

JUSTMIG

Sustainable and socially just transnational sectoral labour markets for temporary migrants

Background report

Serbia

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1. Introduction

Recognising the increasing importance of temporary transnational labour migration, the JUSTMIG project aims to examine trends and patterns of temporary labour mobility and employment of migrant workers on fixed-term or outsourced temporary contracts in selected manufacturing and service sectors in 6 EU countries, as well as the adaptation of industrial relations structures in the same 6 EU Member States and 3 EU Candidate Countries that are in this context source countries for workers. The aim of the background reports of the JUSTMIG project is to provide an assessment of the trends and dynamics of temporary labour migration from Serbia. The background report will provide both an overview of trends in outward labour migration and an assessment of the impact of outward migration on the labour market and industrial relations.

The report is based on collection and analysis of statistical data on emigration from Serbia, analysis of relevant policies and regulation, and information gathered through desk research and interviews on key issues and challenges faced by labour market and Industrial relations institutions.

The report starts with the first section, providing basic background on Serbian global standing in terms of outward migration, its strategic response to economic migration challenges, as well as current pieces of bilateral regulation of outward migration, especially in relation to the EU-27 countries, concluding that most of the outward economic emigration movements unfold as voluntary individual endeavours. This also means that they are very difficult to follow statistically, especially when attempting to break them down into economic sub-sectors or types of work contracts.

The next section attempts to provide information on general stock and flow dynamics of Serbian emigration, and, given the lack of specific data, to indirectly assess the scope of temporary migration both into the EU-27 and 6 destination case countries within the JUSTMIG project. From the mirror statistics (EU-27 statistics on immigration stocks and flows of Serbian citizens) it becomes clear that the overall pattern of Serbian immigration into the EU has changed in the past decade in the direction of shorter stays for work reasons. Both shorter stays and increase in employment as the reason for emigration, alongside with the changed structure of the most frequent destinations, are indicative of a relative and absolute increase of temporary migration of Serbian nationals.

In Section 4, we try to explain the impact of temporary work emigration on the labour market and industrial relations trends in Serbia. We believe that this type of emigration has, alongside measures to attract foreign direct investment in Serbia, contributed to the widespread skill but more recently also generalised labour market shortages. In line with the intervention logic of the JUSTMIG project, this section also attempts to provide more specific insights into temporary migration from Serbia to Slovakia, where more attention will be given to the sector of automotive industries, as well as into temporary migration from Serbia to the Netherlands, with more attention given to the sector of social and health care. We find some evidence that the bargaining power of labour, expressed in the absolute and relative increases in the minimum wage and trends in macroeconomic parameters such as the average wage and the employment rate, in Serbia has improved as a consequence of these factors.

Finally, we conclude on a somewhat optimistic note, suggesting that the temporary emigration of Serbian citizens to the EU might have already peaked, and that a combination of tighter labour markets in both sending and destination countries coupled with trans-European actions of industrial relations actors, notably trade unions, might bring favourable regulatory reforms to improve the situation of Serbian temporary workers in both Serbia and in the EU.

2. Serbian migration background, strategic documents and regulations related to emigration

Serbia has traditionally been an emigration country. According to the estimates of the United Nations, the total number of Serbian emigrants (defined typically as Serbian-born people residing abroad) - in 2019 was around 950,000, which accounts for about 14% of the resident population in the country (excluding Kosovo and Metohija). We consider this estimate to be an upper bound, since quite likely some emigrants from Kosovo and Metohija have been classified as Serbian natives or citizens. Anyhow, this percentage is more than three times larger than the share of emigrants in the global population (estimated at 3.6% in 2022), but still less than for any other Western Balkan country. More than two thirds of Serbian outward migrants reside in EU-27 (Arandarenko, 2021).

As an emigration country, Serbia has, often in the context of the EU integration efforts, developed a set of monitoring tools, strategic documents and regulations attempting to measure its migration stock and flows, improve the overall migration balance, and regulate migration movements in an orderly manner. Although in recent years there has been a trend of strong growth in immigration (still largely of temporary nature), in the context of this project, we focus on aspects of statistics, strategies and regulations related to the emigration of the population, particularly labour force.

The Strategy for Economic Migrations 2021–2027 was adopted in early 2020, with the following priority goals: building and strengthening institutional capacities for monitoring and increasing the quality of data on economic migration; improving living and working conditions in economic and social sectors; aligning the educational system with the needs of the economy, focusing on following up innovations created by the fourth industrial revolution, particularly in relation to developing new occupations and creating conditions to attract foreign students; advancing cooperation between the diaspora and the homeland, and encouraging transnational entrepreneurship; creating conditions for monitoring, encouraging and supporting circular and returning migration; and creating conditions for more efficient management of internal migration flows.

It is interesting that the first draft of the strategy focused much more narrowly on preventing (typically long-term) high-skilled migration and facilitating the return of high-skilled migrants, as well as attracting high-skilled immigrants. The Strategy that was eventually adopted had a more comprehensive approach, although it lacked operational details, which were developed within the Action plan for implementing the Strategy from 2021 to 2023.

In the field of labour and employment, Serbia has concluded several bilateral agreements of various legal importance with the partner countries from the EU.

The oldest and most important bilateral agreement is the International **Agreement on the detachment (posting) of workers**, concluded between Socialist Federal Republic of Yugoslavia (SFRY) and Federal Republic of Germany (FRG) in 1988 (ratified in 1989), which Serbia took over as a successor state of SFRY. Traditionally, **Germany** sets an annual quota, which has been in recent years around 3,000. The clauses in the detachment allow Serbian firms to annually post a pre-approved contingent of workers to Germany for performance of construction and similar works in a way which is determined by the Serbian Chamber of Commerce (SCC). In the 2020/21 detachment year, 2020, the SCC tightened criteria through more stringent requirements for the local companies that plan to send workers abroad.

In 2018, the bilateral **Agreement on the Employment of Citizens of the Republic of Serbia** was concluded and entered into force between Slovenia and Serbia. The

Agreement represents a legal frame for the employment of adult Serbian citizens in Slovenia. They need to be registered as unemployed in Serbia. However, high-skilled professionals can get a job based on a job offer from a Slovenian employer even if they are not registered as unemployed in Serbia. In either case, the selection procedure is initiated by Slovenian employers by a registration of a job vacancy at the Slovenian PES. The employment contract must be concluded for full-time employment and for a period of at least one year.

In November 2017, due to the problems with the often-illegal posting and work in Slovakia (Djuric & Tiodorovic, 2018), a **Protocol of Cooperation** was signed between Serbian Ministry of Labour, Employment, Veterans and Social Affairs and Ministry of Employment, Social Affairs and Family of **Slovakia**. The stated goal of the Protocol is to combat illegal employment of Serbian workers in Slovakia. The parties have committed to ensure a more efficient exchange of information and control of temporary employment and referral of workers. According to the labour inspectorate in Serbia, this cooperation is of the utmost importance in preventing illegal employment in Slovakia and improving temporary workers' labour conditions (Stanić and Matković, 2021). However, based on an interview with the representative of the National Employment Service, there have been no recent activities related to the implementation of the Protocol.

The GIZ-led **Triple-win project** ran between Serbia and Germany in the period 2014-2020, facilitating orderly employment of Serbian nurses and medical technicians in Germany, with the involvement of public employment services of both countries. It has been estimated that some 800 medical workers from Serbia found (at first temporary) employment via this project. The project was terminated unilaterally by Serbia at the beginning of the Covid-19 crisis

Since bilateral agreements are few and far between, the bulk of temporary or longer-term employment of Serbian citizens in the EU unfolds via private routes, involving family, friends and informal networks, but it increasingly involves hiring companies, job platforms, temporary work agencies, or simply direct efforts of potential emigrants to find a job in the EU by applying online or in person for various vacancies. The digital age has made skill matching much simpler across countries despite bureaucratic hurdles regarding work permits, sometimes creating global occupational deficits.

One popular route to get a job in rich countries of Western Europe is via work permits obtained in some of the new (2004 and after) EU member states. For example, Slovenian temporary work agencies have a widespread practice of hiring workers from the Western Balkans, including Serbia, and posting them elsewhere in Western Europe.

Individually obtaining 'papers' from an EU member state which enable a person to work without permit in the EU is another popular route. Members of ethnic minorities (such as Hungarians, Croats, Slovaks, Bulgarians and Romanians) and especially other Serbian citizens who can obtain such papers – typically in the form of a second citizenship – (such as ethnic Serbs born in Croatia who left their native land during the 1990s wars) often use this route not for permanent emigration to their 'mother' country, but for temporary work elsewhere in the EU.

We have interviewed, using private connections, one such person in the project's 'triad' context – a Serbian citizen who used her Slovak ethnic origin to get a permanent residence in Slovakia which enables her to work freely as a care worker in the Netherlands. While she is formally a self-proprietor in Slovakia, her job is mediated by two temporary agencies – Slovakian, which pays her, and Dutch, which finds elderly clients in need of everyday care for her. In this arrangement, she triangulates between

Serbia (Vojvodina), Slovakia and the Netherlands. While Serbia remains her chosen permanent home, the formal centre of her business is in Slovakia, while her actual workplace is in the Netherlands, and each year she has to divide her time between three countries. At 63, she remains a Serbian citizen and has no intention of establishing residence elsewhere. It is remarkable that she started her life of temporary and circular migration when she was already over 50, learning English specifically with intention to work in 'some Western country' and completing the Slovakian online course for carers to get the certificate necessary for her current job. She can count on small future pension income by combining her insurance stints in Serbia (7.5 years) and in Slovakia (expected to be over 8 years by the time she retires).

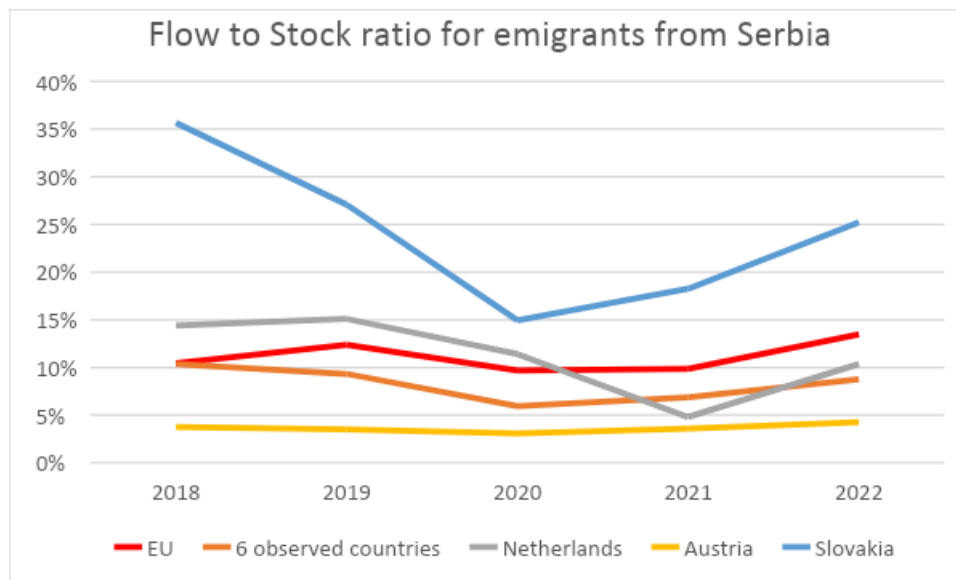
3. Statistical information on stocks, flows and trends in temporary employment of Serbian emigrants

The main diagnostic question regarding the emigration from Serbia in the context of this project is the following: What is the size and share of temporary labour emigrants from Serbia within the total Serbian emigrant population in the EU-27 or within 6 destination countries represented in the project? Are most Serbian emigrants permanent (what can be called settlement migrants) or temporary (short-term or circular migrants)? This should bring us closer to answering more concrete questions such as, what are the indications regarding the number and share of temporary workers from Serbia in Slovakia in the automotive industry, and similarly, indications on the number and share of Serbian temporary workers in the social care sector in the Netherlands?

Total emigrant stock in the EU. Based on the data from the Eurostat database, in 2022 total emigrant stock of Serbian citizens was 515,880¹. Within that number, 152,595 emigrants (or some 30%) resided in 6 observed countries - the most in Austria (107,207), Slovenia (21,357), Slovakia (17,297), and the Netherlands (5,911). Since 2018 there has been increase in the total number of emigrants in the EU countries. The number of persons with valid permits increased by about 27,000, from 488,803 in 2018 to 515,880 in 2022. About half of the increase happened due to the increase in the number of emigrants in 6 observed countries - from 139,747 to 152,595. The highest relative increase was recorded in Slovakia (32%), and in the Netherlands and Slovenia (both 26%).

¹ Without Denmark, because the data are only available for 2021 when 2,340 Serbs had valid permits. Due to the lack of data in 2022 for Greece, the sum includes the value from 2021. Also note that the total stock of Serbian-born residents in the EU is significantly higher. During the period 2011-2019 over 100,000 (former) Serbian citizens had become nationals of one of the EU countries.

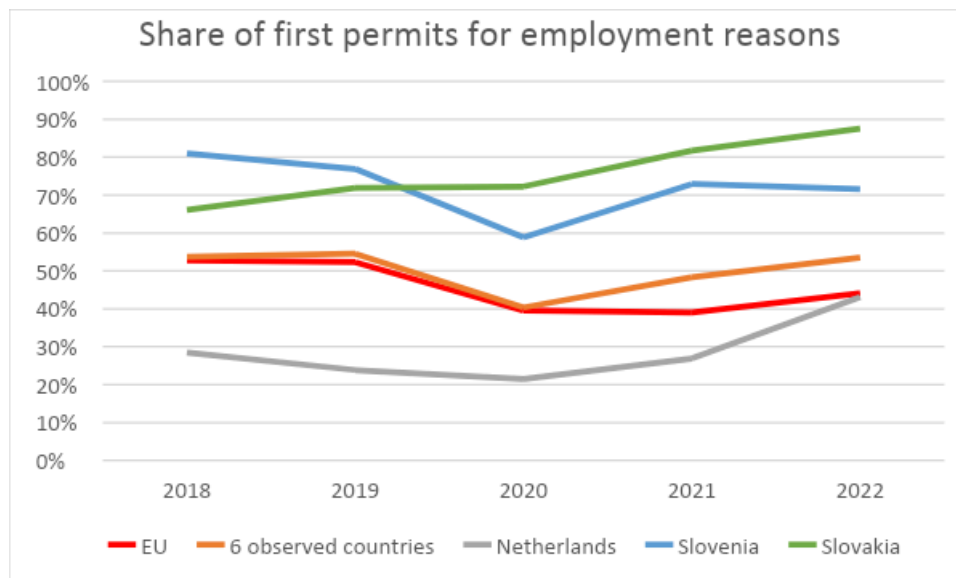
Figure 1 - Flow to stock ratio



Source: Own calculations from Eurostat

Recent trends in emigrant outflows. In 2022 there were 69,426 first permits issued to citizens of Serbia in the EU. Within that number, 13,367 first permits were issued in 6 observed countries - the most in Austria (4,557), Slovakia (4,360), Slovenia (3,506), and the Netherlands (612). In comparison with 2018, there was a significant increase in the number of first permits in the EU (from 51,022 to 69,426), while the number of first permits in 6 observed countries slightly decreased (from 14,485 to 13,367). Among 6 countries the highest increase was recorded in Austria (from 3,956 to 4,557) and the Netherlands (from 456 to 612), while the decrease was highest in Slovenia (from 5,147 to 3,506) and Slovakia (from 4,834 to 4,360). The level and trend of the annual ratio between first permits issued and all valid permits for a country could indicate the magnitude of temporary labour migration. In relation to emigrant stock numbers, this suggests that the total emigrant outflows from Serbia have slightly increased in the case of EU (from 10% to 13%), remained stable in Austria (at 4%), and on average in 6 observed countries. On the other hand, the decrease happened in the Netherlands and Slovakia. However, the ratio in Slovakia is still twice as high as the EU average.

Figure 2 - First permits by reasons



Source: Own calculations from Eurostat

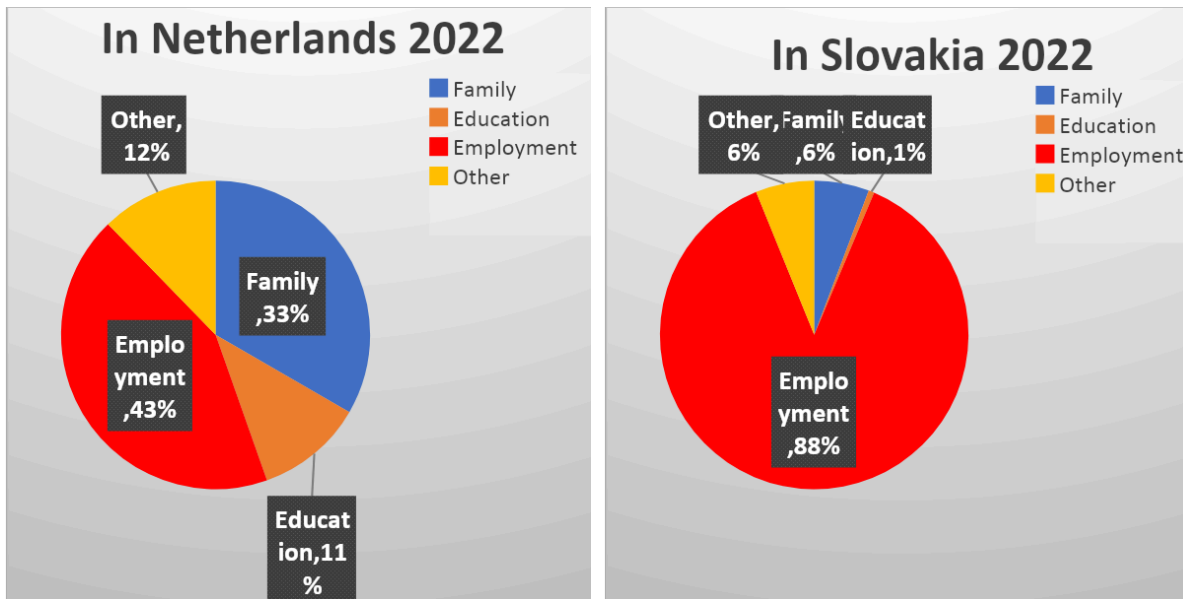
Recent trends in labour emigration. With the exception of COVID-19 years, there had been a trend towards an increase in the share of first permits due to employment reasons. In absolute terms, the number of first permits for employment reasons increased from 26,931 to 30,607 in the EU countries. At the same time, a slight decrease was recorded in 6 observed countries (from 7,785 to 7,152). The highest decrease happened in Slovenia (from 4,169 to 2,508), while the highest increase was in Slovakia (from 3,194 to 3,815) and the Netherlands (from 130 to 264). In relative terms, the share of first permits for employment reasons in the EU decreased from 53% to 44%, remained stable at 54% in 6 observed countries, and increased in Slovakia (from 66% to 88%) and the Netherlands (from 29% to 43%). The share of emigration for employment reasons for citizens of Serbia in Slovakia (88%), Slovenia (72%), and on average for 6 observed countries (54%) is higher than the EU average (44%).

Figure 3 - Structure of first permits by reasons in 2022 in 6 observed countries



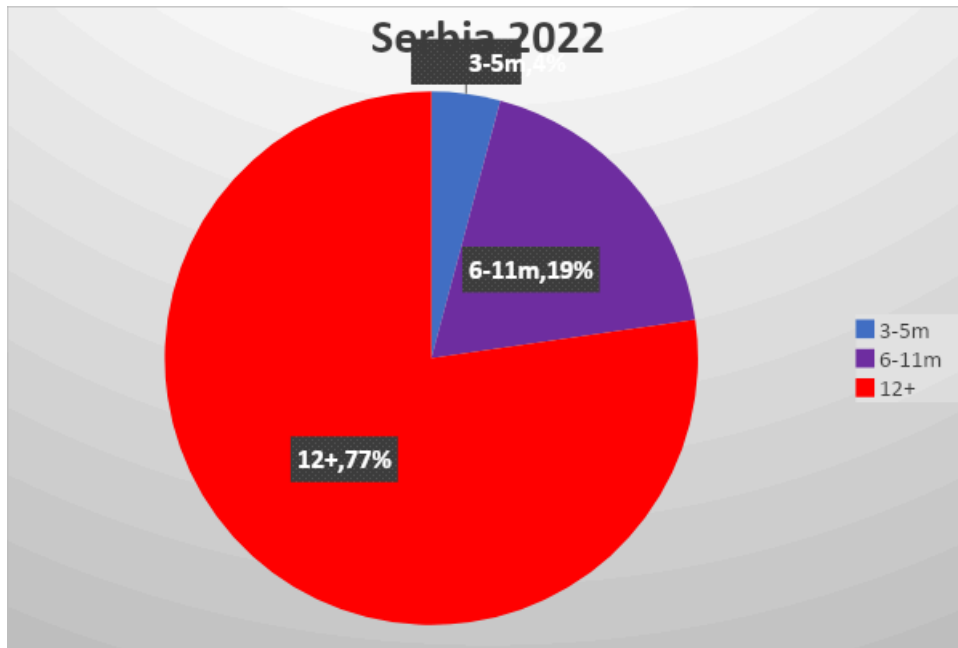
Source: Own calculations from Eurostat

Figure 4 - Structure of first permits by reasons in 2022 in 2 related countries



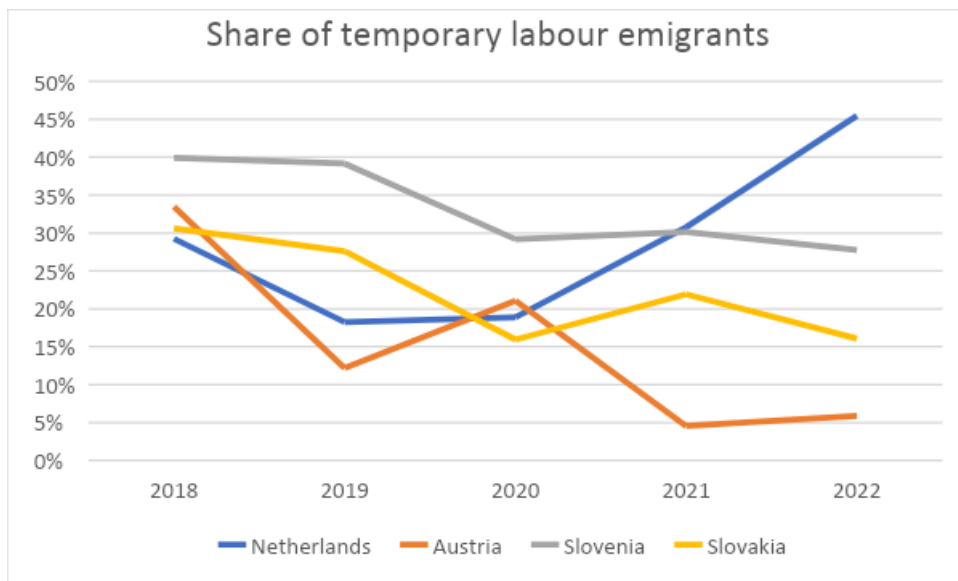
Recent trends in temporary labour emigration. For the purpose of this research, we approximated the temporary labour immigrants with those who have first-time residence permits for employment reasons shorter than 1 year. This is a very narrow definition underestimating the true number of temporary workers but it offers some relative indication between countries and, over time, on the direction of change. According to the Eurostat database, there has been a significant increase in the number of temporary labour emigrants from Serbia in the EU (from 18,683 in 2018 to 24,584 in 2022). At the same time, the decrease was recorded in 6 observed countries (from 2,779 to 1,662). However, in relative terms, the share of temporary labour immigrants decreased from 37% to 35% in the EU and from 36% to 23% in 6 observed countries. A more detailed look at the trend for selected countries is given in Figure 6.

Figure 5 - First employment permits by duration in 6 observed countries



Source: Own calculations from Eurostat

Figure 6 - Share of temporary labour emigrants from Serbia in selected countries



Source: Own calculations from Eurostat

The main cautious takes on the recent trends in remuneration-related emigration from Serbia, given the exclusive use of general and thus circumstantial evidence, are as follows:

- Emigration flows from Serbia to EU-27 (as well as flow-to-stock ratios) have increased in 2021 and 2022 after the Covid-19 induced drop. Flow-to-stock ratios are well above EU average in NMS, such as Slovenia and Slovakia, suggesting a very high share of short-term emigrants.
- Slovenia and Slovakia also stand out in terms of the share of first permits issued for remunerated activities in total permits – in 2022 approaching 90% in Slovakia and hovering around 70% in Slovenia.

- Among Serbian citizens immigrating to the EU for employment reasons, the share of short-term permits is somewhat average in the Netherlands (around 40% in 2022), somewhat below average in Slovenia (below 30%) and below average Slovakia (below 20%).

4. Specific cases of outward labour migration

While employers complain that Serbian workers are not particularly mobile within the country, this is not the case with external mobility. As a rule of thumb, if probability of employment is disregarded as a factor or controlled for, the ratio of wage at the destination to the origin wage should be around 2:1 to be a strong enough incentive for actual new migration. Of course, the distribution of wages and probability of having/finding a job are also significant factors.

This '100% premium-rule' for external migration was found to be relevant in some empirical research. For example, Todorovic and Djordjevic (2020) analysed motives and characteristics of potential skilled migrants from Serbia, on a sample of 117 persons with the mean age of 26 years. Two thirds of participants held a degree in Economics. The key question was what would be acceptable wage abroad and in Serbia. Average answer for the wage abroad was around 2,300 EUR, while for the wage in Serbia it was around 1,050 EUR.

The increase in gross emigration flows from Serbia in the second half of 2010s was driven by large and at the time growing wage differentials between Serbia, exposed to wage freezes and sometimes cuts due to fiscal consolidation, and most other EU countries, especially the post-2004 member states and Germany. The tide has in the meantime turned, as shown in Table 1.

Table 1. Average yearly gross wage in EUR

	2016	2017	2018	2019	2020	2021	2022
Germany	39872	40913	42105	43506	43116	44416	46271
Slovenia	23138	24027	24821	25933	26728	28814	30409
Slovakia	12741	13299	13986	14859	15343	16230	17359
Serbia	6187	6525	6963	7720	8470	9266	10556

Source: Eurostat, SORS and NBS for Serbia

While in 2016 the ratio of German to Serbian euro wages was 6.2, it dropped to 4.4 by 2022. Similarly, the Slovenian average wage was 3.7 times higher than Serbian in 2016, but dropped to 2.9 in 2022. Finally, the ratio of Slovakian to Serbian wage dropped from 2.1 in 2016. to 1.6 in 2022, well below the 2:1 hypothetical emigration threshold.

These are, however, averages expressed in euros. Usually, temporary labour migrants tend to work for far less than the average wage. Well established Roy model predicts that even if the average wages are not that different, there will be net outflows of low- and medium-skilled migrants from countries with higher income and wage inequality and higher returns to skills (such as presumably Serbia) to countries with lower income and wage inequality and lower returns to skills (such as Slovakia and Slovenia). A recent research has confirmed this assumption for the year 2018, showing that relative wage premiums in top EU destinations were 4.7 and 4.6 for medium- and low-skilled workers, respectively, while the premium was less at 4.2 for high-skilled workers (Medić, Aleksić

and Petronijević, 2022). These extra incentives for medium- and low-skilled workers to emigrate have, however, been shrinking in the period under consideration.

Table 2. Monthly minimum wage in EUR

	2016	2017	2018	2019	2020	2021	2022	2023
Germany	1444	1506	1506	1561	1544	1592	1687	1997
Slovenia	791	805	843	887	941	1024	1074	1203
Slovakia	405	435	480	520	580	623	646	700
Serbia	234	250	285	308	344	366	401	461

Source: Eurostat

Table 2 shows that in the 2016-2023 relative gains of Serbian low-wage workers (proxied by universal and legally binding minimum wage) were higher than gains of low-wage workers in either of three comparator countries. While Serbian euro minimum wage almost doubled (increased 97%), the increase in German minimum wage was only 38%, Slovenian 52%, and Slovakian 73%.

While until the mid-2010s Serbian workforce generally appeared to provide an almost unlimited supply of export-ready labour without this having much impact on labour-market outcomes in the country, this is not so in the case of the growing number of high-demand occupations. Skills shortages have become more common in recent years, including in manufacturing (metal-processing, in particular), construction (owing to the housing-market and civil-engineering investment booms) and road transport (e.g. truck and bus drivers). As Serbian manufacturing firms become more like those in other central and eastern European countries, i.e. more closely integrated into global value chains, they are increasingly competing for the same types of skilled workers and so have to offer more competitive wages.

An interesting glimpse into interaction between the demand for and supply of work migrants was provided by the UNDP-sponsored research conducted by Infostud, the largest online job market platform in Serbia. Of course, the findings of the research are not representative of the entire labour migration market, nor do they provide information about the actually realised job matches. Still, they are largely in accordance with major trends identified in our migration outflow analysis.

According to the Infostud research (2021), over the last decade, there has been a continuous increase in the number of advertised jobs abroad, coinciding with the increasing demand in the EU-27 recovering from the global recession. The largest number of advertised foreign jobs was posted during 2018 and 2019, respectively. In 2020, a sharp slowdown happened as a consequence of the global economic and health crisis. Job ads were most frequently coming from Germany, Montenegro, Croatia, Slovenia and Russia. The largest number of job ads between 2013 and 2020 was in the field of mechanical engineering, construction and IT. Electrical engineering, catering, food preparation, healthcare and transport also stand out. Looking at individual occupations, the greatest demand was for drivers and cooks. This is followed by civil engineers, waiters, mechanical engineers, electricians, doctors and nurses².

The number of applications for job advertisements grew in parallel with the growth in the number of published job advertisements abroad. This growth has been constant since the beginning of the measurements covered by this research (since 2013), with slight

² <https://poslovi.infostud.com/undp-izvestaj>

slowdowns during 2017 and 2019. Again, a drastic slowdown was recorded in 2020 as a consequence of the global pandemic.

As an illustration of a more recent demand for workers from Serbia, we have looked at the websites of Serbian agencies for temporary employment, some of which have in their offer temporary jobs abroad. Table 3 below shows countries and occupations/sectors that have been mentioned in these ads at the beginning of 2024.

Table 3. Most frequent occupations for temporary workers from Serbia

Germany	Croatia	Austria	Slovenia	Montenegro	Slovakia
Drivers	Cooks	Waiters	Workers in the hospitality industry	Workers in the hospitality industry	Manufacturing workers
Doctors	Waiters	Cooks	Manufacturing workers	Construction workers	
Nurses	Retail workers	Construction workers			
Construction workers	Drivers				
Electricians and locksmiths	Doctors				
Cooks and waiters					
Manufacturing workers					

Source: own internet research

Some relevant statistics on the sectors of primary interest for the JUSTMIG project are presented in Table 4. Out of four sectors, Automotive Manufacturing had a very significant increase in employment while its relative wage (as percentage of national average) slightly declined. All other sectors experienced both the decline in their employment shares in total employment and the decline in relative wages. These range from moderate (in case of Retail trade) to large (in case of Care services).

However, drawing any migration or industrial relations conclusions from these statistics without further analysis would be a thankless task. Automotive manufacturing is in great expansion driven by significant FDIs in the sector (Arandarenko et al, 2021), and most likely there is a fierce competition for workers in that sector among the employers in Serbia, which is partially reflected in stable relative wages. The drop in relative wages in all covered sector has to do with the end of fiscal consolidation, when higher wages in public sector were decompressed and thus increased somewhat wage inequality

Table 4. Statistics on 4 JUSTMIG sectors in Serbia, 2018-2022

Sector	Indicator (%)	2018	2019	2020	2021	2022
C10+C11 Manufacture of	Employment	4.6%	4.6%	4.7%	4.6%	4.3%

food and beverages	Relative wage	84.8%	81.1%	80.0%	79.5%	78.6%
	Turnover	7.6%	7.1%	7.3%	7.3%	7.2%
C29 Automotive Manufacturing	Employment	1.9%	1.9%	2.4%	2.6%	2.7%
	Relative wage	91.4%	94.6%	91.0%	89.1%	89.1%
	Turnover	2.5%	2.2%	2.1%	2.1%	2.2%
C47 Retail trade	Employment	9.8%	9.6%	9.7%	9.7%	9.4%
	Relative wage	71.4%	69.1%	68.7%	68.9%	69.0%
	Turnover	10.1%	10.5%	11.3%	13.3%	12.8%
C87+C88 Care services	Employment	1.9%	1.6%	1.4%	1.3%	1.3%
	Relative wage	82.2%	80.8%	81.3%	78.5%	74.5%
	Turnover	nn	nn	nn	0.1%	0.1%

*Wages for "merged" sectors are calculated as a weighted average

Source: Own calculations, CROSO data from SORS

4.1. Skill gaps due to outmigration

Two relatively recent pieces of research, using entirely different methodologies, shifted the attention from the widely shared belief in the extensive brain drain from Serbia. Brain drain is technically defined if the education structure of emigrant stock or outflow is significantly better than those of those who did not emigrate. While Leitner (2021) analysed migration-prone cohorts using Serbian Labour Force Survey, Arandarenko (2021) used mirror statistics as the basis for analysis. The most important finding of Leitner's statistical analysis is that, contrary to intuition and widespread perceptions, over the observed period there was *net immigration of the highly educated* within the context of negative net migration. In other words, among the relevant age cohorts in the country followed over time, the share of those with college and university degrees increased, while the share of those without higher education decreased.

Another recent research (Arandarenko, 2021) also questioned this dominant narrative on brain drain as the main worrisome aspect of Serbian emigration. Arandarenko divided the main destination countries into those mostly receiving high-skilled Serbian immigrants, and others, taking mostly medium- and low-skill immigrants. Assuming no major changes in relative skill structure of Serbian immigrants by countries, a more dynamic increase of stock of Serbian immigrants in 'brain-drain' countries would, due to the composition effect, suggest the worsening of skill balance of Serbian emigrants, and vice versa. However, it was the countries receiving mostly emigrants without higher education where the growth of Serbian emigrant stock was the highest.

The recent available data on Serbian immigrants in Germany, require closer attention since Germany accounts for around a third of the total stock and flow of Serbian emigrant numbers in the EU, and is in a way representative for the EU as a whole. In particular, the Serbian public has become very alarmed by the apparent drain of doctors and medical staff in general, as well as engineers and IT professionals. The data from German immigration statistics as well as some recent analyses can be used to try to

assess whether the upward skill shift has really happened. The IAB study (Bruecker et al. 2021) on the effects of the Western Balkan Regulation that entered into force in 2015. This regulation eased the employment of workers without professional qualifications if they had a binding agreement with a German employer. The expected skill shift would be away from high-skill migrants. This has been confirmed by the study's main findings. For example, over 40% of those who benefitted from the regulation found employment in the construction sector. Furthermore, the average earnings of immigrants admitted under the scheme were only some 20% higher than minimum wage.

German statistics identify ten occupational groups as the most frequent among employees, only one of them high-skilled (that is, health associate professionals), six in medium-skilled, and three in low-skilled, as follows: Labourers in mining, construction, manufacturing and transport; Extraction and building trades workers; Cleaners and helpers; Health associate professionals; Sales workers; Personal and protective services workers; Drivers and mobile-plant operators; Metal, machinery and related trades workers; Personal care workers; Food preparation assistants. The structure of all emigrants from Serbia in Germany was dominated by medium-skilled occupations both in 2015 and 2019, with some increase in the share of high-skilled emigrants over that period, but it remained worse than that in Serbia. Roughly, while the structure of the Serbian resident labour force in 2019 was 20% low-skill, 55% medium-skill and 25% high-skill, in Germany low-skilled workers comprised 25% and high-skilled 20% of labour force (Wiiw-ETF, 2021).

Another relatively recent research focused on the emigration of health professionals to Germany which is the most popular destination for Serbian health professionals, with Slovenia far below in second place (World Bank, 2020). Although there has been a steady increase in the applications for health degree recognition in Germany, the success rate is only two thirds, pointing to problems with the quality of health education in Serbia. By 2017, there were 1,236 Serbian-trained physicians in Germany, and by 2020 the number of health professionals surpassed 1,500. Although these numbers are high and still growing, and are undoubtedly a reason for concern, they should be looked at in conjunction with the data on the labour force in the health sector residing in Serbia. The number of employed physicians was slightly below or around 30,000 in the late 2010s, while the number of unemployed physicians hovered above 2,000 and often close to 3,000 for most of that period. The number of unemployed dropped below 1,000 only after the Covid-19 outbreak. A similar trend was recorded for nurses. In other words, up until 2020, emigration of health workers did not interfere with the (excess) availability of health workforce at home.

5. Conclusion and final comments

Over the past decade or so, emigration from Serbia to the European Union underwent a significant transformation. First, the migration flows intensified without significantly increasing the stock of Serbian emigrants in the EU and specifically countries which are included in the analysis (except for Slovakia and Slovenia). Second, the share of migrants for employment reasons in the total number of migrants has increased. Third and related to second, temporary and seasonal migration patterns have become more prominent. Fourth, partially responding to skill demand of host countries, and partially as a result of push factors (disincentives to stay in Serbia) for low- or medium-skilled workers, the skill structure of Serbian emigrants to the EU remained similar or somewhat worse compared to the skill structure of the resident population. This somewhat surprising finding further corroborates this project's implicit assumption of the increase

in temporary and otherwise vulnerable employment among the recent Serbian emigrants into the European Union.

From the standpoint of a sending country it is very difficult to undertake either a more precise structural analysis of people not present in the country, or of the impact of their non-presence on the labour market and industrial relations in the country. Still, the sector that appears to be the most resilient in terms of employment growth and the relative wage stability – Automotive Manufacturing – is at the same time the sector where there is the fiercest competition for workers between local mostly FDI firms and FDI firms in Central and Eastern Europe, most notably Slovakia. More generally, there is a clear trend of employment and wage convergence between Serbia and EU countries, suggesting that the remuneration-related emigration from Serbia has peaked and shall start to decline by the end of this decade.

While most of the developments in the past decade looked like a vicious cycle of workers' vulnerability and temporariness exported from Serbia and happily exploited by the EU private and public actors within the same – but better paid - type of insecure temporary employment arrangements, there is a hope that developments in this decade might bring, more by the spontaneous interaction of labour supply and demand than by a conscious design, a virtuous circle of more security, better pay and work conditions for Serbian workers both in Serbia and in the EU destination countries. In ideal circumstances, these market-led gains should be fortified by the regulatory reforms initiated by the trade unions and civil society actors in a trans-European action.

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