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Labor Markets in Transition in Central and Eastern Europe

1989-1995

Christine Allison
Dena Ringold

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(List continues on the inside back cover)

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Christine Allison is a senior economist and Dena Ringold, a research assistant in the Human Resources Operations Division, Europe and Central Asia Country Department II, at the World Bank.

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Table of Contents

List of Figures

List of Tables

Foreword

Transition from central planning in Central and Eastern Europe has led to dramatic and rapid changes in the lives of millions of people. Democratic liberalization has empowered citizens through the provision of basic rights and freedoms and the development of civil society, while economic liberalization has brought the promise of improved living standards, and granted individuals increased choice in consumption, education, health and employment.

Despite remarkable expansion of opportunity, transformation has not come without great pain. Poverty has risen throughout the region, real incomes have declined, and crude death rates have climbed in many countries. Equality among households has suffered as a result of increasing income disparity and the erosion of access to basic social services. While the widening income gap is an expected side effect of transition, accompanying the liberalization of prices and wages, heightened social dissatisfaction threatens political stability and the success of economic reforms.

On the most basic level, economic recovery and growth in transition depend upon the capacity of individuals to respond and adapt to the changing requirements of market society. The socialist economies embarked upon reform with strong legacies of state commitment to the development of human capital. However, rigidities of central planning and bureaucratic control limited the quality and efficiency of social services. Transition has exacerbated these trends, as unprecedented collapses in output and consequent fiscal crises have undermined the abilities of governments to sustain pre-transition levels of access to social programs and services. At the same time, the introduction of market forces has opened up an array of opportunities for innovation in the provision and financing of health, education and social insurance, and for addressing increases in poverty and unemployment.

This paper is one in a series of reports based upon the *Social Challenges of Transition (SCT)* database. Developed by the Human Resources Operations Division of the Central and Southern Europe Departments of the World Bank, *SCT* was initiated in order to document empirically the evolving effects of transition on individuals and families. The project examines the social risks facing people and the policy responses taken by governments since 1989, by monitoring indicators of health, earnings, education, labor markets, pensions, social assistance and poverty. The findings contained in this initial set of thematic cross-country papers make a valuable contribution to our understanding of social developments in Central and Eastern Europe five years into the transition. They provide a basis for further improvements in the content and quality of our support to the countries in the region.

Kenneth G. Lay
Director
Country Department I
Europe and Central Asia Region

Jean-Michel Severino
Director
Country Department II
Europe and Central Asia Region

Abstract

Contrary to early predictions, persistent unemployment has emerged as one of the most critical outcomes of transition from socialism in Central and Eastern Europe (CEE). High unemployment rates, including a growing proportion of long-term unemployed, represent a serious challenge to social welfare systems and policy makers. This paper analyzes labor market developments in nine transition countries of the region focusing on the dynamics of labor force behavior, employment and unemployment.

Macroeconomic reforms and the output collapse initiated dramatic changes in labor markets. Following decades of stability and near zero level unemployment, demand for labor plummeted. Labor force size contracted, and public sector employment fell substantially. Between 1989 and 1993 open unemployment grew rapidly as state-owned enterprises, after a lag, adjusted the size of the labor force to a hard budget ceiling and increased competition. Six years into the transition, unemployment levels remain high in most countries, with the well-known exception of the Czech Republic. Long-term unemployment has been growing steadily, comprises a high share of total unemployment, and is increasingly correlated with deep poverty.

Labor markets have become key determinants of the winners and losers in the transition process. Young workers, and those close to retirement, have been most impacted by reductions in the demand for labor. Workers between school-leaving age and 25 have been most likely to stay out of the labor force, or become unemployed. Similarly, older workers have experienced high levels of unemployment and have participated most actively in early retirement and disability pension arrangements. Gender is not a key dimension of unemployment in most countries, but more women than men have left the labor force. Job losses, leading to unemployment, or labor force withdrawals, have not only meant loss of wages, but also a range of other benefits previously associated with employment. Reshaping of family benefits has lagged behind labor market adjustments, and their reform requires urgent attention in many countries.

Despite painful adjustments, labor markets have served as dynamic complements to economic restructuring and liberalization. Private sector employment has increased significantly, with privatization and the growth of new private enterprises, and employment structures have adjusted to accommodate changes in the demand for labor. Sectors which were previously cornerstones of the socialist economy, such as heavy industry, agriculture and mining, have declined, while service sector employment has expanded. However, it remains unclear how far labor market adjustment can or will go, especially with regard to inter-regional mobility. As poverty in the region grows, and is increasingly correlated with long-term unemployment, factors which facilitate the flexibility and adaptability of labor markets, including labor mobility, education and opportunities for self-employment grow increasingly critical.

Acknowledgments

This report was undertaken as part of a multi-sectoral study of the Social Challenges of Transition (SCT) in Central and Eastern Europe. The authors are grateful to Ralph W. Harbison, Division Chief, Human Resources Operations Division, Central and Southern Europe Departments for his continued support and leadership of the SCT project.

This study would not have been possible without the collaboration and assistance of the OECD, which made available its *OECD-CCET Labour Markets Database*. Tito Boeri, Stefano Scarpetta and Scott Edwards facilitated this partnership and provided generous support.

The authors would also like to thank their peer reviewers, Nicholas Barr, Martin Godfrey, Arvo Kuddo and Jan Rutkowski, for their valuable comments and suggestions on earlier versions of this paper.

Background

Open unemployment has emerged as one of the most critical outcomes of transition in Central and Eastern Europe (CEE). High unemployment rates, including a growing proportion of long-term unemployed, pose a serious challenge to social welfare systems and policy makers. The consequences of industrial and agricultural restructuring on employment, and persistent unemployment serve as resonant political issues which threaten to obstruct key reforms. Recent electoral successes of former communists reflect, in part, frustration with the social costs of transition, as exemplified in the labor market. Long-term unemployment has emerged as a critical correlate of poverty in the region, which may be exacerbated as further employment losses and increasing income differentiation create a widening gap between the winners and losers of transition.

The success of economic reforms during the transition from socialism depends upon the capacity of labor markets to foster conditions of efficiency, equity and political stability. Restructuring of industry and the resumption of economic growth require the allocative efficiency created by an adaptable and mobile workforce. Functioning labor markets are also needed to facilitate welfare gains. Evidence indicates that labor markets have been adjusting during the transition to meet these conditions. After years of rigid control by central planners, labor markets have become dynamic complements to economic restructuring and liberalization. However, it remains unclear how far adjustment can or will go, especially with regard to inter-regional mobility. The growth of an increasingly homogenous pool of long-term unemployed suggests that labor markets have been limited in their ability to adjust to market conditions. As poverty in the region grows, and is increasingly correlated with unemployment, factors which facilitate the flexibility and adaptability of labor markets, including labor mobility, educational systems and opportunities for self employment are growing increasingly critical.

This study examines labor market developments in nine transition countries of the region. Section 1 includes a brief discussion of the data set, and an overview of macroeconomic trends. It concludes by highlighting the dynamics of labor force adjustment, namely, the interaction of employment, unemployment, inactivity and the informal economy. Section 2 addresses labor force trends. Labor force size has contracted across the region. Women, especially, have left the labor force, as have workers close to retirement age. Policy measures, including increased availability of early retirement and disability pensions have drawn older, and even prime age workers, out of the labor force in large numbers, while expansion of access to higher education has delayed the entry of younger workers. Section 3 discusses employment dynamics. Employment has dropped dramatically in most countries, with the exceptions of the Czech Republic and Romania. Changing employment patterns, including rapid private sector growth, and labor shifts across sectors provide evidence of labor market adjustment. Unemployment trends, including the emergence of persistent structural unemployment and long-term unemployment, are analyzed in Section 4. Finally, Section 5 synthesizes the main findings and suggests directions for further research.

i. Data Sources and Quality

Data for this report were collected in conjunction with a broader study on the Social Challenges of Transition (SCT) which addresses developments in social policy and social welfare during economic transition in Central and Eastern Europe. Labor market data were collected for the period 1989-1995. In cases where quarterly data were available, second quarter data were used to minimize the seasonal effects of agricultural employment and the flow of new school leavers into the labor market.

Data were collected from both primary and secondary sources. The *OECD-CCET Labour Market Database* served as the main source of historical data for the seven countries it covers: Bulgaria, Hungary, Poland, the Czech Republic, Slovakia, Romania and Slovenia[1]. Data for Croatia and FYR Macedonia were obtained directly from country statistical offices. Demographic data were obtained from country sources and supplemented with World Bank projections for more recent years. Labor market indicators are based upon standard OECD and ILO definitions. Complete descriptions of the data, including specific country departures and documentation of sources are contained in *OECD Short-Term Economic Indicators, Transition Economies: Sources and Definitions, April 1996.*

While the introduction of labor force surveys (LFS's) in many countries has greatly improved the quality of labor force statistics in the region, serious quality issues persist. Private and informal sector employment remains particularly difficult to quantify. Across the region, private sector activity has grown significantly through privatization and the growth of small private enterprises. Gaps in survey coverage, and the absence of regulation for registering and tracking private firms leave much private employment unrecorded.

Informal economic activity is subject to similar constraints. Under the socialist regimes, "parallel" or "hidden" economies emerged in many countries, most notably Hungary and Poland. Transition has, in many cases, increased the incentives for informal sector activity, through weak, inefficient, or missing mechanisms for enforcing taxation and regulation. Declining real wages, and declining social welfare have also led many to supplement formal sector work with second jobs in the informal economy. Few comprehensive studies of the informal economy in transition economies exist. This study is limited to data covered in LFS's and official registration statistics.

Differing methodologies across sources restrict the comparability and coverage of data. Unemployment data is subject to unique limitations, due in part to the contrasts between registration and survey data. There is no clear pattern, registration data is higher than survey unemployment in some countries, and lower in others. At the outset of transition, unemployment in most of CEE was virtually non-existent. As unemployment escalated in the early years of transition, registration offices were ill equipped to handle the increased flows of information. Broad benefit eligibility requirements provided an incentive for many to register as unemployed who otherwise would have been out of the labor force. Subsequent tightening of eligibility requirements has had the opposite effect, as unemployed workers cease reporting to employment offices as their benefits expire.

Table 1: Unemployment Rates (1993)

	Registered	Survey
Bulgaria	16.7	21.4
Czech Republic	3.7	3.9
Hungary	13.5	11.2
Poland	16.4	13.8
Slovakia	14.8	12.4
Slovenia	14.5	9.4

[1] The database is available directly from the OECD Centre for Co-operation with Economies in Transition; Education, Employment, Labour and Social Affairs Directorate; OECD; 2, rue André-Pascal, 75775 Paris Cedex 16, France; Telephone: (1) 45.24.75.53; Telefax: (1) 45.24.90.98.

The implementation of LFS's in many countries has improved data quality. However, due to small sample sizes they are limited in their ability to capture regional trends. Regular LFS's have now been introduced in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. The first LFS was conducted in FYR Macedonia in 1996, but the results were not yet available when this report was written.

ii. Growth, Industrial Production and Employment

Labor market adjustments in Central and Eastern Europe have closely followed macroeconomic developments and market reforms, while transition shocks, including the collapse of GDP and industrial output, have dramatically impacted labor force participation. High initial labor force participation and employment rates have evolved into persistent open unemployment. Economic recovery is now evident throughout the region -- by 1994 GDP growth had resumed in all countries, except FYR Macedonia -- and employment levels are beginning to rebound.

At the outset of transition, following economic liberalization and the introduction of stabilization measures, GDP fell an average of 30 percent across the region (Barr, 1994). This decline had both internal and external roots. Price and wage shocks, and the timing and sequencing of reform policies compounded the depth of the output collapse in many countries. In Poland and Czechoslovakia, where fiscal and monetary reforms were adopted more rapidly, GDP plummeted between 1989 and 1991, but was then quick to recover. Collapse proved more gradual, but similarly severe, in Hungary and Bulgaria, where reforms were phased in incrementally and growth has been slower to rebound. External factors, including the burden of foreign debt and the collapse of trading alliances such as the Council for Mutual Economic Assistance (CMEA) contributed to economic crisis in many countries.

Table 2: Summary of Macroeconomic Trends (1995)

	Real GDP	Industrial Production	Employment
Bulgaria	+	-	-
Croatia	+	+	-
Czech Republic	+	+	+
FYR Macedonia	-	-	-
Hungary	+	+	-
Poland	+	+	-
Romania	+	+	+
Slovakia	+	+	+
Slovenia	+	+	+

Progress in restructuring and institutional reform throughout the region has been significant. The scale of the public sector has decreased substantially with the privatization of state enterprises and the growth of new private enterprises. Although the pace of privatization has varied across the countries, the private sector share of GDP has grown rapidly everywhere. By 1994 the share of GDP generated by the private sector reached 56 percent in Hungary and Poland, countries which entered the transition with an active private sector (Table 3). Even in countries, such as Bulgaria, Slovakia and the Czech Republic, which had virtually no non-state economic activity until 1989, the private sector has grown significantly.

Table 3: Private Sector Share of GDP (%)		
	1989	1994
Bulgaria	--	40
Croatia	--	45
Czech Republic[a]	11.2	56
FYR Macedonia	--	35
Hungary[a,b]	29.0	56
Poland	28.6	56
Romania	12.8	35
Slovakia[a]	--	58
Slovenia	8.1	30

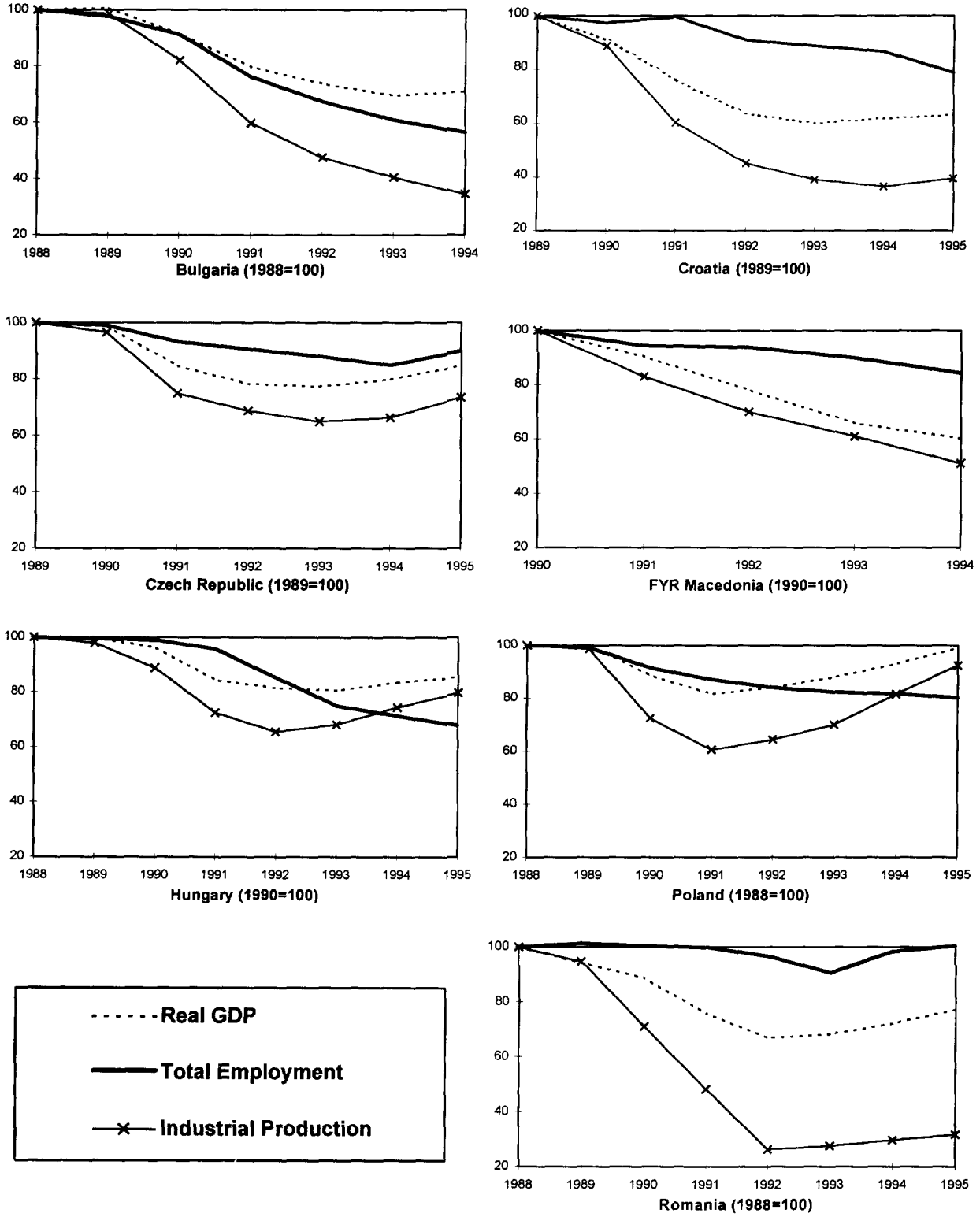
Source: EBRD, 1994
a) including cooperatives
b)1993

Recent literature has identified two divergent paths of labor market adjustment during transition in Central and Eastern Europe and the Former Soviet Union (FSU) (WDR, 1996). The first pattern, most common in CEE, and especially in leading reformers such as Poland, the Czech Republic, Hungary, Slovenia and Slovakia, is characterized by labor shedding and subsequent growth in labor productivity. In these countries public sector employment has declined significantly through the output collapse leading to rapid increases in labor productivity. In these countries, with the exception of Hungary, real wages also declined markedly. In the Czech Republic and Slovakia employment growth has resumed in recent years.

In the second model, more common of the FSU countries, employment declines have been minimal, despite large drops in output. Adjustment has taken place through wages and informal sector employment, rather than labor shedding. Firms have instead retained their work force, paying them nothing, or reduced wages and benefits. Elements of both patterns are evident in the CEE countries addressed here. Based upon the trajectories of GDP, registered employment and industrial production between 1989-1995 a number of interesting features emerge:

- In all cases, there is a lag between the decline in GDP and the drop in employment, suggesting the delayed impact of the output collapse on jobs. As the effects of declining GDP and industrial production set in, firms have increasingly adopted labor shedding measures.
- In Hungary and Poland, GDP and industrial production have resumed growth after steep declines, while employment continues to fall. In Poland and Hungary, following a lag in 1989 and 1990 employment fell faster and more steeply than output.
- In Croatia and Romania, employment adjustments have more closely resembled developments in the FSU countries. Large declines in industrial production have not been followed by corresponding drops in employment. Rather, data for Romania suggest possible employment growth in 1994, implying that labor market adjustments may be reflected in other ways, such as wages (Rutkowski, 1996b).
- In Bulgaria, GDP recovery began in 1993, but industrial production and employment continue to fall. The magnitude of the employment decline has been more than the GDP collapse, but less than the drop in industrial production, suggesting that further adjustment in firm behavior is necessary prior to employment recovery.
- In FYR Macedonia, all indicators continue to fall as macroeconomic stabilization continues.

Figure 1: Real GDP, Industrial Production, Employment Indexes (1988-1995)



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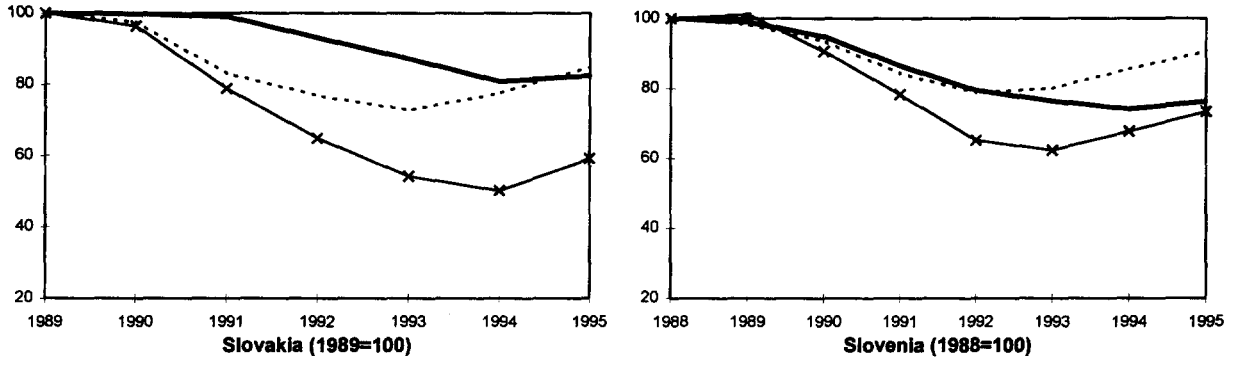


iii. Interactions and Labor Force Dynamics

Macroeconomic reforms have led to dynamic changes in labor markets in CEE during the past five years. Following years of stability, with high labor force participation rates and near zero level unemployment, labor markets have become characterized by volatility on a number of dimensions. Transition has impacted overall labor force size, as well as individual status within the labor force. The introduction of market forces and dramatic declines in output led to a significant fall in the demand for labor, increasing flows from employment into unemployment. Conversely, transition has been characterized by low flows from unemployment back into employment. It has become more common for workers to move between jobs, rather than from unemployment into jobs, or out of the labor force altogether.

Certain groups have been more affected than others by these trends. Young workers, and those close to retirement have been most impacted by changes in the demand for labor. For a range of reasons (discussed further below), workers between school leaving age and 25 have been most likely to stay out of the labor force, or become unemployed. Similarly, older workers have experienced high levels of unemployment and have participated most actively in early retirement and disability pension arrangements.

Informal economies have expanded significantly during transition in most countries, buffering the costs of transition for the unemployed and those who have dropped out of the labor force. Much of the decline in labor force participation reflects increased activity in the informal sector. Under communism, hidden economic activity was pervasive in many countries. This phenomenon has been exacerbated with transition, and incentives and opportunities for hiding productive activities persist. Regulatory gaps and the absence of enforcement mechanisms have allowed existing and new private enterprises to avoid registering, and hence paying taxes and social insurance contributions. Few studies have attempted to capture the extent of the informal economy. A survey in Hungary estimated that the informal economy comprised nearly 30 percent of GDP in 1992 (Vertes and Arvay, 1994). Recent EBRD estimates indicate that hidden economic activities in Bulgaria increased from 4 to 17 percent of GDP between 1992 and 1994, and from 7 to 10 percent in Romania.

Increasing activity in the informal sector has complicated measurements of labor force participation. Many people working in the informal economy are not participating in the labor force, according to the official statistics. Others may be supplementing formal sector activity, or unemployment or pension benefits, with jobs in the informal economy. As a result, the data provide, at best, a limited

snapshot of labor force participation. In this study, the labor force consists of the sum of registered employment and registered unemployment.[2]

[2] Labor force participation rates measure the ratio of the labor force to the working age population. These rates may be somewhat misleading, as the figures for the labor force exclude those below, or over, the population of working age.

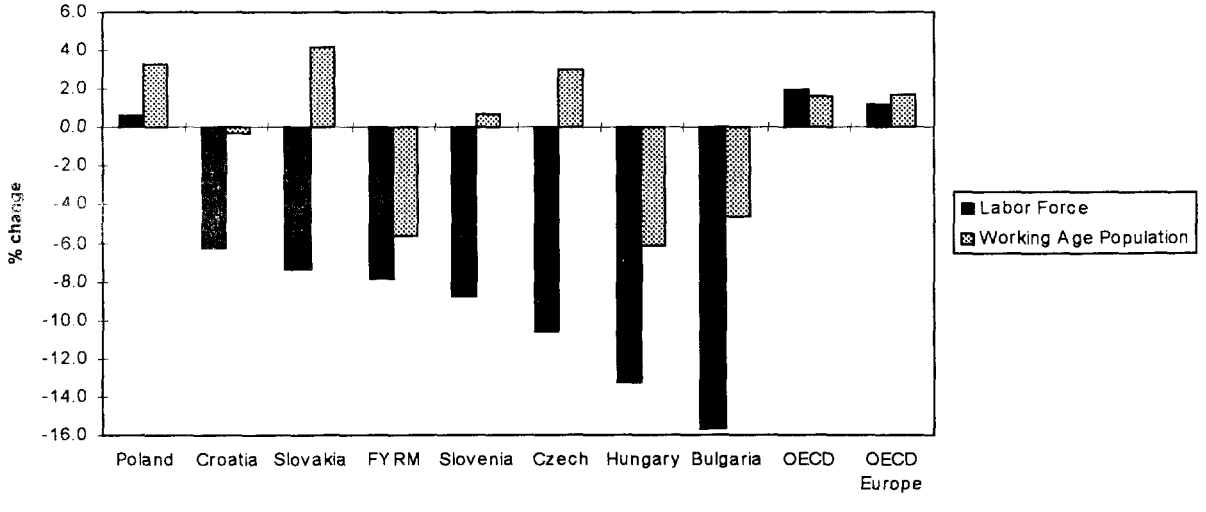
Labor Force

Throughout the region, transition has meant an overall decline in labor force size. Macroeconomic reforms and restructuring have significantly reduced the demand for labor. In contrast to the socialist period, which was characterized by full employment, workers have faced competitive and contracting job markets. Increased competition for jobs and reduced demand for specific skills and training have compelled many to drop out of the labor force prematurely. Some individuals have withdrawn from the labor force voluntarily, others involuntarily. The use of pension schemes to reduce surplus employment and check unemployment growth has provided an incentive for many to leave the formal labor market. In contrast, economic and political liberalization have improved choice and individual autonomy in employment decisions, allowing individuals to delay employment for further education, entrepreneurial activity, or more flexible, even part-time, work schedules.

Growing fiscal pressures have reduced the abilities of governments to maintain high levels of labor force participation. Under socialism, labor force participation in CEE was high in comparison with OECD countries. Governments encouraged individuals to remain in the labor force through a variety of measures, including political pressure. Artificially low wages ensured that both spouses would participate in wage employment. In addition, a range of non-wage benefits and services, including health care, child care and various types of social insurance were connected with employment, and led people to remain in the work force (Earle, 1994). Women's participation was specifically targeted through the provision of child care subsidies and generous maternity leave arrangements.

Labor force adjustments Between 1989 and 1994, labor force size dropped in all countries except Poland. The Polish labor force grew the most between 1990-91, early in the transition, a possible result of the rapid impact of shock therapy on household incomes. Faced with declining real wages and escalating prices, previously non-working household members began to enter the labor force (Kwiatkowski and Steiner, 1995). Availability of unemployment benefits was another likely incentive. Until September 1990, all registered unemployed were eligible for benefits, regardless of prior status. Between 1990 and 1992, nearly 80 percent of all registered unemployed in Poland received benefits.

Figure 2: Changes in Population and Labor Force Size (1989-1994)

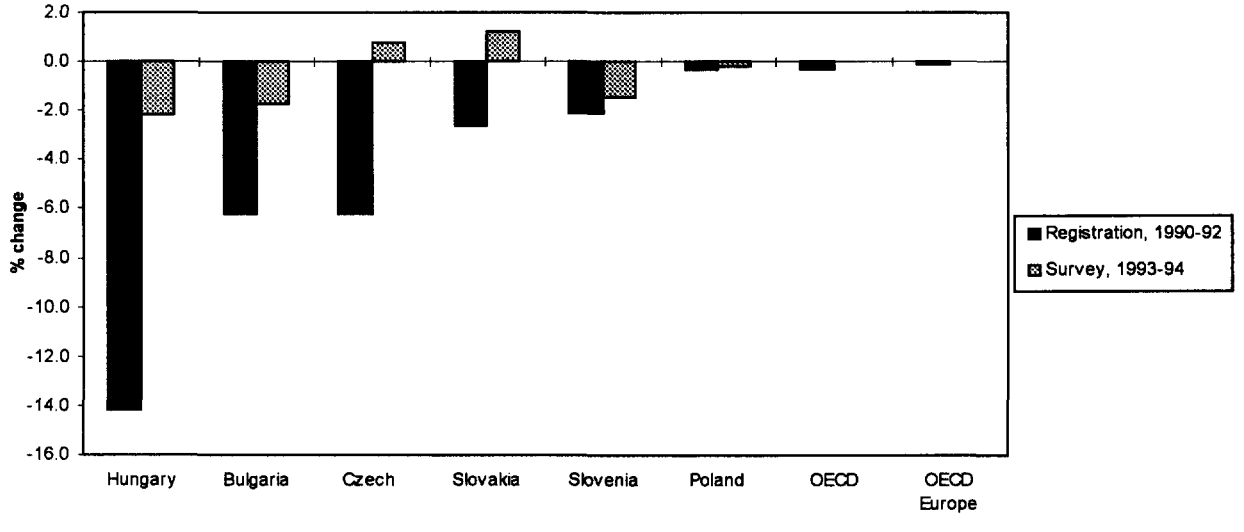


Labor force declines have been largest in Bulgaria, where they fell 16 percent, and in Hungary and the Czech Republic, where they fell 13 and 11 percent respectively. Rates fell the most during the initial years of transition. Between 1990 and 1992, participation fell 14 percent in Hungary and 6 percent in Bulgaria and the Czech Republic (Figure 3). Following initial attrition, declines have tapered off, and even increased in the cases of Croatia and Poland. This slowdown reflects stabilization in the labor market and tightening eligibility requirements for unemployment and pension benefits. Data illustrate that women, young workers and workers close to retirement have left the labor force in the largest numbers.

Demographic developments Changes in the size of the working age population have not significantly influenced labor force trends. With few exceptions, based on official retirement ages, the working age population includes women aged 15 to 54 and men age 15 to 59.[3] Population trends vary across the region and have been overall more dynamic than in the OECD countries (Figure 2). The data illustrate a 5 to 6 percent decline in working age population in Bulgaria, Hungary and FYR Macedonia, and a 4 percent increase in Slovakia. These changes are likely to be more indicative of changing collection methodologies than of significant demographic shifts.

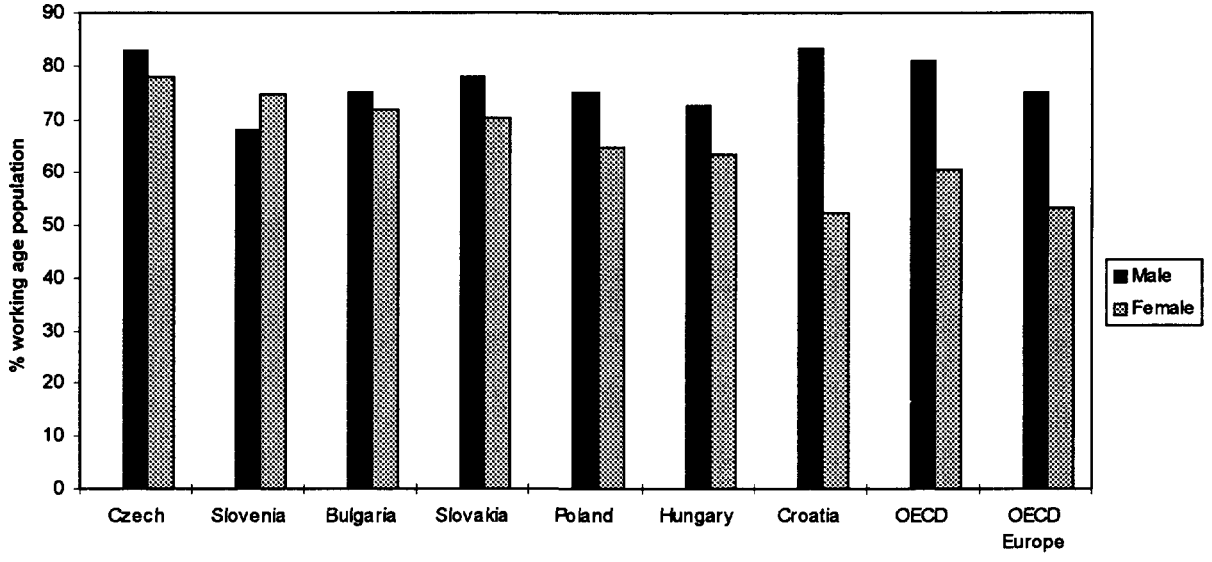
However, certain demographic trends, including migration and declining birth rates have become evident in the transition economies. The attraction of higher wages and employment opportunities has led to population shifts within the region and to the West. The conflict in the Former Yugoslavia has also accelerated emigration. However, continued restrictions on internal labor force mobility, such as tight housing markets, still limit labor force mobility. Demographic developments may exert more of an influence on labor markets over time. Birth rates have been decreasing in all CEE countries since the onset of transition. Between 1989 and 1994, crude birth rates fell nearly 32 percent in Romania, 25 percent in Bulgaria, and 18 percent in Slovakia (Goldstein, et al., 1996).

Figure 3: Changes in Labor Force Participation Rates (1990-1994)



[3] Demographic data for this study were obtained from country sources. World Bank projections were used where country data were unavailable.

Figure 4: Male and Female Participation Rates (1994)



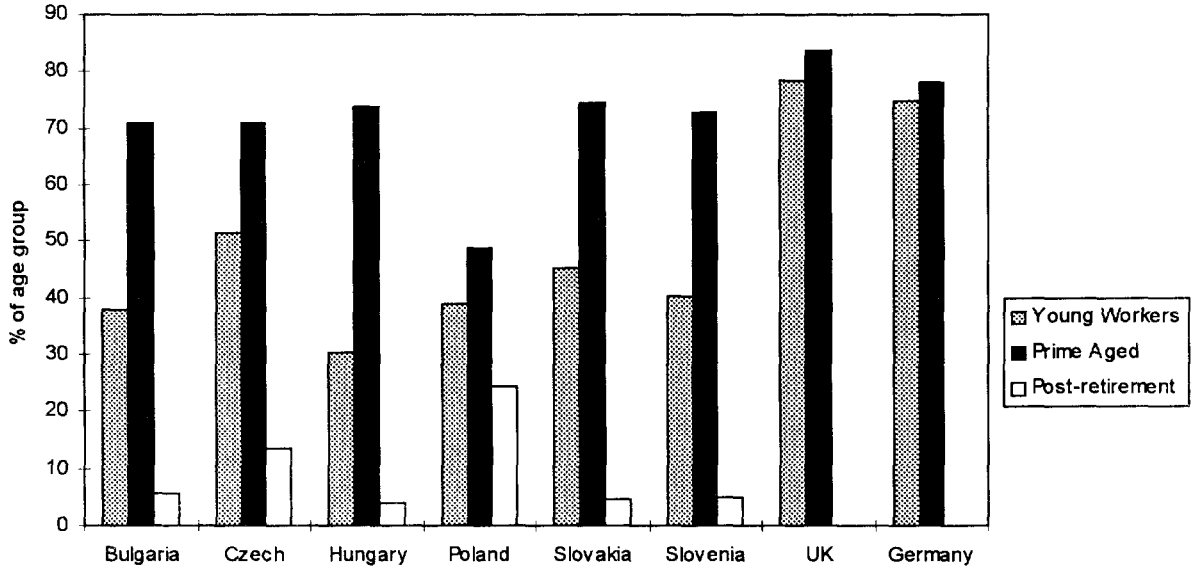
Gender and participation rates Women have been disproportionately affected by the erosion of policy measures which encouraged labor force participation. In comparison with the OECD countries, the share of women in the labor force was remarkably high in CEE. Even three years into the transition, the share of women in the labor force in Bulgaria, Romania and the Czech Republic reached as high as 47-8 percent, in contrast with 28 percent in the OECD. During the transition, many women have dropped out of the labor force. By 1994, the gap between male and female participation rates had widened in all countries except Slovenia (Figure 4). This trend is due, in part, to the deterioration of child allowances, maternity benefits and access to pre-school level education. Prior to transition, governments subsidized schools and creches at many state owned enterprises. Tightening budget constraints have eliminated many of these schools and increasingly shifted financing responsibilities to households. Declining real incomes have forced many women to leave the labor force to care for their children (Laporte, et al., 1996).

While these developments have clearly limited women's labor market choices, in other respects transition has increased women's autonomy in the labor market. Under socialism women were expected to work full-time and bear the burden of child-raising. The elimination of political pressures to work has allowed many women to leave the labor force by choice. Similarly, the informal economy and the introduction of more flexible working schedules have provided women with a wider range of options for balancing work and family. However, women have unevenly shouldered the burden of labor market transition. The rapid decline in demand for labor has had an adverse effect on women in the labor market. Given increasing competition for fewer jobs, discrimination against women has become more common (WDR, 1996).

Age and participation rates Age has been another contributing factor to labor market adjustments. As in the OECD countries, participation rates in CEE vary considerably by age group, illustrating the influence of education and experience factors on labor market status (Figure 5). Prime age workers, between 25 years and retirement comprise the largest segment of the labor force, while younger workers have significantly lower participation rates. This likely reflects both employers' preference for experienced workers and the increasing tendency for younger workers to delay employment for education. Prior to transition, enrollment in higher education in the socialist countries.

was almost half of that in Western Europe. However, this is changing, and access has improved noticeably in many countries, including Hungary, Poland and Slovenia (Laporte, et al. 1996). Young workers also have had increased flexibility to accept employment abroad or in the informal sector.

Figure 5: Participation Rates by Age Group (1994)



Note: figures for UK and Germany are 1992

During the transition, participation rates for workers over the official retirement age have declined the most significantly. Even in recent years, between 1993 and 1995, participation rates declined 34 percent in Bulgaria, 22 percent in Hungary and nearly 18 percent in Slovakia (Table 4). Firms have targeted labor shedding measures at older workers, enticing them into retirement with generous pension arrangements.

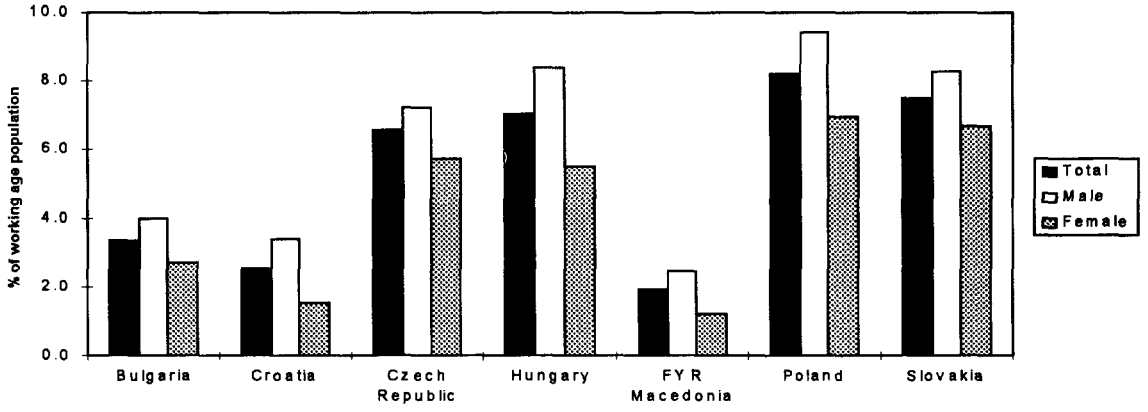
Participation rates for prime age workers have declined significantly in some countries, dropping nearly 19 percent in Slovakia and 15 percent in Slovenia between 1993 and 1995. These steep declines reflect the increased availability of early retirement pensions, as well as the flow of workers out of registered unemployment, and out of the labor force. During the first few years of transition, eligibility requirements for unemployment benefits were relatively lax. Over time, the benefit periods for many existing unemployed have expired and the eligibility criteria for new registrants have been tightened. As a result, declining participation rates for prime age workers in more recent years may be evidence of an increasing pool of workers who no longer qualify for benefits and have withdrawn from the labor force.

Table 4: Labor Force Participation Rates by Age (1993-1995)				
	1993	1994	1995	% Change '93-'95
Bulgaria				
Young workers	42.9	38.0	34.8	-18.8
Prime Age	72.2	70.8	69.4	-4.0
Post-Retirement	7.1	5.6	4.7	-33.5
Czech Republic				
Young workers	49.3	51.5	50.9	3.2
Prime Age	71.1	70.8	73.5	3.4
Post-Retirement	13.4	13.5	--	1.0
Hungary				
Young workers	36.8	30.3	34.3	-6.9
Prime Age	76.6	74.0	70.5	-8.0
Post-Retirement	4.7	4.0	3.7	-22.0
Poland				
Young workers	35.0	38.8	36.7	4.8
Prime Age	49.2	49.0	51.2	4.0
Post-Retirement	24.2	--	--	--
Romania				
Young workers	--	52.2	55.0	5.4
Prime Age	--	65.3	66.4	1.6
Post-Retirement	--	36.9	39.1	6.1
Slovakia				
Young workers	43.7	45.1	45.2	3.6
Prime Age	76.7	75.6	62.4	-18.6
Post-Retirement	5.5	4.5	4.5	-17.7
Slovenia				
Young workers	42.0	40.4	43.1	2.4
Prime Age	85.8	72.8	73.0	-14.9
Post-Retirement	3.3	4.8	5.9	79.2

Withdrawal from the labor force on pension arrangements Increased availability of pension schemes, particularly disability and early retirement, have been another source of labor market decline. Between 1990 and 1991, in an attempt to reduce excess employment and to sidestep huge increases in open unemployment, many governments in CEE supported policies offering generous pension arrangements. In many cases, these programs provided an appealing alternative to unemployment benefits, because, although low, they did not expire (OECD, 1995). While these programs initially cushioned the transition shock by providing workers an alternative to unemployment, and employers an alternative to mass layoffs, the resulting fiscal burden has been a serious problem for governments with shrinking budgets.

Participation in pension programs escalated during the early transition years. The number of disability pensions increased to approximately 8 percent of the working age population in Slovakia and Poland, and 7 percent in Hungary and the Czech Republic. Across countries, the share of men drawing disability pensions is higher than women (Figure 6).

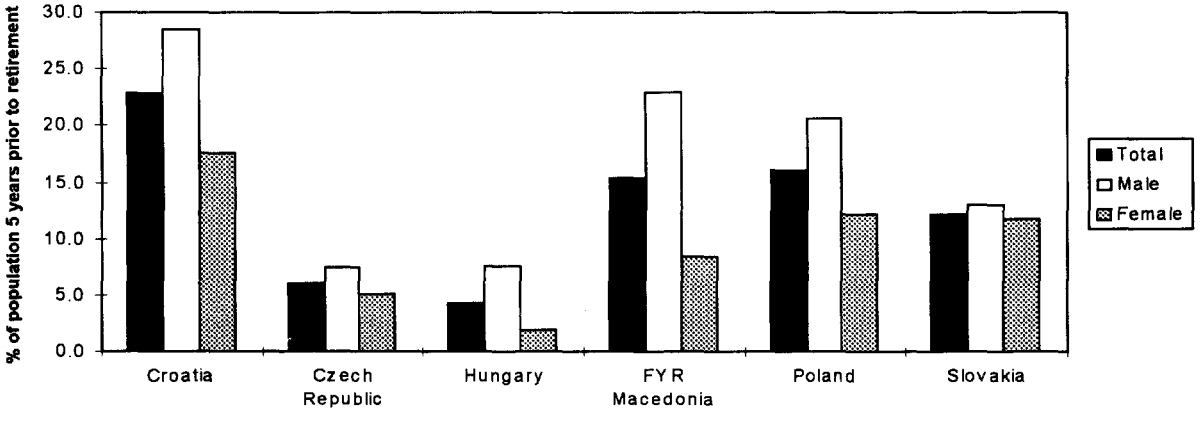
Figure 6: Withdrawal from the Labor Force on Disability Pensions (1993)



Similarly, the number of workers retiring early has grown significantly during the transition, a striking development in countries with already low retirement ages. In this analysis, early retirements are defined as the number of people accepting old age pensions who are five years under the official retirement age. Early retirements grew to nearly 23 percent of the older working age population in Croatia, 16 percent in Poland and 15 percent in FYR Macedonia (Figure 7). As is the case for disability pensions, males are more likely to retire early than females. This may reflect the fact that in all countries in the sample, the official retirement age for men is five years older for women. In addition, under socialism early retirements were standard practice in certain, largely male, heavy industries such as mining, where health risks are particularly acute and working conditions severe.

Growing pension expenditures have strained government budgets across the region. The use of pensions as labor shedding measures occurred in the context of tightening benefits and decreasing revenues for pension systems. System dependency ratios (the number of beneficiaries relative to the number of contributors) have increased throughout the region. In addition, the combination of high levels of unemployment, participation in the informal economy and aging populations threatens the ability of pension systems to maintain their current level of benefits. By 1993, pension expenditures had reached 16 percent of GDP in FYR Macedonia and nearly 14 percent in Bulgaria and Poland (Andrews and Rashid, 1996). This level of spending has already proven unsustainable. One government response has been to raise the pensionable age. In a number of countries, including Slovenia and Croatia, retirement ages will be raised incrementally over the next few years to reduce the fiscal burden.

Figure 7: Withdrawal from the Labor Force on Old Age Pensions (1993)



Increase of discouraged workers In addition to increased participation in pension schemes, the decrease in labor force participation reflects the outflow of discouraged workers, individuals who would like to work, but have become frustrated and given up searching for employment.[4] The legacy of full employment under socialism has made it difficult for workers to adapt to changing and increasingly competitive labor markets. Restructuring has dramatically reduced the demand for certain skills, directly impacting the employment possibilities for some groups of workers. With limited opportunities for retraining, and uncertainties about future job opportunities, many workers have become discouraged and dropped out of the labor force. Others in this group include those who had been registered as unemployed, but whose unemployment benefits have expired. Measuring this phenomenon has proven difficult. Recent data indicate that the number of discouraged workers varies greatly across countries and has declined in most countries between 1993 and 1995 (Table 5).

Table 5: Discouraged Workers, (1993-1995)

% of working age population	1993	1994	1995
Bulgaria			
Discouraged workers	4.2	4.3	3.8
Female discouraged workers	4.7	4.5	4.0
Male discouraged workers	3.8	4.2	3.6
Czech			
Discouraged workers	0.3	0.2	0.1
Female discouraged workers	0.3	0.2	0.2
Male discouraged workers	0.2	0.2	0.1
Hungary			
Discouraged workers	1.8	1.7	1.7
Female discouraged workers	1.7	1.6	1.7
Male discouraged workers	1.9	1.8	1.8
Poland			
Discouraged workers	0.5	0.6	0.7
Female discouraged workers	0.6	0.6	0.7
Male discouraged workers	0.5	0.6	0.7
Romania			
Discouraged workers	--	3.5	2.0
Female discouraged workers	--	4.6	2.8
Male discouraged workers	--	2.5	1.3
Slovakia			
Discouraged workers	0.2	0.4	0.1
Female discouraged workers	0.3	0.4	0.2
Male discouraged workers	0.2	0.5	0.1

In addition to the movement of individuals out of the labor force, transition has increased the flows between employment and unemployment. The following sections address this dynamic and changes in the structure and demographic composition of the employed and unemployed.

[4] Refer to OECD, 1996, for country-specific definitions.

Employment

Dramatic declines in state sector employment have been one of the most visible and painful outcomes of transition in Central and Eastern Europe. Between 1989 and 1995 over 8.2 million jobs were lost in the nine countries addressed in this study. This has been a serious development for governments seeking to secure and maintain political support for difficult economic reforms. The transition has also led to fundamental changes in the nature and structure of employment in the region. Market reforms have shifted demand for various types of skills and training, creating new opportunities in certain sectors for some workers, and challenging others to adapt to rapidly changing. The growing private sector has offered a range of new employment options, but has, of yet, been unable to offset employment losses. Similarly, job growth in the informal sector has absorbed some of the decline in state employment, but the impact is difficult to quantify.

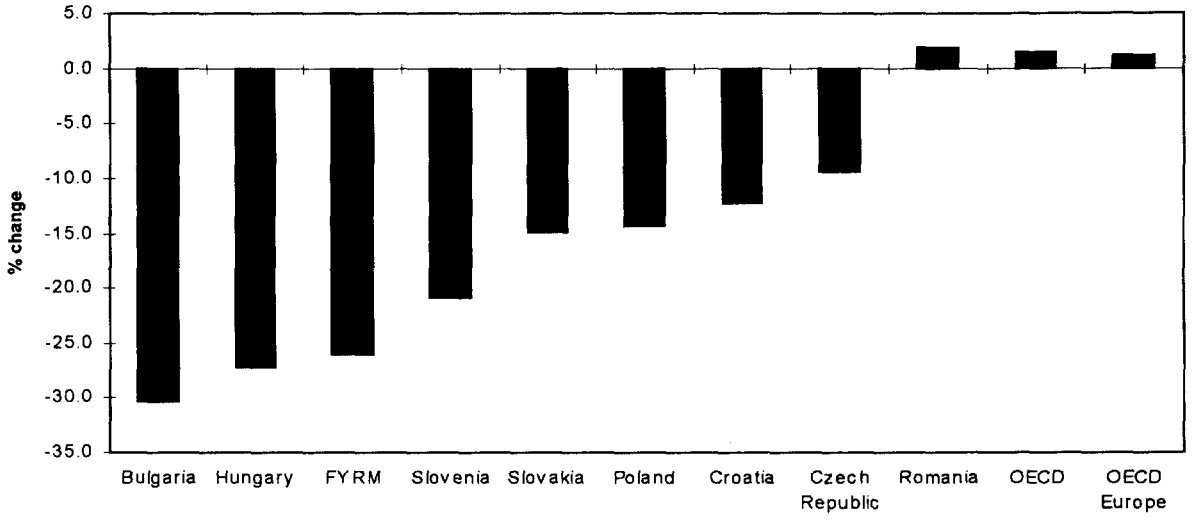
Pre-transition employment structure Employment structures in CEE prior to transition were oriented to the priorities and production needs of the socialist regimes, and reflected the legacy of Stalinist industrialization. During this period, the largely agricultural societies of Central and Eastern Europe were industrialized through massive labor force reallocation and investment. Growth boomed throughout the region in the 1950s and early 1960s. However, the pace of growth and inefficient allocation and use of resources proved unsustainable. In Hungary, the second five-year plan (1950-54) sought to raise industrial output by 380 percent (Schöpflin, 1993). Investment pressures and unrealistically high production quotas invited exploitation of the labor force and natural resources. In the 1970s growth decelerated as resources were depleted and foreign debts accumulated (Barr, 1994).

In 1989, at the outset of transition, GDP growth in Central and Eastern Europe was stagnant or declining. Employment was dominated by heavy industry and agriculture, with a disproportionately low service sector. In Czechoslovakia, Romania, and Poland, nearly 40 percent of total employment was based in industry. Agricultural employment comprised 29 percent of employment in Romania, 27 percent in Poland, and 21 percent in Bulgaria (Kuddo, 1995). Service sector employment was low in comparison with the other sectors, however estimating its exact size has proven difficult, since it was often left out of official statistics.

Employment declines during transition The collapse of GDP and industrial production has induced large-scale employment losses and sectoral shifts. Between 1989 and 1994, employment declined 30 percent in Bulgaria, over 25 percent in Hungary and FYR Macedonia, and over 20 in Slovenia (Figure 8). Employment losses were smallest in Romania where large scale restructuring of state enterprises has been limited, and in the Czech Republic (see discussion below). The combination of external and internal shocks following liberalization eroded industrial production and necessitated fundamental restructuring of state owned enterprises. The disintegration of established trading relationships such as the CMEA, and the collapse of internal markets, including the Yugoslav federation and Czechoslovakia, caused precipitous declines in demand. Trade liberalization, increased availability of Western goods and competition from international markets have had similar effects on production.

Loss of external markets has contributed to employment losses throughout Central and Eastern Europe, but has been more severe in some countries and regions than others. Bulgaria was particularly hard hit by the dissolution of the CMEA, as 76 percent of its exports went to CMEA markets in 1989, in comparison with 45 percent for Poland and Czechoslovakia, and 24 percent for Romania

Figure 8: Decline in Employment (1989-1995)



(Beleva, et al., 1995). Bulgaria's ability to establish new commercial ties was constrained by the UN blockade of Serbia and the disruption of trade routes. Similarly, limited access to EU markets has prevented Central and Eastern Europe from fully integrating into Western markets. The collapse of the CMEA has had serious implications for industry, since member countries had depended upon the USSR for access to subsidized oil and other raw materials. The sudden withdrawal of cheap industrial inputs has an additional burden on already struggling enterprises.

Stabilization measures have imposed new constraints on the financing and production decisions of state industry. Escalating prices following liberalization led to fiscal crisis and necessitated tight monetary and fiscal policies. Governments responded by ending subsidies, imposing hard budget constraints on large firms and drafting bankruptcy legislation. These measures have had far-reaching implications for state owned enterprises, which were previously encouraged to emphasize employment over productivity. Restructuring has meant fundamental changes in the employment practices of large state owned enterprises.

Restructuring of state owned enterprises The output collapse did not cause an immediate decline in employment levels. Rather, the impact on state sector employment has evolved with the transition. Initially, price liberalization boosted industry revenues, providing little incentive for firms to reduce labor hoarding and to allocate resources more efficiently. However, restructuring has become a priority with the hardening of budget constraints and the need to prepare for privatization. Labor shedding in state owned enterprises has progressed through roughly three phases along with restructuring and the output collapse (Commander and Coricelli, 1995). A fourth phase has emerged recently, in which firms no longer shed labor. The lag between the decline in industrial production and the decline in employment (see Figure 1), illustrates the adjustment of firms, first by relying on voluntary layoffs and labor force attrition, and increasingly by more stringent involuntary measures.

It is important to note, however, that changes in enterprise behavior did not commence in 1989. Reform initiatives prior to transition targeted state owned enterprises in a number of CEE countries. Kadar's reforms in Hungary in the 1980s devolved certain production decisions from central planners to firm managers. While this did increase the internal efficiency of firms, price controls and

soft budget constraints persisted and firms were not fully exposed to market forces (Kornai, 1992). Since transition, enterprise responses have roughly followed four phases:

i. ***Voluntary separations and "soft" layoffs*** At the outset of transition, separations from state owned enterprises were largely voluntary, as firms adjusted to increasing fiscal constraints. Prior to the reforms, managers held little authority over personnel matters. With decentralization and the dismantling of central planning mechanisms, decisions regarding hiring and firing were transferred to the enterprise level. Firms implemented various measures to reduce employment costs; such as shortening hours and cutting shifts, or reducing, or delaying payment of wages. The latter is the pattern which has persisted in the countries of the former Soviet Union (WDR, 1996). During this phase, the informal sector has served as a buffer for workers, helping to compensate for income and productivity lost in their formal sector jobs.

ii. ***Involuntary separations and policy-based measures*** As restructuring progressed, attempts to decrease overemployment and respond to economic contraction became increasingly involuntary and policy-based, at the enterprise, as well as government levels. Strategies, such as the promotion of early retirement programs, and retirement through disability pensions, were adopted to reduce employment and labor costs while attempting to control the growth of unemployment.

For example, in 1990, the Slovenian government adopted an early retirement program by reducing the qualifying age, and requisite experience for drawing old age pensions. The policy was extremely popular, and subsequently had serious implications for government expenditures on pensions (Orazem and Vodopivec, 1994).

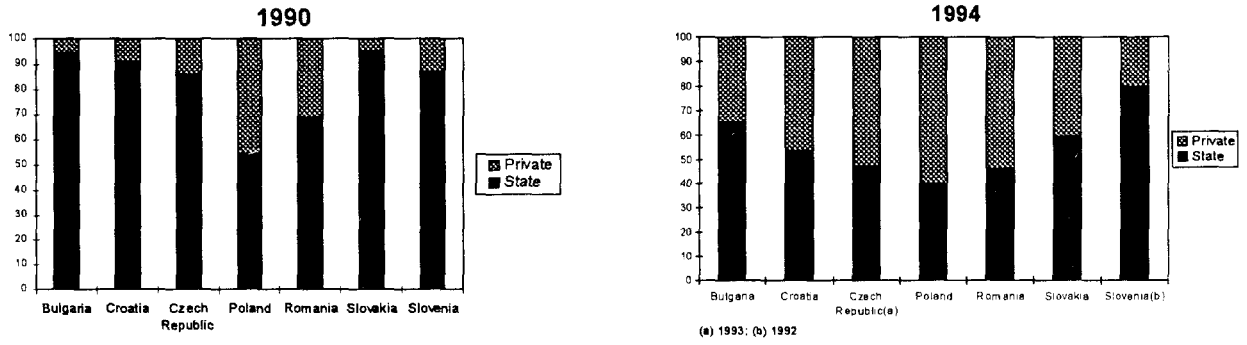
iii. ***Mass layoffs*** Contrary to more pessimistic predictions, restructuring and privatization did not immediately lead to massive waves of layoffs from state owned enterprises. Rather, sectors and regions were impacted disproportionately and at varying speeds. For example, industries, such as heavy manufacturing, which were dependent upon CMEA markets were particularly hurt by transition.

Severe economic contraction and dramatic shifts in markets forced many unproductive enterprises to restructure or liquidate. In Hungary, approximately 16,000 companies had been liquidated due to bankruptcy by 1995 (OECD, 1995). These developments have had a dramatic impact on jobs.

iv. ***Employment stabilization*** As economic growth has resumed, firms which have adjusted to new market circumstances have begun to stabilize their employment policies. For the time being, output growth has not been reflected in employment growth, due to the persistence of labor hoarding and the scope for increased labor productivity. In all of the countries, labor productivity is climbing (WDR, 1996).

Private sector growth The growing private sector has absorbed many of the job losses from the public sector. Ownership transfers through state managed privatization schemes, and the growth of new private businesses have created an increasing number of new jobs and shifted a significant proportion placed of the labor force to the private sector. However, the growth of private sector employment has not compensated for job losses in the public sector. Evidence from a number of countries illustrates that most of the new jobs in the private sector have been filled with people in employment in the state sector, rather than drawing from the pool of unemployed (Rutkowski, 1995). The emerging private sector has had an uneven effect on employment, and has not absorbed all of the jobs lost in the public sector (Figure 9).

Figure 9: Increasing Share of Private Sector Employment (1990 and 1994)



The emergence of the new private sector has been difficult to characterize and quantify, in part because of the overlap between the private sector and the informal economy. Regulatory gaps have enabled new firms to operate without officially registering and prevented comprehensive surveys of the private sector. Some of the countries entered the transition period with substantial non-state sectors, which have facilitated private sector growth. In Poland, agriculture was largely private, and Hungary had an extensive informal economy. Initial private sector growth has been largely based upon stock adjustments. Areas such as trade and services, which were not developed in the socialist economies, have experienced the greatest growth. The general picture of emerging private enterprises suggests that firms are small, with five to ten employees, and experience a high level of turnover. Increased access to capital markets and the development of a regulatory infrastructure will encourage entrepreneurial activity and increase private sector employment.

Changing wage dynamics have also contributed to private sector growth. Recent evidence from Poland illustrates that returns to education are higher in the private sector (Rutkowski, 1996a). While in some areas private sector firms offer less job security and lower wages than the public sector, for highly skilled white collar workers and professionals, private sector jobs appear to pay off. In the Polish case, high paid workers in the private sector earned at least 3.5 times as much as lower paid workers, while in the public sector the same ratio was only 2.9.

Sectoral shifts Employment adjustments in CEE are most clearly reflected in changes in employment patterns and the allocation of labor across sectors. The increase in the number of small private enterprises represents a general trend away from the previous employment structure which was dominated by large industrial firms and collective farms. The withdrawal of the public sector has led to the decentralization and diversification of the economy, and thus affected the sectoral distribution of employment. The share of the labor force working in agriculture and manufacturing, traditionally the cornerstones of the socialist economies, has declined the most (Table 6). Growth sectors include trade

Table 6: Employment Shifts (1991-1995)

(% change)	Czech Republic[a]	Hungary[b]	Poland[b]	Slovakia[a]
Declining share of employment				
Agriculture	-5.5	-3.5	-7.9	-4.2
Manufacturing	-6.0	-2.5	-1.2	-8.1
Increasing share of employment				
Trade and catering	7.8	1.1	6.7	5.1
Financial services and real estate	1.2	2.4	2.3	0.3
Public administration	3.3	2.5	--	3.7

[a] 1991-1995
[b] 1992-1995

and catering, and financial services and real estate, which had been ignored by the socialist regimes, and where substantial private sector opportunities are available. The sectoral dynamic of employment losses has also had a regional effect. Agricultural regions, such as southern Romania, and areas with a high concentration of heavy industry, such as eastern Slovakia, have suffered disproportionately high employment losses.

Shifting sectoral patterns in the Czech Republic and Slovakia reflect regional trends in employment adjustment. Between 1980 and 1991, the structure of employment remained relatively stable throughout Czechoslovakia. Agriculture declined 3 percent in the Czech Republic and 4 percent in the Slovak Republic, while services, including education and health care, gained less than 2 percent in each Republic (Ham, et al., 1995). Between 1991 and 1995, changes have accelerated as the structure of the post-communist economies has taken shape (Figures 10.1-10.2). The share of agricultural employment has continued to decrease, from 14 percent to 10 percent in Slovakia, and from 12 percent to 7 percent in the Czech Republic. Manufacturing has declined the most, dropping from 35 percent to 27 percent of total employment in Slovakia, and from 35 percent to 29 percent in the Czech Republic. Services have grown significantly in both countries. In the Czech Republic trade and catering have doubled, largely a result of increases in tourism.

The ability of countries to absorb employment losses depends upon their capacity to respond to structural changes in the economy. Employment adjustment, as reflected in sectoral shifts, partially explains the Czech Republic's success in transition, and its ability to avoid large increases in open unemployment. The ability of countries to adjust employment to structural changes during transition depends on a range of factors, most importantly, labor force mobility and the availability of relevant educational training.

Figure 10.1, Employment by Sector (1991 and 1995), Czech Republic

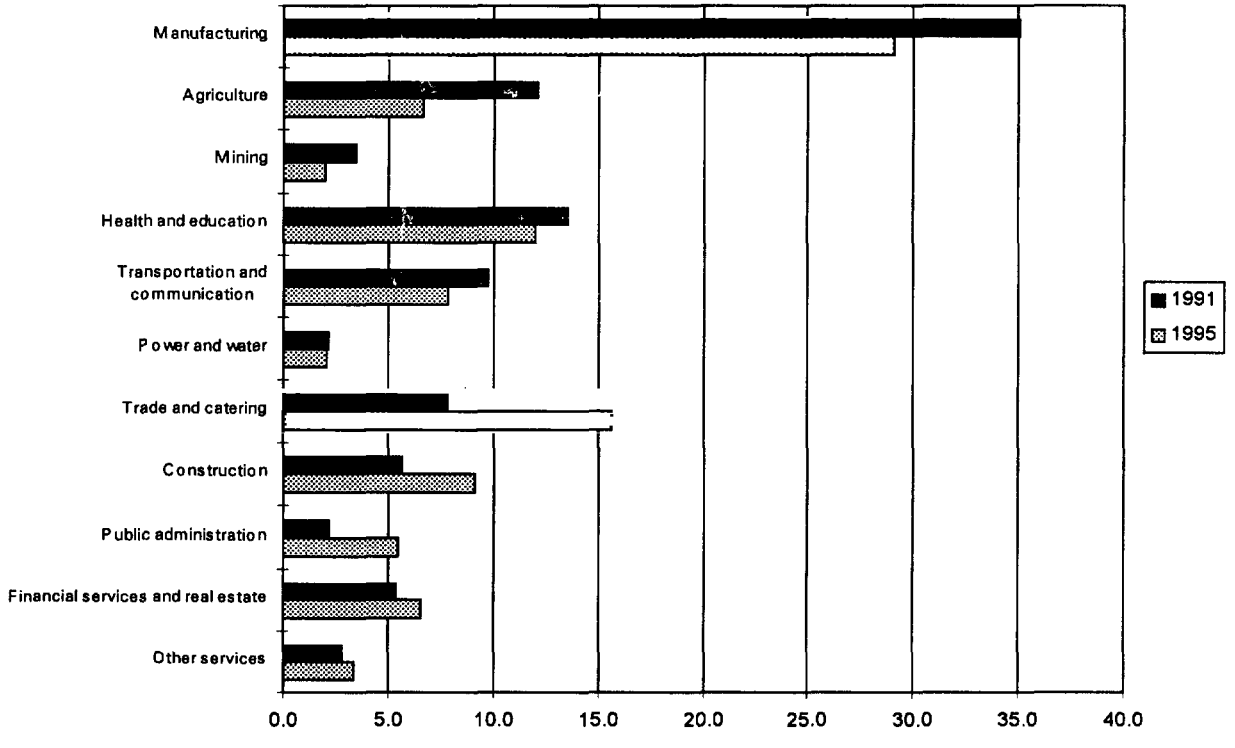
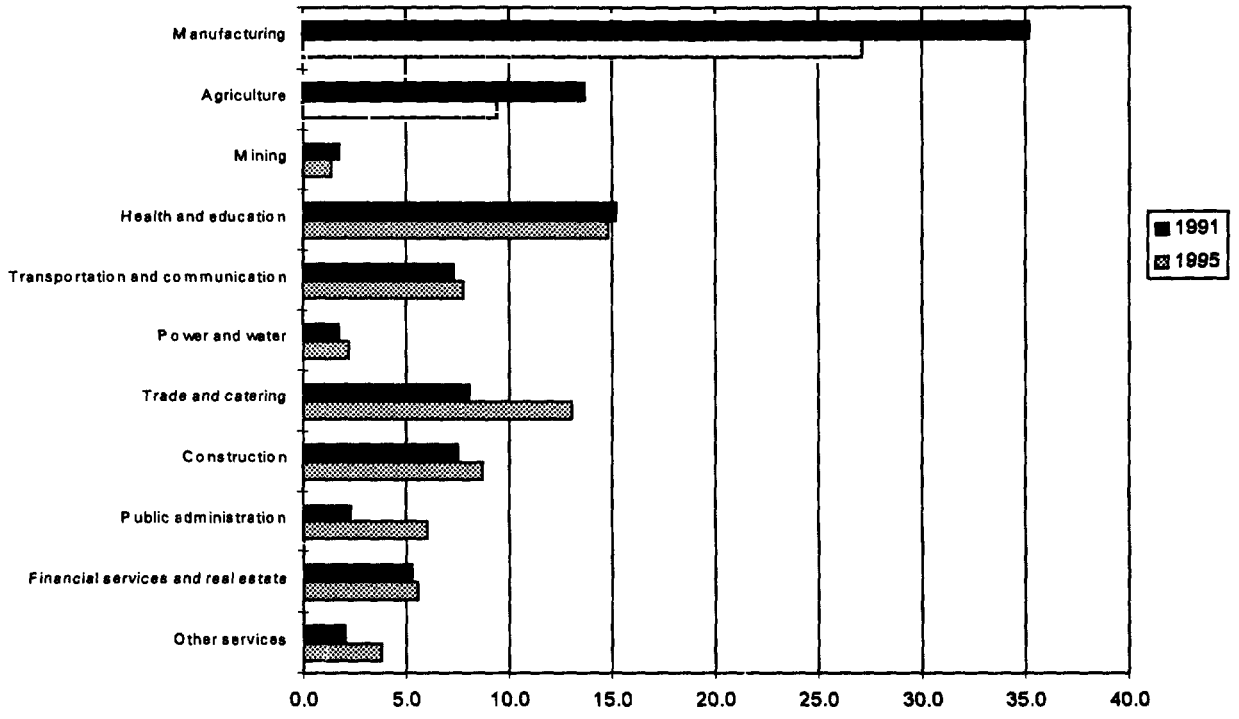


Figure 10.2: Employment by Sector (1991 and 1995), Slovakia



Labor force mobility The lack of labor force mobility in CEE remains a significant constraint on employment reforms. Although private ownership did exist, housing markets were tightly controlled. In contrast with the former Soviet Union, privately held housing was relatively common in Central and Eastern Europe, with nearly half of housing in private hands at the outset of transition (WDR, 1996). However, shortages limited labor force mobility. Long waiting lists for apartments were common, and workers were prevented from moving between cities. In addition to privatization, further reforms are needed to improve mobility. In many cases, charges for rents, utilities and repairs still do not reflect market prices.

Adjustment of education systems Educational reform is similarly critical for improving labor force flexibility and facilitating sectoral shifts. Education and training systems in the socialist economies trained workers for the socialist economic structure. Enrollment targets were set based upon the demands of individual industrial ministries. As a result, engineering and physical science programs were emphasized at the expense of the social sciences. Transition to a market economy requires many of the skills which were ignored under socialism. Entrepreneurial activity, especially, demands individuals with backgrounds in business, economics and law. Evidence illustrates that enrollments in these key fields have grown during the transition, while enrollments in the physical sciences have declined, while the social sciences have expanded (Laporte, et al., 1996). However, further curriculum reform and reorientation of education systems are needed to keep pace with changing labor force demands. At the secondary level, there is also evidence that education systems are adapting. Prior to transition, vocational and technical streams of secondary education were favored over general secondary education. Changing employer demand for training and skills has placed new emphasis on general programs, and enrollments have shifted accordingly.

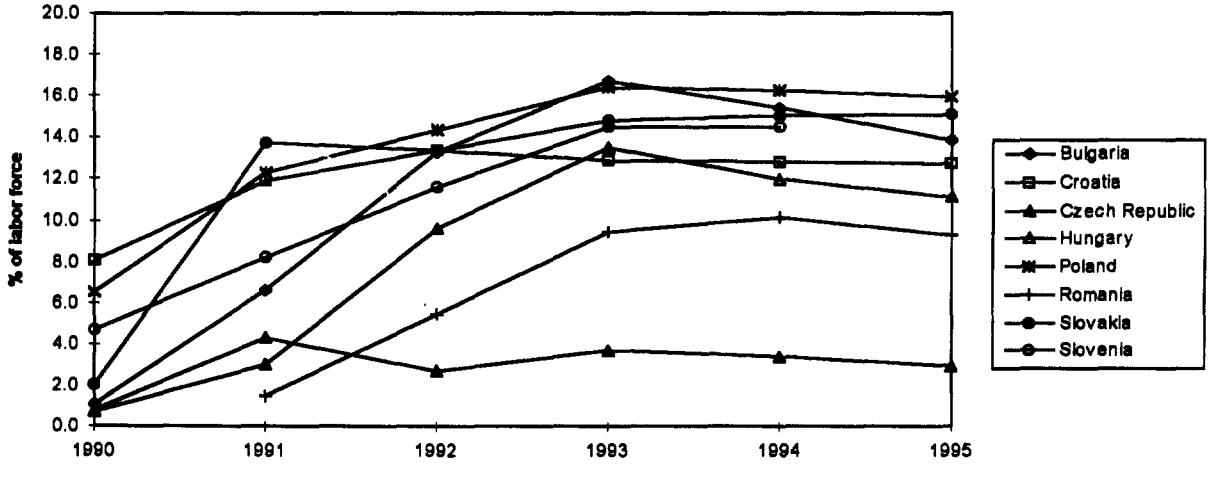
Unemployment

Public sector employment losses have led many workers to take up jobs in the private and informal sectors, or to drop out of the labor force altogether. The remainder have become unemployed. From a near zero level in the socialist period, unemployment rates in Central and Eastern Europe climbed rapidly in the early 1990s, in most cases peaking in 1993. Young people, and those with primary or vocational secondary education have been the most likely to become unemployed. Ethnic minorities, especially Roma, are also overrepresented among the unemployed. The emergence of long-term unemployment has been one of the most serious developments of transition. As shifts in the employment structure become more permanent, a growing number of workers remain unemployed, past the expiration of their benefits, and may be unable to reenter the workforce. Long-term unemployment poses serious social welfare costs, as the incidence of poverty grows. So far, government strategies -- both active and passive measures -- to assist the long-term unemployed have had limited success.

Unemployment under socialism was virtually non-existent. Governments promoted full employment by keeping wages low and providing a high level of nonwage benefits with employment. Widespread labor hoarding by firms, and strict regulations preventing managers from firing workers kept employment levels high. Overemployment was a common phenomenon in the socialist economies, as firms emphasized full employment at the expense of labor productivity.

The situation has reversed dramatically during the transition as unemployment rates have escalated. Between 1990 and 1993, following the initial output collapse, registered unemployment grew in all countries, exceeding 16 percent in Bulgaria and Poland and climbing to between 12 percent and 14 percent in Croatia, Hungary, Slovakia and Slovenia (Figure 11)[1].

Figure 11: Registered Unemployment (1990-1995)



[1] Registered unemployment rates in FYR Macedonia are extremely high in comparison with the other countries, growing from 24 percent in 1989 to 36 percent in 1995. EBRD estimates, adjusted to include the private sector, put unemployment between 1990 to 1993 at roughly 19 percent. Data should improve with the implementation of the country's first labor force survey in the fall of 1996.

In contrast, registered unemployment rates in the Czech Republic have remained remarkably low. Unemployment in the Czech Republic peaked at 4 percent in 1991 and declined to 3 percent in 1995, figures that are low even in comparison with OECD countries. Data for survey employment in 1993 were not significantly higher. The Czech Republic's astoundingly low unemployment can be attributed to high levels of labor force attrition, and a combination of other factors. Hypotheses include low agricultural employment, continued labor hoarding by firms, geographic factors, the rapid growth of the private sector and the impact of active labor market policies.

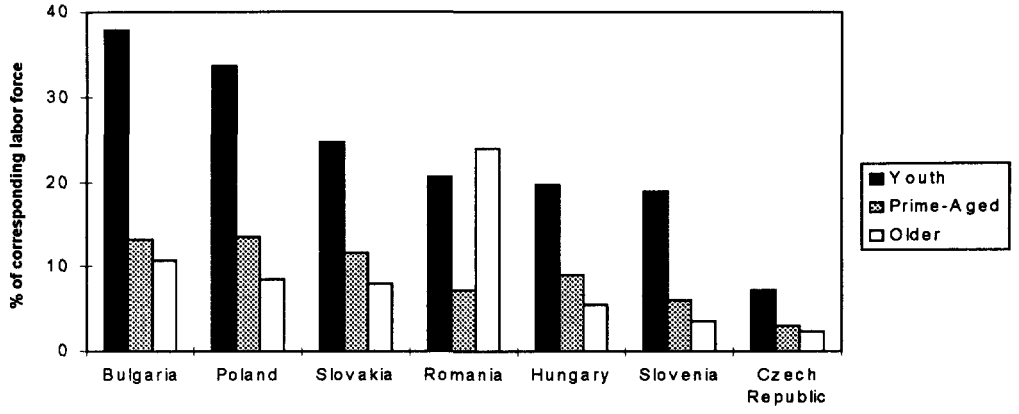
In comparison with its neighbors, the Czech Republic had a comparatively low share of agricultural employment. As a result, the decline in agricultural employment, associated with transition throughout the region, has had less of an impact on the Czech labor force than in other countries. The Czech Republic's proximity to Germany and Austria has also provided opportunities for employment abroad and has encouraged high levels of foreign direct investment. Additionally, private sector growth in the Czech Republic has been rapid, and has absorbed many of the jobs lost in the state sector. Finally, the success of active labor market policies, such as the "Socially Purposeful Jobs" program, which promotes job creation for the unemployed, has reduced unemployment (for further discussion of the Czech case see Rutkowski, 1995; Ham, et al., 1995; OECD, 1995).

Demographics of unemployment Throughout the region, unemployment has affected certain groups of workers disproportionately. Transition has been characterized by low flows out of unemployment. Most job movements have been job-to-job, rather than from unemployment into jobs (Boeri and Scarpetta, 1994). As a result, the pool of unemployed, and especially the long-term unemployed, has become increasingly homogenous, as certain risk factors are increasingly linked with unemployment. Education and age have emerged as strong correlates of unemployment. Young people, and individuals with little education, or conversely, highly specialized training, seem to have been affected the most by transition. Other factors, including ethnicity and region of employment are likely determinants of labor market status. However, data limitations preclude their inclusion in this analysis.

As of yet, gender has not emerged as a factor in unemployment trends. Unemployment is higher for women than for men in Bulgaria, the Czech Republic, and Poland, and lower in Hungary, Slovakia and Slovenia. Patterns of unemployment by gender may emerge at the industrial or regional levels. Restructuring of heavy industry and mining affect men more, while women may be more susceptible to restructuring in other sectors, such as light industry and manufacturing. Trends in education and labor markets suggest that women may be better positioned to adjust to the changing workplace. Girls were more heavily represented in general secondary schools, which provided a broader curriculum than the highly specialized vocational or technical secondary schools. Graduates of more general, academic secondary programs, are on a whole more flexible and able to adapt to changing labor market conditions. On the other hand, women may be more affected by unemployment with time, if increased competition and tighter labor markets increase the occurrence of gender based discrimination.

Unemployment has been unevenly distributed across age groups. Young people between school leaving age and 25 have especially borne the burden of open unemployment, with rates nearly double or triple that of any other age group (Figure 12). In 1993, youth unemployment was 47 percent in Bulgaria and between 20 and 30 percent in Poland, Hungary and Slovakia. Even in the Czech Republic, youth unemployment was nearly twice the overall rate for the population for that year. Between 1993 and 1995, youth unemployment declined in Bulgaria and Hungary, but remains high. Prime-aged unemployment in 1993 ranged from 18 percent in Bulgaria, to 3 percent in the Czech Republic and has remained relatively stable during the transition.

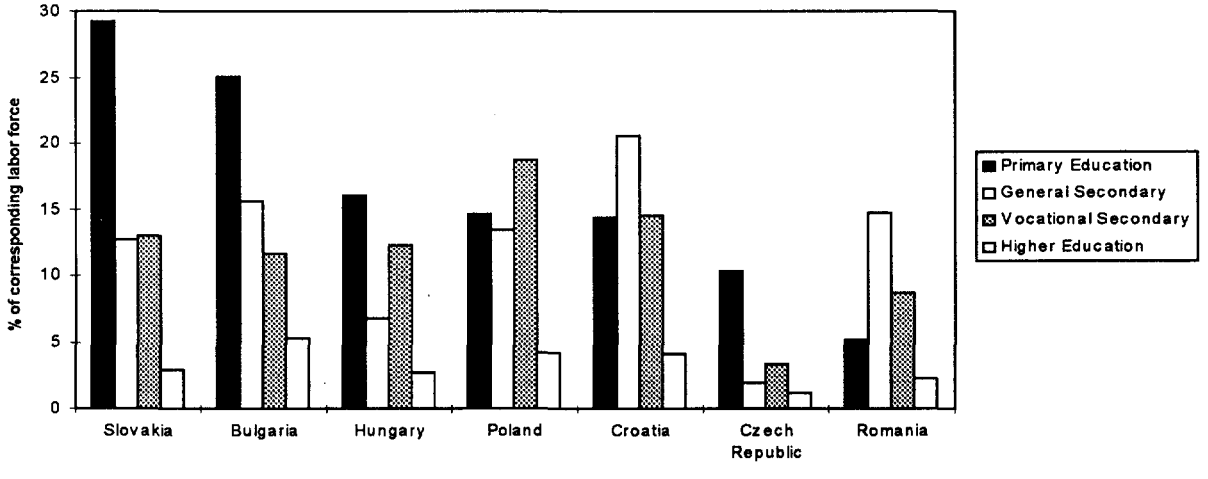
Figure: Unemployment Rates by Age (1995)



Unemployment for those within 5 years of retirement is low, reflecting the high levels of early retirements. However, older unemployment has been increasing significantly in Poland, where it climbed from 2 percent in 1993 to 8 percent in 1995, a likely effect of the tightening of pension eligibility requirements in 1992. In Slovakia, older unemployment grew from 7 percent to 8 percent between 1993 and 1995. Older unemployment in Romania has been surprisingly high, reaching 24 percent in 1995. Unemployment for this group will likely continue to expand as many countries raise retirement ages and scale back early retirement schemes. The uneven impact of unemployment on older workers is a serious development in the context of declining real incomes and disproportionately high poverty rates among older workers.

Unemployment is highest for those with primary education and lowest amongst the university educated. In 1995, unemployment amongst those with only primary education was highest in Slovakia and Bulgaria, where it reached 30 percent and 25 percent respectively (Figure 13)[2].

Figure 13: Unemployment Rates by Level of Education (1995)



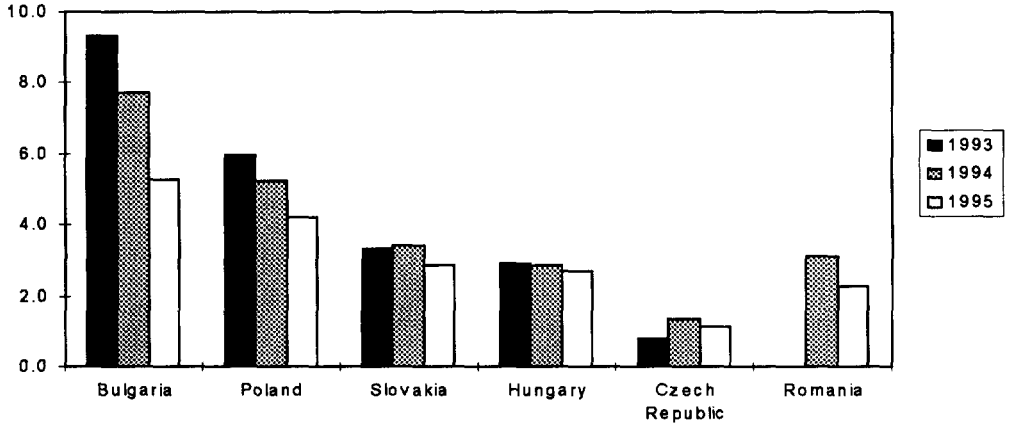
[2] Classification of education levels is complex, due to national variations. Categories are based upon ISCED specifications, with significant country departures. In particular, the distinction between general secondary and vocational secondary education is blurred in some cases, such as Hungary and Poland, where 1-3 year apprentice programs are more common. Readers should refer to the *OECD-CCET Labour Market Database* for complete definitions.

Overspecialization of vocational secondary education has limited the flexibility of the labor force, resulting in significantly high unemployment rates. In Poland, unemployment for workers with vocational secondary education exceeded that of all other education levels. This reflects the excessively specialized curricula, which were tailored to the needs of specific industries and enterprises. Under socialism, vocational schools in Poland prepared students for over 250 specializations. With sectoral shifts in employment and the introduction of new technologies, workers have found it difficult to adapt their skills to changes in employer demand.

In Slovakia, Hungary, Poland and the Czech Republic, unemployment is higher for those with vocational secondary education than for those with general secondary education. In Slovakia, unemployment for those with vocational education is growing, while unemployment for general secondary graduates is declining, suggesting that those with general secondary education are better prepared for changes in employment patterns. The reverse is true in Bulgaria, Hungary and Poland, perhaps due to changes in vocational training.

In contrast, unemployment has been stable or declining among university graduates (Figure 13). Rates have dropped most noticeably in Bulgaria and Poland which had the highest levels of unemployment among university graduates. Unemployment for this group has increased slightly in the Czech Republic, yet it remains under 2 percent. As is the case in the OECD countries, a university education provides the best insurance against unemployment. Low unemployment rates for the university educated, and growing returns to education have contributed to 12 increasing enrollments in higher education (Laporte, et al., 1996).

Figure 14: Unemployment Rates, Higher Education (1993-1995)

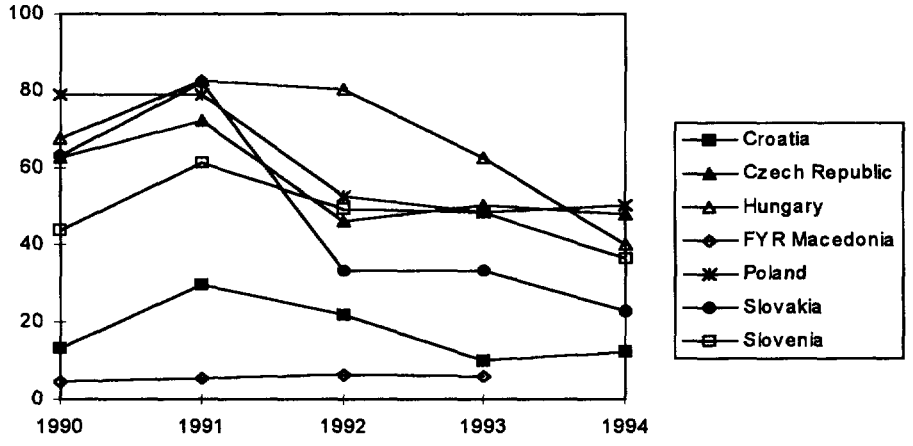


Unemployment patterns have also emerged along ethnic lines. Ethnic minorities throughout the region are overrepresented among the unemployed. Roma, especially, have significantly higher rates of unemployment than any other ethnic group, as a result of low education levels and discrimination. In Hungary the unemployment rate for Roma was four times higher than the national average.

Strategies to assist the unemployed Governments have responded to growing unemployment with a range of passive and active measures. Changes in income support provisions have had a direct bearing on the number of registered unemployed, and are important for a discussion of long-term unemployment. At the outset of transition, generous benefit eligibility requirements provided workers with an incentive to register as unemployed.

The resulting fiscal burden has led to a tightening of eligibility requirements throughout the region. In general, the number of beneficiaries peaked in 1991 and decreased with policy changes and as entitlement periods expired (Figure 15). In Poland, before 1991, nearly all unemployed were eligible for income support and, as a result, 79 percent of those registered drew benefits. This fell rapidly to 52 percent in 1992 with policy changes requiring benefit recipients to have worked 180 days in the past year, and limited the length of entitlement. Individuals who have been unemployed for longer than the entitlement period, usually one year, face limited options. Social assistance programs specifically targeting the long-term unemployed have been introduced in Hungary, but to limited effect (World Bank, 1996).

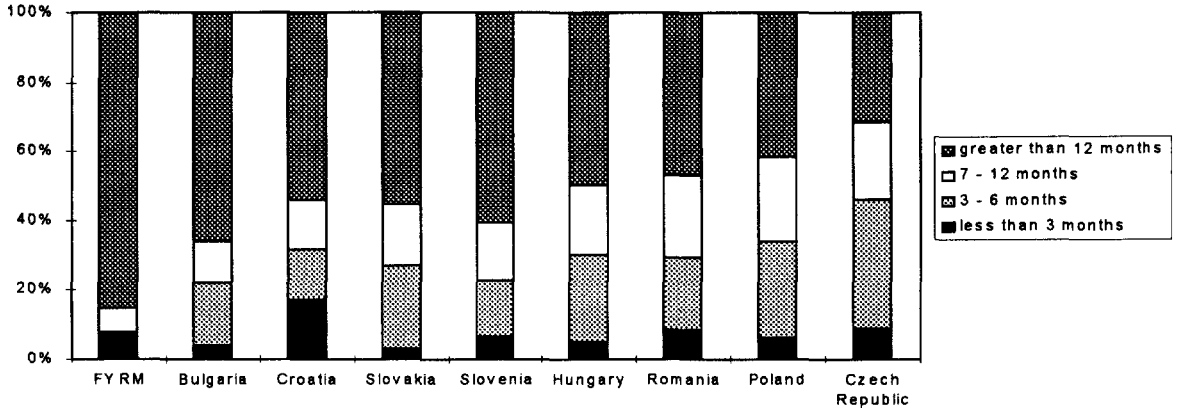
Figure 15: Registered Unemployed Receiving Benefits (1990-1994)



Long-term unemployment The increase in duration of unemployment represents the most serious labor market development during the transition (Figure 16). In all of the countries, the group of unemployed who have been out of work for longer than one year now constitutes the largest share of the unemployed. This is not a unique phenomenon, long-term unemployment is a chronic problem in OECD countries as well. Evidence from Western Europe indicates that the longer an individual is unemployed, the more difficult it is to find work. This is compounded in Central and Eastern Europe by the dearth of active and passive labor market programs specifically targeted at the needs of the long-term unemployed. Without income assistance, the long-term unemployed rapidly fall below the poverty line.

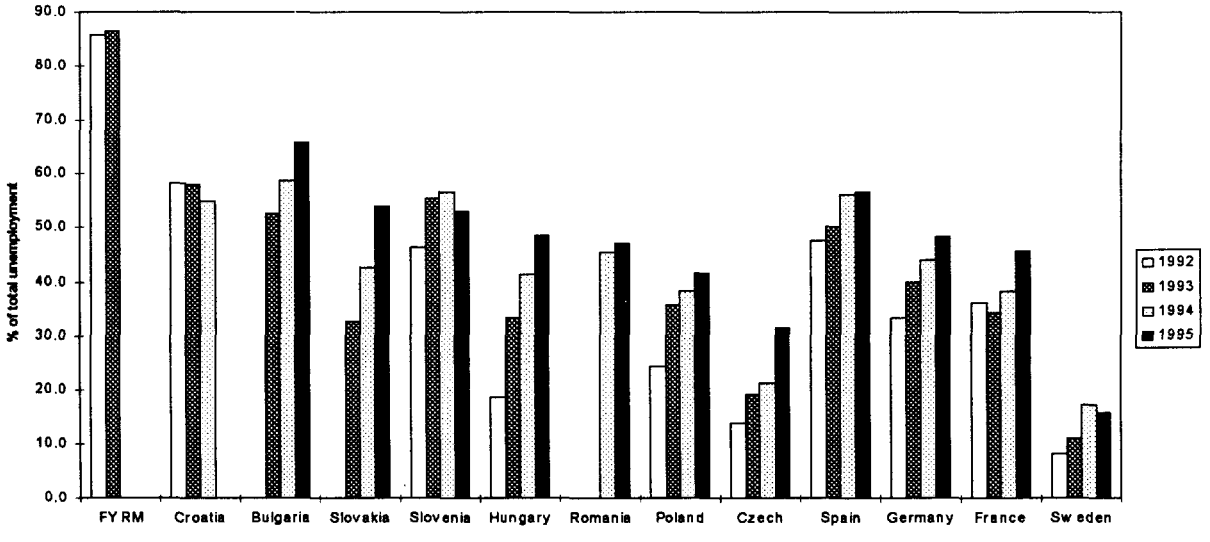
Long-term unemployment in CEE is linked to job transition patterns in the region. Individuals are more likely to be hired out of the public sector into the private sector, or between firms, than from unemployment, or right out of school. As a result, there has been little movement out of unemployment, and the pool of unemployed has become increasingly homogenous. Recent World Bank poverty assessments demonstrate that the characteristics of the unemployed -- age, ethnicity and education -- are all critical risk factors of poverty in the region.

Figure 16: Duration of Unemployment (1995)



The proportion of unemployed who have been unemployed for longer than 12 months has been growing steadily between 1992 and 1995 in all countries except Croatia. Long-term unemployment in CEE now resembles, or even exceeds, levels found in OECD countries (Figure 17). In 1995, long-term unemployment exceeded 60 percent of total unemployed in Bulgaria, a higher incidence rate than that of Spain, a country which has experienced chronically high long-term unemployment. Rates exceeded 40 percent in all countries, except the Czech Republic, which reached 32 percent in 1995. Long-term unemployment in FYR Macedonia is remarkably high, at 87 percent in 1993.

Figure 17: Long-Term Unemployment (1992-1995)



The pool of long-term unemployed in CEE has grown increasingly homogeneous. Evidence indicates that long-term unemployment is concentrated among prime age workers, most likely those who have remained unemployed past the expiration of their unemployment benefits. In 1995, prime age workers comprised more than 70 percent of all long-term unemployed in Bulgaria, Hungary and Poland. Long-term unemployment has been growing rapidly among younger workers as well. Between 1992 and 1993, long-term unemployment rates doubled for young workers in Hungary, and over one-third in Poland and Slovakia (Boeri and Scarpetta, 1994). Educational background is also critical. The proportion of unskilled workers among the long-term unemployed has increased, and workers with primary education only and specialized secondary vocational training have been most vulnerable.

Main Findings and Further Research

From the perspective of families, the outcome of transition in Central and Eastern Europe is highly dependent upon labor market status. There are clear winners and losers. Although impressive improvements in output growth and progress in restructuring have slowed the pace of employment losses in many countries, and indeed brought new job opportunities and higher wages for some, increasing long-term unemployment is a regional phenomenon which is affecting more and more workers. This study provides evidence of labor market adjustment in the context of transition in CEE. Key findings include:

- Aggregate employment fell substantially in all of the countries following the initial output collapse and price shocks after a lag. Employment has continued to decline as firms have adjusted to tightening fiscal constraints, and to increased competition.

- Although private sector employment has grown rapidly during the transition, it has not absorbed all of the jobs lost in the state sector.

- Labor force size has decreased in most countries. Many people have dropped out of the labor force instead of joining the ranks of the unemployed, or working in the private sector. Those who have left the labor force in the greatest numbers include women, young people, and older workers close to, or above, retirement age.

- Withdrawal from the labor force is linked to increased availability of and access to pension schemes and other cash transfers. The expansion of higher education has led many young people to prolong their education and delay entering the workforce.

- Unemployment rates have stabilized and, in some cases, begun to decline in the countries where major restructuring of the state sector has taken place, whereas unemployment continues to increase in countries where the pace of restructuring has been slow.

- Registered unemployment is highest for the young and the poorly educated. So far no clear correlation has emerged between gender and unemployment.

- Long-term unemployment has been escalating rapidly in all countries except Croatia, reaching (and in some cases exceeding) levels close to those characteristic of many OECD countries. The young, those close to retirement, the unskilled and those with primary and vocational education constitute the largest proportions of the long-term unemployed. The growth of long-term unemployment is closely tied to increases in poverty in the region, and represents one of the most serious social costs of the transition.

It remains to be seen whether reforms, including further improvements in education, greater access to capital, and increased labor mobility will enhance the adaptability of labor markets and address the growth of long-term unemployment. This paper is intended to be a starting point, providing a basic analysis of labor market trends thus far in the transition. It is envisaged that additional research and analysis on labor markets during the transition, and across social sectors will be undertaken later this year. Such topics include:

- Further research into the extent and nature of the informal economy.
- Analysis of the connection between long-term unemployment and poverty, and an assessment of policy options for addressing the needs of the long-term unemployed.
- A cross-sectoral study on labor markets and education, investigating sectoral shifts in employment and changing curricula across educational levels.
- An analysis of the geographical mobility of labor and the influence of housing markets and other factors on labor market adjustment.

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ANNEX 1: Data for Figures

Figure 1(a): Real GDP, Industrial Production, Employment Indices (1988-1995)

		1988	1989	1990	1991	1992	1993	1994	1995
Bulgaria									
	Real GDP	100	100.5	91.4	79.7	73.7	69.5	70.9	72.9
	Total Employment	100	97.7	91.2	76.2	67.3	60.9	56.4	54.3
	Industrial Production	100	98.6	82.1	59.7	47.5	40.5	34.5	--
Croatia									
	Real GDP		100	91.4	76.3	63.5	60.3	61.8	63.2
	Total Employment		100	97.5	99.7	91.0	88.6	86.5	78.8
	Industrial Production		100	88.7	60.2	45.2	39.2	36.5	39.4
Czech Republic									
	Real GDP		100	98.8	84.6	78.2	77.3	79.9	84.7
	Total Employment		100	99.0	93.3	90.6	88.0	84.9	90.0
	Industrial Production		100	96.5	74.9	68.7	64.9	66.3	73.5
FYR Macedonia									
	Real GDP			100	90.3	78.0	65.9	60.2	--
	Total Employment			100	94.4	93.8	89.9	84.2	--
	Industrial Production			100	83.0	70.0	61.0	51.0	--
Hungary									
	Real GDP	100	99.8	96.3	84.4	81.4	80.6	83.5	85.4
	Total Employment	100	99.5	98.9	95.7	85.1	74.9	71.3	67.9
	Industrial Production	100	97.9	88.8	72.5	65.5	68.1	74.4	79.7
Poland									
	Real GDP	100	100.2	88.6	81.6	84.2	88 .0	93.0	99.0
	Total Employment	100	99.2	91.5	87.0	84.1	82.4	81.7	80.2
	Industrial Production	100	98.6	72.5	60.6	64.5	70.1	81.6	92.4
Romania									
	Real GDP	100	94.2	88.6	75.7	66.9	68.2	72.1	77.1
	Total Employment	100	101.3	100.3	99.8	96.7	90.5	98.3	100.4
	Industrial Production	100	94.7	71.0	48.2	26.3	27.6	29.7	31.7
Slovakia									
	Real GDP		100	97.5	83.0	76.8	72.7	77.5	84.9
	Total Employment		100	99.8	99.0	93.1	87.2	80.8	82.4
	Industrial Production		100	96.4	78.8	64.8	54.2	50.2	59.2
Slovenia									
	Real GDP	100	98.2	93.5	84.2	78.7	80.0	85.5	90.5
	Total Employment	100	98.9	94.9	86.5	79.4	76.3	74.1	76.2
	Industrial Production	100	101.1	90.6	78.2	65.0	62.2	67.6	73.3

Sources: World Bank, EBRD

Figure 1(b): Changes in Real GDP, Industrial Production, Employment (1988-1995)

	1988	1989	1990	1991	1992	1993	1994	1995
Bulgaria								
Real GDP		0.5	-9.1	-11.7	-6.0	-4.2	1.4	2.0
Total Employment		-2.3	-6.5	-15.0	-8.9	-6.4	-4.6	-2.0
Industrial Production		-1.4	-16.5	-22.4	-12.2	-7.0	-6.0	--
Croatia								
Real GDP			-8.6	-14.4	-9.0	-3.2	2.0	1.4
Total Employment			-2.6	2.3	2.3	-8.8	-2.4	-7.7
Industrial Production			-11.3	-28.5	-15.0	-6.0	-2.7	2.9
Czech Republic								
Real GDP			-1.2	-14.2	-6.4	-0.9	2.6	4.8
Total Employment			-1.0	-5.8	-2.7	-2.6	-3.1	7.2
Industrial Production			-3.5	-21.6	-6.2	-3.8	1.4	4.9
FYR Macedonia								
Real GDP				-9.7	-12.3	-12.1	-5.7	--
Total Employment				-5.6	-0.6	-3.9	-1.2	--
Industrial Production				-17.0	-13.0	-9.0	-10.0	--
Hungary								
Real GDP		-0.2	-3.5	-11.9	-3.0	-0.8	2.9	1.9
Total Employment		-0.5	-0.6	-3.2	-10.6	-10.2	-3.6	-3.4
Industrial Production		-2.1	-9.1	-16.3	-7.0	2.6	6.3	5.3
Poland								
Real GDP		0.2	-11.6	-7.0	2.6	3.8	5.0	6.0
Total Employment		-0.8	-7.7	-4.6	-2.9	-1.7	-0.7	-1.5
Industrial Production		-1.4	-26.1	-11.9	3.9	5.6	11.5	10.8
Romania								
Real GDP		-5.8	-5.6	-12.9	-8.8	1.3	3.9	5.0
Total Employment		1.3	-1.0	-0.5	-3.1	-6.2	7.8	2.1
Industrial Production		-5.3	-23.7	-22.8	-21.9	1.3	2.1	2.0
Slovakia								
Real GDP			-2.5	-14.5	-6.2	-4.1	4.8	4.5
Total Employment			-0.8	-5.7	-5.9	-5.9	-6.4	5.9
Industrial Production			-3.6	-17.6	-14.0	-10.6	-4.0	9.0
Slovenia								
Real GDP		-1.8	-4.7	-9.3	-5.5	1.3	5.5	5.0
Total Employment		-1.1	-4.0	-8.4	-7.1	-3.1	-2.2	2.1
Industrial Production		1.1	-10.5	-12.4	-13.2	-2.8	5.4	5.7

Figure 2: Changes in Population and Labor Force Size (1989-1994)

(% change)	Working Age Population[a]	Labor Force
Bulgaria	-4.6	-15.7
Croatia	-0.3	-6.3
Czech Republic[b]	3.0	-10.6
Hungary	-6.1	-13.3
FYR Macedonia[c]	-5.6	-7.9
Poland[b]	3.3	1.3
Romania[d]	1.3	10.9
Slovakia[b]	4.2	-7.4
Slovenia[f]	0.7	-8.8
OECD[e]	1.6	1.9
OECD Europe[e]	1.7	1.2

a) Defined on a country specific basis, school leaving age to official retirement
b) 1990-94
c) 1991-94
d) 1989-92
e) 1983-92
f) 1990-1993

Figure 3: Changes in Labor Force Participation Rates (1990-1994)

% change	1990-1992[a]	1993-1994[b]
Bulgaria	-6.2	-1.7
Czech Republic	-6.2	0.8
Hungary	-14.2	-2.2
Poland	-0.3	-0.2
Slovakia	-2.6	1.2
Slovenia[c]	-2.1	-1.5
OECD	-0.3	--
OECD Europe	-0.1	--

a) Registration based
b) Survey based
c) 1990-91

Figures 4-5: Participation Rates by Age and Gender, 1994

	Participation Rates			Young Workers[a]			Prime Aged[b]			Post Retirement Age
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Bulgaria	72.5	75.0	71.9	38.0	38.9	37.0	70.8	69.2	72.5	5.6
Croatia[d]	68.0	83.3	52.2	--	--	--	--	--	--	--
Czech Republic	80.4	83.0	77.9	51.5	53.6	49.3	70.8	66.9	75.7	13.5
Hungary	67.9	72.3	63.3	30.3	28.3	33.2	74.0	76.3	71.4	4.0
FYR Macedonia[c]	46.7	--	--	--	--	--	--	--	--	--
Poland[e]	70.7	75.2	64.8	38.8	48.1	32.3	49.0	49.8	47.2	24.2
Slovakia	60.4	77.9	70.2	45.1	50.5	40.5	74.5	76.7	71.9	4.5
Slovenia	71.2	67.9	74.8	40.4	44.5	36.1	72.8	79.0	67.7	4.8
OECD[c]	71.3	80.9	60.3	--	--	--	--	--	--	--
OECD Europe[c]	66.5	75.1	53.3	--	--	--	--	--	--	--

a) School leaving age - 24 years
b) 25 years - official retirement age
c) 1992 data
d) 1993 data for males and females
e) 1993 data for post-retirement age

Figure 6: Withdrawal from the Labor Force on Disability Pensions (1993)

	% Working Age Population		
	Total	Male	Female
Bulgaria	3.4	4.0	2.7
Croatia	2.5	3.4	1.5
Czech Republic	6.6	7.2	5.8
Hungary	7.0	8.4	5.5
FYR Macedonia	1.9	2.5	1.2
Poland	8.2	9.4	6.9
Slovakia	7.5	8.3	6.7

Figure 7: Withdrawal from the Labor Force on Old Age Pensions (1993)

	% of population within 5 years of retirement		
	Total	Male	Female
Croatia	22.8	28.5	17.6
Czech Republic	6.0	7.5	5.1
Hungary	4.3	7.6	1.9
FYR Macedonia	15.3	22.9	8.4
Poland	16.0	20.6	12.2
Slovakia	12.2	13.0	11.7

Figure 8: Decline in Employment (1989-1995)	
	(% change)
Bulgaria	-30.4
Croatia[a]	-12.2
Czech Republic	-9.4
Hungary	-27.3
FYR Macedonia	-26.1
Poland	-14.4
Romania	1.9
Slovakia[b]	-15.0
Slovenia	-20.8
OECD[c]	1.5
OECD Europe	1.2

Notes:
a) 1989-94
b) 1990-95
c) 1989-91

Figure 9: Increasing Share of Private Sector Employment (% of total employment*)						
	1990		1991		1994[a]	
	State	Private	State	Private	State	Private
Bulgaria	94.5	5.5	89.9	10.1	65.3	34.7
Croatia	90.9	9.1	78.2	21.8	53.4	46.6
Czech Republic	85.8	14.2	71.6	28.4	47.2	52.8[b]
Hungary	--	--	66.0	34.0	40.6	59.4
Poland	54.3	45.7	48.9	51.1	40.2	59.8
Romania	68.8	31.2	61.6	38.4	46.6	53.4
Slovakia	95.1	4.9	74.1	25.9	59.5	40.5
Slovenia	87.0	13.0	82.5	17.5	80.1	19.9[c]

Sources: EBRD, Commander and Coricelli, 1995
*) Including cooperatives
a) preliminary data
b) 1993
c) 1992

Figures 10.1-10.2: Employment by Sector: Czech Republic and Slovakia

% of total employment	Czech Republic		Slovakia	
	1991	1995	1991	1995
Agriculture	12.1	6.7	13.7	9.5
Construction	5.6	9.1	7.5	8.7
Financial services and real estate	5.4	6.5	5.3	5.6
Health and education	13.6	12.0	15.2	14.8
Manufacturing	35.1	29.1	35.2	27.1
Mining	3.4	2.0	1.7	1.4
Other services	2.8	3.4	2.1	3.8
Power and water	2.2	2.1	1.7	2.2
Public administration	2.2	5.5	2.3	6.1
Trade and catering	7.9	15.7	8.0	13.1
Transportation and communication	9.8	7.8	7.3	7.8

Figure 11: Registered Unemployment, 1990-1995

	1990	1991	1992	1993	1994	1995
Bulgaria	1.1	6.6	13.2	16.7	15.4	13.9
Croatia	8.0	11.9	13.3	12.9	12.8	12.7
Czech Republic	0.7	4.3	2.7	3.7	3.4	2.9
FYR Macedonia	23.0	24.5	26.2	27.7	30.0	35.6
Hungary	0.7	3.0	9.6	13.5	12.0	11.1
Poland	6.5	12.2	14.3	16.4	16.2	15.9
Romania	--	1.5	5.5	9.4	10.1	9.3
Slovakia	2.0	13.7	13.3	14.8	15.0	15.1
Slovenia	4.7	8.2	11.6	14.5	14.5	--

Figure 12: Unemployment Rates and Age (1995)

	Youth Unemployment[a]			Prime-Aged Unemployment[b]			Older Unemployment		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Bulgaria	37.9	38.1	37.6	13.2	13.2	13.2	10.7	12.8	11.0
Czech	6.3	6.7	5.9	3.0	2.5	3.6	2.2	2.0	2.6
Hungary	19.8	24.0	14.3	9.0	10.2	7.5	5.5	5.7	5.0
Poland	33.7	31.7	33.4	13.6	12.2	15.2	8.4	8.8	7.7
Romania	20.6	18.8	23.1	7.2	6.3	8.3	23.9	26.1	19.6
Slovakia	24.6	26.8	21.7	11.6	10.4	12.9	8.0	7.8	8.3
Slovenia	18.9	18.3	19.6	6.0	6.8	5.2	3.4	3.7	2.9

a) School leaving age to 24 years
b) 25 years - official retirement
c) within 5 years of retirement

Figure 13: Unemployment Rates by Level of Education (1995)

(% of labor force)	Basic	General Secondary	Vocational Secondary	Higher
Bulgaria	25.1	15.6	11.6	5.3
Croatia[a]	14.4	20.5	14.5	4.1
Czech Republic	9.9	1.9	3.3	1.1
Hungary	16.0	6.8	12.2	2.7
Poland	14.6	13.4	18.7	4.2
Romania	5.2	14.8	8.7	2.3
Slovakia	29.2	12.7	13.0	2.9

a) 1991 data

Figure 14: Unemployment Rates and Higher Education

(unemployment rates, %)	1993	1994	1995
Bulgaria	9.3	7.7	5.3
Czech Republic	1.9	1.4	1.1
Hungary	2.9	2.9	2.7
Poland	6.0	5.2	4.2
Romania	--	3.1	2.3
Slovakia	3.3	3.4	2.9

Figure 15: Unemployed Receiving Benefits (% of registered unemployed)

	1989	1990	1991	1992	1993	1994
Croatia	8.7	13.2	29.7	22.1	10.1	12.5
Czech Republic	--	62.5	72.0	46.2	50.4	47.9
Hungary	--	67.5	82.5	80.2	62.6	40.4
FYR Macedonia	4.5	4.7	5.6	6.3	5.9	--
Poland	--	79.2	79.0	52.3	48.3	50.1
Romania	--	--	80.6	69.5	52.4	44.9
Slovakia	--	63.0	82.0	33.6	33.4	22.9
Slovenia	19.5	44.1	61.2	49.5	48.5	36.7

Figure 16: Duration of Unemployment, 1995 (% of total unemployed)

	less than 3 months	3 - 6 months	7 - 12 months	greater than 12 months
Bulgaria	3.9	18.1	12.0	65.8
Croatia[a]	17.8	14.5	14.7	54.7
Czech Republic	8.8	37.4	22.5	31.3
Hungary	5.0	24.5	19.6	48.4
FYR Macedonia[b]	8.0	--	6.9	86.5
Poland	6.2	28.1	24.4	41.7
Romania	8.4	21.3	23.3	47.0
Slovakia	3.2	23.3	17.6	53.8
Slovenia	5.7	14.3	14.3	52.9

a) 1994 data
b) 1993 data

Figure 17: Long-Term Unemployment (1992-1995)

(% of total unemployed)	1992	1993	1994	1995
Bulgaria	--	52.5	58.7	65.8
Croatia	58.2	57.9	54.7	--
Czech Republic	13.7	19.1	21.2	31.3
Hungary	18.6	33.2	41.3	48.4
FYR Macedonia	85.8	86.5	--	--
Poland	24.2	35.6	38.1	41.7
Romania	--	--	45.3	47.0
Slovakia	--	32.6	42.5	53.8
Slovenia	46.3	55.3	56.5	52.9
France	*36.1*	*34.2*	*38.3*	*45.6*
Germany	*33.2*	*40.0*	*43.9*	*48.3*
Spain	*47.4*	*50.1*	*56.1*	*56.5*
Sweden	*8.0*	*10.9*	*17.2*	*15.7*

ANNEX 2: Country Tables

Definitions of Labor Market Indicators

Labor Force

Labor Force: The sum of employed and unemployed.

Participation Rate: The labor force, divided by the working age population.

- *% working age population*: The sum of working age employed and unemployed, divided by the working age population. In general, working age refers to women 15 to 54 and men 15 to 59. See methodological notes for exceptions.
- *% youth working age population*: The sum of youth employed and youth unemployed, divided by the youth working age population.
- *% prime age population*: The sum of prime age employed and prime age unemployed, divided by the prime age working age population.
- *% of population post-retirement*: Post retirement employed, divided by the population over retirement age.

Employment

Annual Change: % change from previous year.

Self-employment: Share of employed who are self employed (uses LFS data). See methodological notes for definition of self-employment.

Employment Rate: The total number of employed, divided by the working age population.

Sectoral Employment: % change from previous year.

Public Sector Employment: The number of employed in the public sector, divided by the sum of public and private employment.

Private Sector Employment: The number of employed in the private sector, divided by the sum of public and private employment.

Employment and Education: The number of employed by level of education, divided by the total number of employed.

Employment and Age: The number of employed in the age group, divided by the corresponding labor force for that age group.

Unemployment

Registered Unemployment Rate: Registered unemployed, divided by the labor force.

Survey Unemployment Rate: LFS unemployed, divided by the LFS labor force.

Unemployment and Age: The number of unemployed in the age group, divided by the corresponding labor force for that age group.

Unemployment and Education: The number of unemployed by level of education, divided by the corresponding labor force with that level of education.

Unemployment and Duration: The total number of unemployed by length of unemployment: i) less than 3 months; ii) 3-6 months; iii) 7-12 months; iv) more than 12 months; divided by the total number of registered unemployed.

Long-Term Unemployment (LTU):

- *% male unemployment*: The total number of male or female long-term unemployed, divided by the total number of male or female unemployed.
- *% youth unemployment*: The total number of youth long-term unemployed, divided by the total number of youth unemployed.
- *% older unemployment*: The total number of older long-term unemployed, divided by the total number of older unemployed.
- *% unemployed with primary and secondary vocational education*: The total number of long-term unemployed with primary and secondary vocational education, divided by the total number of unemployed with primary and secondary vocational education.
- *% unskilled unemployed*: The total number of unskilled unemployed, divided by the total number of unskilled unemployed.

Unemployed and Benefits: The number of registered unemployed receiving income support, divided by the total number of registered unemployed.

Bulgaria		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	-8.5	-1.1	-5.0	-3.0	1.0
% total labor force	*Male*	--	--	--	--	53.0	--	--
% total labor force	*Female*	--	--	--	--	47.0	--	--
Participation Rates								
% working age population	*Total*	--	84.8	78.6	78.5	74.8	72.5	72.3
	Male	--	--	--	--	76.4	75.0	--
	Female	--	--	--	--	73.8	71.9	--
% youth working age population	*Total*	--	--	32.4	34.2	42.9	38.0	34.8
	Male	--	--	--	30.7	42.4	38.9	36.1
	Female	--	--	--	37.9	43.5	37.0	33.5
% prime age population	*Total*	--	--	--	--	72.2	70.8	69.4
	Male	--	--	--	--	70.5	69.2	65.9
	Female	--	--	--	--	74.2	72.5	73.3
% of population post-retirement	*Total*	--	--	--	--	7.1	5.6	4.7
Employment								
Annual change (%)		--	-6.5	-15.0	-8.9	-6.4	-4.6	3.2
Self		--	--	--	--	11.2	11.5	--
Part-time		--	--	--	--	--	1.8	--
Employment Rate								
% of working age population	*Total registered*	88.4	83.8	73.4	68.1	64.0	61.1	62.2
	Total survey	--	--	--	--	62.3	61.1	--
Sectoral Employment (annual change)								
Agriculture		--	--	-8.9	-0.3	--	--	--
Industry		--	--	--	--	--	--	--
Construction		--	--	-33.2	-24.0	--	--	--
Private services		--	--	-7.2	-6.0	--	--	--
Public services and administration		--	--	-4.0	-1.5	--	--	--
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	29.8	27.9	--
% with secondary general education		--	--	--	--	26.9	28.9	--
% with vocational secondary education		--	--	--	--	23.2	22.3	--
% with higher education		--	--	--	--	20.1	20.9	--
Employment and Age								
% of youth working age population		--	--	22.5	15.9	22.7	21.9	21.7
% of prime age population		--	--	--	--	53.6	52.1	54.2
% of population post-retirement		--	--	--	--	7.1	5.6	4.7

Bulgaria		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	1.1	6.6	13.2	16.7	15.4	13.9
% of total unemployed	*Female*	--	--	54.7	52.9	--	--	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	21.4	20.0	--
	Male	--	--	--	--	20.8	20.0	--
	Female	--	--	--	--	22.0	19.9	15.8
Unemployment and Age								
% of youth labor force	*Total*	--	--	30.5	53.6	47.0	42.2	37.9
	Male	--	--	--	56.3	48.1	44.1	38.1
	Female	--	--	--	51.4	46.0	40.2	37.6
% total prime age labor force	*Total*	--	--	--	--	17.7	17.2	13.2
	Male	--	--	--	--	17.1	17.3	13.2
	Female	--	--	--	--	18.3	17.2	13.2
% labor force within 5 years of retirement	*Total*	--	--	--	--	14.9	14.1	10.7
	Male	--	--	--	--	15.1	14.2	12.8
	Female	--	--	--	--	14.5	13.9	11.0
Unemployment and Education								
% of labor force with primary education		--	--	--	--	30.1	29.8	25.1
% of labor force with secondary general education		--	--	--	--	22.2	20.0	15.6
% of labor force with secondary vocational education		--	--	--	--	16.5	15.6	11.6
% of labor force with higher education		--	--	--	6.5	9.3	7.7	5.3
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	--	7.3	4.4	3.9
% unemployed 3-6 months		--	--	--	--	25.6	20.4	18.1
% unemployed 7-12 months		--	--	--	--	14.6	15.9	12.0
% unemployed more than 12 months		--	--	--	--	52.5	58.7	65.8
Long-Term Unemployment								
% male unemployment		--	--	--	--	52.6	57.5	53.0
% female unemployment		--	--	--	--	52.3	60.2	68.6
% youth unemployment		--	--	--	--	43.5	48.5	51.0
% older unemployment		--	--	--	--	41.3	36.6	32.2
% unemployed with primary and secondary vocational education		--	--	--	--	--	61.3	68.1
% unskilled unemployed		--	--	--	--	--	--	--

Croatia		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	NA	-1.3	6.4	-7.0	-2.9	-2.2	-0.1
% total labor force	*Male*	61.9	61.6	64.7	64.8	64.4	--	--
% total labor force	*Female*	38.1	38.4	35.3	35.2	35.6	--	--
Participation Rates								
% working age population	*Total*	71.6	70.7	75.5	70.6	68.0	68.0	67.9
	Male	83.2	81.8	91.9	86.0	83.3	--	--
	Female	58.5	58.1	56.9	53.2	52.2	--	--
% youth working age population	*Total*	--	--	40.9	--	--	--	--
	Male	--	--	40.6	--	--	--	--
	Female	--	--	41.2	--	--	--	--
% prime age population	*Total*	--	--	80.1	--	--	--	--
	Male	--	--	85.5	--	--	--	--
	Female	--	--	73.8	--	--	--	--
% of population post-retirement	*Total*	--	--		--	--	--	--
Employment								
Annual change (%)		--	-2.6	2.3	2.3	-8.8	-2.4	-7.7
Self		--	--	--	--	--	--	--
Part-time		--	--	--	--	--	--	--
Employment Rate								
% of working age population	*Total registered*	66.7	65.0	66.5	61.2	59.9	59.3	55.0
	Total survey	--	--	--	--	--	--	--
Sectoral Employment (annual change)								
Agriculture		--	-1.3	-11.6	-11.3	-8.8	--	--
Industry		--	-2.4	-20.1	-14.1	-4.0	--	--
Construction		--	-7.4	-19.8	-26.3	-19.4	--	--
Private services		--	-5.0	-13.5	-12.4	-5.1	--	--
Public services and administration		--	-1.5	-6.0	-6.8	0.8	--	--
Public sector		--	81.2	64.2	61.7	51.0	--	--
Private sector		--	18.8	35.8	38.3	49.0	--	--
% with primary education or less		--	--	--	--	--	--	--
% with secondary general education		--	--	--	--	--	--	--
% with vocational secondary education		--	--	--	--	--	--	--
% with higher education		--	--	--	--	--	--	--
Employment and Age								
% of youth working age population		--	--	25.0	--	--	--	--
% of prime age population		--	--	80.1	--	--	--	--
% of population post-retirement		--	--	7.3	--	--	--	--

Croatia		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	6.9	8.0	11.9	13.3	12.9	12.8	12.7
% of total unemployed	*Female*	59.6	56.9	52.5	53.0	55.2	53.6	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
Unemployment and Age								
% of youth labor force	*Total*	--	--	38.9	--	--	--	--
	Male	--	--	34.4	--	--	--	--
	Female	--	--	43.5	--	--	--	--
% total prime age labor force	*Total*	--	--	10.3	--	--	--	--
	Male	--	--	9.0	--	--	--	--
	Female	--	--	11.9	--	--	--	--
% labor force within 5 years of retirement	*Total*	--	--	12.0	--	--	--	--
	Male	--	--	12.7	--	--	--	--
	Female	--	--	11.3	--	--	--	--
Unemployment and Education								
% of labor force with primary education		--	--	14.4	--	--	--	--
% of labor force with secondary general education		--	--	20.5	--	--	--	--
% of labor force with secondary vocational education		--	--	14.5	--	--	--	--
% of labor force with higher education		--	--	4.1	--	--	--	--
Unemployment and Duration								
% unemployed less than 3 months		24.9	32.5	15.6	13.9	14.1	17.8	--
% unemployed 3-6 months		17.2	25.1	17.1	12.7	12.6	14.5	--
% unemployed 7-12 months		15.5	22.3	29.9	13.1	12.3	14.7	--
% unemployed more than 12 months		45.9	41.7	49.1	58.2	57.9	54.7	--
Long-Term Unemployment								
% male unemployment		41.1	36.9	43.5	55.8	55.0	50.9	--
% female unemployment		49.1	45.4	54.1	60.3	60.3	58.1	--
% youth unemployment		28.1	32.7	45.2	50.0	47.2	35.5	--
% older unemployment		--	--	--	--	--	--	--
% unemployed with primary and secondary vocational education		20.9	16.0	22.3	36.4	29.6	25.4	--
% unskilled unemployed		--	--	--	--	--	--	--

Czech Republic		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	-3.5	-2.9	-1.5	-3.5	4.4
% total labor force	*Male*	--	--	--	--	52.0	49.6	59.9
% total labor force	*Female*	--	--	--	--	48.0	50.4	40.1
Participation Rates								
% working age population	*Total*	--	84.4	81.1	78.2	79.6	80.4	79.3
	Male	--	--	--	--	82.8	83.0	98.3
	Female	--	--	--	--	77.0	77.9	61.5
% youth working age population	*Total*	--	--	--	--	49.3	51.5	50.9
	Male	--	--	--	--	51.5	53.6	53.1
	Female	--	--	--	--	47.0	49.3	48.6
% prime age population	*Total*	--	--	98.5	--	71.1	70.8	73.5
	Male	--	--	98.7	--	66.7	66.9	81.4
	Female	--	--	98.2	--	76.4	75.7	66.4
% of population post-retirement	*Total*	--	--	--	--	13.4	13.5	--
Employment								
Annual change (%)		--	-1.0	-5.8	-2.7	-2.6	-3.1	4.9
Self		--	--	--	--	13.0	12.8	13.6
Part-time		--	--	--	--	5.7	6.5	6.4
Employment Rate								
% of working age population	*Total registered*	--	83.8	78.8	76.1	73.5	70.8	77.0
	Total survey	--	--	--	--	75.8	76.4	79.8
Sectoral Employment (annual change)								
Agriculture		--	--	--	-26.4	-8.3	-11.4	-5.1
Industry		--	--	--	-13.7	11.3	-2.4	-0.3
Construction		--	--	--	-17.4	49.0	9.0	-1.3
Private services		--	--	--	-18.0	36.8	6.3	20.5
Public services and administration		--	--	--	1.0	20.8	2.4	-0.3
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	13.1	12.7	12.1
% with secondary general education		--	--	--	--	30.4	31.8	32.0
% with vocational secondary education		--	--	--	--	45.9	45.4	45.4
% with higher education		--	--	--	--	10.7	10.1	10.6
Employment and Age								
% of youth working age population		--	--	--	--	46.2	48.1	47.7
% of prime age population		--	--	95.4	--	68.6	68.4	71.3
% of population post-retirement		--	--	--	--	13.4	13.5	--

Czech Republic		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	0.7	4.3	2.7	3.7	3.4	2.9
% of total unemployed	*Female*	--	--	57.4	57.8	55.9	59.0	60.3
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	3.9	3.7	3.5
	Male	--	--	--	--	3.2	3.2	3.1
	Female	--	--	--	--	4.6	4.3	3.9
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	--	6.4	6.7	6.3
	Male	--	--	--	--	5.9	6.7	6.7
	Female	--	--	--	--	6.8	6.6	5.9
% total prime age labor force	*Total*	--	--	3.1	--	3.4	3.4	3.0
	Male	--	--	2.3	--	2.7	2.6	2.5
	Female	--	--	4.2	--	4.2	4.2	3.6
% labor force within 5 years of retirement	*Total*	--	--	1.0	--	1.9	1.7	2.2
	Male	--	--	1.7	--	1.5	1.9	2.0
	Female	--	--	0.3	--	2.8	1.3	2.6
Unemployment and Education								
% of labor force with primary education		--	--	--	--	8.8	8.1	9.9
% of labor force with secondary general education		--	--	--	--	2.7	2.6	1.9
% of labor force with secondary vocational education		--	--	--	--	3.6	3.7	3.3
% of labor force with higher education		--	--	--	--	1.9	1.4	1.1
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	--	14.1	13.0	8.8
% unemployed 3-6 months		--	--	98.8	54.1	47.2	47.2	37.4
% unemployed 7-12 months		--	--	14.8	24.8	19.6	18.7	22.5
% unemployed more than 12 months		--	--	0.8	13.7	19.1	21.2	31.3
Long-Term Unemployment								
% male unemployment		--	--	--	15.0	20.5	19.1	31.8
% female unemployment		--	--	--	14.6	18.0	23.1	30.9
% youth unemployment		--	--	--	--	11.5	15.5	23.6
% older unemployment		--	--	--	--	33.3	27.3	37.5
% unemployed with primary and secondary vocational education		--	--	--	--	21.8	23.1	33.8
% unskilled unemployed		--	--	--	--	27.5	28.9	41.9

Hungary		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	0.1	-0.8	-8.7	-5.4	-6.0
% total labor force	*Male*	--	51.5	52.6	58.3	56.2	55.7	--
% total labor force	*Female*	--	48.5	47.4	41.7	43.8	44.3	--
Participation Rates								
% working age population	*Total*	--	75.2	--	72.9	70.1	67.9	73.0
	Male	--	90.7	92.2	75.1	72.6	72.3	--
	Female	--	93.0	90.4	68.9	66.1	63.3	--
% youth working age population	*Total*	--	--	--	38.5	36.8	30.3	34.3
	Male	--	--	--	40.5	39.2	28.3	37.6
	Female	--	--	--	36.4	34.3	33.2	30.7
% prime age population	*Total*	--	--	--	78.6	76.6	74.0	70.5
	Male	--	--	--	80.1	78.4	76.3	73.3
	Female	--	--	--	76.9	74.6	71.4	67.3
% of population post-retirement	*Total*	--	--	--	6.7	4.7	4.0	3.7
Employment								
Annual change (%)		--	-0.6	-3.2	-10.6	-10.2	-5.2	-3.4
Self		--	--	--	19.7	17.1	16.6	14.3
Part-time		--	--	--	--	--	--	--
Employment Rate								
% of working age population	*Total registered*	92.3	91.2	87.9	79.2	71.7	65.2	64.9
	Total survey	--	--	--	72.0	67.4	62.8	64.1
Sectoral Employment (annual change)								
Agriculture		--	-3.3	-14.3	-81.6	-30.5	-4.4	-15.7
Industry		--	--	--	--	-10.1	-5.8	-4.8
Construction		--	-3.2	-1.6	-60.4	-2.1	-4.5	5.6
Private services		--	--	--	--	-3.1	2.7	1.5
Public services and administration		--	--	--	--	5.8	-7.6	-0.2
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	26.9	25.4	23.6	21.7
% with secondary general education		--	--	--	27.4	27.9	28.0	27.9
% with vocational secondary education		--	--	--	24.7	25.4	27.2	27.5
% with higher education		--	--	--	13.4	13.9	13.7	14.2
Employment and Age								
% of youth working age population		--	--	--	31.3	28.5	24.1	27.5
% of prime age population		--	--	--	77.6	73.2	73.2	72.1
% of population post-retirement		--	--	--	6.7	4.7	4.0	3.7

Hungary		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	0.7	3.0	9.6	13.5	12.0	11.1
% of total unemployed	*Female*	--	--	--	--	--	--	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	9.1	11.2	10.1	9.4
	Male	--	--	--	10.4	13.2	11.7	10.4
	Female	--	--	--	7.7	9.1	8.4	8.0
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	18.7	22.5	20.5	19.8
	Male	--	--	--	22.0	26.4	23.9	24.0
	Female	--	--	--	14.8	17.8	16.4	14.3
% total prime age labor force	*Total*	--	--	--	8.6	10.8	9.5	9.0
	Male	--	--	--	9.4	12.4	10.4	10.2
	Female	--	--	--	7.8	8.9	8.3	7.5
% labor force within 5 years of retirement	*Total*	--	--	--	8.3	10.4	5.8	5.5
	Male	--	--	--	5.3	8.1	6.7	5.7
	Female	--	--	--	14.1	15.4	3.6	5.0
Unemployment and Education								
% of labor force with primary education		--	--	--	14.4	17.4	16.0	16.0
% of labor force with secondary general education		--	--	--	7.1	8.6	7.8	6.8
% of labor force with secondary vocational education		--	--	--	11.6	14.5	12.8	12.2
% of labor force with higher education		--	--	--	2.7	2.9	2.9	2.7
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	30.8	16.6	7.5	5.0
% unemployed 3-6 months		--	--	--	22.0	21.2	24.8	24.5
% unemployed 7-12 months		--	--	--	25.2	24.0	21.6	19.6
% unemployed more than 12 months		--	--	--	18.6	33.2	41.3	48.4
Long-Term Unemployment								
% male unemployment		--	--	--	19.2	32.4	44.7	49.6
% female unemployment		--	--	--	17.5	34.5	36.2	46.3
% youth unemployment		--	--	--	14.2	24.0	30.9	37.1
% older unemployment		--	--	--	8.5	25.4	38.7	58.6
% unemployed with primary and secondary vocational education		--	--	--	17.3	31.0	43.4	49.6
% unskilled unemployed		--	--	--	21.6	38.4	50.2	53.2

FYR Macedonia		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	-1.0	-2.5	-3.7	-2.1	-1.8
% total labor force	*Male*	--	--	--	--	--	--	--
% total labor force	*Female*	--	--	--	--	--	--	--
Participation Rates								
% working age population	*Total*	--	52.7	51.8	50.2	47.9	46.7	45.4
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
% youth working age population	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
% prime age population	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
% of population post-retirement	*Total*	--	--	--	--	--	--	--
Employment								
Annual change (%)		-1.5	--	-3.0	-4.9	-5.8	-5.6	-10.5
Self		--	--	--	--	--	--	--
Part-time		--	--	--	--	--	--	--
Employment Rate								
% of working age population	*Total registered*	--	40.6	39.1	37.0	34.7	36.2	--
	Total survey	--	--	--	--	--	--	--
Sectoral Employment (annual change)								
Agriculture		--	--	--	--	--	--	--
Industry		--	--	--	--	--	--	--
Construction		--	--	--	--	--	--	--
Private services		--	--	--	--	--	--	--
Public services and administration		--	--	--	--	--	--	--
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	--	--	--
% with secondary general education		--	--	--	--	--	--	--
% with vocational secondary education		--	--	--	--	--	--	--
% with higher education		--	--	--	--	--	--	--
Employment and Age								
% of youth working age population		--	--	--	--	--	--	--
% of prime age population		--	--	--	--	--	--	--
% of population post-retirement		--	--	--	--	--	--	--

FYR Macedonia		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	23.0	24.5	26.2	27.7	30.0	35.6
% of total unemployed	*Female*	51.9	51.1	50.4	49.6	49.2	48.5	46.9
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
% total prime age labor force	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
% labor force within 5 years of retirement	*Total*	--	--	--	--	--	--	--
	Male	--	--	--	--	--	--	--
	Female	--	--	--	--	--	--	--
Unemployment and Education								
% of labor force with primary education		--	--	--	--	--	--	--
% of labor force with secondary general education		--	--	--	--	--	--	--
% of labor force with secondary vocational education		--	--	--	--	--	--	--
% of labor force with higher education		--	--	--	--	--	--	--
Unemployment and Duration								
% unemployed less than 3 months		15.2	15.0	7.2	7.7	8.0	9.5	6.5
% unemployed 3-6 months		--	--	--	--	--	--	--
% unemployed 7-12 months		10.9	6.6	8.4	7.3	6.9	8.8	16.6
% unemployed more than 12 months		76.0	80.3	85.6	85.8	86.5	87.4	82.8
Long-Term Unemployment								
% male unemployment		72.6	78.1	84.5	78.8	85.8	--	--
% female unemployment		79.1	82.4	86.7	92.8	87.3	92.6	91.1
% youth unemployment		--	--	--	--	--	--	--
% older unemployment		--	--	--	--	--	--	--
% unemployed with primary and secondary vocational education		49.6	49.6	48.9	49.2	48.6	--	--
% unskilled unemployed		87.8	86.9	86.3	87.4	88.8	--	--

Poland		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	1.9	-0.4	0.7	-0.9	1.2
% total labor force	*Male*	--	--	--	54.5	55.0	55.1	--
% total labor force	*Female*	--	--	--	45.5	45.0	44.9	--
Participation Rates								
% working age population	*Total*	--	59.5	60.1	59.2	59.0	70.7	61.7
	Male	--	--	--	61.6	75.6	75.2	--
	Female	--	--	--	56.6	65.7	64.8	--
% youth working age population	*Total*	--	--	--	38.8	35.0	38.8	36.7
	Male	--	--	--	38.8	33.7	48.1	45.3
	Female	--	--	--	38.9	38.4	32.3	32.2
% prime age population	*Total*	--	--	--	49.9	49.2	49.0	51.2
	Male	--	--	--	52.3	50.9	49.8	53.5
	Female	--	--	--	47.2	47.4	47.2	48.8
% of population post-retirement	*Total*	--	--	--	25.3	24.2	--	--
Employment								
Annual change (%)		--	-7.7	-4.6	-2.9	-1.7	-0.7	1.6
Self		--	--	--	30.0	30.9	31.1	--
Part-time		--	--	--	11.3	11.0	10.8	--
Employment Rate								
% of working age population	*Total registered*	60.4	55.7	52.7	50.7	49.4	49.8	51.9
	Total survey	--	--	--	51.3	49.6	60.0	--
Sectoral Employment (annual change)								
Agriculture		--	--	--	--	-6.1	2.4	-17.7
Industry		--	--	--	--	-3.7	0.0	0.6
Construction		--	--	--	--	-4.1	-1.7	-3.0
Private services		--	--	--	--	2.3	4.2	9.6
Public services and administration		--	--	--	--	--	--	-1.5
Public sector		--	--	--	--	47.8	45.7	--
Private sector		--	--	--	--	52.2	54.3	--
Employment and Education								
% with primary education or less		--	--	--	26.9	25.0	23.2	--
% with secondary general education		--	--	--	28.6	29.1	30.3	--
% with vocational secondary education		--	--	--	30.6	32.0	32.6	--
% with higher education		--	--	--	13.8	13.8	13.8	--
Employment and Age								
% of youth working age population		--	--	--	28.7	24.6	26.9	24.3
% of prime age population		--	--	--	36.9	35.8	34.8	36.8
% of population post-retirement		--	--	--	25.3	24.2	--	--

Poland		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	6.5	12.2	14.3	16.4	16.2	15.9
% of total unemployed	*Female*	--	50.9	52.6	53.4	52.2	52.7	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	12.9	13.8	14.0	--
	Male	--	--	--	11.9	12.4	12.8	--
	Female	--	--	--	14.1	15.4	15.5	15.6
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	26.1	29.8	30.8	33.7
	Male	--	--	--	24.4	27.8	30.2	31.7
	Female	--	--	--	28.4	30.8	30.6	33.4
% total prime age labor force	*Total*	--	--	--	12.2	13.0	13.2	13.6
	Male	--	--	--	10.8	11.4	11.5	12.2
	Female	--	--	--	13.9	14.9	15.4	15.2
% labor force within 5 years of retirement	*Total*	--	--	--	1.7	2.0	1.8	8.4
	Male	--	--	--	1.3	1.2	1.2	8.8
	Female	--	--	--	2.4	3.3	2.8	7.7
Unemployment and Education								
% of labor force with primary education		--	--	--	12.0	14.0	15.0	14.6
% of labor force with secondary general education		--	--	--	3.9	3.9	4.1	13.4
% of labor force with secondary vocational education		--	--	--	22.8	23.6	23.8	18.7
% of labor force with higher education		--	--	--	6.6	6.0	5.2	4.2
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	7.5	6.6	7.6	6.2
% unemployed 3-6 months		--	--	--	31.7	27.7	25.4	28.1
% unemployed 7-12 months		--	--	--	35.5	27.6	28.8	24.4
% unemployed more than 12 months		--	--	--	24.2	35.6	38.1	41.7
Long-Term Unemployment								
% male unemployment		--	--	--	24.2	39.6	34.5	38.2
% female unemployment		--	--	--	24.2	31.9	41.8	45.1
% youth unemployment		--	--	--	17.4	26.0	26.0	29.0
% older unemployment		--	--	--	65.0	66.7	--	38.7
% unemployed with primary and secondary vocational education		--	--	--	6.7	11.8	12.3	16.7
% unskilled unemployed		--	--	--	23.8	74.4	72.9	96.1

Romania		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	--	1.1	0.4	8.5	1.2
% total labor force	*Male*	--	--	52.9	53.2	--	--	--
% total labor force	*Female*	--	--	47.1	46.8	--	--	--
Participation Rates								
% working age population	*Total*	--	--	78.5	79.2	79.4	86.8	87.9
	Male	--	--	79.2	80.5	--	--	--
	Female	--	--	77.7	77.8	--	--	--
% youth working age population	*Total*	--	--	--	--	--	52.2	55.0
	Male	--	--	--	--	--	59.1	62.0
	Female	--	--	--	--	--	45.0	47.8
% prime age population	*Total*	--	--	--	--	--	65.3	66.4
	Male	--	--	--	--	--	65.1	67.1
	Female	--	--	--	--	--	65.7	65.5
% of population post-retirement	*Total*	--	--	--	--	--	36.9	39.1
Employment								
Annual change (%)		--	-1.0	-0.5	-3.1	-3.9	7.8	2.1
Self		--	--	--	--	--	35.1	38.4
Part-time		--	--	--	--	--	13.3	14.5
Employment Rate								
% of working age population	*Total registered*	--	77.8	77.3	74.9	78.0	79.7	0.0
	Total survey	--	--	--	--	--	78.0	79.7
Sectoral Employment (annual change)								
Agriculture		--	--	1.8	6.9	4.8	15.0	5.3
Industry		--	--	-8.1	-15.2	-8.9	3.3	-5.0
Construction		--	--	-19.7	13.5	-0.9	-26.9	3.4
Private services		--	--	1.7	7.2	-5.8	-21.1	2.0
Public services and administration		--	--	3.3	1.0	0.6	32.0	6.3
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	--	43.9	44.9
% with secondary general education		--	--	--	--	--	20.9	20.2
% with vocational secondary education		--	--	--	--	--	27.2	26.7
% with higher education		--	--	--	--	--	8.0	8.1
Employment and Age								
% of youth working age population		--	--	--	--	--	40.4	43.7
% of prime age population		--	--	--	--	--	50.7	52.7
% of population post-retirement		--	--	--	--	--	36.9	39.1

Romania		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	--	1.5	5.5	9.4	10.1	9.3
% of total unemployed	*Female*	--	--	61.1	47.1	59.0	57.5	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	--	8.2	8.0
	Male	--	--	--	--	--	7.7	7.5
	Female	--	--	--	--	--	8.7	8.6
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	--	--	22.5	20.6
	Male	--	--	--	--	--	20.2	18.8
	Female	--	--	--	--	--	25.7	23.1
% total prime age labor force	*Total*	--	--	--	--	--	7.1	7.2
	Male	--	--	--	--	--	6.4	6.3
	Female	--	--	--	--	--	7.9	8.3
% labor force within 5 years of retirement	*Total*	--	--	--	--	--	21.8	23.9
	Male	--	--	--	--	--	21.7	26.1
	Female	--	--	--	--	--	21.9	19.6
Unemployment and Education								
% of labor force with primary education		--	--	--	--	--	7.0	5.2
% of labor force with secondary general education		--	--	--	--	--	11.1	14.8
% of labor force with secondary vocational education		--	--	--	--	--	9.1	8.7
% of labor force with higher education		--	--	--	--	--	3.1	2.3
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	--	--	2.7	8.4
% unemployed 3-6 months		--	--	--	--	--	38.5	21.3
% unemployed 7-12 months		--	--	--	--	--	13.5	23.3
% unemployed more than 12 months		--	--	--	--	--	45.3	47.0
Long-Term Unemployment								
% male unemployment		--	--	--	--	--	39.6	46.2
% female unemployment		--	--	--	--	--	51.0	47.9
% youth unemployment		--	--	--	--	--	44.3	41.7
% older unemployment		--	--	--	--	--	48.8	48.4
% unemployed with primary and secondary vocational education		--	--	--	--	--	45.7	58.2
% unskilled unemployed		--	--	--	--	--	41.9	48.5

Slovakia		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	--	8.3	-12.2	20.0	0.9	1.7
% total labor force	*Male*	--	--	--	--	57.7	56.4	--
% total labor force	*Female*	--	--	--	--	42.3	43.6	--
Participation Rates								
% working age population	*Total*	--	66.1	71.6	63.1	75.5	60.4	68.5
	Male	--	--	--	--	64.8	77.9	--
	Female	--	--	--	--	53.2	70.2	--
% youth working age population	*Total*	--	--	--	--	43.7	45.2	45.3
	Male	--	--	--	--	52.6	50.5	51.2
	Female	--	--	--	--	36.2	39.6	39.1
% prime age population	*Total*	--	--	--	--	76.7	74.6	62.4
	Male	--	--	--	--	77.0	76.8	55.4
	Female	--	--	--	--	76.3	71.9	73.0
% of population post-retirement	*Total*	--	--	--	--	5.5	4.5	4.5
Employment								
Annual change (%)		--	--	-4.2	-11.6	18.3	0.9	1.6
Self		--	--	--	--	6.6	6.3	--
Part-time		--	--	--	--	3.3	2.8	--
Employment Rate								
% of working age population	*Total registered*	--	64.8	61.8	54.8	64.1	66.0	58.1
	Total survey	--	64.8	61.8	62.6	64.1	66.0	--
Sectoral Employment (annual change)								
Agriculture		--	--	--	-23.3	8.0	-9.8	-1.4
Industry		--	--	--	-15.0	3.8	-6.1	-4.3
Construction		--	--	--	-16.7	33.7	-1.6	-3.7
Private services		--	--	--	-14.4	33.3	-0.6	7.0
Public services and administration		--	--	--	6.0	21.9	-5.5	1.2
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	14.3	11.6	--
% with secondary general education		--	--	--	--	4.1	4.2	--
% with vocational secondary education		--	--	--	--	73.0	70.8	--
% with higher education		--	--	--	--	13.9	13.4	--
Employment and Age								
% of youth working age population		--	--	--	--	33.3	33.4	34.1
% of prime age population		--	--	--	--	65.2	61.8	50.5
% of population post-retirement		--	--	--	--	5.5	4.5	4.5

Slovakia		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	--	2.0	13.7	13.3	15.0	15.0	15.1
% of total unemployed	*Female*	--	49.9	52.0	50.1	47.5	48.8	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	7.8	12.7	12.4	13.4	--
	Male	--	--	--	--	12.6	13.2	--
	Female	--	--	--	--	12.2	13.7	13.8
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	--	23.7	26.1	24.6
	Male	--	--	--	--	28.0	27.0	26.8
	Female	--	--	--	--	18.5	24.8	21.7
% total prime age labor force	*Total*	--	--	--	--	9.9	11.4	11.6
	Male	--	--	--	--	10.1	10.7	10.4
	Female	--	--	--	--	9.7	12.0	12.9
% labor force within 5 years of retirement	*Total*	--	--	--	--	7.7	7.6	8.0
	Male	--	--	--	--	7.0	7.6	7.8
	Female	--	--	--	--	9.2	7.6	8.3
Unemployment and Education								
% of labor force with primary education		--	--	--	--	23.2	28.0	29.2
% of labor force with secondary general education		--	--	--	--	11.5	12.9	12.7
% of labor force with secondary vocational education		--	--	--	--	10.6	12.2	13.0
% of labor force with higher education		--	--	--	--	3.3	3.4	2.9
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	--	5.0	4.7	3.2
% unemployed 3-6 months		--	--	--	42.2	28.0	30.1	23.3
% unemployed 7-12 months		--	--	--	32.3	12.8	23.6	17.6
% unemployed more than 12 months		--	--	--	25.5	32.6	42.5	53.8
Long-Term Unemployment								
% male unemployment		--	--	--	--	27.7	41.0	51.5
% female unemployment		--	--	--	--	39.2	44.3	56.4
% youth unemployment		--	--	--	--	--	34.2	39.9
% older unemployment		--	--	--	--	--	14.6	72.1
% unemployed with primary and secondary vocational education		--	--	--	--	--	43.3	50.3
% unskilled unemployed		--	--	--	--	--	57.4	64.4

Slovenia		1989	1990	1991	1992	1993	1994	1995
Labor Force								
Annual change (%)	*Total*	--	-2.1	-4.4	-3.2	0.4	-2.3	--
% total labor force	*Male*	58.0	57.4	57.3	57.1	53.6	50.6	--
% total labor force	*Female*	42.0	42.6	42.7	42.9	46.4	49.4	--
Participation Rates								
% working age population	*Total*	--	79.0	75.5	73.0	73.2	71.2	--
	Male	--	85.6	81.6	78.6	73.9	67.9	--
	Female	--	71.6	68.6	66.7	72.4	74.8	--
% youth working age population	*Total*	--	--	--	--	42.0	40.4	43.1
	Male	--	--	--	--	45.3	44.5	47.0
	Female	--	--	--	--	38.6	36.1	38.9
% prime age population	*Total*	--	--	--	--	85.8	72.8	73.0
	Male	--	--	--	--	85.7	79.0	70.6
	Female	--	--	--	--	86.2	67.7	75.8
% of population post-retirement	*Total*	--	--	--	--	3.3	4.8	5.9
Employment								
Annual change (%)		--	-4.0	-8.4	-7.1	-3.1	-2.2	0.7
Self		--	--	--	--	--	--	--
Part-time		--	--	--	--	1.8	--	--
Employment Rate								
% of working age population	*Total registered*	--	75.3	69.3	64.5	62.5	60.9	60.9
	Total survey	--	--	--	--	67.3	--	--
Sectoral Employment (annual change)								
Agriculture		--	--	--	--	8.2	-6.5	--
Industry		--	--	--	--	--	7.2	--
Construction		--	--	--	--	4.2	-6.7	--
Private services		--	--	--	--	--	6.2	--
Public services and administration		--	--	--	--	--	2.9	--
Public sector		--	--	--	--	--	--	--
Private sector		--	--	--	--	--	--	--
Employment and Education								
% with primary education or less		--	--	--	--	--	--	--
% with secondary general education		--	--	--	--	--	--	--
% with vocational secondary education		--	--	--	--	--	--	--
% with higher education		--	--	--	--	--	--	--
Employment and Age								
% of youth working age population		--	--	--	--	31.7	31.5	34.9
% of prime age population		--	--	--	--	--	61.2	64.6
% of population post-retirement		--	--	--	--	3.3	4.8	5.9

Slovenia		1989	1990	1991	1992	1993	1994	1995
Registered Unemployment								
% of labor force	*Total*	2.9	4.7	8.2	11.6	14.5	14.5	--
% of total unemployed	*Female*	48.9	47.9	44.7	43.9	43.8	45.7	--
Survey Unemployment								
% of LFS labor force	*Total*	--	--	--	--	9.4	--	--
	Male	--	--	--	--	10.0	--	--
	Female	--	--	--	--	8.7	8.5	7.0
Unemployment and Age								
% of youth labor force	*Total*	--	--	--	--	24.6	22.0	18.9
	Male	--	--	--	--	26.9	21.2	18.3
	Female	--	--	--	--	21.8	23.1	19.6
% total prime age labor force	*Total*	--	--	--	--	6.8	8.3	6.0
	Male	--	--	--	--	7.3	8.4	6.8
	Female	--	--	--	--	6.2	7.0	5.2
% labor force within 5 years of retirement	*Total*	--	--	--	--	--	2.4	3.4
	Male	--	--	--	--	--	4.9	3.7
	Female	--	--	--	--	--	4.4	2.9
Unemployment and Education								
% of labor force with primary education		--	--	--	--	--	--	9.5
% of labor force with secondary general education		--	--	--	--	--	--	6.7
% of labor force with secondary vocational education		--	--	--	--	--	--	8.3
% of labor force with higher education		--	--	--	--	--	--	2.1
Unemployment and Duration								
% unemployed less than 3 months		--	--	--	16.3	16.5	12.9	5.7
% unemployed 3-6 months		--	--	--	11.3	11.8	10.6	14.3
% unemployed 7-12 months		--	--	--	21.3	15.3	16.5	14.3
% unemployed more than 12 months		--	--	--	46.3	55.3	56.5	52.9
Long-Term Unemployment								
% male unemployment		--	--	--	43.5	57.1	60.4	59.0
% female unemployment		--	--	--	47.1	50.0	51.4	48.4
% youth unemployment		--	--	--	44.8	43.3	42.3	62.5
% older unemployment		--	--	--	--	50.0	66.7	100.0
% unemployed with primary and secondary vocational education		--	--	--	50.0	59.3	41.5	72.9
% unskilled unemployed		--	--	--	50.0	66.7	55.6	66.7

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WASHINGTONDC

World Wide Web: http://www.worldbank.org

E-mail: books@worldbank.org

EUROPEAN OFFICE

66, avenue d'Iéna
75116 Paris, France

Telephone: 1. 40.69.30.00

Facsimile: 1. 40.69.30.66

Telex: 640651

TOKYO OFFICE

Kokusai Building
1-1, Marunouchi 3-chome
Chiyoda-ku, Tokyo 100, Japan

Telephone: 3. 3214.5001

Facsimile: 3. 3214.3657

Telex: 26838

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