



AENSI Journals

Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>

Studying the Employment Changes and Providence Among States of Iran (Transfer-Share Solution) 2006-2011

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ARTICLE INFO

Article history:

Received 15 June 2014

Received in revised form

8 July 2014

Accepted 4 September 2014

Available online 20 September 2014

Keywords:

states of the country, employment, change of share, relative advantage, and local coefficient

ABSTRACT

Analysis of the employment process and its structure in the country and different regions necessitates the precise knowing of the talents and potentials of the regions, so that balanced planning and creating employment becomes possible in all the areas. Employment has always been the main concern of the economic policy makers and human force has a significant position in economic issues. The aim of the present study is to determine the condition of employment of in the main activity sections in states of the country during 2006 to 2014. So, the transfer-share model is used to recognize the economic sections considering the relative advantage, loser or winner of the economy. The local coefficient index is used to determine the basic and non-basic parts of each state. The results indicated that the force distribution in all states has been for service employment and providence will be toward the same trend. The service section of most of the states except east Azerbaijan, Tehran, Khuzestan, Sistan and Baluchsetan, Kerman, Kermanshah, Kohkiliue and Bouierahmad, Gilan, Lorestan and Yazd have been in the potential area for state development and are considered as the incentive of the state economic development. Considering the basic activities, it is shown that the service section of Bushehr, Tehran, Khuzestan, Semnan, Fars, Qum, Kermanshah and Hormozgan are basic and this section has moved toward competitive advantage of the state. The local coefficient of other states in service section indicates that this section is not self-relying and needs more labor force.

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To Cite This Article: Mohammad Ghaffary Fard, Reza Shahedi Asl, Mohammad Reza Lashgari, Ebrahimi., Studying the Employment Changes and Providence Among States of Iran (Transfer-Share Solution) 2006-2011. *Adv. Environ. Biol.*, 8(11), 806-813, 2014

INTRODUCTION

Future growth and development of the country is one of the most important issues which has concerned the planners and policy makers. So, knowing the proper development strategies are of high importance. Consequently, the local planners have to identify the weak and strong points of the local economy. The realities show that there is a lot of inequalities in different regions of the country in terms of employment. The phenomenon is observable in the cities of a state. This happens due to lack of knowledge about the facilities and talents of different regions in the field of economic development. The present study tries to discover the process of employment in different economic sections of states during 2006-2010 and the main goal of the study is to know the regional distribution of employment in states and how they are formed. In this study, we try to introduce different reasons of imbalanced growth of employment in country's states and determine the basic economic activities and improve the policy making related to the states. The study tries to measure the following hypotheses:

The imbalanced growth of employment in the states is affected by the economic structure of the state.

The employment growth in most of the states has been more on service sections.

So, first the literature of the economy on the issue of employment growth, creating employment opportunities and relative advantage is reviewed and then in second part, the background is provided. The third section introduces the methodology and the transfer-share analysis models and the local coefficient after employment and related variable. In section four, the data of each city is analyzed using the transform-share method and local coefficient. Finally, the results and discussion is provided in section five.

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1. *Statement of the problem:*

Analysis of the employment process and its structure in the state and different regions needs a precise understanding and knowledge about the abilities and potentials of the sections and integrating them in the regions to have a balanced planning and policymaking for each section. Employment has always been one of the main concerns of the economic policy makers and has a special place in human force in general. Recently, the economic literature has pointed to the analysis and study of the imbalanced development in the region considering the problems such as development issue in north and south, urban development, migration and imbalanced issue whether experimentally or theoretically. In justifying the issue of the imbalanced development, some theories such as regional export theory, accumulation reason, development pole and others have tried to interpret the inadequacies. But each of them have some faults and cannot completely reason them. These theories, interpret the increasing or decreasing imbalance through the socks and external incentives or the price imbalance. Meanwhile, all of them can explain the regional imbalance through the reducing path and internal reasons. But none of them are able to explain the increasing imbalance created in some of the economies. So, each tries to explain the imbalance externally and relate it to the issues of delivery shock, energy crisis and inflation. Recently, another theory has been suggested which can explain the increasing and decreasing process and justify the imbalance from internal view. This pattern is called the pattern of economic development waves. Development and growth of the regions in future is one of the most important issues which must be considered by the planners and policy makers of the country. So, knowing the proper strategies is highly important. As a result, the local planners have to know the weak and strong points of the local economy. The realities show that there is a lot of inequalities in different regions of the country in terms of employment. The phenomenon is observable in the cities of a state. This happens due to lack of knowledge about the facilities and talents of different regions in the field of economic development. Employment and its amount like any other social variable is affected by the factors such as production level, investment, salary, prices, government policies and others which can have direct or indirect relationship with the employment. The employment and unemployment levels which have been defined in market can have positive and negative effect on the market process. recognizing the employment level in states and regions, considering the share of each state in national gross production on one hand and the distribution of it at state level is important for development and balanced growth of the country.

2. *Background:*

Asbari, esmaeelpour and Sarkhoshsars [1] analyzed the employment condition of main economic sections of the Kermanshah state during 1996-2006 using the change-share model and recognized the sections with relative and competitive advantage. . in addition, they have used the local coefficient to recognize the sections which export force. The results indicated that there is an imbalanced employment growth in Kermanshah state and also in 1996 the agricultural section had 73 percent growth, service and industry had 27 percent growth and in 2006 some changes happened and the agriculture section had 64 percent growth, service and industry had 28 percent growth and using the share change model was used to define the employment condition of the economic section in the cities of Kermanshah state. Seydaiee and colleagues In an article entitled "Analysis of the spatial position of employment in Chahar Mahal and Bakhtiari state" concluded that the employment is toward the services and in the next decade, employment grows in service sector and will be reduced in other economic sectors in the province. Farshadfar and Asgharpour [9] in the article of "studying the relative advantage of the employment in main economic sections of Kermanshah state" using the basic economy and regional economy model and studied the reasons of imbalanced or balanced growth of the employment in Kermanshah state. The results indicated the fast and imbalanced growth and the advantage of the industrial section and advantage of the agricultural section. Farhood, M. [8], in a study entitled "Analysis and Forecast of employment in the city of Sanandaj." Used change-Share model and Gini coefficient to conclude that economy of Sanandaj is based on service sector growth and productive sectors and industries in the city have played a very small role and agriculture has been declining sharply and the proportion of false jobs are on the rise. Sobhani and Darvish [18] in an article entitled "Evaluation of the comparative advantages and structure of employment in the province of Elam" investigated the causes of disproportionate growth compared to its employees and determined the basic economics of Ilam Province and the successfully. The results reflect disproportionately employed growth in Ilam in studied periods. Model of change place considered the disproportionate share of the first period and competitive changes negative and structural changes in the second period and changes in competitive states negative. Estimates of the basic economic model of agriculture and the construction sector were part of the basic set. However, the coefficients of variation LQ (spatial index) showed rapid growth over time. Akbari and Mesrinejad [1], studied employment in the province's major economic sectors during the period (1986-1996) with the use of spatial index and the results showed that the sectors of mining, the building of the Financial Services with much of the activity of the province has a positive competitive effects. Sabbagh Kermani, Jamshid in an article titled "Analysis of growth and structural change in the industry's employment in different provinces of Iran." studied the province's classification of industrial employment growth rates over the period have 1974-

1994. The results show that among the 24 provinces, Industrial employment growth rate in 20 provinces is more than the whole country and in the four provinces of the country it is less than the whole. Burgess [5], in a study of the industrial plant in the UK, found the labor adjusts mentcostsinhiring and firing labor effective. Qany and Khan, investigated the creation of employment in rural areas of Pakistan with special focus on rural industrialization and concluded that the agricultural sector cannot create jobs on a large scale and employment should be considered in the nonagricultural sector. They believe that the industrialization of rural areas can create new employment opportunities in rural areas and reduce rural to urban migration and partly reduce the problem of unemployment. Benjamin [3], investigated a sample of 4117 people from farming families in rural areas of Indonesia the import agricultural labor demand. He concluded that the cultivation component inputs, size of household, wages, coverage factor of education, training and employment climate are effective. And Printyla, in an analysis of the share issue on regional employment growth studied the job growth of twelve industrial groups in the Philippines. Eventually they calculated contribution to national growth and industrial competitiveness in all areas of work. Chanion Shi *et al* [7], in a study analyzed the competitiveness of international tourism by analyzing change- shares during the period 1995 to 2004, in Jiangsu Province. Paulo *et al* examined the data obtained using spatial index (LQ) and concluded that this model has yielded valuable data. Thus began using it to check the status of America plant industries.

Research Method:

In this study, change-share method is used to determine the share of employment sectors and major groups in provinces of Iran during the period of 2006-2010. And we examined the conditions of entry and exit from the labor force by the spatial index. The data used in this study, in relation to the employment situation in the country, are obtained from the country's statistics office. Analytical models of the change-share where the contribution rate, input-output techniques, basic regional economic factors and other relevant methods, provide the main instruments of regional economic inference in terms of the economic impact of various activities. In addition, the methods and analysis techniques help to evaluate these activities in relation to each other and compared to similar activities in other areas. These models also have a method to identify and quantify opportunities and premises for economic restructuring it provides for improved performance.

A) National share coefficient A:

- The effect of the reference economic growth A (in this study it is Iran)
- The element A shows the economic changes in reference economy (Iran) during 2006-2010. Since the employment growth is increasing, the national share is considered positive. But in cases that global decline happens or a country spends the period of economic crisis, negative national growth can be seen in different regions. The positive national share means that the employment is increasing in the related area and so, if the region develops with the same ration, it is expected that employment increases in the region and so the national share is positive. Negative national share indicates that the employment in the reference region is decreasing and so if the region continues with the same ration then the employment decreases and so the national share is negative. If the reference economy does not have the positive or negative growth, the national growth will be zero; so, if the region continues with the zero national growth, it is expected that the employment is fixed.

B) Coefficient combination:

Element B measures the relative decline of each economic section in the total economy of the country. Combination element can be used to recognize the activities which have the highest growth in the country. This element can help the decision makers to recognize the regional growth and if the combination is useful for the economy or not.

Positive combination means that the regional combination is in a way that it has the highest share in the sections with higher national growth. In other words, that section has the ascendant mode in the total economy of the country. The negative combination effect indicates that the combination of the region is in a way that it has less share in the sections with higher national growth. In other words, the economic growth is declining compared to the total economy of the country.

C) Regional transfer or competitive share (coefficient c):

Element c measures the competitive share of each region of the country compared to other regions which can be positive or negative.

Competitive share can be used to recognize the regional activities which have competitive advantage. In addition, this element can be used to recognize the regions with highest competitive advantages. This element can help the local decision makers to recognize the industries which have the advantage. A positive competitive share indicates the relative advantage of a region in a special economic region. A negative share indicates the economy of the region has lost its share compared to other regions. If the understudied region has no competitive advantage whether positive or negative, it has neutral advantage. If the efficiency and the regional

effect of the activity are both positive, this activity has the potential advantage of development for the regions. If the effects are both negative, the activity is in the loser part. A regional combination bigger than zero along with a negative competitive share indicated the economic loser and the region are losing its competitive advantage in the industry which is highly important in regional development. A relative combination less than zero along with the positive regional share indicate an economic winner.

Transfer-share model and its calculation:

Growth due to state growth (A):

$$ns_i^{t+1} = e_i^{t-1} \left(\frac{E_t}{E^{t-1}} - 1 \right)$$

The changes due to structural changes (B):

$$IM_i^{t+1} = e_i^{t-1} \left(\frac{E_i^t}{E_i^{t-1}} - \frac{E^t}{E^{t-1}} \right)$$

Changes due to the competitive structure (C):

$$RS_i^{t+1} = e_i^{t-1} \left(\frac{e_i^t}{e_i^{t-1}} - \frac{E_i^t}{E_i^{t-1}} \right)$$

Growth ratio:

A+B+C

Predicting employment in next period: the employment in the next period= total employment in the year (2006) + the employment in activity I in basic year * (A+B+C)

Introducing the variables

e_i^{t-1} = employment in activity I at the beginning of the period in the cities

E_t = the employment all over the state

e_i^t = employment in activity I at the end of the period in the city

E_i^{t-1} = employment in activity I in the state at the end of the period

E^{t-1} = total employment in the state at the beginning of the period

3. The application of the transfer-share model (research findings):

In order to study the competitive advantage of the economic activities in the state during 2006-2013, first distribution of the employees in most of the activities was studied and then the activities of the advantageous sections or economic winners and losers of each city was studied using the change-share model.

Table 1: the distribution of the employees in country activities during 2006-2011 in millions.

Percent change (Decrease, increase)	Iran				Economic activities
	2011		2006		
	Percent	Number	Percent	Number	
0/34%	100	20546874	100	20476344	All activities
5/84%	19	3902403	18	3686747	Agriculture
-8/53%	17/19	3532784	18/86	3862256	industry
-6/01%	12/04	2472921	12/86	2631142	building
3/32%	51/77	10638766	50/28	10296199	service

Source: national statistics site, population pooling and researchers calculations

Based on table 1 in 2010, the number of all the employees has been increasing 0.34 percent compared to the year 2006. The study of the statistics show that the economic structure of the country in 2010 compared to 2006 was not different statistically. However, the highest frequency of the employees in 2010 was in service section or the share of 51.77 and then in the agriculture sector it is 19 percent. The number of the employees in the country during the studied period had 5.84 in agriculture and 3.32 in service sector growth compared to the year 2006. The industry sector has the 8.53 reduction and building section had 6.01 percent reduction.

The number of the employees during the years 2006-2010 shows the fact that Iran with highest amount of sources in industry has the lowest number of employees in this section and the statistics indicate that during the period of study, the distribution of the employees was more in service section and it is increasing. Results of the change-share Model during 2006-2010 (in four sections), In agriculture section the states of Isfahan, Ilam, Boushehr, Chaharmahal, South Khorasan, Khuzestan, Sistan and Balochestan, kerman, Kermanshah, Kohkiloiee, Gilan, Lorestan, Mazandaran, Hormozgan had potential for growth in these sections and since they have the industrial structure with positive growth. This activity is an incentive for the economic growth of the states. The states of east Azerbaijan, west Azerbaijan, Ardabil, Tehran, Khorasan Razavi, north Khorasan, Zanjan, Semnan, Fars, Qzvin, Qom, Kordestan, Central Golestan, Hamedan and Yazd are in the loser region of economic activities. In other words, it shows that these states are losing their relative advantage in the

agricultural section. In industry sector the states of Isfahan, Ilam, Tehran, Fars, Boushehr, Qazvin, Kordestan, Kerman, Kohgiluyeh, Mazandaran, Hormozgan have been in the winner activity section and had the positive share. This indicates their relative advantage in industry sector. The states of East Azerbaijan, west Azerbaijan, Ardabil, Chahrmahal, South Khorasan, North Khorasan, Khuzestan, Zanjan, Semnan, Sistan, Qom, Kermanshah, Golestan, Gilan, Lorestan, Hamedan and Yazd have been the loser section and has the lowest economic share which is shown in table 2. In building section, Boushehr state is in the potential advantage section for growth. The industrial and regional structure and positive growth ratio have made this sector as the incentive for growth in the state. The states of west Azerbaijan, Ardabil, Tehran, South Khorasan, North Khorasan, Zanjan, Qom, Kurdistan, Golestan, Gilan, Hormozgan and Hamedan are in winner part and the positive share indicates their relative advantage over other states. The states of East Azerbaijan, Isfahan, Ilam Chahrmahal, Khuzestan, Zanjan, Semnan, Sistan, Qom, Kermanshah, Kerman, Fars, Kohgiluyeh, Mazandaran, Lorestan, Markazi and Yazd are in the loser part and had the negative share which indicates that they have lost their relative advantage (Table 2). In service section the states of west Azerbaijan, Ardabil, Ilam, Isfahan, Chahrmahal, South Khorasan, North Khorasan, Zanjan, Semnan, Sistan, Qom, Fars, Kurdistan, Golestan, Mazandaran, Markazi, Hormozgan and Hamedan had the relative potential for growth and have positive growth ratio. This is an incentive for economic activities. The states of East Azerbaijan, Tehran, Khuzestan, Sistan, Kerman, Kermanshah, Kohgiluyeh, Lorestan and Yazd have different relative advantage and it shows that the state is losing its relative advantage in service sector which is very important in the development plans of the state (Table 2).

For the calculation in table of shift-share during the next five years (2015) totally 20,974,362 occupation opportunity will be created in Iran among which 11,130,484 of them are for service sector, 4,251,224 of them are for agriculture sector and 3,229,228 of them are for industry and 2,363,366 of them are for building sector in the country. The related figures indicate that the future orientation of the country is toward service activities and distribution of the employees is toward services. The share of 30 states of the country includes: East Azerbaijan 5.26 percent, west Azerbaijan 3.97, Ardabil 1.67, Isfahan 6.67, Ilam 0.81, Bushehr 1.97, Tehran 19.36, Chahrmahal 1.20, South Khorasan 1.52, North Khorasan 1.28, Razavi 8.27, Khuzestan 4.44, Zanjan 1.52, Semnan 0.89, Sistan 1.95, Qazvin 1.79, Kermanshah 2.26, Kerman 4.05, Kurdistan 2.15, Kohgiluyeh 0.80, Golestan 2.46, Gilan 3.75, Lorestan 2.14, Hamadan 2.14, Hormozgan 2.10 and Yazad 1.50 percent. Table 2 presents the human force prediction for each state.

Table 2: employment structure of the main economic sectors in Iran states during 2006-2010.

Prediction of employment in 2017	sections and activity area				state
	service	building	industry	Agriculture	
11.3332	combined economic loser	economic loser	economic loser	combined economic loser	East Azerbaijan
832500	potential growth advantage	economic winner	economic loser	combined economic loser	West Azerbaijan
35.359	potential growth advantage	economic winner	economic loser	combined economic loser	Ardabil
1398998	potential growth advantage	economic winner	economic loser	potential growth advantage	Isfahan
169538	potential growth advantage	economic loser	economic winner	potential growth advantage	Ilam
413651	potential growth advantage	potential growth advantage	economic winner	potential growth advantage	Bushehr
4060817	combined economic loser	economic winner	economic winner	combined economic loser	Tehran
252285	potential growth advantage	economic loser	economic loser	potential growth advantage	Chaharmahal
319259	potential growth advantage	economic winner	economic loser	potential growth advantage	South Khorasan
1733711	potential growth advantage	economic winner	economic loser	combined economic loser	Razavi
268655	potential growth advantage	economic winner	economic loser	combined economic loser	North Khorasan
931698	combined economic loser	economic loser	economic loser	potential growth advantage	Khuzestan
317857	potential growth advantage	economic winner	economic loser	combined economic loser	Zanjan
187425	potential growth advantage	economic loser	economic loser	combined economic loser	Semnan
408437	potential growth advantage	economic loser	economic loser	potential growth advantage	Qazvin
1237971	potential growth advantage	economic loser	economic winner	combined economic loser	Qom
375032	potential growth	economic loser	economic winner	combined economic	Kurdistan

	advantage			loser	
282444	potential growth advantage	economic winner	economic loser	combined economic loser	Kerman
451197	potential growth advantage	economic winner	economic winner	combined economic loser	Kermanshah
848942	combined economic loser	economic loser	economic winner	potential growth advantage	Kohkiloiee
474879	combined economic loser	economic loser	economic loser	Potential advantage for growth	Golestan
167313	combined economic loser	economic loser	economic winner	potential growth advantage	Gilan
515407	potential growth advantage	economic winner	economic loser	combined economic loser	Lorestan
786102	combined economic loser	economic winner	economic loser	potential growth advantage	Mazandaran
448476	combined economic loser	Economic loser	economic loser	potential growth advantage	Markazi
1008091	potential growth advantage	economic loser	economic winner	potential growth advantage	Hormozgan
425553	economic loser	economic loser	economic winner	combined economic loser	Hamedan
440563	potential growth advantage	economic winner	economic winner	potential growth advantage	Yazd
449493	potential growth advantage	economic winner	economic loser	combined economic loser	Sistan
314377	combined economic loser	economic loser	combined economic loser	combined economic loser	Fars

Source: the statistics center of population during 2006-2010 and researchers calculation

Determining the basic activities of the states after employment using the local correlation method

The local coefficient index is used for recognizing the basic sections of the states. The model is obtained by the following formula:

$$LQ_i = \frac{\frac{e_i}{\sum e_i}}{\frac{E_i}{\sum E_i}}$$

Where

LQ_i = the local coefficient of employment in section I

e_i = employment in region I

E_i = employment in state I

$\sum e_i$ = total employment of the region

$\sum E_i$ = total employment of the reference economy (state or the country)

In this relation the local relation is the share of each section from the total share of the state compared to the share of the country. If the ratio is bigger, this economic activity is considered as the basic economy but if the ratio is smaller, this is non-basic activity and if it is equal, this is self-efficient activity (Mehregan, 2007; 14)

In order to recognize and distinguish between the basic activities of the country states from the non-basic activities, a study was done through the basic economy which is used the local ratio to distinguish the basic activities which have the ability to grow in the basic and non-basic section.

Table 3 shows the local coefficient of the sections.

Agriculture, industry, building and services and also the sections with the basic activities are determined in 2011. As it is seen, most of the states except Isfahan, Bushehr, Tehran, Semnan and Qom had the basic activity in agriculture and this section has moved toward the competitive advantage. The industry sector was considered basic just in 9 states. In Khuzestan, the industry sector is at the self-efficient level and in other states, specially Bushehr it is the industrial pole of the country and this sector can have an efficient rile in development and growth of the state. In building sector the states of West Azerbaijan, Ardabil, Bushehr, Hamadan and Yazd, Chahrmahal, Khorasan Razavi, Fars, Qom, Kurdistan, had the basic activities and sent human force to other sections.

The service sector in states of Bushehr, Tehran, Khuzestan, Semnan, Fars, Qom, Kermanshah and Hormozgan have been basic activity and had the competitive advantage. The local coefficient of the human force is more here.

Table 3: The local coefficient of the states (in four section) after employment in 2010.

sections with basic activities in 2010	title of the sections and local coefficients				state
	service	building	industry	Agriculture	
Agriculture and industry	0/87	0/93	1/31	1/12	East Azerbaijan
Agriculture and building	0/92	1/07	0/67	1/47	West Azerbaijan
Agriculture and building	0.87	1.34	0.54	1.56	Ardabil
industry	0.96	0.99	1.53	0.64	Isfahan
Agriculture	0.96	0.90	0.42	1.70	Ilam
building and service	1.09	1.41	0.91	0.58	Bushehr
industry and service	1.24	0.78	1.39	0.13	tehran
Agriculture and building	0.82	1.96	0.66	1.18	Chaharmahal
Agriculture	0.84	0.81	0.65	1.86	South Khorasan
Agriculture and building	0.95	1.15	0.97	1.08	Razavi
Agriculture and building	0.76	1.53	0.63	1.65	North Khorasan
Agriculture and service	1.03	0.84	1	1.01	Khuzestan
Agriculture ‘ industry and building	0.82	1	1.06	1.45	Zanajan
industry and service	1.03	0.90	1.09	0.90	Semnan
Agriculture	0.97	0.74	0.43	1.77	Sistan
Agriculture ‘ building and service	1.03	1.11	0.69	1.14	Fars
Agriculture and industry	0.90	0.78	1.34	1.10	Qazvin
industry ‘ building and service	1.10	1.33	1.24	0.30	Qom
Agriculture and building	0.88	1.16	0.49	1.70	Kurdestan
Agriculture	0.81	0.87	0.68	1.88	Kerman
Agriculture and service	1.03	0.93	0.48	1.43	Kermanshah
Agriculture and building	0.89	1.20	0.58	1.54	Kohkiloiee
Agriculture and building	0.84	1.49	0.69	1.40	Golestan
Agriculture	0.95	0.81	0.75	1.47	Gilan
Agriculture and building	0.88	1.16	0.49	1.70	Lorestan
Agriculture	0.97	0.99	0.77	1.29	Mazandaran
Agriculture and industry	0.87	0.92	1.40	1.05	Markazi
Agriculture and service	1.06	0.88	0.67	1.21	Hormozgan
Agriculture and building	0.87	1.28	0.76	1.39	Hamedan
industry and building	0.92	1.02	1.53	0.73	Yazd

6. Results :

The present study aimed at the analysis of the process and distribution of the local employment in different economic section of Iran during the period of 2006-2010. The economic structure of the states and the relative advantage and basic activities (after employment) were studied using the shift-share model and local coefficient.

The research hypotheses were:

The difference of improper growth of the employees in the states is affected by the economic activity of the state

Development of employment is more in service section in most of the states

And both of them have been approved using the shift-share model. The results are:

In agriculture section the states of Isfahan, Ilam, Boushehr, Chaharmahal, South Khorasan, Khuzestan, Sistan and Balochestan, kerman, Kermanshah, Kohkiloiee, Gilan, Lorestan, Mazandaran, Hormozgan had potential for growth in these sections and since they have the industrial structure with positive growth. This activity is an incentive for the economic growth of the states. The states of east Azerbaijan, west Azerbaijan, Ardabil, Tehran, Khorasan Razavi, north Khorasan, Zanjan, Semnan, Fars, Qzvin, Qom, Kordestan, Central Golestan, Hamedan and Yazd are in the loser region of economic activities. In other words, it shows that these states are losing their relative advantage in the agricultural section.

In industry sector the states of Isfahan, Ilam, Tehran, Fars, Boushehr, Qazvin, Kordestan, Kerman, Kohgiloiee, Mazandaran, Hormozgan have been in the winner activity section and had the positive share. This indicates their relative advantage in industry sector. The states of East Azerbaijan, west Azerbaijan, Ardabil, Chaharmahal, South Khorasan, North Khorasan, Khuzestan, Zanjan, Semnan, Sistan, Qom, Kermanshah, Golestan, Gilan, Lorestan, Hamedan and Yazd have been the loser section and has the lowest economic share which is shown in table 2.

In buiding section, Bousher state is in the potential advantage section for growth. The industrial and regional structure and positive growth ratio have made this sector as the incentive for growth in the state. The states of west Azerbaijan, Ardabil, Tehran, South Khorasan, North Khorasan, Zanjan, Qom, Kordestan, Golestan, Gilan, Hormozgan and Hamedan are in winner part and the positive share indicates their relative advantage over other states. The states of East Azerbaijan, Isfahan, Ilam Chahrmahal, Khuzestan, Zanjan,

Semnan, Sistan, Qom, Kermanshah, kerman, Fars, Kohkiloiee, Mazandaran, Lorestan, Markazi and Yazd are in the loser part and had the negative share which indicates that they have lost their relative advantage (Table 2).

In service section the states of west Azerbaijan, Ardabil, Ilam, Isfahan, Chahrmahal, South Khorasan, North Khorasan, Zanjan, Semnan, Sistan, Qom, Fars, Kurdistan, Golestan, Mazandarn, Markazi, Hormozgan and Hamedan had the relative potential for growth and have positive growth ratio. This is an incentive for economic activities. The states of East Azerbaijan, Tehran, Khuzestan, Sistan, Kerman, Kermanshah, Kohkiloiee, Lorestan and Yazd have different relative advantage and it shows that the state is losing its relative advantage in service sector which is very important in the development plans of the state

Agriculture, industry, building and services and also the sections with the basic activities are determined in 2011. As it is seen, most of the states except Isfahan, Bushehr, Tehran, Semnan and Qom had the basic activity in agriculture and this section has moved toward the competitive advantage. The industry sector was considered basic just in 9 states. In Khuzestan, the industry sector is at the self-efficient level and in other states, especially Bushehr it is the industrial pole of the country and this sector can have an efficient role in development and growth of the state. In building sector the states of West Azerbaijan, Ardabil, Bushehr, Hamadan and Yazd, Chahrmahal, Khorasan Razavi, Fars, Qom, Kurdistan, had the basic activities and sent human force to other sections.

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