

# STATISTICAL RELEASE

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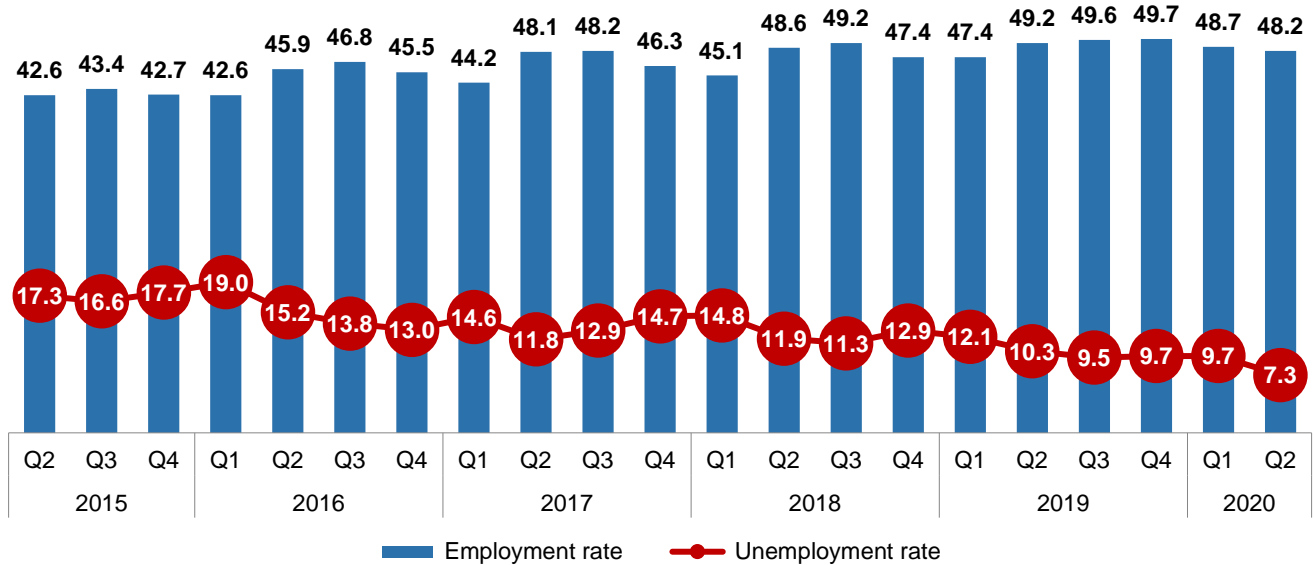
## Labour Force Survey

SERB237 RS10 310820

### Labour Force Survey, II quarter 2020

In the second quarter of 2020, number of the employed amounted to 2 844 200, and number of the unemployed to 222 900. Employment rate for the mentioned period amounted to 48.2%, while unemployment rate, in the same period, had the value of 7.3%.

Graph 1 Trend of employment/unemployment rates (in %), population 15+, 2015-2020



### Comparison with the previous quarter, basic indicators

According to the LFS data for the second quarter of 2020, regarding population 15 and over, decrease in employment (-33 200) and unemployment (-87 400) was noted, on the account of increased inactivity (+113 100), when compared with the first quarter 2020.

According to the definition of the International Labor Organization, which is used in the survey since 2004, the unemployed are considered persons who performed no paid job in the observed week, who were actively seeking job in the four weeks preceding the observed week and who were able to start working within two weeks after the end of the observed week.

Therefore, someone who did not actively look for a job is not considered as unemployed but inactive.

Decreased employment was recorded in the informal sector (-35 400), while in formal sector there was insignificant increase (+2 200).

Employment rate decreased by 0.5 percentage points (p. p.) and amounted to 48.2%, while unemployment rate decreased by 2.5 p. p. and had the value of 7.3%. Inactivity rate increased by 2 p. p. and reached the level of 48%.

Inactivity mostly increased among people with completed secondary education (+147 300 persons), as well as in the age group 25-34 (+50 000 persons).

Region Juzne i Istocne Srbije is the only region in the Republic of Serbia where increased employment was recorded in the second quarter relative to the first quarter of 2020 (+22 500), simultaneously presenting the only region in which inactivity was insignificantly decreased (-1.4%).

While decreased unemployment was equally distributed within both genders, decreased employment exclusively related to females (-34 700).

### Comparison with the same quarter of the previous year, basic indicators

According to the LFS data for the second quarter 2020, regarding population 15 and over, decreased employment (-72 300) and unemployment (-111 100), on the account of increased inactivity (+153 800) was noted, when compared with the second quarter 2019.

The greatest decline in total employment was recorded in the sector of Agriculture, forestry and fishing (-44 000), and observed according to the educational structure, in the category of persons with the completed primary school (-33 100). The number of employees was mostly decreased in Beogradski region (-31 500) and the least decrease was observed in Region Juzne i Istocne Srbije (-9 300).

Within total employment, there was a decrease in informal employment (-132 400) and an increase in formal employment (+60 100). The largest inter-annual increase in formal employment was recorded in Construction sector (+16 600).

The informal employment rate was 15.2%, which is 4.2 percentage points less compared to the same period last year.

The long-term unemployment rate was 4.1%, which is 2.0 percentage points less than in the second quarter of 2019.

In the population of youth, aged 15-24, inter-annual activity decreased (-41 400 persons) and inactivity increased (+30 600 persons). The number of the employed aged 15 to 24 decreased by 25 200, while the number of unemployed of the mentioned age decreased by 16 200 compared to the same period last year.

The NEET ("*Not in Education, Employment, or Training*") rate, representing the share of the young aged 15 to 24 who neither work nor are in the process of education in total population of young amounted to 15.9% and compared to the same period last year it is higher by 1.8 p. p. In the population aged 15 to 29, the NEET rate increased by 2.5 p. p. and in the second quarter of 2020 it was 20.1%

### COVID - 19 and additional indicators on labour market trends

In the second quarter of 2020, changes in the labour market were more affected by the COVID-19 pandemic and the measures of the Government of the RS, introduced in the first quarter of 2020, in order to maintain economic stability. In such situation, classic definitions of employment and unemployment (according to the definition of the International Labour Organization - ILO) are not sufficient to describe all the changes that have taken place in the labour market. In the beginning, the Government's measures to mitigate consequences of the pandemic prevented the loss of jobs. The percentage of employees who were absent from work or worked from home increased. Newly formed economic crisis has also led to a reduction in unemployment because individuals who could not look for job or were unable to start working due to measures for preventing the spread of the virus are not considered unemployed (according to the ILO concept), but inactive.

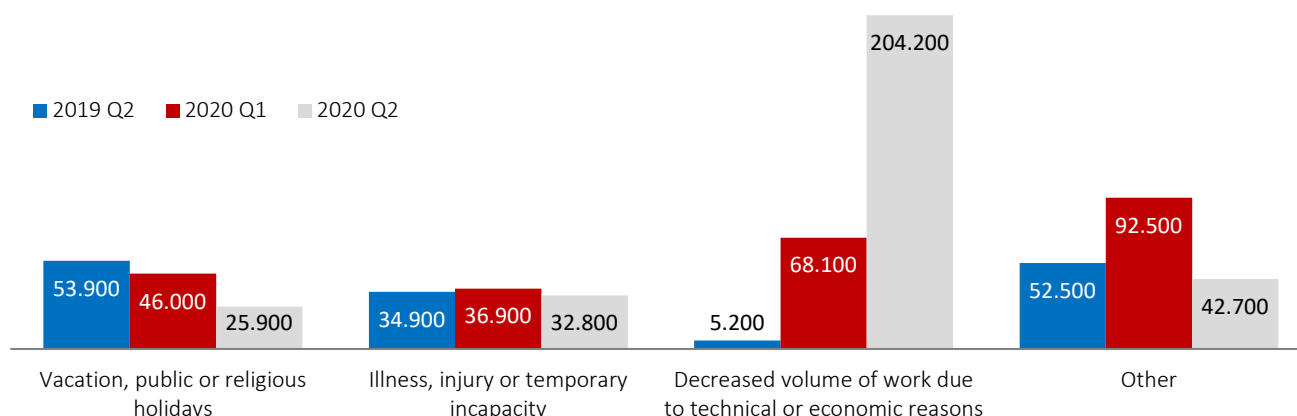
In accordance with the recommendations of the European Statistical Organization - Eurostat, in this Communication special attention is paid to additional indicators in order to present in more detail the latest developments in the labour market. These additional indicators are related to total labour market slack, absence from work, work from home and actual hours worked.

**Labour market slack** represents the participation of 1) the unemployed, 2) employees who work less than full time and would like to work more, 3) those who are looking for a job but cannot work and 4) those who can work but do not look for job; in an extended labour force, where the extended labour force includes employed and unemployed persons together with potential labour force (those who are looking for a job but cannot work and those who can work but do not look for job).

Labour market slack in the second quarter of 2020 amounted to 19.9% and compared to the same period last year, it was higher by 0.4 percentage points, pointing that the so-called unsatisfied need for employment increased, regardless of the fact that the unemployment rate was significantly reduced in the mentioned period. Among the mentioned categories of the expanded labour force, the number of those who can start working even though they are not looking for a job has increased the most, 153 100 inter-annually and 84 500 inter-quarterly.

**Absence from work** is determined by the participation of employees who are absent from work in the total number of employees. In the second quarter of 2020, 11.4% of employees were absent from work, which is 2.4 percentage points more than in the first quarter of 2020, and 6.0 percentage points more compared to the same period last year.

Graph 2. Number of employees absent from work according to reasons for absence



The greatest number of employees who were absent from work during the second quarter cited as the reason the reduced volume of work due to technical or economic reasons (204 200), which presents a drastic increase compared to the previous period. On the other hand, the number of employees who were absent from work due to vacation, public or religious holidays and annual leave was decreased, while the number of employees who were absent from work due to illness, injury or temporary incapacity remained almost unchanged.

**Work from home**, measured by the share of employees who worked from home in total number of employees, in the second quarter of 2020 amounted to 12.1%, which is the increase of 2.9 percentage points relative to the first quarter of 2020 and of 4.0 p. p. compared to the same period last year.

The average **weekly actual hours worked** on the main job in the second quarter of 2020 amounted to 36.2, and compared to the first quarter of 2020, they remained unchanged, while compared to the same period last year, when they amounted to 39.1, the decrease of 7.5% was recorded.

Observed by activity sectors, the largest decrease in average actual hours worked per employee was recorded in the sector of Accommodation and food service activities and Arts, entertainment and recreation, with an inter-annual decline of 26.0% and 21.4% and a quarterly decrease of 17.7% and 20.1% respectively.

### Main indicators, II quarter 2020

**Activity rate** of population aged 15 and over in the second quarter 2020 amounted to 52.0%, where the activity rate of males was 59.8%, and of females 44.7%. The activity rate was the greatest in Region Šumadije i Zapadne Srbije and Beogradski Region (53.5%), followed by Region Južne i Istočne Srbije (51.0%) and Region Vojvodine, with the lowest activity rate, 49.9%.

**Employment rate** of population aged 15 and over amounted to 48.2%, i.e. 55.7% regarding males and 41.3% regarding females. The greatest employment rate was noted in Beogradski region (50.2%), followed by Region Šumadije I Zapadne Srbije and Region Vojvodine (49.3% and 47.0%, respectively). Employment rate was the lowest in Region Južne I Istočne Srbije, 46.1%.

**Informal employment rate** in the mentioned quarter, on the level of all activities was 15.2%, whereof informal sector related to employment in agricultural activities<sup>1</sup> recorded the rate of 56.9%, and in activities excluding agriculture, the rate had the value of 5.4%.

**Unemployment rate** of population aged 15 and over amounted to 7.3%, i.e. 7.0% regarding males and 7.6% regarding females. Observed by regions, the lowest rate was recorded in Region Vojvodine (6.0%), followed by Beogradski region (6.1%) and Region Šumadije i Zapadne Srbije (7.8%). Region Južne i Istočne Srbije still records the worst situation regarding labour market, resulting in the greatest unemployment rate of 9.6%.

**Table 1** Main indicators of labour market trend, Q2 2020

	Q2 2020	Changes relative to previous quarter		Changes relative to same quarter of 2019	
	(in thousand)	(in thousand)	%	(in thousand)	%
<b>Population 15+</b>	5898.0	-7.6	-0.1	-29.6	-0.5
Active population	3067.1	-120.7	-3.8	-183.4	-5.6
Employed	2844.2	-33.2	-1.2	-72.3	-2.5
Formally employed	2412.4	2.2	0.1	60.1	2.6
Informally employed	431.8	-35.4	-7.6	-132.4	-23.5
Unemployed	222.9	-87.4	-28.2	-111.1	-33.3
Inactive population	2830.9	113.1	4.2	153.8	5.7
	<b>%</b>	<b>(p. p.)</b>			
Activity rate	52.0		-2.0		-2.8
Employment rate	48.2		-0.5		-1.0
Informal employment rate	15.2		-1.1		-4.2
Unemployment rate	7.3		-2.5		-3.0
Inactivity rate	48.0		2.0		2.8

In the second quarter 2020, the Survey was conducted on the sample of 15 873 households, out of which 10 536 households, i.e. 26 375 persons aged 15 and over were interviewed.

More detailed data can be obtained in the tables that are part of the Statistical Release on Labour Force Survey for the second quarter 2020 (RS10), on the address: <http://publikacije.stat.gov.rs/G2018/XIs/G20191043.xlsx>.

### Methodological notes

Labour Force Survey (LFS) is the most complex and the only internationally comparable instrument for labour trends monitoring, registering demographic and socio-economic characteristics of population aged 15 and over.

The main aim of the survey is estimating the labour force volume, i.e. employed and unemployed population, where employment relates to work in both formal and informal section.

Additionally, LFS deals with characteristics of employment (professional status of the employed persons, their activity, occupation, rights realized at work...) and unemployment (acquired education, duration of job seeking, previous working experience...), as well as characteristics of inactive population – their education, age, income source and readiness for involvement in labour market.

*Labour Force Survey during the second quarter of 2020, was influenced by a Covid-19 pandemic, and mode of data collection was changed. Namely, unlike the usual way of working, where the survey is conducted partially via telephone calls (for households, which were previously surveyed) and partially via field visits (for households surveyed for the first time), during the state of emergency Survey was only conducted in a form of telephone calls.*

<sup>1</sup> The activity of Agriculture covers the whole section of Agriculture, forestry and fishery, as well as a part of the section Activities of households as employers referring to agriculture.

**Active population (labour force)** includes all employed and unemployed persons aged 15 and over.

**Potential labour force** includes two groups of inactive population, i.e. 1) persons who can work but do not look for a job and 2) persons who are looking for a job but cannot start working immediately.

**Activity rate (share of labour force)** presents the percentage share of active population in total population aged 15 and over.

**Employed persons** are persons who performed a paid job (in money or in kind) for at least one hour in the reference week, as well as persons who had an employment, but were absent from work in that week but which have a guaranty to return to it.

**Employment rate** is the percentage share of employed in the total population aged 15 and over.

**Informally employed** are employees without written contract, self-employed in unregistered business, as well as contributing family workers.

**Informal employment rate** is the percentage share of informally employed in total employment.

**Unemployed persons** are the persons who, in the respective week, did no work for remuneration, who undertook active steps to find a job during four-week period preceding the respective week and who were able to start working in two-week time after the referent week.

**Unemployment rate** presents the percentage share of unemployed population in labour force (employed and unemployed), aged 15 and over.

**Long-term unemployment rate** presents the percentage share of the unemployed for one year and more, in the total labour force (employed and unemployed), aged 15 and over.

**NEET rate** – refers to share of persons aged 15 to 24, neither employed, nor in education, training, in total population of that age.

**Inactive population** includes all persons aged 15 and over who are not classified in employed and unemployed population. Inactive population comprises students, pensioners, persons performing household tasks, as well as all other persons who performed no paid job in the observed week, did not actively seek a job and who were not able to start working in two-week time after the observed week.

**Inactivity rate** presents the percentage share of inactive population in total population aged 15 and over.

For more detailed description of the Survey and definitions of labour force, see the methodology of Labour Force Survey on [www.stat.gov.rs](http://www.stat.gov.rs).

Starting from 1999 the Statistical Office of the Republic of Serbia has not at disposal and may not provide available certain data relative to AP Kosovo and Metohija and therefore these data are not included in the coverage for the Republic of Serbia (total).

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