

STATUS AND CHARACTERISTICS OF THE LABOR MARKET IN THE MUNICIPALITY TUTIN

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Abstract—Action plan for employment emphasizes the promotion of employment in agriculture and tourism. It is planned that this way of employment, there is a spontaneous stopping migration from villages to cities and occupational mobility from the cities to the villages. The opening of new jobs, the younger educated people would be hired and retained in the villages, and those who work in the cities, and have houses in the countryside, would be completely returned to their communities.

Keywords— labor market, Tutin, measures, employment.

I. INTRODUCTION

STATISTICAL indicators related to the municipality are: according to preliminary results from 2011 year population of 37711 distributed in 93 settlements and higher number of residents in relation to the 2002 census about 4000 inhabitants, area of 741 km², the average gross earnings 44527 dinars, and net earnings 32116 dinars.

The municipality with its physical-geographic, socio-geographic, and with more or less infrastructure characteristics and resources provides an opportunity for the development of tourism, but so far this branch of industry was insufficient (actually zero) developed. With strategy of municipality development it is anticipated the advancement of this economic activity.

On territory of Tutin there are a large number of farms and companies who are successfully involved in the production, but also in the processing of primary agricultural products. Economic activities in rural areas are connected to farming, fruit growing and cattle breeding, production of cheese and dairy products, and expert and advisory support to agricultural manufacturers provides agricultural expert service of Tutin (but insufficient). From total area of Tutin municipality, an agricultural area spreads on 80% of the land from which lives high number of residents of the municipality. In Tutin municipality is registered total 3500 agricultural households [1], [2].

In Tutin successfully operates a large number of small and medium-sized enterprises, but also a small number of large companies. The importance of small and medium

enterprises is reflected in the fact that in times of crisis they can most easily survive because most rapidly adapt to new conditions. According to the data of Serbian Business Registers Agency (SBRA) in Tutin operates a total of 626 enterprises. Providing support to the small and medium enterprises is a complex job because of the vastness and diversity of skills needs of potential entrepreneurs and the limited available resources for providing significant help. Despite numerous obstacles, the municipality needs to work on creating the conditions necessary for the development of small and medium-sized enterprises, because they are the drivers of development and enable the reduction of unemployment by creating new jobs, increasing the number of new companies, import substitution and increasing export competitiveness of the domestic economy [1].

Raising awareness of entrepreneurship and improvement of management skills of current and potential entrepreneurs is done by promoting entrepreneurship through: appropriate training on the possible use of funds for starting a business, the most suitable legal form of entrepreneurship, the process of registration, tax and other financial obligations, the method of preparation of business plans as well as the recognition of entrepreneurial inclinations and business ideas.

There are several publication tackling labor market problems like: economics [3], market reforms and analysis [4]- [7] policies [8], flexibility [9], impact of human capital [10]- [12], education demands [13], [14], youth employability [15]. In paper [16] is given analysis of macroeconomic indicators in Serbia.

Particularly we should influence the development of entrepreneurship in specific sectors, which are important for economic development such as agriculture and food production and ecological and rural tourism. In order to achieve the development of entrepreneurship and increase the number of shops which currently over 626, and thus increase the employment, greater support for the sector is needed.

The municipality plans to introduce incentives to attract and support investment and the establishment of new stores, as well as the adoption of the package breaks

as a way to attract investment, in order to influence the increase the number of new jobs. [1].

Direct investments are important for each local community because they bring necessary funds into the local economy and new management skills, innovations and technologies, new markets and new business opportunities for local companies, thereby increasing employment. The strategy of economic development of the municipality is based on the creation of such a business climate that will attract investment, which accelerates the creation of new jobs, retain existing businesses and encourage growth in the number of new entrepreneurs.

First steps in the direction of attracting investments, but above all possibilities of expanding existing businesses is to make sure the definition and regulation of at least five free-zone locations facilities provided for small businesses, for various purposes, infrastructure and utility equip them, but also the establishment of the Service Centre (ie Administrative the city that is in the announcement) which will be available to citizens as potential investors in order to promptly obtain all necessary permits and plans [1].

II. OVERVIEW OF THE LABOR MARKET IN SERBIA

In Serbia, the ratio those who do not work, those who work and those who live by those who work is 1:1:1. According to recent data, namely, for each employee there is one pensioner, and as trends show, soon, and one unemployed.

None of these three categories of the population has a good living. Salaries are low, even less pensions, unemployment is rising, and life without income is a true mastery. Employee benefits and pensioners, as well as unemployment benefits, are closely related and dependent on each other.

The unemployment rate in Serbia in 2012 is 23% or one million unemployed, according to unofficial data. The number of pensioners is 1707230, the number of employees 1727048 with an average salary of 43371 dinars or an average pension of 23552 dinars. The National Employment Service has recorded 792344 unemployed (Table II) [2].

On the labor market in Serbia in 2012, there are more than 235000 young people unemployed, and the program for encouraging their entrepreneurship does not exist. Every third unemployed is younger than thirty years, according to figures from the Labour Force Survey, published by the Statistical Office of the Republic of Serbia.

Even though the on the labor market in Serbia are more than 235000 unemployed young people, a concrete program of the state for encouraging businesses among young in Serbia does not exist.

It is therefore no wonder that the research of Civic Initiatives showed that most young people in Serbia are

not allowed to start his own business, because it is expensive and complicated, and the state does not encourage enough youth entrepreneurship [17], [18].

The National Employment Service (NES) said that they encourage all unemployed, including young people to start their own business through subsidies for self-employment.

Funds in the amount of 160000 dinars are granted in one lump sum and are conditional grants, according to the institution. Last year, thanks to that, 3725 people launched their own businesses, they added. According to the National Employment Service, 25 to 35 percent of users of subsidies for self-employment are persons under the age of 29 years (Table 1 and Fig. 1) [17], [19].

TABLE I
 PRESENTATION OF YOUTH UNEMPLOYMENT IN SERBIA IN 2012 [17]

Age	Number of employees
15-19	27695
20-24	94628
25-29	113170
Total of young unemployed	235493

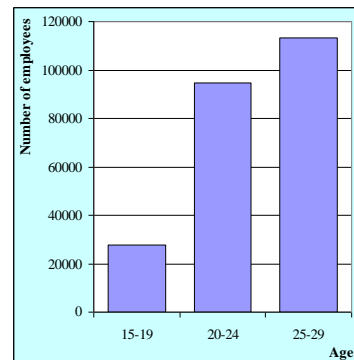


Fig. 1. Graphical representation of young unemployed in Serbia in 2012

Allocations of employees from the gross salary:

- 1) Contributions for pension and disability insurance is 22%
- 2) Contributions for health insurance - 12.3%
- 3) Unemployment 1.5%
- 4) Allocation for taxes.

In Table 2 is presented to employees and pensioners in the Balkan countries, while in Fig. 2 this is graphically represented.

TABLE II
 RATIO OF EMPLOYEES AND PENSIONERS IN BALKAN COUNTRIES [2]

Country	Employed	%	Pensioners	%
Bosnia and Herzegovina	442226	54.22	373343	45.78
Montenegro	167484	59.36	114682	40.64
Croatia	1423210	53.84	1219962	46.16
Slovenia	855542	59.37	585408	40.63
Macedonia	496848	63.77	282334	36.23
Serbia	1727048	50.29	1707230	49.71

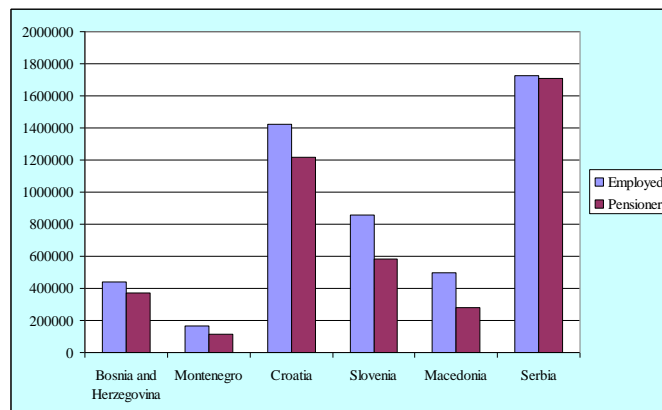


Fig. 2. Number of employees and retired in Balkan countries

III. PRESENTATION OF CURRENT STATE

The years of 2009, 2010, 2011 and 2012 was marked by the world economic crisis, which resulted in a significant deterioration in the labor market.

General characteristics of the labor market by 2012 remain unchanged compared to the previous period: disproportion between supply and demand of labor, high unemployment, a large share of long-term unemployed, the high rate of unemployed young people, low labor mobility, a large number of unemployed people belonging to less employable categories as well as a large number of persons engaged in the informal economy. Also, the unemployment rate continues to decline, and the unemployment rate begins to rise.

According to statistical data from September 2012 year Tutin has [1], [20]:

- 1) 3096 total employed
- 2) 3500 registered agricultural households.

The National Employment Service is a legal entity with the status of the organization for mandatory social insurance, carrying out tasks of employment, unemployment insurance, the exercise of rights from unemployment insurance and other rights in accordance with the law and keeping records in the area of employment.

National Employment Service Branch - New Pazar-branch Tutin (hereinafter: Branch Tutin) is a modern public service that provides services to the unemployed and employers in the municipality. Most of the staff has a university degree. Employees are fully trained for new

models of service work and attended several additional education and training in the field of working with customers [20].

In the municipality of Tutin in the past 30 years the population has steadily increased. In the period from 1991 to 2002, the immigrant and the large number of refugees and internally allocated persons. According to data from the last census of 2011, in the municipality of Tutin there are more than 37711 inhabitants, and it is noticeable that there is a continuous decrease in the number of the oldest and increasing the number of young people in the total population, as our municipality ranks among the youngest municipality in the Balkans and in Europe. This trend causes an increasing number of young people in the labor market and the growing number of unemployed aged 18-30 years [20]. Table III shows the number of unemployed and employed for period 2011-2014, while in Fig. 3 this is graphically presented.

TABLE III
 NUMBER OF EMPLOYED AND UNEMPLOYED ON THE TERRITORY OF TUTIN MUNICIPALITY

Year	Unemployed	Employed
2011	6994	2929
March 2011	7288	3022
September 2011	6992	2836
2012	7216	3056
March 2012	7454	3016
September 2012	7296	3096
2013	7561	3134
March 2013	7794	3126
September 2013	7719	3142
2014	7911	2744
March 2014	7919	2748
September 2014	7838	2741

Total number of unemployed persons on the territory of Tutin municipality on day 31.09.2012. is 7296, from which 3927 are woman. Number of unemployed has increased compared to 2011 year for 3%.

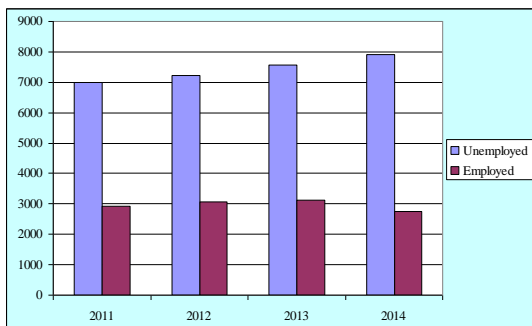


Fig. 3. Graphical representation of number of employed and unemployed on the territory of Tutin municipality

Educational structure is total 7371 unemployed and it looks like this:

- 1) -with the first level of education 4327 persons;
- 2) -with second level of education 91 persons;
- 3) -with a high school degree 2646 persons (with 1535 persons and third to the fourth degree 1086 persons, and the fifth level of 25 persons);
- 4) -with the sixth level of education face 131;
- 5) -with the seventh level of education 176 persons;

The unemployment rate has increased slightly.

Observed according to years of age, young up to 30 years on day 31.09.2012. have 33% in total number of unemployed. Persons between 31-54 years old are most numerous and have a share of 59% in total number of unemployed. Persons between 55-64 years old have a share of 8% in the total number of unemployed.

Unemployed on day 31.09.2012. is by far the largest spread category of persons with first level of education, 4327 persons and have almost two-thirds of unemployed persons and have a share of 61% of unemployed persons.

Persons with first level of education 61% (4327 persons), then follow persons with third level of education 21% (1535 persons). Persons with fourth level of education 14% (1086 persons), persons with fifth level of education 0,1% (25 persons). Unemployed persons with seventh level of education 2,5%, and with sixth level of education (131 persons) 1,2% of total number of unemployed persons [20].

Unemployment of women in Republic of Serbia is more noticeable compared to unemployment of men.

It is noticeable larger share of woman younger than 30 years, than previous years.

It is important to accentuate that women are more educated, that is higher number of women have third, fourth, sixth and seventh level of education.

The unemployment rates and activities of women and men are still very high, but there is a small trend of gradual reduction. For this reason, attempts to implement

gender equal measures of active employment policy with special attention to including women in measures, with advantage compared to men with the same characteristics should have women younger than 30 years with no experience in the profession, single mothers, beneficiaries of financial support and the like.

Structure of active unemployed persons in 2012 year has following characteristics:

- 1) higher share of long-term unemployed who are waiting for a job longer than 1 year;
- 2) more than half is of age 31 to 54 years;
- 3) high number of unemployed persons seek first employment, which indicates that they are not active seekers of employment;
- 4) most endangered groups are: the most vulnerable groups: single parents and parents of children with special needs, people with disabilities, refugees and internally displaced persons, persons older than 50 years, persons under 30 years old, unemployed, unskilled and low-skilled, redundant workers, receivers of family allowance, itd.;

Employees of Tutin municipality territory have showed the need for workers possess required additional skills for:

- 1) practical knowledge in production professions which indicates the lack of practical knowledge which are obtained in high school;
- 2) basic level of information technology knowledge and knowledge of programming languages (are noticeable with older than 35 years, and especially with women);
- 3) higher level of knowledge of foreign languages;
- 4) training for gerontological nurses;
- 5) owning different certificates (carrying firearms,) having different certificates (exam for carrying firearms, certificate with welders, professional certificate for fire protection, etc.).

IV. SUGGESTION OF MEASURES FOR BETTER EMPLOYMENT POLICY

Key elements of employment policy which are directed toward increasing employment are: support to foreign direct investments, support toward entrepreneurship and improvement to financial initiatives. Such policy should contribute to stable growth of employment, increase productivity, prevent retraction from labor market, opening new work positions, larger investment in human capital and fostering social inclusion in the labor market [1].

Categories of hardly employable persons and vulnerable categories such as persons with disability, Categories of persons who are less likely to find employment like persons with disability, single parents and parents of children with disabilities, Roma, refugees and displaced persons, persons younger than 30 and older than 50 years, long-term unemployed, the unemployed without qualifications and the low skilled, redundant

workers, returnees under the readmission agreement, women victims of domestic violence and beneficiaries of social security, families in 2013 year will have priority for employment and inclusion in active employment measures.

Employment policy in Tutin municipality will influence employment firstly in private sector and then in public sector, increase workforce offer and demand and investment in human capital by additional training and education.

Beside National Service-Tutin who is the carrier of employment policy in the municipality territory, 06.11.2012. year by decision of Municipality Tutin is formed Council for employment, as a consultative body the founder gives opinions and recommendations on issues of interest to promote employment, namely: employment plans, programs and measures of active employment policy, regulations and other matters in the field of employment. Advice for employment of Municipality Tutin is a prominent example of the good work and cooperation of all social partners in the municipality.

In accordance with the Law on the proposal of the Council for Employment Mayor Tutin has brought employment area Local Action Plan (LAP) Tutin municipality for 2013 which defines the priorities of employment policy measures for achieving the priorities, stakeholders, employment measures for achieving the priorities, stakeholders, employment, sources of financing and the period of implementation of individual measures. Advices for employment is formed by one representative of local government, a representative of the National service for employment, director of the Center for Social Work, the representative of Lawyers, representative of the Department of Budget Tutin municipality.

The formation of the Council for Employment and adoption of the LAP, the Municipality has recognized the opportunity to influence the policy of employment in its territory and to plan and establish measures to reduce unemployment and increase employment.

In order to improve cooperation in the field of employment and more efficient implementation established employment objectives and adapt to the needs of the economy in the territory of Local Self-Government, Council for Employment has proposed to conclude an Agreement on cooperation between the National Employment Service and local governments.

For the implementation of active employment policy measures in 2011 and the first half of 2012 has allocated about 15 million dinars of funds from the municipal budget:

Problems that occur in the field of employment in the territory Local governments are [1]:

- 1) *Lack of work as a result of insufficient economic activity and the lack of direct investments,*
- 2) *Low employment,*
- 3) *Youth unemployment,*

- 4) *Disproportion between offer and demand of labor, - Low territorial mobility of the workforce,*
- 5) *Long-term unemployment, and thus the loss of motivation,*
- 6) *Redundant employees is still a major problem which contributes to the economic crisis, as employers because of economic difficulties resort to reducing the number of unemployed,*
- 7) *Unfavorable age structure of the unemployed (the majority of the unemployed are aged between 18-30 years),*
- 8) *Qualification structure of the unemployed, which points to the necessary reform of the education system,*
- 9) *Employment of persons with disabilities,*
- 10) *Gray economy is expressed in a very high percentage.*

The objectives and priorities of employment policy in the municipality for 2013 are:

- 1) *Increasing employment,*
- 2) *Increasing the level of education of unemployed,*
- 3) *Social inclusion,*
- 4) *Reduce the effects of the economic crisis on existing jobs,*
- 5) *Establishment of a stable and sustainable employment growth trend,*
- 6) *Improving the quality of the workforce,*
- 7) *Support to help the unemployed in active job search and career guidance and counseling on the basis of individual employment plans,*
- 8) *The inclusion of unemployed persons in additional education and training,*
- 9) *Promotion of lifelong learning,*
- 10) *Encouraging youth employment,*
- 11) *Support the reduction of informal work,*
- 12) *Incentives to employers to hire the unemployed,*
- 13) *Improving the system of education and training and matching the needs of the labor market,*
- 14) *Promotion of social dialogue and strengthening the role of the social partners,*
- 15) *Support gender equality in employment and earnings,*
- 16) *Encourage employment of less employable persons and vulnerable groups,*
- 17) *Fight against discrimination of particularly vulnerable categories of employment,*
- 18) *Creating new jobs and fostering entrepreneurship and self-employment,*
- 19) *Promotion and organization of public works,*
- 20) *Active approach of the Municipality in the field of employment,*
- 21) *The implementation of the Action Plan and strengthen the role of the Council for Employment,*
- 22) *Expansion of cooperation with the National Employment Service and other local councils for employment in Serbia and their adoption of best practices and ideas,*
- 23) *Participation in trainings intended to members of*

local councils for employment.

V. CONCLUSION

For the implementation of active employment policy measures from the Action Plan funds have been planned by the Decision on the Budget of the Municipality of Tutin in 2013 in the total amount of 28 million dinars.

The condition for approving the co-financing of programs and measures of active employment policy is that local governments have formed local council for employment, adopted an action plan for employment, secured more than half of the funds needed to finance a particular program or measures and coordinated programs and measures with the priorities and objectives of local economic development and the local labor market.

This year, the municipality will in order to reduce the impact of the economic crisis so far set aside a record of 25.5 million dinars, but still less resources to the real needs of the municipality. The municipality will also apply for additional resources at the Ministry of Economy and Regional Development in accordance with the law [21].

The municipality's employment and training of interns with university and secondary education has allocated 25.5 million dinars, and for professional training 3.84 million dinars. In the register the employment services are a large number of young unemployed people with university, college and secondary education without work experience, so the needs of municipalities reported in that direction and set aside adequate resources.

Employers in the municipality pleaded that persons who are registered as unemployed lack the skills in computer science, English language and practical knowledge for the purposes of certain jobs ... In accordance with the market needs and demands of employers, the municipality will finance the necessary training.

Also, in the territory of the municipalities of a large number of elderly and sick persons who have no one to care for them, so it is necessary to organize training for gerontological nurses, which will properly take care of them, and at the same time and get themselves a job. For the realization of various training Municipality has planned funds in the amount of 200000 dinars.

Given that Tutin was once famous crafts center, it is essential that municipalities take appropriate measures and by providing subsidies for self-employment, increase the number of open new stores, agencies, enterprises and other types of businesses, accelerate the development of entrepreneurship and impact on reducing the number of unemployed.

For the realization of these measures were planned in the amount of 3 million dinars.

For the implementation of public works of general interest, the municipality has allocated 10 million dinars.

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