Central European
Labour Studies
Institute

Bargaining for working conditions and social rights of migrant workers in Central and Eastern European countries (BARMIG)

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Background Report Serbia

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Tibor T. Meszmann

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CELSI Research Report No. 50
August 2022

Tibor T. Meszmann
Central European Labour Studies Institute (CELSI)

European Union

This report was financed by European Commision Grant No. VS/2020/0119

Corresponding Author:
Tibor T. Meszmann
Central European Labour Studies Institute (CELSI)
Zvolenska 29, 821 09 Bratislava, Slovakia
E-mail: tibor.meszmann@celsi.sk

Content

Executive summary

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Several push factors influence migrations from Serbia to CEE: the deteriorating quality of jobs, bad working conditions for industrial and service sector jobs, and the poor functioning of the rule of law. Labour migration from Serbia to CEE is mostly temporary, and the largest cohort who take such jobs consists of members of the middle-aged population with secondary or elementary education. They find employment in physically hard jobs in CEE manufacturing (especially in the automotive and electronics industry), construction, and tourism. The use of labour intermediation services has rapidly increased from 2016 onwards, but employer-driven temporary migration (that is, employer posting and its hybrid forms) is gradually gaining ground. In general, an information deficit exists among migrant workers, which several important civil society organization (CSO) initiatives along with closed information flows among workers, and rudimentary cooperation among internationally active trade unions have solved. One solution for the information deficit and the related dangers of overexploitation is to link two forms of "screening" jobs and work arrangements: closed groups of migrant workers should establish regular, preferably institutionalised communication channels with a trade union or other worker organization. Such links could yield both mutual and more general social benefits.

Recommendations

For Serbian authorities:

1. Strengthen the implementation of labour legislation and the rule of law in Serbia.
2. Define transparent immigration policy.
3. For trade unions and civil society organisations in Serbia and CEE and social partners in CEE
4. Establish information points for immigrant worker communities along with involvement and provide support for trade unions and civil society organisations

Introduction[1]

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This report analyses and clarifies the background labour market conditions, worker motivations, and the infrastructure that enables labour migration from Serbia to Central Eastern European (CEE) labour markets. We consider both "push" and "pull" factors that influence migration patterns, and we focus especially on the construction, manufacturing, services, and health sectors. We pay special attention to migration-related infrastructure (e.g. temp agencies and labour intermediaries) as this enables and shapes migration outcomes.

The assessment here is based not only on secondary resources, but also (primarily) on interviews with experts in labour law, employment and migration; representatives of trade unions (at the national level and sectoral level); and also representatives of certain civil society organizations that actively monitor work-related migration and deal with the protection of migrant workers' rights. Our respondents also included three workers with a significant migration background: one with a university degree employed earlier in Slovakia, and two high school graduates who found employment via a temp agency in Hungary. We completed all but one of the interviews between February and May 2021. Altogether, the twelve recorded interviews included conversations with three workers, five trade union officials, and seven experts.

1 Acknowledgements. The research for this report was done in cooperation with András Juhász, whose involvement was essential for arranging and conducting interviews. Special thanks to the interviewed experts, workers, and trade union representatives for sharing their accumulated insights.

Chapter 1: The General Labour Market Situation and Worker Motivations to Leave

The labour market in Serbia has undergone turbulent changes throughout the new millennium. From 2001 onwards, and culminating in the years during and after the global economic crisis, the country pursued a foreign direct investment (FDI)-led development path (Gligorov et al 2011). Rapid market reforms occurred alongside often criminal privatization and rising unemployment. Since 2015, however, there has been an increasing shortage of workers trained in skilled professions, and in some areas a general labour shortage too.

Labour market assessment

There is a systemic lack of data, and in recent years no research has empirically analysed labour migrations.[2] The available research on migration can be grouped into two major categories: one that used data from the 2011 census to assess territorial migratory movements (Stanković 2014), or was survey based where the typical aim was to detect migration plans. Only a few studies have empirically assessed migrations or extensively surveyed migration intentions and attitudes towards migration (e.g. Faculty of Geography, University of Belgrade, 2019). Surveys also exist on the migration of medical students and doctors (see Santrić-Miličević et al. (2014) and Krstić and Ljubičić (2015)). A handful of scholars have analysed discourses on migration (Johnson 2019), and they have emphasized its highly politicized character. Arandarenko and Aleksić (2020) calculated labour force statistics for Serbian citizens around 2014 by combining national LFS data and data on Serbian immigrants from labour force surveys in the ten EU or OECD destination countries with the largest amount of Serbian immigration. They arrived at an estimate of some 360,000 working-age Serbian citizens employed outside Serbia, which added around fifteen per cent to resident employment (i.e. those employed in the territory of Serbia) in 2014. Based on destination countries'

2 Special thanks to Professor Mihail Arandarenko for sharing his notes on recent research into migration in Serbia.

stock and flow data on serbian immigrants, Arandarenko's (2021) study assessed migratory patterns and showed that while labour migration to CEE countries (and Germany) is cyclical and adaptive in nature, with the main cohort of migrants having completed secondary education, immigration to other Western European countries is permanent. Finally, a special strand in the literature follows members of migrant communities of dual citizens, such as ethnic Slovak Serbian citizens employed in or near Bratislava in Slovakia (see Marušiak and Zlatanović 2020).

Several experts have highlighted that Serbia also features as an immigration country, both because of its legacy as having been a regional centre, but also because of new infrastructural investments. A labour market "imbalance" due to the deterioration of job quality (E01SR18032021, TU02SR13042021) or relative wage disadvantages for some educational cohorts (E03SR09042021) – in contrast to public discourses – mostly affects cohorts who have completed vocational qualifications to a secondary education level. Thus, workers from various Asian countries, who were often employed illegally or in clearly highly exploited conditions, arrived in the Serbian labour market as "there are jobs that even workers from Serbia don't want to perform". (E01SR18032021) In contrast, Serbia's inegalitarian tax and benefits system means that it is relatively advantageous to be employed with a university degree. There is also a relative net migration of students from neighbouring countries who enrol at Serbian universities, and who then stay in the labour market (E03SR09042021). Altogether, while the top-level public discourse is concerned with "brain drain" (e.g. Johnson), it is in fact a cohort with no university-level education who are typically on the move (Arandarenko 2021).

Experts are equivocal in that Serbia does not have a clear, transparent migration policy. Instead, it has ad hoc strategies that are based on rather temporary, and sometimes misleading, assessments (E01SR18032021 E03SR09042021, TU02SR13042021). Some experts and trade union representatives were also sharp-tongued in their bitter judgement that the state does not care about people leaving the country to work elsewhere. Rather, it sees only short-term benefits to such migrations: these people are no longer unemployed and their remittances contribute to the country's economic stability (E01SR18032021).

Why Are Workers Leaving?

Experts and trade unions highlighted that low wages and poor quality of available jobs are a major reason for seeking jobs abroad. Nevertheless, most respondents considered other primary reasons why workers are taking up jobs abroad. Besides relatively low wages, both experts and trade unionists mentioned the deteriorating working conditions as a major reason for immigration. The limited systemic capacities of labour inspectorates and legal insecurity also undermined the protection of labour standards in Serbia, as did the work of courts

and the rampant clientelism and corruption. As one expert aptly summarized, “People are fed up with being humiliated” (E01SR18032021). Altogether, issues that triggered workers to consider immigration or, more generally, an exit from the traditional labour market included:

- Comparatively low wages, in some, not all sectors
- Poor, deteriorating working conditions in combination with no rule of law and legal insecurity
- Poor implementation, the non-functioning of institutions, including institutions governing the labour market and
- General legal insecurity and an inability of employees to fight for own rights.
- poor quality jobs and unavailable jobs at local some local labour markets, especially as unemployment was still a major issue until 2019

There are relative wage disadvantages for some educational cohorts, but, in contrast to public discourses, it mostly affects cohorts who have completed vocational qualifications to a secondary education level, and take up semi-qualified or qualified jobs in industry and services. Wage differences are, for example, especially significant, about the double at very similar industry level jobs at foreign direct investment (FDI) driven manufacturing in a Central Eastern European country. Moreover, the system of Serbian redistribution is inegalitarian, which adds to the motivation. As a labour economist explains, “In addition to comparatively low wages in industry in services, and relatively high earning opportunities of the highly educated, the inegalitarian system of taxes and social benefits in Serbia adds to inequalities, as it does not favour redistribution to employees with low or medium education, and they are thus incentivized to migrate abroad” (E03SR09042021).

Poor, deteriorating working conditions in combination with general legal insecurity were mentioned as the main cause of migration, primarily in the private sector. To attract FDI for the private sector, a flexible labour law was introduced in 2014. This law poorly protects workers’ rights, and it facilitates a kind of “predatory capitalism” (E01SR18032021, TU04SR19042021), an economic system in which workers can be overexploited, and then the investor can quickly exit the Serbian market. As one expert interviewee put it, “Workers are not only cheap in the sense that wages are low, but also in the sense that their rights are difficult to protect. In addition, the labour code is implemented with a gentle touch, and its meaning fades as new pieces of legislation fostering precarious forms of employment emerge, such as the law on seasonal work or work via temp agencies, which go against the spirit of the labour code” (E01SR18032021). The same labour law specialists comments: “Prospects for change are moving in the wrong direction. There are also lobby initiatives to extend the scope of the Law on Seasonal Employment to all employed in the hospitality, tourism, and construction sectors, which would mean that working conditions for all those employed in these sectors would deteriorate and no longer meet the labour code standards.

Even more worrisome is the trend that the legislator keeps tabs on illegal practices and changes the legislation so as to make such practices legal" (E01SR18032021).

For health sector workers in professional positions, the main cause of immigration is systemic and is grounded in poor working conditions with low wages being a lesser albeit important concern (TU01SR26032021). An evaluation by a trade union representative matched the earlier findings of Krstić and Ljubičić (2015) in that poor working conditions, poor facilities, and a lack of resources are more important to young healthcare workers than a low salary. In the words of one trade union representative for health workers, the reason lies in the non-functioning of the "system", which results in terrible working conditions. To give one example, health professionals do not receive a guarantee that the machines they operating are functioning properly and that the machines will not cause unintended harm.

All anaesthesiologists in Serbia, certainly in eighty per cent of establishments, enter and carry out their work under the threat that they will end up in prison for three years, because they operate a machine that does not have a certificate of functionality, of safe use. (TU01SR26032021)

The poor implementation of labour legislation was a theme often highlighted as a main reason for the poor wages and working conditions in Serbia. The interviewed expert in labour law estimated that about one third of all employees – more than one million employees – would enjoy better working conditions if the Serbian Labour Code (Zakon o radu) were implemented. According to estimates, around one hundred thousand employees do not receive salaries or receive wages in arrears for periods stretching from a couple of months to several months, while between two hundred thousand and three hundred thousand workers are employed on the minimum wage, which was introduced in an unlawful manner. In addition, there are many employees who are not paid overtime or sick leave, and many have no secured paid leave. Finally, about half a million workers work without a contract, that is, they are employed illegally (E01SR18032021).

Like the courts, labour inspectors also cannot work properly because of limited capacities. If one inspector retires, no new inspector is hired to replace them. Their capacities are so low that inspectors sometimes need a month or two to check a reported violation of labour rights. The same employer can be checked every ten years through regular checks. The inspectors' powers are also limited. One common practice is that when they detect irregularities, inspectors do not sanction but rather issue warnings. A project was set up in 2015 to ensure labour inspectors become better connected with other inspectorates, but this project was not implemented. Inspectors are increasingly frustrated people, as they work in terrible working conditions (E01SR18032021, E02SR24032021).

Experts have also highlighted the general legal insecurity in connection with the inability of employees to fight for own rights. Despite having good practices and established principles of work, the Serbian courts severely lack the capacity to deal with many cases of violations.

If a worker wants to lodge a complaint or bring charges against an employer, they have to bear in mind the fact that the court procedure will be very long and could last five or six years, whereas the plaintiff's maximum gain is six months' salary, with no prospect of re-instatement (E01SR18032021, E02SR24032021). As a huge number of workers are employed on temporary contracts, they do not have solid ground on which they can self-organize (E01SR18032021, E02SR24032021). The interviewed workers confirmed that they had poor job prospects in Serbia (W01SRB08052021, W02SR20052021). They also reflected on cases of in-debtedness among migrating peers, with the need to earn as much as possible in a limited period of time (W01SRB08052021).

Chapter 2: Labour Migration Infrastructure for CEE Migrants from Serbia

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Since December 2009, the visa liberalization regime has allowed Serbian citizens to travel within the EU Schengen area without a visa, which has thus enabled extensive short-term labour mobility. The regime permits Serbian citizens to stay on EU territory for three months out of every six-month period. Still, only after the global financial crisis did demand for labour from Serbia suddenly increase. Experts have highlighted how labour recruitment has flourished since 2015, and how it has never been easier to source labour from Serbia. In general, there is a broad spectrum of organizations specialized in labour sourcing: student cooperatives, registered temporary work agencies, unregistered temp agencies, registered and unregistered intermediaries etc (E01SR18032021). Of these, the student cooperatives are not entitled to source labour for jobs abroad, and the same applies to unregistered organizations.

The Rise of Labour Migration Infrastructure

The development of labour migration infrastructure stemmed from interrelated rise in two labour migration processes and institutions:

- Recruitment
- Temporary work agencies
- Workers' involvement and reception

Recruitment.

Recruitment channels cannot be controlled (E03SR09042021), but recruitment is easier when legal conditions are loose: and this has been the case in Serbia. The use of intermediaries (e.g. temp agencies) was especially strong for non-regulated migratory movements that were adaptive in nature, when job opportunities suddenly arose (E03SR09042021). Recruiters have worked rather opportunistically for a percentage commission upon delivering each successful applicant or per person considered. This pattern has been especially visible since 2016, whereby members of the Hungarian or Slovak ethnic communities with good social capital and formal (legal) knowledge have pioneered labour sourcing to destination kin countries of Hungary and Slovakia. The village of Bela Crkva, which has a significant ethnic Czech presence, was also noted as an example for targeted labour recruitment for employment in Czechia (E02SR24032021, E04SR26042021). National minority entrepreneurs were well-suited to adapt and exploit opportunities that arose, and they could easily organize the recruitment of a whole village (E03SR09042021). One informant mentioned a Slovak-speaking lawyer who was a Serbian citizen. He had political connections and sourced workers semi-legally, first as an intermediary and later as a registered temp agency. He owned 17 (!) agencies for intermediation, which were all registered in a small office, and was sending (initially) Slovak speakers to Slovakia (E02SR24032021). As the law does not prevent the registration of agencies, intermediary companies, and student cooperatives at the same address, he could do this unhindered (E01SR18032021). There was an observable pattern of entrepreneurial behaviour tied to local political support: “minority entrepreneurs” knew how the systems in CEE countries operated, and they also knew the conditions and motivations of workers from Vojvodina in north Serbia, and their pay levels etc (W01SRB08052021). Other ethnic Slovak or Hungarian workers organically invited friends to join them in CEE destination countries (E02SR24032021).

Temporary work agencies on the rise

From 2016 onwards temporary work agencies (TWAs) have been the most significant actors in stable transnational labour sourcing from Serbia. TWAs have tended to specialize in countries to where and regions from where they contract workers. Thus, examples include temp agencies close to the Hungarian border (where there is a significant Hungarian-speaking population) that specialize in sourcing for businesses in Hungary – especially for the automotive industry; and temp agencies in Bački Petrovac, the cultural centre of Serbian Slovaks, that specialize in sourcing for Slovak electronic and automotive user companies. Such TWAs have enjoyed indirect support from local municipalities and local public employment bureaus. For instance, they have been allowed to organize public presentations of temp agencies at municipal buildings, and publish advertisements in the halls of local employment bureaus, thus raising popular awareness of job opportunities and increasing trust for their business (E04SR26042021). Both experts who have been following migrant workers in

Slovakia and temp workers in Hungary respectively confirmed that a TWA is the first and crucial link between Serbia and Slovakia, especially for people who have never been to these countries, who did not speak the language etc (E05SR30042021, W01SRB08052021).

Workers' Involvement and Reception

Intermediaries were in a good position to attract desperate and rather poorly informed workers. Labour sourcing via formal or informal intermediaries was rather successful, as many people were so desperate to leave Serbia that they would respond to even the most suspicious electronic advertisements if they promised a great deal (E02SR24032021). A poll on suspicious work advertisements directed at students conducted by a CSO named Astra confirmed how desperate people are: even if respondents knew the context of labour (over) exploitation and the role of advertisements, two thirds of respondents still answered affirmatively when asked whether they would take up a job if offered by a suspicious source (E01SR18032021, E04SR26042021). Workers were also keen to follow up on a call or a recommendation from a distant friend or relative. However, even such "friends" sometimes turned out to be not so nice (E02SR24032021, E04SR26042021). Workers are generally relatively poorly informed, and they receive rather inaccurate information through social media and tabloid newspapers and sources (TU04SR19042021). Indeed, people tend draw on personal networks to inform themselves, but not trade unions, as unions are not trusted (TU02SR13042021). In fact, workers rarely check trade union and other official channels (TU04SR19042021).

Workers' and trade unions' perspective

Interviewed workers with significant experience in work related migration provided a different perspective on the key role of temp agencies, and on the dynamics of temporary migration. A good reference was key, and an acquaintance who was already present at the destination. Although the "move" was intended for a temporary period only, it entailed a major change. Thus, significant administrative preparations were needed, and workers also needed to draw on their courage, and have the guts to go (W01SRB08052021). Only some workers were aware from the start of their high dependency on a temp agency, especially as only certain TWAs were sourcing Serbian citizens. Overall, it took more careful workers a longer time to select both the temp agency and the user company. This deliberation process included hearing about the options, discussing them thoroughly with friends, and reflecting on information about who had heard what, both online and offline. It was important to check multiple sources. Nevertheless, it was not easy to access high-quality information as people were often not open to discussion and did not wish to share their

experiences (W01SRB08052021). All the conditions and expectations that had to be met included: (i) a reputable agency and user company, (ii) expectations on the nature of work at the plant, (iii) accommodation- and travel-related conditions, and (iv) wages. Ultimately, the interviewed workers asked the Hungarian TWA registered in Serbia directly if they could work at a specific plant – a user company (W01SRB08052021). Even then, they still requested that the TWA "fulfil what they had promised". (W01SRB08052021)

Problems with the unregulated or loosely regulated flow became apparent from the start. There were a lot of fake contracts ("prevarni ugovori"), which were especially dangerous when applicants did not read what they had signed. If an advertisement promised high wages, background information provided would be typically overlooked or not questioned. Workers eventually signed contracts that included shady or outright illegal clauses and that generated high employer dependency. Highly problematic online advertisements came from various sources, and the labour inspectorates had their work cut out. Unfortunately, they could react only to locally registered intermediaries, as they had no jurisdiction against foreign-registered advertisements that linked to, for example, Hungarian or Slovak mobile numbers. (E01SR18032021) They had an infuriating, impractical fight on their hands – for as one advertisement would close, three new ones would instantly appear. The websites (e.g. Joble) on which they featured were rarely registered in Serbia, and so the authorities had no access to them (E02SR24032021).

The trade unions were aware that people became attracted by and faced entirely different conditions upon arrival compared with what had been promised to them (TU02SR13042021). An expert and a unionist underlined that there seems to be a negative correlation between skill level and the dangers of overexploitation: the more skilled or specialized a worker is, the more valuable they are to employers and less prone to exploitation, and vice versa (E02SR24032021, TU02SR13042021). But even if workers feel that the main requirements were fulfilled, it is the migrants' lack of social integration in CEE that indirectly supports circular migration (W02SR20052021). Workers' life experiences confirmed that there barely exists a life beyond work: no one got involved in their new social environment; they had no new friends; and both their work orientation as migrants, and the lack of health and safety checks, proved problematic (W01SRB08052021, W02SR20052021.) Irrespective of skill level, employees encountered outright expressions of racism (W02SR20052021).

Chapter 3: Migration Pathways to CEE

Interviewees reported poor statistics on immigration (E03SR09042021, TU02SR13042021) and a general absence of disaggregated data for specialized groups, e.g. for health professionals (TU01SR26032021). The number of instances of annual leave granted officially since 2016 was estimated to range from 20,000 through to 50,000, and up to 70,000 in 2019 (E01SR18032021). A union official (from the national confederation) in charge of migration had some insight into the number of annual work permits issued. In 2019, the last year before the Covid-19 pandemic, it was estimated that up to 70,000 workers from Serbia were employed legally in the EU, including approximately 15,000 in the Visegrad countries, 6,000 in Slovakia, and a similar number in Hungary. About 20,000 workers had seasonal jobs in services. The main traditional destination country for Serbian workers remains Germany (TU04SR19042021). Interviewees also mentioned Poland and Czechia as less frequent destinations for migrant workers. Poland featured for specific professions such as construction workers, drivers and transport workers, and language teachers. Jobs in the metal sector, especially in the automotive industry, were attractive in neighbouring Hungary and Slovakia, while some Serbian workers also took seasonal jobs in construction. Seasonal jobs and posting arrangements were common for Slovenia and Croatia in seasonal occupations like tourism and construction (E01SR18032021, E02SR24032021, TU04SR19042021).

The generation aged between thirty and fifty is the adaptive group that took up temporary jobs in CEE: slightly more males than females featured, while most had secondary education and a few had higher education (TU04SR19042021). Typical professions were construction and industrial workers (mostly men) and care workers (mostly women) (E03SR09042021). Trade union representatives spoke of an “exodus” of health workers, and more recently transport workers, but these movements were visible to the trade union as these people passed through regulated migration channels, including for the issuing of work permits (TU04SR19042021).

As was earlier mentioned, based on the Labour Force Survey (LFS) Eurostat data, Arandarenko (2021) found that Serbian workers emigrate to old EU member states (except to Germany) on a long-term basis and for family unification purposes, while they migrate on a short-term basis to new EU member states in the CEE region. According to this data, these are typically

migrant workers with secondary education who cannot find decent, comparatively socially acceptable jobs in manufacturing or services. In CEE, in areas such as manufacturing, there has been a rapid wage hike since 2014, whereas in Serbia, wages for industrial workers in these sectors even decreased a little with the new legislation of 2014 (E03SR09042021, TU02SR13042021). Experts have estimated that working conditions and pay in manufacturing, especially in the automotive industry, are significantly better in CEE compared with in Serbia, and it is this sector that has attracted migrant workers from Serbia (E02SR24032021).

Interviewees (E02SR24032021) estimated and the work-related migration trajectories of workers (W01SRB08052021, W02SR20052021) confirmed that work-related migration to CEE countries is temporary and cyclical in nature. Interviewed workers stated, for example, that Hungary is pretending to be the West, but is not really fulfilling expectations. People remain isolated, and live in poor housing with little social infrastructure (W01SRB08052021, TU01SR26032021). This is also the reason why people either move back and forth or choose to travel further to the West. An exception is the Hungarian or Slovak Serbian nationals who stay with kin or marry etc (TU04SR19042021 W01SRB08052021 E05SR30042021). Thus, the pattern for those Serbian citizens with Slovak or Hungarian roots who can obtain citizenship and social rights in these countries is different. Migrations often begin early in life for commuters from the border region – such as ethnic Hungarians and dual citizens who take jobs in Hungary, mostly in manufacturing. The recruitment of Hungarian-speaking children even begins in secondary schools in Hungary, and these children rarely return to Serbia (E06SR10122021). Ethnic Slovaks from Vojvodina also act as a bridge. They are recognized as Slovak diaspora and do not need work permits: they have open access to the job market, can change jobs easily, and are also a strong reference point for other workers from Serbia (E05SR30042021).

Patterns or dominant forms of labour migration

There are four patterns or dominant forms of labour migration:

- Seasonal work
- Temporary work
- The migration of professionals through interstate migration contracts
- Employer-brokered employment

Seasonal work

Serbian citizens can obtain work for a three-month period every six months on EU territory. The most common destination countries were Austria and Germany, alongside seasonal

jobs in construction or services in Croatia and Slovenia. In the CEE region, Serbian workers often took up jobs in labour-intensive sectors, e.g. construction in Hungary and Slovakia. Nevertheless, in Slovakia, workers from Serbia also often took up jobs in the automotive industry or the electronics industry for a three-month period only. Ethnic Hungarians from north Serbia near the border with Hungary often became commuters who returned to Serbia only for weekends (T04...). In all these cases, the role of registered, or informal, or illegal intermediaries was very significant. Only in Slovakia did certain temp agencies specialize in three-month contracting (W01SRB08052021, E05SR30042021). For Serbian workers without dual citizenship, the main difference is that agencies are crucial for gaining employment, most often for this three-month period. Overall, the trajectories were different for for ethnic Slovak Serbian citizens than for Serbian citizens without dual citizenship. Subcontractors often worked for Volkswagen in Bratislava – this was one of the plants that employed many workers from Serbia, and it featured as a stepping stone. For Serbian non-EU citizens, it was difficult to get a work permit and stay temporarily, and, unless they were married to a Slovak national, their social integration was minimal (E05SR30042021).

Temporary work.

This is a form of short- to medium-term employment that migrant workers from Serbia complete for a period that is not precisely defined. Typically, such employment requires a work permit and an employer's active involvement, the employer most often being a temporary work agency. There are well-organized, Hungarian temp agencies with offices in Serbian border towns with Hungary, especially in Subotica. Temp agencies in north Serbia targeted Hungarian speakers – these were legal businesses – for jobs in Hungary, mostly in various parts of the manufacturing sector (E02SR24032021). These agencies also had advertisements in official employment bureaus, and they also used local government buildings in various towns in Vojvodina for public presentations. In Slovakia, temp agency contracting was more dubious, but it improved over the years. It improved especially after a scandal in 2017 when Serbian workers were trapped between employment and immigration regime requirements. This was resolved through media and interstate involvement (E05SR30042021), and no new large scale cases were recorded.

Temp agency work entailed very high flexibility but also mutual insecurity: temp agencies could dismiss temp workers without reason, effective almost immediately. Yet equally, workers also searched actively for better employment opportunities, and they rarely considered staying in one workplace or seeking permanent employment (W01SRB08052021). Some workers experienced just how quickly one can lose a job during the Covid-19 crisis, but they also recognized their high dependency on the TWA and user company: as the main car manufacturer stopped production, all suppliers and their agencies had to dismiss workers (W01SRB08052021). However, the net income of temp workers was higher than that of local workers as they did not need to pay for housing and travel to and from the workplace – thus,

rivalry and jealousy became an issue (W01SRB08052021). In Hungarian and Slovakian manufacturing, especially in the automotive industry, specific lines at some workplaces were fully or near fully dominated by migrant workers from Serbia and Ukraine, sometimes with a local supervisor (team leader) (W01SRB08052021). Workers also reported observing or entering into rather new production divisions: they began production on a new line with the most hard-working workers, who were typically migrants (W01SRB08052021, W02SR20052021).

The migration of professionals through interstate migration contracts.

For Serbian healthcare workers, an interstate agreement exists with Germany, and contracts are also well organized with Sweden and Norway (TU01SR26032021). This is not, however, the situation in CEE countries. Similar agreements also exist between Serbia and other Western countries, for example, for transport workers or engineers (E01SR18032021). The pattern implies offering permanent contracts and infrastructure for integration in the host country, including solving bureaucratic tasks, language learning etc. Usually, not only individual workers but their entire families join them, and so this kind of movement is not circular but is rather long-term immigration (E01SR18032021, E03SR09042021).

There are intermediary agencies that specialize in headhunting Serbian healthcare professionals. Indeed, a difference remains between registered and unregistered intermediary agencies: of the registered, there are those that work legally to the benefit of all involved, and those that prioritize profit-making at any cost (E01SR18032021). Typically, a healthcare applicant needs to pass language and professional exams to immigrate. The key difference between the legal and the dubious intermediary agencies is that the legal ones receive a percentage commission for each successful candidate and the contract ends there, whereas the dubious ones request payment from the employer direct to them instead of to the employee, and they transfer a smaller share to the candidate (or the probationary employee), pretending that the agency pays for all language courses, exams, accommodation etc (E01SR18032021). Civil society organisations initiated action against these dubious agencies and the authorities reacted quickly and closed them down; however, new ones immediately sprang up (E01SR18032021). In healthcare, bilateral agreements have facilitated the systematic migration of healthcare workers, especially nurses and technicians, to Germany. In South East Europe, healthcare workers from Serbia have found temporary jobs in Croatia, Montenegro, or Macedonia. Sometimes a main doctor organizes a “crew” and they all work abroad for a week or so (TU01SR26032021).

There are no known cases of overexploitation, dubious practices etc., and the trade union has not received any information. It is well organized with vested interests, and so there are incentives to provide good stable sourcing with great attention paid to reputation (TU01SR26032021).

Employer-brokered employment.

Interviewees reported that Serbian-registered employer-driven temporary employment is increasingly common in Serbia. It consists of workers receiving postings abroad, with some variations. The first such instance was reported in 2015. After the criminal privatization[3] of the renowned metal company Goša, which had its own workshop for training and education, the new owner posted workers – mostly skilled welders – to Slovakia on low wages. The arrangement was for them to be paid the Serbian minimum wage with extra cash in envelopes (to avoid paying all the extra pension, tax, and insurance contributions). In 2017, a Serbian company registered to produce electronics in Serbia – but without any real production – posted workers to Slovakia. In addition, a company formally registered as an ice cream producer posted workers to LEDO in Czechia. These companies were letterbox companies (E02SR24032021).

Finally, a hybrid variant of employer intermediation occurs when a multinational company in Serbia seeks workers to be employed in another, typically CEE country. An informant (W02SR20052021) reported in detail that the company advertised jobs at its premises. It especially targeted employees from the Serbian plant who are also EU citizens, or who have special privileges in the country of operation, such as members of the Slovak diaspora in Slovakia. The jobs they take on are extremely demanding. At a subcontractor to Volkswagen, an entire logistical operation in Bratislava was created by a Serbian team. Not only physical but also organizational and administrative office work was completed by workers arriving from Serbia, some of whom spoke Slovak. Locals did not want to take on these jobs, or they would not stay there after employment in such positions (W02SR20052021).

The most recent case that resembles posting was when Fiat in Serbia sent workers to a supplier in Slovakia for the minimum wage there. As Fiat was not producing and wanted to lay off its workers, it offered them the option of a posting in Slovakia to a subcontractor of Fiat, for 850 euros per month, with no costs of travel or accommodation covered. Few workers accepted the offer (TU03SR16042021). A local Serbian trade union found out that the Slovak company (an automotive supplier) was employing workers under the worst conditions locally of all the five plants in Trnava, and it therefore faced acute labour shortages, as locals did not want to work there (TU03SR16042021).

In recent years there have been many cases of posting, and trade unions follow the registered numbers. This pattern also includes employment in Slovenia and Croatia in construction etc., just for posting (TU02SR13042021). The problem is that when it comes to posting from Serbia, the regulations have become lax: there is no obligatory registry at the Ministry of Labour for employers posting workers abroad. Thus, the authorities learn about illegal practices only after the fact (E01SR18032021, E02SR24032021).

3 In Serbia, requirements and social guarantees for taking over ownership of enterprises in public ownership were rather loosely defined. Eventually a large share of privatisation deals were cancelled because of corruption or mismanagement. See e.g. Stevan Dojčinović 'Serbian Privatisation: Criminals Still Cashing', November 4, 2011 https://balkaninsight.com/2011/11/04/serbian-privatisation-criminals-still-cashing-in/

Chapter 4: Initiatives

Experts almost unequivocally highlighted that the Serbian authorities showed little concern and interest regarding the protection of the rights of citizens who were temporarily working abroad. An interviewee recalled sporadic actions, such as distributing one thousand flyers at the border, but as this was not put online, one could not see and check the content of those flyers (E02SR24032021). The state interfered only in the most blatant cases of labour overexploitation, often after a call from civil society organizations. The best known, most infamous cases were in Šala, Slovakia in 2017 and in Sochi, Russia in 2014 (E04SR26042021).

Civil society initiatives

There are at least a few civil society initiatives tasked with monitoring cases of labour overexploitation abroad and illegal labour recruitment. One of these is the NGO Astra. This organization dealt initially with trafficking, but over the years it has increasingly paid attention to workplace overexploitation. It records cases of labour exploitation, which include inhuman living conditions, no payment, no possibility to visit a doctor for a medical check-up, and removal of access to documents. Alongside cases of rights abuses of Serbian citizens abroad, cases resembling labour trafficking have occurred in Serbia with workers from India, Nepal, and Turkey (E04SR26042021). Astra also offers training for labour inspectors to discern signs of labour overexploitation. The organization operates an SOS phone service, and they offer information and online preventive help. Finally, Astra also monitors advertisements, and they cooperate with market inspectors and other civil organizations – this includes letting inspectors know about false or illegal advertisements. The NGO works preventively and on specific cases of labour exploitation via international cooperation programmes (E04SR26042021).

A small but important initiative came from an organization named Radnik, which has performed a small watchdog role through its public website (radnik.rs). The organization has been operating since 2016, and it includes two people who concentrate on labour law. Its core activity consists of monitoring online sites and raising awareness about fake advertisements. After publishing alarming texts on work practices, some workers inquired or reported new cases. It thus covered cases of labour exploitation in Slovakia, and it uncovered cases of fake postings. Gradually, the situation evolved in such a way that workers also turned to

NGOs and looked up companies on the internet for negative references (E02SR24032021). As one expert highlighted, one should be grateful for such civil initiatives but, of course, they are insufficient as a systematic response (E01SR18032021).

Trade union presence

Trade unions are one actor mostly missing in this process. Trade unions in CEE and Serbia are reportedly too passive regarding migrant workers. They have the motto, “we protect only our members” (E02SR24032021), which implies a highly limited strategy. For workers in Slovakia or Hungary, trade unions did not feature as a reference point (E05SR30042021). Posted workers probably hold trade unions in the worst regard (E02SR24032021). There may be some union officials involved, but there is no systematic work being done that is publicly visible (E01SR18032021).

There are trade union initiatives, but these are not sufficiently visible or big. The most important actor is a regional office within the European Trade Union Confederation (ETUC) for former Yugoslavia. It is called Solidarnost, and it does focus on work-related migrations. It follows some of the best regional initiatives, such as the Slovenian trade unions and the civil initiative organization Delavska svetovalnica. Trade unions have networks and contacts, and they could be used to spread information. Nevertheless, this happens best in Slovenia, followed by Croatia, because of union concern over social dumping (TU02SR13042021).

The oldest Serbian confederation, the Savez samostalnih Sindikata Srbije (SSSS), has a long tradition of following migrant workers, especially in Germany (TU04SR19042021). Union officials in charge of labour migration reported great cooperation with the Austrian and German trade unions, but also with unions from Croatia and Slovenia. SSSS took part in various projects on worker migration with trade unions in the EU. Croatia and Slovenia also played a role as two countries in which Serbian workers were first employed before being posted to Germany and Austria. The union operates WhatsApp and Viber groups for workers in the above-mentioned countries for swift information exchange. The SSSS has also responded to charges of not dealing with non-members. A major problem with union work is that a union can deal with a migrant worker’s case only if the workers authorize this. Without such authorization, a union cannot even examine their contract (TU04SR19042021). The Serbian trade union has a rudimentary initiative of mapping trade unions in destination countries with contact points. A desired plan is to establish an office for swift responses to migrant workers in Serbian. A platform or application could also be developed (TU04SR19042021).

A quite different, but rational strategy is that of the Union of Medical Workers of Serbia, which concentrates on preventing migration, that is, on keeping workers in Serbia. Although typically ignored by the competent authorities, the trade union issues warnings, recommen-

dations etc. The union demands transparent policies and the implementation of legislation in line with EU-level recommendations for the health sector. The union calls for an update in the regulation of the tariff system, working time, and wages, as currently it is illogical to pay specialists and general practitioners the same wages, and employees can have the same income irrespective of their working hours. If the union had more insight into immigration data, it would also be able to exert greater influence (TU01SR26032021).

Chapter 5: Conclusions

We found that migration from Serbia to CEE is mostly temporary in character, and the most significant cohort who take up jobs are the middle-aged population, with secondary or elementary education, who find employment in physically hard jobs in manufacturing (especially in the automotive industry and electronics industry), or in construction or tourism. These are the sectors that provide short-term jobs with significantly higher earning opportunities than in Serbia. Slovakia and Hungary emerged as significant destination countries, but there was also labour migration to Czechia and Poland. For service sector jobs, interviewees reflected on seasonal employment in Croatian tourism, whereas specialist healthcare workers took up short-term jobs in the broader region. The highly educated also featured among the migrating cohort, but they typically moved to other Western EU countries, as did health professionals. Whereas the role of temporary agencies was especially significant from 2016 to 2018, there has been a shift over time towards employer-brokered migration, via posting and other creative strategies. Trade unions in Serbia are aware of pressures stemming from migration. At the national level, confederations cooperate with other countries, especially in Germany, Austria, Slovenia, and Croatia, in projects related to rights and information spreading for Serbian migrant workers working abroad. Cooperation with other CEE countries is more rudimentary. There are several good CSO initiatives, which have played an important role in information prevention and in tracking and solving worse cases of labour overexploitation. The Serbian authorities do not have a transparent immigration policy – instead it is ad hoc and influenced by public discourse. Most alarmingly, the authorities are barely concerned with low- and medium-skilled workers who find jobs abroad.

Recommendations

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For Serbian authorities:

1. Strengthen the implementation of labour legislation and the rule of law in Serbia.
2. Define transparent immigration policy.
3. For trade unions and civil society organisaitons in Serbia and CEE and social partners in CEE
4. establish information points for immigrant worker communities

Explanation. Why implementation of labour legislation and the rule of law in Serbia should be strenghtened?

The report highlighted that immigration is largely a product of poor respect for workers' rights and little concern with the implementation of labour legislation. The competences and capacities of inspectors should increase and be harmonized and well-suited to respond to and deal with intermediation and intermediary employer companies.

Such a situation drives desperate immigration, especially of a vulnerable population on low incomes. Instead of a gradual erosion of workers' rights, institutions responsible for protecting the labour law, labour inspectorates, and courts should increase in capacity. Equally importantly, employees whose rights were violated should have institutional channels with easy access and an efficient procedure. For healthcare, especially given the massive burden that public healthcare and its employees bear, it is important to follow EU-level recommendations, reinstate (strengthen) systems, and not damage further the autonomy and capacities of public healthcare.

Explanation: Why Serbia needs a transparent immigration policy?

Serbia needs a transparent immigration policy, based on good empirical background information, followed by public discussions. A particularly alarming development is that immi-

gration derives from social inequalities, and thus issues of redistribution and social policies should also be discussed. It is important to make the system of labour intermediation more transparent by introducing greater control of intermediation, and increasing the responsibility of intermediaries. A revision of legislation is needed to create stricter and effective penalties for intermediaries that operate illegally. The reintroduction of an obligatory posting registry for Serbian employers would be a rational move, so that the respective authorities are sufficiently informed about their citizens abroad.

Explanation. Why information points are necessary for migrant workers from Serbia?

For immigrant communities it is important to establish information points, as these would enable an increase in information flows. Such a public portal could also have a blacklist of intermediaries and issue regular warnings on suspicious practices. Especially trade unions but also specialized CSO capacities should be strengthened. They can act as intermediaries in increasing protective informative channels for the most vulnerable cohorts of hundreds of thousands of workers who are exposed and vulnerable to overexploitation. The group of people with secondary education who are seeking temporary employment abroad is an important one. Trade union involvement should be increased, also via targeted project funds, to establish information points, with the involvement of experienced local civil society organizations that could guide the implementation of such projects. Such online and offline information points would enable workers who prepare to leave to have good information on legislation and contact points to turn to in host countries. These points would also generate public discussions that would lead to the sharing of experiences and the generation of new solutions.

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Appendix: list of interviews

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Experts

E01SR18032021 Online interview with a labour lawyer, March 18 2021,

E02SR24032021 Interview with an activist and expert, representative of a CSO monitoring online intermediation, March 23 2021, Belgrade,

E03SR09042021 Online interview with a labour economist, April 9 2021

E04SR26042021 Online interview with a representative of a CSO dealing with trafficking and labour overexploitation, April 26 2021

E05SR30042021 Online interview with two scholars, researchers on migration from Serbia to Slovakia, April 30, 2021

E06SR10122021 Online interview with a local Hungarian minority representative, December 10, 2021

Trade unions

TU01SR26032021 Interview with the representative of the Serbian physicians and pharmaceutics' trade union, Belgrade, March 26, 2021

TU02SR13042021 Interview with trade union official involved in an international regional programme, Belgrade, April 13 2021

TU03SR16042021 Online interview with a city level trade union representative, April 16 2021

TU04SR19042021 Interview with two representatives of the international department of a serbian trade union confederation, Belgrade, April 19 2021

Workers

W01SRB08052021 Interview with two workers, formerly employed via temp agency in Hungary, Novi Bečej, May 8 2021

W02SR20052021 Online interview with a worker formerly employed in Slovakia, recruited by the same employer in Serbia, May 20, 2021

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Central European Labour Studies Institute (CELSI)
Zvolenská 29, 821 09 Bratislava, Slovakia
Tel/Fax: +421 2 207 357 67
E-mail: info@celsi.sk

www.celsi.sk