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# ANALYSIS OF EMPLOYMENT IN REPUBLIC OF CROATIA AND SELECTED MEMBER STATES OF EUROPEAN UNION ACCORDING TO ECONOMIC ACTIVITY

## Abstract:

Employment is very important for the development of every country. Without jobs and employees there is no development of anything. Therefore, it is extremely important that each country take into account the employment of its citizens.

Employment is an agreement between an employee and an employer that the employee will provide certain services on the job in the return for compensation.

For the purpose of the work it has been conducted a detailed analysis of the employment in selected European Union Member States in the period from 2002 to 2012. It has been analyzed the employment according to economic activity.

The analyzed countries are the Republic of Austria, the Republic of Bulgaria, the Czech Republic and the Republic of Croatia.

The aim of the work is to show that there were differences in structure between the observed countries.

## Keywords:

employment, Croatia, European Union, economic activity

## Author's data:

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## Introduction

Every country in the world takes care of employment of its citizens. Employment is one of the important macroeconomic indicators of the degree of economic development of each country.

For the purpose of the work it has been conducted a detailed analysis of the employment in selected European Union Member States in the period from 2002 to 2012. It has been analyzed the employment according to economic activity. The analyzed countries are the Republic of Austria, the Republic of Bulgaria, the Czech Republic and the Republic of Croatia. In that time, Croatia was an associate member of the European Union.

## Analysis of employment

“Employment is an agreement between an employer and an employee that the employee will provide certain services on the job, and in the employer’s designated workplace, to facilitate the accomplishment of the employer organization’s goal and mission, in the return for compensation [1].” “Persons in employment are persons who did any work for payment in cash during the reference week. Those are employees, self-employed persons and family members who are helping in a business entity owned by a family member, persons who worked on contract for direct payment in cash or kind [2].”

Since employment is possible to analyze with different points of view, before analysis of employment according to economic activity, there will be present a brief results of previously conducted analyzes of employees by gender, geographical coverage and level of education for each country [3].

## Analysis of employment in Republic of Austria

Analysis of employment in Austria showed that there were more employed men then employed women in the observed period. Employment by geographical coverage showed that there was more employed in urban areas then rural areas. According to level of education, analysis showed that the share of employed with higher education grew and it was about 20%. Share of employed with secondary education was about 65%, while the share of employed with primary education was about 15%.

An analysis of employment according to economic activity in Austria showed that during the period the highest share of employees was in the manufacturing (between 15 and 19%) and wholesale and retail trade; repair of motor vehicles and motorcycles (between 15 and 16%).

With almost 10 percent share there were construction and health care and social welfare.

The lowest share, under 1% had mining and quarrying; electricity, gas, steam and air conditioning; water supply, sewerage, waste management and remediation activities; real estate; activities of households as employers; activities of households that produce different goods and perform a variety of services for personal needs and activities of extraterritorial organizations and bodies.

Below is Figure 1 that shows the employment in Austria according to economic activity in 2002, 2007 and 2012.

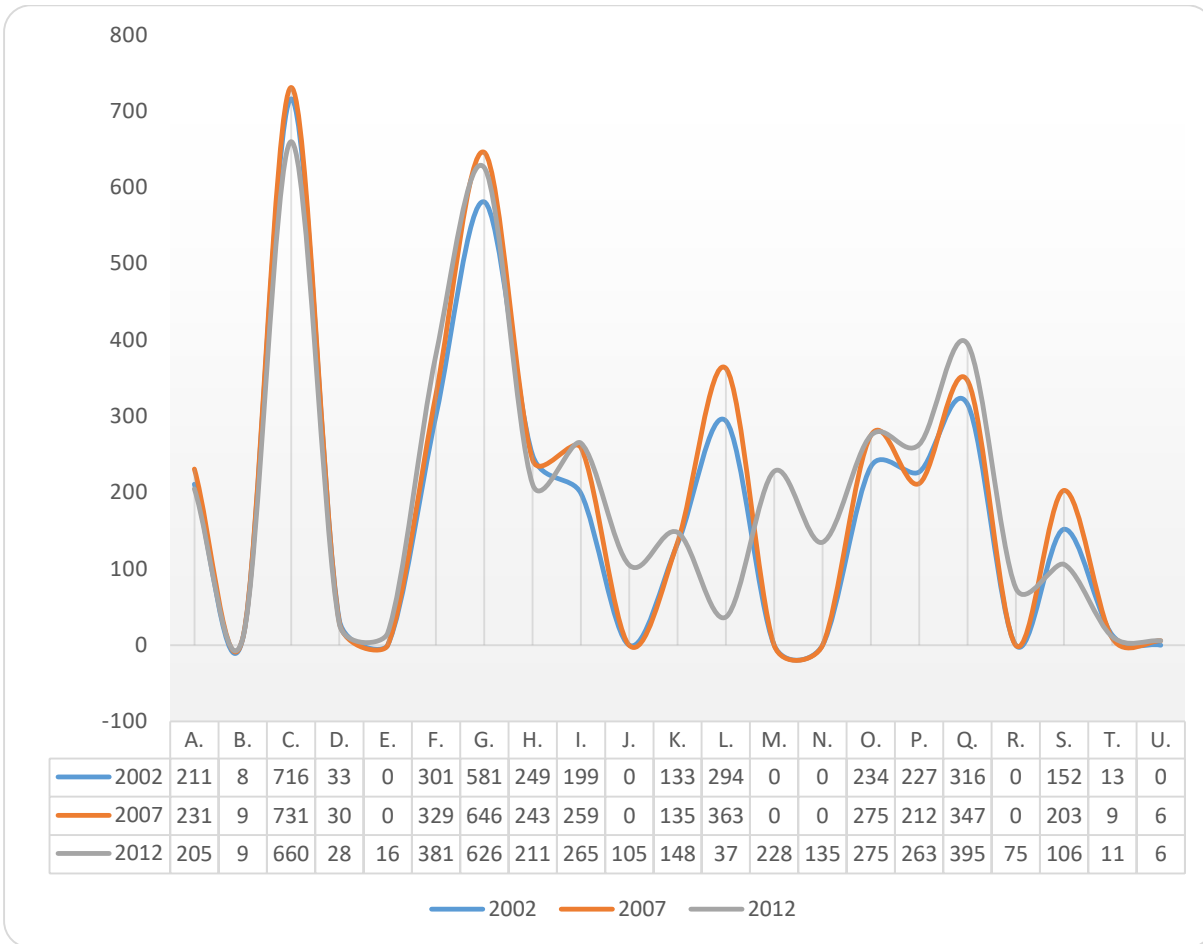


Figure 1. Employment according to economic activity in Austria (in 000)

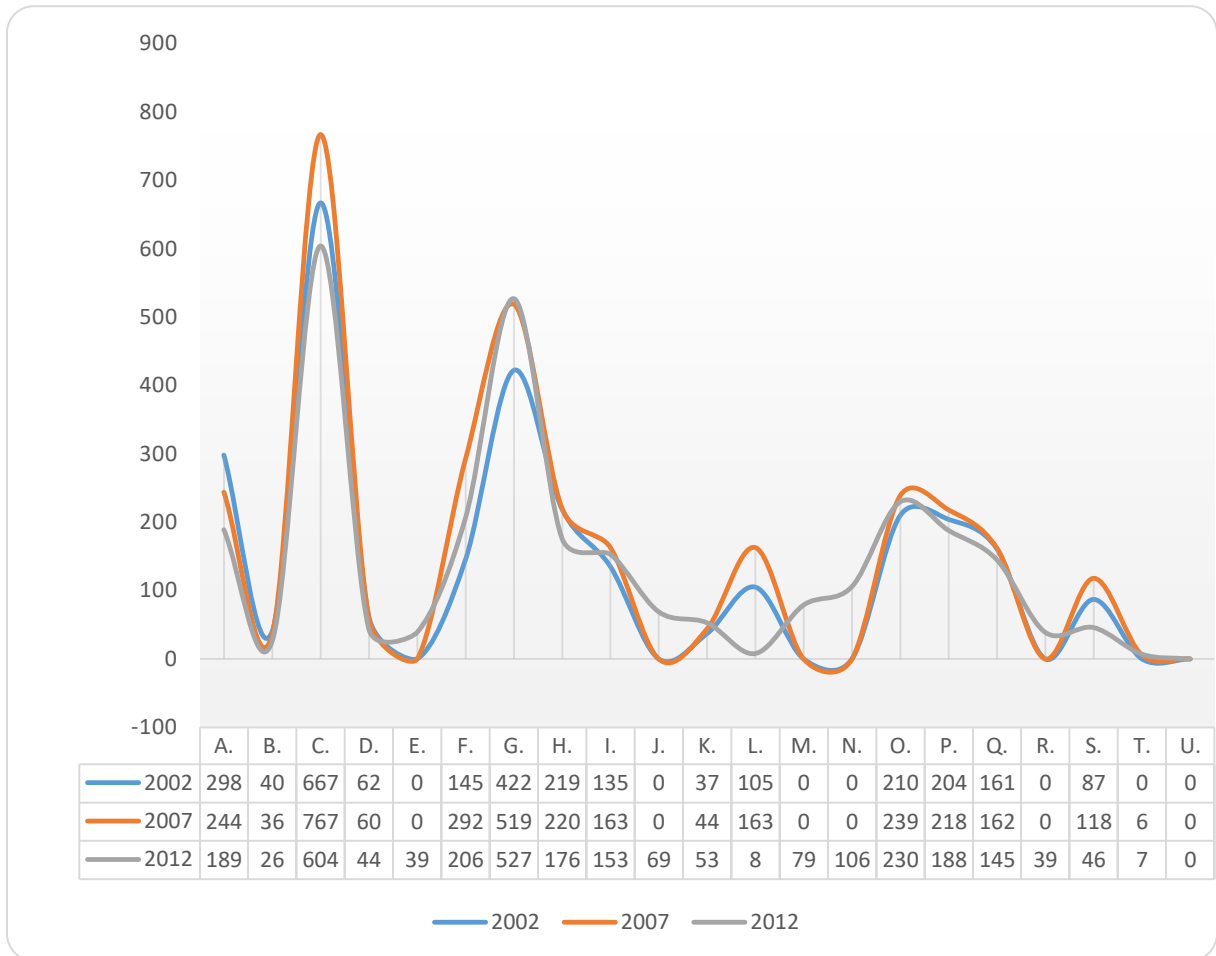
Legend: A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Supply of electricity, gas, steam and air conditioning; E - Water supply; sewerage, waste management and remediation activities; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transport and storage; I - Activities to provide accommodation and food service activities; J - Information and communication; K - Financial and insurance activities; L - Real estate activities; M - Professional, scientific and technical activities; N - Administrative and support service activities; O - Public administration and defense; compulsory social security; P - Education; Q - Human health and social care; R - Arts, entertainment and recreation; S - Other service activities; T - Activities of households as employers; Activities of households that produce different goods and perform a variety of services for personal needs; U - Activities of extraterritorial organizations and bodies.

Source: made by author according to data of the International Labour Organization

### Analysis of employment in Republic of Bulgaria

Analysis of employment in Bulgaria showed that there were more employed men than employed women in observed period. Share of employed in urban areas was lower than 50% in 2006, but in 2013 it was higher and was about 75% of employed.

According to level of education, analysis showed that the share of employed with higher education grew and it was about 25%, while the share of employed with basic education fell and it was about 15%. Share of employed with secondary education fluctuated and it was about 60% of employed. Below is Figure 2 that shows the employment in Bulgaria according to economic activity in 2002, 2007 and 2012.



*Figure 2. Employment according to economic activity in Bulgaria (in 000)*

Legend: A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Supply of electricity, gas, steam and air conditioning; E - Water supply; sewerage, waste management and remediation activities; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transport and storage; I - Activities to provide accommodation and food service activities; J - Information and communication; K - Financial and insurance activities; L - Real estate activities; M - Professional, scientific and technical activities; N - Administrative and support service activities; O - Public administration and defense; compulsory social security; P - Education; Q - Human health and social care; R - Arts, entertainment and recreation; S - Other service activities; T - Activities of households as employers; Activities of households that produce different goods and perform a variety of services for personal needs; U - Activities of extraterritorial organizations and bodies.

Source: made by author according to data of the International Labour Organization

An analysis of employment according to economic activity showed that during the period the highest share of employees was in manufacturing. It ranged from 19% to 24%.

With about 15 percent share was a wholesale and retail trade, repair of motor vehicles and motorcycles.

The largest decline in the share experienced the following economic activities: agriculture, forestry and fishing from about 10% to 3%;

transport and storage from 8% to 6% and other services from 3% to 1%.

The biggest changes happened in construction and real estate activities. The share of construction fluctuated from 5% to 9%. Share of the real estate fluctuated from 4% to 5% and then fell under 0.5%.

### Analysis of employment in Czech Republic

The analysis of employment in Czech Republic showed that the share of employed men were higher than the share of employed women. Share of employed in urban areas fluctuated during

the period and it was about 65%. Analysis of employment by education in Czech Republic showed that the share of employed with primary education was falling and it was about 6%, while the share of employed with higher education during the observed period grew and it was about 20%. Share of employed with secondary education was about 77%.

Below is Figure 2 that shows the employment in the Czech Republic according to economic activity in 2002, 2007 and 2012.

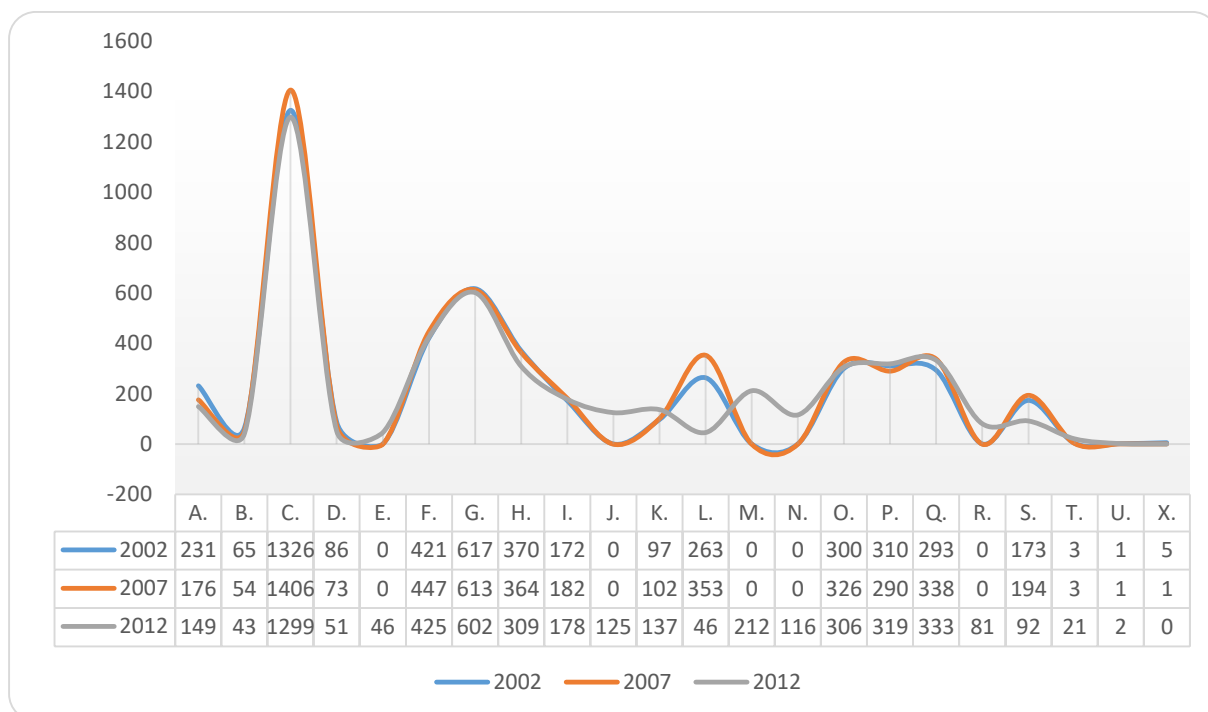


Figure 3. Employment according to economic activity in Czech Republic (in 000)

Legend: A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Supply of electricity, gas, steam and air conditioning; E - Water supply; sewerage, waste management and remediation activities; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transport and storage; I - Activities to provide accommodation and food service activities; J - Information and communication; K - Financial and insurance activities; L - Real estate activities; M - Professional, scientific and technical activities; N - Administrative and support service activities; O - Public administration and defense; compulsory social security; P - Education; Q - Human health and social care; R - Arts, entertainment and recreation; S - Other service activities; T - Activities of households as employers; Activities of households that produce different goods and perform a variety of services for personal needs; U - Activities of extraterritorial organizations and bodies; X - not classified by economic activity.

Source: made by author according to data of the International Labour Organization

## Analysis of employment in Republic of Croatia

Share of employed men during the period was higher than the share of employed women. Share of employed in urban areas significantly changed, so, over the entire period was 100%, while in 2013 it fell, and it was only 58%. Analysis of employed by education in Croatia in observed period showed that the share of employed with higher education and the share of employed with secondary education grew, while the share of employed with primary education fell. Share of employed with higher education was about 21%, the share of employed with secondary education was about 61%, while the share of employed with primary education was about 18%.

An analysis of employment according to economic activity showed that during the period the highest share of employees was in construction; agriculture, forestry and fishing as well as

wholesale and retail trade, repair of motor vehicles and motorcycles.

The share of construction in 2002 was 20.36%, in 2007 it was 19.34%, while in 2012 it was 17.4%.

The share of agriculture, forestry and fishing in 2002 it was 15.49%, in 2007 it fell to 13.01%, while in 2012 it increased to 13.7%.

The share of trade ranged between 14.25 and 13.46%. With a share of less than 1%, there were mining and quarrying and activities of households as employers.

The biggest changes happened in real estate (in 2002 it was 3.84%, in 2007 it was 5.19%, and in 2012 it was only 0.19%) and other services (in 2002 it was 3.42%, in 2007 it was 4.41% and in 2012 it was 2.01%).

Below is Figure 2 that shows the employment in Croatia according to economic activity in 2002, 2007 and 2012.

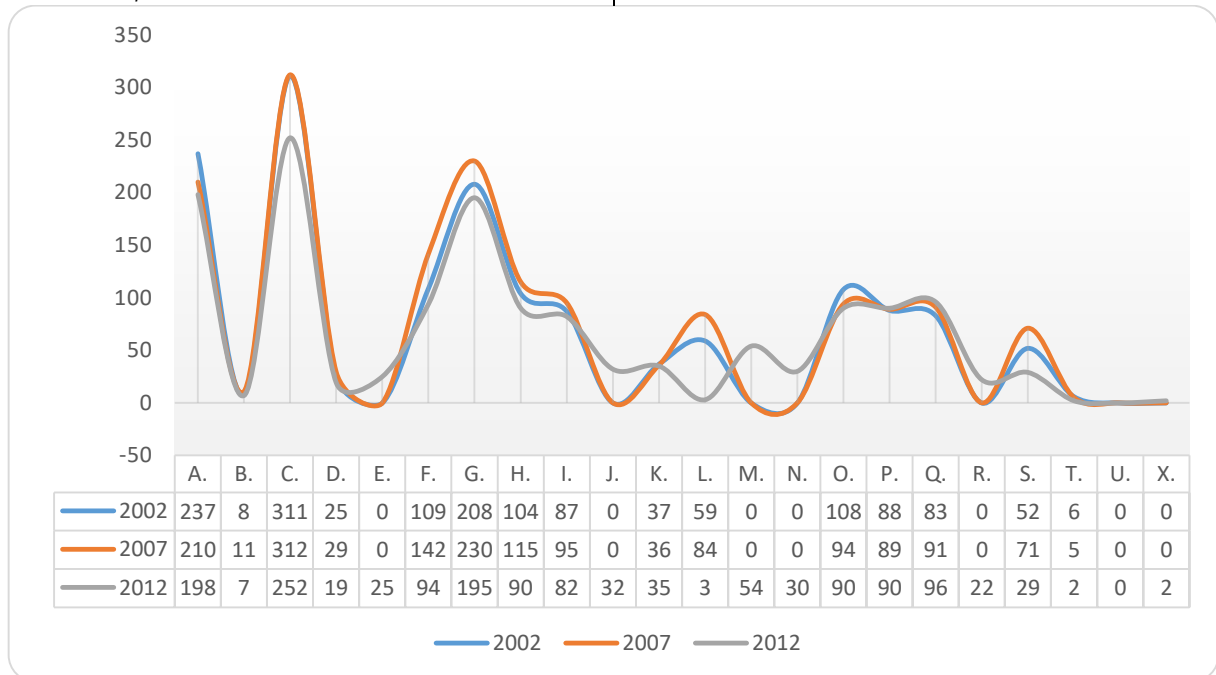


Figure 4. Employment according to economic activity in Croatia (in 000)

Legend: A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Supply of electricity, gas, steam and air conditioning; E - Water supply; sewerage, waste management and remediation activities; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transport and storage; I - Activities to provide accommodation and food service activities; J - Information and communication; K - Financial and insurance activities; L - Real estate activities; M - Professional, scientific and technical activities; N - Administrative and support service activities; O - Public administration and

defense; compulsory social security; P - Education; Q - Human health and social care; R - Arts, entertainment and recreation; S - Other service activities; T - Activities of households as employers; Activities of households that produce different goods and perform a variety of services for personal needs; U - Activities of extraterritorial organizations and bodies; X - not classified by economic activity.

Source: made by author according to data of the International Labour Organization

## Analysis of differences between observed states

In order to make more complete analysis, below is the analysis of the differences between the observed countries in three observed years.

For activities under the letter E, J, M, N and R in 2002 and 2007, there are no recorded data, and therefore they are not even in the table.

Acti.	Austria	Bulgaria	Czech	Croatia
A.	5,754	10,673	4,8806	15,572
B.	0,2182	1,4327	1,3733	0,5256
C.	19,525	23,89	28,016	20,434
D.	0,8999	2,2206	1,817	1,6426
F.	8,2083	5,1934	8,895	7,1616
G.	15,844	15,115	13,036	13,666
H.	6,7903	7,8438	7,8175	6,8331
I.	5,4268	4,8352	3,6341	5,7162
K.	3,6269	1,3252	2,0494	2,431
L.	8,0175	3,7607	5,5567	3,8765
O.	6,3812	7,5215	6,3385	7,0959
P.	6,1903	7,3066	6,5498	5,7819
Q.	8,6174	5,7665	6,1906	5,4534
S.	4,1451	3,116	3,6552	3,4166
T.	0,3545	-	0,0634	0,3942
U.	-	-	0,0211	-
X.	\	\	0,1056	-

Table 1. Employment according to economic activity in 2002 in observed states (in %)

Table 1 show that there are significant differences in the structure of employees by

economic activities. It is noted that Croatia leads in Mining and quarrying and Agriculture, forestry and fishing. In the Czech Republic about 28% of employees work in Mining and quarrying, in the Republic of Austria about 20% of employees and in the Republic of Bulgaria about 23% of employees work in Mining and quarrying. Significant differences exist in Real estate activities, where the largest share of employees has Austria (about 8%), and at least Croatia and Bulgaria (close to 4%).

Below is Table 2 that shows employment according to economic activity in 2007.

Acti.	Austria	Bulgaria	Czech	Croatia
A.	5,734856	7,505383	3,575056	13,01115
B.	0,223436	1,107352	1,096892	0,681537
C.	18,14796	23,59274	28,55982	19,33086
D.	0,744786	1,845586	1,482836	1,796778
F.	8,167825	8,981852	9,079829	8,798017
G.	16,03774	15,96432	12,45176	14,25031
H.	6,032771	6,767149	7,393866	7,125155
I.	6,42999	5,013842	3,696933	5,885998
K.	3,351539	1,35343	2,071907	2,230483
L.	9,011917	5,013842	7,170425	5,204461
O.	6,82721	7,351584	6,621978	5,82404
P.	5,263158	6,705629	5,890717	5,51425
Q.	8,614697	4,983082	6,865732	5,638166
S.	5,039722	3,629652	3,940687	4,399009
T.	0,223436	0,184559	0,060938	0,309789
U.	0,148957	-	0,020313	-
X.	\	\	0,020313	-

Table 2. Employment according to economic activity in 2007 in observed states (in %)

The most significant change compared to 2002 happened in the sector Agriculture, forestry and fishing in Bulgaria and Croatia (fell approximately 3%). Other activities did not experience significant changes.

Below is Table 3 that shows employment according to economic activity in 2012.

Act	Austria	Bulgaria	Czech	Croatia
A.	4,898447	6,441718	3,045789	13,68348
B.	0,215054	0,886162	0,878986	0,48376
C.	15,77061	20,58623	26,55356	17,41534
D.	0,669056	1,499659	1,042518	1,313062
E.	0,382318	1,329243	0,940311	1,727713
F.	9,103943	7,021132	8,687653	6,496199
G.	14,95818	17,96183	12,30581	13,47616
H.	5,041816	5,998637	6,316435	6,219765
I.	6,332139	5,214724	3,638594	5,666897
J.	2,508961	2,351738	2,555192	2,211472
K.	3,53644	1,806408	2,800491	2,418798
L.	0,88411	0,272665	0,940311	0,207326
M.	5,448029	2,69257	4,333606	3,731859
N.	3,225806	3,612815	2,371218	2,073255
O.	6,571087	7,839127	6,25511	6,219765
P.	6,284349	6,407635	6,52085	6,219765
Q.	9,438471	4,942059	6,807032	6,634416
R.	1,792115	1,329243	1,655765	1,520387

S.	2,532855	1,567825	1,880621	2,004147
T.	0,262843	0,238582	0,429272	0,138217
U.	0,143369	-	0,040883	-
X.	\	\	-	0,138217

*Table 3. Employment according economic activity in 2012 in observed states (in %)*

It is observed that only in 2012 appeared data on the activities under the letters E, J, M, N and R. Therefore, in 2012 there recorded significant changes. Namely, compared to 2007 the most significant changes happened in activities Real estate activities and Other service activities that recorded significant fall in share of structure.

Manufacturing registered a fall in all countries by almost 3% compared to 2007.

Transport and storage registered a fall in almost all states except Austria compared to 2007. Construction registered fall in Bulgaria and Croatia for almost 2% compared to 2007. In Austria registered increase for 1% compared to 2007.

Bulgaria only registered fall in Agriculture, forestry and fishing.

## Conclusion

The analysis showed that in all countries most people work in Mining and quarrying. In addition, in Bulgaria and Croatia, a lot of employees work in Agriculture, forestry and fishing. The most significant changes recorded in 2012 compared to 2007. Precisely, changes were in Real estate activities and Other service activities.

So, it can be concluded that employment according to economic activity is largely determined by the degree of economic development, and that there are differences between observed countries.



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