

EMPLOYMENT OBSERVATORY

# Central & Eastern Europe

Employment Trends and Developments

5



SHELVE WITH  
BOUND PERIODICALS



Commission of the European Communities  
Directorate-General for Economic and Financial Affairs

# EMPLOYMENT OBSERVATORY

## Central & Eastern Europe

Employment trends and  
developments

N° 5 December 1993

### Contents

Employment developments in Central and Eastern Europe	1
Albania in transition	12
Structural changes in employment in the transition	14
Definition of series	30
Statistical tables	32
Notes to tables	43
Statistical indicators for Albania	46

*The views expressed in this Bulletin do not necessarily reflect those of the contributors whose names are listed on the inside back cover.*

*Produced by Alphametrics*

*Printed by Les Editions Européennes  
in Belgium*

# Employment developments in Central and Eastern Europe

After two years of sharply declining output in Central and Eastern Europe, signs of improvement in economic and employment conditions emerged in 1992, if only in the form of a slowdown in the rate of decline. These were confirmed during the first six months of 1993, although in a number of cases, expectations for economic recovery were not fully fulfilled. Industrial production increased in some of the countries - Poland, in particular - and where it continued to decline, the fall was generally lower than in the past. The rate of inflation slowed down in most parts of the region.

The private sector continued to expand and at the end of the first half of 1993, even in the countries where the process of reform started relatively late, it accounted for a significant share - 40% - of GDP in the Czech Republic, 30% in Romania, though mainly in agriculture, and 20% in Bulgaria.

The number of those registered as unemployed, though still high, rose at a much more modest rate than in 1992 in most countries.

Despite these favourable developments, the situation remains difficult throughout the region, partly because of the new wave of Western recession. All countries continue to face severe budget constraints. The general recession which has hit the industrialised economies, especially those in Western Europe, together with the restrictions imposed on Central and Eastern European exporters of sensitive goods, has not helped to secure the growth in foreign exchange earnings needed to support economic restructuring and development. At the same time, in many cases severe limits have been placed on their ability to borrow because of the debts accumulated in the past. Indeed, a primary objective of most governments in the region is to achieve a trade surplus in order to finance debt servicing costs, even though this can effectively mean pushing down domestic expenditure and production in order to curb imports.

Moreover, the process of privatisation, essential for the creation of new jobs, is still, in many parts of the region, at an early stage. Whereas the so-called 'small privatisation' - ie that involving small and

medium-sized companies - has proceeded relatively far in all the countries, the 'large' privatisation, for different reasons, is proceeding very slowly - in Romania, for example, because of the large size of enterprises, in Hungary, because of the shortage of national capital and the modest enthusiasm of foreign investors.

In the first half of 1993, in both Poland and Hungary, the attention of policy-makers was focused more on elections than on economic policy, especially longer-term policy. In Hungary, elections are due to be held in 1994 and the government is not ready to take potential unpopular measures. The same was true in Poland, where elections were held in September and where, however, the new Government confirmed its will and intention to continue the transition to a market economy, though simultaneously, stressed the importance of fighting unemployment.

At the same time, the embargo on trade with Yugoslavia has hit countries in the South of the region particularly. In Bulgaria, for example, there are some doubts about the ability of the National Bank to manage the exchange rate and reduce the trade deficit which has arisen. Here, agreements with the IMF and the World Bank over a third stand-by credit arrangement has proved difficult to reach and the terms likely to be imposed are almost certain to limit the chances of economic recovery even further in the short-term, something which is also true in Hungary.

## Output

Statistics on GDP for the first half of 1993 exist only for the Czech and Slovak Republics. In the former, GDP is estimated to have remained broadly unchanged as compared with the same period in 1992 - falling output in industry and agriculture being offset by expansion of services. In Slovakia, however, estimates are that GDP declined by around 6% in the first six months of the year (Graph 1).

More data are available on industrial output. Throughout the region, production in the first quar-

ter of 1993 as compared with the same period a year earlier showed either a smaller fall than the average in 1992 or an increase. In Poland, industrial production rose by more than the growth over the previous year. This improvement in trend continued during the second quarter, the rate of growth accelerating to 9% while production also increased in Hungary and Romania relative to one year earlier.

In Bulgaria, industrial output in the second quarter declined by just over 5% as compared with the same quarter in 1992, at a significantly lower rate, therefore, than the fall of over 20% in 1992. In the Czech Republic, the decline was slightly less at around 4%. Although again this was lower than in 1992, the fall could have been significantly less had production not been affected by the split with Slovakia and the reduction in trade with its erstwhile partner - and therefore in the demand for Czech products - which this caused.

The one exception to the more favourable trend in output is Slovakia, where industrial production in the second quarter of 1993 was around 14% lower than a year earlier, broadly the same rate of decline as the average in 1992.

While, Slovakia apart, there were clear signs of improvement in industrial performance throughout the region in the first half of 1993, these were particularly marked in Romania, where industrial output increased for the first time since the process of reform began - by 2.5% - and in Hungary.

In the former, most of the growth occurred in the production of consumer goods - cars, TVs and electrical appliances, in particular - while metals, textiles and electrical machinery tended to decline, though the production of tractors and transformers increased. Part of this growth in consumer good production went to feed increased exports.

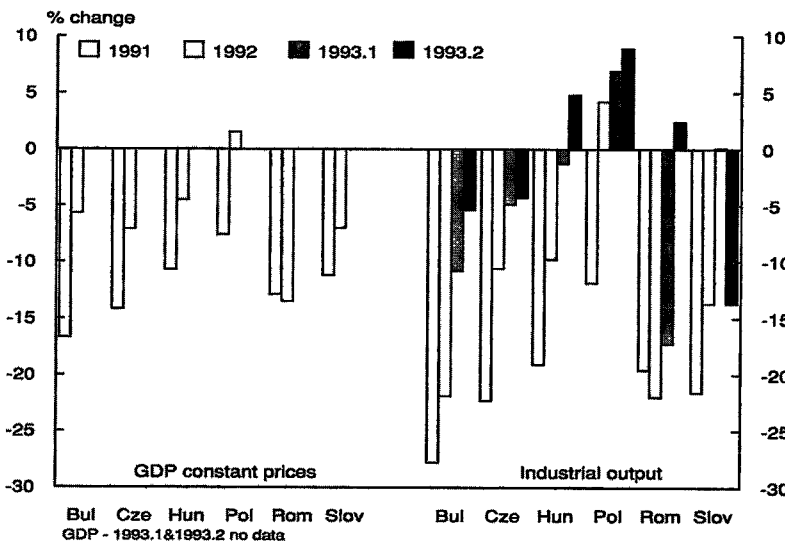
In Hungary, however, it is important to emphasize that the improvement recorded in production may have been affected by changes in both the system of collecting data and the types of enterprise covered - coverage was extended for the first time to units with less than 20 employees.

Signs of improvement seem to be less apparent on the ground in Hungary, where expensive loans, depressed expectations about future profits and a legal framework which is not yet fully defined seem to be deterring private investment, while public investment, constrained by budgetary problems, is not sufficient to compensate for the low level of activity in the private sector. In this regard, it is relevant that the forecast budget deficit for the year had already been reached by June. The chances of meeting the latest conditions imposed by the IMF, to reduce the budget deficit and social security expenditure relative to GDP, seem remote, especially given the strain that attempts to do so would impose on the economy.

The policy of land privatisation, which is well advanced in all countries in the region (though, exceptionally, in the case of Poland, land was predominantly under private ownership even before the transition began), has severely affected the level of production in agriculture in many places. The break-up of large holdings and the disruption of former systems of production have given rise to general problems such as lack of resources and a lack of organisation to combine the resources, equipment and efforts of individual land-owners, which have resulted in inadequate protection of crops, use of fertilisers, weed-killers and pesticides. These factors have largely contributed to the declining output, further depressed by unfavourable weather conditions in some of the countries over the past two years.

The fall in agricultural output has been particularly dramatic in Hungary. Here, with the collapse of the former system which had seen a

1 Changes in GDP and Industrial output in Central and Eastern Europe, 1991, 1992, 1993.1 and 1993.2



successful cooperation between large cooperatives, state enterprises and small farms in the 1970s and 1980s, production, after falling by 30% in 1992, declined by a further 20% in 1993, shrinking to 70% of the 1981-1984 average.

On the other hand, in Romania, as a result of new government measures which distributed equipment and allocated financial resources - in the form, for example, of low interest credits - for restructuring in agriculture, and helped by more favourable weather conditions, production increased by 3.5% per month in the first six months of 1993. There is now some possibility that given continued improvement in land cultivation Romania could soon become self-sufficient in agricultural products, though some restructuring of production - to expand oil and sugar output - is still required.

### Trade developments

Since the process of reform began, all countries in Central and Eastern Europe have succeeded in shifting their trade from the ex-CMEA countries towards market economies. But the slow growth in the industrialised world - and the Community especially, which has become a major trading partner - coupled with the restrictions imposed on exports of sensitive products, has severely affected their trade performance.

With the exception of the Czech Republic and Poland, exports of goods in US dollar terms were significantly lower in the first half of 1993 in all the countries for which data are available. This was particularly so in Bulgaria, Hungary and Slovakia. In Bulgaria, the dollar value of exports was some 40% lower in the first half of 1993 than in the same period a year earlier, while in Hungary the decline was over 25%. In the Slovak Republic, exports in the first quarter of the year were less than half the quarterly average for 1992 in dollar terms.

The decline in exports was less marked in Romania, where the dollar figures for the first half of 1993 were under 10% down on a year earlier. Moreover, so far as the individual products exported are concerned, there were some encouraging signs, with substantial increases in exports of cars, TVs and refrigerators, together with metal products, clothing and glassware, though these were offset by markedly lower exports of pharmaceuticals, fertilisers, textiles and aluminium. Private businesses accounted for an estimated 26% of exports in the first part of 1993, though they were also responsible for 29% of imports. On the other hand, there was a significant rise in the deficit on trade in services, largely as result of the increased cost of long-

distance freight, caused partly by the Yugoslavian trade embargo, and higher interest payments on external debt.

In the Czech Republic, exports in dollar terms were substantially higher in the first part of the year than in 1992, though this is partly explained by exports to the Slovak Republic which before the division of Czechoslovakia were not counted as foreign trade (and are not included in the Czech trade figures before 1993). Such exports amounted to an estimated 20% of the total in the first half of 1993. This, however, represents a significantly smaller flow of trade than before the separation of the two Republics took place, which as a consequence has had a depressing effect on production in the Czech Republic during this period.

In Poland, exports were 6% higher in dollar terms in the first six months of 1993 than a year earlier, though this rise was dwarfed by the growth of imports, which were 40% higher in US dollar terms than a year before, giving rise to a substantial widening of the trade deficit to around 40% of the value of exports.

Again with the exception of the Czech Republic, the dollar value of imports in the first half of 1993 was higher than that of exports, not only in Poland but throughout the region. This was particularly the case in Hungary, where the 25% fall in exports was accompanied by a 13% rise in imports, with the result that the relatively small trade deficit recorded in 1992 widened considerably. Indeed in the first half of 1993, the deficit amounted to over half the value of exports, a higher ratio than in any other of the countries included here.

There was also a sharp deterioration in the trade balance in Bulgaria, where against the massive fall in the value of exports, imports declined only slightly in the first half of 1993 (by some 3% as compared with a year earlier). The surplus on trade recorded in 1992 was, therefore, replaced by a significant deficit (of around 30% of the value of exports). Both here and in Hungary, the re-emergence of sizeable deficits on external trade is causing serious problems for governments faced with substantial servicing costs on accumulated debt and, therefore, with a need to negotiate loans from international agencies.

In Romania, on the other hand, imports were reduced in dollar terms in the first half of the year by more than the fall in exports, and the trade deficit narrowed appreciably as compared with its level a year earlier, while in Slovakia, through keeping down imports, the trade deficit was prevented from increasing.

In the Czech Republic, despite impressive export growth, imports of goods rose considerably in the second quarter of 1993 and the sizeable visible trade surplus recorded in the first quarter was replaced by a deficit, though including trade in services, especially tourism, there was still an overall surplus in the balance of payments.

While increased trade with Western Europe and other market economies is critical to the economic development of Central and Eastern European countries, at the same time, it is also important that trade between countries in the region is regenerated. Because they are neighbouring economies, they are natural trading partners, and in the long-term exports to each other are likely to increase back to their former level, so helping both to sustain demand in the region and facilitate mutual development. This may suggest establishing something similar to COMECON, though this might prove difficult and not particularly beneficial unless the products traded are competitive with those from the West.

### Employment

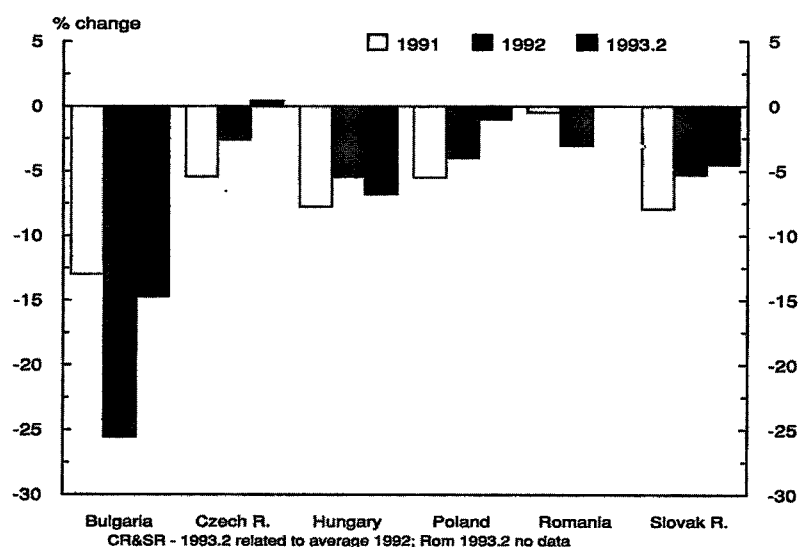
The indications are that the numbers in employment continued to decline in most parts of the region in the first half of 1993 (Graph 2). It has to be remembered, however, that both the absolute figures and the comparisons between countries need to be treated with a good deal of caution, since in some countries the private sector, where most of the new jobs are concentrated, is not fully covered, though the implementation of Labour Force Surveys

is beginning to rectify the problem. (At the time of writing, no official data on employment are available for Romania for 1993.)

In Bulgaria, employment is estimated to have been almost 15% lower at the end of June 1993 than one year earlier. Preliminary estimates suggest, however, that the numbers employed in the private sector continued to increase over the first half of the year reaching 500 thousand by June - around 22% of total employment in the country. In Hungary, employment declined by 7% between mid-1992 and mid-1993. In Poland, despite the growth in output, employment also fell, but only by around 1%. In both countries, the fall in employment seems to have been entirely attributable to the reduction in the number of employees over this period, the number of self-employed increasing, though in Poland only marginally.

In the Czech and Slovak Republics, figures for the first two quarters 1993 come from the first Labour Force Survey and are, therefore, not fully comparable with those for earlier periods (in particular, they include all women on maternity leave and the armed forces and tend to be higher than the annual figure). As compared with the average for 1992 estimated from other sources, the figure for employment in Slovakia in the second quarter of 1993 was down slightly, which suggests the actual fall may have been significant. In the Czech Republic, the figure was marginally higher, though after allowing for the difference in coverage, there was almost certainly a reduction, if probably smaller than during 1992. In the latter at least, there appears to have been some growth among self-employed, the decline in numbers being concentrated among employees.

**2 Changes in employment in Central and Eastern Europe, 1991, 1992 and 1993.2**



In Romania, estimates from the National Commission for Economic Forecasting suggest that employment is likely to decline, though only very slightly - by less than ½% - during 1993.

As in the past three years, employment continued to decline by most in agriculture in all the countries apart from Romania. The numbers employed in agriculture in the second quarter of 1993 were over 40% lower than year earlier in Bulgaria and almost 30% lower in Hungary. In Bulgaria, however, since 30% of the land is now worked by farmers who own it, who are not included in the employment figures, this apparent decline is clearly overstated, perhaps considerably.

In Poland, the fall in agricultural employment was less marked, at around 4%. Similarly, in the Czech and Slovak Republics, though comparative data are not available, the fall in employment in this sector seems to have been much less than in Bulgaria or Hungary, but still significant, the LFS figures showing the numbers employed to be around 9% and 5% lower in the second quarter of 1993 than the average for 1992. In both countries, the liquidation of many state enterprises seems to have been an important factor underlying this decline.

The fall in industrial employment was also significant in the first half of 1993, even in those countries where production increased, continuing the trend which appeared at the end of 1992 towards a reduction in the scale of overmanning. The number employed in industry in the second quarter 1993 was down by 13% in Bulgaria, 9% in Hungary and 7% in Poland as compared with a year earlier. In the two Czech and Slovak Republics, the apparent decline was smaller, the LFS figures for the second quarter of 1993 being 2-3% lower than the average for 1992.

In both countries, however, the fall seems to have been concentrated in manufacturing, the numbers employed in construction appearing to have been increased slightly during the first part of the year. In the other countries also the decline in employment within industry was most marked in manufacturing.

The change in the structure of employment, the declining proportion of people working in agriculture and industry relative to services - distribution and catering and financial services, in particular - has been one of the major labour market trends in all the countries of Central and Eastern Europe since the process of reform began. This shift in the composition, however, has not necessarily been associated with an actual growth of employment in services. During the first six months of 1993, while employment increased in services in the Czech and Slovak Republics and in Poland, it remained largely unchanged in Hungary and fell in Bulgaria (though here statistics cover only those employed in the state and cooperative sector). In the Czech and Slovak Republics and Poland, numbers employed in services were around 5-6% higher in the second quarter of 1993 than one year earlier.

The rise in the numbers employed in services is wholly attributable to the growth of the private sector,

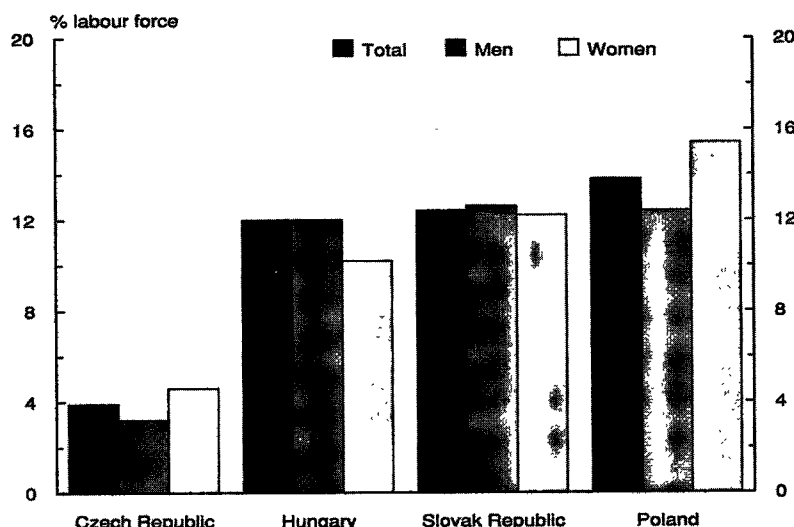
which, even on the basis of figures which fail to capture a varying number of unregistered businesses, continued to expand rapidly in the first half of 1993. In Hungary, the number of firms (economic units with legal entity) increased by almost 40% in only one year, while by mid-1993, the share of those employed in private businesses in the Czech and Slovak Republics is estimated to have increased to around 35% of total employment. In Bulgaria, however, the estimated figure is only 16%, which perhaps reflects the measurement difficulties in this country.

However, service activities where privatisation is less significant - health and education and public administration - have also experienced an increase in employment throughout the region. (Employment developments over the transition are analysed in more detail elsewhere in this Bulletin.)

### Unemployment

Results of Labour Force Surveys are available for the first part of 1993 for four of the six countries covered here (Graph 3). These tend to give a better indication of the scale of unemployment and its composition than the figures for those registered at Labour Offices in the sense that the criteria used to define those who are unemployed conform to ILO standard conventions (those not working but both available for work and actively seeking employment). Since, however, the surveys were carried out for the first time in 1992 in Hungary and Poland, and only in 1993 in the Czech and Slovak Republics, they do not enable changes over much of a period of time to

3 LFS unemployment rates in Central and Eastern Europe, 1993.2



be assessed. Hungary and Poland apart, we are still reliant on registration figures to see longer term changes, but these are liable to be misleading, since regulations governing registrations have tended to change significantly over time, as governments have sought to restrict eligibility for unemployment benefits. Moreover, a progressive rise in long-term unemployment has meant a lower proportion of the unemployed being eligible for benefit as increasing numbers of people exhaust their entitlement.

Although the registration figures and the LFS data relate to what can be very different populations, the results tend to be similar. For the Czech Republic, however, the figures not only differ significantly but show different changes over time, while for Poland there has been a divergence in the two sets of figures since the beginning of 1993.

Registered unemployment continued to increase in the first half of 1993 in all countries, though at a much slower rate of growth than in 1992 (Graph 4), except in the Czech Republic. Here the registered unemployment rate declined slightly from 3% in 1992 to 2% in June 1993. According to the LFS results, however, the rate in 1993 was well above this, averaging 4% during the first six months of the year. This difference in the two sets of figures might well be an illustration of the point made above that, as a consequence of the progressive tightening of the rules on entitlement to benefits, a smaller proportion of those out of work is included on the register.

In Hungary, according to the LFS, unemployment in the second quarter of 1993 was 12%, up signifi-

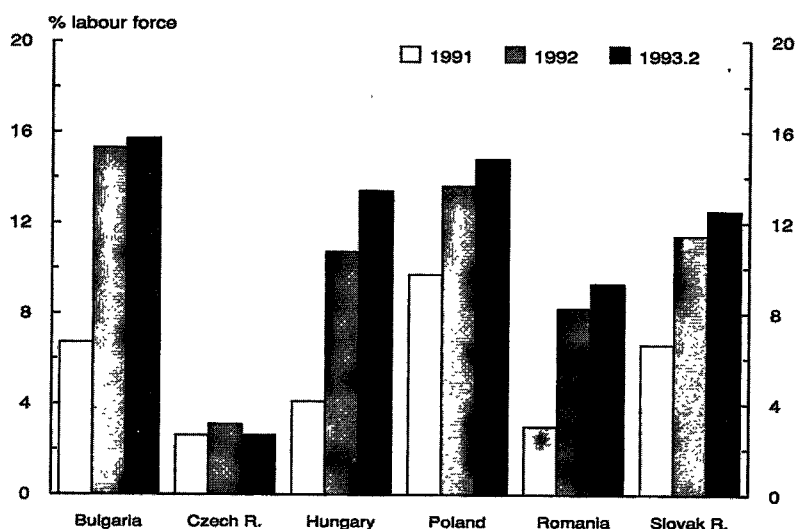
cantly on the rate of 10% at the end of 1992. (This is a somewhat greater increase than the registered unemployment figures which show a rise of around 1% over this six-month period.) Nevertheless, the rate in the second quarter was 1% below that in the first quarter when it reached 13%. In Poland, the unemployment rate, on the basis of LFS results, was only slightly higher in the second quarter of 1993 than in November 1992, at 14.3% (as against a rate of 13.7% seven months earlier), and the same level as in February this year. (The registered unemployment rate shows a somewhat greater increase over this period.) Nevertheless, although the two sets of figures give similar results, they show different changes over time, a declining trend in the case of the LFS figures and an increasing one in the case of registered unemployment. In the Slovak Republic, there are signs of some rise in unemployment during the first six months of the year, the registered rate increasing to 12.5% in June - virtually the same as the LFS rate - from 10.4% at the end of 1992.

In Bulgaria, where no LFS results are so far available, registered unemployment rose in the first part of 1993, but at a much slower rate than during 1992. According to official estimates - which are based on estimates of the labour force including the private sector - registered unemployment increased from 15.3% at the end of 1992 to 15.7% in June 1993, still a very high rate but giving cause for hope that the peak in unemployment may be approaching. In Romania, where again LFS results are not yet available, although registered unemployment was over 9% in June 1993 and around 1% higher than at the start of the year, from April the numbers registered began to decline for the first time since unemployment first appeared, if relatively slowly.

Apart from Hungary, the unemployment figures continue to show higher unemployment among women than among men, though in the Slovak Republic, the difference between the two is marginal. The widest difference is in Romania, where the registered rate of unemployment of women was over 4% higher (at over 11%) than that of men (just over 7%) in June.

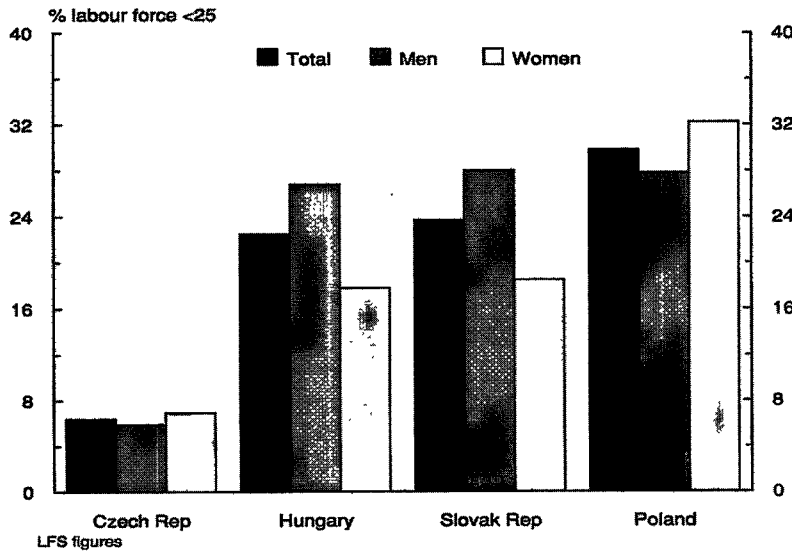
While unemployment continues to affect young people under 25 disproportionately, there were signs of improvement in the first half of 1993 in both Poland and the Czech Republic (Graph 5). In the latter, the rate of youth unemployment,

**4 Registered unemployment rates in Central and Eastern Europe, 1991, 1992 and 1993.2**





**5 Youth unemployment rates in Central and Eastern Europe, 1993.2**



like the total rate, already by far the lowest in the region, declined from 8% to 6% between March 1993 and June, though the decline was much more marked for men (8% to 6%) than for women (8% to 7%). In Poland, the youth unemployment rate also fell in the three months to June, though it was still around 30%, over twice the rate for older members of the labour force. In Hungary, on the other hand, the rate of unemployment among young people, in the second quarter of 1993, at 22%, was significantly higher than the rate at the end of 1992 (19%), the rise being particularly large for men (just under 22% to almost 27%).

For Slovakia, data are available only for the second quarter of 1993, but these show a rate of youth unemployment of almost 24%, higher than in Hungary, though some way below the level in Poland. In Slovakia, as well as in Hungary, the incidence of unemployment is particularly high among young men, the average rate in the second quarter being 28%, much the same as in Poland and slightly higher than in Hungary.

In both Bulgaria and Romania, there are no data available on youth unemployment rates. The figures for the registered number of young people unemployed, however, show some reduction in Bulgaria over the first six months of the year, though

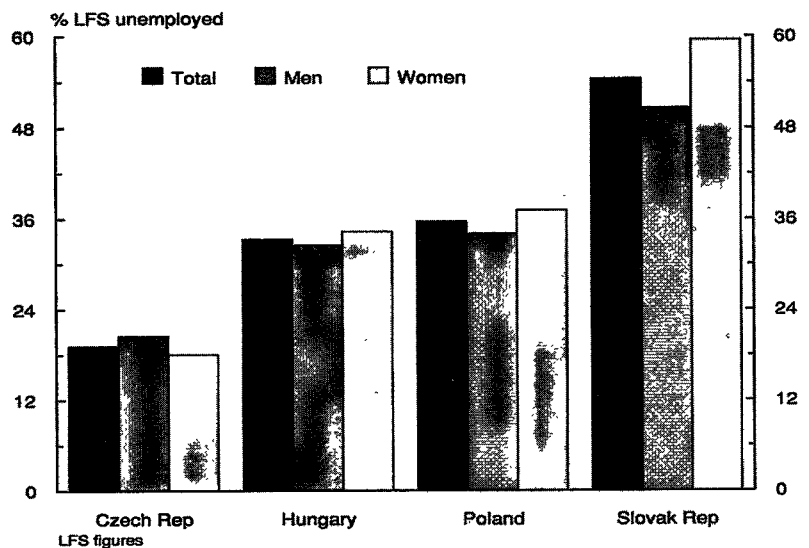
this may be misleading, given that the numbers registering are liable to be greatly affected by any tightening of the rules governing benefit entitlement. In Romania, on the other hand, the number of young people registered as unemployed increased during the first half of 1993 as total unemployment began to fall. In June, as throughout the transition, more than half of all those unemployed were under 25.

The average duration of unemployment, and so the numbers of long-term unemployed, rose in all parts of the region in the first half of 1993, except for Poland. Here there was a sharp fall of the unemployed who had been out of work for one year or more of around 200 thousand between March and June 1993. Never-

theless, in June, over 35% of the unemployed had been unemployed for at least a year, according to the LFS, a figure slightly above that in Hungary. Here, the proportion had risen from 27% in the last quarter of 1992 to 33% in the second quarter of 1993 (Graph 6).

The figures for long-term unemployment rose more modestly in the Slovak Republic in the first part of the year, though in the second quarter, the proportion of the unemployed out of work for a year or more was over 54%, a figure comparable to that in the Community. In the Czech Republic, by contrast, the

**6 Long-term unemployment in Central and Eastern Europe, 1993.2**



long-term unemployed represented around 16% of all those unemployed. In the two other countries, details of long-term unemployment are only available for Romania, and then only from the figures for benefit recipients, which exclude all those - typically those out of work for a long time - whose benefit entitlement has been exhausted. Nevertheless, though these figures understate the true scale of the problem, they indicate both a marked increase during the first part of the year in the numbers unemployed for nine months or more and that the problem of long-term unemployment in Romania is an extremely serious one (over 40% of those registered as unemployed had been out of work for at least nine months in June 1993).

### Regional unemployment

There are still pronounced differences in the incidence of unemployment between regions within the countries of Central and Eastern Europe. In regions where agriculture - or, in some cases, heavy industry - is very important, and where unemployment was already relatively higher, the rate continued to rise significantly in the first half of 1993 (Map p. 9). (It should be noted that the only data available for regional unemployment are the numbers registered at labour offices.)

In Bulgaria, the rise in unemployment was most pronounced in Montana (the former Michailovgrad region), Plovdiv and Haskovo, where the rate had risen to around 20% by June 1993, more than twice

as high as in the city of Sofia, where unemployment remained at the same level as in 1992.

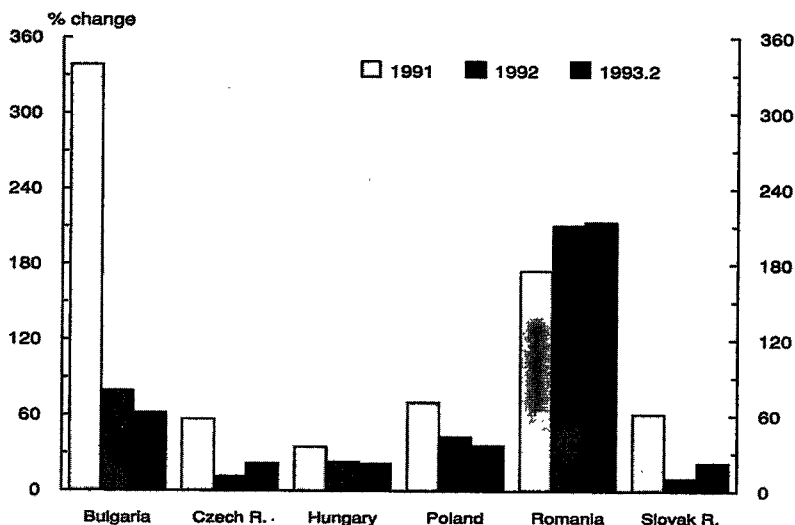
In the Czech Republic, the registered unemployment rate fell in all regions (though the true rate, as noted above, may have remained largely unchanged). The highest rate of unemployment continues to be in North Moravia, though even here, the registered rate is only around 4%. In Hungary, the registered rate of unemployment in the first half of 1993 increased by most in the North-East region, where it was already much higher than elsewhere in the country, where it rose to 23% by June. In the North-West and Budapest region, though the increase was less, the rate had still reached 10% by mid-year.

In Poland, the rise in unemployment was much the same in all regions. Regional disparities in rates therefore changed very little. The rate of unemployment in June varied from 10% in Poludniowy in the South, which is highly industrialised, to 18% in Polnocny in the North-West and Srodkowy in the centre and 20% in Polnocno-Wschodni in the North-East, all agricultural regions.

In Slovakia, the significant disparity in unemployment between Bratislava and the other regions widened during the first six months of 1993. Whereas the registered rate was only around 4% in the capital, in West, Middle and East Slovakia, it was as high as 14-15%.

At the time of writing, no data are available on regional unemployment for the first six months of 1993 for Romania.

**7 Annual percentage change of price inflation in Central and Eastern Europe, 1991, 1992 and 1993.2**



### Inflation and wages

The six governments had varying degrees of success in controlling inflation in the first half of 1993. In none of the countries was the annual rate of price increase in June less than 20% (Graph 7). Nevertheless, in Bulgaria, Hungary and Poland, the rate of increase declined during the first six months of the year, although at a relatively slow pace. In the Czech and Slovak Republics, where the inflation rate had fallen to 8% in mid-1992, the introduction of VAT at the beginning of 1993, pushed up the rate of price rise to around 22%, a rate similar to that in Hungary where the rate was falling slowly. As the effect of the

Regional unemployment, 1993.2



Note: Figures for Romania are for 1992.4

imposition of the tax works its way through, the general expectation, however, is that inflation will once more begin to come down. In the Czech Republic, to try to ensure that it does so, the government has imposed controls on wage rises from 1st July, a measure opposed by both trade unions and employers. Although in Poland, inflation fell during the first half of 1993, it was still 36% in June and the introduction of VAT in July 1993 added to the rate of increase, but much less than was expected.

Inflation is most of a problem in Bulgaria and Romania. Though in the former inflation continued to come down in the first half of the year, it was still over 60% in June. In Romania, inflation was still over 200% in June and, partly because of the introduction of VAT, had gone up since the start of the year.

In four of the countries - Bulgaria, the Czech Republic, Hungary and Poland - wages increased by more than prices in the year to June 1993 so that real wages were higher than one year earlier (though for Hungary, the figures for the first seven months of the year show a reduction of 3% as compared with the same period one year earlier - Graph 8). This was particularly the case in the Czech Republic where the increase in real wages between mid-1992 and mid-1993 was over 5%, following a rise of over 10% over the preceding year. Nevertheless, these rises still fell far short of the reduction in real wages in 1990 and 1991. This was also true in Poland, where real wages also grew in the year to June 1993 (by almost 3%) and in Bulgaria (where the rise was under 1%). In Hungary, on the other hand, where real wages also rose, the overall reduction since the transition began, was very small (less than 1% - or less than 5% up to July 1993). In both Slovakia and Romania, real wages were lower in the second quarter of 1993 than a year earlier - in the former by 2%, in the latter by 11%. The substantial decline in Romania, nevertheless, was significantly less than in the preceding two years, when wages fell by over 35% in real terms.

### Social protection

Budgetary constraints coupled with declining public sector income have made it difficult for all governments in the region to maintain the real value of social benefits. Data on social benefits for the first six months of 1993 are not complete for all of the countries - there are only partial

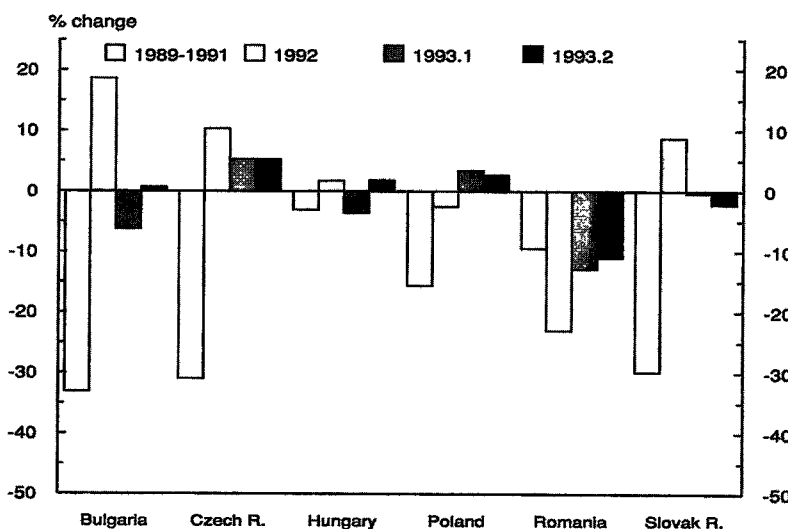
data for Bulgaria and the Czech Republic - and those that are available show a mixed pattern of change.

In the Czech Republic, Hungary and Romania, the level of minimum pensions declined relative to the average wage between the first and second quarters of 1993 - though in the last two countries the rate had been increased at the beginning of the year, by the second quarter it was back to the level at the end of 1992. In Poland and Slovakia, the level was slightly higher in relative terms in the second quarter of the year than the average for the previous year.

In Hungary and Romania, the level of unemployment benefit also fell relative to the average wage in the first half of the year. In the former, again the increase at the beginning of 1993 had been almost eroded by mid-year. In Romania, the fall was less marked, the benefit level declining to 28% of the average wage in June 1993 from just over 31% one year earlier. In Bulgaria, on the other hand, unemployment benefits increased to 42% of the average wage in the second quarter of 1993, up from 31% at the end of 1992, and similarly, in Slovakia, the benefit level in the first quarter of the year, the last for which figures are available, was higher than the average for 1992. In Poland, the benefit level remained unchanged at 36% of the average wage.

The rate of unemployment benefit, however, gives only a partial indication of the availability of income support for the unemployed. What is also relevant are the numbers who are able to obtain benefit, and in all countries there has been a tendency to tighten conditions for eligibility as the problem has grown.

**8 Changes in average real wages in Central and Eastern Europe, 1991, 1992, 1993.1 and 1993.2**



This was particularly the case in Bulgaria in the first half of 1993, though in all countries the lengthening in the average duration of unemployment is serving to reduce the proportion of the unemployed entitled to benefit.

In most parts of the region, there has also been downward pressure on the level of the minimum wage, partly to help contain inflation, partly as a natural effect of inflation. In the Czech Republic and Slovakia, although the level of the minimum wage remained broadly unchanged, because of increases in nominal wages, the ratio to average wages declined to 37% and 42% respectively in the second quarter of 1993 from an average of 46% in 1992. In Hungary, after increasing during the first quarter of 1993, it declined in the second quarter to just above the level at the end of 1992. By contrast, in Poland and Romania, the minimum wage was higher in relation to the average wage in the second quarter 1993 than at the end of 1992, in the former continuing the gradual upward trend of the past three years.

### Concluding remarks

There were a number of signs of improvement in economic conditions in most of the countries in the first half of 1993, but these may owe as much to the

natural tendency for economic downturns sooner or later to come to an end, short of complete collapse of the economy in question, as to the beneficial effects of programmes of reforms. Although all countries have witnessed rapid growth of private sector activity and a significant increase in the number of small businesses, the problem not just of privatising the large state enterprises, but operating them efficiently and profitably, still largely remains to be resolved, even in Hungary and Poland where the reform process has now been underway for at least five years. There are still substantial changes in the structure of Central and Eastern European economies to be achieved and these will inevitably have major repercussions on employment and unemployment. The scale of these effects and the capacity of economies in the region to withstand them will depend in large measure on what happens in the rest of the world, especially in the rest of Europe, on the timing and pace of economic recovery and on the actions taken by both governments and businesses in the Community and elsewhere towards the region.

Prospects are not improved in the countries in the South of the region by the conflict in Yugoslavia and the trade embargo imposed by the West, which is severely affecting Bulgarian, Hungarian and Romanian exports.

# Albania in transition

## Economic and labour market developments

Like the other countries in Central and Eastern Europe, Albania is embarked upon a process of political and economic reform, which has been accompanied by deep recession and high unemployment. The new Democratic Party, which won the first free elections in March 1992, is continuing the process of reform while at the same time trying to avoid the shock which occurred in other countries in the region. The government is, therefore, giving priority to the implementation of social policy with the aim of supporting and protecting those groups of people which are most exposed to the adverse effects of the reform.

Official estimates give an indication of the scale of the employment problem facing the country (the figures cited below and set out in the table on pp. 46-48 were supplied by the Institute of Statistics, so far as possible on the same definitions as the data on the other Central and Eastern European countries published elsewhere in this Bulletin).

Between 1989 and 1992, the activity rate of women (employed - excluding armed forces - and unemployed in relation to working age population, defined as those aged 15 to 54) declined from just over 80% to around 75%. By contrast, the activity rate of men (defined as for women, but with working-age taken as 15 to 59) increased from around 84% to over 89%. This increase was associated with a substantial reduction in the male population of working age - of 10% between 1990 and 1992 - which suggests that large numbers of men left the country to seek work abroad.

Both GDP and industrial production fell significantly between 1989 and 1991. After a decline of 10% in 1990, GDP fell again by 21% in 1991 (the last year for which data are available). The fall in industrial output was even more marked. In 1991, it fell by twice as much as GDP (42%) and in 1992 by over 20%, an overall reduction of almost 55% in just two years.

At the same time, trade performance deteriorated considerably. Exports in dollar terms fell by almost

80% between 1989 and 1992, far exceeding the fall in imports. As a result, the trade deficit has become a substantial burden, exceeding the value of exports in 1992 and being 3-4 times greater in the first half of 1993.

The decline in output was accompanied by a decline in employment, which fell dramatically after 1991. In 1992, the numbers employed fell by just under 20% and by June 1993, employment was almost 33% lower than in 1991. As in the other countries in the region, the loss of jobs was particularly marked in manufacturing and agriculture, where, between 1991 and 1992, employment declined by 27% and 25%, respectively. With the exception of distribution and catering, where employment increased considerably (by 50%), as a result of the creation and growth of new private businesses, hardly any change was recorded in the numbers employed in the service sector, apart from in "other services", where employment as recorded declined significantly as activities such as shoe repairing and hairdressing were privatised and the people working in these sectors no longer covered by the official figures.

As elsewhere in Central and Eastern Europe, the process of economic reform has been accompanied by massive unemployment. In June 1993, 437 thousand people were recorded as unemployed, giving an unemployment rate of around 33%. (It should be noted that figures produced by the Ministry of Labour put the number of people unemployed much lower at 270 thousand or "only" just over 18% of the labour force; the reason for this difference remains to be investigated.) Women have been more affected than men by job losses. In June, the unemployment rate of women, who accounted for around 54% of the unemployed, was almost 37%.

Open inflation has increased dramatically since the reform process began. In 1992, inflation averaged almost 450% and in the first half of 1993, over 750%. The increase in wages has lagged well behind the rise in prices; as a result, real wages are estimated to have been almost 50% lower than in 1990.

The emergence of new problems linked with the process of transition to a market economy has

forced the government to reform the social security system. Unemployment benefits were introduced in 1992, but because they remained fixed in nominal terms the effect of inflation was to reduce them from an initial 56% of the average wage to 36% in June 1993. The same was true of minimum wages and pensions, which, in the former case, declined from 65% of the average wage in 1991 to 40% in 1992 and 30% in June 1993 and, in the latter, from 91% of the average wage in 1991 to 48% in 1992 and to 32% by June 1993. Given the substantial erosion in the real value of wages, these reductions imply even greater falls in real terms.

## The economic reforms

The Albanian Government started the process of reform in 1991 with the aim of stabilising the economy and establishing the new legal and institutional framework required by the transition from a planned to a market economy.

The first step was to launch the privatisation process. This has taken two forms: the restitution of land to their former owners and the privatisation of existing properties, on the one hand, and the creation of new private businesses, on the other.

By the end of 1992, the main steps had been:

- the restitution of land to their former owners if living in the country. Each household received on average 1.5-2 hectares of land and those who did not take any land, or less than they had previously owned, were compensated in cash. Out of the 704 thousand hectares to be returned, 90% had been restored by the end of the year;
- the privatisation of state-owned properties, mainly in the trade and service sectors. Of the 44 thousand units which had been privatised, 66% were in distribution, 32% in other services and only 2% were in industry or construction;
- the promotion of partnership between state and private enterprises. At the end of 1992, a

total of 64 joint ventures were recorded in agriculture, the oil industry, electricity, textiles and clothing.

The privatisation process has also involved the banking system. Four new banks have been created - the National Bank, the Trade Bank, the Savings Bank and the Agriculture and Development Bank - and new banking regulations, typical of market economies, have been established.

In addition, a new tax system was introduced to make taxation more transparent and fairer. In 1992, tax revenue amounted to 64% of GNP.

The present Ministry of Labour was created in April 1992 and charged with the design and implementation of social policy and active labour market measures.

The first steps were:

- the reform of the legal framework to support the activities of the Ministry and the operation of the labour market;
- the introduction of legislation on social assistance to aid those people living below the poverty line and the disabled;
- the implementation of legislation on social insurance and health care. The Institute for Social Insurance was established as a financially independent organisation, but legally dependent on and politically accountable to the Ministry of Labour.

With regard to active labour market policy, measures were focused on helping the unemployed develop new skills and new career directions. To this end, a number of training centres and courses were set up. Substantial financial and technical support was provided by the World Bank and the ILO to assist the establishment of vocational training courses, the creation of small businesses and small business "incubators" and to improve the functioning of labour offices at national and local level.

# Structural changes in employment in the transition

The number of people in employment has declined significantly throughout Central and Eastern Europe since the process of transition began. At the same time, the distribution of employment between economic activities and the kind of work done has changed equally significantly. The aim here is to examine the scale of these changes in the different countries, to see how far they reflect changes in output, whether they have affected women more, or less, than men, the extent of private sector growth and the implications for education and training.

In order to set the context in which the structural changes have occurred, the first section considers employment developments in relation to the population of working age. Specifically, it examines how participation in the labour force has changed since the reform process started and the extent to which job losses have resulted in reductions in participation - ie in the apparent numbers of people looking for work - as opposed to increases in recorded unemployment.

It should be emphasised, however, that this is very much a preliminary analysis. For most of the countries the total number of people either in employment or recorded as unemployed is related to the number of people of working age, which gives only a very approximate indication of the actual rate of participation since the totals for employment and unemployment include people who are either younger or, more usually, older than the official working age. Moreover the possible reasons for the changes in participation - or activity - which emerge are only listed rather than explored in any detail.

This subject will be examined more fully in the next issue of this Bulletin, in order to gain a better understanding of labour force developments in these countries.

## Labour force trends

Population growth in most parts of Central and Eastern Europe has been low for a number of years and this is reflected in, at most only small year-to-year increases in population of working age. (It

should be noted that the definition of working-age varies from country to country according to school-leaving and retirement age but is generally 15 or 16 to 60 for men and 15 or 16 to 55 for women.) In four of the countries, working-age population has expanded since the process of the reform began, in two it has contracted. In the Czech Republic there was an increase in working-age population of 1% a year between 1989 and 1992, equivalent to an additional 200 thousand people over the period, and in the Slovak Republic, the increase was only slightly less at just under 1% a year (an extra 77 thousand people over the period). In Poland and Hungary, growth was more modest at around ½% a year - much the same as in the Community.

In Bulgaria and Romania on the other hand, the number of working-age people has declined since the transition began, by about 1% a year in Bulgaria, higher than the trend decline during the 1980s because of emigration, presumably. In Romania, working-age population grew between 1989 and 1991, but then fell significantly in 1992 (by over 1%), clearly as a result of outward migration.

Since the transition began, jobs losses in the state sector which have not been matched by job creation in the private sector have led in all countries to employment opportunities declining relative to the numbers of people of working age. As a result, unemployment has emerged as a problem throughout the region and in most parts has increased rapidly and continuously over the past two or three years. At the same time, many people of working age have disappeared from the labour force altogether. These include not just women, who might have chosen to stop work to take care of their families under the new economic regime, but also many men.

There are, however, marked differences in experience between countries. The biggest fall in employment by far has occurred in Bulgaria. Here, between 1989 and 1992, the numbers in work - at least as officially recorded - declined by almost 27% (Table 1). The figures for men and women both show major declines, though job losses were somewhat greater among women than among men.



Table 1 — Breakdown of working-age population in Central and Eastern Europe, 1989 and 1992

	Bulgaria		Czech Rep		Hungary		Poland		Romania		Slovak Rep	
	1989	1992	1989	1992	1989	1992	1989	1992	1989	1992	1989	1992
<i>Men and women</i>												
Working-age population	4890	4733	5946	6150	5963	6044	23157	23539	12988	12916	3011	3088
Employment	4245	3113	4660	4344	4872	4096	17130	14974	10946	10458	2504	2040
% change working-age population	-3.2		3.4		1.4		1.6		-0.6			2.6
% change employment	-26.7		-6.8		-15.9		-12.6		-4.5			-18.5
Working-age population	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employment	86.8	65.8	78.4	70.6	81.7	67.8	74.0	63.6	84.3	81.0	83.2	66.1
Unemployment	0.0	10.6	0.0	2.2	0.4	9.2	0.0	10.0	0.0	7.2	0.0	9.3
Inactive	13.2	23.7	21.6	27.2	17.9	23.0	26.0	26.4	15.7	11.8	16.8	24.7
<i>Men</i>												
Working-age population	2588	2496	3130	3216	3118	3147	11550	11744	6863	6873	1569	1604
Employment	2284	1722	2542	2428	2651	2232	9538	8443	6003	5570	1366	1167
% change working-age population	-3.6		2.7		0.9		1.7		0.1			2.2
% change employment	-24.6		-4.5		-15.8		-11.5		-7.2			-14.6
Working age population	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employment	88.3	69.0	81.2	75.5	85.5	70.9	82.6	71.9	87.5	81.0	87.1	72.8
Unemployment	0.0	9.5	0.0	1.8	0.4	10.4	0.0	9.4	0.0	5.3	0.0	8.8
Inactive	11.7	21.5	16.8	22.7	14.1	18.7	17.40	18.7	12.5	13.6	12.9	18.5
<i>Women</i>												
Working-age population	2303	2237	2816	2934	2845	2897	11607	11795	6125	6043	1442	1484
Employment	1961	1390	2118	1916	2221	1864	7965	6873	4943	4888	1138	873
% change working-age population	-2.9		4.2		1.8		1.6		-1.3			2.9
% change employment	-29.1		-9.5		-16.1		-13.7		-1.1			-23.3
Working-age population	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employment	85.1	62.1	75.2	65.3	78.1	64.3	68.6	58.3	80.7	80.9	78.9	58.8
Unemployment	0.0	11.8	0.0	2.6	0.4	7.9	0.0	10.6	0.0	9.3	0.0	9.7
Inactive	14.9	26.1	24.8	32.1	21.6	27.8	31.4	31.1	19.3	9.8	21.1	31.5

Note: Annual average data except for the Czech Republic (end of year) and the Slovak Republic (employment data only are end of year) and unlike the data for these two countries in the statistical tables at the end of the Bulletin, multiple job holders are only counted once. For the Czech Republic employment data relate only to people of working age. For the other countries, they relate to total numbers employed. For Bulgaria, the employment figures only partially cover those working in the private sector and the division between men and women is partly estimated

Though the numbers of people of working-age fell in Bulgaria over the period, the reduction in employment was considerably in excess of this fall. The deficiency in jobs in relation to the number which would have been required to keep the same proportion of working-age population in work in 1992 as in 1989 was around 20% (Table 2). (In Table 2, the changes in employment, unemployment and inactivity are expressed as a percentage of working-age population in 1988 or 1989 so that the relative magnitudes can be directly compared. The sum of the change in unemployment and inactivity so expressed, is therefore, equal to the changes in working-age population and employment. In other words, if the change in employment does not match the change in working-age population, then this must be reflected in a corresponding change in either unemployment or inactivity of the same size.) This shortfall in employment opportunities was reflected in the emergence of high unemployment, 10% of people of working-age being officially registered as unemployed in 1992 as against zero three years earlier (9% of men, 11% of women - Table 1).

A higher proportion of the shortfall in jobs, however, was reflected in a reduction in activity than in unemployment. Almost 10% of people of working age in 1989 had effectively disappeared from the

labour force by 1992, in the sense that they were neither officially registered as unemployed nor counted in the employment figures. This was slightly more true of women than of men. Thus some 9% of men of working-age in 1989 were no longer members of the labour force in 1992 as opposed to 10½% of women. This represents a total of almost 650 thousand people.

The question of what happened to these people is an open one. There are a number of possibilities. Many of them could be working legitimately in the private sector but not counted in the official employment figures. Many could also be working in the informal sector or in the black economy. Others could have gone abroad to work either for a short or long period of time and still be recorded as resident in the country. Yet others could be above the retirement age and unable to find employment which had previously been available under the former regime and so no longer counted in the labour force figures. Some might even have opted to stop working, not just to take care of families but also because of their age.

The presumption is that all of these possibilities are valid in some degree. There are almost certainly many more people in employment either in the

**Table 2 — Change in working-age population, employment, unemployment and inactivity in Central and Eastern Europe, 1989 to 1992**

	Bulgaria	Czech Rep	Hungary	Poland	Romania	Slovak Rep
<i>Total</i>			<b>(% of working-age population in 1989)</b>			
Working-age population	-3.2	3.4	1.4	1.6	-0.6	2.6
Employment	-23.1	-5.3	-13.0	-9.3	-3.8	-15.4
Unemployment	10.2	2.3	8.9	10.2	7.2	9.5
Inactive	9.7	6.5	5.5	0.8	-3.9	8.5
<i>Men</i>						
Working-age population	-3.6	2.7	0.9	1.7	0.1	2.2
Employment	-21.7	-3.6	-13.4	-9.3	-6.3	-12.7
Unemployment	9.2	1.8	10.0	9.5	5.3	9.0
Inactive	9.0	4.6	4.3	1.5	1.1	5.9
<i>Women</i>						
Working-age population	-2.9	4.2	1.8	1.6	-1.3	2.9
Employment	-24.8	-7.2	-12.5	-9.4	-0.9	-18.4
Unemployment	11.4	2.7	7.7	10.8	9.2	10.0
Inactive	10.5	8.6	6.7	0.2	-9.6	11.3

Note: See Table 1

All figures are percentages of working-age population in 1989 and are therefore additive - ie the increase in working-age population plus the reduction in employment is equal to the sum of the increase in unemployment and inactivity. A comparison of the latter two figures indicates the relative importance of these two phenomena in the transition.

private or informal sector than the official figures suggest, though it is also possible that many of the inactive are in reality working abroad.

In the other countries, the recorded fall in employment has been less than in Bulgaria but nevertheless significant and in each case signifying the emergence of a deficiency in jobs in relation to those who would be expected to be in work. In four countries, Hungary, Poland, Romania and Slovakia, this deficiency in jobs was mainly associated with increased unemployment, in the Czech Republic much more with reductions in activity, or in the size of the recorded labour force (Table 2).

In Poland, virtually all of the people unable to obtain jobs seem to have become unemployed. Registered unemployment in 1992 amounted to over 10% of working-age population while the recorded labour force was only 1% lower than it had been in 1989. Moreover, the proportion of working-age women who were members of the workforce was marginally higher in 1992 than three years earlier. In Poland, therefore, it would appear that very few people have disappeared from the labour force since the transition began.

Romania shows a similar pattern to Poland, though even more pronounced. While the numbers in employment declined by 4½% between 1989 and 1992, this was only slightly more than the reduction in working-age population (1% - Table 1). At the same time, registered unemployment increased to 7% of working-age population by 1992, more than the effective deficiency in jobs, with the result that a higher proportion of people of working-age - almost 4% more - were officially recorded as members of the labour force in 1992 than three years earlier (Table 2). This increase in participation was almost entirely concentrated among women, their activity rate increasing by almost 10 percentage points over the period as opposed to a slight fall in the activity rate for men.

At the same time, however, the numbers of working-age people, which had been expanding before the transition, contracted significantly in 1992, which can only reflect recording problems or outward migration on a relatively large scale.

In both Hungary and Slovakia, the numbers of working-age people increased between 1989 and 1992 (by 1% in the former, 2½% in the latter) while employment contracted considerably (slightly more in the latter than the former), leaving a deficiency of jobs of around 15% in Hungary and 17% in Slovakia. Much of this shortfall is reflected in a rise in registered unemployment, which stood at around 9% of working-age population in 1992 in the two countries

(though in Hungary, unemployment had been around ½% in 1989). There was also, however, a significant reduction in activity rates of working-age population in both cases, which amounted to 5½ percentage points in Hungary and 8½ percentage points in Slovakia.

In Hungary, the reduction in activity rates was slightly higher for women than for men. In Slovakia it was over 5 percentage points more. At the same time, in the latter, unemployment of women of working age was slightly higher than that for men (10% as against 9%). In both Hungary and Slovakia, therefore, the recorded labour force contracted over this period.

Reductions in activity rates have been even more marked in the Czech Republic where the figures for employment unlike the other countries relate only to people of working age and, therefore, give lower rates of activity. Here, an increase in the working-age population of 3½% between 1989 and 1992 was accompanied by a contraction of employment of 5% leaving an apparent deficiency of jobs of almost 9% (though whether there was an actual deficiency clearly depends on the reasons for the fall in activity - a topic which will be explored in the next issue of the Bulletin). Since registered unemployment was only just over 2% in 1992, most of the job shortfall which emerged over the period was reflected in a reduction in activity, which amounted to almost 7%.

However, the experience of men and women differed significantly. While employment of men fell by just over 4% over the period, that of women declined by over 9% - the only country where the reduction in employment affected one sex much more than the other, apart from Romania, where job losses were concentrated among men. Similarly, the rate of unemployment among women, though much lower than elsewhere in the region, was 50% higher than for men, but more significantly, while the activity rate of men declined by some 5 percentage points between 1989 and 1992, that of women fell by around 9%.

In the next issue of this Bulletin it is planned to examine activity rates in Central and Eastern Europe more closely, to see, for example, how far the changes are specific to particular age groups and how far the main reasons for them can be identified.

## **Changes in output and employment**

In all countries, GDP has declined considerably since the process of transition began and at the same time there has been a substantial change in

the structure of production and its distribution between industries, branches and subbranches.

In Romania, GDP declined by 6% in 1990, by 13% in 1991 and by the same amount in 1992. Over the period 1989 to 1992, this represents a decline in GDP of 29%. In Bulgaria, the level of GDP declined by 9% in 1990, by 17% in 1991 and by 6% in 1992, a total decline over these three years of 29%. In the Czech Republic, after only a small decline of 1% in 1990, GDP fell sharply by 14% in 1991 and by 7% in 1992. Between 1989 and 1992 GDP fell by 21% over the period. In the Slovak Republic, GDP followed a similar pattern and the fall over the period as a whole was around the same size as in the Czech Republic. In Hungary, GDP declined by 4% in 1990, by 11% in 1991 and by 5% in 1992, a decline of 18% over these years. In Poland, GDP declined by 12% in 1990 and by 8% in 1991 but increased by 1½% in 1992. Despite this growth GDP was 17% lower in the latter year than in 1989.

These substantial reductions in GDP have been associated in general with significant reductions in employment, though in most countries the scale of job losses has been smaller than the fall in output. This was particularly the case in Romania, which experienced the biggest reduction in GDP but a relatively small decline in employment of under 5% between 1989 and 1992.

In other countries, where the reform process had proceeded further or where lower priority has been attached to job preservation, the reduction in employment was greater. In Hungary, the fall in employment over the period was 16%, only slightly less than the decline in GDP, while in Poland, it was around 13% and in Slovakia it was 19% - 2 percentage points higher than the fall in GDP. In the Czech Republic, the gap between the fall in employment and that in output was wider, with the numbers employed declining by 7%, only around a third of the reduction in GDP.

Finally, in Bulgaria, official figures for employment show a reduction of 27% between 1989 and 1992, only slightly less than the fall in GDP, though it is uncertain how far the growth of employment in the private sector is allowed for in these figures (they do include estimates of this).

Apart from Bulgaria, this relative pattern of change is in general repeated for individual sectors of activity. There are, however, some exceptions. In particular, in agriculture and forestry, the relationship between changes in output and numbers employed has varied markedly between countries. In Poland, agricultural production fell by 56% between 1988 (before the transition began) and 1991 while em-

ployment declined by only 12%. Similarly in Romania, output fell by 11% between 1989 and 1992 while employment actually increased with land privatisation. By contrast, in the Czech Republic, output in agriculture and forestry rose slightly over this period, but employment fell by 40% (though this exaggerates the true extent of the fall because of shifts in the classification of jobs from this sector to industry and services). In Slovakia, employment in this sector fell by 28%, again not reflecting the change in output.

In Bulgaria, agricultural output declined by relatively little between 1989 and 1992, but the numbers employed fell considerably, by over 30%. This figure, however, is likely to overstate the actual fall in employment, perhaps considerably, since many of the newly self-employed land-owners had still to register the fact and their numbers are therefore estimated.

The relationship between output and employment changes has been more similar between countries in the case of industry, though there are still wide differences in experience. In Romania, the fall in employment in industry and construction between 1989 and 1992, of some 20%, was less than half the decline in output, which is estimated to have been almost 50%. At the other extreme, in Poland, the decline in employment was similar in scale to the fall in output, both falling by around 20% between 1988 and 1992. Similarly, in Bulgaria, employment and output both fell by over 35% between 1989 and 1992, though again the fall in the former may be overestimated.

In the other three countries, employment in industry also declined significantly but by less than the fall in output over this period. In all three, industrial production fell by around 30% or slightly more, while the reduction in employment was around 20% - just over in Slovakia, and under 20% in the Czech Republic and Hungary. In both construction and power and water, however, there was some growth in employment in the Czech Republic between 1989 and 1992 (4% in the former, 18% in the latter), Slovakia also experiencing growth in the latter sector.

In the service sector, which has been the main area of job growth in all countries - apart from Romania where employment has risen in agriculture - the relationship between employment and output is extremely diverse. Given the well-known difficulties of measuring the output of services, however, and the lack of any consensus over the indicators which should be used, this is not too surprising. In Poland, the output of the service sector is estimated to have grown between 1988 and 1991 - with

especially large rises in communications and "other services", but a large fall in transport - though employment in services declined slightly over the period, by 2½%, with a particularly large fall in the numbers employed in "other services" (of over 20% between 1989 and 1992). In the Czech Republic, transport and communications and distribution and catering are recorded as having experienced large falls in output, of over 30%, but in the former, employment is estimated to have risen slightly (by over 4%) and in the latter to have fallen only marginally.

On the other hand, in Romania, both output and employment within the service sector seem to have moved in the same direction. Distribution and catering shows a large rise in both output and employment (the latter increasing by some 30%), transport and communications, a large fall in both (employment declining by 15%). Similarly, in Bulgaria, output of services is estimated to have fallen by some 18% between 1989 and 1992, while employment is also recorded as having declined in all individual service sectors, even in trade and catering (by as much as 20%), which is a major area of private business expansion - suggesting perhaps some under-recording of private sector employment.

### **Changes in output and employment in industry**

The changes in production which occurred in different industries between 1989 and 1992 show a similar pattern in each of the countries. The biggest falls in production generally took place in heavy industries such as electrical engineering (though less so in Poland), mechanical engineering, steel and non-ferrous metals and chemicals. In general these are also the industries where the largest deductions in employment occurred, although the extent of the reduction in most was significantly less than the fall in output. (It should be noted that the figures quoted below are for 1989 to 1992 in the case of Bulgaria, the Czech Republic and Romania, for 1988 to 1992 for Poland - end of year figures in the case of employment. For Hungary, figures for the percentage change in output over the period are based on successive annual indices from 1988 to 1992 while employment figures are for the change between the 1st of January 1988 and 1st January 1993.)

In most countries, the biggest decline in output over the 1989 to 1992 period was in electrical engineering. In Bulgaria and Romania, output declined by around 70% and in the Czech Republic by 60% (Table 3). The main exception was Poland where production in the industry fell by just over 20%, only

around a third as much as elsewhere. However, in Poland, employment in electrical engineering declined by 10 percentage points more than the fall in output while in sharp contrast, the reduction in employment in Bulgaria and the Czech Republic was much less than the loss of output.

The fall in metal production was not much less than that in electrical engineering. In Bulgaria it was much the same at around 70%, in Hungary 60% and in the other countries between 40 and 50%. The response of employment to these reductions was, however, somewhat different. In Bulgaria and in the Czech Republic, the loss of jobs was half or less that of production, while in Hungary, employment declined by only slightly less than the fall in output. In Romania, a 40% decline in output was accompanied by a fall in numbers employed of only 3% over the period.

In mechanical engineering, output declined by between 40 and 60% in all of the countries. In Hungary, output declined by 60% between 1988 and 1992 and employment fell by 50%. In Bulgaria also employment declined at much the same rate as output, though in the Czech Republic and Romania it fell by only about half as much.

In the chemical industry, output fell by between 30 and 50% throughout the region. The fall in employment over the period was much less in Hungary than elsewhere at only around 7%, while in the Czech Republic and in Poland, where the fall in output was on a similar scale (30-35%), the number employed declined by about 20%. In Romania and Bulgaria, employment declined by about the same rate, though the reduction in output was somewhat greater at 40-50%.

In the case of the textiles, clothing and footwear industries, employment in all of the countries fell by around 30% between 1989 and 1992. (In Hungary, employment in light industry, a major part of which is textiles and clothing, fell by 39%.) The reduction in output, however, ranged from 37% in Poland to 65% in Romania.

Other industries show a similarly diverse relationship between changes in output and employment.

In mining and oil refining, the decline in output ranged from a low of 24% in the Czech Republic between 1989 and 1992, and 28% in Bulgaria, to a high of 36% in Poland and 40% in Hungary. However, whereas employment in the industry in Hungary fell by 63%, more than the reduction in output, in Poland, it fell by only 20% and in Bulgaria, by a little as 8%. Moreover in Romania where output was over 30% lower in 1992 than three years earlier,

**Table 3 — Changes in industrial output and employment by branch in the transition in Central and Eastern Europe**

	Bulgaria		Czech Republic		Hungary		Poland		Romania	
	Output	Empl	Output	Empl	Output	Empl	Output	Empl	Output	Empl
% change	1989/1992		1989/1992		1988/1992		1988/1992		1989/1992	
Mining, coal, oil refineries	-28	-8	-24	-23	-40	-63	-36	-21	-33	5
Electricity, power & water	-24	8	-9	-10	-17	-9	-18	3	47	26
Metal industry, iron & steel, ferrous and non-ferrous	-70	-27	-47	-24	-58	-53	-44	-14	-38	-3
Chemicals	-49	-23	-35	-21	-36	-7	-28	-20	-40	-20
Machinery, metal products & mech engineering	-49	-44	-49	-26	-60	-50	-40	-29	-63	-33
Electrical engineering, equipment, machinery	-71	-45	-60	-36			-22	-31	-68	
Food, drink & tobacco industry	-37	-34	-25	-15	-21	-19	-27	3	-40	-4
Textiles, clothing & footwear		-36	-45	-29	-47	-39	-37	-31	-65	-30
Timber, wood & furniture	-34	-32	-43	-21			-7	6	-49	-20
Paper & printing		-38	-23	-21			-20	-13	-39	-18
Pottery, china & earthenware, glass, non-metallic mineral products	-35	-24					-28	-22	-55	-17

*The coverage of industries is broadly comparable between countries, though since the data are based on national classifications, some differences inevitably exist. The aim is to give an indication of the pattern of change in each of the countries, and of the relationship between changes in output and employment rather than to give definitive figures on what happened over this period in particular subsectors.*

*Bulgaria, calculations are based on annual indices from 1989 to 1992, the figures include estimates of private sector activity and employment. Czech Republic, output data based on a 1992/1989 index; employment data are end of year; data cover both public and private sectors. Hungary, output data are based on annual indices from 1988 to 1992, employment data are for change between 1st January 1988 and 1st January 1993; the figures shown for textiles, clothing & footwear are for light industry (also include timber, wood & furniture, paper & printing). Poland, output calculation based on absolute industrial output figures for 1988 and 1992, employment calculation based on data for end of year; figures cover only public sector activity. Romania, output data calculated on percentage shares for 1989 and 1992, employment data based on absolute figures; data are for public enterprises.*

*Source: Bulgaria, NSI; Czech Republic, Czech Statistical Office; Hungary, Labour Force Accounts; Poland, Central Statistical Office*

there were actually more people employed in the industry (5% more) than before the transition began.

This was also the case in the power and water industry in Bulgaria and Poland, employment rising by 8% and 3% respectively despite significant reductions in production, even if smaller than in other industries. In the Czech Republic and Hungary, on the other hand, where the fall in output was relatively low, employment declined - by 9-10% in both cases. The only country to show a growth in this sector was Romania, where output increased by almost 50% between 1989 and 1992, a growth which was accompanied by a rise in employment of 26%.

In food, drink and tobacco, the decline in output over the period was less than average in the Czech Republic, Hungary and Poland, at around 20-25%, but the change in employment varied from a decline of 15% in the Czech Republic to a rise of 3% in Poland. In Bulgaria and Romania, the fall in output was greater, at around 40%, though in the former the number employed fell by 34%, in the latter by only 4%.

Finally, in the wood and furniture industries, there were significant reductions in employment in Bulgaria, the Czech Republic and Romania, reflecting the decline in output, but a rise in the numbers employed in Poland where the fall in production was much less (at under 10%).

The relationship between changes in output and employment since the transition began is, therefore, by no means systematic (as summarised in Graph 1 - for all the countries taken together). Nevertheless,

it is the case that, by and large, in all of the countries, the biggest job losses have tended to occur in industries where output declined by most. However, it is also the case that these industries - electrical and mechanical engineering in particular - are not necessarily the ones which would be expected to become less important over the longer term as the transition proceeds, insofar as the investment goods - and in some degree the consumer goods - which these industries produce are essential for economic development.

### Changes in the sectoral distribution of employment

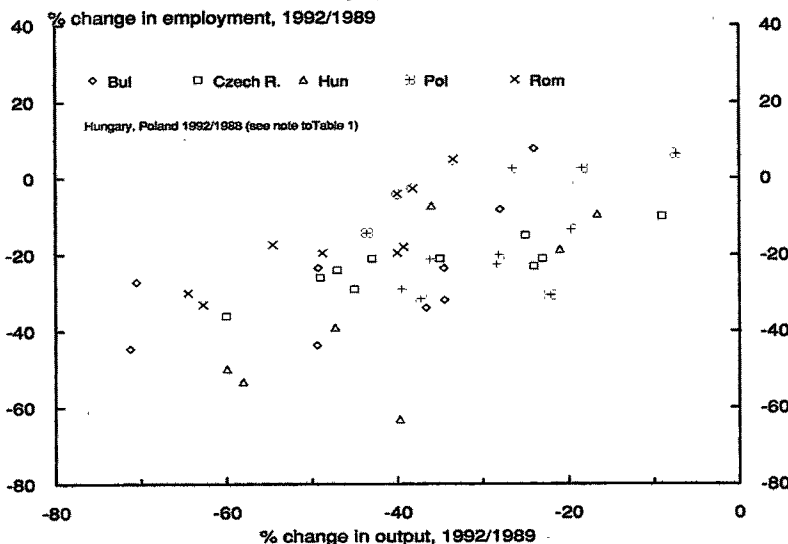
The effect of the changes in employment noted above has been to alter significantly the structure of output and employment in the economies in the region, both between and within broad sectors of activity.

In general, since the process of economic reform got underway, the shares of employment in the agricultural and industrial sectors (which before the transition were high relative to those in advanced economies in Western Europe) have declined while the share of employment in services (which were correspondingly low) have increased.

In most Central and Eastern European countries, the share of the agricultural sector in total employment has with one exception fallen since the transition began (Graph 2). The only exception is Romania, where the share increased from just under 29% in 1989 to 33% in 1992 (Table 4). In Romania, this reflects the effects of privatizing land, coupled with the lack of jobs elsewhere in the economy, which encouraged an inflow into farming. In both Bulgaria and Poland, the fall was relatively small, under one percentage point, to 18% and 29%. In the Slovak Republic, the employment share fell by 2% to 12% in 1992. The Czech Republic and Hungary were the only countries to experience substantial reductions in the agricultural share from 12% to 8% and from 18%-19% to just under 10% respectively, though in both cases the reclassification of activities from agriculture to industry and services is a significant part of the explanation.

The share of employment in industry declined in all six Central and Eastern European countries, the largest fall being in Romania where

1 Change in output and employment by industrial branch in Central and Eastern Europe, 1989 to 1992



**Table 4 — Total employment by broad sector and services branches in Central and Eastern Europe**

	<b>Bulgaria</b>		<b>Czech Republic</b>		<b>Hungary</b>		<b>Poland</b>		<b>Romania</b>		<b>Slovak Republic</b>	
	<b>1989</b>	<b>1992</b>	<b>1989</b>	<b>1992</b>	<b>1988</b>	<b>1993</b>	<b>1988</b>	<b>1992</b>	<b>1989</b>	<b>1992</b>	<b>1989</b>	<b>1992</b>
% total												
Agriculture	18.6	18.0	11.6	7.9	18.5	9.9	29.7	29.2	28.8	32.9	13.8	11.6
Industry	45.3	40.2	46.7	44.5	39.9	37.0	35.1	31.9	44.5	37.1	46.0	41.4
Services	36.0	41.9	41.7	47.7	41.6	53.1	35.2	38.9	26.7	30.0	40.2	47.0
of which:												
trade	9.0	10.1	11.1	13.0	11.4	15.0	10.2	11.6	4.7	7.2	11.1	11.3
transp/comm	6.6	7.8	6.5	7.5	7.8	8.5	5.8	5.0	7.0	6.4	6.4	7.4
fin. services	0.6	1.1	0.5	1.2		0.8	1.3	0.3	0.5	0.4	0.9	
health/educ	11.2	14.9	10.9	12.5	13.6	17.7	10.9	12.6	5.9	7.1	12.2	13.9
public admin	1.4	1.5	1.6	2.7	4.8	6.3	1.0	1.2	0.7	1.1	1.4	4.4
other	7.1	6.5	11.1	10.7	4.0	5.6	6.6	7.3	8.1	7.9	8.3	9.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Note: Industry includes construction and power & water*

*Bulgaria, data are annual averages; Czech Republic, end of year data; Hungary, data are for 1st January. All figures include estimates of private sector employment, though the effective coverage varies from country to country*

*Source: Bulgaria, National Statistical Institute; Czech Republic, CSO; Hungary, Labour Force Accounts; Poland, CSO; Slovak Republic, CSO*

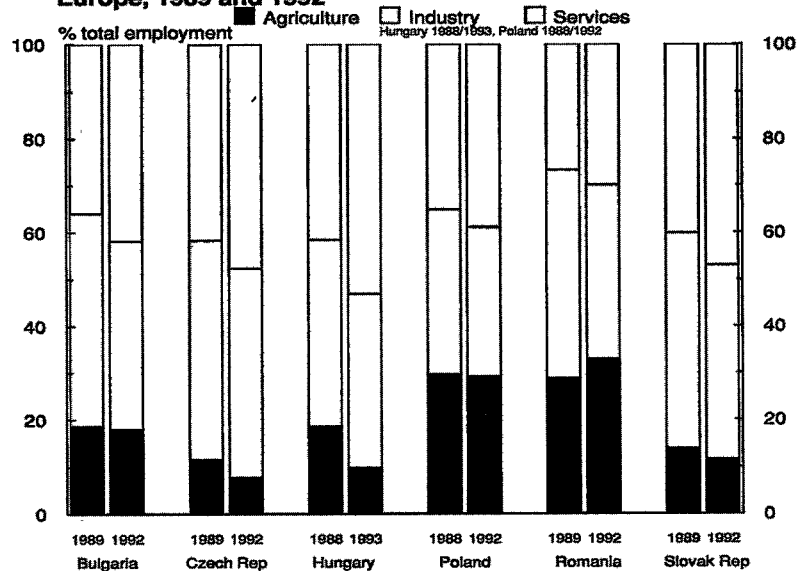


it fell from 45% to 37% between 1989 and 1992 (Graph 2). In Bulgaria and Slovakia, the fall was also substantial at around 4-5 percentage points. In the Czech Republic, Hungary and Poland by contrast, the share of industry declined by only 2-3 percentage points over the period.

The share of employment in services increased everywhere (Graph 2). The biggest increases occurred in countries where the shares were already high - in Hungary where it rose from 42% in 1988 to 53% in 1992, in the Czech Republic, where it rose from 42% in 1989 to 48% in 1992 and in Slovakia, where it went up from 40% to 47% between the same two years. In these three countries, therefore, the proportion at present employed in services is at a similar level to that in the less advanced countries of the Community, Portugal and Greece, in particular. In the other three countries, the rise in the share of employment in services was also significant, ranging from 3 percentage points in Romania - where, however, the share was still only 30% in 1992 - to 6 percentage points in Bulgaria.

Within services, the largest increases in shares occurred in financial services, health and education and trade and catering (Graph 3). Although financial services still accounts for only a small proportion of

2 Sectoral distribution of employment in Central and Eastern Europe, 1989 and 1992



total employment (between 1/2 and 1 1/2%), the share for most countries doubled over the period.

In health and education, the largest increases in share were in Bulgaria - where the proportion employed went up from 11% to 15% in just three years, largely reflecting the decline of employment elsewhere in the economy - and Hungary - where it rose from 14% to 18%. In the other countries, the rise was less marked but still significant - from 12% to 14% in Slovakia, from 11% to 13% in both the Czech Republic and Poland and from 6% to 7% in Romania (where the classification system might be slightly different from elsewhere).

3 Distribution of employment in the service sector in Central and Eastern Europe, 1989 and 1992



Trade (retail and wholesale distribution) and catering (restaurants and hotels) represents the main area of private sector expansion over the transition period so far, primarily because this group of activities lends itself most to small scale operation. This also means, however, that the figures for employment tend to be less reliable than for other sectors because of the difficulty of collecting data on small units.

According to the estimates available, the share of employment in this sector went up by most in Hungary, where it rose from 11% to 15%, the highest level in the region. In the Czech Republic and Poland,

the increase was from 10-11% to 12-13%, much the same increase as occurred in Romania though to a much lower level (7%). In Slovakia, on the other hand, the share of this sector remained unchanged at around 11%, while in Bulgaria, the share increased by only 1% to 10% in 1992.

Transport and communication has also witnessed a growth in private sector employment, if on a much smaller scale than in trade and catering. Three countries recorded an increase in the overall proportion employed in this sector between 1989 and 1992, Bulgaria, the Czech Republic and Slovakia - by about one percentage point in each case - while in Hungary, the share remained unchanged (at around 8%, much the same level as in the former three countries). In Poland and Romania, the proportion declined by around one percentage point.

All countries, on the other hand, experienced a growth in the share of employment in public administration despite the marketisation process, though the nature of the activities performed has tended to change significantly with, among other things, a shift from central to regional and local administration. The share of employment in such activities, however, remains small throughout the region.

### Changes in employment by sex

In most of the countries of Central and Eastern Europe - the two exceptions being Hungary and Romania - the employment of women has fallen by more than that of men since the transition began. As noted above, this is especially the case in the Czech Republic where the reduction in female employment was over twice as great as the decline in male employment. Elsewhere, the difference was much less pronounced, except in Romania where job losses were concentrated almost entirely among men.

Since, however, the main job losses have tended to occur in heavy industries, as well as in agriculture, where male employment would be expected to be concentrated, while the main area of employment growth has been in service activities, traditionally important areas of female employment, the fact that - Romania apart - the main decline in employment has not been among men is somewhat surprising. It suggests perhaps that men may have been favoured more than women when it came to selecting the workers to be laid off.

This is confirmed to some extent by the changes which have occurred in the proportion of women as opposed to men employed in particular sectors of activity.

In the Czech Republic, although the largest increases in employment were in activities with a relatively high ratio of female employment (such as services), the share of women in employment overall declined from 46% in 1989 to 44½% in 1992 (Table 5). This is partly because of an increase of male employment in formerly low wage areas of activity (such as catering) where there was traditionally a high concentration of women's employment.

In Poland, as elsewhere, many sectors with a high ratio of female employment (such as trade and catering, health and education and financial services) are those in which employment expanded between 1988 and 1992. However, the proportion of jobs filled by women in these sectors declined significantly over this period. Nevertheless, the overall share of women in total employment was much the same in 1992 as in 1988.

In the Slovak Republic, where the reduction in female employment was also larger than for men, there was some increase in the number of women staying at home to look after children as for the first time this became formally possible (the increase amounting to 25 thousand), though whether this was cause or effect is unclear. While the share of jobs filled by women in industry was broadly the same in 1992 as in 1988 - at around 34% - the proportion of jobs taken by women in services - the growth sector - declined markedly between these two years (from 61% to 52%). In trade, in particular, there was a substantial reduction in this proportion, from 73% to only 48% (Table 5).

In Bulgaria, the number of jobs occupied by women declined relative to the total in most branches of industry. At the same time it increased, though not by enough to compensate, in transport and communications, health and education.

In Hungary, where the difference in the fall in employment between men and women was not so marked as elsewhere, the share of women in employment in industry and agriculture, where job losses were greatest, declined relative to that of men.

In Romania the proportion of women in employment increased in the majority of sectors between 1989 and 1992, but particularly in services, and especially in transport and communication, financial services, public administration and "other services". The proportion of employed in construction also increased slightly over the period, though the share of jobs filled by women in industry and agriculture also declined. Moreover, in two growing service sectors, health and education and distribution, where

**Table 5 — Percentage of employment accounted for by women in broad sectors and services branches in Central and Eastern Europe**

% employment	Bulgaria		Czech Republic		Hungary		Poland		Romania		Slovak Republic	
	1989	1992	1989	1992	1989	1992	1988	1992	1989	1992	1989	1992
Agriculture	47.1	42.6	37.4	37.3	41.0	35.0	46.0	46.7	54.7	53.6	37.3	34.4
Industry	49.4	48.3	37.0	32.9	46.0	43.0	38.4	33.9	42.4	41.7	34.6	34.1
Services	59.4	62.4	59.5	57.1	64.0	64.0	56.8	58.7			60.5	51.8
of which:												
trade	65.1	64.1	70.9	63.2	67.0	66.0	69.2	60.7	66.0	54.9	73.1	47.8
transp/comm.	29.2	31.6	33.8	32.9	31.0	33.0	29.6	32.5	16.6	22.4	29.0	28.4
fin. services	83.7	79.5	76.9	75.0	na	na	84.2	76.0	59.9	66.9	78.4	73.0
health/educat.	74.1	77.9	75.3	76.6	na	76.0	78.0	74.9	71.6	69.9	75.3	70.0
public admin.	59.8	58.6	59.8	59.5	na	44.0	68.8	55.2	37.8	46.1	62.9	61.3
other services	58.7	59.3	46.7	41.3	na	na	21.8	39.7	49.6	51.5	44.8	38.2
Total	50.2	51.8	45.8	44.4	49.0	50.0	45.7	45.8	45.2	46.7	45.5	42.8

Note: Bulgaria, end of year data; Czech Republic, end of year data; Hungary, data are for 1st January; Slovak Republic, end of year data

Source: Bulgaria, NSI; Czech Republic, CSO; Hungary, Labour Force Accounts; Poland, CSO

more women than men are employed, their share also declined.

### The growth of employment in the private sector

The private sector has expanded rapidly in all countries in the region and has provided most of the additional jobs created during the transition period - though sectors such as health and education and public administration have also grown.

In Bulgaria, employment in the private sector increased from 4% of the total in 1990 to 14% in 1992. Although the private sector share of employment in industry nearly doubled in 1992, it still accounted for less than 5%. The private sector accounted for only a slightly higher proportion of jobs in financial services and cultural activities. By contrast, in distribution, 38% of employment in 1992 was in private firms and in agriculture, 34%, while in the "other services" category - personal services of one kind or another - the figure was 46%.

In the Czech Republic, 40 thousand small and medium-sized enterprises have been privatised. The so-called large privatisation of 1992, involving sale by coupon of large state enterprises, is yet to affect figures for employment in the private sector. However, the workers employed in the private sector increased from 1% of the total in 1989 to over 30% in 1992. The new jobs were mainly in trade and catering, where the number of jobs in private enterprises increased from 16 thousand in 1989 to 428 thousand in 1992, manufacturing where the rise was from 15 thousand to 425 thousand, construction, 24 thousand to 246 thousand and "other services", 12 thousand to 259 thousand.

In Hungary, where there are no data as such for the private sector as a whole, but only for types of enterprise, there has been a considerable increase since the end of the 1980s in employment in individual enterprises ie. firms with a private licence to operate, which form part of the private sector. The total number employed in these enterprises more than doubled between 1988 and 1992 to 645 thousand people, while a further 60-70 thousand were employed in small companies without legal entity. In total, some 17% of those in employment in 1992 worked in these two types of enterprise. The sectors with the largest number of people employed in such firms in 1992 were distribution (202 thousand - over 30% of the total) and industry (144 thousand). Agriculture and forestry (120 thousand people), accounted for about 20% of employment in these firms, while construction (75 thousand people), transport (66 thousand people) and "other services"

(39 thousand) also accounted for significant numbers. The biggest increase in employment in this part of the private sector between 1988 and 1992 occurred in transport, where the number went up by nearly three-fold, while in distribution and agriculture, it rose by two and a half times.

In Poland, where private sector activity had been important in agriculture before the transition, the share of employment in private enterprises increased from 30% in 1990 to 58% in 1992. Private enterprises were of most importance in agriculture and forestry, where they accounted for 92% of employment, trade and catering, where their share was only slightly less at 91%, construction (72%) and industry (41%). Within industry, employment in private enterprises grew particularly rapidly between 1990 and 1992 in iron and steel, electrical engineering and food.

In Romania, the number of private enterprises increased by 50% between 1989 and 1992, though there were still 50% more public than private concerns. Sectors of activity where private firms increased most rapidly were financial services, where there were no recorded private enterprises in 1991, distribution, where in 1992, 58% of concerns were private as against 1% in 1989 and "other services", where the figure was 51% (8% in 1989), though there was a marked slowdown in business creation as also in the numbers employed in 1992. In construction and transport, where the number of private firms declined between 1989 and 1991, it increased significantly in 1992 particularly in the former where 22% of all firms were private by the end of the year.

The numbers employed in the private sector increased by most between 1989 and 1992 in distribution and "other services" though in the latter, there was an estimated decline of 2% in 1992. Agriculture accounted for 69% of total private employment in 1992, though this share is declining.

In the Slovak Republic, the share of employment in the private sector increased from 1% in 1989 to 17% in 1992. At the same time, the share of employment in cooperatives fell from 16½% to 12% while the share in the public sector fell from 81% to 67%.

### Changes in numbers of self-employed and employees

The increase in privatization has resulted in an increasing ratio of self-employed people to employees in all Central and Eastern European coun-

tries. In Bulgaria, although no official data are available, a 1991 study suggests that employees accounted for only just over 53% of employment in the private sector in that year, and that owners (38%) and their families (8-9%) accounted for almost a half. In the Czech Republic, the numbers of self-employed rose from under 1% of total employment in 1989 to over 11% in 1992. As would be expected, the proportion is highest in activities where the private sector accounts for a large share of employment - business services and trade and catering.

In Hungary, the self-employed increased from just over 8% of the total numbers in work in 1989 to an estimated 15% in 1992 while in Poland, their share rose from 30% (some branches of industry such as wood, clothing, leather and metal have traditionally had high self-employment) in 1988 to almost 39% in 1992. The proportion grew in almost every sector, the highest increases being in printing and publishing (a fourfold increase), electrical engineering and electronics (a threefold increase) and precision instruments and transport equipment (more than two-fold).

In Romania, the numbers of self-employed went up from 26% of the total in 1989 to 37% in 1992, the highest increase being in distribution where their share increased from almost nothing to over 37%. On the other hand, the number of self-employed in industry rose from only 4% of the total to under 6% over the period.

In the Slovak Republic, the self-employed are mainly tradesmen. Over 300 thousand licenses were issued to tradesmen up to the end of 1992, which would imply around 14% of the total numbers in employment were self-employed. (On the other hand, estimates from the Statistical Office suggest a much lower proportion of under 7%).

### **Changes in part-time and full-time employment**

Part-time working is not common in Central and Eastern European countries, though it is a practice, which with high unemployment, is beginning to attract some interest in the more advanced countries in the region. There is, however, some difficulty in obtaining data on precisely how prevalent the practice is at present, partly because in some countries - Bulgaria and Romania - the necessary survey apparatus is not yet in place to collect the information, partly because even in countries which have established Labour Force Surveys, the definition of part-time working is far from uniform so that the data are not easy to interpret.

Thus, for example, if anyone working less than full-time hours during the survey reference week is defined as a part-time worker, then it would include people temporarily working shorter hours, because, say, of business being depressed. Equally, there is clearly a difference between someone normally employed for 35 hours a week - if full-time is defined as 40 hours - and someone employed for 20 or even 10 hours.

Moreover there is also the problem of distinguishing between people working part-time in second jobs and those for whom a part-time job is their main and only employment.

In the Czech Republic, around 6% of those in employment worked part-time in mid-1993, according to the LFS, almost all of them from choice - in order to look after children, for reasons of health or to continue education, for example - rather than because they were unable to obtain a full-time job. For a significant number, the part-time job was a second activity rather than the main one.

In Hungary, part-time working accounted for only around 3% of total employment in 1992. Moreover, this figure was lower than in 1988 before the main transition process got underway, when it was 4%. At the same time, the use of part-time employment has recently been introduced as a job creation - or job preservation measure - with some 22 thousand such jobs being subsidised from the Employment Fund in 1992.

In Poland, the number of people working part-time has increased relative to total employment since the reform process began. In 1992, around 16½% of those in employment worked less than 40 hours a week as compared with 10% in 1989. However, this increase is mainly due to people - typically the more highly qualified - working in a part-time job in addition to their main one, this growth being partially offset by the tendency for part-time employees to be laid off before those working full-time.

In the Slovak Republic, the only data available relate to those working less than full-time hours, which at the end of 1992 was almost 22% of all people employed in enterprises with more than 25 employees (mainly state enterprises or public sector organisations). Such people were largely employed in the service sector - in education, health and other communal and personal services, where the figure was around 45%, as well in business services and public administration, where it was almost 43%. Most of these people, however, worked only a few hours less than what is defined as full-time.

### Changes in the importance of multiple jobs

Data on those holding more than one job are similarly limited and incomplete, partly because many of second jobs are in the informal or black economy. In all the countries for which data are available, there has been little change or a reduction in the number recorded as having multiple jobs.

In the Czech Republic, only 3% of those in employment had more than one job in 1992 as against 5% in 1989, though because these figures came from surveys of establishments, they exclude many people holding second jobs in the private sector. In Hungary, the growth in the number of people with second jobs in the private sector was offset by a significant decline in the number with second jobs in the state and cooperative sectors. In 1992, some 200 thousand people - around 5% of the total in employment - were recorded as having formally recognised second jobs, though considerably more were thought to be working in a second activity clandestinely. In Poland, the number of people with multiple jobs also declined - by almost 45% - between 1989 and 1992, while in the Slovak Republic, the number remained broadly unchanged at only just over 2% of the total in employment - but again only so far as formal jobs are concerned.

### Educational attainment levels by branch

The proportion of those in employment with higher education increased in all Central and Eastern European countries between 1989 and 1992, while the proportion with only a primary education declined. In part, this is the consequence of the shift in the structure of production and employment from agriculture and industry to services. In part, it may be a result of market conditions - of high and rising unemployment coupled with the growth of private sector activity, leading to increased competition for jobs and to people with lower education being squeezed out in favour of those with higher education.

Throughout the region as in the Community, more highly educated people represent a much higher proportion of the workforce in services than in agriculture or industry, while conversely proportionally fewer people with only primary education are employed in the former sector than in the latter two. Around 20% or more of those employed in services in all of the countries in 1992 had been to university, the proportion being higher in most countries in health and education and financial services (Table 6). In contrast, only 3-4% of those employed in agriculture were university graduates - under 2% in Romania, over 6% in Hungary, - and only 5-7% of those employed in industry. Equally, comparatively few people working in services had not progressed beyond primary education - only around 10% or less in the Czech Republic and in Poland - where the figure was still significant in agriculture and industry - around 20%. As the structure of production and jobs shifts towards services, therefore, the demand for less skilled people will tend to decline and the position of more highly educated people in the labour market is likely to become progressively more favourable.

At the same time, so long as there continues to be more people looking for work than jobs to fill, the composition of employment, even within sectors, is likely to go on shifting towards more highly educated people. In virtually all sectors, throughout the region, the proportion of those in employment who had graduated from university increased between 1988 or 1989 and 1992, while the proportion with only primary education declined. This was particularly true in the service sector, but especially in financial services - where in the Czech Republic, the proportion with university education rose from 15% to 27% and in Poland, from 11% to 24%. It was also true, however, though to a lesser extent, in agriculture and industry, the proportion employed in the latter with only primary education, for example, fell from 46% to 38% between 1989 and 1991 in Bulgaria, from 43% to 32% in Hungary (between 1990 and 1992), from 29% to 17% between 1989 and 1992 in the Czech Republic and from 25% to 18% in Poland, while the proportion of university graduates increased in all these countries.

**Table 6 — Percent of total employed by educational attainment level, by broad sector and services branches in Central and Eastern Europe**

	Bulgaria		Czech Republic		Hungary		Poland		Romania	
	1989	1992	1989	1992	1990	1992	1988	1992	1989	1992
<i>% total employed with primary education</i>										
Total	46.0	39.2	24.8	13.1	38.6	28.0	34.1	25.7		41.7
Agriculture	80.1	76.7	30.0	24.8	55.4	50.5	66.2	23.2		80.3
Industry	45.8	38.2	28.6	16.8	42.9	32.3	25.4	18.4		32.2
Construction			20.7	9.8	34.8	22.9	22.3	18.0		42.5
Trade & catering	29.7	29.2	20.8	10.2	31.4	19.7	20.3	10.7		28.7
Transport & commun.			24.4	11.7	39.2	28.1	25.1	17.7		29.7
Financial services			7.7	1.8		13.6	7.5	3.9		8.6
Health & education			20.1	8.5	26.1	22.6	16.7	11.9		17.9
Public administration			13.8	6.1	25.6	20.5	3.8	6.1		15.0
Other services			20.4	7.5		25.4	17.7	13.8		36.1
<i>% total employed with university education</i>										
Total	13.7	17.4	8.4	11.0	12.3	14.6	10.5	14.2		7.7
Agriculture	2.7	3.0	4.6	4.0	5.4	6.5	2.3	3.9		1.9
Industry	5.0	5.8	4.8	5.2	6.4	7.1	5.8	7.1		5.2
Construction			4.7	5.3	8.2	8.7	9.6	11.1		7.7
Trade & catering	30.4	33.8	3.5	5.7	7.9	10.0	6.8	13.7		4.8
Transport & commun.			3.7	5.0	5.8	7.3	5.1	5.9		4.6
Financial services			15.4	26.8		28.9	11.2	24.0		17.3
Health & education			27.1	29.3	36.8	37.8	39.0	48.9		29.5
Public administration			22.3	22.1	26.5	22.0	28.1	26.5		20.8
Other services			14.5	25.0		19.8	24.7	20.1		14.2

Note: For Bulgaria, figure given in trade and catering represents % total employed for services as a broad sector; end of year data. Czech Republic, end of year data

Source: Bulgaria, NSI; Czech Republic, 1992 data based on LFS data for 2nd quarter 1993; Hungary, 1990 data are from the Population Census and follow the old industrial classification excluding those on child care leave and employed pensioners; 1992 data are from the LFS (4th quarter) and follow the new industrial classification excluding those on child care leave

## Definition of series

*All the population and employment series are averages for the period. For unemployment, the annual figures are averages for the year, except where stated, but the quarterly figures are for the end of the period.*

Resident population	A	(T) - including immigrants and nationals temporarily abroad, excluding visitors and armed forces of other countries
Working age population	A	(T) - population between official school-leaving age and official retirement age
Female population working age	A	(T) - female population between official school-leaving age and official retirement age, which is approximately 15-54, but which varies for each of the countries as shown in the notes to the tables
Male population working age	A	(T) - male population between official school-leaving age and official retirement age, which is approximately 15-59, but which varies for each of the countries as shown in the notes to the tables
Population below working age	A	(T) - population below official school-leaving age
Population above working age	A	(T) - population above official retirement age
Active population	A	(T) - numbers in armed forces or civilian labour force, including numbers employed in the private and informal sectors; where possible women on long-term maternity leave are excluded
Armed forces	A	(T) - members of armed forces (where numbers are available)
Civilian labour force	Q+A	(T) - active population minus armed forces
Civilian employed	Q+A	(T) - persons working full or part-time in civilian occupations; in some cases employment by sector is only available for the number of jobs as indicated in the notes
Employed in agriculture	Q+A	(T) - persons employed in agriculture, forestry and fishing
Employed in manufacturing	Q+A	(T) - persons employed in manufacturing; repair services should be included in trade and catering if possible
Employed in trade+catering	Q+A	(T) - persons employed in retail and wholesale distribution, catering and hotels and repairs
Employed in financial services	Q+A	(T) - persons employed in banking, insurance, business and other financial services
Employed in public administration	Q+A	(T) - persons employed in central and local government
Employed in other services	Q+A	(T) - persons employed in services not elsewhere specified, including armed forces where not separately identified
Self-employed	Q+A	(T) - persons working as proprietors or on own account in their main occupation
Employees	Q+A	(T) - persons working as civilian employees in their main occupation
Unemployed (LFS)	Q+A	(T) - persons of working-age without work who are actively seeking work and are immediately available for work
Registered unemployed	Q+A	(T) - unemployed registered at labour offices
Youth unemployed	Q+A	(T) - numbers of unemployed aged less than 25 years old



Long-term unemployed	Q+A (T) - numbers of unemployed who have been unemployed for more than 1 year
Activity rates	A (%) - 100 (active population/population of working age)
Unemployment rate	Q+A (%) - 100 (unemployed/civilian labour force)
Youth unemployment rate	Q+A (%) - numbers of youth unemployed as a % of civilian labour force aged less than 25 years old
Price and wage inflation	Q+A (g) - % change in average price/wage index for period compared with value in the same period 1 year earlier, eg 1991=100 (index <sub>91</sub> /index <sub>90</sub> - 1); 1992.Q1=100 (index <sub>92q1</sub> /index <sub>91q1</sub> - 1)
Consumer price inflation	Q+A (g) - % change in representative index of prices for average household
Wage Inflation	Q+A (g) - % change in index of average gross monthly wages for full-time employees
Social protection	Q+A (w) - ratios of monthly values to average gross monthly wages for full-time employees (ie before tax)
Minimum wage	Q+A (w) - minimum official monthly wage as prescribed by legislation expressed as ratio of average gross monthly wage for full-time employees
Average unemployment benefit	Q+A (w) - average unemployment benefit received by persons receiving unemployment benefit, as a ratio of the average gross wage of full-time employees
Minimum pension	Q+A (w) - minimum monthly pension per person prescribed by legislation for persons in households without full-time wage or salary income, as a ratio of the average gross monthly wage
Economic activity	Q+A (g) - national accounts details; % change in indices for period compared with the same period 1 year earlier
GDP constant prices	Q+A (g) - % change in gross domestic product at constant market prices on SNA definitions (average of output and expenditure estimates if available)
Industrial output	Q+A (g) - % change in gross output of manufacturing, mining, power and water industries
Consumers expenditure const prices	Q+A (g) - % change in consumers expenditure on goods and services at constant market prices
Fixed investment	Q+A (g) - % change in gross fixed capital formation at constant market prices
External trade	Q+A (\$) - value of trade in goods, converted to US dollars at current exchange rates and expressed at a quarterly rate (ie divided by 4 for annual figures)
Trade balance	Q+A (\$) - dollar value of exports less imports
Exports of goods	Q+A (\$) - US dollar value of exports of goods, valued fob.
Imports of goods	Q+A (\$) - US dollar value of imports of goods, valued fob (or cif if fob is not available)

**Key:**

Q - Quarterly	A - Annual
(T) - Thousands	(%) - Per cent
(g) - Per cent change per annum	(w) - % average gross wage
(\$)- US dollar (millions)	

**Statistical tables: 1989 - 1993.2**

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<b>Population ('000s)</b>						
<i>Resident population</i> <sup>B1</sup>						
1989	8765	10302	10398	37963	23152	5276
1990	8668	10303	10365	38119	23207	5298
1991	8596	10308	10345	38245	23185	5283
1992	8485	10315	10324	38365	22789	5300 e
<i>Working age population</i> <sup>B2 C1 H1 P1 R1 S1</sup>						
1989	4890	5913	5963	23157	12988	3011
1990	4835	5980	5977	23278	13011	3042
1991	4795	6049	6015	23402	13058	3057
1992	4733	6115	6044	23539	12916	3088 e
<i>Female population working age</i>						
1989	2303	2798	2845	11607	6125	1442
1990	2280	2834	2861	11665	6136	1459
1991	2263	2879	2881	11727	6158	1471
1992	2237	2915	2897	11795	6043	1484 e
<i>Male population working age</i>						
1989	2588	3115	3118	11550	6863	1569
1990	2556	3146	3116	11613	6875	1583
1991	2532	3170	3134	11675	6900	1586
1992	2496	3200	3147	11744	6873	1604 e
<i>Population below working age</i>						
1989	1799	2285	2150	9649	5905	1354
1990	1779	2223	2098	9573	5863	1338
1991	1764	2148	2036	9473	5717	1310
1992	1742	2093	1984	9348	5509	1291 e
<i>Population above working age</i>						
1989	2077	2114	2285	5157	4259	911
1990	2054	2110	2290	5268	4333	918
1991	2037	2112	2294	5370	4410	916
1992	2010	2110	2296	5478	4364	921 e
<b>Labour Force and employment ('000s)</b> <sup>C2 P2 S2</sup>						
<i>Active population</i> <sup>B3 H2 R2</sup>						
1989	4365	5502	4896	17503	-	2597
1990	-	5340	4745	17449	-	2535
1991	-	5310	4562	17620	-	2523
1992	-	5197	4652	17671	-	2495 e
1993.1	-	5174	4522	17659	-	-
1993.2	-	5145	4517	17542	-	-
<i>Female active population</i>						
1989	2021	2527	2231	7965	-	1160
1990	-	2463	2136	7979	-	1144
1991	-	2373	2126	8216	-	1107
1992	-	2265	2093	8125	-	1089 e
1993.1	-	2421	2042	7946	-	-
1993.2	-	2395	2041	7944	-	-
<i>Male active population</i>						
1989	2344	2975	2665	9538	-	1437
1990	-	2877	2609	9470	-	1391
1991	-	2937	2436	9404	-	1416
1992	-	2932	2559	9546	-	1406 e
1993.1	-	2754	2480	9713	-	-
1993.2	-	2750	2476	9598	-	-

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Armed forces</i> <sup>P3 R3 S3</sup>						
1989	120 e	268	-	373	-	119
1990	-	241	-	347	-	107
1991	-	214	-	335	-	94
1992	-	187	-	342	-	80 e
<i>Civilian labour force</i> <sup>B4 P4 S4</sup>						
1989	4245	5234	-	17130 e	10946	2478
1990	4162	5099	-	17102	10840	2428
1991	3819	5096	-	17285	11123	2429
1992	3613	5010	-	17329	11387	2415 e
1993.1	2963	-	-	17308	-	2335
1993.2	2918	-	-	17191	-	2382
<i>Female civilian labour force</i>						
1989	-	2483	-	7965 e	4943	1161
1990	1913	2423	-	7979	5002	1144
1991	1727	2338	-	8216	5267	1107
1992	1654	2234	-	8125	5451	1089 e
1993.1	1524	-	-	7946	-	1010
1993.2	1513	-	-	7944	-	1036
<i>Male civilian labour force</i>						
1989	-	2751	-	9165 e	6003	1317
1990	2247	2676	-	9123	5838	1284
1991	2092	2758	-	9069	5856	1322
1992	1959	2776	-	9204	5936	1326
1993.1	1439	-	-	9362	-	1325
1993.2	1405	-	-	9247	-	1346
<i>Employed</i> <sup>B5 C3 H3 P5 R4 S5</sup>						
1989	4365	5403	4872	17130	10946	2498
1990	4097	5351	4699	16511	10840	2478
1991	3564	5059	4334	15601	10786	2281
1992	3113	4927	4096	14974	10458	2160 e
1993.1	2373	4950	3823	14841	-	2048 e
1993.2	2324	4946	3844	14820	-	2086 e
<i>Employed in agriculture</i> <sup>R5</sup>						
1989	814	631	755	4685	-	345
1990	758	634	705	4559	3153	335
1991	660	510	592	4391	3212	280
1992	559	427	458	4136	3449	250 e
1993.1	256	409	342	3633 e	-	233
1993.2	254	390	352	3751	-	238
<i>Employed in mining</i>						
1989	114	197	93	578	-	25
1990	114	186	78	565	259	17
1991	103	169	65	459	277	22
1992	-	124	53	459	272	36 e
1993.1	-	143	44	421	-	33
1993.2	-	134	41	430	-	34
<i>Employed in manufacturing</i> <sup>B6</sup>						
1989	1496	1839	1306	4173	-	801
1990	1347	1760	1283	3947	3719	769
1991	1217	1705	1169	3657	3372	652
1992	1057	1582	1054	3282	2865	655 e
1993.1	937	1491	975	3335	-	605
1993.2	906	1495	948	3117	-	610

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Employed in power and water</i>						
1989	36	78	121	182	-	41
1990	38	79	117	137	133	39
1991	37	75	104	138	154	38
1992	-	92	108	142	164	50 e
1993.1	-	102	103	127	-	43
1993.2	-	103	102	183	-	44
<i>Employed in construction</i>						
1989	333	392	322	1321	-	289
1990	312	403	333	1243	599	280
1991	231	404	287	1065	501	254
1992	193	408	217	1066	579	154 e
1993.1	135	410	196	919	-	189
1993.2	130	413	212	951	-	190
<i>Employed in trade and catering</i>						
1989	395	620	-	1515	-	278
1990	372	613	-	1626	724	277
1991	308	571	518	1530	912	256
1992	315	617	597	1682	929	245 e
1993.1	152	656	577	1661	-	251
1993.2	145	675	575	1595	-	259
<i>Employed in transport &amp; communications</i>						
1989	290	351	-	1222	-	161
1990	286	371	-	1056	765	163
1991	267	368	382	999	689	160
1992	242	366	346	968	649	160 e
1993.1	209	397	340	847	-	165
1993.2	205	399	336	749	-	164
<i>Employed in financial services</i>						
1989	26	25	-	380	-	9
1990	25	28	-	327	39	10
1991	27	37	-	312	44	14
1992	34	51	69	388	57	19 e
1993.1	26	60	73	-	-	21
1993.2	28	64	72	345	-	25
<i>Employed in health and education</i>						
1989	491	585	691	1950	-	306
1990	494	596	669	2002	727	309
1991	475	592	660	2039	744	288
1992	463	595	548	1906	739	300 e
1993.1	459	647	568	2008	-	336
1993.2	459	634	590	2002	-	347
<i>Employed in public administration</i> <sup>B7 H4 P6</sup>						
1989	61	92	362	195	-	36
1990	55	95	305	193	88	51
1991	50	99	286	202	99	53
1992	47	123	311	229	113	96 e
1993.1	53	253	300	-	-	119
1993.2	53	254	303	-	-	123
<i>Employed in other services</i> <sup>C4 H5</sup>						
1989	309	593	1222	929	-	207
1990	296	586	1210	856	634	228
1991	241	529	279	809	701	264
1992	203	542	335	716	642	195 e

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Employed in other services</i> <sup>H5</sup>						
1993.1	148	382	305	-	-	167
1993.2	144	385	313	-	-	162
<i>Self-employed</i> <sup>B8 C5 H6 P7 R5</sup>						
1989	-	20	412	4398	2922	8 e
1990	-	48	530	4656	2938	22 e
1991	-	250	601 e	4875	3308	100 e
1992	-	450 e	620 e	5148	3831	140 e
1993.1	-	641	600 e	4434	-	134
1993.2	-	643	630 e	4574	-	135
<i>Employees</i> <sup>S6</sup>						
1989	-	5214	4460	12732	8024	2470
1990	-	5034	4169	11855	7902	2392
1991	-	4705	3733	10726	7483	2160
1992	-	4397	3475	9826	6526	1989 e
1993.1	-	4309	3223	10407	-	1895
1993.2	-	4304	3214	10246	-	1922
<i>Unemployed (LFS)</i>						
1992	-	-	444	-	-	-
1993.1	-	225	547	2467	-	287
1993.2	-	199	517	2371	-	296
<i>Female unemployed (LFS)</i>						
1992	-	-	178	-	-	-
1993.1	-	119	215	1242	-	125
1993.2	-	111	200	1224	-	126
<i>Male unemployed (LFS)</i>						
1992	-	-	266	-	-	-
1993.1	-	106	332	1225	-	162
1993.2	-	88	317	1147	-	170
<i>Youth unemployed (mainly LFS)</i> <sup>B9 C6 H7 P8 R6 S7</sup>						
1989	-	-	-	-	-	-
1990	30	-	-	-	-	-
1991	204	72	76	603	201	94
1992	258	52	120	811	516 e	88
1993.1	250	68	132	625	509	-
1993.2	240	52	133	599	555	101
<i>Female youth unemployed</i>						
1989	-	-	-	-	-	-
1990	21	-	-	-	-	-
1991	111	38	-	318	-	47
1992	134	28	43	433	-	40
1993.1	125	32	47	306	322	-
1993.2	122	26	48	296	279	35
<i>Male youth unemployed</i>						
1989	-	-	-	-	-	-
1990	9	-	-	-	-	-
1991	93	34	-	285	-	47
1992	124	24	77	378	-	48
1993.1	125	36	85	319	187	-
1993.2	118	26	85	303	276	66
<i>Long-term unemployed (mainly LFS)</i> <sup>C6 H8 P8 R7 S7</sup>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	9	21	-	-	18

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Long-term unemployed (mainly LFS)</i> <sup>C6 H9 P9 R9 S6</sup>						
1992	-	20	92	-	190	95
1993.1	-	38	155	1047	313	158
1993.2	-	38	172	844	422	161
<i>Long-term female unemployed</i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	5	-	-	-	9
1992	-	11	36	-	-	49
1993.1	-	19	62	566	180	70
1993.2	-	20	69	454	279	75
<i>Long-term male unemployed</i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	4	-	-	-	9
1992	-	9	56	-	-	46
1993.1	-	19	93	481	133	88
1993.2	-	18	103	390	143	86
<i>Registered unemployed</i> <sup>H9</sup>						
1989	-	-	24	-	-	-
1990	65	17	46	591	-	14
1991	255 e	141	227	1684	337	169
1992	500	163	556	2355	929	286
1993.1	604	152	699	2649	1062	306
1993.2	586	138	673	2702	1036	318
<i>Female registered unemployed</i>						
1989	-	-	10	-	-	-
1990	42	-	18	301	-	15
1991	138 e	78	93	967	208	86
1992	263 e	94	229	1252	563	144
1993.1	310	84	282	1386	620	144
1993.2	303	81	276	1439	617	152
<i>Male registered unemployed</i>						
1989	-	-	14	-	-	-
1990	23	-	28	290	-	16
1991	117 e	63	134	717	129	83
1992	237 e	69	327	1103	366	141
1993.1	295	68	417	1263	443	162
1993.2	283	57	397	1263	419	166
<i>Activity and unemployment rates (%)</i> <sup>H10</sup>						
<i>Female activity rate</i>						
1989	87.8	90.3	78.5	68.6	80.7	80.4
1990	83.9	86.9	74.7	68.4	81.5	78.4
1991	76.3	82.4	73.7	70.1	85.5	75.3
1992	73.9	77.7	73.0	68.9	90.7	73.4
1993.1	-	83.6	71.2	69.9	-	-
1993.2	-	82.7	71.1	69.9	-	-
<i>Male activity rate</i>						
1989	90.6	95.5	85.1	82.6	87.5	91.6
1990	87.9	91.4	83.7	81.5	84.9	87.9
1991	82.6	92.6	77.8	80.5	84.9	89.3
1992	78.5	91.6	81.3	81.3	86.4	87.7
1993.1	-	86.5	78.8	86.6	-	-
1993.2	-	86.3	78.7	86.4	-	-

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Unemployment rate (LFS) <sup>S8</sup></i>						
1992	-	-	9.9	-	-	-
1993.1	-	4.3	12.6	14.3	-	12.3
1993.2	-	3.9	12.0	13.8	-	12.4
<i>Female unemployment rate (LFS)</i>						
1992	-	-	8.7	-	-	-
1993.1	-	4.9	10.9	15.6	-	12.4
1993.2	-	4.6	10.2	15.4	-	12.2
<i>Male unemployment rate (LFS)</i>						
1992	-	-	11.0	-	-	-
1993.1	-	3.9	12.6	13.1	-	12.2
1993.2	-	3.2	12.0	12.4	-	12.6
<i>Youth unemployment rate (mainly LFS)</i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	8.0	-	27.0	-	-
1992	-	5.7	18.8	33.2	-	-
1993.1	-	8.0	22.3	31.5	4.6	-
1993.2	-	6.4	22.5	29.8	5.0	23.7
<i>Female youth unemployment rate</i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	8.8	-	30.5	-	-
1992	-	6.3	15.1	35.8	-	-
1993.1	-	7.9	17.8	33.9	2.9	-
1993.2	-	6.9	17.8	32.2	2.5	18.5
<i>Male youth unemployment rate</i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	-	7.3	-	23.9	-	-
1992	-	5.2	22.3	30.7	-	-
1993.1	-	8.1	26.7	29.5	1.7	-
1993.2	-	5.9	26.8	27.8	2.5	28.0
<i>Registered unemployment rate <sup>H11 S8</sup></i>						
1989	-	-	0.5	-	-	-
1990	1.5	0.3	1.0	3.5	-	0.6
1991	6.7 e	2.6	4.1	9.7	3.0	6.6
1992	15.3 e	3.1	10.7	13.6	8.2	11.4
1993.1	15.6 e	2.9	14.0	14.4	9.6	12.0
1993.2	15.7 e	2.6	13.4	14.8	9.3	12.5
<i>Female registered unemployment rate</i>						
1989	-	-	0.4	-	-	-
1990	2.0	-	0.8	3.8	-	1.2
1991	7.0 e	3.0	3.5	11.7	4.0	6.9
1992	16.1 e	3.6	9.0	15.4	10.3	11.7
1993.1	-	3.3	11.6	16.1	11.7 e	11.9
1993.2	-	3.2	11.4	16.8	11.6 e	12.5
<i>Male registered unemployment rate</i>						
1989	-	-	0.5	-	-	-
1990	1.1	-	1.0	3.2	-	0.8
1991	6.3 e	2.3	4.8	7.9	2.2	6.3
1992	15.6 e	2.6	12.0	12.0	6.2	11.1
1993.1	-	2.5	16.1	13.0	7.7 e	12.1
1993.2	-	2.1	15.4	13.1	7.2 e	12.4

	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<b>Price and wage inflation (% pa)</b>						
<i>Consumer price inflation</i>						
1989	5.6	1.4	17.0	251.1	1.1	1.3
1990	23.8	9.7	28.9	585.8	5.1	10.4
1991	338.5	56.6	35.0	70.3	174.5	61.2
1992	79.4	11.1	23.0	43.0	210.9	10.0
1993.1	69.0	21.7	24.7	39.0	171.0	19.1
1993.2	61.9	21.8	21.7	36.0	213.3	22.4
<i>Wage inflation</i>						
1989	8.8	2.2	17.9	291.8	4.0	2.8
1990	31.5	3.7	28.6	398.0	10.5	3.9
1991	152.8	15.4	30.0	70.6	121.3	16.6
1992	112.7	22.5	25.1	39.3	170.0	20.3
1993.1	58.6	28.0	20.2	43.7	136.1	18.5
1993.2	63.1	28.1	23.9	39.7	178.6	17.9
<i>Real wage growth</i>						
1989	3.0	0.8	0.8	11.6	2.1	1.4
1990	6.2	-5.5	-0.2	-27.4	5.6	-6.1
1991	-42.3	-26.3	-3.7	0.2	-17.2	-25.2
1992	18.6	10.3	1.7	-2.6	-23.0	8.7
1993.1	-6.3	5.2	-3.6	3.4	-12.9	-0.4
1993.2	0.7	5.2	1.8	2.7	-11.0	-2.2
<b>Social protection (% av wage) <sup>H12 R8</sup></b>						
<i>Minimum wage <sup>P10</sup></i>						
1989	51.1	-	35.0	11.6	63.7	-
1990	44.6	-	42.0	21.4	73.0	-
1991	58.4	51.1	39.0	34.7	60.3	52.0
1992	35.9	45.9	36.0	37.0	45.7	47.5
1993.1	-	41.1	39.0	41.1	-	46.4
1993.2	-	36.6	35.0	39.3	-	42.5
<i>Average unemployment benefit <sup>B10 C7 P11</sup></i>						
1989	-	-	-	-	-	-
1990	-	-	-	-	-	-
1991	60.6 e	46.3	41.0	-	-	43.8
1992	38.1 e	24.8	39.3	36.0	-	31.6
1993.1	39.5 e	-	39.6	36.0	-	33.6
1993.2	42.3 e	-	36.7	36.0	-	-
<i>Minimum pension <sup>P12</sup></i>						
1989	25.5	31.2	36.0	23.8	31.5	32.5
1990	34.3	40.3	34.0	33.5	30.1	32.7
1991	34.0	46.6	29.0	33.7	33.1	39.4
1992	-	41.3	25.9	29.3	35.5	37.3
1993.1	-	37.0	26.7	32.0	-	39.3
1993.2	-	34.3	23.8	32.3	-	39.0
<b>Economic activity (% pa)</b>						
<i>GDP constant prices</i>						
1989	-	4.5	-	0.2	-5.8	1.1
1990	-9.1	-1.2	-4.0	-11.6	-5.6	-2.5
1991	-16.7	-14.2	-10.7	-7.6	-12.9	-11.2
1992	-5.7	-7.1 e	-4.5	1.5	-13.5	-7.0 e
1993.1	-	-2.2 e	-	-	-	-6.5 e
1993.2	-	1.1 e	-	-	-	-5.9 e



	Bulgaria	Czech Republic	Hungary	Poland	Romania	Slovak Republic
<i>Industrial output</i> <sup>S9</sup>						
1989	-0.2	1.5	-	-	-2.1	1.1
1990	-17.5	-3.5	-8.5	-24.2	-18.8	-2.7
1991	-27.8	-22.3	-19.1	-11.9	-19.6	-21.6
1992	-21.9	-10.6	-9.8	4.2	-22.0	-14.5 e
1993.1	-10.8	-4.9	-1.3	6.9	-17.3	0.1
1993.2	-5.4	-4.3	4.8	8.9	2.4	-13.7
<i>Consumers expenditure const prices</i>						
1989	-	2.9	-	-0.3	1.4	3.6
1990	-9.1	1.9	-3.3	-15.3	8.9	4.4
1991	-16.7	-31.2	-5.6	7.4	-11.6	-27.8
1992	-	8.2 e	-2.2 e	5.2	-7.3	-2.5 e
1993.1	-	3.0 e	-	-	-	0.4 e
1993.2	-	9.5 e	-	-	-	-
<i>Fixed investment</i>						
1989	-	2.8	-	-2.4	-1.6	4.0
1990	-6.1	8.2	-9.8	-10.1	-35.5	11.8
1991	41.6	-32.5	-12.0	-4.1	-26.0	-20.0
1992	183.4	16.6 e	-8.0 e	0.7	-1.1	-
1993.1	-3.0	-	-	-	-	-
1993.2	-11.6	-	-	-	-	-
<i>External trade (\$m)</i> <sup>B11</sup>						
<i>Trade balance</i> <sup>CS RS S10</sup>						
1989	-	-1	197	797	639	-
1990	-198 e	-191	235	1199	-837	-
1991	-11	210	-299	-154	-276	-121
1992	121	-344	-89	-681	-298	-29
1993.1	-195	419	-766	-1017	-499	-34
1993.2	-187	-197	-1263	-1749	-139	-
<i>Exports of goods</i> <sup>S11</sup>						
1989	-	2693	2401	3367	1491	-
1990	622 e	2263	2397	3581	1442	-
1991	934	1996	2547	3726	1067	826
1992	1273	2224	2678	3297	1091	941
1993.1	639	2961	1873	3304	838	452
1993.2	736	3241	1941	3676	915	-
<i>Imports of goods</i> <sup>P13</sup>						
1989	-	2694	2205	2569	852	-
1990	821 e	2454	2162	2382	2279	-
1991	945	1786	2846	3880	1343	947
1992	1152	2568	2767	3978	1389	970
1993.1	834	2542	2639	4321	1337	486
1993.2	924	3438	3204	5422	1054	-

## Regional labour force and unemployment

	Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)		Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)
<b>Bulgaria</b>				<i>Softa district</i>			
<i>Softa Town</i>				1991	443	56	12.6
1989	619	-	-	1992	365	73	16.0 e
1990	588	8	1.3	1993.1	336	72	15.5 e
1991	533	44	8.3	1993.2	326	68	15.2 e
1992	457	48	8.9	<i>Haskovo</i>			
1993.1	431	48	8.9 e	1989	494	-	-
1993.2	423	47	8.8 e	1990	457	6	1.3
<i>Burgas</i>				1991	429	48	11.2
1989	419	-	-	1992	340	73	17.5 e
1990	403	7	1.7	1993.1	321	76	17.7 e
1991	378	39	10.3	1993.2	320	81	18.8 e
1992	307	59	16.0 e	<b>Czech Republic</b>			
1993.1	287	60	16.2 e	<i>Mid Bohemia</i>			
1993.2	280	56	15.7 e	1989	-	-	-
<i>Varna</i>				1990	1277	3	0.3
1989	458	-	-	1991	1248	23	1.8
1990	434	5	1.1	1992	1214	20	1.7
1991	410	41	10.0	1993.1	1232	18	1.5
1992	329	51	12.7 e	1993.2	1232	16	1.3
1993.1	307	50	12.4 e	<i>S. &amp; W. Bohemia</i>			
1993.2	302	43	11.3 e	1989	-	-	-
<i>Lovetch</i>				1990	799	2	0.3
1989	542	-	-	1991	800	18	2.3
1990	520	5	1.0	1992	781	20	2.5
1991	462	44	9.5	1993.1	782	18	2.3
1992	387	63	13.3 e	1993.2	782	15	2.0
1993.1	369	71	14.2 e	<i>N. Bohemia</i>			
1993.2	365	68	14.5 e	1989	-	-	-
<i>Montana</i>				1990	618	2	0.2
1989	328	-	-	1991	613	16	2.6
1990	309	5	1.6	1992	608	20	3.4
1991	281	35	12.5	1993.1	603	20	3.4
1992	234	55	19.3 e	1993.2	603	19	3.1
1993.1	225	58	20.1 e	<i>E. Bohemia</i>			
1993.2	221	60	20.9 e	1989	-	-	-
<i>Ploudiv</i>				1990	661	2	0.3
1989	601	-	-	1991	659	16	2.4
1990	587	14	2.4	1992	635	19	2.9
1991	541	76	14.0	1993.1	636	15	2.4
1992	462	98	19.2 e	1993.2	636	13	2.1
1993.1	427	100	18.9 e	<i>S. Moravia</i>			
1993.2	424	100	19.6 e	1989	-	-	-
<i>Russe</i>				1990	1025	3	0.3
1989	375	-	-	1991	1039	31	3.0
1990	364	5	1.3	1992	1024	37	3.6
1991	342	36	10.5	1993.1	1031	34	3.3
1992	272	57	17.7 e	1993.2	1031	30	2.9
1993.1	260	69	20.2 e	<i>N. Moravia</i>			
1993.2	257	63	20.7 e	1989	-	-	-
<i>Softa district</i>				1990	994	5	0.5
1989	530	-	-	1991	1010	38	3.8
1990	502	11	2.2	1992	990	47	4.8

	Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)		Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)
<b>N. Moravia</b>				<b>Polnocny</b>			
1993.1	982	46	4.7	1993.1	1696	312	18.4
1993.2	982	45	4.6	1993.2	1699	312	18.4
<b>Hungary</b>				<b>Srodkowo-Zachodni</b>			
<b>Trans Danubian</b>				1989	-	-	-
1989	1025 e	7	0.7	1990	2606	176	6.7
1990	993 e	11	1.1	1991	2602	333	12.8
1991	959 e	49	5.0	1992	2686	399	14.9
1992	972	112	11.6	1993.1	2698	419	15.5
1993.1	945	140	14.7	1993.2	2714	430	15.8
1993.2	944	134	14.2	<b>Poludniowo Zachodni</b>			
<b>Great Plain</b>				1989	-	-	-
1989	900 e	4	0.4	1990	1918	140	7.3
1990	874 e	9	1.0	1991	1869	260	13.9
1991	853 e	50	6.0	1992	1888	297	15.7
1992	586	120 e	14.0	1993.1	1867	319	17.1
1993.1	832	154	18.4	1993.2	1875	324	17.3
1993.2	831	147	17.6	<b>Poludniowy</b>			
<b>North-East</b>				1989	-	-	-
1989	1053 e	10	1.0	1990	3032	122	4.0
1990	1026 e	21	2.0	1991	2924	242	8.3
1991	1012 e	85	8.0	1992	2972	289	9.7
1992	996	189	18.8	1993.1	3024	296	9.8
1993.1	968	228	23.5	1993.2	3036	302	9.9
1993.2	967	218	22.5	<b>Srodkowy</b>			
<b>North-West &amp; Budapest</b>				1989	-	-	-
1989	1918	3	0.2	1990	1586	125	7.9
1990	1852	5	0.3	1991	1573	235	14.9
1991	1759	44	3.0	1992	1619	258	15.9
1992	1828	136	7.5	1993.1	1561	275	17.6
1993.1	1777	177	9.9	1993.2	1568	280	17.9
1993.2	1775	175	9.8	<b>Poludniowo Wschodni</b>			
<b>Poland</b>				1989	-	-	-
<b>Stoleczny</b>				1990	3059	181	5.9
1989	-	-	-	1991	3024	337	11.1
1990	2331	101	4.3	1992	3083	402	13.0
1991	2291	204	8.9	1993.1	3085	419	13.6
1992	2264	238	10.5	1993.2	3091	422	13.6
1993.1	2206	260	10.5	<b>Srodkowo-Wschodni</b>			
1993.2	2222	272	11.8	1989	-	-	-
<b>Polnocno-Wschodni</b>				1990	1060	65	6.1
1989	-	-	-	1991	1055	115	10.9
1990	1111	106	9.5	1992	1075	121	11.2
1991	1129	185	16.4	1993.1	1080	126	11.7
1992	1132	211	18.6	1993.2	1086	131	12.1
1993.1	1115	222	19.9	<b>Romania</b> <sup>R10</sup>			
1993.2	1123	229	20.4	<b>Bucharest</b>			
<b>Polnocny</b>				1989	1525	-	-
1989	-	-	-	1990	1497	-	-
1990	1724	110	6.4	1991	1542	30	1.9
1991	1747	244	14.0	1992	1620	92	5.7
1992	1726	295	17.1	1993.1	-	-	-
				1993.2	-	-	-

	Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)		Labour force ( <sup>'000s</sup> )	Registered unemployed ( <sup>'000s</sup> )	rate (%)
<i>Constanta</i>				<i>N. Moldova</i>			
1989	928	-	-	1989	1164	-	-
1990	936	-	-	1990	1189	-	-
1991	938	37	3.8	1991	1164	58	4.7
1992	1005	97	9.7	1992	1258	152	12.1
1993.1	-	-	-	1993.1	-	-	-
1993.2	-	-	-	1993.2	-	-	-
<i>N. Muntenia</i>				<i>S. Moldova</i>			
1989	1259	-	-	1989	994	-	-
1990	1257	-	-	1990	1002	-	-
1991	1253	33	2.6	1991	989	42	4.0
1992	1325	109	8.2	1992	1066	128	12.0
1993.1	-	-	-	1993.1	-	-	-
1993.2	-	-	-	1993.2	-	-	-
<i>Oltenia</i>				<b>Slovak Republic</b>			
1989	1183	-	-	<i>Bratislava</i>			
1990	1190	-	-	1989	299	-	-
1991	1154	41	3.4	1990	287	1	0.3
1992	1225	112	9.1	1991	300	11	3.7
1993.1	-	-	-	1992	-	16	5.7
1993.2	-	-	-	1993.1	223	13	4.4
<i>Banat</i>				1993.2	232	13	4.3
1989	1094	-	-	<i>W. Slovakia</i>			
1990	1047	-	-	1989	770	-	-
1991	1018	26	2.5	1990	754	4	0.5
1992	1047	76	7.3	1991	769	55	7.2
1993.1	-	-	-	1992	-	96	12.7
1993.2	-	-	-	1993.1	802	101	13.1
<i>Central</i>				1993.2	814	104	13.6
1989	1361	-	-	<i>Mid Slovakia</i>			
1990	1310	-	-	1989	788	-	-
1991	1305	24	1.8	1990	770	4	1.3
1992	1330	100	7.6	1991	773	50	6.4
1993.1	-	-	-	1992	-	86	11.0
1993.2	-	-	-	1993.1	753	91	11.8
<i>Cluj</i>				1993.2	764	95	12.3
1989	1438	-	-	<i>E. Slovakia</i>			
1990	1412	-	-	1989	699	-	-
1991	1423	47	3.2	1990	695	6	0.9
1992	1512	169	11.2	1991	707	52	7.5
1993.1	-	-	-	1992	-	89	12.8
1993.2	-	-	-	1993.1	672	101	14.3
				1993.2	682	106	14.9

## Notes to tables

e estimated

— break in series - figures before and after the line not directly comparable

### Bulgaria

Sources: The data come from the National Statistical Institute and the Ministry of Labour and Social Welfare. As yet no Labour Force Survey results are available so that the labour force and employment figures are administrative data plus estimates for the private sector and the only unemployment figures are from Labour Office registrations.

- 1 Not corrected for immigrants and emigrants
- 2 Includes all persons of working age, men aged 16-60, women aged 16-55 and those outside the working age limits who take part in economic activities, as well as foreigners working in the country under special inter-governmental agreements
- 3 No data for armed forces except for 1989
- 4 Including women on maternity leave. The division between men and women is estimated (note the split has been revised since the last Bulletin, which also affects the activity rate figures). Figures for 1992 and 1993 include average number of employed in the state and cooperative sectors only plus average number of unemployed
- 5 Quarterly data on employed refer to state and cooperative enterprises only. Annual figures for 1991 and 1992, however, also include estimates for the private sector
- 6 Including mining, electricity and water supply in 1992
- 7 Figures include people employed in central and local government, juridical and legal agencies and state archives
- 8 No separate data available on self-employed and employees
- 9 Unemployed up to 30 years old
- 10 Expressed as a percentage of the average wage in the state and cooperative sectors only
- 11 Balance of payments basis. In the previous issues of the Bulletin, annual figures for 1991 and 1992 were expressed by mistake at a yearly instead of a quarterly rate

### Czech Republic

Sources: Population data are from the *Annual Demographic Statistics*, adjusted to be consistent with the Population Census, 1991. Labour force and employment data before 1993 are based on establishment surveys and, in the case of the armed forces and the self-employed, on administrative records, adjusted in the latter case by the results of a small sample survey of the self-employed. Price inflation data are based on a sample survey of selected shops and other outlets (and on a standard basket of selected goods and services). Wage inflation data come from establishment surveys of firms with 25 or more employees. Social protection figures are calculated from legislative regulations and, in the case of the average wage, from establishment surveys. Industrial output estimates come from establishment surveys, adjusted for the self-employed. External trade data before 1991 are from establishment surveys and since 1991 from customs statistics.

- 1 Working age is 15-55 for women, 15-60 for men
- 2 Excluding apprentices and women on unpaid maternity leave. Quarterly figures for 1993 come from the LFS and include apprentices, all women on maternity leave and professionals in military service and exclude conscripts
- 3 Figures for 1989 to 1992 are total number of jobs - ie multiple job holders are counted more than once - and exclude apprentices and women on maternity leave. Quarterly figures for 1993 come from the LFS
- 4 Including real estate and business services
- 5 Excluding those employed in productive cooperatives
- 6 Figures for 1993 come from the LFS
- 7 Unemployment benefit is not taxed; the figure for the average unemployment benefit as a percentage of the average net wage (after deducting tax) is 57.1% for 1991 and 31.0% for 1992
- 8 Up to and including 1992, excluding trade between the Czech and Slovak Republics

### Hungary

Sources: Population data are averages of updated Census of Population figures for 1st January of consecutive years. Labour force and employment figures since 1992 are from quarterly Labour Force Surveys and before 1992 from various sources. The classification of employment by sector since 1992 is based on the Hungarian equivalent of ISIC rev.3 and before 1992 is specially estimated by the Central Statistical Office. The sources of other data are similar to those for the Czech Republic described above.

- 1 Working age is 15-55 for women, 15-60 for men
- 2 Active population = employed + registered unemployed. The number of employed = the number of employees based on annual and quarterly labour force statistics since 1992 and on enterprise statistics and estimations for the previous years, excluding persons who remain away from their workplace for a long period (eg women on maternity leave).

- 3 Including armed forces which are classified to public administration. In 1992, the classification of economic activities was changed. Data for 1992 and 1993 are therefore not directly comparable with those for the previous years
- 4 Including armed forces
- 5 From 1991, the figures exclude the numbers employed in trade and catering and transport and communications which are shown separately
- 6 Including those employed by the self-employed and partnerships
- 7 Registered figures for 1991. LFS figures since 1992
- 8 The figure for 1991 includes only benefit recipients. LFS figures since 1992
- 9 Average of monthly figures
- 10 The activity rate is based on the national concept of the labour force (ie including all women on maternity leave) and registered unemployed
- 11 The registered unemployment rate is the official one based on the national concept of the labour force (ie including all women on maternity leave)
- 12 Figures cover all employees in the state sector and employees in economic units with more than 20 employees

## Poland

Sources: Population data are averages based on the Census of Population. Labour force and employment data for 1993 are from the quarterly Labour Force Survey. Annual data before 1993 come from administrative records plus sample surveys of small enterprises and, in the case of agriculture, from Census figures. The classification of employment by sector is specially estimated for the Bulletin in the case of the annual figures; the quarterly figures come from the LFS, which uses a Polish version of the European Community NACE classification. Price inflation data are from the retail price survey. Industrial output data are based on monthly statistical reports from all enterprises employing 50 or more people and a 10% sample of those employing over 5 but less than 50. Monthly data are checked annually by means of a census survey. External trade data are derived since 1st January 1992 from customs documents and are consistent with UN methodology.

- 1 Working age taken as 15-60. Official working age is 18-59 for women, 18-64 for men. Population figures include all permanent residents irrespective of whether they are in the country or abroad for variable periods of time (perhaps indefinitely). They exclude immigrants resident temporarily (in many cases, for more than a year)
- 2 Figures exclude civilians in armed forces
- 3 Figures exclude conscripts
- 4 Quarterly figures for 1993 for labour force and employment are from the LFS
- 5 Data for employment by sector is estimated by the CSO
- 6 Includes only central government
- 7 Data include individual farmers estimated at 3,560 thousand for 1989 and 1990
- 8 The 1993 figures are from the LFS
- 9 Figures are for the end of the period
- 10 Minimum wage as a % of average net wage
- 11 From March 1992, unemployed persons receive an unemployment benefit equal to 36% of the average monthly wage
- 12 Minimum pension as a % of average net wage
- 13 Figure for 1992 is CIF

## Romania

Sources: The data come from the National Commission for Statistics. As yet no Labour Force Survey results are available so that the labour force and employment figures are administrative data plus estimates for the private sector and the only unemployment figures are from Labour Office registrations.

- 1 Working age is 16-54 for women, 16-59 for men
- 2 No data for armed forces
- 3 No data available
- 4 A new system for distinguishing sectors of activity has recently been adopted in Romania based on the standard international classification (ISIC). Figures are for the end of the period in each case
- 5 Including individual agricultural workers
- 6 Figures include unemployment benefit recipients only
- 7 Unemployed for nine months and over. For 1993, figures for long-term unemployed do not include those for whom the period of entitlement to benefit has expired

- 8 Figures are calculated on the basis of net rather than gross wages
- 9 Figures for 1989 and 1990 are FOB, figures for 1991 and 1992 are CIF
- 10 Figures for 1992 are for end-December 1992

#### Slovak Republic

Sources: The data are derived from similar sources as described above for the Czech Republic, since before January 1993, the two countries shared a common statistical system.

- 1 Working age is 15-55 for women, 15-60 for men
- 2 Quarterly figures for 1993 for labour force and employment come from the LFS
- 3 Figure for 1989 is for the end of the year
- 4 Figures include women on maternity leave up to 28 weeks. Figures for 1993 come from the LFS
- 5 Total number of jobs including multiple job holders. Apprentices and women on maternity leave are excluded. Figures for 1993 come from the LFS and include women on maternity leave up to 28 weeks. Figures for employment by sector include all women on maternity leave
- 6 Figures are for the end of the period. Figures for 1993 come from the LFS and include all women on maternity leave
- 7 Figures for 1993 come from the LFS
- 8 Figures on registered unemployment are calculated on the basis of the civilian labour force including all women on maternity leave, while LFS figures include only women on maternity leave up to 28 weeks
- 9 From 1989 to 1991 including construction
- 10 Preliminary data
- 11 The figure for 1993.1 is CIF

## Statistical indicators for Albania

### Population ('000s)

#### *Resident population*

1989	3182
1990	3287
1991	3260
1992	3190

#### *Working age population*<sup>1</sup>

1989	1882
1990	1959
1991	1925
1992	1849

#### *Female population working age*

1989	904
1990	944
1991	945
1992	937

#### *Male population working age*

1989	979
1990	1015
1991	980
1992	912

#### *Population below working age*

1989	1051
1990	1069
1991	1063
1992	1067

#### *Population above working age*

1989	249
1990	259
1991	267
1992	273

### Labour Force and employment ('000s)

#### *Active population*<sup>2</sup>

1989	1552
1990	1580
1991	1535
1992	1521
1993.1	1390
1993.2	1383

#### *Female active population*

1989	734
1990	722
1991	715
1992	707
1993.1	638
1993.2	644

#### *Male active population*

1989	819
1990	857
1991	829
1992	814
1993.1	752
1993.2	739

### *Armed forces*

1989	43
1990	49
1991	50
1992	49
1993.1	37
1993.2	39

#### *Civilian labour force*

1989	1509
1990	1531
1991	1485
1992	1476
1993.1	1353
1993.2	1346

#### *Female civilian labour force*

1989	729
1990	718
1991	711
1992	704
1993.1	636
1993.2	642

#### *Male civilian labour force*

1989	780
1990	814
1991	774
1992	772
1993.1	717
1993.2	702

#### *Employed*

1989	1439
1990	1429
1991	1404
1992	1127
1993.1	935
1993.2	946

#### *Employed in agriculture*

1989	705
1990	671
1991	668
1992	500

#### *Employed in mining*

1989	35
1990	34
1991	31
1992	26

#### *Employed in manufacturing*

1989	292
1990	301
1991	293
1992	213

#### *Employed in power and water*

1989	5
1990	4
1991	4
1992	4



---

*Employed in construction*

1989	100
1990	95
1991	97
1992	88

*Employed in trade and catering<sup>3</sup>*

1989	68
1990	66
1991	66
1992	89

*Employed transport & communications*

1989	40
1990	44
1991	41
1992	35

*Employed in financial services*

1989	3
1990	3
1991	3
1992	3

*Employed in health and education*

1989	104
1990	107
1991	105
1992	107

*Employed in public administration*

1989	10
1990	10
1991	13
1992	11

*Employed in other services*

1989	77
1990	94
1991	83
1992	51

*Registered unemployed*

1989	113
1990	151
1991	140
1992	394
1993.1	455
1993.2	437

*Female unemployed*

1989	62
1990	78
1991	75
1992	200
1993.1	230
1993.2	237

*Male unemployed*

1989	52
1990	72
1991	65

*Male unemployed*

1992	194
1993.1	225
1993.2	200

*Activity and unemployment rates (%)**Female activity rate*

1989	81.1
1990	76.5
1991	75.6
1992	75.4

*Male activity rate*

1989	83.6
1990	84.4
1991	84.6
1992	89.2

*Unemployment rate*

1989	7.5
1990	9.8
1991	9.4
1992	26.7
1993.1	33.6
1993.2	32.5

*Female unemployment rate*

1989	8.4
1990	10.9
1991	10.5
1992	28.4
1993.1	36.1
1993.2	36.9

*Male unemployment rate*

1989	6.6
1990	8.8
1991	8.3
1992	25.1
1993.1	31.3
1993.2	28.5

*Price and wage inflation (% pa)<sup>4</sup>**Consumer price inflation*

1992	341.7
1993.1	656.9
1993.2	668.7

*Wage inflation*

1992	205.4
1993.1	295.9
1993.2	303.2

*Real wage growth*

1992	-30.9
1993.1	-47.7
1993.2	-47.5

*Social protection (% av wage)**Minimum wage*

1989	68.0
1990	66.0

---

---

*Minimum wage*

1991	65.0
1992	40.0
1993.1	31.0
1993.2	30.5

*Average unemployment benefit*

1992	56.0
1993.1	37.0
1993.2	36.2

*Minimum pension*

1989	64.0
1990	61.0
1991	91.0
1992	48.0
1993.1	33.2
1993.2	32.1

*Economic activity (% pa)**GDP constant prices*

1990	-10.0
1991	-21.0

*Industrial output*

1990	-8.2
1991	-42.5
1992	-20.4

*External trade (\$m )**Trade balance*

1989	-24
1990	-38
1991	-39
1992	-25
1993.1	-65
1993.2	-85

*Exports of goods*

1989	94
1990	57
1991	26
1992	20
1993.1	21
1993.2	21

*Imports of goods*

1989	119
1990	95
1991	64
1992	45
1993.1	86
1993.2	106

**Notes**

1 Working age is 15-54 for women and 15-59 for men

2 Excluding armed forces

3 The numbers employed in the private sector were 30 thousand in 1991 and 62 thousand in 1992

4 Based on 1990

# Acknowledgements

This Bulletin is the fifth issue of a regular series published as part of the Employment Observatory of the Directorate-General for Employment, Industrial Relations and Social Affairs (DGV) of the Commission of the European Communities. The series developed out of meetings between the services of the Commission, including the Statistical Office of the European Communities, and in cooperation with OECD and ILO.

The production of the Bulletin is coordinated by Alphametrics in collaboration with the contributors listed below who provided the data and their interpretation of what is happening in their countries.

**There is a broad degree of consensus between the contributors about the nature and scale of the developments described and analysed. However, the views expressed in this Bulletin do not necessarily reflect, in every case, the views of all the experts.**

## Contributors

### Albania

*Silvana Eski*  
Ministry of Labour, Emigration and  
Social Protection

*Vojsava Progri*  
Institute of Statistics

### Bulgaria

*Iskra Spasova Beleva*  
Institute of Economics, Bulgarian Academy  
of Sciences

*Snejana Georgieva Iovcheva*  
Ministry of Labour and Social Welfare

*Miltcho Mladenov*  
National Statistical Institute

### Czech Republic

*Vit Subert*  
Ministry of Labour and Social Affairs,

*Jaroslav Kux*  
*Marta Moravcova*  
Czech Statistical Office

### Hungary

*Agnes Hars*  
Labour Research Institute

*Judit Lakatos*  
Central Statistical Office

*Janos Timar*  
University of Economic Science, Budapest

### Poland

*Jan Kordos*  
*Janusz Witkowski*  
Central Statistical Office

*Adam Kurzynowski*  
Warsaw School of Economics

*Eugeniusz Kwiatkowski*  
Institute of Economics, University of Lodz

### Romania

*Mircea Cosea*  
Council for Coordination Strategy and  
Economic Reform

*Ilie Dumitrescu*  
National Commission for Statistics

*Gheorghe Raboaca*  
Ministry of Labour and Social Protection,  
Institute of Labour Research

### Slovak Republic

*Miroslav Danihel*  
Ministry of Labour and Social Affairs

*Milan Olexa*  
Slovak Statistical Office

### Alphametrics

*Andy Fuller*  
*Jacinta Melia*  
*Shirley Seal*

*Michael Horgan*  
*Loredana Sementini*  
*Terry Ward*

Enquiries about this Bulletin and requests to receive future or past issues should be addressed to:  
Alphametrics, 37 rue van Campenhout, 1040 Brussels, Tel no. +32-2-736-1079, Fax no. +32-2-736-2389 or:  
Commission of the European Communities, DG V/B/1, 200 rue de la Loi, 1049 Brussels, Fax no. +32-2-296-1422

# EMPLOYMENT OBSERVATORY

The Employment Observatory of the European Commission currently produces four series of regular reports covering different aspects of the Community's labour market. The Employment Observatory complements the Commission's *Employment in Europe* report published annually in all Community languages.

## Policies

The series on *Policies* presents those measures, policies and actions adopted by the Member States which are aimed at promoting and improving employment within the European Community. It is compiled on the basis of information provided through the Mutual Information System on Employment Policies (MISEP). MISEP was created to meet the need for an exchange of information on employment policies and structures within the European Community. A bulletin of recent developments in employment policies is published quarterly in English, French and German. Basic Information Reports describing the national employment situation and procedures are updated and published periodically.

## Trends

The series on *Trends* contains summaries and analyses of employment developments in the European Community on the basis of published work (books, reports and scientific papers) throughout the Member States. It disseminates the information collected in the European System of Documentation on Employment (SYSDÉM), which aims to collect, analyse, synthesise and disseminate available information on employment in the Community. It is published quarterly in English, French and German.

## Research

The *Research* papers present the results of studies on specific themes carried out jointly each year by the Commission and the Member States. The themes for these studies are chosen by the Commission in consultation with the Member States and the Social Partners in the light of the contribution which can be made by the national co-ordinators and for their relevance for on-going policy analysis. They are published annually in English, French and German.

## Central and Eastern Europe

The *Central and Eastern Europe* bulletin contains regular reviews of employment developments in the countries of Central and Eastern Europe. It aims to present up-to-date information on labour market and social conditions in these countries. It contains not only the latest statistical labour market and related indicators, but also analytical articles on labour market issues in the countries covered. It is published twice a year, in English only.

## East Germany

The aim of the series on *East Germany* is to present analytical and up-to-date information on the transformation process and its implications for the labour market in that part of the former Eastern Bloc which has already become a part of the European Community: the new German Federal States (Länder). The publication is aimed at persons and institutions in Western, Central and Eastern Europe who have interest in the transformation process from a planned economy to a market economy. This newsletter is published every two months in German, English and French.