Unemployment In Transition Restructuring And Labour Markets In Central Europe

Explore the complex dynamics of unemployment in Central Europe as the region undergoes significant economic transition and restructuring. This content delves into how these shifts impact labour markets across Central Europe, examining the challenges and opportunities arising from evolving post-communist economies and broader societal changes.

Unemployment in Transition

The emergence of open unemployment is an unavoidable consequence of postcommunist transition. Some countries-notably in the former Soviet Union-initially slowed economic contraction. But in the longer run slower reformers have generally sustained deeper and more prolonged recessions than faster reforming central European countries. Moreover, the initially low unemployment rates in the former Soviet Union are now rising, and may stabilise at higher post-transition equilibrium rates than in Central Europe.

Enterprise Restructuring and Unemployment in Models of Transition

This volume is primarily concerned with the first key component of transition: restructuring—the changing behavior of firms and their complex interaction with the labor market, most particularly with unemployment. Chapter 1 gives an overview of firm behavior, restructuring, and the labor market in the transition. Chapter 2 focuses on the effect of output, ownership, and legal form on employment and wages in Central European firms. Chapter 3 explores employment and wage setting in three stages of Hungary's labor market transition. Chapter 4 considers enterprises in the Polish transition. Chapter 5 explains labor market flows in the midst of structural change. Chapter 6 explores the role of unemployment and restructuring in the transition, and chapter 7 presents a numerical model of transition. Emphasis is placed on the Czech and Slovak Republics, Bulgaria, Hungary, Poland, and Russia.

Unemployment, Restructuring, and the Labor Market in Eastern Europe and Russia

World Bank Technical Paper No. 263. Management of water resources is essential for long-term, environmentally sustainable human and economic development. Increasingly, the World Bank and other international organizations are called upon to provide support in the formulation of water resources strategies. This volume serves as a guide for developing countries in creating their strategies by outlining a general process. It also suggests ways for countries to build capacity through the process of designing and implementing such strategies. The volume is divided into two parts. Part I covers the purpose and process of strategy formulation. The process consists of a water resource assessment and then the design and choice of options. Part II reviews such main concepts as institutional and human resources, stakeholder participation, information systems, economics, environment and health, and international issues.

Work, Employment and Transition

Since the late 1980s the experiences of work and employment in the former communist world have been profoundly transformed. Work, Employment and Transition brings together a series of essays by leading international scholars which highlights the varied and complex forms that work and employment restructuring are taking in the post-soviet world, and makes important theoretical contributions to our understanding of these transformations.

Labour Markets in Transition

"This book aims to contribute to [the] debate on the degree of flexibility and security needed for the transition countries, and its implications for the new direction of labour market and social policies."--Foreword.

Economic Policies, Employment and Labour Markets in Transition in Central and Eastern Europe

Discusses the impact of economic reform and industrial restructuring on employment and labour market institutions from 1990 to 1993, and reviews policy measures aimed at relieving the hardship of transitional unemployment.

The Economics of Post-Communist Transition

Transition in Central and Eastern Europe has led to a U-shaped response of output: a sharp decline in output followed by recovery. Most of the countries of Central Europe seem now firmly on the upside; most of the countries of Eastern Europe are still close to the bottom of the U: an optimistic view is that they are now negotiating the turn. Olivier Blanchard, a distinguished economist who has worked on transition since its beginning, is one of the first to present a unified analysis of the process of transition. The U-shaped response of output, its causes and its implications, are the subject of this book. The text is split into four chapters. The first reviews the facts; the second focuses on the two basic mechanisms underlying transition: reallocation and restructuring; the third looks more closely at a number of issues, from the interactions between restructuring and privatization to the nature of the labour market in transition; the fourth chapter pulls the material together in an analytical model of transition. This model is then used to discuss policy issues, from the design of privatization to the role of fiscal policy in transition.

Mediating the Transition

Over the past five to ten years Central and East European (CEE) countries have undergone a radical transformation of their economies from state socialism to various forms of market capitalism. During this time employment ratios plummeted from dubious 'full employment' to levels equal or lower than in countries of comparable economic development. This transformation of labor markets has left in its wake a high and persistent rate of unemployment, implying that individuals still seek work despite a dramatic deterioration of their employment chances. At the same time, low participation is putting an unbearable social security burden on the active population as systemic dependency ratios have risen and are currently significantly above those of the OECD countries. Entry into Europe, with the associated adoption of standards for social security provisions, will further increase the fiscal burden on the active population unless the ratio of employment to population, and the tax base for social policies, is increased. This book looks at the nature of unemployment in the CEE countries. It then analyses the determinants of labor supply and demand to predict where market equilibrium should be in these economies. The authors conclude by looking at the role of policy, arriving at a set of proposals for enhancing labor supply in the region. These include: better integration between unemployment benefits and social assistance; the maintenance and development of active labor market programs, increased spending on general secondary education; and investment into the infrastructure of transportation. This comprehensive account of labor market issues facing the CEE countries will be of interest to everyone concerned with the economics of transition and economic policies in the region. The contributors are Tito Boeri, Universita Bocconi, Milan, and CEPR; Michael Burda, Humboldt-Universitat zu Berlin and CEPR; and Janos Kollo, Institute of Economics, Hungarian Academy of Sciences, Budapest. The editors are Lorand Ambrus-Lakatos, Central European University, Budapest, and CEPR and Mark E Schaffer, Heriot-Watt University.

Emerging Labour Markets

"The paper reviews labor market developments in the transition economies of Europe and Central Asia. It argues that the scarcity of productive job opportunities and the growing labor market segmentation are the two main labor market problems facing the transition economies. In the European transition economies the lack of jobs has led to persistent open unemployment. In the Commonwealth of Independent States (CIS) it has led to hidden unemployment (underemployment and low productivity employment). Unemployment in the European transition economies is supported by the developed social safety net. In contrast, in the CIS for most workers unemployment is not an affordable option. They either stick to their old, unproductive jobs in unrestructured enterprises, or work in the informal sector, or resort to subsistence agriculture. Thus, underemployment in the CIS is a mirror image of unemployment in the European transition economies. Accordingly, the high employment-to-population ratios in many CIS countries do not necessarily signify favorable labor market performance. Instead they often indicate delayed enterprise restructuring, the maintenance of unsustainable jobs in uncompetitive firms, and the existence of a large informal sector as an employer of last resort. Labor market segmentation has been caused by a sharp increase in earnings differentials and the attendant increase in the incidence of low-paid jobs, by the polarization of regional labor market conditions, and finally by the growth of the informal sector offering casual, low-productivity jobs. Labor market segmentation and accompanying inequalities are more pronounced in the CIS than in the European transition economies. "--World Bank web site.

Labor Market Developments During Economic Transition

This collection of essays offers a survey of restructuring processes in Europe and their outcomes. . . Given the likelihood of increased dislocation in labor markets, the book is a timely contribution. Recommended. R.L. Hogler, Choice This detailed, comprehensive study on downsizing in Europe is underpinned by cross-national, interdisciplinary empirical research on restructuring management in five European countries: Belgium, France, Germany, Sweden, and the United Kingdom. It contains systematic national comparative overviews, and transversal analyses of more than 30 in-depth case studies, taking into account a broad range of perspectives across professional human resources managers, unions representatives, local and national civil servants, social workers and physicians. The authors examine strategic choices and practices in national and local contexts, showing that the practice of restructuring is not as heterogeneous as many previous studies have indicated or predicted. Systematic policy proposals for better economic and social management of restructuring are also prescribed. This team of well-known economists and social scientists have prepared a book that will appeal to consultants and human resource managers and employees, especially in transnational firms, as well as to students in industrial relations, in labour economics, and in sociology. It will also be of special interest to members of the European Commission and policymakers involved in employment and social affairs.

Restructuring Work and Employment in Europe

More than a decade after the start of the transition process, unemployment rates remain in the double digits in a number of Central and Eastern European countries. That unemployment rates have failed to decline, even in countries experiencing good growth, is puzzling. In this paper the authors examine three interrelated questions: How has the transition from central planning to market economies affected labor market performance? How have labor market institutions and policies influenced developments? Why have regional differences in unemployment persisted? The authors take an eclectic methodological approach: construction of a new data set and a simple analytical model; econometric estimation; and case studies. They find that faster-performing countries have better unemployment records; that labor market policies have some, but not dominant, influence over labor market outcomes; that policies not typically viewed as labor market policies can nevertheless significantly affect labor markets; and that market processes cannot be relied on to eliminate regional differences in unemployment.

Labor Market Performance in Transition

Changes in East-Central Europe have been happening rapidly. This volume brings together recent research about the impact of transition and social policy responses to it. Problems tackled include unemployment, health care, child care policy, labour migration, and the role of the informal economy.

Societies in Transition: East Central Europe Today

The paper reviews labor market developments in the transition economies of Europe and Central Asia. It argues that the scarcity of productive job opportunities and the growing labor market segmentation are the two main labor market problems facing the transition economies. In the European transition economies the lack of jobs has led to persistent open unemployment. In the Commonwealth of Independent States (CIS) it has led to hidden unemployment (underemployment and low productivity employment). Unemployment in the European transition economies is supported by the developed social safety net. In contrast, in the CIS for most workers unemployment is not an affordable option. They either stick to their old, unproductive jobs in unrestructured enterprises, or work in the informal sector, or resort to subsistence agriculture. Thus, underemployment in the CIS is a mirror image of unemployment in the European transition economies. Accordingly, the high employment-to-population ratios in many CIS countries do not necessarily signify favorable labor market performance. Instead they often indicate delayed enterprise restructuring, the maintenance of unsustainable jobs in uncompetitive firms, and the existence of a large informal sector as an employer of last resort. Labor market segmentation has been caused by a sharp increase in earnings differentials and the attendant increase in the incidence of low-paid jobs, by the polarization of regional labor market conditions, and finally by the growth of the informal sector offering casual, low-productivity jobs. Labor market segmentation and accompanying inequalities are more pronounced in the CIS than in the European transition economies.

Labor Market Developments During Economic Transition

This volume contains country studies on Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, and the Ukraine, and examines government responsibilities in relation to employment, ways of improving the labor market, and the financing of employment services and unemployment benefits.

Employment Policies and Programmes in Central and Eastern Europe

Recent empirical and theoretical work on the transition economies has emphasised the importance of internal bargaining and incentives. This paper constitutes, the first attempt to systematise the large and growing body of case studies of enterprise restructuring in Poland, Hungary, Slovakia, Russia and the Czech Republic. We begin from a framework in which the incentives and constraints on managers are crucial for the success of transforming enterprises into value maximising firms. The forms of, and the constraints on, active behaviour are examined for each enterprise across the dimensions of internal organisation, product and labour markets and investment.

Enterprise Restructuring in the Transition

Transition in central Europe involves the closing and restructuring of state firms, as well as the emergence of a new private sector. The speed of closing and restructuring and the rate of private job creation determine the dynamics of unemployment. And unemployment in turn affects both the decisions to restructure as well as to create new private jobs. Our paper presents a model which captures these interactions. It characterises the positive and normative properties of the equilibrium speed of transition and unemployment rate, and the role of policy.

On the Speed of Transition in Central Europe

First published in 1998, this volume examines the performance of labour markets against the background of different economic and institutional settings in Western and Eastern Europe. The book gives a clear picture of the mosaic of impressive transformations presently taking place in Western and Eastern European labour markets and provides access to information which was previously either widely dispersed or non-existent. The book gives detailed information about how countries and regions deal with transformations described. The substantive country-wide and regional diversity that is discussed allows the reader to understand the role of labour and institutions in the development of countries and regions. The book is written by labour market and regional experts from the various countries concerned.

Institutions and Regional Labour Markets in Europe

This book brings together up-to-date findings on the regional dimensions of European labour markets. It provides a conceptual and empirical study of the interactions between the European economy and its regions, paying particular attention to the issue of the transition of Central and Eastern European countries to a market economy. The topics analysed include: the structure of the shocks affecting employment (regional, industrial, national), the relationships between labour market efficiency and the regional distribution of unemployment, wage flexibility in EU member countries or in their regions and the role of active labour market policies in affecting the regional distribution of employment and unemployment.

The European Labour Market

This title presents carefully selected articles that are at the ultimate forefront of professional studies on 'transitional labour markets' and 'flexicurity'.

Flexibility and employment security in Europe

This timely analysis examines the complex state of youth unemployment across Europe and offers cogent policy suggestions for addressing this longstanding societal problem. The findings reveal numerous national and regional factors affecting youth joblessness—not only market and economic challenges, but also deep sociocultural and political dynamics underlying the situations. Coverage details how the standard transition from school to work is disrupted in an already depressed adult job market, and compares a wide range of responses in terms of both young people’s educational decision-making and national youth policy. In particular, contributors assess whether the current crop of Youth Guarantee programs can/should be a model for employment policy across the continent. Among the topics covered: Youth labour market prospects and recent policy developments. Youth labour market in Central and Eastern Europe. Early school dropout in Spain: evolution during the Great Recession. Overeducation among European university graduates: a constraint or a choice? Promoting youth employment in Europe: evidence-based policy lessons. The evaluation of a Finnish youth guarantee: lessons for Europe? European Youth Labour Markets is of interest to an international audience of economists, sociologists, and leaders in governmental, non-profit, and corporate sectors through its broad and comparative macroeconomic focus and implications for policymaking, research, resource allocation, and policy evaluation.

European Youth Labour Markets

Published in 1999, Working Europe: Reshaping European employment systems offers a fresh analysis of recent changes in labour markets and the restructuring of welfare states. The analyzes presented in the articles not only focus on labour market changes, but take up the important issues of: * How labour markets have been regulated and directed * How the various social security systems offered by the welfare state are related to the questions of labour markets and employment systems * How efficient labour market policies are in reducing unemployment * How employment is locally created and initiated * How the gender system is related to employment systems. This book is the first to offer a full picture of the restructuring of the employment systems and the complex relationship between employment, the welfare state and concepts of work.

Employment and Labour Market Policies in Transition Economies

The book is without doubt a must-read reflection on the notion of full employment and a source of inspiration for the establishing of the knowledge-based economy that is such an aspiration for Europeans. Thomas Bauwens, Agence Europe Every book by Günther Schmid is an event. This one illuminates the current European policy debate on flexicurity . It gives fresh analyses of the comparative employment performances of the EU and the USA, and proposes a path-breaking framework for understanding and improving them. Pragmatic and provocative, Schmid s contribution should be a must for researchers, but also for HR managers, social partners representatives and policymakers interested in the present and future of work and employment. Bernard Gazier, University Paris 1 and a Member of the Institut Universitaire de France Transitional Labour Markets (TLM) defined as legitimate, negotiated and politically supported sets of various employment options in critical events over the life course are an essential ingredient of modern full employment strategies. After assessing the European Employment Strategy, this book offers a detailed comparative analysis of employment performance for selected European member states and the United States. It suggests that successful employment systems arise from a new paradigm of flexibility and security (flexicurity) the balance of which varies according to countries institutional paths. Whilst there is no best practice , TLM theory does provide normative and analytical principles that can be generalised for various institutional settings. The book also provides good practice examples for managing critical transitions over the life course from education to employment, from one job to another, from unemployment to employment, from private activities to gainful work and from employment to retirement and develops the contours for extending unemployment insurance to work life insurance. With a fresh and new approach to the question of full employment in modern society, this book will appeal to academic scholars interested in labour market and employment policies, and policy decision makers at local, regional, national and European levels.

Working Europe

'Labor Markets and Social Policy in Central and Eastern Europe' summarises social policy reform during the transition and EU accession and analyses the social policy challenges which continue to face both old and new member states. Specifically, the book amplifies two sets of arguments. First, social policy under communism was in important respects well-suited to the old order and—precisely for that reason—was systematically badly-suited to a market economy. Strategic reform directions thus followed from the nature of the transition process and from constraints imposed by EU accession. Secondly, successful accession is not the end of the story: economic and social trends over the past 50 years are creating strains for social policy which all countries—old and new members—will have to face.This book will be of interest to readers interested in social policy, particularly those with an interest in the process of post-communist transition, in EU accession, and in future social policy challenges for the wider Europe. It should be of interest to academics in departments of economics, social policy and political science, and to policy makers, including government advisers and civil servants.

Full Employment in Europe

Exacerbated by the Great Recession, youth transitions to employment and adulthood have become increasingly protracted, precarious, and differentiated by gender, ethnicity, and socioeconomic status. Youth Labor in Transition examines young people's integration into employment, alongside the decisions and consequences of migrating to find work and later returning home. The authors identify key policy challenges for the future related to NEETS, overeducation, self-employment, and ethnic differences in outcomes. This illustrates the need to encompass a wider understanding of youth employment and job insecurity by including an analysis of economic production and how it relates to social reproduction of labor if policy intervention is to be effective. The mapping and extensive analysis in this book are the result of a 3«-year, European Union-funded research project (Strategic Transitions for Youth Labour in Europe, or STYLE; http://www.style-research.eu) coordinated by Jacqueline O'Reilly. With an overall budget of just under 5 million euros and involving 25 research partners; an international advisory network and local advisory boards of employers, unions, and policymakers; and non-governmental organizations from more than 20 European countries, STYLE is one of the largest European Commission-funded research projects to exist on this topic. Consequently, this book will appeal to an array of audiences, including academic and policy researchers in sociology, political science, economics, management studies, and more particular labor market and social policy; policy communities; and bachelor's- and master's-level students in courses on European studies or any of the aforementioned subject areas.

Labor Markets and Social Policy in Central and Eastern Europe

Five years since the fall of the Berlin Wall, and after an initial phase largely perceived as successful from the point of view of macroeconomic stabilisation and of the emergence of new private sectors, the transition process in central and eastern Europe is now facing a number of "structural" obstacles that stand in the way of more rapid and radical advances in the formation of a market economy. This working paper collects the contributions made by the invited participants to a Panel Session organised by Philippe Aghion and Nicholas Stern at the 1994 Annual Congress of the European Economic Association held in Maastricht on 3-5 September 1994. Topics covered include: Obstacles to recovery in transition economies; Housing and labour markets in the east; Obstacles to restructuring post privatisation in central and eastern Europe.

Youth Labor in Transition

An attentive reader embarking on this book might wonder what "the" economic transition to which the title refers might be. In this century almost all countries have gone through periods of economic transition; but which period of economic history can claim to embody the notion or to represent the era of "the" transition? Definitely, no country or group of countries has experienced anything comparable to the economic upheavals that the fall of communism has brought about in a large portion of the world in just three years (1989 to 1991). No other "transition" to date has prompted more interest and more studies among economists, academics and policy-makers than has the transformation of centrally planned economies into market-based systems. It is this transformation that has come to define "the" transition. Early in the transformation process (in November 1990), with the support of the Centre for Co-operation with the Economies in Transition (CCET), I launched a conference to examine the challenges faced by these countries. About six years have gone by and a new economic landscape has emerged in that part of the world. The difficulties in transforming these economies have exceeded all expectations, and economic performances have varied considerably across countries. The time has come, therefore, to make a first evaluation of progress and problems, with a view to extracting useful policy lessons to guide policy-makers in successfully completing the transition in the near future.

Obstacles to Enterprise

Content Description #Includes bibliographical references (p.).

Structural Change in Central and Eastern Europe

September 1996 Industrial restructuring has serious and persistent implications for Algeria's labor market. Algeria's labor strategy should incorporate supply-side policies to create jobs and stimulate development of the private sector, so that it will have a more agile labor market in the long run. To predict how Algeria's unemployment crisis will evolve, Ruppert evaluates the Algerian unemployment insurance system's ability to finance itself, to affect employment decisions (of both firms and workers), and to promote enterprise restructuring (with attention to long-term implications for the labor market). Her main conclusion: Industrial restructuring has serious and persistent implications for the labor market. In an environment where many equilibria are possible, there is a real danger of reaching a high unemployment equilibrium. The big-bang experience of structural adjustment in the transition economies of Central and Eastern Europe resulted in large-scale unemployment. Despite considerable progress in restructuring, structural rigidities still exist in the labor market there, and long-term unemployment has persisted. Boeri (1993) calls this transitional unemployment and argues that it is difficult to eliminate by reintegration into the labor force. One advantage of the big-bang approach is the speed of adjustment, but the unemployment that results may be too costly for Algeria's economy, especially because it would be persistent. A more moderate mixed bang approach would incorporate active employment measures to mitigate entrenched unemployment. A crucial function of such policies is to maintain or enhance human capital through work (learning by doing), so idle workers don't lose their skills. Flex-time arrangements would help workers maintain a degree of attachment to the labor force. However minor, such work would help workers avoid the traps of long-term unemployment. Two striking conclusions emerge from the Central and Eastern European experience: * Unemployment is not essential to enterprise restructuring and labor market adjustment. Private sector vacancies are filled by job-to-job shifts, without recourse to the unemployment pool. * Growing long-term unemployment is self-fulfilling and results in higher and persistent unemployment. Although active employment measures are costly and have relatively low rates of return in the short run, they can be marginally effective as part of a long-term strategy. This paper - a product of the Country Operations Division, Middle East and North Africa, Country Department I - is part of a larger effort in the department to assess the characteristics and dynamics of labor markets in the region.

Lessons from the Economic Transition

Annotation This title looks at ways governments can promote the creation of more and better jobs in the region. It addresses the question of why labour market outcomes have been disappointing during the transition, and suggests policy interventions to promote firms' investment, job creation and economic development.

LABOR MARKET FLEXIBILITY IN CENTRAL AND EAST EUROPE

The process of transition to a market economy and integration into the EU has strained the labour markets of central and eastern European countries, and these developments pose a number of challenges to their social policies. This volume presents the contributions given at an international labour conference held in Austria in June 2001 to investigate these issues. It provides the latest labour trends in EU accession countries and compares them to previous experiences of European integration. It reviews existing labour market policies and social protection mechanisms, and discusses alternative strategies for employment creation in the region.

Labor Markets in Transition in Central and Eastern Europe, 1989-1995

“The education to work transition of young people is key to a successful work-life and to fight youth unemployment. The book provides an impressive outline of the facts and convincing insights of the potential causes. This offers a large and broader audience help to adjust properly to achieve a better life.” Klaus F. Zimmermann, IZA, Bonn, Germany This work points to the youth experience gap as a key concept to explain the meager employment opportunities and earnings many young people face.The transition from education to work remains a long dark tunnel around the world. However, this book shows that there are striking differences between countries: in Germany, the young people of today are no worse off than their adult counterparts, while in Southern European and Eastern European countries they fare 3 through 4 times worse. The current economic and financial crisis has further exacerbated the situation for young people in many advanced economies. Observers are divided as to the optimal design of youth employment policy. Liberalists believe that the market itself should address youth disadvantages. More flexible labor markets should also guarantee greater labor turnover, including temporary work, so as to allow young people to move from one job to the next until they accumulate the work experience they need to become more employable and find the right career. In contrast, other economists oppose approaches focusing on entry flexibility and temporary work, claiming that the former type helps only the most skilled and motivated target groups, while the latter only allows young people to gather generic, not job-specific work experience.

Unemployment Insurance in Algeria: Implications for a Labor Market in Transition

Why is Unemployment Low in the Former Soviet Union?