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SOCIOLOGICAL ASPECTS OF THE CAUSES OF UNEMPLOYMENT

SOCIOLOŠKI ASPEKTI UZROKA NEZAPOSLENOSTI

ABSTRACT

Causes of economic, legal and political problems and high rates of unemployment in the RH (Republic of Croatia) are a result of arguably the wrong processes of investment by the state, primarily in physical capital (red curve), instead of people (blue curve), which means that at the national level the investments must first be made in their people which will then, with their more developed knowledge and motivation, contribute to universal progress. Starters of such growth and new employment should be the fairest and most capable individuals of the company. If the critical mass does not support this approach, the RH will continue to stagnate and fall behind, and the unemployment rate shall reach a new maximum limit.

Newest study found that the degree of development of some countries and the employment rate over 90% explains the human capital, where the greatest impact is made by moral capital, followed by intellectual capital, and then, finally, social capital. Responsible people in the government and parliament must recognize what is the basis for larger investment in the people, and investing in human resource development should be a priority strategy.

Keywords: *unemployment, human capital, physical capital, trends, investment*

SAŽETAK

Uzroci ekonomskih i pravno-političkih problema te visoke stope nezaposlenosti u RH kao jedne od posljedica nedvojbeno su pogrešni procesi investiranja od strane države i to primarno u fizički kapital (crvena krivulja), umjesto u ljude (plava krivulja), iz čega proizlazi

da se na razini RH mora prvenstveno ulagati u ljude koji će svojom razvijenijom motivacijom i znanjem doprinijeti sveopćem napretku.

Pokretači razvoja i novog zapošljavanja trebaju biti najsposobniji i najpošteniji pojedinci i tvrtke. Ako kritična masa ne podrži ovakav pristup, RH će i dalje zaostajati i stagnirati, a stopa nezaposlenosti dosegnuti nove maksimalne granice.

Najnovije istraživanje pokazalo je da stupanj razvijenosti neke zemlje svijeta i stopu zaposlenosti preko 90% objašnjava ljudski kapital, pri čemu najveći utjecaj ima upravo moralni kapital, zatim intelektualni kapital te, naposljetku, socijalni kapital. Odgovorni ljudi u vladi i parlamentu moraju prepoznati ono što je temelj za daleko veće ulaganje u stanovnike, a ulaganje u razvitak ljudskih resursa mora biti prioritet strategije razvoja.

Ključne riječi: nezaposlenost, ljudski kapital, fizički kapital, trendovi, ulaganje

1. Introduction

This study is divided into two parts. The first part gives a detailed statistical analysis of the unemployment situation in the Republic of Croatia (Croatia) with the latest data and analysis by sex, industry, previous months and previous year, as well as to newly employed. In the second part of the study the sociological aspects of unemployment are dealt with and models and equations that show the development and explain the potential causes of the unemployment rate as well as offering possible solutions to reduce them are given.

2. Statistical analysis of state unemployment

According to provisional data of Central Bureau of Statistics (CBS) in February of 2012. RH had 1,706,106 active population, which is 0.04% more than the previous month. In that number there were 1,363,155 employed persons, of which 629 843 women (46.2%). Total number of employees decreased by 0.6% and the number of employed women by 0.4% compared with the previous month. The registered unemployment rate in February of 2012. amounted to 20.1% (versus a rate of 19.6% in the previous month and the average rate of 17.9% in 2011.), where the unemployment rate for women was 22.4% and males 18.0% . At the end of March 2012. in the Croatian Employment Service (CES) there were 339 882 registered unemployed persons, which is 3069 people less than the previous month and 9752 persons more than in March 2011. So, in March 2012. unemployment decreased 0.9% compared with the previous month and increased 3.0% compared with February 2011. . Of the total number of unemployed in March 2012. there were 180 429 unemployed women, which is 1.9% more than in March 2011. The share of women registered as unemployed in the observed period decreased from 53.7 to 53.1 percent.

In the group of unemployed persons in March 2012. there were 15 693 (4.6%) people aged 15 to 19, 48 597 (14.3%) of 20-24 years, 48 215 (14.2%) of 25-29 years, 39 217 (11.5%) of 30-34 years, 33 848 (10.0%) of 35-39 years, 33 122 (9.7%) of 40-44 years, 35 107 (10.3%) of 45 to 49, 38 692 (11.4%) of 50 to 54, 35 722 (10.5%) of 55-59 years and 11 669 (3.4%) persons aged 60 and over.

In the reporting month the unemployment, compared to the same month of the previous year, was reduced into two age groups while other groups recorded an increase. The reduction was reported in the age groups 50-54 years (3.6%) and 15-19 years (2.0%), while the largest increase recorded in groups of 60 or more years (8.4%) and 55-59 years (5.8%).

The educational structure of unemployed, the most numerous were those with finished high school for skilled workers (duration 3 years) and with finished school for qualified and highly qualified workers (118 302, or 34.8%), followed by persons with a high school background (duration of 4 years) (94 538 or 27.8%), followed by those with primary school education (73 541 or 21.6%), then persons with further university education (19 684 or 5.8%), followed by persons with no schooling and incomplete primary education (18 984 or 5.6%) and, finally, those with first university degree (14 833 or 4.4%).

Compared with the same month last year, unemployment was reduced in the group of people with primary education (0.7%), while in other educational groups recorded an increase. The largest increase was in the group of people with first university degree (11.9%) in group persons with university education (11.4%).

The largest absolute number of unemployed persons in March 2012. had the Split - Dalmatia County (46 360 or 13.6% of the total number in Croatia), City of Zagreb (41 869 or 12.3%) and Osijek – Baranja County (35.7 thousand or 10.5%) and lowest number of unemployed registered in the Lika – Senj County (3462 or 1.0%). Compared with the same month last year, the registered unemployment rate decreased in four and increased in seventeen counties.

The largest reduction in the number of registered unemployed was in Lika – Senj County (7.2%) and Istria (5.7%), while the largest increase recorded in Koprivnica - Križevci County (8.6%) and Krapinsko – Zagorska County (8.2 %). Compared with the previous month, unemployment increased in five counties, while in sixteen counties it decreased. The largest increase was in Sisak – Moslavina County (1.0%) and in the City of Zagreb (0.7%), while the largest decrease was recorded in Istria (8.3%) and Lika - Senj County (3.0%) . Of the total number of unemployed in March 2012. 56 496 persons (or 16.6%) were without work experience, which is 2,4% more than at the same time the previous year. The remaining 283 386 persons (83.4%) had previous work experience. Of that number, 150 420 were women (44.3%). Observed by activities, prior to registering with the CES, the largest number worked in manufacturing (58 942 or 20.8%), wholesale and retail trade (52 856 or 18.7%), the activity of providing accommodation and preparation and food services (36 207 or 12.8%), construction (33 574 or 11.8%), and other service activities (13 850 or 4.9%). In the manufacturing industry, the largest number of unemployed was in the production of food, clothing manufacture, manufacture of fabricated metal products, manufacture of wood, manufacture of other nonmetallic mineral products, manufacture of furniture, leather, etc. During March 2012. the registered number of unemployment was 21 726 persons, which is 5,1% more than the same month last year. Of these 10 931 were women, i.e. 50.3%, of the total number of newly registered persons. The total number of newly registered 17 590 persons (81.0%) had previous work experience, and the largest number registered with the CES for the following activities: manufacturing (3782 or 21.5%), wholesale and retail (3447 or 19.6%), construction (2142 or 12.2%), the activity of providing accommodation and food service (1900 or 10.8%) and education (1145 or 6.5%) .

In total, during March 2012. 24 795 unemployed persons were removed from the records of Register of unemployed which is 8.0% less than the same month last year. Of these, 16 902 people employed as follows: 16 542 persons on the basis of employment (10.4% more than in March last year) and 360 persons on the basis of other business activities (company registration, trade, agricultural applications in insurance, employment according to special regulations, achieving monthly revenue or income from private activities higher than the minimal basis for the calculation of contributions for compulsory insurance, etc.).

Based on the majority of employment of persons employed on fixed-term (15 283 or 92.4%). Observed by sectors, the largest number employed in manufacturing (2994 or 18.1%), wholesale and retail trade (2585 or 15.6%), the activity of providing accommodation and food service (2519 or 15.2%), construction (2050 or 12.4%) and education (1237 or 7.5%). At the same time 7 893 people were removed from the Register of unemployment for other reasons, such as irregular occurrence, failure to comply with legal requirements, checked out of the records, retirement (29.7% less than the same month last year), etc.

In March 2012. year 79 278 unemployed persons, or 23.3% of the total number of unemployed persons used unemployment benefit. Number of unemployment benefit in the same period the previous year had reduced for 8470 people or 9.7%. During March 2012. the CES has reported a total of 23 461 vacancies, which is 23.9% more than in March 2011. The largest number of vacancies by activity: the activity of providing accommodation and food service (4550 or 19.4%), public administration and defense (4283 or 18.3%), education (2317 or 9.9 %), wholesale and retail trade (2299 or 9.8%) and manufacturing (1551 or 6.6%).

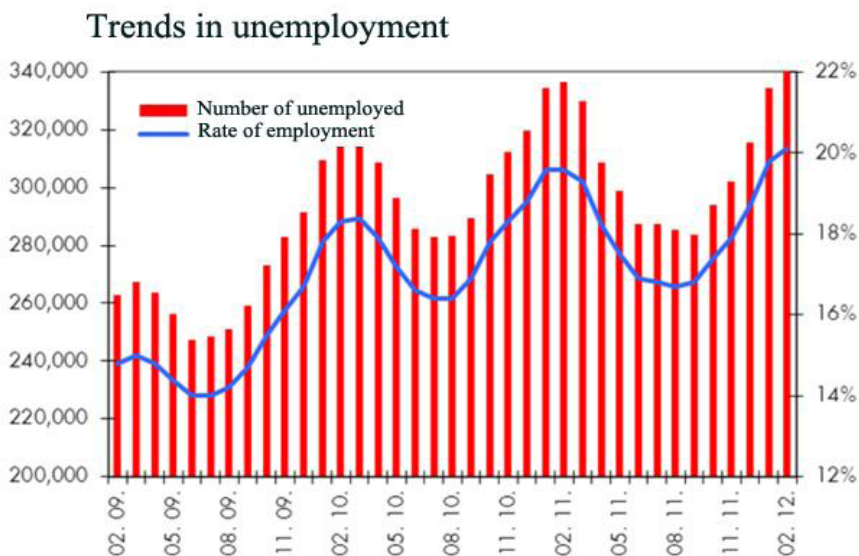
In the active labor market programs under the jurisdiction of the CES at the end of March 2012., there were 7473 active users. Of the total number of beneficiaries there were 4426 women with a share of 59.2%.

Table 1. Registered unemployment and employment since year 1996 to 2012

<i>Registered unemployment and employment since 1996. to 2012. year</i>									
Year	Newly registered unemployed			Deleted from the HZZ and the employment			Deleted from the CES because other reasons		
	Total	M	F	Total	M	F	Total	M	F
1996	203405	108421	94984	94529	47206	47323	88683	50193	38490
1997	219180	116227	102953	105443	53320	52123	95880	55848	40032
1998	221436	112074	109362	110562	54432	56130	95263	55175	40088
1999	249029	129027	120002	106627	52642	53985	103403	58595	44808
2000	261906	133734	128172	119105	57342	61763	105987	60101	45886
2001	280998	143656	137342	148698	75280	73418	115703	65843	49860
2002	259073	131108	127965	168767	84103	84664	119285	67373	51912
2003	231860	110079	121781	159677	74672	85005	119661	63049	56612
2004	245409	118142	127267	148102	66706	81396	98414	51322	47092
2005	232064	110092	121972	150104	68075	82029	91686	48949	42737
2006	233163	106287	126876	158540	69722	88818	89321	46482	42839
2007	206460	91495	114965	154158	64539	89619	90971	44678	46293
2008	200093	86704	113389	134557	55422	79135	79565	38577	40988
2009	270557	131329	139228	122795	50818	71977	96672	44670	52002
2010	289234	144590	144644	146627	67470	79157	114307	56509	57798
2011	313988	152090	161898	185236	86075	99161	133159	66454	66705

Source: <http://www.dzs.hr/> (downloads: 25. 04. 2012.)

Picture 1. Trends in unemployment in year 2011

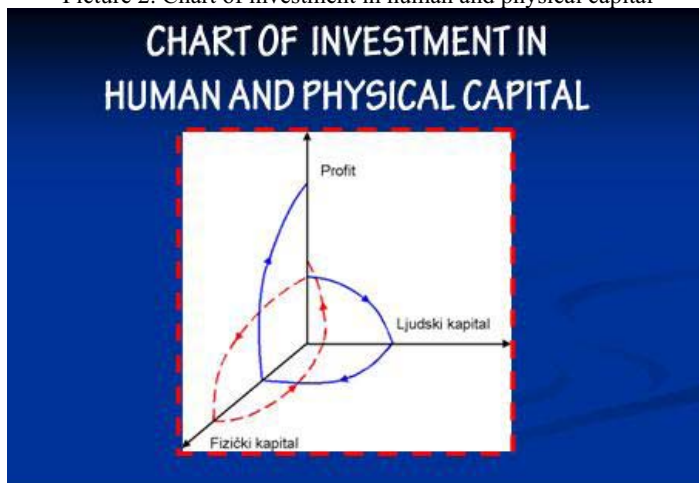


Source: <http://www.hzz.hr/> (downloads: 26. 04. 2012.)

3. Sociological aspects of the causes of unemployment

Causes of economic, legal and political problems and high rates of unemployment in the RH (Republic of Croatia) are a result of arguably the wrong processes of investment by the state, primarily in physical capital (red curve), instead of people (blue curve), which means that at the national level the investments must first be made in their people which will then, with their more developed knowledge and motivation, contribute to universal progress as shown in the following model.

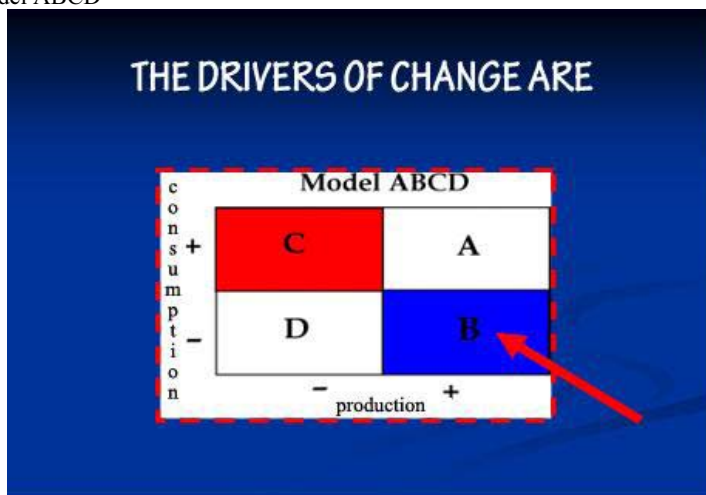
Picture 2. Chart of investment in human and physical capital



Source: [9, str. 252].

Drivers of growth and new employment should be the fairest and most capable individuals and businesses (they are located in the B quadrant). If a critical mass of people B do not support this approach, rather than C players are still better self-organized, Croatia will continue to stagnate and fall behind, and the unemployment rate reached a new maximum limit.

Picture 3. Model ABCD



Source: [9, str. 262].

The latest survey, we conducted on a sample of 52 countries,⁹³ with the actual data for 2008. year, showed that the degree of development of some countries and the employment rate over 90% (squared coefficient is 0.92) explains human capital, with the greatest impact has just moral capital (in the matrix of linear correlation coefficient is 0.91, and the equation of multiple linear correlation coefficient is 1895), then the intellectual capital (in the matrix of linear correlation coefficient is 0.88, and the equation of multiple linear correlation coefficient is 219), and, ultimately, social capital (in the matrix of linear correlation coefficient is 0.55, while the equation of multiple linear correlation coefficient is 89).

Thus we obtain the equation of development [9, page 19th] $y = 1895x_1 + 219x_2 + 89x_3$, which should become part of macroeconomic policy and the allocation of available financial resources for investment. For each of us personally, and in particular the management of the economy and politics, as soon as possible to master the theory of motivation, knowledge and team organization in a given system, the obtained equations. Responsible people in the government and parliament must recognize what is the basis for much greater investment in the people, and investing in human resource development should be a priority strategy.

4. Synthesis of research results

Causes of economic, legal and political problems and high rates of unemployment in the RH (Republic of Croatia) are a result of arguably the wrong processes of investment by the state, primarily in physical capital (red curve), instead of people (blue curve), which means that at the national level the investments must first be made in their people which will then, with their more developed knowledge and motivation, contribute to universal progress, as shown in the following model.

Drivers of such growth and new employment should be the fairest and most capable individuals of the company. If the critical mass does not support this approach, the RH will continue to stagnate and fall behind, and the unemployment rate shall reach a new maximum limit.

Newest study found that the degree of development of some countries and the employment rate over 90% explains the human capital, where the greatest impact is made by moral capital, followed by intellectual capital, and then, finally, social capital. Responsible people in the government and parliament must recognize what is the basis for larger investment in the people, and investing in human resource development should be a priority strategy.

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⁹³ The methodology of data collection for research, the research methodology and research results obtained are detailed and explained in: <http://www.li.com/> and in: www.scribd.com/alauc

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