

## EMPLOYMENT IN THE MANUFACTURE OF WOOD AND WOOD PRODUCTS AND FURNITURE PRODUCTION IN THE REPUBLIC OF MACEDONIA

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### ABSTRACT

Employment in the Republic of Macedonia is at a low level which doesn't meet the European standards. The employment in the manufacture of wood and wood products and furniture production follows the trend. The average number of employees per year in total (manufacture of wood and wood products and furniture production) shows a decreasing tendency with an average annual rate (AAR) of -3,5% in the time period 2006 - 2011. That tendency is obvious in the number of employees in the manufacture of wood and wood products industry with an AAR of - 6,0% and also in the furniture production industry with an AAR of -1,6%. Considering the types of ownership, the number of employees is bigger at the enterprises with private ownership, than the enterprises with other types of ownership. This goes both for the manufacture of wood and wood products industry and the furniture production industry.

**Key words:** employees, manufacture of wood and wood products, furniture production, ownership.

### INTRODUCTION

The woodworking industry in the Republic of Macedonia faces a number of restrictive factors on the way to its transformation into a modern industrial branch with the respectable developmental capital today. This situation is conditioned by the available technical - technological capacity, labor quality, organizational platform and a number of other factors. Human resources are one of the most important factors for its development. As the result of the proprietary and manufacturing restructuring in the wood working industry during the transition period, it came to a decline in part of the large enterprises and to the formation of a large portion of small business entities.

The large enterprises which still exist manage with a number of difficulties and employ two to three times less workers. A larger number of employees are engaged in newly formed enterprises with private capital. According to the situation in 2011, out of all the employees in manufacturing, about 5,7% are employees of this industrial branch. Because of the problem of low employment rate in the Republic of Macedonia, we can say that this percentage is unsatisfactory. In other words, the employment level was never raised to a satisfactory level closer to the European. This trend follows the engagement of labor in the manufacturing of wood and wood products and furniture production in the Republic of Macedonia.

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## AIM OF RESEARCH

The aim of the research in this paper is to review the condition regarding the involvement of labor in the woodworking industry. In this regard, the subject of the observation is the volume and structural characteristics of hired labor, as well as the necessary measures and activities in relation to provide human resources for manufacturing of wood and wood products and furniture production in the Republic of Macedonia.

## MATERIAL AND METHODS

The economic content of the problems given in the paper, the labor data and information on the employment status in the woodworking industry, were analyzed using the methods of applied economics and mathematical methods of analysis. The mathematical analysis represents a quantitative analysis of the concave to the use of index numbers, the average rate of growth and decline, the trend lines etc. In our analysis, the trends of increase and decrease of the appearance were calculated using an annual average rate of increase and decrease for the analyzed period.

The total number of employees data for the period of 2006 - 2011 and the employees by types of ownership data for the period of 2007 - 2011 according to the National Classification of Activities are obtained from the State Statistical Office of the Republic Macedonia publications.

The data relating to the number of employees in the manufacturing in total and for the number of employees in the woodworking industry individually by types of the productions.

Analysis was also performed on the percentage of participation of employees from woodworking industry in the total number of employees in manufacturing and the percentage of participation of employees from manufacturing of wood and wood products and furniture production in the woodworking industry.

## RESULTS AND DISCUSSION

Table 1 shows the total number of employees in manufacturing and the number of employees in the manufacturing of wood and wood products and furniture production in the period of 2006 - 2011.

*Tab.1: Total number of employees*

Year	Manufacturing	Woodworking industry (manufacturing of wood and wood products and furniture production)	Manufacturing of wood and wood products	Furniture production
2006	108994	6895	3199	3696
2007	113088	7082	3264	3818
2008	107706	7069	2913	4156
2009	104751	6966	2897	4069
2010	102474	6344	2411	3933
2011	100878	5762	2349	3413
<b>Average</b>	<b>106315</b>	<b>6686</b>	<b>2839</b>	<b>3848</b>
<b>AAR</b>	<b>-1,5</b>	<b>-3,5</b>	<b>-6,0</b>	<b>-1,6</b>

The total number of employees in manufacturing has decreased from 108994 to 100878 employees and it has a negative tendency with an annual average rate (AAR) of -1,5% in this period of time (Table 1).

According to the data from Table 1, we can see that the total number of employees in the woodworking industry has a decline tendency at the same time. So, from 6895 employees in 2006, the number falls to 5762 employees in 2011. The average annual rate (AAR) according to the tendencies of decline is negative (-3,5%).

The total number of employees in the manufacturing of wood and wood products also has a decreasing tendency with an average annual rate of -6,0%. The average number of employees per year is 2832 at the analyzed period.

The tendency of decline of the total number of employees is evident for the furniture production as well. The number of employees in furniture production besides the nonequivalent dynamic at the given period shows a decrease with an AAR of -1,6%. The yearly average number of employees is 3848.

Table 2 contains the percentage participation of the employees in the woodworking industry in the total manufacturing, and the number of employees in the manufacturing of wood and wood products and furniture production in the total number of employees in the woodworking industry in the period of 2006 - 2011.

*Tab. 2: Percentage participation of the number of employees*

Year	Percentage participation of the number of employees from		
	Wood industry in manufacturing	Manufacturing of wood and wood products in wood industry	Furniture production in wood industry
2006	6,3	46,4	53,6
2007	6,3	46,1	53,9
2008	6,6	41,2	58,8
2009	6,7	41,6	58,4
2010	6,2	38,0	62,0
2011	5,7	40,1	59,9
<b>Average</b>	<b>6,3</b>	<b>42,2</b>	<b>57,8</b>

From Table 2 we can see that the percentage participation of the number of employees in the woodworking industry in the total number of employees in manufacturing has a decreasing tendency from 6,3% in 2006 to 5,7% in 2011. The average participation of the employees from the woodworking industry in the total number of employees in manufacturing is 6,3% at the analyzed period.

The percentage participation of the number of employees in the manufacturing of wood and wood products in the total number of employees in the woodworking industry is 46,4% in 2006 and it drops to 40,1% in 2011. The average annual participation of the employees from the manufacturing of wood and wood products in the total number of employees in the woodworking industry is 42,2% for the same period.

The percentage of employees in furniture production in the total number of employees in the woodworking industry has the reverse tendency. From 53,6% in 2006, the number of employees has increased to 59,9% in 2011. The average annual participation of the employees in furniture production in the total number of employees in the woodworking industry is 57,8% in this period of time.

The data of the State Statistical Office shows the number of employees by types of ownership in manufacturing and manufacturing of wood and wood products and furniture production in the period of 2007 - 2011. This data by types of ownership is shown in Table 3.

Tab.3: Employees by type of ownership

Year	Ownership							
	Manufacturing		Woodworking industry		Manufacturing of wood and wood products		Furniture production	
	private	other	private	other	private	other	private	other
2007	80450	32636	5465	1617	2699	565	2766	1052
2008	99146	8560	7006	63	2869	44	4137	19
2009	97548	7203	6918	48	2875	22	4043	26
2010	95944	6530	6270	74	2363	48	3907	26
2011	97896	2982	5652	110	2349	-	3303	110
<b>Average</b>	<b>94197</b>	<b>11582</b>	<b>6262</b>	<b>382</b>	<b>2631</b>	<b>136</b>	<b>3631</b>	<b>247</b>
<b>AAR</b>	<b>5,0</b>	<b>-45,0</b>	<b>0,9</b>	<b>-49,0</b>	<b>-3,4</b>	<b>-46,0</b>	<b>4,5</b>	<b>-43,1</b>

The number of employees in manufacturing in the private enterprises shows an increasing tendency with an annual average rate of 5,0% compared to enterprises with other types of ownership where the number of employees decreases with an average annual rate of -45,0% at the analyzed period.

The employment in the private enterprises in the woodworking industry shows a trend of small growth of 0,9%, while the number of employees in enterprises with other types of ownership shows a decline in the annual average with a rate of -49,0% for the same period.

In the manufacturing of wood and wood products enterprises with private and other types of ownership, the number of employees is decreasing in this period of time. Thus, the number of employees in private enterprises declines with an AAR of -3,4% and the number of employees in enterprises with other types of ownership has an AAR of -46,0% in the same period.

The employment in private enterprises for furniture manufacturing has a trend of increasing with an AAR of 4,5%. The number of employees in the enterprises with other types of ownership has a tendency of decline with an AAR of -43,1%, same as in the previous productions in this period of time.

There is an increasing tendency in the number of employees in the private enterprises, except for the manufacturing of wood and wood products, while the number of employees in enterprises with other types of ownership has a decreasing tendency which is confirmed in practice.

## CONCLUSIONS

From the previous analysis done on the number of employees in the woodworking industry and employees in enterprises by types of ownership related to the primary as well as the final production for the period of 2006 – 2011, the following can be concluded:

The number of employees in the woodworking industry has a decline tendency with an AAR of -3,5% or somewhat higher than in manufacturing (-1,5%). The same trend follows the number of employees in manufacturing of wood and wood products where the annual average rate of decline is -6,0%. This rate is higher than that in the woodworking industry in general. The decreasing tendency of the number of employees is also evident in the production of furniture and it can be said that it is identical to the total number of employees in manufacturing because its decline has an AAR of -1,6% for the analyzed period.

The average participation of employees in the woodworking industry in the total number of employees in manufacturing is 6,3% in the period of 2006 - 2011. The number of employees in furniture manufacturing has a greater participation (57,8%) in relation to the

participation of the number of employees in manufacturing of wood and wood products which is 42,2% in the total woodworking industry for the same period.

From the above, one can conclude that the participation of the employees in primary production in relation to the participation of employees in the final production in the total number of employees in the woodworking industry has increased during the analyzed period. The participation of the number of employees in the woodworking industry in the total employees in manufacturing in the Republic of Macedonia has increased compared to the period before 2006.\*

When analyzing the number of employees in enterprises by type of ownerships, specifically in manufacturing and woodworking industry in total, it can be seen that there is a tendency of increase of the employees number in private enterprises compared with enterprises with other types of ownership for the period of 2007 - 2011. It is the same with the furniture production. The number of employees in manufacturing of wood and wood products enterprises has a decline trend in both the private enterprises and enterprises with other types of ownership.

It can be concluded that the number of employees in all the analyzed productions has a trend of decrease for the period of 2006 - 2011. The number of employees in the private enterprises shows an increase, unlike the manufacturing of wood and wood products enterprises, where the number of employees has decreased during the analyzed period.

The reasons for the established condition of employment in the woodworking industry of the Republic of Macedonia are numerous. They can be analyzed in forthcoming research.

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