UNEMPLOYMENT AS MAJOR ISSUE IN VOJVODINA PROVINCE: A CASE STUDY OF KIKINDA MUNICIPALITY

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Abstract: Kikinda municipality borders Romania and is the most Eastern, peripheral part of Vojvodina. High unemployment rate and few job possibilities are just some of the problems which led to depopulation of the area. High unemployment rate influences the reduction of production, the decrease in human resources, the increase in the crime rate and social instability. Demographic stabilisation would be achieved if migration was stopped and some alternative economy developed in order to reduce the unemployment. Unemployment rate could be reduced with a long term plan and its gradual realisation. The results of the research conducted in the period between January 2007 and December 2010 show that the number of unemployed people was reduced in Kikinda municipality. The majority of the unemployed were the people from the age group of 30 – 34, with the lower level of education.

Key words: Kikinda municipality, unemployment, depopulation, North Banat

1. INTRODUCTION

Kikinda municipality is the municipality in the northern part of Banat. Kikinda municipality borders Romania and is the most Eastern, peripheral part of Vojvodina.

The number of population living in Banat has often changed because this area has had periods of demographic and economic prosperity interchanged with periods of recession and depopulation (Kicošev, 1998). Major demographic changes have been caused by either haphazard or organized migrations, changes in the countries and country borders, different economic changes, industrialization, urbanization and by other elements (Ivkov-Džigurski et al., 2010). Some demographic factors have had a positive effect and some have
had a negative effect to the population size of Banat. The changes in the population number of Kikinda municipality observed in the last four censuses record a declining trend. General characteristics of the municipality are extremely unfavourable. It is characterized by depopulation, which is the result of low population growth, unfavourable age structure of the population, emigration processes and high unemployment rate (Vuksanović et al., 2004). The county is not attractive and appealing for migrating from other areas, and younger population does not show any desire to stay in the area. The most common reasons for this situation can be found in the lack of perspective for a better standard of living, a better quality of life and better and more secure future. High unemployment and small possibilities for new job openings are just some of a series of problems which cause depopulation. Insufficient competitiveness on the market and small possibilities for export are also significant reasons for high unemployment rate in the area of Banat (Pantelić et al., 2011).

Employment, as a factor of economic development and as an indicator of the achieved level of economic development, presents one of the constant and priority development aims (Miljuš, 1975). High percentage of unemployment should cause major concern, because it causes a disturbance of economic welfare, a decrease in industrial production, a decrease in human resources, and an increase in crime and social instability (Kingdon, Knight, 2004). Also, low employment and economic activity are the main causes of lack of competitiveness of the area (Vuković, 2009). Not only is the issue of unemployment a local problem, but it is also the problem of a country. Unemployment is a problem found in many countries in the last ten years, and this is why this problem should be solved by a society as a whole (Gomes, Gomes da Silva, 2009). Society and the country are applying a list of different measures to alleviate this problem. Each applied measure can have its benefits and drawbacks, and has its constraints, such as financial, political, civil ones. A long time span which exists between the applied measures and expected results additionally burdens the fight against depopulation. The carriers of these measures are politicians whose term in office is usually shorter than the time needed for a measure to bring results. This is why they avoid investing large financial resources which could be justified only in 20-25 years (Durdev, 2006). The evidence, confirming that unemployment is a big global problem, is a research conducted in 73 countries in the world from 2000 to 2003, which shows in the augmentation of the number of unemployed persons with a tendency of increase in the number of unemployed women (Feldmann, 2009). The examples of South African countries show that their population is exposed to poverty and big social problems because of the large number of unemployed persons (Kingdon, Knight, 2006). The research studies conducted in the U.S.A. (Mukoyama, Şahin, 2009) and in Holland (Dur, 2001) show that the length of periods of unemployment has been increasingly longer for the last thirty years.

Long-term unemployment can have very negative consequences that influence worker abilities. Furthermore, due to long-term unemployment, there are many consequences which have an impact on the mental and physical health of an individual (Ezzy, 1993). The results of numerous studies in the world show that long-term unemployment can even cause health disorders, and that employed persons have less psychological dysfunctions than unemployed persons (Graetz, 1993, Kivimaki et al., 2003). Studies also show that unemployed female population experiences psychological disorders to a greater extent (Hammarström, 1996). Psychological anxiety is a very serious problem
for unemployed youth, which can cause various social and psychological dysfunctions. Unemployed persons are prone to stress, fall into a state of depression and easily commit to consuming cigarettes, alcohol and other forbidden substances (Bjarnason, Sigurdardottir, 2003). Some studies show that long-term unemployment in the early stages of a career has a major impact on later employment (Burgess et al., 2003).

As is the case in the world, unemployment is very pronounced in Serbia, either. How serious this problem is, best show the unemployment rate, which are increasing from year to year. The unemployment rate in Serbia in 2009. was 16.6 ‰, in 2010. was 19.2 ‰ and in 2011. was 23.7 ‰. Data above indicated that unemployment rate in Serbia is far away from European average which is 10.4 ‰.

Based on the results of this research, certain guidelines can be determined, which would have an impact on decreasing unemployment in this area. Furthermore, it can also be determined which age groups and educational groups are at risk and which ones should be given special attention when creating and implementing special regional programmes.

2. THE POSITION OF THE STUDIED AREA AND RESEARCH METHODOLOGY

Kikinda municipality is the largest municipality in the northern part of Banat and covers an area of 782 km². The municipality borders Romania and covers about 7.9% of Banat territory, i.e. 3.6% of Vojvodina territory (Statistical Office of the Republic of Serbia, 2004a). Kikinda municipality is situated in the furthest eastern, peripheral part of Vojvodina, which became even more peripheral with Romania joining the EU (Ivkov et al, 2010).

At the 2002 census, Kikinda municipality had 67,002 inhabitants (32,675 males and 34,327 females). It had 10,363 inhabitants in the age structure above 15, 46,044 persons in working age population (from 15 to 65), 10,312 inhabitants over 65. Unknown was 283 persons. In working age structure is dominant persons between 45 and 49 (12.3 %), as the smallest number of people in group between 55-59 (7.5%) (Statistical Office of the Republic of Serbia, 2011).

Observation and analysis of the number of employed persons in Kikinda municipality was conducted within a four year period. The research analyzes the period from January 2007 to December 2010. Actively employed and working-age population participated in the research. The data were taken from the National Employment Office, then they were summated and statistically analyzed. In the period 2007 and 2008, a research study was conducted and comprised nine border municipalities of Banat, whereas in 2009, the research comprised three municipalities of Northern Banat, so the results of this research will be compared with the mentioned research studies.
Basic methods used for the collection and processing of data and the analysis of results are: historical method (written documents, statistical data, investigating results of similar topic), statistical processing of the investigated literature and other resources, quantitative and qualitative analysis of the content, comparative method.

3. ANALYSIS AND DISCUSSION OF RESULTS

According to the results of the 2002 census, the highest percentage of the population in Vojvodina is involved in the processing industries (26.1%, in towns 29.3%), followed by agriculture (22.6%, in towns 8.3%), and in the third place by trade and servicing motor vehicles, motor bicycles, and home utensils (12.9%, in towns 15.9%).

Structure of employed persons in Kikinda municipality according to the 2002 census. Kikinda municipality is dominated by the population employed in processing industry (33.5%), whereas the percentage is even higher (37.4%) in the town of Kikinda. Persons involved in agriculture (18.1%) are in the second place in the municipality, whereas in the town, this place is taken by trade and servicing motor vehicles, motor bicycles and home utensils (12.8%). Trade with complementary activities (10.9%) is the third in the
Municipality, whereas in the town, it is agriculture (7.9%), (Statistical Office of the Republic of Serbia, 2004b). The highest percent of population in Vojvodina is engaged in the processing industry, while in Banat is dominant population which is engaged in agriculture. Results shows slightly difference with regard to other border municipalities of Banat, because the dominant population in Kikinda is engaged in processing industry, not in agriculture. Higher percentage of employment in manufacturing industry is also present in Vršac municipality (Pašić et al., 2010), and accordingly, we can conclude that bigger municipalities, such as Kikinda and Vršac have a more developed manufacturing industry.

**Structure of unemployed persons in Kikinda municipality by age and gender.** According to Employment and Insurance against Unemployment Act (Official Gazette of the Republic of Serbia, No. 71/03), an unemployed person is each person aged between 15 and 65, able and ready to work, who did not get employment or the right to work in any other way, and is officially registered as unemployed and actively seeks employment (National Employment Office Kikinda, 2010).

By December 31, 2010 in Kikinda municipality were 42,554 working-age persons, of which 6,086 were unemployed. The unemployment rate was 14.3‰. The difference between the real and recorded number is created because persons are removed from the registry of the Office for several reasons:

1. If they do not report regularly to the National Employment Office;
2. If they do not respond to a call by National Employment Office;
3. If they do not report to the employer who they were sent to for an interview;
4. If they refuse a job without justified reasons;
5. If they are persons who are involved in a job which is not completely legal or they are not legally registered as employees (National Employment Office Kikinda, 2010).

For the demographic development of an area, it is important to establish the age structure of the population, which not only shows previous development and current situation, but it can also be used for projections of future population movement (Mijanović, 2008).

If data on unemployed persons is analyzed by gender and age (Table 1), it can be observed that the total number of unemployed persons comprises 47.5% of men and 52.5% of women. If this data is compared to the municipalities which are also situated in Northern Banat (Čoka and Novi Kneževac), we can observe that Kikinda municipality has a slightly higher percentage of unemployed female population, whereas Novi Kneževac and Čoka municipalities are dominated by unemployed male population (Pantelić et al., 2011). In the group of municipalities along the border area of Banat, Vršac municipality stands out with a slightly higher percentage of unemployed women when compared to men (Ivkov et al., 2010). Based on these data, we can conclude that in bigger municipalities, such as Kikinda and Vršac, there are more possibilities for employment of female population.

As regards age structure, the majority of population is in the age groups of 30-34 (12.8%), 50-54 (12.8%) and 35-39 (12.7%). This is not encouraging, because it is known that it is less likely for the employers to hire older population, and over 70% of unemployed persons in Kikinda municipality are older than 30.

When analysing separately men and women, it can be observed that the highest proportion of unemployed men are aged 50-54 (12.9%) and 20-24 (11.8%). The data show a significant difference when compared to the surrounding municipalities (Novi Kneževac
and Čoka), since the mentioned municipalities are dominated by people aged 45-49 (Pantelić et al., 2011).

As far as women are concerned, the largest percentage of unemployed women are aged 30-34 (14.1%) and 25-29 (13.8%). People over 60 (2.6%), as well as those younger than 19 (3.8%) have the smallest proportion in the total number of unemployed persons.

Table 1. Unemployed persons by gender and age.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>%</th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6,086</td>
<td>100</td>
<td>2,890</td>
<td>100</td>
<td>3,196</td>
<td>100</td>
</tr>
<tr>
<td>15-19 year</td>
<td>229</td>
<td>3.8</td>
<td>136</td>
<td>4.7</td>
<td>93</td>
<td>2.9</td>
</tr>
<tr>
<td>20-24</td>
<td>687</td>
<td>11.3</td>
<td>341</td>
<td>11.8</td>
<td>346</td>
<td>10.8</td>
</tr>
<tr>
<td>25-29</td>
<td>763</td>
<td>12.5</td>
<td>322</td>
<td>11.1</td>
<td>441</td>
<td>13.8</td>
</tr>
<tr>
<td>30-34</td>
<td>782</td>
<td>12.8</td>
<td>332</td>
<td>11.5</td>
<td>450</td>
<td>14.1</td>
</tr>
<tr>
<td>35-39</td>
<td>771</td>
<td>12.7</td>
<td>336</td>
<td>11.6</td>
<td>435</td>
<td>13.6</td>
</tr>
<tr>
<td>40-44</td>
<td>706</td>
<td>11.6</td>
<td>306</td>
<td>10.6</td>
<td>400</td>
<td>12.5</td>
</tr>
<tr>
<td>45-49</td>
<td>694</td>
<td>11.4</td>
<td>301</td>
<td>10.4</td>
<td>393</td>
<td>12.3</td>
</tr>
<tr>
<td>50-54</td>
<td>777</td>
<td>12.8</td>
<td>374</td>
<td>12.9</td>
<td>403</td>
<td>12.6</td>
</tr>
<tr>
<td>55-59</td>
<td>517</td>
<td>8.5</td>
<td>297</td>
<td>10.3</td>
<td>220</td>
<td>6.9</td>
</tr>
<tr>
<td>60-64</td>
<td>160</td>
<td>2.6</td>
<td>145</td>
<td>5.0</td>
<td>15</td>
<td>0.5</td>
</tr>
</tbody>
</table>


Structure of unemployed persons in Kikinda municipality by gender and level of educational attainment. The data from December 31, 2010 for Kikinda municipality show that the largest percentage of unemployed persons have level I of educational attainment (35.2%), followed by level III (25.7%) and level IV (24.5%).

The situation cannot be characterized as being favourable, because it can be observed that 41% of unemployed persons are unqualified (level I and II of educational attainment), and about 50% of persons have lower level of educational attainment (level III and IV).

The proportion of unemployed persons with higher level of educational attainment from V to VIII is also significant (Ivkov et al., 2010). When compared to other border municipalities of Banat, Kikinda municipality stands out with the largest percentage of unemployed persons with high level of education (8.3%). In addition to Kikinda municipality, there has been a significant percentage of unemployed persons with high level of educational attainment in Vršac municipality in the last few years, (Ivkov et al., 2010), and accordingly we can conclude that in bigger municipalities, highly educated persons have more difficulties to find employment. In the municipalities with over 30,000 people, demand for workforce is higher, there are more job positions, but the competitiveness among young highly educated people is up to ten times higher than in smaller settlements.

If data by gender are compared, it can be observed that unemployed men with level I of educational attainment (35.3%) have the largest share, followed by women with the same level of educational attainment (35.2%). The next category by size comprises men with level III (32.1%), followed by women with level IV (29.6%). When compared to

1 Level I – elementary school; level IV – four grades of secondary school; level VI – completed higher school; level VII – university graduates (faculty); level VIII – PhD degree
municipalities in the vicinity (Pantelić et al., 2011), we cannot observe any significant difference, because they are dominated by the same categories of unemployed population.

Based on the presented data, we can state that the percentage of unemployed persons with level I of educational attainment in Kikinda municipality decreased in 2010, from 42.3%, which was by the end of 2009, (Pantelić et al., 2011) to 35.2%. What is very unfavourable is the fact that the proportion of unemployed people with high level VII of educational attainment increased from 2.3%, in December 2009, (Pantelić et al., 2011) to 3.7%, in December 2010.

Table 2. Unemployed persons by level of educational attainment, by age and by gender.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>I level</td>
<td>2,144</td>
<td>35.2</td>
<td>1,020</td>
</tr>
<tr>
<td>II level</td>
<td>353</td>
<td>5.8</td>
<td>186</td>
</tr>
<tr>
<td>III level</td>
<td>1,567</td>
<td>25.7</td>
<td>928</td>
</tr>
<tr>
<td>IV level</td>
<td>1,490</td>
<td>24.5</td>
<td>543</td>
</tr>
<tr>
<td>V level</td>
<td>34</td>
<td>0.6</td>
<td>8</td>
</tr>
<tr>
<td>VI-1 level</td>
<td>186</td>
<td>3.1</td>
<td>62</td>
</tr>
<tr>
<td>VI-2 level</td>
<td>83</td>
<td>1.4</td>
<td>26</td>
</tr>
<tr>
<td>VII-1 level</td>
<td>223</td>
<td>3.7</td>
<td>97</td>
</tr>
<tr>
<td>VII-2 level</td>
<td>6</td>
<td>0.1</td>
<td>2</td>
</tr>
<tr>
<td>VIII level</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Unqualified (I+II)</td>
<td>2,497</td>
<td>41.0</td>
<td>1,206</td>
</tr>
<tr>
<td>Qualified (III-VIII)</td>
<td>3,589</td>
<td>59.0</td>
<td>1,684</td>
</tr>
<tr>
<td>Total</td>
<td>6,086</td>
<td>100</td>
<td>2,890</td>
</tr>
</tbody>
</table>


The analysis of unemployed persons in Kikinda municipality from January 2007 to December 2010 (figure 2) shows the following situation: the unemployment rate varies and the highest unemployment rate was recorded in March 2007. It declined from March to December 2007, mostly because a law was enacted in 2007 by which unemployed persons do not have to be registered by National Employment Office in order to have the right to health care. A large number of persons wanted to be removed from the registry of the National Employment Office even though they were still unemployed. In the beginning of 2008, there was an increase in the unemployment rate and this trend maintained until April 2008, when the unemployment rate started to decline again. In the beginning of 2008, a few large companies were privatized in Kikinda municipality causing layoff of a large number of employees, which is the main reason for the increase in the unemployment rate. From April 2008 to November 2008, the unemployment rate declined, when a mild increase can be observed lasting until January 2009. From January 2009, in Kikinda municipality it decreased steadily, and it reached its minimum of 13.5 ‰ in October 2010. By the end of the observed period, the unemployment rate was 14.3 ‰, which is less by 5.3% than in January 2007.
Although it used to be a big industrial centre, Kikinda is, economically, almost devastated today. Transition consequences can be felt and a large number of people who were left jobless for various reasons were sent to the job market. A large number of unemployed appeared due to privatization of a large number of companies. Positive effects of privatization are scarce, whereas the negative ones are in full force. Transition has its economic and social price. The money obtained by selling of shares or unemployment compensation for laid-off workers was not collected and invested in production, but spent on acquiring various assets. Peripheral parts of Banat are not attractive for migrants from other regions. Highly educated persons seek relocation in bigger economic centres in search for employment. They are very often ready to accept temporary employment and employment requiring lower level of educational attainment, which are much better paid there than in local areas.

Fig. 2. The unemployment rate in Kikinda municipality from January 2007 to December 2010.


4. CONCLUSION

Based on the given data, we can observe that the percentage of unemployed persons is rather large when compared to the total population in Kikinda municipality. Unemployment issues on the territory of Kikinda municipality have been present for the past few years, even though the data of National Employment Office shows trends of stagnation and mild decrease in unemployed persons. Unfortunately, the largest number of people decided to remove themselves from the registry of National Employment Office because they believe that this institution cannot help them in finding employment.

As regards age structure, research results show that Kikinda municipality is dominated by very young and the most active work-age population in the age group 30-34. The smallest proportion in the total number of unemployed persons are people in the age group 60+, since most of this population group (especially female) have fulfilled requirements for retirement. There is also a smaller proportion of persons younger than 19 years, because most of the members of this age group are still studying. The structure of unemployed persons by level of educational attainment shows that there is the highest percentage of persons with level I of educational attainment, followed by levels III and IV.
of educational attainment. What is very negative is that there is a large proportion of unemployed persons with higher levels of educational attainment - from V to VIII.

There are many possibilities for the revitalization of the depopulated areas. As one of the main causes of depopulation of this region is low fertility rate, which is insufficient to ensure reproduction, it is necessary to first implement the pro-natalist population policy measures. Also, the problems of depopulation can be decreased by retaining young population (Ivkov et al, 2007), in the way that new job openings would be provided and conditions for a quality life would be created. Supporting and development of tourism can provide chances for new job openings. Although youth and working-age population are a priority, older categories of population should be involved in contributing to the development, within their range of abilities. This is the way to decrease the number of unemployed persons in the age group 50+, which is also a group which is the most difficult to get employed.

Considering the fact that a high percentage of the population is employed in agriculture, one of the solutions could be to improve the situation in agriculture. A special advantage should be given to agritechnical measures, firstly irrigation, as well as vegetable production in open and closed areas (Romelić, Tomić, 1992). Great significance should be assigned to various support programmes (Brown et al, 2008, Boeri, Macis, 2009), which have an incentive role in activating unemployed persons and offering them help in finding employment. Each year, National Employment Office (NEO) organizes: programmes for employment of persons with special needs; programmes for self-employment; regional programmes; programmes for professional training of interns; volunteers and trainees; incentive programmes for employers – partial tax allowance for hiring persons over 45 or 50 years old; educational programmes for small business start up and management; educational programmes for active job search; organizing courses in computers, foreign languages, book-keeping... (NEO, Kikinda, 2010). Implementation of these programmes can significantly decrease unemployment in Kikinda municipality.

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