

STATISTICAL RELEASE

RS10

Number 320 - Year LXX, 30/11/2020

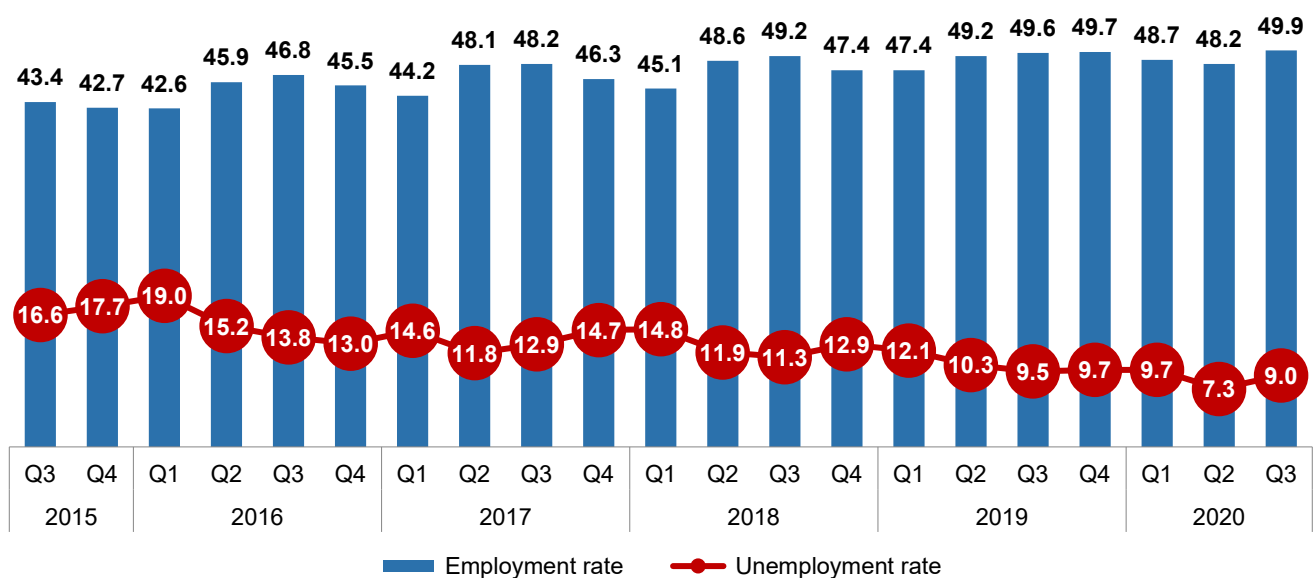
Labour Force Survey

SERB320 RS10 301120

Labour Force Survey, III quarter 2020

In the third quarter of 2020, number of the employed amounted to 2 936 600, and number of the unemployed to 292 000. Employment rate for the mentioned period amounted to 49.9%, while unemployment rate, in the same period, had the value of 9.0%.

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



Comparison with the same quarter of the previous year

According to the LFS data for the third quarter 2020, relative to the third quarter 2019, decrease in unemployment by 16 300 (-5.3%) was noted, while employment was slightly decreased by 2 100 (-0.1%). In scope of total employment, informal employment was decreased by 42 900 and formal employment was increased by 40 700.

Number of employed females increased by 17 600 and number of employed males decreased by 19 700.

Decreased employment was noted within persons with completed primary education (-20 400), while number of employed with secondary and tertiary education completed increased by 24 900.

The greatest employment increase (by 4 900), with the decreased unemployment (by 8 400) was noted in Region Vojvodine. In Region Južne I Istočne Srbije number of employed persons decreased the most (by 8 700), while increased unemployment was recorded only in Beogradski Region (by 1 400).

Informal employment rate, which amounted to 17.3% in the third quarter 2020 and long-term unemployment rate, which was 4.8% in the same period, noted decrease relative to the same period 2019 by 1.4 and 0.4 percentage points (p. p.) respectively.

Decreased unemployment was noted in female population (-19 800), while number of unemployed males slightly increased (+3 400). Unemployment was mostly decreased in the age group 35-44 (-18 100).

Referring to the youth population, aged 15-24, activity rate in the third quarter 2020 amounted to 29.5% (1.0 p.p. less when compared with the same period last year). Youth employment rate was 21.7%, presenting the decrease of 0.9 p. p. relative to the same period 2019. Total unemployment rate of the youth population was not significantly changed relative to the third quarter 2019, showing that unemployment rate was increased in male population (by 2.5 p. p.) and amounted to 25.1%, and decreased in female population (by 2.5 p. p.), amounting to 28.8%.

NEET (*“Not in Education, Employment, or Training”*), rate, showing the share of the youth aged 15-24 who neither work nor attend school in total population of youth amounted to 15.7%, and relative to the same period 2019, it decreased by 0.8 p. p. Regarding population aged 15-29, NEET rate was increased by 0.6 p. p. and amounted to 20.4% in the third quarter 2020.

Comparison with the previous quarter

According to the LFS data for the third quarter 2020, regarding the population aged 15 and over, increased employment, by 92 400, and unemployment, by 69 200, and decreased inactivity (-169 100), relative to the second quarter 2020 were noted.

Relative to the second quarter 2020, inactivity rate was decreased by 2.8 p. p. and amounted to 45.2% in the third quarter 2020. In the same period, unemployment rate was increased by 1.8 p. p. and was 9% and employment rate was increased by 1.6 p. p. reaching the level of 49.9% in the third quarter 2020.

In scope of total employment increase (by 92 400), formal employment increased by 14 900, and informal employment by 77 500.

Observed by sections of activities, the most significant increase of employment was recorded in the section of Agriculture, forestry and fishing (by 26 700) and Construction (by 19 200), as was expected, knowing that in the referent period, agricultural and construction works are in the peak season.

Number of employed was mostly increased in Region Vojvodine, by 45 500.

Within the share of the youth (15-24), in the third quarter 2020, relative to the second quarter 2020, the labour force volume was increased – employment increased by 20 500 and unemployment by 20 500, and the inactive population volume decreased (by 43 400). Due to such trends, employment rate of the youth increased by 3.0 p. p. and unemployment rate by 5.8 p. p.

COVID - 19 and additional indicators on labour market trend

In the third quarter of 2020, changes in the labour market were marked by decreased inactivity of population in favour of increased employment and unemployment, relative to the second quarter 2020.

The increase in the number of unemployed in the third quarter compared to the second quarter of 2020 was due to the spill over, i.e. "return" of persons from the contingent of inactive to the contingent of unemployed. Namely, in the second quarter of 2020 individuals who could not seek for job or were not able to start working due to measures for preventing the spread of the virus were, according to the definitions of the International Labour Organization - ILO, considered as inactive and not as unemployed.

According to the definition of the International Labour Organization, which has been used in the Survey since 2004, the unemployed are considered to be those who did not perform any paid work in the observed week, actively sought work during the four weeks preceding the observed week and were able to start working in within two weeks after the end of the observed week.

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

In the third quarter 2020, after the abolition of measures that restricted movement, other indicators that measure changes in the labour market speak in favour of recovery because they are returning to precrisis levels caused by the pandemic. The number of employees who work from home, as well as the number of employees who are absent from work, is decreasing, while the number of hours worked is increasing.

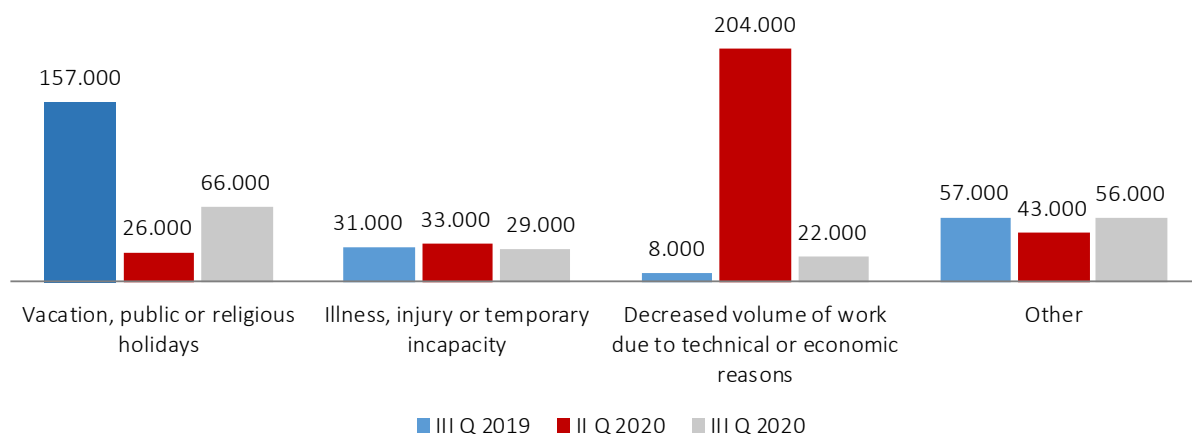
In accordance with the recommendations of the European Statistical Organization - Eurostat, this release presents additional indicators in order to show in more detail the latest developments in the labour market. These additional indicators refer to the total labour market slack, absence from work, work from home and hours worked.

Labour market slack represents the participation of 1) the unemployed, 2) employed 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 work; in an expanded labour force (labour force together with potential labour force).

Labour market slack in the third quarter of 2020 amounted to 18.7% and, compared to the same period of last year, declined by 0.1 p. p. while compared to the second quarter of 2020, it is lower by 1.2 p. p., suggesting that in the labour market, the so-called unmet need for employment returned to pre-COVID level.

Absence from work is determined by the participation of employed who are absent from work in the total number of employed. In the third quarter of 2020, 6.2% of employed were absent from work, which is by 5.2 p. p. less than in the second quarter of 2020, and by even 2.8 p. p. less than the same period last year.

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



In the second quarter 2020, the prevailing reason for absence from work was decreased volume of work due to technical or economic reasons and over 200 000 of the employed who were absent from work in the second quarter mentioned exactly this reason. In the third quarter 2020, absence from work for the mentioned reasons dropped almost by ten times compared to the previous quarter. Observed relative to the same period of 2019, the number of employed who were absent from work due to vacation decreased significantly in the third quarter of 2020. Although the third quarter is the period of vacation, the number of employed who used vacation declined by almost 100 000, in comparison to the same period of last year.

Work from home, measured by the share of employed who worked from home in total number of employed, in the third quarter of 2020 reached the value of to 9.3%, which is the decrease of 2.8 percentage points relative to the second quarter of 2020 and increase by 1.9 p. p. compared to the same period of last year.

The average **weekly hours worked** on the main job in the third quarter of 2020 amounted to 39.9 and had risen by 10,2%, compared to the second quarter of 2020. Compared to the same period of last year, this indicator increased by 2.6%, when it had the value of 38.9 , and it is understandable knowing that the number of persons who went on holiday was decreased, also including decreased absence from work due to other reasons.

Main indicators, III quarter 2020

Activity rate of population aged 15 and over in the third quarter 2020 amounted to 54.8%, while the activity rate of males was 63.0%, and of females 47.1%. The activity rate had the highest value in Region Šumadije I Zapadne Srbije (56.8%), followed by Beogradski region (55.2%). In Region Vojvodine and Region of Južne I Istočne Srbije activity rates were the lowest, with the values of 53.8% and 53.1%, respectively.

Employment rate of population aged 15 and over amounted to 49.9%, i.e. 57.5% regarding males and 42.7% regarding females. The greatest employment rate was noted in Region Šumadije I Zapadne Srbije (51.2%), followed by Beogradski region and Region Vojvodine (50.9% and 49.9%, respectively). Employment rate was the lowest in Region Južne I Istočne Srbije, 46.7%.

Informal employment rate in the mentioned quarter, on the level of all activities was 17.3%, whereof informal rate related to employment in agricultural activities¹ amounted to 59.8%, and in activities excluding agriculture, this rate had the value of 7.1%.

Unemployment rate of population aged 15 and over amounted to 9.0%, i.e. 8.8% regarding males and 9.4% regarding females. Observed by regions, the lowest rate was recorded in Region Vojvodine (7.2%), followed by Beogradski region (7.8%) and Region Šumadije I Zapadne Srbije (9.7%). Region Južne I Istočne Srbije recorded the worst situation in the labour market, as a consequence of 12.0% unemployment rate.

Table 1 Main indicators of labour market trend, Q3 2020

	Q3 2020	Changes relative to previous quarter		Changes relative to same quarter of 2019	
	(in thousand)	(in thousand)	%	(in thousand)	%
Population 15+	5890.4	-7.6	-0.1	-29.9	-0.5
Active population	3228.6	161.5	5.3	-18.5	-0.6
Employed	2936.6	92.4	3.2	-2.1	-0.1
Formally employed	2427.3	14.9	0.6	40.7	1.7
Informally employed	509.3	77.5	17.9	-42.9	-7.8
Unemployed	292.0	69.2	31.0	-16.3	-5.3
Inactive population	2661.8	-169.1	-6.0	-11.4	-0.4
	%	(p. p.)			
Activity rate	54.8		2.8		0.0
Employment rate	49.9		1.6		0.2
Informal employment rate	17.3		2.2		-1.4
Unemployment rate	9.0		1.8		-0.5
Inactivity rate	45.2		-2.8		0.0

In the third quarter 2020, the Survey was conducted on the sample of 15 849 households, out of which 11 593 households, i.e. 25 861 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 third quarter 2020 (RS10), on the address: <http://publikacije.stat.gov.rs/G2020/XIse/G20201320.xlsx>.

¹ 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.

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.

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.

Informal employment is considered to be work in unregistered companies, work in registered companies without an employment contract, as well as the work of contributing family members.

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 (or 15 to 29) 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.

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).

Contact: ars@stat.gov.rs, Phone: +381 11 2412 922, ext. 372

Published and printed by: Statistical Office of the Republic of Serbia, 11 050 Belgrade, Milana Rakica 5

Phone: +381 11 2412922 (telephone exchange) • Fax: +381 11 2411260 • www.stat.gov.rs

Responsible: Dr Miladin Kovačević, Director

Circulation: 20 • Periodicity: quarterly