

Labour Market Differences Among Slovenian Regions: A Cluster Analysis Approach

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Introduction

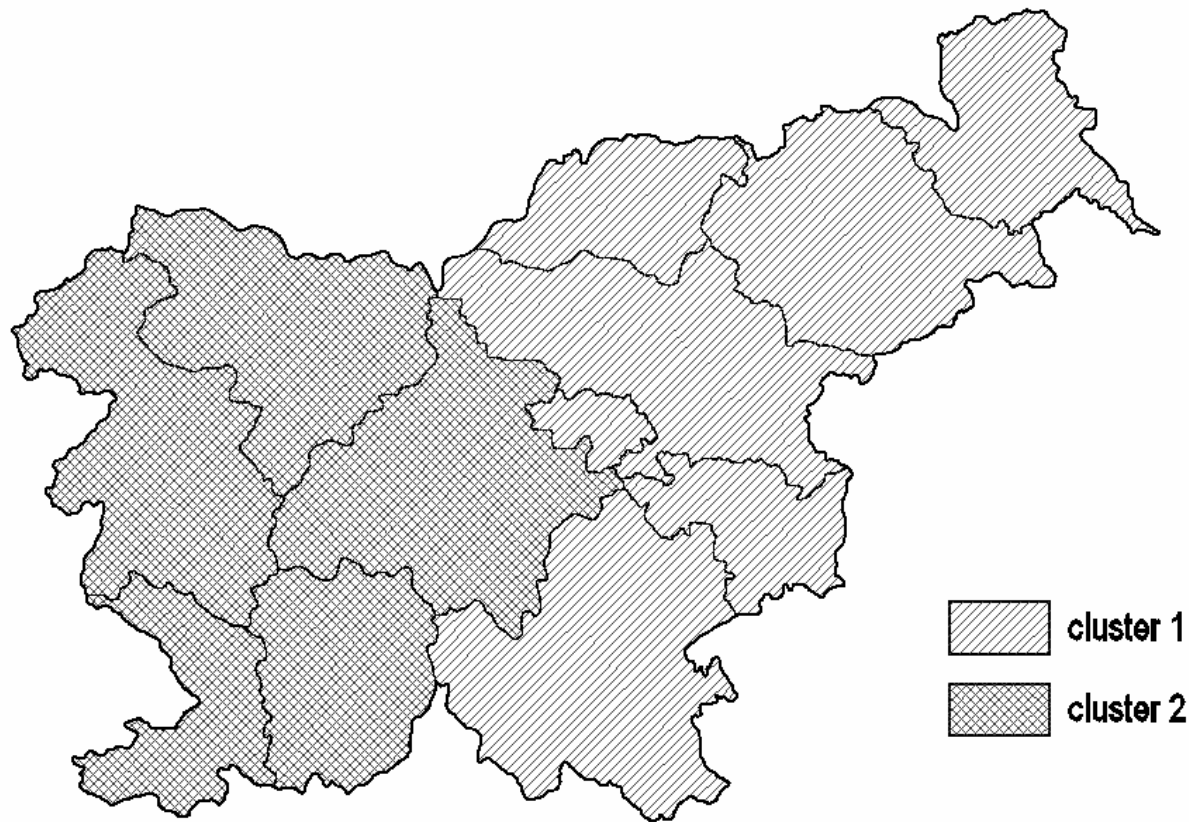
- The main aim of regional policy is to promote sustainable and cohesive development among territorial units
- Labour market indicators – a decision tool for policy-makers/distribution of funds
- Labour market conditions among slovenian regions: a clear change due to transition from centrally planned economy to market oriented economy

Empirical research(1)

- The main aim of the empirical research is to form internally homogeneous groups of slovenian regions on the basis of their labour market indicators
- Methodological approach: a cluster analysis
- Data analysis: we can form two and four groups (clusters) of slovenian regions

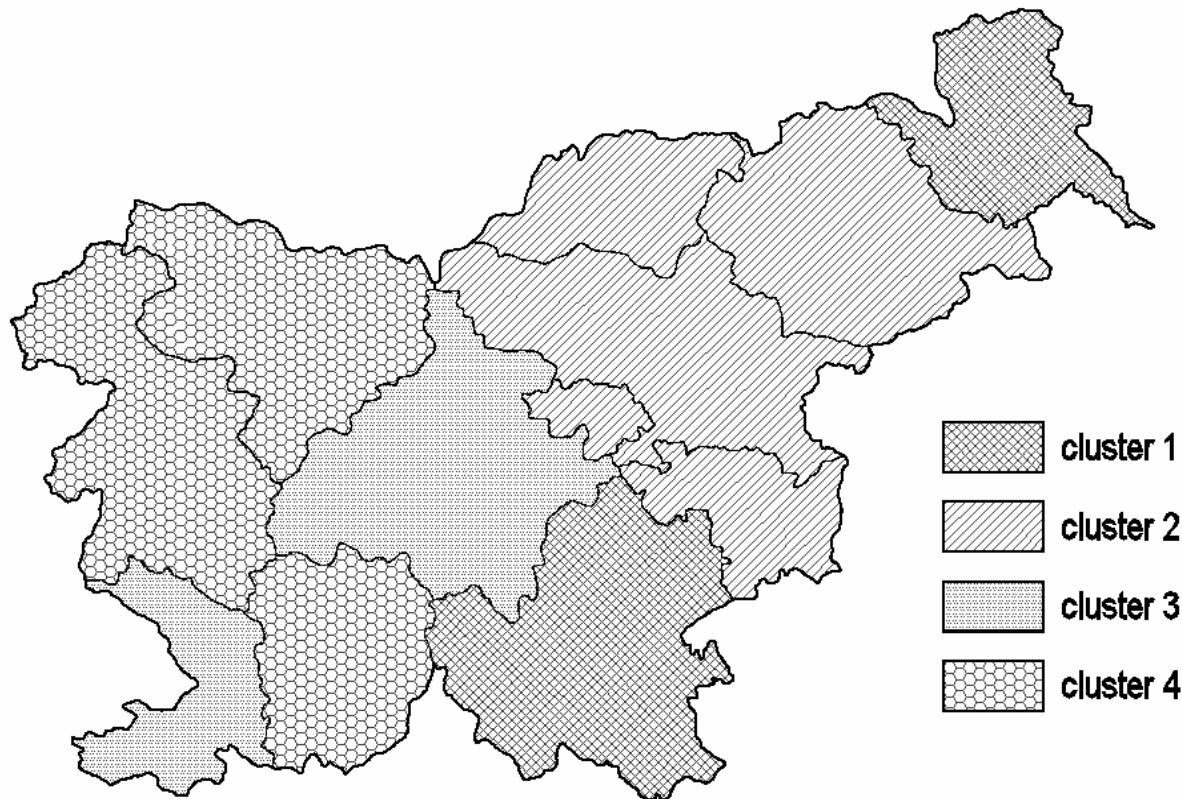
Empirical research(2)

- Results for two groups of regions



Empirical research(3)

- Results for four groups of regions



Empirical research(4)

- Additional statistical test showed that it is better to adjoin the two groups of regions with less favourable labour market conditions
- Empirical results confirmed the well known fact – more favourable labour market conditions in western part of Slovenia and less favourable labour market conditions in eastern part of Slovenia

Conclusions

- Regions confronting with lack of job opportunities and high unemployment rate are usually the ones which are faced with brain drain – young and dynamic people who leave
- Active labour market policies (e.g. firm incentives, subsidized workplaces) and flexicurity which should ease the transitions between different stages of working life