Selected Aspects of Labour Market Regional Structure Analysis in AP Vojvodina

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ABSTRACT

During the first decade of transition there were considerable changes and different fluctuations in every field of human activity in AP Vojvodina, especially on the labour market. Those tendencies are expressed as substantial limitations toward planned and proclaimed economic reforms. At the same time, the majority of analyses only partially considered economic, social, or political issues while lacking the territorial and regional approach. This paper examines statistical analysis of regional disparities on the labour market of AP Vojvodina. The analysis represents the results of quantitative analysis of selected aspects on the labour market and is based on the sample of 7 regions during the period 2002-2009 (70 panel observations). It shows the persistence of regional disparities concerning labour market indicators and their changes over time. The analysis also represents the basis for creation of economic policy measures to mitigate the regional differences on the labour market.

Keywords: Average Wages, Employment Rate, Labour Market, Rate of Job Vacancies, Regional Structure, Unemployment Rate

INTRODUCTION

Previous analyses conducted in transitional economies confirm the existence of regional differences continually increasing in time (Huber, 2007; Atkinson & Micklewright, 1991). This tendency eventually gets drastic proportions and usually lead to region polarization, meaning that the Capital and a few developed regions in its environment separate as one half, and the remaining, usually devastated regions as the second (Njegovan & Pejanovic, 2009).

Developed areas record significant demand in the labour markets given that new jobs are permanently created and employment rises as a result of increased investment activity, while on the other hand, the remaining regions are characterized by a low level of economic activity with high unemployment.

Empirical studies show that regional disparities in the labour market become even more drastic in times of crisis (Cazes & Nesporova, 2003). This is particularly true in less developed countries with high participation of primary sector in overall production. The process of industrialization has failed to provide them with
Regional disparities in the labour market are of growing importance for Serbia. They are empirically validated in several studies, of which the most recent one is The Map of the Serbian Labour Market (Arandarenko, 2006). In this sense, the relative position of AP Vojvodina as a macro-region and some of the districts in comparison to other districts and the national average is measured on the basis of specially designed composite index. However, the idea of this paper is not related to the creation of synthetic indicators in order to analyze regional differences, but the examination of regional market structure changes during the first decade of transition by means of selected individual indicators. In doing so, the significance of this analysis stems from the fact that the analyses conducted so far were focused on economic, social or political aspects, while failing to perceive spatial and regional dimensions of certain aspects and changes in the labour market.

METHODOLOGY AND DATA SOURCE

Regional disparities in the labour market in AP Vojvodina are recorded by analyzing the differences between selected indicators for individual districts and monitoring of their dynamics. For empirical analysis three types of data were used. These are the time series, time-section and panel data (Baltagi, 2005). Districts in AP Vojvodina (NUTS 3 level) were selected as observation units for the 2000-2010 period. Following labour market indicators were used: number of unemployed persons, job vacancies and employment (data from the National Employment Agency, NSZ). Using this data, basic indicators at the district level were calculated: unemployment rate (sn) and vacancy rate (ssrm).

Data on the unemployed was collected from two sources: from the unemployment register for those registered as unemployed at NSZ and from Labour Force Survey conducted periodically by the Statistical office of the Republic of Serbia (RSZ). According to NSZ methodology, the unemployed are persons from 15 to 65 years old, capable and ready to begin to work immediately, not employed or otherwise exercised the right to work, kept in the register of unemployed and actively seeking employment.

Job vacancy data was obtained on the basis of needs expressed by employers and was provided by NSZ. After the change in regulations, the application is submitted by employers having a vacant position and wishing NSZ to mediate in the process of employment. Hence the data on vacancies from 2009 was not quite comparable, which is why these methodological differences were taken into account when drawing conclusions.

For the analysis of data on employment (bz) and the average net earnings (pnz), we used data from Statistical Office of the Republic of Serbia. Annual average salary is calculated as the average of the results obtained for the two time points: 31 March and 30 September of the current year.

Also, the paper tested possible correlation between the data ranks of two variables, the composite indicator of the relative rural development level and the unemployment rate. Composite indicator of the relative rural development ranking is composed of 12 individual indicators of rural development, classified into three groups: socio-economic, agricultural and welfare and living standards.

The intention is to provide a picture as clear and simple as possible of the complex compound that is considered (Stojiljković & Bosković, 2008). The main problem concerns the question of aggregating selected indicators into a composite measure of rural development as they are not expressed in the same unit of measure.

This is why, in the process of creating composite measure of rural development, district ranking for each selected indicator was elected,
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