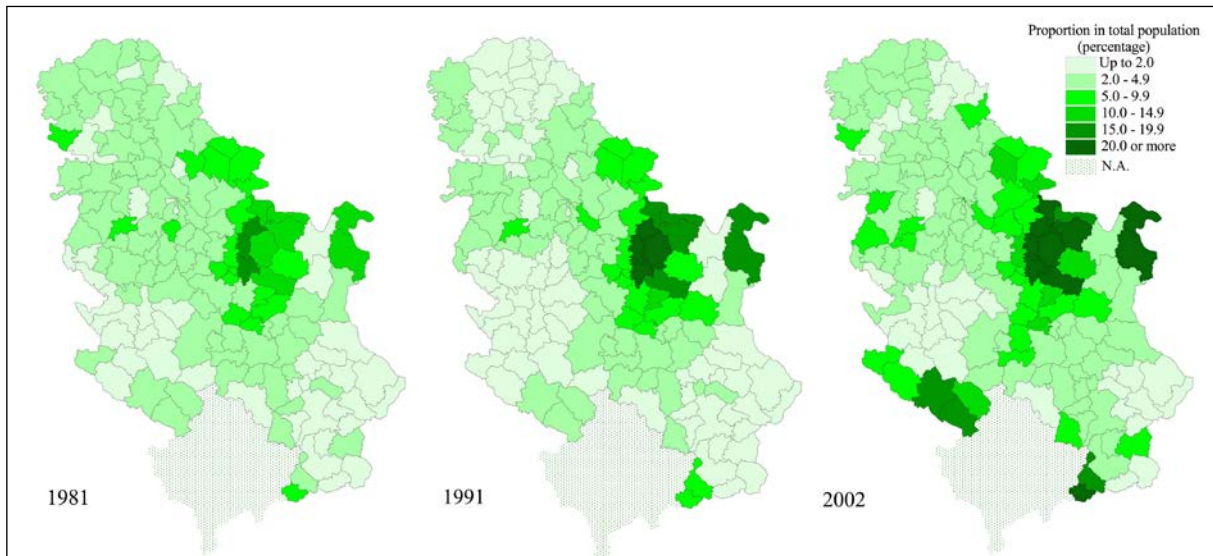
Economically motivated emigration already existed in the middle of the 1960's, which produced an effect on significant changes in direction of migration, not only in terms of destination (west European countries), but also in regions of origin of migrants. Emigration was more present in the developed regions (Serbia-north: Vojvodina and Belgrade) than in the underdeveloped ones. First of all, it can be explained by the longer history of developed regions as the emigration zones (toward West European countries) and not by the characteristics of their labour force. Over time, high emigration rates spread to other, less developed regions, as well. In the early 1970's certain territories in the north and northeast of the region of South and East Serbia (Braničevo area with over 11% and Podunavlje area with 8%) were singled out as notably emigration zones. According to the 1981 Census, the population emigration rate in several municipalities (Svilajnac, Žabari, Malo Crniće) exceeded 15 per cent of their total population (in the country and abroad).

Towards the end of the 1980s, and especially during the escalation of the conflicts and deep economic crisis, as well as in the 1990s, emigration from Serbia intensified. The increase was widely present, but it was most pronounced in traditional emigration zones (north-eastern part of South and East Serbia region), but also in two new regions comprising of mainly Bosniak/Muslim population (Sandžak, which is located in the areas of Zlatibor and Raška) and Albanians (municipalities of Bujanovac and Preševo). While intensification of emigration in "old" traditional emigration zones was facilitated by the previously established migrant networks, the increased emigration from new emigration regions was enabled by the facilitated issuance of residence permits by the main countries of destination for members of the Bosniak/Muslim and Albanian ethnic minority (see Map 2-1).

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<sup>5</sup>Although migration of internally displaced persons are not considered as international (they occur within one country), in this case they present international migration when only the territory of Serbia without KM is observed.

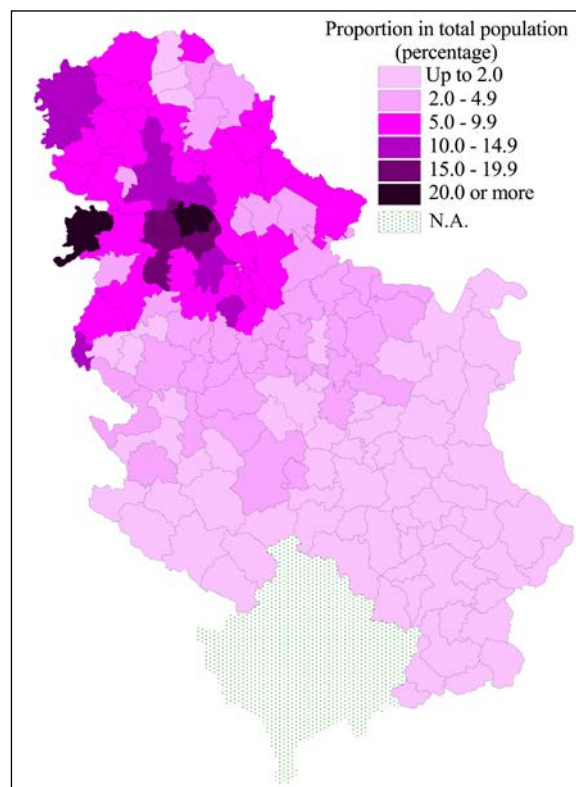
**Map 2-1. Share of the population working/staying abroad by municipalities, 1981, 1991 and 2002**



Source: Based on census data

The territorial distribution of refugees and IDPs was also very different. According to the data of 2002 Census of population, almost 80 per cent of total 379,000 refugees from other former Yugoslav republics found refuge in Vojvodina (49%) and in the region of Belgrade (29%); see Map 2-2. The situation was quite opposite with the internally displaced persons from KM. According to IDPs records from 2001 (202,000) the least of them were in the Vojvodina region (12,300 or 6.1%) and 66 per cent were in Serbia-south.

**Map 2-2. Proportion of the refugees in total population by municipalities, 2002**



Source: Based on 2002 Census data

However, there was no uniform territorial distribution within this statistical region either. For example, the proportion of refugees in total population of Vojvodina in 2002, observed by municipalities, ranged from 1.0% in Senta to 23.5% in Šid. As a rule, the percentage of refugees in Vojvodina was highest in municipalities which were geographically closest to Croatia and BiH, and at the same time, the least in municipalities in which the ethnic Serb ethnic affiliation were not the majority.

### **On data production on international migration**

Statistical monitoring of migration, especially international migration, is considerably less developed. SORS monitors only internal migration in its regular annual research (since 1988) on the basis of the Ministry of Interior's records on change of place of residence. On the other hand, population censuses represent the main source of data on immigrant stock (in all censuses carried out from 1953 to 2011), as well as data on emigrant stock (in censuses carried out from 1971 to 2011).

Forced migration is also monitored by CRMRS through regular annual recording of refugees and IDPs. The records on the asylum seeker requests are also available (from 2004), as well as data on the number of persons sent back to Serbia on the basis of *Readmission agreement* (from 2006).

*Law on Migration Management* was adopted in November 2012, according to which, CRMRS, among other things, performs collecting, uniting and analyzing data and migration indicators; reports on immigration and emigration; establishes a unique system for collecting organizing and exchange of data; maintains accessibility of information significant for migration issues, and well as other matters determined by the law.

### **2.3. Evolution of the Migration Policy and Legal System**

After the Second World War the first attempt to manage labour migration was adoption of *Instructions for employing workers abroad by Federal Secretariat of Work* (1963). This document represented the beginning of a legal framework in the field of international migration, and served for monitoring and directing emigration scope and structure. In conditions of high unemployment and underdeveloped economy, temporary employment abroad was a constitute part of the migration and employment policies. The migration policy of SFRY and Serbia, at that time, was directed towards labour migration. It was based on the principals of temporary organized employment abroad and protection of rights and position of workers during their time abroad on the principals of equality and treatment with the citizens of the countries of destination. In the period 1965-1973 certain workers from Serbia got employed abroad on the basis of concluded bilateral international agreements on employment with the immigration countries through the employment services. This method of employment was in conformity with the migration policies of west European countries, as the main countries of destination of workers from SFRY and Serbia. Their migration policies were based on temporary employment of workers from abroad by work permits, in conformity with the requirements of the national labour markets. The intensive economic growth of west European countries stopped at the end of 1973 when an economic recession was caused by an energy crisis. An increase of unemployment resulted in new immigration policy measures of these countries in the form of reduced labour employment, limited possibilities for obtaining work and residence visas for foreign nationals, and stimulation for the return of the workers to their country of origin. As a response to the changed conditions of work for workers abroad, the SFRY and Serbian migration policy put a stress on creating conditions for the return of workers from abroad and their inclusion in the development of the country. The Government of SFRY adopted a *Social agreement on temporary employment of Yugoslav citizens abroad and the return of Yugoslav citizens from work abroad* in 1974, which was signed by all republics at that time. This agreement determined the obligation of creating



conditions and a program of measures (customs concessions, employment of returnees in the private sector and others) for stimulating the return and reintegration of returnees from work abroad (Davidović 1999). Although over 20,000 workers returned to Serbia at the end of the 1970s and beginning of the 1980s (Grečić 1998), most of them remained abroad extending their work permits and using the possibility of family reuniting.

With the introduction of UN Security Council's economic sanctions toward FRY in May 1992, the countries of destination of workers from Serbia terminated, froze or did not extend the existing bilateral agreements on employing workers. More restrictive regulations in traditional countries of destination (Germany, Austria, Switzerland and France) which employed workers from Serbia, as well as political and socio-economic changes in Serbia influenced the increase in the number of asylum and refugee status seekers, a way for employment abroad. During the 1990s emigration also intensified, especially of specialists and experts. On the other hand, the disintegration of SFRY caused large-scale refugee flows from former Yugoslav republics towards Serbia. That is why Serbia's migration policy from the 1990s was focused on solving the problem of refugees and a large number of IDPs from KM. After democratic changes, at the beginning of 2001, the amendment to *Law on Citizenship* of the FRY of had been adopted which enabled refugees to get Serbian citizenship.

The basic priorities of Serbia's current migration policy are the further slowing of emigration flows, with the launch of the programme of professionals' circulation. This approach to migration flows is in accordance with *EU Directive 2009/50/EC* (Grečić 2001). In the context of European integration, other goals and priorities of migration policy are about current problems in the field of migration that Serbia is facing. These are the abuse of the asylum system and visa-free regime with EU countries and an increased number of irregular transit migrants from third countries who are trying to get to an EU country. The abuse of the asylum system can lead to suspension of the visa-free regime between Serbia and Schengen zone countries. With the *Stabilization and Association Agreement between the European Communities and their Member States and the Republic of Serbia* (signed in 2008), Serbia undertook to promote political integrations, to honour the principals of banning exile and protection of rights of all asylum seekers and refugees and to prevent and control irregular migration, along with adopting EU standards as regards integrated control of borders. A special stress of the migration policy is placed on reintegration of returnees on the basis of the *Readmission Agreement* with EU countries (SEIO 2007).

### 3. NATIONAL POLICIES AND PERSPECTIVES REGARDING INTERNATIONAL MIGRATION

#### 3.1 Legal and Policy Framework on International Migration

The migration policy of Serbia is being carried out honouring all concluded international agreements and international law in the field of migration and human rights protection. Serbia is a member of *the 1951 Convention Relating to the Status of Refugees* as well as the *1967 Protocol Relating to the Status of Refugees*. It has ratified 33 conventions of the *Council of Europe* and 69 *ILO conventions*, among which are conventions 48, 97, 111 and 143 which regulate migration issues regarding employment, maintaining rights and non-discrimination of migrant workers.

In the *Constitution of the Republic of Serbia* (from 2006) a few articles and provisions are dedicated to the position of foreign nationals, protection of Serbian citizens abroad, banning of human trafficking, and human rights and freedom.

Apart from the *Constitution*, as the highest legal document, the bases of the national legal framework in the field of migration in Serbia are the following: *Law on Migration Management*, *Law on Foreign Nationals*, *Law on Asylum*, *Law on the Diaspora and Serbs in the Region*, *Law on Ratification of Readmission Agreement for Irregularly Residing Persons between Serbia and the EU* and the *Law on Amendments and Supplements of the Law on Refugees*. The GRS also adopted a few strategies relevant to migration. The main goals the government wants to achieve in the field of migration are contained in these documents, as well as specific goals regarding certain categories of migrants.

The *Law on Migration Management* (from 2012) defines the main principals of Serbia's migration policies. They are: honouring unity of family, prohibition of artificial changing of population's ethnic composition, uniform and planned economic development of migration management, strengthening of relations with the diaspora and Serbs in the region, the protection of rights, and honouring confirmed international agreements and generally-accepted international law rules in the field of migration. This law defined the concept of immigration for the first time in the legal regulations of Serbia, and was harmonized with *EU Directive 862/2007* (RS 2012).

*MG Profile of RS* represent one of the most relevant sources of data on migration in Serbia. The following migration categories are included in the *MG profile*: immigration flows - for foreign citizens, immigrant stocks - for foreign citizens, asylum seekers, persons who acquired citizenship, irregular migration, and return of citizens of the Republic of Serbia – based on *Readmission Agreement*. *MG Profile of RS* is available for 2010 and 2011. CRMRS has been determined, by the *Law on Migration Management*, as the responsible authority for collecting, uniting and analyzing data relevant for managing migration; reporting on immigration and emigration, including regular updating of *MG Profile of RS*.

The General goal of the *Migration Management Strategy* for the period 2009-2014 (RS 2009) is to manage migration in a way which would facilitate realization of sector goals and state priorities in the field of migration and to provide the following: migration management in conformity with sustainable population policy and long-term requirements of economic development and development on the labour market of Serbia; implementation of the concept of integral border management; promotion of cooperation with the diaspora and promotion of their return to the country of origin; creation of conditions for young experts and talented persons to professionally succeed in their own country and conditions for professionals' circulation from the diaspora; creation of conditions for integration of foreign nationals and efficient protection of the rights and interests of Serbia's citizens working and residing abroad; application of effective procedures for prevention and suppression of irregular migration; solutions to the problems of refugees and IDPs; efficient and effective acceptance and sustainable socio-economic reintegration of returnees on the basis of

*Readmission Agreement* from 2007 (see Annex 1-3 Document 1).

### **Legal migration**

The conditions for entry/denial of entry and stay/cancellation of stay of foreign nationals in Serbia, as well as the types of visas (A – airport transit visa, B - transit visa, C – short stay visa and D – temporary residence visa) are regulated in the new *Law on Foreign Nationals* which has been applied since 2009. The stay of foreign nationals in Serbia, for the purpose of work, education, family reunion and other justifiable reasons understands a stay of up to 90 days, temporary residence and permanent residence. The possibility of granting temporary residence to a foreign national who is a human trafficking victim has also been anticipated. The most common grounds for permanent residence in 2010 and 2011 were family reuniting and work (GRS 2012). According to the *Law on Foreign Nationals*, permanent residence can be granted to a foreigner who: has stayed with no interruptions in the Republic of Serbia for at least five years on account of the temporary residence permit before applying for permanent residence permit; who has been married (marriage mean the matrimonial community for the purposes of living together in the territory of the Republic of Serbia) at least three years to a citizen of the Republic of Serbia or a foreigner with permanent residence; who is an underage person in temporary residence in the Republic of Serbia if one of his/her parents is a citizen of the Republic of Serbia or a foreigner with permanent residence, subject to the consent of the other parent; who has ancestral links to the territory of the Republic of Serbia. This law is not applied to refugees and persons who received asylum or submitted a request for obtaining asylum (RS 2008). A foreign national may be employed in Serbia if he/she has a valid work and temporary or permanent residence permit. A new law on employment of foreign national is expected to be adopted soon which will be into accordance with the EU regulations. Till then the *Law on the Conditions for the Employment of Foreign Citizens* from 1978 is in force, which Serbia took over as its law after the disintegration of SFRY.

Employment of citizens of Serbia abroad is regulated in the *Law on Employment and Unemployment Insurance* (2010). The GRS signed agreements on temporary employment with Belarus (2009) and BIH (2011) with an aim of broadening mutual cooperation in the field of labour migration and social protection of migrant workers (RS 2009a; 2011). In Germany, as a country which is not of classic immigrant type, the employment of workers from abroad is regulated by bilateral work agreements for certain categories of workers (seasonal, trans-frontier, nursing/residential care workers/home carers, and others). A special form of employing Serbian citizens abroad is the employment of workers on the basis of an international work agreement (*Detachment Agreement*) with Germany (SFRY 1989). This form of cooperation between companies of the two countries is regulated by a bilateral agreement concluded as far back as 1988 between SFRY and FR Germany. According to it the conditions under which companies can engage workers abroad, the method of sending and employing workers, as well as determination of annual quota (maximum number of workers) for employment in Germany are regulated. The agreement was frozen by Germany in 1991 due to the political events on the territory of former Yugoslavia and its renewal in 2001 was preceded by the signing of the *Readmission Agreement* between Germany and Serbia in 1996. The NES and the *German Federal Employment Agency* in Nuremberg concluded the *Agreement on mediation in temporary employment of Serbian health workers in Germany* in January 2013.

A large number of Serbian citizens took the opportunity to go to Germany, Austria and Switzerland on the basis of family reuniting. A breakdown of family reunification migration by nationality in Germany showed that Turkish immigrants were by far the largest group in the period 2002-2006, followed by immigrants from the Russian Federation and State Union of Serbia and Montenegro (Kreienbrik - Rühl 2007). Special conditions as regards family reunification in Austria apply for highly educated persons, lacking personnel, self-employment and property owner citizens.

## Asylum and international protection

The asylum policy, as an integral part of the migration policy, is carried out in Serbia on the basis of the *Law on Asylum* (2007) and accompanying by-laws. The right to asylum is guaranteed by the *Constitution of Serbia* (2006) in conformity with the *1951 Convention Relating to the Status of Refugees* and *1967 Protocol Relating to the Status of Refugees* as well as *EU Council Directives 2001/55, 2003/09, 2004/83 and 2005/86* (GRS 2009). The *Law on Asylum* (RS 2007) defines the conditions and procedure for the granting and cessation of asylum, as well as the status, rights and obligations of asylum seekers and persons granted the right to asylum in Serbia. The principles of banishment and deportation prohibition are promoted, as well as non-discrimination, non-punishment for irregular entry and stay, family unity, gender equality, care about the disabled and others. This law is not applied to persons who acquired refugee status on the basis of *Law on Refugees (RS 1992, 2002)*. Although it has been coordinated with the legal basis of the EU regarding asylum to a great extent, according to the CRMRS the *Law on Asylum* insufficiently defines the person's scope of rights in the system of protection, the mechanism for integration are not elaborated nor are there legal possibilities of employing asylum seekers. The adoption of the *Law on Migration Management* (2012) creates the legal basis for the adoption of by-laws that will regulate the integration of persons granted the right to asylum (CRMRS 2012a). In *Migration Management Strategy* further improvement of the legal framework on international migration is being planned also.

A visa-free regime between Serbia and Schengen zone countries was established at the end of 2009, when Serbia was put on the *White Schengen list*. The allowed period of stay without a visa for Serbian citizens in Schengen countries is 90 days the most, in a period of 6 months.

Establishing the visa-free regime was preceded by the signing on *Readmission Agreement* (SEIO 2007). Bilateral international agreements on readmission were signed with Denmark, Norway, Canada, Croatia, BiH, Republic of Macedonia, Albania and Moldova. The *Readmission agreement* regulates the return and acceptance of citizens from Serbia who do not fulfil or have ceased to fulfil the valid conditions for entry, residence or settlement in the territory of an EU country. Serbia, upon request of the member country, also accepts: third country citizens and persons without citizenship who possess, or possessed at time of entry, a valid visa or residence permit issued by Serbia; persons who irregularly or directly entered the territory of the member country, after residing or being in transit through Serbia and citizens of the former Yugoslavia who did not acquire any other citizenship and whose place of birth and residence before 27 April 1992 was on the territory of Serbia. The returnees from abroad are persons who received temporary protection in Western European countries during the 1990s, as well as those persons who abused the asylum system out of economic reasons after visa liberalization regime. Namely, the introduction of visa-free regime between Serbia and EU member countries caused an increase in the number of groundless asylum requests on the territory of the EU. According to Eurostat data, the citizens of Serbia were in fifth place according to the number of filed asylum requests in EU (Eurostat 2012). Austria and Switzerland in 2012 shortened the procedure on the decision for asylum as a measure against groundless asylum requests of the citizens of Serbia. In order to help these persons after they have returned to the country, the GRS adopted a *Strategy of Reintegration of the Returnees based on Readmission Agreement* (RS 2009b). The general goal of the Strategy is achieving sustainable integration of returnees into the community by honouring social and cultural differences, considering that a large number of the returnees in the process of readmission are the Roma (see Annex 1-3 Document 2). Therefore, the *Strategy for Improvement of the Status of Roma in the Republic of Serbia* (RS 2009c) defines the promotion of the Roma in Serbia as its main goal, which should lead to decreasing the abuse of the asylum system. The *National Employment Strategy for the period 2011-2020* (RS 2011a) also includes the Roma in the category of especially sensitive population group on the labour market (refugees, IDPs, human trafficking persons and returnees according to the *Readmission Agreement*), with an aim of their economic strengthening (see Annex 1-3 Document 3).

The war conflicts on the territory of former Yugoslavia which caused enormous refugee flows from the former Yugoslav republics towards Serbia imposed the necessity of adopting the *Law on Refugees* (RS 1992, 2002). The specificity of this law and the *Law on Amendments and Supplements to the Law on Refugees* (RS 2010) is that the term refugee is closely defined, limited to persons who are by origin from the territory of former Yugoslav republics and who fled to the territory of Serbia in the period 1991-1998. The *National Strategy on Resolving the Issue of Refugees and Internally displaced persons for period 2011-2014* (RS 2011b) have an aim to improve living standards for this category of persons together with facilitating integration on the one hand and support in the process of repatriation and realizing rights in the previous place of residence on the other hand (see Annex 1-3 Document 6).

### **Irregular migration**

In order to introduce high standards of controlling external borders, which Serbia obliged it to do by signing the *Stabilization and Association Agreement with the EU*, the GRS adopted the *Strategy on Integral Management of Borders in the Republic of Serbia* (RS 2006). This strategy is based on the European concept of integrated border management with a general goal of establishing and management of safe borders (see Annex 1-3 Document 4). A contribution to this field has been realized with the adoption of the *Law on Protection of State Border* (2008) coordinated with European standards, and the *Decree on thorough manner of executing police authorisations by border police and the duties of persons crossing the state border* (RS 2011c). This *Decree* broadens the authorisations of state border police who can ask for the proof of purpose of travel with an aim of preventing abuse of visa-free regime with the EU. The main goals of Serbia in regard the fight against irregular migration and human trafficking are defined in the *Strategy on Countering Illegal Migration for the period 2009-2014* (RS 2009d) (see Annex 1-3 Document 5) and the *Strategy on Fight Against Human Trafficking* (RS 2006) which involve promotion of institutional framework, improving effectiveness and efficiency in defying irregular migration and human trafficking, prevention and help, protection and reintegration of the victims.

### **Diaspora**

The *Law on the Diaspora and Serbs of the Region* from 2009 defines diaspora (citizens of Serbia living abroad, members of the Serbian people who emigrated from the territory of Serbia and the region and their descendants) and Serbs in the region (members of the Serbian people who live in Slovenia, Croatia, BIH, Montenegro, Republic of Macedonia, Romania, Albania and Hungary) (RS 2009). Serbia is applying the provisions of the *Dual Citizenship Agreement* concluded between the FRY and BIH (FRY 2003).

Main goals of the Serbian policy towards the diaspora and Serbs in the region are developing partnerships among the diaspora and Serbs in the region with the country of origin and creating conditions for circulation of highly educated workers, defined in the *Strategy on Preserving and Strengthening the Relations of Mother Country and the Diaspora and Mother Country and Serbs in region* (RS 2011d). The *National Strategy for Youth* (2008) aims at alleviating the problem of high emigration of young people by anticipating numerous measures in order to stimulate all forms of employment for the young. A large number of EU countries have highly educated population as their target group of immigrants. In order to attract experts, Germany, Austria and Switzerland execute *EU Directive 2009/50* on highly educated workers (*EU blue card*), which facilitates residence and employment of highly educated workers outside the EU member countries. The application of the stated *Directive* will most probably increase emigration of this population from Serbia even more, since the main destination countries are in question.

### 3.2. Perceptions of International Migration

Seven interviews with various experts have been carried out for the purpose of this report. A representative of the government, trade union and chamber of commerce have been interviewed as well as a migration expert from a relevant NGO and three professors of demography at the faculties of Geography, Economics and Philosophy of the University of Belgrade. The most prevailing belief is that low fertility is a threat to the continuation of the nation. The migration component of population change is not present in political, economic, academic nor general public discourse. If migration is mentioned at all, then it is stressed that the brain drain is still continuing. The reasons for the misrecognition of the immigration potential, according to the experts, should be sought in traditionalism, in the unfavourable economic and social situation, general insecurity, the country's isolation, and similar, but also due to lack of information. Only the advisor of the *Minister of Labour and Social Policy* who deals with the migratory phenomena believes that Serbia comprehends the significance of immigration and emigration by the adoption of several strategies.

Two studies are relevant for the public perceptions regarding international migration:

One of the aims of the representative survey *Democracy in unstable social spaces: Serbia*, conducted in November 2010, was to estimate the potential for emigration from Serbia. 1090 respondents above the age of 18 were interviewed (Bačević et al. 2011). The general sample comprised 880 units and the special sample of returned emigrants, persons who spent at least six months abroad any time in the past and according to any ground, comprised 210 respondents.

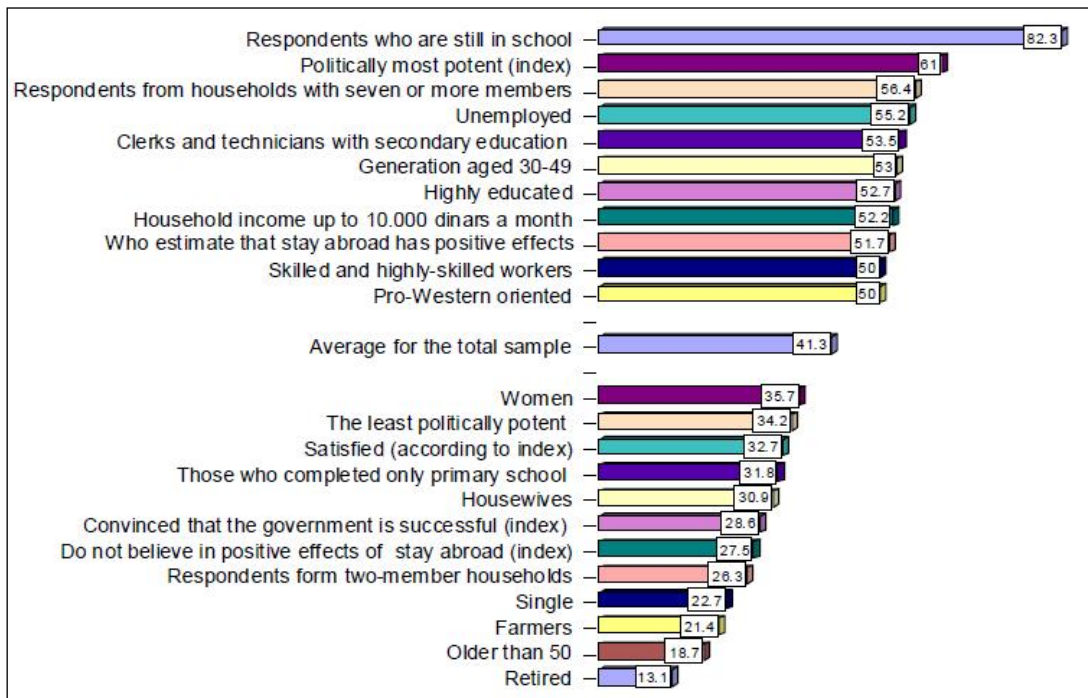
The results show that, in a hypothetical situation of Serbia already being a member of the EU, one quarter of respondents (26.4%) from the total sample would “definitely” use the opportunity to look for a job in the EU. This finding should be regarded as the upper threshold of manifest readiness of legal age citizens for leaving Serbia in search for a job across the EU. The next answer – “Probably”, chosen by precisely one sixth of respondents from the total sample (15.2%), can be only provisionally considered as an indicator of latent readiness for emigration. The returned emigrants are more ready to leave Serbia again in order to look for a job across the EU (every third respondent) than the respondents from general sample (every fourth). However, if we treat together the manifest and latent readiness of people in Serbia to look for a job in EU countries, then the differences between the respondents from two samples are practically non-existent when it comes to total readiness. Namely, among the returned emigrants, 42.4 per cent express readiness and 41.3 per cent among the respondents in general sample do the same.

Readiness for going to the EU in order to look for a job is especially prominent in the members of the youngest generation (pupils and students younger than 30), those who feel more powerful when it comes to politics and more active, those who come from larger and poorer families, the most educated, those who believe that stay abroad has positive effects on our people and those who are pro-Western oriented (see Graph 3-1).

The potential emigrants were also asked a hypothetical question whether they plan on going abroad alone or with their family. Somewhat more than one third of respondents would start for their destination alone (35.2%), and more than one fifth would start alone, but have their family come later (22.3%), which implies that, at least in the beginning, an absolute majority of potentially new emigrants in EU countries would live without the closest family members. Initially, 27.6 per cent of interested respondents would emigrate together with the family.

As far as the preferred length of stay abroad in EU countries is concerned, the most numerous are those who estimate that it would be from one to three years (26.3%) or even longer than three years (24.1%), but there is a considerable percentage of those who would like to work in the EU until they retire (18.8%) or even those who would like to stay there forever (11.5%). Only every sixteenth respondent (or 6.2%) wishes to stay in some EU country less than a year.

**Graph 3-1. Distribution of manifest and latent readiness of respondents for leaving to EU countries in order to look for a job (%), 2010**



Source: Bačević et al. (2011)

It seems that answers to the question (‘what should the government do about people from less developed countries coming here to work’) from *European Values Survey (2008 wave)*<sup>6</sup> are good illustration on public perceptions regarding immigrants. According to the results, attitudes were divided. Absolutely tolerant were 27.4 per cent (‘anyone who wants may come’), 29.2 per cent thought that immigrants may come when they already have a job and 34.9 per cent were for strict limits on the number of foreigners. The rest of the interviewed (8.4%) were absolutely intolerant (‘government should prohibit people to come here to work’).

<sup>6</sup> <http://www.europeanvaluesstudy.eu/evs/surveys/survey-2008/dataanddocumentation/>. Retrieved 23 January 2013

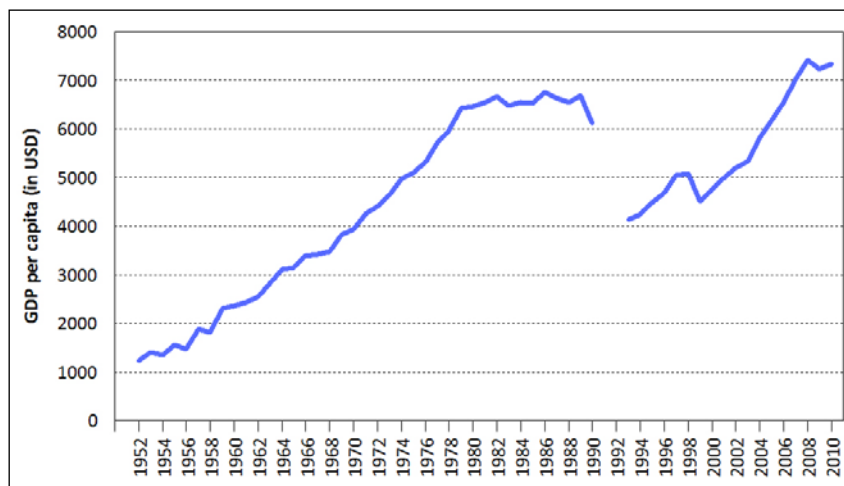
## 4. RECENT SITUATION AND DEVELOPMENTS ON LABOUR MARKET, HUMAN CAPITAL AND INTERNATIONAL MIGRATION

### 4.1. Social and Economic Development

#### 4.1.1. Economic development

The main characteristics of the economic development of Serbia in the period 2001-2011 can be perceived by examining the basic indicators of development such as GDP *per capita*, economic growth rate, inflow and outflow of foreign investments, public debt level, inflow and outflow of foreign remittances and similar. According to Maddison Project Database, the GDP per capita was the highest in 2008 (7421 USD) (see Graph 4-1). The years 2009 and 2010 brought a drop of this indicator.

Graph 4-1. GDP in USD per capita, 1952-2010

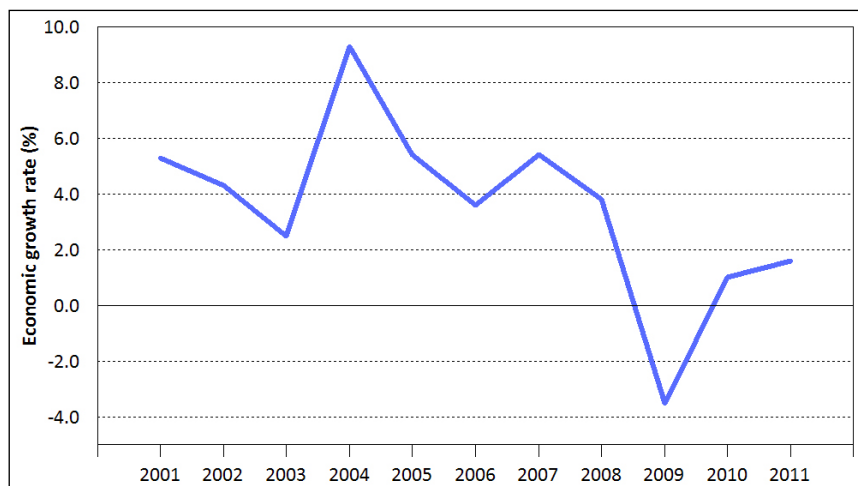


Source: Maddison Project Database, GDP *per capita*

During the reference period, the highest economic growth rate was marked in 2004 when it amounted to 9.3 per cent (see Graph 4-2). Such a high rate can also be attributed to the changed methodology of calculating GDP *per capita* indicators. The year 2009 is marked by the beginning of the global economic crisis, which contributed to the negative economic growth rate of -3.5 per cent. In the following two years, this rate was positive but at a low level of only 1.0 per cent, namely 1.6 per cent.



Graph 4-2. Economic growth rate (in %), 2001-2011



Source: SORS internal statistical documentation

It is necessary to stress that the inflow of foreign direct investment in Serbia is very important for achieving economic stabilization and growth. If we examine the SORS data on inflows and outflows of foreign direct investment for the period 2004-2011, we can see that the highest inflow of foreign direct investment was achieved in 2004 (see Annex 1-4 Graph 1). They contributed to the growth of GDP *per capita* by 7 per cent in 2005 in relation to the previous year. The highest economic growth rate in Serbia was also realized in 2004. After that the inflow of foreign direct investment decreased all up to 2010, and then it was more than doubled in the following year. As regards outflow of foreign direct investment from Serbia, it can be noticed that there was a more than tenfold increase in 2007 in relation to the previous year (see Annex 1-4 Graph 2). In the following years this amount of invested funds in other countries rapidly decreased and in 2011 it reached only 18 per cent of the level of investments realized in 2007. When foreign direct investment stocks are in question, a mild increase has been noted since 2008 (see Annex 1-4 Graph 3). The highest growth was realized in 2011 and amounted to 14 per cent in relation to the previous year.

Based on the data from the *Ministry of Finance and Economy* for the period 2001-2011 (see Annex 1-4 Graph 4), it is noticeable that Serbia's public debt increased considerably in 2010 and 2011, forming 44 per cent, namely 47.7 per cent of GDP. The increase of this indicator for 2010 amounted to 18 per cent and 25 per cent for the year 2011 in relation to the previous years. According to the data of the *National Bank of Serbia* (NBS), the public debt rate in GDP amounted to 29.2 per cent, namely 34.5 per cent. The increase of the public external debt for 2011 was greatly caused by Serbia's indebtedness based on sale of *Eurobonds* on the world financial market. Furthermore, direct external commitments of the state were increased on the basis of macroeconomic aid from the EU, as well as indirect external commitments based on guarantees given for the credit of the *European Investment Bank*.

When observing the average annual inflow of foreign remittances from abroad into Serbia for the period from 2007-2011 (according to NBS data), we can conclude that most of the foreign remittances came from the following countries: Germany (USD 1324 million), Austria (USD 639 million), Switzerland (USD 419 million), France (USD 316 million) and Sweden (USD 166 million); see Annex 1-4 Graph 5. This reflects the majority of emigrants from Serbia who live in these countries. There are also a large number of people who, after residing and working for a long time abroad and having earned a foreign pension, have now returned to their homeland and are spending their acquired financial resources. The highest inflow of foreign remittances was realized in 2009. The amount of foreign remittances in 2011 amounted to 89 per cent of the realized amount from 2009. On the other hand, according to the annual average for the period 2007-2011, most of the foreign remittances go out of Serbia to the following countries: USA (USD 10.6 million), Germany (USD

### Case study of Kanjiža

There were significant foreign investments in the municipality of Kanjiža between 2001 and 2011 due to the privatisation process. In that decade foreign investors bought (privatised) the most successful factories which produce construction industry material, such as *Potisje* roof tile factory bought by *Tondach A.D.*, *FIM* insulation material factory bought by the Italian *TegolaCanadese*. Foreign firms are interested in agriculture and trade. In the utilities field, refuse collection was privatised by the Austrian firm Brantner.

However, the economy of the municipality of Kanjiža in that period was in a complex economic situation. A large number of young people were unemployed because of the negative effects of privatisation. During the privatisation process of public companies, the first step of the new owners was to estimate an optimal number of workers in relation to the size of the company. Results of these assessments were rationalisation measures, i.e. laying off a number of workers deemed superfluous. This was a typical problem for all public companies, and it additionally increased the unemployment rate.

At the beginning of that period the average salary was 20,000 RSD (330 EUR at the time), and it was then higher than the republic average by 11%. In 2011, the average income without taxes and social benefits was over than 30,000 RSD (310 EUR at the time). At the end of 2011, the number of unemployed was 2232 (that is a 10% unemployment rate, and it kept increasing with time. Informal economy creates disloyal competition, and brings the service crafts business into a difficult position

In the beginning of the period, industry participated in the formation of municipal income with 49.3 per cent. Key element of industrial production is the production of construction material. Between 2001 and 2004 due to rationalisation, there was an increase in the production of construction material. For example, *Potisje-Tondach* employed around 40% of the employed in the municipal industry sector). However, as a consequence of privatisation in 2004, the number of employees was reduced by half.

9.0 million), Canada (USD 4.9 million), Great Britain (USD 4.7 million) and France (USD 4.6 million); see Annex 1-4 Graph 6. The greatest foreign remittances outflow was realized in 2008. The outflow decreased by about 50 per cent in 2011 in relation to 2008 which was a consequence of the previously stated drop in living standards and slowdown in economic growth of Serbia. Furthermore, it is noticeable that Germany and France are countries with both inflow and outflow of foreign remittances, although the inflows are at a considerably higher level than the outflows. It is assumed that remittances are used primarily for consumption. Due to the poor economic situation in the country, underdeveloped economy, widespread corruption, a weak legal system, the lack of strong institutions, individuals are much more interested in converting these funds to consumption than to invest in Serbia.

#### 4.1.2. Social development

##### Infant mortality

Infant mortality rate has been continually decreasing in Serbia in the last fifty years. The rate has decreased to one third in a twenty year period from 67.8 per thousand in 1961 to 22.1 per thousand in 1981, namely in fifty years to one tenth of the initial value, as in 2011 it amounted to 6.3 per thousand. In the period 2001-2011, the decrease rate amounted to 40 per cent (see Table 4-1). Decreasing of infant mortality rate, with some oscillations, was present in lower territorial units too, the southern regions having more unfavourable values than the northern regions. Thus in the fifty year period in Vojvodina region, the rate decreased to the fourteenths of the initial value (from 71.6‰ to 5.1‰), while there was a smaller decrease in South and East Serbia region, approximately to one ninth, namely to one tenth (from 77.2‰ to 8.1‰) just as in the Region of Šumadija and West Serbia (from 62.6‰ to 6.7‰). The rate dropped by almost a half in the Vojvodina region in the 2001-2011 period, by about 40 per cent in the Belgrade region, and by about 30 per cent in the Region of Šumadija and West Serbia as well as South and East Serbia region (see Annex 1-4 Table 1).

Table 4-1. Infant mortality rate (per 1,000), 2001-2011

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
10.2	10.1	9.0	8.1	8.0	7.4	7.1	6.7	7.0	6.7	6.3

Source: SORS, Demographic statistics

##### At-risk-of-poverty rate

In the period 2006-2010, poverty in Serbia has been analyzed on the basis of data from a Household Budget Survey. The At-risk-of-poverty rate (the share of persons with income is less than 60 per cent of national median of national income per consumer unit in total population) is decreasing. Thus, after the initial stable level of this rate in the first two years, there was a considerable drop in the next two years (by 3.1 percentage points), and then a somewhat increase in 2010, when it amounted to 18.3 per cent (see Table 4-2).

Table 4-2. At-risk-of-poverty rate (%), 2006-2010

2006	2007	2008	2009	2010
20.9	21.0	17.9	17.7	18.3

Source: SORS

Relative to other age groups, children up to the age of 18 were most exposed to risk of poverty. Differences in poverty by sex almost did not exist. In relation to activity status, the risk of poverty was the greatest among the inactive persons (excluded retired persons), particularly women, and among unemployed persons, particularly men.

The value of At-risk-of-poverty rate in Serbia is higher than EU average, but the difference decreases. Comparison to other EU countries based on Survey of Income and Living Conditions (SILC) will be possible on the analysis of data refer to the year 2012 which will be available at the beginning of 2014.

##### Distribution of population by income group

Another indicator of poverty is the relative position of the population of lowest income in regards to population of the highest income. A decile ratio compares the total equivalent income of upper income decile (10% of population with the highest income per consumer unit) with the one from the lower income decile (10% of population with lowest income per consumer unit). In the period 2006-2011, the ratio between the income per consumer unit of 10 per cent of the richest population and

10 per cent of the poorest was decreased (see Annex 1-4 Table 2). This ratio amounted to 9.2 in 2006 and considerably decreased in 2007 when it amounted to 7.8. It continued to decrease in the following years as well, reaching 6.5 in 2008, 5.8 in 2009, 5.9 in 2010 and 5.6 in 2011. Thus in the last observed period 10 per cent of the richest population had 5.6 times greater income per consumer unit than 10 per cent of the poorest.

### Purchasing power of salary – Real index of average salaries and wages

The real index of average salaries and wages is one of the living standard indicators. It represents the ratio between index of nominal average salary and index of life expenditures. The real index of average salaries and wages rose in the period 2001-2012, but this increase was more significant in the beginning of the observed period and negligible in the last year (see Table 4-3).

**Table 4-3. Real index of average salaries and wages (previous year = 100)**

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
116.5	129.9	114.0	111.1	106.8	111.4	114.1	104.2	100.2	100.6	100.1	101.1

Source: SORS

Note: Consumer price index is used as a deflator to calculate Real index of average earnings and salaries. (Real indices of salaries and wages present the ratio of nominal indices of salaries and wages and consumer price index)

### Total expenditure on social protection and welfare per head of population

Total expenditure on social protection and welfare per head of population is available only for the year 2010. Based on the European System of Integrated Social Protection Statistics (ESSPROS) Pilot data collection for the year 2010 total expenditure on social protection and welfare per head of population amounted to 97,218.89 RSD (943 EUR). By economic type, total expenditure on social protection includes social benefits, administration costs, transfers to other schemes, as well as other expenditure. By function, it includes Sickness/Health care, Disability, Old age, Survivors and Family/Children. By type, total expenditure on social protection and welfare is Cash benefits (Periodic and Lump sum) and Benefits in kind. By characteristic, it is Means-tested and Non means-tested.

#### 4.1.3. Social policy

Two national employment strategies were brought for the period 2001-2012: for the period 2005-2010 (GRS 2005) and period 2011-2020 (RS 2011a) as well as two national employment action plans and basic instruments of implementation active policies in this field.

The *National Employment Service* (NES) is a public service which provides services to unemployed persons and employers in Serbia. It consists of a *Head Office*, two *Regional Services*, 34 *Branch Offices*, 21 *Services* and more than 120 *Local Offices* in all administrative districts in the Republic of Serbia. A program titled *First Chance* was realized from 2009-2011 intended for young people up to the age of 30 with no work experience and completed secondary school or university level, in order to complete their internship lasting one year, with their salaries being financed by the government. This program included 43,105 unemployed persons registered with the NES. *Program for Subsidizing Employers to Open New Positions for Employing Unemployed Roma* was realized in 2012.

An unemployed person can realize financial right in the form of an unemployment benefit in the case of termination of work or compulsory insurance. During the period of this unemployment benefit, unemployed persons have a right to health, pension and disability insurance and members of their families to health insurance. *The Law on Employment and Unemployment Insurance* (RS 2009, 2010) regulates the right to an unemployment benefit in case of termination of work or compulsory insurance. It can be realized by an unemployed person who had compulsory insurance in case of

unemployment at least 12 months continually or in the last 18 months with breaks. The unemployment benefit is determined to be 50 per cent of the base of average earnings in the last six months. The base amount is paid to the benefit user, reduced by pension and invalid and disability contributions. In addition, the unemployment benefit cannot amount to more than 160 per cent nor lower than 80 per cent of minimum earnings in the month in which it is paid.

The right to unemployment benefit lasts from 3 to 24 months, depending on length of insurance service. The right lasts for 3 months (if the unemployed had insurance coverage from 1 to 5 years), 6 months (5 to 15 years), 9 months (15 to 25 years), 12 months (more than 25 years). Exceptionally, the right may last 24 months if the unemployed had only two years missing until he acquired the right to a pension.

The unemployed continues to receive the unemployment benefit during additional education and training, in conformity with individual employment plan, then during temporary inability to work determined by health insurance regulations, but not longer than 30 days from the date of temporary inability, as well as during maternity leave.

*NES* may pay the unemployment benefit as a lump sum for self-employment if the benefit user gets employed, in the amount of 30 per cent of total amount of compensation which would be paid for the remaining time before expiration of this right.

The *Law on Compulsory Social Insurance Contributions RS (2004-2011)* starting since 2006 also defines and determines incentives for employers in terms of exemption or reduction of contributions if they employ a young, namely older unemployed person. In that way the employer is relieved from paying social insurance contributions which he is obliged to pay, for a period of three years, if he hires a trainee younger than 30 who is registered with the *NES*. Employment of an unemployed person younger than 30 and registered with the *NES* for at least three months without a break relieves the employer of paying the stated contributions for a period of two years. Payment of these contributions for a period of two years will also relieve an employer who employs a person older than 50 who is registered with the *NES* and receives unemployment benefit or has been registered as unemployed for at least six months continuously, and if person is over 45 years of age, then the employer has a right to reduce the stated contributions by 80 per cent in the same period.

Compared to some main countries of destination for migrants from Serbia (Germany, Austria, France), statutory provisions relating to unemployment benefits are essentially similar, both in terms of employment required for eligibility of rights, duration of rights, as well as the method of calculating the amount of compensation as a percentage of the employee's salary in the past. Some differences exist in the stipulated insurance necessary for realizing this right which, for example, is shorter in France; then in the relative proportions of benefit and previous salary, which in Germany and Austria are more favourable (60% of the average salary in the previous year for the unemployed without children and 67% for the unemployed with children in Germany and 55% in Austria), but worse in France (40%) than in Serbia. Differences exist in the duration of the right to a benefit, but the upper limit is generally 24 months. Unemployed persons in Serbia over 50, just as in these three countries, have certain special rights. Uniformity among the countries also exists in view of the right to a health and retirement insurance during the period of unemployment benefits.

In order to accelerate the reforms in the labour market in line with European standards, the realization of the Twinning project is underway titled *Preparation of Labour Market Institutions for European Employment Strategy*. This two-year project, from 2012 to 2014, aims to strengthen the capacity of the *Employment Department* of the *Ministry of Labour and Social Policy* and the *NES*, as well as to accelerate the reform of the labour market, in cooperation with relevant stakeholders, in line with EU standards. Three EU member states, France, Romania and Sweden, are involved in this project with the Serbian counterparts ([www.minrzs.gov.rs/latinica/projekti.php](http://www.minrzs.gov.rs/latinica/projekti.php), retrieved on December 2, 2013).

In the first phase of the Project, the analysis of staff training needs of *Employment Department* of the *Ministry of Labour and Social Policy* and the *NES* was made, as well as employment policy human

resources development program and activities in harmonization of regulations. A preliminary list of regulations was defined, consultations and relevant meetings between Serbian and EU partners' law experts were held, and preparation on local level was carried out.

There are no data on the share of poor people among emigrants, but economic factor is undoubtedly an important migratory push factor. Also, we can suppose that measures of social policy are insufficient to significantly affect decisions on emigration on individual and household level.

## 4.2. Main International Migration Trends and Characteristics of Migrants

### 4.1.2. International migration flows

#### 4.2.1.1. General trends

It is not easy to give even a rough estimate of the overall size of immigration to, and emigration from, Serbia. It is probably even impossible to give a reliable estimate of its changes in time. In the absence of official Serbian statistics (Flinterman – Kupiszewska, 2009), the best source of information on international migration flows from and to Serbia are the data from the destination countries.

The political impact on the size of flows, as explained in the methodology chapter (1.1), should be considered when trying to estimate migration from or to Serbia excluding KM. The primary data source for this report was found in the Eurostat on-line database (immigration/emigration by country of previous/next residence and immigration/emigration by citizenship)<sup>7</sup>, complemented by data from the websites of national statistical offices and the *OECD International Migration Database* (immigration by citizenship), all covering the period from 2001 to 2011<sup>8</sup>. Consequently, even in those countries with good registration systems and good statistics on international migration, there are no series of data covering the period prior to 2009 and relating specifically to migrants coming from, or departing to, the territory of the present-day Republic of Serbia excluding KM. For that reason, we proceeded from the approach in the recent study on impact of demographic and migration flows on Serbia, which produced the estimation on migration flows based primarily on the data on immigration/emigration by country of previous/next residence for the period 2008-2010 (Kupiszewski – Kupiszewska - Nikitović 2012). Namely, data in respect of flows from and to Serbia excluding KM for 2009 to 2011 were available for only a few countries, so estimates had to be based on the aggregated data involving Serbia, which is to say, data on Serbia including KM and data on Serbia and Montenegro, for most of the countries concerned. Then, the estimation of the shares of flows from/to Serbia excluding KM in the aggregated flows has to be made by using the detailed data on immigration and emigration from/to Serbia, Montenegro and KM available for seven countries; Germany, Italy, Netherlands, Norway, Slovenia, Sweden and Switzerland for all or some of the years 2009 to 2011. It was assumed that this share may be similar in some other countries. 57 per cent of the migrants coming from Serbia excluding KM numbered among the immigrants coming to those seven countries from Serbia and KM, and 56 per cent if calculated as a share of immigrants arriving

<sup>7</sup> <http://epp.eurostat.ec.europa.eu/portal/page/portal/population/data/database>, Retrieved 10 March 2013.

<sup>8</sup> However, the contents of the Eurostat tables changed with the political changes. Thus, the *Federal Republic of Yugoslavia* was replaced by *Serbia and Montenegro* in the tables relating to flows since 2003. In the 2006 flow tables, two new countries appeared on the list of origins and destinations: *Montenegro* and *Serbia*. The list of countries changed again in the 2008 flow tables, which now contained *Montenegro*, *Serbia* and *Kosovo UNSCR 1244/99* as separate entries. The last one is the abbreviation for *Kosovo under the United Nations Security Council resolution 1244/99* according to the current Eurostat database. However, some countries have continued to report some figures under “the former Serbia and Montenegro” and “the former Yugoslavia”. This was justified in the case of migration flow and population stock tables by country of birth and by country of citizenship, since migrants could still have valid passports issued, for example, by the former Serbia and Montenegro. In the tables on emigration by country of next residence, migrants could be listed within non-existent countries, because the information on their country of next residence may be imputed from the data on their citizenship, as registered upon arrival. Besides, the Eurostat flow data up to 2011 have a number of gaps, in particular for the countries which are not EU member states.

from Serbia, KM and Montenegro. In emigration flows, 79 per cent of migrants leaving for Serbia excluding KM numbered among the emigrants departing from the seven countries to Serbia and KM, and 77 per cent if calculated as a share of emigrants going to Serbia, KM and Montenegro.

However, in some cases, the reported data had to be corrected on the ground of known issues. For instance, the large numbers of emigrants from Croatia to Serbia (formal returnees, Mesić - Bagić 2010) are, in fact, statistical artefacts CRMRS (2010). Due to the known problem of overestimated flow data in the German statistics, these data had to be adjusted by correction factors (0.81 for immigration to Germany and 0.71 for emigration from Germany) estimated by Joop de Beer and his associates (de Beer et al. 2010). In some countries, data on flows were not available in disaggregation by country of previous and next residence. In such situations, data by citizenship had been used for Switzerland (2009-2010), Hungary and Belgium, or by country of birth for the United States (USA 2012) and Australia. Finally, since the United Kingdom is considered to be new destination for Serbian nationals, it was assumed that the Eurostat data on first residence permits for 12 months or over could be the closest approximation of unknown annual emigration of Serbian citizens to this country.

Other corrections applied to the official data mostly related to the adjustment of immigration flows to Serbia, as the data for some countries were missing and were probably underestimated for others. The estimates on immigrants from Croatia and Macedonia were based on the Serbian statistics for first residence permits for 2009 and 2010. The figure for immigrants from the UK, Canada and USA was estimated assuming that the ratio of immigration to emigration coincides with the ratio calculated for Italy, since all these countries are considered to be new destinations for Serbian citizens. The estimate of the number of immigrants from France was arbitrary. Even though it is an old destination for Serbian nationals, it was assumed that the number of returnees to Serbia is half the number of emigrants from Serbia to France, since France was more popular than Austria for seasonal workers at the time, which nowadays probably results in smaller share of the returning pensioners than those registered from Austria; in the case of the latter, the number of immigrants to Serbia is similar to the number of emigrants from that country. Finally, the official data on emigration flows to Slovakia were reduced in order to exclude emigrants from KM, since it is obvious that they were included, as was the case for Spain, since these two countries did not recognise the Kosovo as independent state. In the case of BIH, the lack of official data on emigration to this country is replaced by the arbitrary value of zero, under the assumption that this flow direction is not significant.

Apart from evident gaps in available data series, the problem of data quality seems to be more important from the point of aforementioned adjustments. The final results of the estimations are presented in Table 4-4. Overall, in the period from 2009 to 2011, around 30,700 people emigrated annually from Serbia and 20,600 immigrated to Serbia, resulting in a net emigration from Serbia of 10,000 people annually. However, given all the problems with data quality and availability described above, these figures should be treated as very rough estimates. For 2009 to 2011, the most intensive, officially-registered migration flows, regardless of direction, were those with Germany, Austria, Slovenia, Italy, Switzerland, USA, UK and France. Serbia has a negative migration balance with all the countries for which data is available, except Austria and, probably, BIH; there is no data on immigration to the latter. Yet, the balance with Austria should be treated with caution since it resulted from the adjustment procedure for countries that do not report flow data for Serbia excluding KM as described above. It emerges from Table 4-4 that the new popular destinations are Italy and USA. These countries thus have highly positive balance with Serbia in comparison to the old destinations, such as Germany and Austria, which are characterized by a significant number of pensioners returning to Serbia after their working careers abroad come to an end.

Given the roughness of the estimate presented here, an auxiliary intercensal estimate of net migration using the population numbers from the 2002 and 2011 censuses and the statistics on births and deaths during the period was employed. This estimate suggests that the negative migration balance over 9.5 years, between censuses in 2002 and 2011, could be at most 15,800 a

year<sup>9</sup>. In this way, the two estimates were obtained. It is not surprising that the first of them points to a lower emigration, given that it includes neither irregular migration nor migration to many countries for which there were no data available. The difference between the two estimates may also be related to different periods and to the fact that, owing to unreliable or missing data, the estimate based on the flow statistics contains very rough estimates for some important countries while the intercensal estimate is influenced by the methodological inconsistency between the censuses. It seems reasonable to assume that the upper bound of the range containing the real value of the annual net migration balance in the period 2002-2011 is close to the intercensal estimate while the estimate based on available statistics could be interpreted as the lower bound of the range.

**Table 4-4. Estimates of the average annual migration flows from/to Serbia excluding KM, 2009-2011**

Destination or origin country	Immigration to Serbia	Emigration from Serbia	Net migration to Serbia
Italy	379	2 082	-1 703
USA	351	1 929	-1 578
Switzerland	929	1 933	-1 004
UK	222	1 220	-998
Sweden	151	965	-814
Belgium	132	939	-807
Germany	9 772	10 500	-728
France	535	1 069	-535
Hungary	201	683	-482
Croatia	220	605	-385
Slovenia	1 965	2 332	-367
Canada	75	412	-337
Slovakia	53	327	-274
Norway	25	233	-208
Republic of Macedonia	172	341	-169
Australia	104	242	-138
Spain	73	196	-123
Finland	8	107	-99
Netherlands	150	212	-62
Czech Republic	11	69	-58
Denmark	74	94	-20
Austria	4 325	4 170	155
BIH	684	0	684
<b>Total</b>	<b>20 611</b>	<b>30 660</b>	<b>-10 049</b>

*Sources:* Authors' estimates using data reported by Eurostat and the statistical offices of the listed countries; Serbian Ministry of Interior; Authors' rough estimates for outflows from Canada, France, USA, UK, and BIH.

#### 4.2.1.2. Immigration flows

Immigration to Serbia in recent years mainly consists of Serbian nationals who, once their working careers abroad came to an end, returned either to enjoy their pension, in the case of the first large emigration waves of the late 1960s and early 1970s, or to find a new job in Serbia. These flows

<sup>9</sup> However, the estimate is not fully consistent due to the methodological inconsistency between the censuses in respect of the different concepts used (usual residence in 2011 unlike permanent residence in 2002) and treatment of IDPs. In order to get more reliable estimate, the number of IDPs had to be subtracted from the total population by 2011 Census since the 2002 Census did not include IDPs in the total population; yet, given the unknown number of IDPs in 2011 Census, the current data on IDPs based on the CRMRS register, which is believed to be obsolete, had to be used instead.



originate in the old destination countries for Serbian citizens, such as Germany, Austria, Switzerland and France. In Serbia, there is no official estimate of the number of people who have returned annually in the recent period apart from the Republic Pension Fund estimate of the total number receiving a pension from abroad, which is around 114,000. However, it can be assumed that the immigration flows from developed countries (particularly from the old EU members) presented in Table 4-4 were consisted mainly of the Serbian nationals according to the records of the Serbian MI.

Foreigners constitute the minority of recent immigrants to Serbia. Most of them are not from the EU countries. The Serbian MI data give some indication of the size and origins of foreign immigrants through the selected tables published in the *MG Profile of RS* since 2009. If those who received first-time residence permits for up to twelve months are considered as the category closest to the definition of an immigrant, in accordance with the *EU Regulation on Migration 862/2007*, then, on average, 3,400 foreigners immigrated to Serbia in 2009 to 2010. If we assume the share of those who received first-time residence permits for up to twelve months in the total number of issued first-time residence permits in 2011 (not published in the *MG Profile of RS* for 2011) to be the same as the share in 2010, the size of immigration flow has not been changed.

In the period 2009-2011, the biggest inflows were from China, Russia and the former Yugoslav republics, namely, BIH, Croatia and Macedonia, as well as from Libya, Italy and Bulgaria if the share of those who received first-time residence permits for up to twelve months in total immigration flow is assumed to be the same for every country. The main reasons for immigration are work (from 41.1% in 2009 to 47.1% in 2011) and family reunification (from 46.9% in 2009 to 40.3% in 2011). The sex structure is rather unbalanced; those who came for work are predominantly men (from 80.2% in 2009 to 82.5% in 2011), while the women came mostly for reasons of family reunification (from 64.2% in 2009 to 62.7% in 2011). Residence permits for work are most often issued to those from the EU countries and China, while Chinese and Russians are the most numerous among those who came from motives of family reunification in the years in question. There are numerous immigrants from the former Yugoslav republics in both categories.

The increasing tendency in the annual number of asylum applications is registered; from 181 in 2009 to 248 in 2011. However, the number of persons who expressed intention to seek asylum in Serbia raised by more than 11 times (from 275 in 2009 to 3,134 in 2011), while the share of the intentions that were transformed into submitted applications dropped drastically (from 84% in 2009 to 7% in 2011) in the same period. This increase of the intentions might be an indication of possible increase in asylum applications in the forthcoming period. Among the persons who submitted applications for asylum, the citizens of Afghanistan were constituted the absolute majority during the observed years (from 72.9% in 2009 to 66.5% in 2011), while the number of other citizens (Palestinians, Iraqis and Somalis as being the most frequent) was significantly lower. However, the majority of first instance procedures relating to asylum applications were suspended as the most of the asylum seekers continue to migrate away without waiting for the asylum procedure.

#### **4.2.1.3. Emigration flows**

The absence of official Serbian statistics on emigration flows does not allow an analysis that would include distinction between nationals and foreigners. However, on the basis of Table 4-4, it can be concluded that among the traditional emigration countries for Serbian nationals, Germany, Austria, Switzerland and Sweden still are very attractive. Owing to the existing, well-developed migrant networks from the earlier periods, these countries are chiefly of interest to people with a secondary education or lower, which is the general characteristic of Serbian emigrants in Europe, unlike those to the overseas states during the last two decades. The process of emigration to the EU countries has been facilitated since the beginning of 2010, when Serbia entered the *White Schengen List*, a list of the countries whose nationals do not require visas to travel to the Schengen Area.

In Europe, the recent emigration from Serbia of people with a higher education has mainly been focused on the UK, since English has been the most widely spoken foreign language among the Serbian youth for the last twenty years. However, Italy, the most popular new destination, still mainly attracts people with a primary or secondary education. Among the new member states of the EU, the most important destination countries for Serbian citizens have been Slovenia and Hungary. Even during the period of the joint state, or SFRY, Slovenia was an attractive destination for Serbian nationals, given its constantly higher level of economic development and standard of living. Its attractiveness rose particularly after Slovenia joined the EU in 2004, placing it at the very top of new destination countries. However, the global economic crisis caused a large drop in the immigration of foreign nationals to Slovenia in 2010, including those from Serbia. Serbian immigrants are mostly engaged as craft and related trade workers and as plant and machine operators and assemblers. In the main, they have either an elementary or secondary education. The relatively high migration outflows to Hungary consisted mainly of ethnic Hungarians. Some authors expect a further rise in these flows now that Serbian citizens have been granted visa-free travel to the Schengen countries (Takač – Kincses 2010).

Finally, it can be concluded from the Serbian census data on the stock of people abroad, that Bulgaria, Romania, Greece, and Russia also receive migrants from Serbia, as do some countries in West Asia and Africa; however, we have no data on the size of the flows.

#### **4.2.1.4. Return migration**

Data on returning nationals can be obtained from the population censuses in 1981, 1991 and 2011. This question was not included in the 2002 Census, while the 2011 Census results have not been processed yet. The number of Serbian citizens – returnees from work/residence abroad is hard to evaluate because it is possible to only indirectly speculate on the number of pensioner returnees, on the basis of data on total inflow of foreign exchange pensions from abroad, which allows only a rough estimate due to unknown pensioner structure.

The only available data on return migration are related to return of citizens of Serbia who did not qualify for entry, stay or residence in another state. According to *MG Profile of RS* (IOM 2012; CRMRS 2012) based on readmission agreements, a total of 4434 persons in 2010 and 5150 persons in 2011 returned to Serbia. In most cases these persons returned from FR Germany, followed by Hungary, Sweden, Austria, Switzerland, Norway and France. Among the returnees, men are more numerous (about two thirds). More detailed socio-demographic structures as well as the territorial distribution after return to Serbia are available only for 6,000 persons who returned to Serbia through the assisted voluntary readmission return programme in the period 2006-2011.

### **4.2.2. Characteristics of the migrant stock**

#### **4.2.2.1. Immigrant stock**

Data on immigrant stock of Serbia can be obtained only from population censuses of Serbia (2002 and 2011) on the basis of immigrants from abroad. Since the 2011 Census data results were not available at the time of writing this report, the data from 2002 will be given. Out of a total of 815,000 immigrated into Serbia from abroad<sup>10</sup> (according to last place of permanent residence) less than 4 per cent (31,000) were persons who were not from the former Yugoslavia. Out of that number, most of them were from Germany – 7,300, Romania – 4,000, Austria and France with 2,800 each. Almost two thirds of the total number were women, more than half were Serbian ethnic affiliation and a third came in 1991 or later. As regards the contingent who immigrated from other former Yugoslav

<sup>10</sup> Persons emigrated from Montenegro were not included, as Montenegro was a republic of the former FRY during the 2002 Census.

republics (762,000 or 93.5%), less than half immigrated before 1991, while 379,000 immigrated after 1991, although they did not formally have the refugee status in the 2002 Census, but it was based on the question whether they were forced to leave under pressure.

Since refugees form the most numerous immigrant group who arrived after the disintegration of SFR Yugoslavia, their socio-demographic characteristics are given according to the 2002 Census: average age was insignificantly lower in comparison to the "domicile" population (39.8 years and 40.3 years, respectively), while the ageing index<sup>11</sup> for the refugees was higher (1.21 and 1.05, respectively) due to the different age structure, especially when it comes to the share of population younger than 15. Data on education show that educational structure of refugees is better in many aspects than this of population of Serbia. The differences appeared between the groups with incomplete primary education with 16.6% of domestic population and only 9.2% of refugees. While one fourth of population without refugees had primary education completed (24%), every fifth of refugees had the same level of education. Other differences were within the educational groups with secondary education (49.4% of refugees: 40.6% of population) and tertiary education (13.6% of refugees and 10.9% of the population without refugees). Most of the refugees were unemployed or dependant family members (66.3%), and only 33.7% of refugees were employed. The majority of refugees came from Croatia and BIH and had FRY citizenship at the time of the Census. With regard to this, it ought to be mentioned that the state enabled the refugees to easily obtain citizenship of FR Yugoslavia and Serbia upon personal request, which the majority obtained.

Out of the total number of usually-resident population, 76,000 were foreigners. Most of them 60,000 have citizenship of another former SFRY republic. An additional 103,000 were without citizenship. This group included persons who did not have a regulated legal status at the time of the 2002 Census and belonged to the refugee contingent or persons who immigrated to Serbia from other former Yugoslav republics before disintegration of that country, or were even born in Serbia but, due to legal regulations in SFRY, were registered as foreign nationals (citizenship was determined by father's citizenship in many cases). As already stated in the previous chapters, an analysis of usually-resident population according to citizenship cannot be observed as a reliable immigrant stock indicator in the case of Serbia, as with the majority of other former Yugoslav republics. A similar conclusion can be brought for the usually-resident population of Serbia by country of birth. According to the 2002 Census, 96 per cent out of a total of 905,000 persons not born in Serbia were born in one of the former Yugoslav republics. 80 per cent of this group lived in the northern Serbia, which is not surprising, because after the Second World War Vojvodina was colonized by population from other parts of former Yugoslavia, namely from BIH, Croatia and Montenegro. Later chain-migration as well as the wars during the 1990s caused significant immigration from these former Yugoslav republics to the northern part of Serbia.

Data on persons who acquired citizenship of the Republic of Serbia are available now from the *MG Profile of RS* (IOM 2012; CRMRS 2012). According to the MI data base, the number of foreign persons acquired citizenship of the Republic of Serbia dropped from more than 24,000 in 2010 to 17,000 in 2011, while their structure remained almost the same. These persons were mostly citizens of former Yugoslav republics, while the number of newly admitted citizens from other countries was relatively small. Within the category of newly admitted citizens in 2011, the largest share was recorded among the citizens of BIH (8496), Montenegro (4945) and Croatia (2403).

#### **4.2.2.2. Emigrant stock**

The deep political crisis, the wars in former Yugoslavia, negative economic growth, a large drop in living standards, high unemployment and a sense of lost perspective for majority of population, and especially the young, characterized Serbia in the 1990s and were the main motivating factors of

<sup>11</sup> Ageing index is the ratio of the elderly (65 years and over) to the young people (under 15 years of age).

intensifying emigration from Serbia. This was confirmed by the 2002 population census on the number of Serbian citizens abroad. A record of 415,000 persons abroad was reached that year (5.3% of total population of Serbia – in the country and abroad) which, in relation to 1991, was an increase of over 140,000 persons (increase of 50%).

Emigration continued during the 2000s mainly due to economic reasons. The number of enumerated citizens of Serbia abroad are now available only from the first results of the 2011 Census which indicate to a decrease in that emigrant stock (total of 294,000 persons or 121,000 less than in 2002). The reduction is significant and it resulted not only as a consequence of decreased emigration flows, intensified return migration (readmission), boycott of Census by ethnic Albanians, but also due to pure statistical reasons (information collected only from family members in the country).

The actual number of Serbian citizens abroad is difficult to determine, but it is certainly greater (according to some estimates even up to 50%) than recorded in the 2002 Census or in the last Census of 2011. Based on the available data from other sources, primarily statistics of recipient countries, it can also be concluded that the number of Serbian citizens abroad is much greater. Only based on very incomplete Eurostat data, there were 374,000 Serbian citizens in 20 European countries in 2011. Eurostat does not have data on the number of citizens for the important recipient countries at all, or only for 2011. The data for Austria, France, Great Britain and Greece are not available, in which over 250,000 Serbian citizens could possibly be residing, according to some available data: 35,000 in France in 2005, 51,000 in Italy in 2012, while 135,000 were registered in Austria in 2009 (data for Austria refer to citizens of Union of States of Serbia and Montenegro which ceased to exist in 2006). The data are not only incomplete but it is still not clear to which territory they refer to (Serbia, Serbia without Kosovo, Serbia and Montenegro, former Yugoslavia) and to which category of persons (persons with dual or more citizenship).

Germany is the main destination country for migrants from Serbia. According to the 2002 Serbian census, every fourth person abroad was residing in Germany (103,000). The share of Serbian citizens working or staying in Germany in that year was the same as in 1991 (25%) from the total number of registered emigrants in the census, but considerably lower than in 1981 (37%) which indicates an increase in the attractiveness of other countries. Austria, after Germany, is the country with the largest number of emigrants from Serbia (88,000 in 2002). This number continually increased, but in 2002 their share in total emigrant population of Serbia was lower than during the previous two censuses. Despite the decreased significance of Germany and Austria as receiving countries, almost half of all Serbian citizens working or staying abroad were in these two countries.

According to the 2002 Census, in the early 2000s, a significant number of emigrants from Serbia were in Switzerland (66,000), France (27,000), Italy (20,000), Sweden (24,000), Holland (6,000), Hungary (5,000) and Russia (5,000). Italy stood out in this group as it became very attractive for Serbian emigrants during the 1990s; their number almost quadrupled in the intercensal period (from 5,400 to 20,400) and Italy reached fifth place by the number of immigrants from Serbia (after Germany, Austria, Switzerland and France). According to the 2002 Census, Italy was in fourth place as regards emigrants who had been away from the country less than 10 years, and in third place with emigrants who had been away less than one year. During the 1990s, an increase in the number of emigrants toward non-European countries was marked. The most intense were the increases in the number of emigrants to the USA (by 128%) and Canada (74%).

The statistical data of the main countries of destination also confirm that Germany and Austria received the largest part of emigrants from Serbia in the early years of the 2000s. However, given that the data for this period refer only to citizens of the former FRY, namely Serbia and Montenegro (591,000 in Germany and 142,000 in Austria), the number of emigrants from Serbia (excluding KM) cannot be precisely determined, but it is most probably considerably higher than the number obtained in 2002 Census. It is a general assumption that under-registration is greater if the absence from the country is longer, if the country of destination is further away and if all household members

have emigrated.

The 2011 Census data regarding the distribution of the emigrant stock from Serbia by countries of destination have still not been processed. Nevertheless, the available "mirror" statistical data on the number of citizens from Serbia indicate that Germany is still in lead as regards the number of emigrants from Serbia (193,000 in 2011), followed by Austria with 135,000 nationals from Serbia and Montenegro (data refer to 2009, namely three years after that State Union ceased to exist), and Switzerland (122,000 from Serbia – probably with Kosovo). Italy follows with 51,000 emigrants (2012) and than Montenegro which registered 16,000 persons with Serbian citizenship.

The Census results confirm the well-known regularity on migrant selectivity, especially economic ones, by gender and age. In the case of international migration, men are more numerous, in almost all five-year age groups. According to 2002 Census data, the sex ratio of Serbian citizens working or residing abroad amounted to 114.1 (see Table 4-5) and was considerably higher than with population in the country (94.6). The numerical dominance of men in the emigrant population is primarily the result of migrant selectivity by gender, conditioned by a pattern of international migration that is characterized by a larger spatial mobility of men as well as specific demands of the labour market in countries of destination (e.g. Russia).

**Table 4-5. Sex ratio and average age of persons abroad by country of destination, 2002.**

	Total	Germany	Austria	Switzerland	France	Italy	USA	Sweden	Canada	Australia	Holland	Hungary	Russia	Other countries and unknown
<b>Persons abroad (total)</b>	414839	102799	87844	65751	27040	20428	16240	14049	10908	7490	6280	5343	5178	45489
<b>Sex ratio (per 100 females)</b>	114.1	116.9	105.6	107.3	111.7	128.8	116.2	110.2	106.1	110.9	109.4	128.7	375.9	118.8
<b>Average age (years)</b>	33.5	34.8	34.7	30.5	37.3	31.5	33.9	32.8	32.4	34.9	31.1	30.5	35.7	31.8

Source: SORS, 2002 Census data base

In all countries of destination the share of men was greater than of the women. Differences are considerable. The share of women is the greatest in Austria and Switzerland where they represent 48.6 per cent, namely 48.2 per cent of total Serbian citizens in these countries, while it is by far the lowest in Russia where only every fifth person (21.0%) is female (there were 376 males to 100 females).

Generally, the change in the age structure of emigrants from Serbia follows the general trends of demographic ageing of Serbia's total population. Still, the emigrant population is by far younger than the population in the country, which is the result of the still present, although less pronounced, selectivity of emigrants by age, an increasing share of family members in total Serbian emigrant stock and, consequently, the relatively high birth rate of emigrant population.

Observing by country of destination, all main demographic age indicators of Serbian citizen's working or staying abroad indicate that this population is considerably younger than the population in the country. In each of the receiving countries the share of elderly (65+) is considerably lower, in some countries over 20 times (from 0.6% in Russia to 5.0% in Australia in relation to 16.7% for population in the country), than that of the population in the country. This also applies to the average age of Serbian citizens abroad which were smaller in every country of destination (see Table 4-5) than with the population in the country (40.2 years of age). The youngest were emigrants in Hungary and Switzerland (average 30.5) and oldest were in France (37.3).

### 4.3. Demography and Human Capital

#### 4.3.1. Population change

Changes in the population size of Serbia in the first decade of the 21st century were greatly influenced by the turbulent events of the 1990s in the region and in Serbia. The war in former Yugoslavia and its consequences in the form of a large number of refugees and IDPs considerably blur the picture of a realistic emigration wave of Serbia's population. The refugee contingent was included in total population of Serbia in the 2002 Census. In this way, Serbia achieved a positive net migration in the intercensal period 1991-2002 (a negative migration balance was registered in the 1981-1991 intercensal period). As poor quality data on migration flows are available, net migration is obtained indirectly through the difference in the number of total population and natural growth between the two consecutive censuses. Based on official SORS data, the negative population growth in the period 2002-2011 amounted to 311,000 (see Table 4-6). A natural decrease of 297,000 and negative net migration of 14,000 was realized in the intercensal period.

Due to the methodological inconsistencies between the census 2002 and the 2011, the intercensal population change 2002-2011 has to be adjusted. In addition to different concept of the definition of the place of residence, there are two major sources of bias in the intercensal population change: 1) unlike the 2002 census, IDPs from KM were reported in the total population of the country in the 2011 Census; 2) ethnic Albanians from the south of Serbia boycotted the 2011 Census. Given all the methodological differences between the two censuses (Penev – Marinković, 2012), the population decrease from 2002 to 2011, as reported in Table 4-6, is considered to be underestimated by at least 15 per cent.

**Table 4-6. Population change by components, 2002-2011**

	Population		Population growth 2002-2011	Natural increase 2002-2011	Net migration 2002-2011
	2011	2002			
<b>NUTS 0 - Republic of Serbia</b>	7,186,862	7,498,001	-311,139	-297,377	-13,762
<b>NUTS 1 - Serbia – North</b>	3,591,249	3,608,116	-16,867	-127,602	110,735
<b>NUTS 1 - Serbia – South</b>	3,595,613	3,889,885	-294,272	-173,386	-120,886
<b>NUTS 2 - Belgrade region</b>	1,659,440	1,576,124	83,316	-32,335	115,651
<b>NUTS 2 - Vojvodina region</b>	1,931,809	2,031,992	-100,183	-95,267	-4,916
<b>NUTS 2 - Šumadija and West Serbia region</b>	2,031,697	2,136,881	-105,184	-81,182	-24,002
<b>NUTS 2 - South and East Serbia region</b>	1,563,916	1,753,004	-189,088	-92,204	-96,884

Source: SORS, 2002 and 2011 Census and author's calculations according census data and statistical data of birth and death in intercensal period 2002-2011

The current level of total fertility rate in Serbia is 1.4 (2011). The trend of the rate was similar to those observed in the top destination countries for Serbian emigrants (see Annex 1-4 Table 3). The average age of women at first birth increased from 25.3 years in 2002 to 27.5 years in 2011. Crude death rate (14.2 per thousand in 2011) is among the highest in Europe due to the very old age structure and relatively high age-specific mortality rates of the middle-aged and elderly population. If compared to the top countries of destination for Serbian emigrants, life expectancy at birth (2011) in Serbia is lower by 5-7 years for males and 6-8 years for females (71.5 and 76.7 years, respectively).

#### 4.3.2. Population structure and spatial distribution

Population ageing (observed from the middle of the 20<sup>th</sup> century) is a process which has been lasting in Serbia for over 40 years, beginning from the end of the 1960s when population was demographically younger. According to the 2011 Census, Serbia is one of the demographically oldest

countries in the world with an average age of 42.2 years, ageing index of 1.22 and the share of people aged 65 and over of 17.4 per cent in total population. The region of South and East Serbia is affected the most with average age of 43.3 years. On NUTS-3 level, the highest average age is 46.7 years in Zaječar area.

According to the Census 2011, the share of the population below 15 years of age is 14.3%, while the share of the population aged 65 and over is 17.4% in 2011. The NUTS-3 regions with the highest share of young population also have the lowest share of elderly population and *vice versa*. On the one side is Raška area with 19.1% and 14.3%, and on the other side is Zaječar area with 11.5% and 24.2%, respectively. The age-dependency ratio (population aged 0-14 and 65 years and over to population aged 15-64 years) in Serbia amounts to 46.3, the young-age-dependency ratio (population aged 0-14 years to population 15-64 years) amounts to 20.9 and the old-age-dependency ratio (population aged 65 years and over to population 15-64 years) amounts to 25.5 (see Annex 1-4 Table 4).

The female population is demographically older than the male by 2.7 years in 2011. Females are more numerous than males, consisting 51.3 per cent of the total population of Serbia. The males outnumber the females only in three NUTS-3 level areas - Pirot, Toplica and Pčinja.

### **Ethnic structure**

Ethnic structure did not change significantly in the last intercensal period (see Table 4-7). Serbs dominate with a share of 83.3 per cent (relative increase of 0.4 percentage points) despite the fact that their absolute number decreased by 225,000. Hungarians follow with a share of 3.5 per cent (previously 3.9%, with absolute decrease of 39,000). Then come Bosniaks/Muslims<sup>12</sup> (2.3%) and the Roma people (2.1%), both of whose numbers increased (11,000 persons more for the former and 39,000 for the latter). As regards other groups, Albanians (0.8% in 2002), who boycotted the 2011 Census, should be singled out. All other ethnic groups formed under one per cent of total population.

**Table 4-7. Ethnic structure of population of Serbia, 2002 and 2011**

Ethnicity	Population		Structure (%)		Increase/decrease
	2002	2011	2002	2011	2002-2011
<b>Total</b>	7,498,001	7,186,862	100.0	100.0	-311,139
<b>Serbs</b>	6,212,838	5,988,150	82.9	83.3	-224,688
<i>Albanians</i>	61,647	5,809	0.8	0.1	-55,838
<b>Bosniaks</b>	136,087	145,278	1.8	2.0	9,191
<b>Muslims</b>	19,503	22,301	0.3	0.3	2,798
<b>Bulgarians</b>	20,497	18,543	0.3	0.3	-1,954
<b>Croats</b>	70,602	57,900	0.9	0.8	-12,702
<b>Hungarians</b>	293,299	253,899	3.9	3.5	-39,400
<b>Macedonians</b>	25,847	22,755	0.3	0.3	-3,092
<b>Montenegrins</b>	69,049	38,527	0.9	0.5	-30,522
<b>Roma people</b>	108,193	147,604	1.4	2.1	39,411
<b>Romanians</b>	34,576	29,332	0.5	0.4	-5,244
<b>Slovaks</b>	59,021	52,750	0.8	0.7	-6,271
<b>Slovenians</b>	5,104	4,033	0.1	0.1	-1,071
<b>Vlachs</b>	40,054	35,330	0.5	0.5	-4,724
<b>Yugoslavs</b>	80,721	23,303	1.1	0.3	-57,418
<b>Other</b>	66,263	68,491	0.9	1.0	2,228
<b>Undeclared</b>	107,732	160,346	1.4	2.2	52,614
<b>Regional affiliation</b>	11,485	30,771	0.2	0.4	19,286
<b>Unknown</b>	75,483	81,740	1.0	1.1	6,257

Note: Most of the members of the Albanian ethnic community boycotted 2011 Census.

Source: SORS, 2002 and 2011 Census data

<sup>12</sup> Bosniaks and Muslims are analyzed together (like one ethnic group).

The increase in share of “undeclared” should be mentioned, namely as many as 160,000 persons, which is 60% more than in 2002. There has been a trend of those who do not wish to declare their ethnic affiliation in the past 20 years. If we sum up the census data on the number of “undeclared”, Yugoslavs, persons who chose regional affiliation and unknown, a figure of almost 300,000 persons (4% of total population) with no clear ethnic affiliation.

#### **Case study of Kanjiža**

Based on the 2011 census, the municipality of Kanjiža is categorized as the ethnically most homogeneous municipality in the region of Vojvodina which is a typically ethnical heterogeneous region. The Hungarians form 85 per cent of total population (the Serbs 7%) out of a total of 25,343 inhabitants. The Hungarians are not in absolute majority in only one settlement out of 13 on the territory of the municipality.

The average age of population of Kanjiža is 42.4, while the ageing index amounts to 1.3 (share of young persons under 15 is 14%, while the share of those older than 65 and over is 19%). The youth dependency ratio is 21.1, and the old-age dependency ratio is 28.0, while the total dependency ratio amounts to 49.1, which is also above national average. Observing by gender, women are more numerous (539 persons) and older than man. The sex ratio is 95.8, and the average age is almost 3 years higher (43.8 in contrast to 41.0).

### **4.3.3. Education**

#### **General trends**

According to the 2011 Census, 55.1 per cent working age population (15-64) in Serbia had some of upper or post secondary educational levels - ED3\_4 according ISCED (UNESCO 1997), while this percentage was lower in 2002 (47.1%). In comparison with 2002, the percentage of persons with tertiary education (ED5\_6) was higher (17.8% in relation to 11.8%), while the percentage of persons without formal education, and with primary or lower secondary education (ED0\_2) was lower (38.1% to 26.8%). Also, in every of the observed regions in Serbia, the persons whose highest attained level of education was upper or post secondary education represent the absolute majority (see Annex 1-4 Table 5). Educational structure of population in every region of Serbia in 2011 was better than in 2002, but regional differences have not been alleviated. In relation to other regions, Belgrade is distinguished because it has twice, and more than twice greater share of persons with tertiary education (almost 30% of working age persons). Also, in this region the share persons with the lower levels of education - ED0\_2 was many less (14.5%) than in other regions.

#### **Primary and secondary education**

However, even in the first decade of the 21<sup>st</sup> century, a hundred percent coverage of primary school age children with primary school education was not recorded. Furthermore, between 95 and 98 per cent of the enrolled children attained primary school education (SORS 2011). Regular secondary school education coverage of children is slightly lower as well as the percentage of those who have finished secondary school. About 90 per cent of children aged 15 years were covered by the regular secondary school education from 2007 to 2010. Coverage of children aged 15 to 18 years with secondary school education is slightly lower, which indicates their dropping out of school. The reasons for such behaviour have not been researched more profoundly and the explanation could be sought in the impact of socio-economic and cultural factors, as well as in the living conditions within the family. There is a positive tendency in the period 2008–2010 as regards the drop in the percentage of the persons aged 18 to 24 years which have terminated their education and have not attended training. Percentage of men decreased from over 10 per cent, to less than 8 per cent, and the percentage of women from about 12 to about 10 per cent.



## Brain drain

2011 Census data concerning the level of education of emigrants and immigrants are still not available. Also, due to numerous sub-registrations of emigrants the highest educated part cannot be quantified. The phenomenon of emigration from Serbia has been researched using other relevant sources.

What causes concern are the results of the *World Economic Forum Report the 2010-2011* period according to which Serbia is highly ranked in view of the extent of circumstances which encourage the brain drain phenomena (Pejin-Stokić – Grečić, 2012).

Also an analysis of issued immigrant visas to highly qualified persons which have been emigrating from Serbia leads to the conclusion that the brain drain was intensified in the last two decades of the 20<sup>th</sup> century (Grečić 2010). It is estimated that 10 to 12 per cent of persons who emigrated to overseas countries had tertiary education. The USA and Canada were two most important destinations for emigration of experts from Serbia, while the EU countries were recognized as 'destination for future migration of scientists' (Grečić 2010: 80). Among highly qualified persons who were granted immigration visas at the end of the last decade of the 20<sup>th</sup> century for the USA and Canada, the persons with professional and technical specialties i.e. scientists, engineers and mathematicians participated with the greatest share. The phenomenon of brain drain takes on a greater dimension when data on the number of highly educated young experts and students from Serbia who were granted temporary visas as well as the data on the number of scientists from Serbia who live and work worldwide are taken in consideration. The greatest number is in the USA, then in the United Kingdom, Germany, Canada, Sweden, and Switzerland.

Thus, although the education structure of Serbian population was marked with positive changes from 2002 to 2011, it can be said that they would have been even better if there had been no emigration of the highly educated persons from the country or if they had returned in greater number instead of being granted usual residence permits in destination countries.

## 4.4. Labour Market

### 4.4.1. General characteristics of the labour market

#### *Labour participation rate*

In 2011, participation of population aged 15 to 64 years in the labour market was 60 per cent, which is less than in 2004, when the corresponding share was approximately two thirds (SORS, LFS, 2004-2011).<sup>13</sup> There are no distinct regional differences related to participation rate in the labour market in the reference period, however, as a rule, it was somewhat higher in Šumadija and West Serbia region (see Annex 1-4 Table 6). Monitored by sex, the participation rate of men in the labour market was constantly higher than the participation rate of women. Following the continuous decline of economic activity of both men and women of working age till 2010, the participation rate of men was increased in 2010–2011. Gender disproportion is the lowest in Belgrade and the most distinct in the region of Vojvodina, where the participation rate of men has been higher for several years even by one fifth.

#### *Employed persons by three main sectors*

There were approximately 2,250,000 employed persons in Serbia in 2011, being by almost one fourth less than the number of employed persons in 2004 (about 2,931,000). Broken down by main

<sup>13</sup> The analysis of labour market was based on the LFS, including the period 2004-2011, due to methodological reasons. From 2004, the sample frame included the 2002 Census data, the larger number of households was covered, the content of forms was changed and basic population contingents were more precisely defined.

sectors, the largest number of employed persons was in services. During the period 2004-2011, the number of employed persons in this sector was about two to almost two and half times larger than in agriculture and about two times greater than the number of employed persons in industry (Table 4-8).

A decline in employment in Serbia was recorded in all three main sectors. The smallest decline was recorded in the sector of services (by approximately 18%), and the largest was in agriculture (by somewhat more than 30%). The decline of the total number of employed persons in the country has been more intense since 2008, than at the beginning of the reference period, what could be explained by the impact of economic crisis. In the first years of the reference period the decline was more distinct in agriculture and services, whereas in industry the biggest decline was from 2008 to 2009. In 2011 a slightly bigger decline of the number of persons employed in the sector of services was recorded than in industry, in relation to 2010 (the difference was by approximately 2 percentage points).

**Table 4-8. Employed persons by main sectors (NACE Rev.2), 2004-2011**

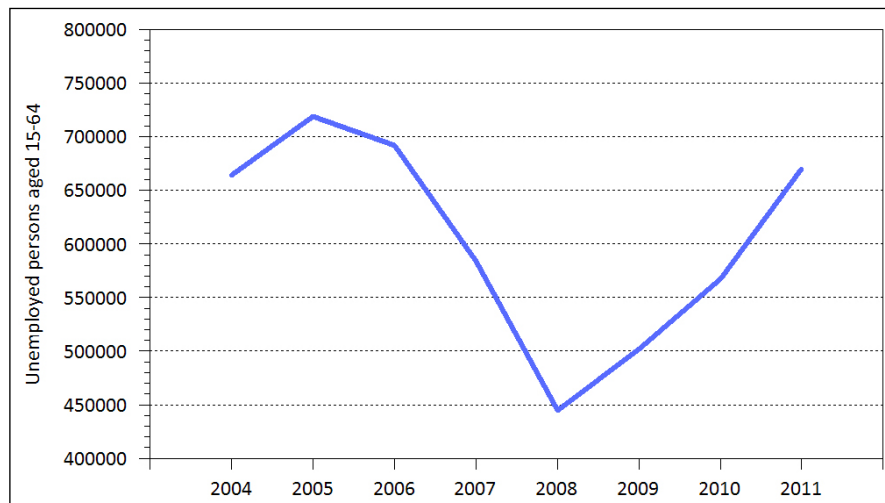
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Total</b>	2,930,846	2,733,412	2,630,691	2,655,736	2,821,724	2,616,437	2,396,244	2,253,209
<b>Agriculture</b>	696,828	636,389	537,583	549,754	705,981	622,735	532,969	478,111
<b>Industry</b>	810,919	771,733	795,296	797,165	759,199	681,995	623,107	603,821
<b>Services</b>	1,423,098	1,325,290	1,297,812	1,308,818	1,356,544	1,311,706	1,240,168	1,171,276
	<b>Structure (in %)</b>							
<b>Total</b>	100.0	100.0	100.00	100.00	100.00	100.00	100.00	100.00
<b>Agriculture</b>	23.8	23.3	20.4	20.7	25.0	23.8	22.2	21.2
<b>Industry</b>	27.7	28.2	30.2	30.0	26.9	26.1	26.0	26.8
<b>Services</b>	48.6	48.5	49.3	49.3	48.1	50.1	51.8	52.0

Source: SORS, LFS

Serbia's economic development has been significantly impacted by the social transition that began over two decades ago. Thus, increasing unemployment cannot be ascribed solely to the global economic crisis. Even so, economic crisis has certainly exacerbated unemployment in Serbia, which has in turn negatively affected many branches of the economy. Additional disruptions of the Serbian industry and the need to rationalise employment in the service sector have caused a certain significant number of layoffs.

### **Unemployment**

There were 670,000 unemployed persons in Serbia in 2011. The number of unemployed persons decreased in the period from 2005 to 2008, and then increased again until 2011 (Graph 4-3). The biggest increase of unemployment was recorded from 2010 to 2011, when the number of unemployed persons increased by almost one fifth.

**Graph 4-3. Number of unemployed persons aged 15-64, 2004-2011**

Source: SORS, LFS

Regional differences in the number of unemployed persons in Serbia exist. They were the least in 2008 when the smallest number of unemployed persons in the country was recorded (see Annex 1-4 Table 7). Certain regional differences concerning the tendencies of changes of the number of unemployed persons are obvious. Thus, the decline in unemployment lasted the longest in the region of Belgrade (2005-2009), but on the other hand, the increase of unemployment in 2010-2011 was also more intense there than in other regions. When comparing the number of unemployed persons at the beginning and at the end of the reference period, Belgrade (by almost 6%) and the region of Šumadija and West Serbia (by somewhat more than 2%) recorded a decrease of unemployment. On the other hand, it increased in Vojvodina (by 4%) and in the region of South and East Serbia (by almost 7%).

In 2011, almost one fourth of economically active population of Serbia (aged 15 and over) had been unemployed. The unemployment rate in Serbia has been increasing since 2008, when this indicator recorded the smallest value in the reference period (see Annex 1-4 Table 8). In 2011, the unemployment rate was even almost two times higher than in 2008, which represented a more distinct difference in comparison with 2004. During the entire period, the lowest unemployment rate was in Belgrade, and the regional disproportion of these rates was more distinct in 2011 than in 2004. Accordingly, in 2011 one fourth of economically active population (aged 15 and over) in the region of South and East Serbia had been unemployed, whereas almost one fifth had been unemployed in Belgrade.

In comparison with destination countries of Serbia's emigration population in the observed period, unemployment in Serbia was significantly higher than in Austria, having the lowest unemployment rates (between 4% and 5%). This difference intensified in case of Germany, while in case of Slovenia the difference was somewhat smaller (see Annex 1-4 Table 9).

### ***Unemployment of youth population***

The young population (15 to 24 years) is a vulnerable group in the labour market of Serbia (Krstić, ed. 2010). Besides the positive tendencies, youth unemployment was high. Economic crisis influenced on the increase of unemployment of young population.

Out of the total number of young persons who were present in the labour market in 2011, more than one half (about 122,000) was unemployed. The number of unemployed youth in Serbia in 2011 was smaller by approximately 30 per cent than in 2004 (see Annex 1-4 Table 10). This tendency can be considered as a consequence of a greater extent of continuing education, which in most cases excludes active seeking of work and decreases number of persons in the labour market, rather than as a result of

efficient policies in solving the youth unemployment problem. The decline of unemployed young persons during the period 2004-2011 was the most distinct in the Belgrade (by more than 40%), and smallest in Vojvodina (by about 18%).

The youth unemployment rate tended to decline from 2006 to 2008 (see Annex 1-4 Table 11). The lowest rate in the period 2004-2010 was recorded in 2008 (35.2%). It increased intensively afterwards, reaching its highest value during the reference period in 2011 (50.9%). The increase of unemployment in the period 2010-2011, was most intense in the Belgrade region (by about 10 percentage points). However, the highest youth unemployment rates in 2011 were recorded in Vojvodina and in the region of South and East Serbia, where more than half of young persons (15 to 24 years) actively seeking work were unemployed.

Youth unemployment in Serbia is particularly high in relation to the countries that have been attracting the majority of persons emigrating from Serbia in recent years (see Annex 1-4 Table 12). During the period 2004-2011, the unemployment rate of persons between the ages of 15 and 24 was about two times higher in Serbia than in Italy. Compared with Germany, Austria and Slovenia, the difference was most intensive in 2011, when the rate was even up to six times higher in Serbia than in these countries.

#### ***Possible effects of the labour market on emigration***

The results of the analysis of labour market general characteristics in Serbia are not encouraging from the standpoint of possible tendencies in respect of emigration from the country. In the period 2004-2011, a decline of employment and an increase of unemployment were recorded in Serbia, as well as an increase of unemployment rate. Tendencies of these indicators point to continuation, as well as the possible intensification of emigration of population from the country. This statement is supported by the increase of unemployment in the Belgrade region, the high youth unemployment, as well as the continuous decline of employment in main sectors of economy in Serbia since 2008.

#### ***4.4.2. Integration of immigrants on the labour market***

The use of the Labour Force Survey (LFS) as data source on immigrants in the labour market faces the issue of coverage and representativeness of this group of population. Due to the specific features of migration flows in Serbia as described in the chapter on immigrant stock, the population with foreign citizenship cannot unconditionally be considered as immigrants. For this reason, only major indicators of the situation in the labour market have been analysed herein by comparing population with and without Serbian citizenship.

In the period from 2004 to 2011, the participation rate of persons (15 to 64) who did not have Serbian citizenship in labour market was lower by about 10 percentage points (see Annex 1-4 Table 14). Compared with persons having Serbian citizenship, there are significant differences with respect to the tendencies of the participation rate in the labour market, and with respect to the intensity of the gender difference.

#### ***Employment of population without Serbian citizenship***

In the reference period, the employed without Serbian citizenship represented mainly 1 per cent of the employed, except for 2009, when their participation was slightly higher (1.4%). In the period from 2005 to 2011 the rates of employment of the persons without Serbian citizenship show considerable oscillations (see Annex 1-4 Table 14). Nevertheless, the employment rate was most often lower in relation to the persons with Serbian citizenship. The persons without Serbian citizenship were most often employed in agriculture, manufacturing, retail and wholesale trade as well as in services of accommodation and food. In addition, they got employed in construction engineering; transportation and storage, in public administration, education as well as in human health and social work (see Annex 1-4 Table 15).

### ***Unemployment of population without Serbian citizenship***

The unemployed persons without Serbian citizenship represented mainly 1 per cent of unemployed persons, also. During the period 2005-2011 there was the oscillations of unemployment rate of persons without Serbian citizenship. The highest rate of unemployment of this population was in 2007 (37.1%). However, the values of the rate were recorded at the level of the national population or even lower (see Annex 1-4 Table 14).

Also, there are significant variations in unemployment rates of population aged 15-24 years by citizenship. However, regarding the problem of the coverage of population without Serbian citizenship in the LFS, it is not possible to explain these differences.

#### ***4.4.3. Effects of emigration on labour markets***

According to *Global Competitiveness Report 2012-2013*, Serbia is in 141st place out of a total of 144 ranked countries according to the Forum's "brain drain" indicator (Schwab 2013). Serbia is also an emigration country with a high unemployment rate which, according to SORS, is rising and in 2011 amounted to 22.4 per cent.

Not all regions are equally affected by emigration. There are three zones of high level emigration in Serbia, determined by the share of persons residing or working abroad out of total population during the 1991 and 2002 Censuses. Zone 1 includes 14 municipalities in Central-Eastern Serbia, Zone 2 refers to the municipalities of Bujanovac and Preševo in the south of Serbia, while Zone 3 includes five Sandžak municipalities. Zone 1, which includes Braničevo, Bor and part of Pomoravlje districts, represents the traditionally emigration region with at least twice as high share of population abroad than the average in Serbia which amounts to 4 per cent. This zone includes municipalities with record high share of persons residing or working abroad (Žabari with 22.6% in 1991 and 29.1% in 2002, and Malo Crniće with 31.6% in 2011; see Table 4-9). The municipality of Preševo in Zone 2 (Pčinja District), has the highest share, which in 1991 amounted to 7.3 per cent, in 2002 – 27.3 per cent and in 2011 – 5.4 per cent. The share of persons working or staying abroad in Zone 3 (Raška District) was the highest in Novi Pazar (3,4%) in 1991, in Sjenica (17.6%) and Tutin (17.6%) in 2002 and in Tutin (11,9%) in 2011 (Penev – Predojević-Despić 2012).

When observing unemployment rates in above stated municipalities in Serbia which form pronounced zones of emigration, a rising trend of unemployment is marked. Namely, Zone 1 consists of a population well under way in the demographic ageing and low rates of unemployment are noted. On the other hand, a younger population is found in Zone 2, of Albanian ethnic affiliation.

Zone 3 also consists mainly of the younger age groups, of population of Bosniak/Muslim ethnic affiliation. High unemployment is present in this zone which exceeds the unemployment rate in Serbia. In this case, the departure of persons to reside or work abroad relieves the pressure on the labour market.

When the effect of migration on the labour market is in question, it should be noted that there is not an equal demand for all qualification profiles of Serbian workers abroad. There are no exact data on which profile of experts are most required abroad. Medical experts from Serbia are in demand mostly in Germany, because there has been a lack of medical staff in this country for many years.

**Table 4-9. Population in the country and abroad in 2011 and unemployment rate in three emigration zones, 2009-2011.**

Zone / municipality	Population (2011)		Share in total population (%)	Unemployment rate (%)		
	in the country	abroad		2009	2010	2011
<b>Zone 1</b>	<b>350,714</b>	<b>79,705</b>	<b>18.5</b>	<b>10.7</b>	<b>10.7</b>	<b>11.2</b>
Bor	48,155	1,030	2.1	15.8	17.1	17.2
Despotovac	22,995	5,778	20.1	11.6	12.9	13.1
Golubac	8,161	2,043	20.0	9.6	9.4	11.8
Kladovo	20,635	6,534	24.0	16.0	15.6	15.3
Kučevo	15,490	6,725	30.3	5.4	4.7	6.4
Majdanpek	18,179	1,053	5.5	14.8	14.4	14.1
Malo Crniće	11,422	5,282	31.6	4.5	4.3	4.8
Negotin	36,879	12,427	25.2	11.5	10.1	10.8
Petrovac	30,325	10,282	25.3	5.1	4.9	6.0
Požarevac	74,070	8,533	10.3	10.3	9.4	9.6
Svilajnac	23,391	6,722	22.3	12.2	13.4	14.4
V. Gradište	17,559	5,658	24.4	8.2	9.2	10.5
Žabari	10,969	4,872	30.8	6.8	6.3	6.5
Žagubica	12,484	2,766	18.1	3.6	4.4	5.2
<b>Zone 2</b>	<b>21,608</b>	<b>495</b>	<b>2.2</b>	<b>21.2</b>	<b>19.6</b>	<b>16.9</b>
<i>Bujanovac</i>	<i>18,542</i>	<i>321</i>	<i>1.7</i>	<i>16.1</i>	<i>16.1</i>	<i>13.7</i>
<i>Preševo</i>	<i>3,066</i>	<i>174</i>	<i>5.4</i>	<i>27.4</i>	<i>23.8</i>	<i>20.6</i>
<b>Zone 3</b>	<b>212,624</b>	<b>22,073</b>	<b>9.4</b>	<b>35.1</b>	<b>29.8</b>	<b>30.9</b>
Priboj	27,127	2,201	7.5	31.5	28.5	29.2
Prijepolje	36,713	4,407	10.7	27.0	24.3	25.3
Sjenica	25,248	2,472	8.9	29.1	29.9	30.9
Novi Pazar	92,766	8,831	8.7	32.6	31.4	32.6
Tutin	30,770	4,162	11.9	30.8	32.7	34.4

*Note 1:* Unemployment rate has been calculated as a ratio of the number of unemployed and working age population (15-64).

*Note 2:* Data on share of population abroad for the municipalities of Preševo i Bujanovac are incomplete because of boycott of the 2011 Census by ethnic Albanian population.

*Source:* SORS, *Municipalities in Serbia 2010; Municipalities and regions in the Republic of Serbia 2011; 2012.* Penev - Predojević-Despić (2012).

Based on the same data, it has been confirmed that Serbia lacks anaesthesiologists, radiologists, heart surgeons, pediatricians and well as medical staff. Since Serbia does not have enough funds to employ the lacking staff, most of the experts decide to go to Slovenia, Croatia and other EU countries. On the other hand, more than 14,000 physicians and medical staff are looking for a job in Serbia (NES 2013). It can be concluded that the departure of persons to work abroad does significantly alleviate the pressure on the labour market on the global level for all medical workers and does not open possibilities for employment of persons remaining in the country. Therefore, there has been a decrease of number of persons registered with the NES in this sector, but this does not increase the chances of employment for persons who are still looking for a job. This problem in the labour market can not be easily overcome due to the mismatch between labour supply and demand of this educational profile. When other professions and experts are in question, the pressure on the labour market is decreasing.

On the other hand, there is a demand for information technology (IT) specialists in Serbia. The government of Serbia points out that young people should be motivated for the IT field in the following period, while according to SORS data, a large number of managers and lawyers are being educated. Promotion of the IT sector and innovations is very important for the future economy in Serbia. The greatest number of these experts are leaving Serbia and finding jobs abroad, making considerably higher earnings. This causes a decrease in the number of these specialists on the local market, thus increasing the price of labour. If these professionals did not leave the country, their stay would influence employment increase, which would then cause a decrease in high unemployment rate (NES 2013).

## 5. OUTLOOK AND CONCLUSIONS

SFR Yugoslavia, and thereby Serbia as well, was considerably more liberal in comparison to other European socialist countries of real socialism in the economic and political sense from the 1950s up to the end of the 1980s. Numerous economic and social reforms, especially in period of crisis of mid-1960s, aimed to strengthen the economy of the country. In the late 1980s a program of economic reforms and the *Law on Social Capital* were adopted, which was the beginning of the transition to the market economy. However, the changes started too late considering the presence of very strong disintegration processes that resulted in the break-up of the SFR Yugoslavia in the early 1990s.

The dissolution of the SFR Yugoslavia in 1991 and the ensuing wars and international sanctions imposed to Serbia led to a major decrease in economic activities and to the blocking of the transition process. After the fall of Milošević's regime in 2000 and complete lifting of severe international sanctions, comprehensive political and economic reforms began, as well as intensification of Euro-Atlantic integrations (the *Stabilisation and Association Agreement* was signed in 2008, and visas for Schengen area were abolished in 2009). It is also a period of intensified increase of GDP *per capita* (the level of 1980 was achieved in 2005) which again started to decrease with the beginning of the global economic crisis in 2009 together with a general trend of increased unemployment.

The political and socio-economic situation in the country considerably affected international migration. After the Second World War, the communist regime almost completely suppressed legal international migration. In case of Serbia, the exception were the controlled emigration of the majority of remaining ethnic Germans (beginning of the 1950s) and Turks, namely population of Islamic affiliation (based on Balkan pact from 1954). Political liberalization from the middle of the 1960s was followed by an expansion of international economic migration. The emigration stock continually increased until the figure of 270,000 persons in 1991. Emigration intensified during the 1990s, so the stock rose to 415,000, according to the 2002 Census, while the 2011 Census showed that it decreased by more than 25 per cent in relation to 2002. However, based on available data on main countries of destination, it may be concluded that the emigration stock was considerably higher.

During and after the wars in the Western Balkans in the 1990s Serbia became one of the main destinations for refugees from BIH and Croatia (more than 600,000 according to refugee census from 1996). Right before and during the NATO military campaign in 1999, over 200,000s IDPs from KM came to Central Serbia. Even though refugees and IDPs were mainly ethnic Serbs, they distributed territorially very differently. The refugees from Croatia are mainly settled in Vojvodina, and the refugees from BIH and IDPs from KM in Central Serbia, however in completely different areas, excluding Belgrade.

Serbia never had a complex migration policy as an independent country or as a part of Yugoslavia (from 1950 to 2006). The Yugoslav government led a very rigorous migration policy all up to the mid 1960s. Emigration was possible only based on bilateral agreements with other countries. Strict limitations for leaving the country were abolished in the mid 1960s, employment abroad and emigration were completely liberated, and there was an effort to protect the legal rights of Yugoslav citizens "temporarily" working abroad through bilateral international agreements. During the 1970s, the government helped returnees to start their own business in the country, but only as a response to intensive return migration (after the 1973 Oil Crisis).

Due to the serious problems of data availability in the last decade, partly induced by political changes, in respect to recent migration flows from/to Serbia, the outlook regarding migration trends has to be based on quite rough estimate of the current net migration balance of the country, which should be between -10,000 and -15,000 persons per year. If we consider the case of Serbia's joining the EU as a realistic future, we would not expect it could happen before 2021 given the current status of the country in respect to the accession process. In the meanwhile, the net migration losses

might reduce slightly, owing to the financial crisis in Europe. The reduction in emigration flows from Serbia, particularly to the new destinations such as Italy and Slovenia has already been observed. Simultaneously, the slow economic recovery should reduce unemployment, which could also lead to a decrease in emigration. Immigration, consisted primarily of nationals who finished their working careers abroad, will probably remain more or less stable over time. Overall, we would thus assume a reduction in the net migration loss of some 10 per cent every five years until the EU accession date (Kupiszewski – Kupiszewska - Nikitović 2012). In addition, the perspective of Serbia's joining the EU may generate a deferred demand for emigration, to be realized after Serbia's accession.

Serbia's accession to the EU would surely have an important effect, namely, a large-scale emigration of an explosive but relatively short-lived nature, as it happened with emigration flows of Poles, Lithuanians, Latvians and Slovaks after the 2004 EU enlargement. This is supported by the results of the representative survey from 2010 aimed at estimating potential for emigration from Serbia (Bačević et al. 2011). There are also strong pull factors ahead; in the late 2010s and early 2020s, the working life of the post-war baby boom population in Western Europe will come to an end, creating a huge gap on the labour market. However, from demographic point of view, the number of potential emigrants from Serbia could be significantly depleted before the EU accession date, mainly due to retiring of the vast majority of the post-war baby boom generations, as compared to the situation in the new, post-socialist Member States during the period from 2004 to 2009. Therefore, the post-accession net emigration from Serbia should be relatively lower. After the short period of high volume emigration induced by the EU accession, it is reasonable to expect a rapid reduction of net migration loss and, finally, a turn towards positive net migration some 10-15 years later. This assumption is justified by the experience of Central European countries such as, for example, the Czech Republic, which turned from a negative migration balance in the 1980s to a positive one in the 1990s and 2000s (Drbohlav 2009). In that sense, the significance of immigration from third countries will most likely rise over time. Such a trend could be anticipated from the recent flow data even the inflows from the SEE region based on unbalanced demographic structure among the region countries could also contribute to the migration transition of Serbia. However, migration component of the population development is not visible in the political, economic, academic and public discourse of Serbian society. In the strategic documents which the state adopted towards migration, there has not even been an attempt to find solutions regarding a more complete political response towards international migration.

Population and labour force decline and ageing, both clearly identified characteristics of contemporary Serbia could not be avoided even by the most optimistic scenario of future demographic and labour market processes. As for the demographic components, it is hard to believe that Serbia could reach the European countries with highest fertility level even in the very long term. Economic activity rates are amongst the lowest in Europe, yet, it seems rather unrealistic to predict them increasing before the EU accession year (Šuković 2009).

Current migration trends in Serbia have a negative impact on population development, as they result in a decrease of the population size of the country, reduce the total number of births, reduce labour resources and have an adverse effect on the age structure of the population. The reduction of net emigration should be one of the tasks of population and economic policies.

In the absence of official Serbian statistics, the best sources of information on international migration flows from and to Serbia are the mirror data from the destination countries. However, it is not easy to give even a rough estimate of the overall size of immigration to, and emigration from, Serbia. It is probably even impossible to give a reliable estimate of its changes in time due to political changes in respect to borders and name of the country during the last decade, which particularly affected quality of migration data by citizenship. These political factors strongly influenced availability and quality of flow data regarding migration from or to Serbia excluding KM in the period 2001-2011. Consequently, even in those countries with good registration systems and good statistics on



international migration, there are no series of data covering the period prior to 2009 and relating specifically to migrants coming from, or departing to, the territory of the present-day Republic of Serbia excluding KM. Furthermore, there is a lack of data for some important destination countries, particularly in respect of return flows.

A sufficiently developed consciousness in the political and public discourse on the significance of the migratory phenomenon does not exist in Serbia, nor are the potentials completely recognized of including migrations in development programmes for the country's revival, including demographic revitalization, and particularly the requirement to comprehensively act in this sphere is underdeveloped. Thus it is necessary to convey the findings of various research regarding migrations to decision makers.

The necessity for understanding the emigration drivers should especially be underlined. In that sense, the least what is expected from the state is to strengthen the economy, support health, educational and ecological programmes, develop democratic processes and create an atmosphere of optimism. At the same time, it is important to promote circular movements, accelerate reintegration of returnees and stimulate transfer of knowledge, enhancing the role of Serbian diaspora.

Economic and social development of Serbia would not only contribute to a decrease of emigration but would also accelerate immigration into the country. Apart from that, it is important to promote registration of all types of immigrants, define target groups of immigrant population and develop integration measures such as language learning, education or active measures of employing foreigners. At the same time, it is important to create a positive climate towards immigration, develop tolerance and acceptance of immigrants in Serbia.

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## **ANNEX 1**

### **Annex 1-3**

#### ***Annex 1-3 Document 1: Strategy for Migration Management***

File 1: Migration Management Strategy\_Serbia.pdf

<http://www.kirs.gov.rs/docs/Migration%20Management%20Strategy%20English%20translation%20July%202009.pdf>

#### ***Annex 1-3 Document 2: Strategy of Returnees' Reintegration Based on the Readmission Agreement***

File 2: Readmission Strategy\_Serbia.pdf

[http://www.kirs.gov.rs/docs/Readmission\\_strategy.pdf](http://www.kirs.gov.rs/docs/Readmission_strategy.pdf)

#### ***Annex 1-3 Document 3: National Employment Strategy for the Period 2011-2020***

File 3: National Employment Strategy\_Serbia.pdf

<http://www.lokalnirazvoj.rs/assets/files/National%20Employment%20Strategy%202011-20.doc>

#### ***Annex 1-3 Document 4: Integrated Border Management Strategy in the Republic of Serbia***

File 4: Integrated Border Management Strategy\_Serbia.pdf

[http://www.srbija.gov.rs/uploads/documents/strategy\\_border.pdf](http://www.srbija.gov.rs/uploads/documents/strategy_border.pdf)

#### ***Annex 1-3 Document 5: Strategy for Combating Illegal Migration in the Republic of Serbia, 2009-2014***

File 5: Illegal Migration Strategy\_Serbia.pdf

<http://www.kirs.gov.rs/docs/Strategy%20for%20Combating%20Illegal%20Migration%20in%20the%20Republic%20of%20Serbia.pdf>

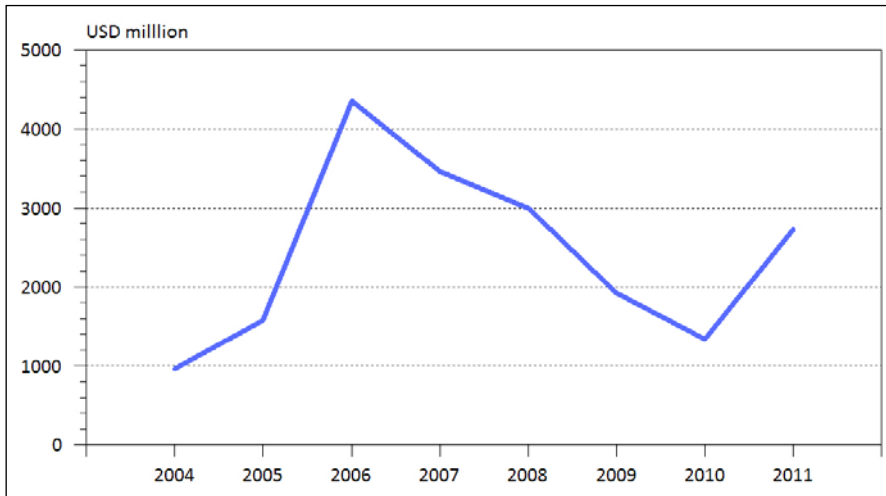
#### ***Annex 1-3 Document 6: National Strategy for Resolving Problems of Refugees and Internally Displaced Persons for the Period from 2011 to 2014***

File 6: Refugees and IDPs Strategy\_Serbia.pdf

<http://www.kirs.gov.rs/docs/National%20Strategy%20For%20Resolving%20Problems%20Of%20Refugees%20And%20Internally%20Displaced%20Persons%20For%20the%20Period%20From%202011%20To%202014.pdf>

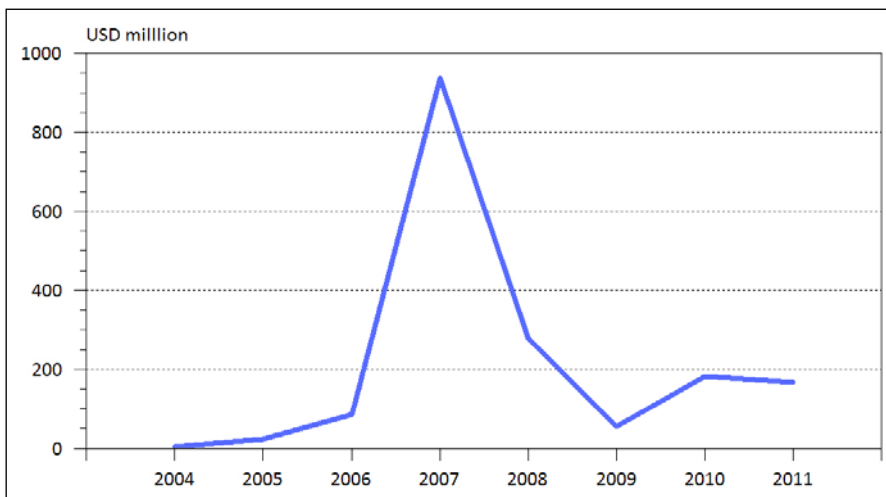
**Annex 1-4**

**Annex 1-4 Graph 1. Inflows of foreign direct investment (in million USD), 2004-2011**



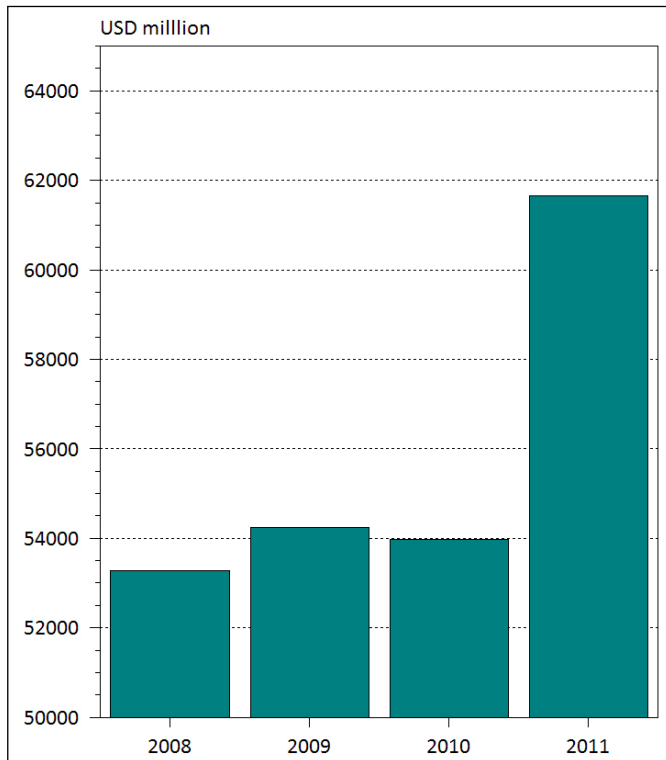
Source: NBS, Statistics Serbia's International Investment Position; SORS internal documentation

**Annex 1-4 Graph 2. Outflows of foreign direct investment (in million USD), 2004-2011**



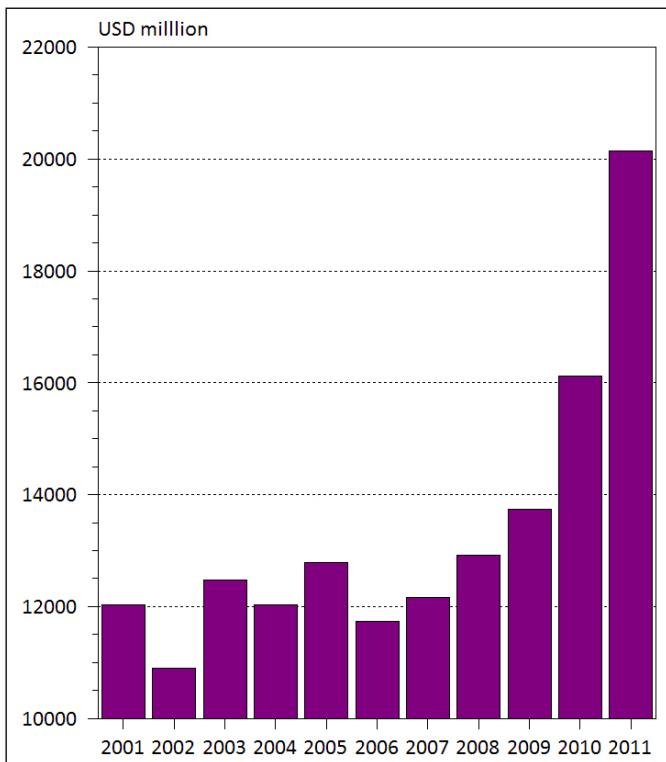
Source: NBS, Statistics, Serbia's International Investment Position; SORS internal documentation

**Annex 1-4 Graph 3. Stock of foreign direct investment (in million USD), 2008-2011**



Source: NBS, Statistics, Serbia's International Investment Position

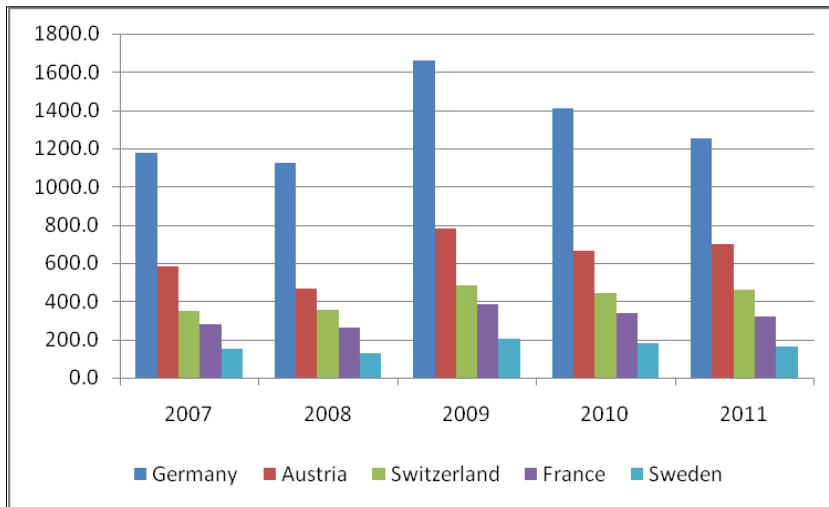
**Annex 1-4 Graph 4. Public debt (in million USD), 2001-2011**



Source: Ministry of Finance of the RS, Macroeconomic and fiscal data

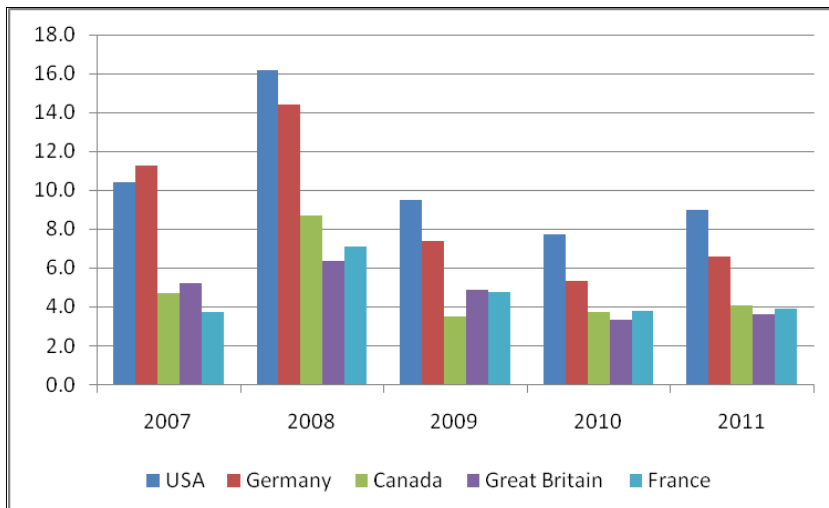


**Annex 1-4 Graph 5. Inflows of total remittances (in million USD) by five main countries where money has been sent from, 2007-2011**



Source: NBS internal documentation

**Annex 1-4 Graph 6. Outflows of total remittances (in million USD) by five main countries where money has been sent to, 2007-2011**



Source: NBS internal documentation

**Annex 1-4 Table 1. Infant mortality rate (per thousand), 2001-2011**

NUTS level	Region/area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
NUTS 0	REPUBLIC OF SERBIA	10.2	10.1	9.0	8.1	8.0	7.4	7.1	6.7	7.0	6.7	6.3
NUTS 1	SERBIA – NORTH	9.7	10.1	8.5	7.3	7.2	6.7	6.4	6.2	5.7	5.5	5.4
NUTS 2	Belgrade region	9.9	11.0	9.7	7.7	7.6	6.5	8.4	6.3	6.7	5.9	5.8
NUTS 3	Belgrade area	9.9	11.0	9.7	7.7	7.6	6.5	8.4	6.3	6.7	5.9	5.8
NUTS 2	Vojvodina region	9.5	9.4	7.5	7.1	7.0	6.8	4.7	6.1	4.8	5.2	5.1
NUTS 3	West Bačka area	9.3	14.0	6.8	6.9	4.5	5.6	6.0	8.8	5.1	2.6	2.9
NUTS 3	South Banat area	13.3	14.3	13.7	10.9	10.6	10.4	6.7	9.4	5.5	7.9	7.8
NUTS 3	South Bačka area	8.0	6.8	5.6	6.5	5.1	5.3	4.8	5.1	3.5	3.5	4.4
NUTS 3	North Banat area	10.1	11.3	6.3	5.8	6.9	7.8	1.5	2.3	5.4	8.8	3.5
NUTS 3	North Bačka area	14.1	13.1	5.3	7.1	10.5	10.9	2.8	4.2	4.9	4.2	7.1
NUTS 3	Central Banat area	6.1	3.2	4.1	4.5	8.5	4.0	4.0	8.3	3.6	6.1	5.6
NUTS 3	Srem area	8.1	7.2	9.2	6.6	5.8	5.9	4.8	4.8	7.9	6.6	4.7
NUTS 1	SERBIA – SOUTH	10.6	10.1	9.4	8.8	8.7	8.1	7.8	7.2	8.4	8.1	7.3
NUTS 2	Šumadija and West Serbia region	9.9	9.8	9.4	8.5	9.0	8.1	7.2	6.4	8.3	7.0	6.7
NUTS 3	Zlatibor area	6.9	12.7	8.7	8.2	10.4	7.0	6.0	8.1	4.5	7.3	8.5
NUTS 3	Kolubara area	8.8	16.2	8.5	10.6	8.8	9.1	7.7	6.0	6.2	10.1	4.6
NUTS 3	Mačva area	8.7	4.2	7.0	6.5	10.7	7.7	6.9	3.0	7.3	6.7	5.4
NUTS 3	Moravica area	7.5	9.0	8.6	6.3	5.6	5.6	7.7	5.9	5.9	3.3	3.6
NUTS 3	Pomoravlje area	9.7	6.4	7.7	8.7	7.5	8.1	5.1	3.8	8.3	5.6	8.7
NUTS 3	Rasina area	12.1	10.2	6.6	9.2	9.9	5.2	3.3	8.9	5.1	7.1	9.9
NUTS 3	Raška area	12.8	11.4	13.7	10.8	8.1	9.5	9.7	7.7	11.7	8.1	7.2
NUTS 3	Šumadija area	11.3	10.1	11.5	7.1	9.8	11.3	9.1	7.0	13.8	7.7	5.4
NUTS 2	South and East Serbia region	11.4	10.5	9.5	9.1	8.4	8.0	8.6	8.1	8.5	9.5	8.1
NUTS 3	Bor area	10.2	10.1	5.5	10.7	11.0	10.9	9.1	11.9	8.3	13.5	6.4
NUTS 3	Braničevo area	6.2	6.1	7.4	5.0	6.3	5.4	8.8	9.3	4.7	11.6	5.8
NUTS 3	Zaječar area	14.4	9.9	7.1	10.1	9.6	6.4	4.4	11.7	4.6	7.0	7.4
NUTS 3	Jablanica area	18.6	11.4	15.7	12.0	7.7	9.2	13.4	10.2	11.0	7.5	13.7
NUTS 3	Niš area	12.1	15.0	11.7	8.4	8.2	9.0	6.4	8.0	9.9	8.8	9.7
NUTS 3	Pirot area	11.2	18.5	17.2	11.9	8.1	4.3	12.3	4.5	9.1	11.1	5.0
NUTS 3	Podunavlje area	7.0	5.8	6.5	8.2	7.9	10.5	9.4	4.7	7.2	6.4	5.4
NUTS 3	Pčinja area	12.3	9.6	6.3	9.9	8.0	6.3	6.8	7.3	9.7	13.9	6.0
NUTS 3	Toplica area	8.5	11.4	10.3	6.5	13.6	7.3	10.8	6.0	7.3	5.5	9.6

Source: SORS, Demographic statistics.

**Annex 1-4 Table 2. Average household available budget by deciles of available budget, per consumption unit, 2006**

	1	2	3	4	5	6	7	8	9	10	Available budget - total
<b>2006</b>											
Available budget	9570	16833	20635	25445	27701	32876	37206	42742	52146	87900	35301
Number of households assessed	253785	253649	253696	253454	254429	253302	253584	254043	253044	253728	2536714
<b>2007</b>											
Available budget	10164	17520	22576	27508	32357	36403	39032	47005	56308	79376	39170
Number of households assessed	259587	249206	247659	251154	252852	253896	259670	253678	254142	254870	2536714
<b>2008</b>											
Available budget	14300	22545	27314	34792	35092	40884	46987	55033	65404	92401	43518
Number of households assessed	253822	255869	254164	251394	250258	254834	244950	258032	255130	258261	2536714
<b>2009</b>											
Available budget	17089	26794	29632	33920	40157	43828	51757	60535	70585	99295	47639
Number of households assessed	252134	249770	251110	252204	249384	252377	259423	254420	253417	262475	2536714
<b>2010</b>											
Available budget	16804	26530	31982	36283	39283	45262	48941	58856	69980	99803	47376
Number of households assessed	253762	253774	253285	253650	254069	253484	253342	253672	254003	253673	2536714
<b>2011</b>											
Available budget	19898	28530	35651	38058	43506	50281	54063	64243	71023	110760	51641
Number of households assessed	252843	252288	255116	255086	248786	255733	251070	256683	252925	256183	2536714

Source: SORS.

**Annex 1-4 Table 3. Main indicators of fertility and mortality for Serbia and top five countries of destination for Serbian emigrants, 2003-2011**

Country	2003	2004	2005	2006	2007	2008	2009	2010	2011
	<b>Total fertility rate</b>								
Serbia	1.59	1.57	1.45	1.43	1.38	1.41	1.44	1.41	1.36
Germany	1.34	1.36	1.34	1.33	1.37	1.38	1.36	1.39	1.36
Switzerland	1.39	1.42	1.42	1.44	1.46	1.48	1.50	1.52	1.52
Austria	1.38	1.42	1.41	1.41	1.38	1.41	1.39	1.44	1.42
France	1.89	1.92	1.94	2.00	1.98	2.01	2.00	2.03	2.01
Italy	1.29	1.33	1.32	1.35	1.37	1.42	1.41	1.41	1.40
	<b>Crude death rate (per 1000)</b>								
Serbia	13.9	14.0	14.3	13.9	13.9	14.0	14.2	14.2	14.2
Germany	10.3	9.9	10.1	10.0	10.1	10.3	10.4	10.5	10.4
Switzerland	8.6	8.1	8.2	8.1	8.1	8.0	8.1	8.0	7.8
Austria	9.5	9.1	9.1	9.0	9.0	9.0	9.3	9.2	9.1
France	9.1	8.3	8.5	8.3	8.3	8.5	8.5	8.5	8.4
Italy	10.2	9.4	9.7	9.5	9.6	9.7	9.7	9.6	9.8
	<b>Life expectancy at birth - male</b>								
Serbia	69.6	69.7	69.8	70.4	70.5	70.8	70.9	71.3	71.5
Germany	75.1	75.8	76.0	76.5	76.7	76.9	77.1	77.3	77.7
Switzerland	75.1	76.0	76.1	76.6	76.9	77.1	77.3	77.6	78.0
Austria	76.4	77.3	77.3	77.8	78.0	78.4	78.7	79.1	79.4
France	75.3	75.7	76.0	76.5	76.7	77.1	76.9	77.2	77.7
Italy	77.4	78.0	78.1	78.6	78.8	79.2	79.3	79.6	79.8
	<b>Life expectancy at birth - female</b>								
Serbia	74.7	75.0	75.1	75.6	75.9	76.1	76.2	76.4	76.7
Germany	80.6	81.2	81.3	81.7	82.0	81.9	82.1	82.2	82.5
Switzerland	82.0	83.1	83.1	83.7	84.1	84.1	84.3	84.5	85.0
Austria	82.1	83.1	82.9	83.5	83.5	83.7	83.8	84.2	84.5
France	80.8	81.4	81.6	82.0	82.3	82.5	82.5	82.8	83.1
Italy	82.5	83.1	83.3	83.6	83.7	83.9	83.9	84.2	84.3

Source: Eurostat on-line data base

Annex 1-4 Table 4. Age structure – age dependency ratio, 2002 and 2011

NUTS level	Region/area	Population aged 0-14 (%)		Population aged 15-64 (%)		Population aged 65+ (%)		Age dependency ratio		Young-age dependency ratio		Old-age dependency ratio	
		2002	2011	2002	2011	2002	2011	2002	2011	2002	2011	2002	2011
NUTS 0	REPUBLIC OF SERBIA	15.8	14.3	67.6	68.3	16.7	17.4	48.0	46.3	23.4	20.9	24.6	25.5
NUTS 1	SERBIA – NORTH	15.4	14.2	69.0	69.4	15.7	16.4	44.9	44.1	22.2	20.5	22.7	23.6
NUTS 2	Belgrade region	14.6	14.0	69.6	69.6	15.8	16.4	43.6	43.7	21.0	20.2	22.6	23.5
NUTS 3	Belgrade area	14.6	14.0	69.6	69.6	15.8	16.4	43.6	43.7	21.0	20.2	22.6	23.5
NUTS 2	Vojvodina region	15.9	14.4	68.5	69.3	15.6	16.4	46.0	44.4	23.2	20.7	22.7	23.7
NUTS 3	West Bačka area	15.2	13.2	67.9	68.4	16.9	18.3	47.3	46.1	22.4	19.3	24.9	26.8
NUTS 3	South Banat area	16.0	14.5	68.2	69.0	15.8	16.5	46.7	44.9	23.5	21.0	23.2	23.9
NUTS 3	South Bačka area	16.2	15.1	69.4	69.9	14.4	15.0	44.1	43.0	23.4	21.6	20.7	21.4
NUTS 3	North Banat area	15.7	13.9	67.8	68.4	16.5	17.7	47.5	46.2	23.1	20.3	24.4	25.9
NUTS 3	North Bačka area	15.6	14.2	68.5	68.7	15.9	17.1	46.1	45.6	22.8	20.7	23.3	24.9
NUTS 3	Central Banat area	15.8	14.1	67.7	68.8	16.5	17.1	47.7	45.3	23.3	20.4	24.3	24.9
NUTS 3	Srem area	16.2	14.0	68.5	69.7	15.4	16.4	46.0	43.6	23.6	20.0	22.4	23.5
NUTS 1	SERBIA – SOUTH	16.2	14.3	66.2	67.3	17.6	18.4	51.0	48.7	24.5	21.3	26.5	27.4
NUTS 2	Šumadija and West Serbia region	16.2	14.7	66.9	67.6	16.9	17.7	49.5	47.8	24.2	21.7	25.3	26.1
NUTS 3	Zlatibor area	16.8	14.5	68.0	68.0	15.3	17.6	47.1	47.1	24.6	21.3	22.5	25.8
NUTS 3	Kolubara area	15.4	13.4	65.8	67.6	18.8	19.0	51.9	48.0	23.4	19.9	28.6	28.1
NUTS 3	Mačva area	16.2	14.4	67.5	68.8	16.2	16.8	48.0	45.3	24.0	20.9	24.0	24.4
NUTS 3	Moravica area	15.1	13.6	67.4	67.6	17.5	18.8	48.4	48.0	22.4	20.1	25.9	27.9
NUTS 3	Pomoravlje area	15.1	13.5	64.2	65.8	20.7	20.7	55.8	51.9	23.6	20.5	32.2	31.4
NUTS 3	Rasina area	15.0	13.6	66.3	67.1	18.8	19.4	50.9	49.1	22.6	20.3	28.4	28.9
NUTS 3	Raška area	19.6	19.1	66.5	66.6	13.9	14.3	50.3	50.1	29.5	28.7	20.8	21.5
NUTS 3	Šumadija area	15.3	13.9	68.3	69.1	16.5	17.0	46.4	44.8	22.3	20.1	24.1	24.6
NUTS 2	South and East Serbia region	16.3	13.8	65.4	66.8	18.3	19.4	52.9	49.8	24.9	20.7	28.0	29.0
NUTS 3	Bor area	15.1	12.6	66.5	66.7	18.4	20.7	50.3	49.9	22.7	18.9	27.7	31.1
NUTS 3	Braničevo area	16.0	13.8	62.1	65.0	21.8	21.3	61.0	53.9	25.8	21.2	35.2	32.7
NUTS 3	Zaječar area	12.6	11.5	63.7	64.3	23.6	24.2	56.9	55.4	19.8	17.9	37.0	37.6
NUTS 3	Jablanica area	16.7	14.6	65.9	66.9	17.4	18.5	51.8	49.5	25.3	21.8	26.4	27.6
NUTS 3	Niš area	15.0	13.6	66.9	67.4	18.1	19.0	49.4	48.4	22.4	20.1	27.0	28.2
NUTS 3	Pirot area	13.8	12.0	64.3	65.5	22.0	22.5	55.6	52.6	21.4	18.3	34.2	34.3
NUTS 3	Podunavlje area	16.7	14.8	66.9	68.6	16.4	16.6	49.4	45.7	25.0	21.6	24.4	24.2
NUTS 3	Pčinja area	21.8	15.8	65.2	68.5	13.0	15.7	53.4	45.9	33.4	23.0	20.0	22.9
NUTS 3	Toplica area	16.5	14.6	63.9	65.0	19.5	20.4	56.4	53.9	25.8	22.5	30.6	31.4

Source: SORS, 2002 and 2011 census data

**Annex 1-4 Table 5. Population aged 15 to 64 years, and highest level of education attained, 2002 and 2011**

NUTS level	Region	2002				2011			
		Total	ED0-2	ED3_4	ED5_6	Total	ED0-2	ED3_4	ED5_6
NUTS 0	Republic of Serbia	100.0	38.1	47.6	11.8	100.0	26.8	55.1	17.8
NUTS 2	Belgrade region	100.0	23.0	54.6	20.4	100.0	14.5	55.5	29.6
NUTS 2	Vojvodina region	100.0	38.6	50.2	10.2	100.0	27.8	56.6	15.4
NUTS 2	Šumadija and Western Serbia region	100.0	43.4	45.8	8.9	100.0	31.9	54.8	12.9
NUTS 2	Southern and Eastern Serbia region	100.0	45.3	40.2	9.0	100.0	32.5	53.0	14.1

Source: SORS, 2002 and 2011 census data

**Annex 1-4 Table 6. Labour force participation (15-64 years) by sex, 2004-2011**

Sex	2004	2005	2006	2007	2008	2009	2010	2011
	NUTS 0 - Republic of Serbia							
Total population	66.4	65.2	63.6	63.4	62.7	60.6	59.0	59.4
Male	75.1	74.3	72.7	71.9	71.2	68.7	67.3	68.1
Female	57.9	56.2	54.5	54.9	54.4	52.8	50.8	50.7
	NUTS 2 - Belgrade region							
Total population	66.2	63.9	63.8	65.2	61.4	61.1	59.9	59.0
Male	73.0	71.0	71.0	71.3	69.1	67.3	66.4	68.3
Female	60.0	57.1	57.0	59.5	54.7	55.7	53.8	49.6
	NUTS 2 - Vojvodina region							
Total population	64.7	65.2	64.3	62.4	60.8	57.9	55.6	58.0
Male	75.0	75.5	73.7	72.5	70.8	66.5	64.3	67.9
Female	54.5	55.0	54.8	52.6	50.7	49.2	46.9	47.9
	NUTS 2 - Šumadija and Western Serbia							
Total population	67.4	65.2	63.8	62.2	65.5	64.1	61.8	61.1
Male	75.6	74.3	74.1	71.0	72.8	72.2	70.3	69.8
Female	59.1	55.8	53.4	53.5	58.3	56.2	53.2	52.3
	NUTS 2 - Southern and Eastern Serbia							
Total population	67.4	66.6	62.2	64.2	62.6	59.2	58.6	59.0
Male	76.5	76.0	71.5	72.9	71.6	68.5	68.0	68.3
Female	58.5	57.4	52.9	55.3	53.7	49.9	49.2	49.6

Source: SORS, LFS

**Annex 1-4 Table 7. Unemployed persons (15-64), 2004-2011**

Year	Republic of Serbia NUTS 0	Belgrade region NUTS 2	Vojvodina region NUTS 2	Šumadija and West Serbia region NUTS 2	South and East Serbia region NUTS 2
2004	664,002	131,357	173,788	198,247	160,609
2005	718,773	140,178	185,797	215,982	176,816
2006	691,877	118,127	164,606	232,294	176,849
2007	584,216	96,670	163,474	179,832	144,241
2008	444,967	93,627	115,376	120,722	115,243
2009	501,924	89,667	134,191	141,941	136,125
2010	567,883	97,619	152,731	169,722	147,810
2011	669,968	123,880	180,762	193,869	171,458

Source: SORS, LFS

**Annex 1-4 Table 8. Unemployment rate (15 and over), 2004-2011**

Year	Republic of Serbia NUTS 0	Belgrade region NUTS 2	Vojvodina region NUTS 2	Šumadija and West Serbia region NUTS 2	South and East Serbia region NUTS 2
2004	18.5	17.3	18.8	18.8	18.9
2005	20.8	20.2	19.9	21.0	22.4
2006	20.9	17.3	18.0	24.0	23.6
2007	18.1	14.2	19.1	19.3	18.8
2008	13.6	13.8	13.8	12.1	15.3
2009	16.1	13.5	16.9	15.0	19.3
2010	19.2	14.9	20.4	19.1	22.0
2011	23.0	19.8	23.5	22.6	25.7

Source: SORS, LFS

**Annex 1-4 Table 9. Unemployment rate, Serbia (15 and over) and certain important countries of destination for Serbian emigrants (15-74), 2004-2011**

Country	2004	2005	2006	2007	2008	2009	2010	2011
Germany	10.5	11.3	10.3	8.7	7.5	7.8	7.1	5.9
Italy	8.0	7.7	6.8	6.1	6.7	7.8	8.4	8.4
Austria	4.9	5.2	4.8	4.4	3.8	4.8	4.4	4.2
Slovenia	6.3	6.5	6.0	4.9	4.4	5.9	7.3	8.2
Serbia	18.5	20.8	20.9	18.1	13.6	16.1	19.2	23.0

Sources: SORS (data for Serbia), LFS and EUROSTAT, Statistics Database

**Annex 1-4 Table 10. Youth unemployment (15-24 years), 2004-2011**

Year	Republic of Serbia NUTS 0	Belgrade region NUTS 2	Vojvodina region NUTS 2	Šumadija and West Serbia region NUTS 2	South and East Serbia region NUTS 2
2004	174,471	36,198	44,452	53,252	40,568
2005	165,667	38,059	37,587	48,816	41,205
2006	169,523	30,385	41,352	56,405	41,381
2007	127,723	16,240	38,697	39,360	33,427
2008	102,581	21,571	26,223	27,859	26,929
2009	102,821	17,376	32,767	27,343	25,334
2010	111,915	18,178	34,221	29,840	29,677
2011	121,821	20,533	36,537	36,500	28,252

Source: SORS, LFS

**Annex 1-4 Table 11. Youth unemployment rate, 2004-2011**

Year	Republic of Serbia NUTS 0	Belgrade region NUTS 2	Vojvodina region NUTS 2	Šumadija and West Serbia region NUTS 2	South and East Serbia region NUTS 2
2004	48.1	45.8	47.2	50.2	48.8
2005	47.7	55.8	39.6	45.6	53.6
2006	47.8	48.3	39.2	49.9	56.7
2007	43.7	44.1	41.8	45.4	44.0
2008	35.2	38.1	30.7	34.4	39.2
2009	41.6	36.7	41.5	40.8	46.9
2010	46.2	37.1	48.0	46.0	52.0
2011	50.9	47.8	53.7	48.4	53.3

Source: SORS, LFS

**Annex 1-4 Table 12. Youth unemployment rate, Serbia and certain important countries of destination for Serbian emigrants, 2004-2011**

Country	2004	2005	2006	2007	2008	2009	2010	2011
Germany	13.8	15.6	13.8	11.9	10.6	11.2	9.9	8.6
Italy	23.5	24.0	21.6	20.3	21.3	25.4	27.8	29.1
Austria	9.7	10.3	9.1	8.7	8.0	10.0	8.8	8.3
Slovenia	16.1	15.9	13.9	10.1	10.4	13.6	14.7	15.7
Serbia	48.1	47.7	47.8	43.7	35.2	41.6	46.2	50.9

Sources: SORS (data for Serbia) and Eurostat

**Annex 1-4 Table 13. Labour force participation (15-64 years) by sex and citizenship, 2005-2011**

	2005	2006	2007	2008	2009	2010	2011
<b>Total</b>	65.2	63.6	63.4	62.7	60.6	59.0	59.4
Male	74.3	72.7	71.9	71.2	68.7	67.3	68.1
Female	56.2	54.5	54.9	54.4	52.8	50.8	50.7
Serbian - total	65.3	63.6	63.4	62.8	60.7	59.0	59.4
Male	74.3	72.7	72.0	71.2	68.7	67.3	68.1
Female	56.3	54.4	54.9	54.6	52.9	50.8	50.7
Other - total	54.0	60.4	58.5	52.8	57.0	50.8	48.8
Male	69.3	68.6	54.9	73.0	74.2	62.4	54.8
Female	44.3	55.6	60.9	40.5	45.0	42.2	45.7

Source: SORS, LFS

**Annex 1-4 Table 14. Employment and unemployment by citizenship, 2005-2011**

Year	Total		Serbian		Other	
	Employed persons (15-64) and employment rate					
2005	2,574,139	51.0	2,563,744	51.1	10,396	34.6
2006	2,516,794	49.8	2,496,889	49.8	19,906	49.9
2007	2,525,570	51.5	2,519,753	51.5	5,817	35.0
2008	2,649,326	53.7	2,634,283	53.7	15,043	42.9
2009	2,468,688	50.4	2,434,732	50.4	33,956	48.1
2010	2,273,473	47.2	2,258,104	47.2	15,368	41.6
2011	2,166,656	45.4	2,158,315	45.4	8,341	52.3
	Unemployed persons (15+) and unemployment rate					
2005	719,881	20.8	713,877	20.8	6,004	32.2
2006	693,024	20.8	688,060	20.9	4,964	19.1
2007	585,472	18.1	581,824	18.0	3,648	37.1
2008	445,383	13.6	441,902	13.6	3,481	18.6
2009	502,982	16.1	496,286	16.1	6,696	16.4
2010	568,723	19.2	565,155	19.2	3,568	18.4
2011	671,143	22.9	669,677	23.0	1,467	14.7
	Youth unemployment (15-24) and youth unemployment rate					
2005	165,667	47.7	164,373	47.6	1,294	64.4
2006	169,523	47.8	169,197	47.9	326	29.5
2007	127,723	43.7	127,723	43.7	0	0.0
2008	102,581	35.2	102,148	35.1	434	37.3
2009	102,821	41.6	101,420	41.4	1,401	60.7
2010	111,915	46.2	111,483	46.3	432	25.4
2011	121,821	50.9	121,821	50.9	0	0.0

Source: SORS, LFS



**Annex 1-4 Table 15. Employment (15-64 years) by economic activity (NACE rev.2) and citizenship (%), 2005-2011**

Sector	2005		2006		2007		2008		2009		2010		2011	
	Serb.	Other	Serb.	Other	Serb.	Other	Serb.	Other	Serb.	Other	Serb.	Other	Serb.	Other
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture forestry and fishing	18.9	29.4	17.1	15.5	17.0	32.2	20.5	26.4	19.6	27.6	18.4	32.6	18.5	16.6
Manufacturing	18.8	18.7	20.2	18.5	20.2	18.2	17.8	14.8	17.8	23.9	17.6	13.9	17.8	14.2
Retail and wholesale trade; repair of motor vehicles	15.0	18.6	15.5	14.4	15.3	6.6	15.3	22.2	14.7	10.8	14.3	11.0	13.9	15.8
Accommodation and food service activities	3.1	11.7	3.3	11.0	2.8	13.2	3.2	2.1	3.0	1.3	3.1	9.1	2.8	10.3
Public administration and defense; compulsory social security	6.2	0.0	5.7	4.2	5.6	16.4	5.1	1.7	5.3	1.2	5.3	0.0	5.5	5.3
Education	5.6	6.7	5.1	3.0	4.7	0.0	4.6	2.8	6.2	1.9	7.0	4.3	6.9	6.3
Human health and social work	6.0	0.0	6.7	4.4	6.4	0.0	6.4	3.5	6.8	7.4	6.9	4.6	6.6	4.8

Source: SORS, LFS