

The Italian company Geox opened plants in Vranje five years ago, when Serbia was a destination that was promoted as a country of cheap labor. Today, there is talk that this company is leaving our country, and as average salaries and minimum wages grow, Serbia will be in a new problem, claims Prime Minister Ana Brnabic, because “labor-intensive investments will move to countries with lower wages and cheaper labor.”

Is that one of the main reasons why Geox plans to withdraw, is a question to which the answer is not yet known, and until then there is still a doubt about whether Serbia is actually becoming a country of expensive labor, which will future to lose more and more investors.

Tanja Jakobi, executive director of the Center for Public Policy Research, believes that there are still places in our country for companies looking for cheap labor if you look at the unfavorable educational structure of citizens at the labor office, where a large part are people with high school.

- They can go through trainings for some jobs in two or three days, such as in “Jura”. Then, by definition, earnings are low. Also, for some jobs in Serbia (construction, manual work in agriculture) now come workers from other countries, and these are jobs that are typically low paid. However, this is not only a result of the fact that the domestic labor force requires a higher salary (although this is partly the case), but also of the fact that there is a legal loophole in this area of control of the labor inspectorate. Because, the benefit of hiring such workers is based on the violation of their rights, from a large number of working hours to non-fulfillment of obligations from the standard employment contract - notes Jakobi.

According to the data of the Republic Bureau of Statistics, the average net salary in May was 550 euros, but it is true that most employees earn significantly less, which is often warned by the unions. They remind that in Serbia, about 350,000 employees are at a minimum, and a third earn up to 300 euros.

Also, on the website of the Development Agency of Serbia, founded by the government, you can find a brochure entitled “Why invest in Serbia” where it is emphasized that the unemployment rate in our country is 9.9 percent, in whose structure with 59.3 percent participate those with a high school education.

Consequently, the question arises as to whether Serbia still wants to present itself as a country with a workforce, ready to do low-wage jobs, in order to motivate foreign investors. The unions believe that this is a completely wrong investment policy, and the government representatives are less and less emphasizing that.

However, in this brochure, it is stated that the average gross salary in our country is 706 euros, which, when compared to the countries of Central and Eastern Europe, which represent competitors in attracting foreign investment, is very low. In Romania, for example, the average gross salary is 1,067 euros, in Hungary 1,149, in Poland 1,163, while in the Czech Republic it is 1,346 euros, the brochure says.

If, however, there is less and less cheap labor in Serbia, then do we have such an economic structure that offers complex jobs and higher wages?

- There are obviously such jobs, because it has been noticed that we are now attracting foreign investments with a slightly higher degree of technological complexity. Also, in the management part of those companies, there are more staff from Serbia, which shows that there is room for hiring labor from our country and in higher positions that bring better earnings, and not only in simple jobs in production - notes Jakobi.

She adds that there are not enough such jobs, which is one of the reasons why citizens, now from a large number of occupations, and of all ages, are leaving Serbia to work in other countries.

- In our country, an increasing number of young people are starting to do work for employers via the Internet, either through platforms or through individual contracts. This shows, among other things, that Serbia still does not have enough jobs to employ a professional, above all, young workforce. They then look for employers outside Serbia, without leaving the country. In addition, there is still the problem of the tax burden of taxing these incomes and the issue of regulating labor rights, where, despite the government's promise that this problem will be solved, nothing has happened - reminds Jakobi, Politika reports.