

# **“Red Tape” and Minimal Rights for Serbian Workers**

The Labor Crisis in Europe’s Most Unequal Country

Wednesday 16 October 2019, by [MATKOVIĆ Aleksandar](#) (Date first published: 12 July 2019).

**I went to work in the morning and returned late in the evening. And on Sunday I had to go to work. I did not have any free time anymore. The owner of the company increased the volume of work but did not increase the number of us who are working. For every mistake, he took a part of our salaries, so I often did not get even the minimum (wage). He never paid out our hot meals, vacation and travel expenses, although we all signed that we had received them. We had a week’s leave for our annual holiday at best, and we worked the rest, while the boss recorded our labor times as if we were still on vacation. We suffered verbal attacks almost every day. There is no female worker who did not cry at least once because of the insults and humiliating words of our boss. He is constantly threatening us with dismissals. We are working under great pressure and in fear. Hence, for a long time now, I can’t make it through the day without a sedating pill. I developed problems with cardiac arrhythmia and high blood pressure, and I don’t know how much longer I can take this. I do not have time, nor the will, for my family and friends. My life is being reduced to going to work and going to sleep.**

This brief and anonymous confession of a young female worker (published by [Al Jazeera](#), and coming from the book “[Žene govore](#)”/“Women speak”) comes from one of Serbia’s many cases of superexploitation in both private and state sector, and in both domestic and foreign-owned companies. Namely, the Serbian public is constantly shocked by images of brutal factory labor. It has recently [been reported](#) that in certain companies, women are expected to wear red tape around their arms during menstruation because they are considered to be of lower productivity. There has been news of [over 20 suicides](#) due to poverty in one month. And the Serbian public is well acquainted with reports of workers having to wear diapers (in a [South-Korean electronic car-part factory called “Yura”](#), but also in the [Italian shoe-factory “Geox”](#)). According to these same reports, these workers were beaten with metal sticks and forbidden to go to the toilet during their labor time. Then, in 2017, Dragan Mladenović, a “Goša” railroad factory worker, committed suicide because he was thrown out of a bus because he didn’t have enough money to buy one ticket. He hadn’t received his wage for the [previous 30 months](#) and had to take care of an ill son along with an immobile parent. Next morning, he was found hanged within his factory. This echoed throughout the presidential elections in 2017: while a leading a right-wing opportunist party called “Dveri” used the case in one of their electoral videos, the student protests of the same year finally called for the voice of social inequality to be heard in the Serbian public after this event. Yet, the fact is that only a small number of similar cases gets researched or at least published by the media – and it is not unreasonable to assume that there are many similar cases of extreme inequality that are yet to be heard.

But, in order to explain them, social inequality as a concept is by no means sufficient, on the contrary, we must leave it aside completely. For, as we will see, Serbia is experiencing an

“existential” crisis – a crisis in the reproduction of its living workforce – which drives it not only to become the most unequal country in Europe, by both domestic and international sources but, in some aspects of its labor force, also the cheapest. And it continues to go beyond, or, rather below, even the lowest imaginable levels of subsistence. Here I want to provide further background to this assertion.

For a starting illustration, the average income by month is less than a month’s worth of consumption. According to the Statistical Office of the Republic of Serbia, the average amount of domestic consumption in 2016 was € 554, while the average monthly income was only € 375 – and, to repeat the latter amount is even overemphasized given that, according to [Eurostat](#), Serbia’s highest rate of inequality of income distribution in Europe (see Graph 1, below [\[1\]](#)); in societies with notable inequality, extremely high incomes of the few distort the picture of the incomes of the many, to a great extent [\[2\]](#). Given Serbia’s extreme inequality (where the incomes of the fifth quintile are 9,7 times greater than the first quintile, which shows an even greater income inequality than the United States, which was at 8,3 at the time). This means that the even the already low “average wage” is nowhere near the average earnings of *the most numerous and “lowest” part of the population*, but that the median wage is only statistically pushed higher by the upper, higher-earning classes – meaning that the “average wage” into a purely arithmetical phenomenon, and not one that adheres to the everyday experience of most of the population. Thus, as [one author](#) asked: “What does the average income mean if no-one has it?”. For, the everyday experience of the majority of the population is *far lower than anything published by the Serbian statistical bureau*. Namely, according to Maja Krek, a Serbian activist, and the author of the study mentioned above:

“In 2016, one half of the entire adult population of Serbia has had (total disposable) incomes of less than € 213, while  $\frac{3}{4}$  [of its adult population] had incomes of less than € 312. *Eighty percent of the population had incomes of less than € 344* [emphasis A.M.], hence, incomes that are approximately thirty euros below the ‘average income’ for 2016. Only the ninth decile ‘hits’ the arithmetical average of incomes and reaches only € 444 at the very top. Thus, only about 15% of the population earns income equal to or greater than the official ‘average income’, and only 10% have incomes greater than € 444.”

(Graph 1: inequality in Europe in 2016 (relation of incomes of the fifth and first quintile in 2016). For the four countries for which there is no data for 2016, the data from 2015 is presented. Source: Eurostat, quoted in “Šta znači prosečna zarada, ako je većina nema?” (“What does the average income mean if no-one has it?”), a [study](#) by Maja Krek.)

Although to a far lesser extent, the same argument (that the upper-income receivers drive the median wage up) could be said to hold for other countries as well. But, how does Serbia compare to other countries in absolute terms? At No. 71 out of 95 countries compared on the [Numbeo website](#) in terms of a global comparison of average net monthly salary after tax, for example, it is in the company of Vietnam, Kenya, and Kazakhstan, and it is even surpassed by India, Belarus, and Morocco – all of which are in the above-400 € range. In Europe, adjusted for [purchasing-power parity](#), Serbia is followed only by Kosovo, Albania, Moldova, and Ukraine.

Yet, if one takes a closer look at the living costs, the situation is even direr. Namely, according to [recent research](#) by the international *Clean Clothes Campaign*, the minimum wage in 2016 (set at € 169) could not have satisfied a *minimal existence for one unit of consumption*. Namely, this minimal level of existence, officially called the “minimum consumer basket”, literally has only one standard: “the only standard that is prescribed for calculating the minimal consumer basket is the minimum amount of calories that must be brought into the body on a daily basis, in order to function normally (a standard of 2100-2300 calories, according to FAO and WHO)” [\[3\]](#). But even this essential, bare and *existential minimum*, calculated in the study by the Clean Clothes Campaign, shows that

obtaining the very bare necessities (the minimal number of calories requiring for a human body to function) would require spending at least € 278 and *not* € 169, as the official minimum wage would have provided in 2016. To put that into perspective, only for a decent living, which includes such luxuries as *basic healthcare* and *bearable* living quality [4], one would need a monthly salary of at least € 652 for a four-person family, meaning that a minimal individual monthly salary required for a *bearable* living would have to be *at least* € 326. These figures are double the official minimum wage of € 169, guaranteed by the law for the same period in 2016.

[The historical level of minimum wage](#) has changed since then, of course. And it was even rising: minimum hourly wage rates rose from € 0,97 in 2016 exchange rates, € 1,07 in 2017 exchange rates, € 1,21 in 2018 exchange rates, € 1,32 in 2019 exchange rates (RSD 121 in 2016 to RSD 130 in 2017, RSD 143 in 2018, and RSD 155,3 in 2019, conversions to EUR were calculated [here](#)). Today (in line with the most recent minimum hourly wage rates of RSD 155,3 or € 1,32), the [current minimum wage](#), for a 23-working day month holds at RSD 28.575,20, or € 242.78 (at current conversion rates; the example is relevant for those months with the longest working days: January, May, July and October). But, this is still less than the subsistence *minimum for 2016, and this is the most favorable comparison!* For months with less working days, it is naturally less: € 211.15 (RSD 24.848,00, at current conversion rates). Thus, even the officially recognized increased requirement for a minimal level of subsistence in Serbia is *still below* that of an international estimate of the very basics for one's minimal subsistence by an international organization for the last 3 years. Thus, one could also ask, *what is a minimum wage if it doesn't even cover the essential minimum?*

What's more, according to the same study, even those employed in Serbia's leather and shoe industrial workers receive an average of € 227 per month while workers from the clothing industry receive an average of € 218 per month – far below its required levels of minimal subsistence, calculated at € 278. This is in accordance with the aggregate data quoted above, whereby it was found that *one half of the entire adult population of Serbia* has had “(total disposable) incomes of less than € 213” ([repeated quote](#)). If this is below the minimum consumer basket advocated by the World Health Organization, and the Food and Agriculture Organization, *then one half of the entire working population receive less than is needed for a normal human body to function* [5]. This half of the adult and employed population cannot reproduce their monthly minimum required for life. This is a crisis of reproduction.

And, we can illustrate the same conclusion even by using another source of disaggregated data. Just to give an example, using the [Numbeo, the global comparative costs of living website](#), a cheap 1-bedroom apartment outside of a city center costs, on average, € 161.98 (historical price [reported for 2016](#)) – almost equal to the minimum wage, meaning that a receiver of a minimum wage would, most likely not have anything left to eat, while renting a 1-bedroom apartment on the peripheral parts of a city. Yet, on the other hand, according to the same website, the average food expenditure accounts for 29,3% of the total monthly costs of living in Serbia. Allowing that an average consumer has that sort of money to spend (which is a privilege that, as we have seen, those receiving Serbia's minimum wage *don't have*), even this sort of consumption levels are characteristic of *poor expenditure* (for, if you have less money to spend, the amount you spend on food will be higher). To follow up on the example of food consumption, according to Numbeo, the quoted website, one round of beef in 2016 was [€ 5.20](#), meaning that for a month, on the official minimum wage, a person can buy one round of beef a day, provided that she does not eat or drink anything else, have an apartment, or any other expenses, and that this exemplary round of beef is enough to satisfy three meals per day and. **In this calculation, having food and having a home are mutually exclusive. For, at the minimum wage (provided that you receive it) you could either sleep and starve with a roof upon your head or eat (but still not drink) without one - but you cannot do both. The majority of the population lives with this calculation.** One does not have to be an expert to

realize the gravity of this situation; what this impoverishment has produced are some of the cases mentioned above.

This is also why it is not surprising that is reflected even in the official government statistics, which, *despite* the overwhelmingly optimistic ideology of the ruling Progressive Party (SNS) of Serbia and the Serbian government. Namely, recently had to conclude that the situation is untenable. To give the most recent data – this time even according to [a report of the Statistical Office of the Republic of Serbia](#), the main body for Serbian household statistics – the average Serbian household *cannot officially make ends meet*: “in 2018, the monthly expenses of Serbian households were, on average, 747 dinars (6.33 €, date of conversion: May the 22<sup>nd</sup> 2019) higher than their monthly income.”. For, as we have seen, despite the low earnings of the vast majority of the population (to repeat, *80% of the adult population of Serbia earned less than € 344 in 2016!*), the minimal costs of living (basic intake of calories) remained consistently higher in comparison to the minimum wage. These numbers *are thus not indicative of any extreme end of the population*: even the average wage is more than what people actually receive because it is consistently pushed upwards by those with higher incomes, while the minimum wage is not sufficient to cover the *minimal costs*. The most extreme end of the spectrum is even lower: according to [another report](#) by the same Statistical office, every fourth citizen of Serbia is facing the risk of poverty, which, at the most recent and current threshold is set at € 132.26 (or 15600 dinars, date of conversion: May the 22<sup>nd</sup> 2019) [\[6\]](#). According to [a study](#), about half a million people, or 7,2% of the entire population, lived below even such a most extreme level in 2017. This would truly be the most extreme end of Serbia’s impoverished population. Yet, according to the same study, in South Serbia, “The Capital of Poverty”, as it has been [nicknamed](#), poverty levels rise above 12% (even by the extremely low Serbian standards). But, as we have constantly been pointing out, even the vast majority of the working population is still not out of the danger zone, but is living just slightly above this threshold of poverty (as we shall see in future posts, the statistically visible impoverishment of the Serbian working class is one of the by-products of the government’s attempt to lower the numbers relating to unemployment by calculating it differently). This is why it should *not* surprise us that this finally appeared even in the official Statistical office of the Republic of Serbia, despite even the most optimistic accounts by the government. For, the real-life situation is even worse than usually assumed, and it is so for the 40% of the population, who, according to official [Eurostat data](#) researched by Serbian activists, *live beneath the minimum wage*.

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**P.S.**

Research and Alternatives

<https://aleksandarmatkovic.wordpress.com/2019/07/12/red-tape-a-snapshot-of-the-working-class-in-serbia/>

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## Footnotes

[1] <https://www.danas.rs/nedelja/zasto-srbija-ima-najvece-socijalne-razlike-u-evropi/> - this even hit the news in Serbia (the link is an excerpt of the Serbian daily "Danas", covering the topic). For an analysis, see this inspiring article by Maja Krek: <https://pescanik.net/sta-znaci-prosecna-zarada-ako-je-vecina-nema/>.

[2] Quoted from a study by Maja Krek (translation mine): <https://pescanik.net/sta-znaci-prosecna-zarada-ako-je-vecina-nema/>

[3] <https://www.monstat.org/userfiles/file/min%20potrosacka/2018/1/Metodolo%C5%A1ko%20uputstvo%20-MPK-eng.pdf>

[4] The report is also published here: [https://www.rosalux.rs/sites/default/files/publications/Serbien\\_Ser\\_web.pdf](https://www.rosalux.rs/sites/default/files/publications/Serbien_Ser_web.pdf). One might also consider a short summary by Matija Jovanović, called "Minimum € 652 mesečno za dostojanstven život u Srbiji" ("Minimally € 652 required for a decent life in Serbia") here: <http://www.masina.rs/?p=6173>

[5] The choice that appears then is either to outsource one's own nourishment to others (family, spouse, etc.), or suffer alone.

[6] To put that into perspective, according to domestic studies from around the period of the world crisis of 2008, the line of poverty has been absurdly placed lower throughout the years: €76.17 in 2006 (6.221 local RSD at 2006 exchange rates), €81.11 in 2007 (6.625 local RSD at 2007 exchange rates), and €89.66 in 2008 (7,323 local RSD at 2008 exchange rates).