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The Vienna Institute  
for International Economic Studies

# Western Balkans Labor Market Trends 2018

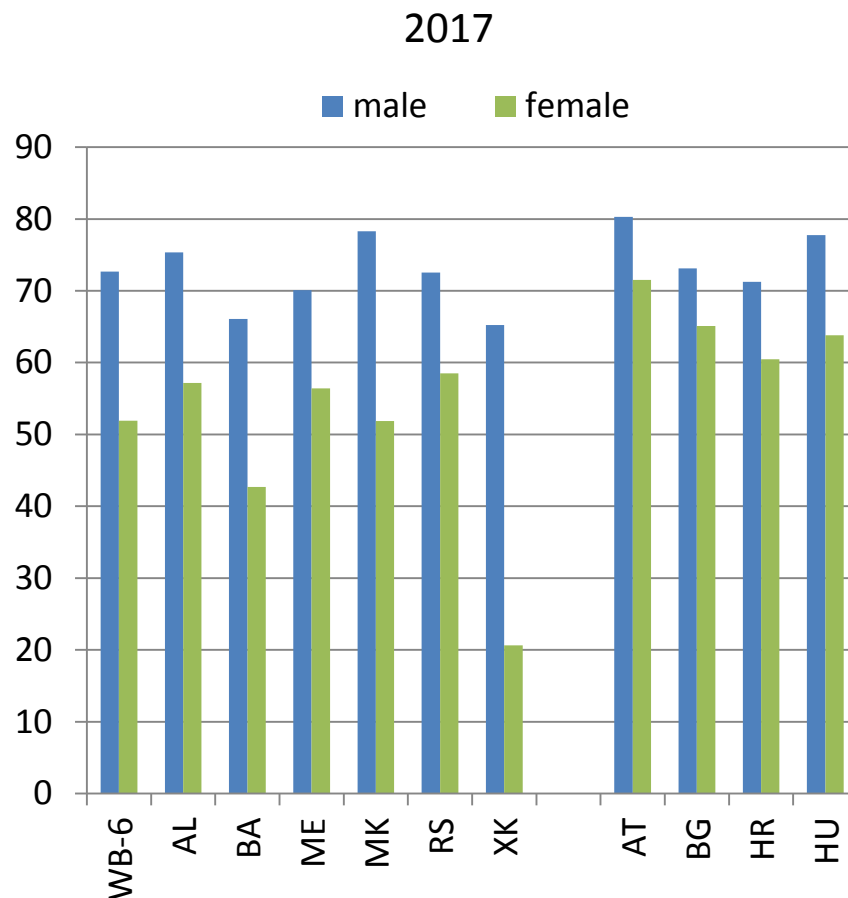
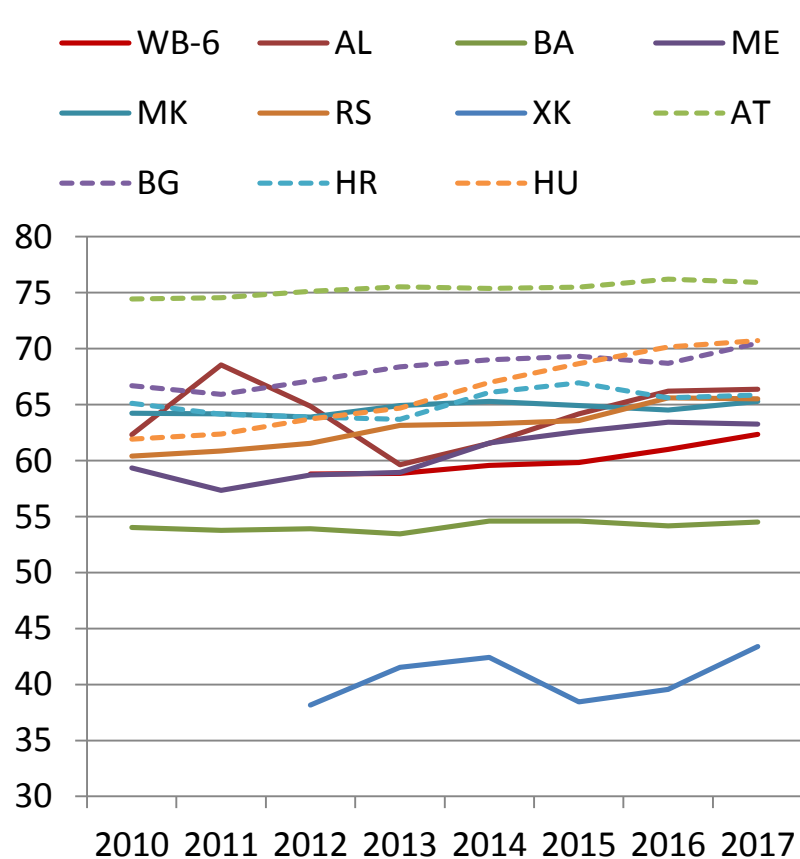
Hermine Vidovic, wiiw  
Stefanie Brodmann, World Bank



# The SEE Jobs Gateway Database

- A harmonized database on key labor market indicators
  - Population, activity, employment, unemployment
  - Non-standard forms of employment (temporary, part-time, self-employment)
  - Regional data
  - Informal employment
  - Youth not in employment, education, or training (NEET), wages
  - Across six western Balkan countries
  - 4 comparator countries: Croatia, Bulgaria, Hungary and Austria
  - Annual and quarterly data - 2010 to 2017 (Q2)
  - About 19,000 time series
- Available at <https://www.seejobsgateway.net>

# Continued increase in activity rates – but female rates are (very) low compared to peer countries



Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Employment growth highest for females and the highly educated

Employment growth, 2016 Q2–2017 Q2, in %

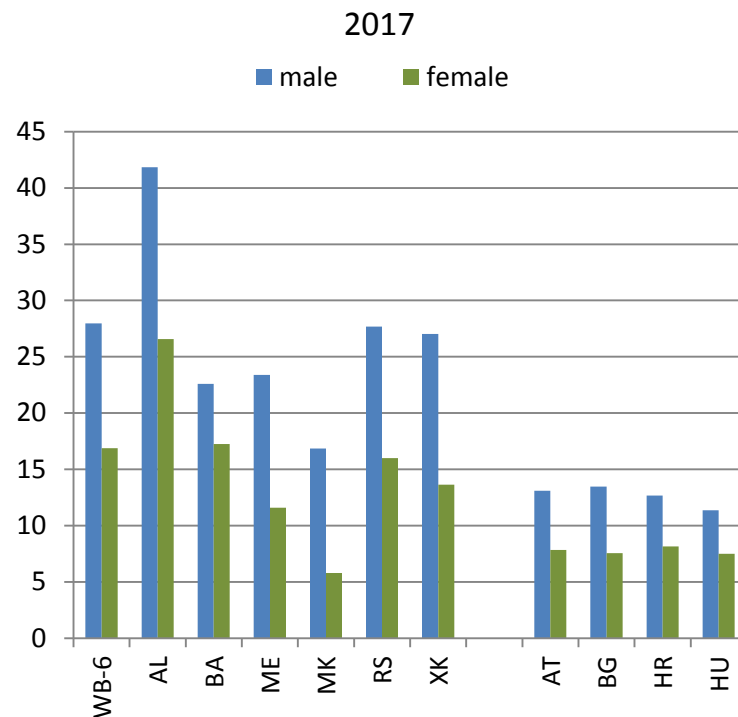
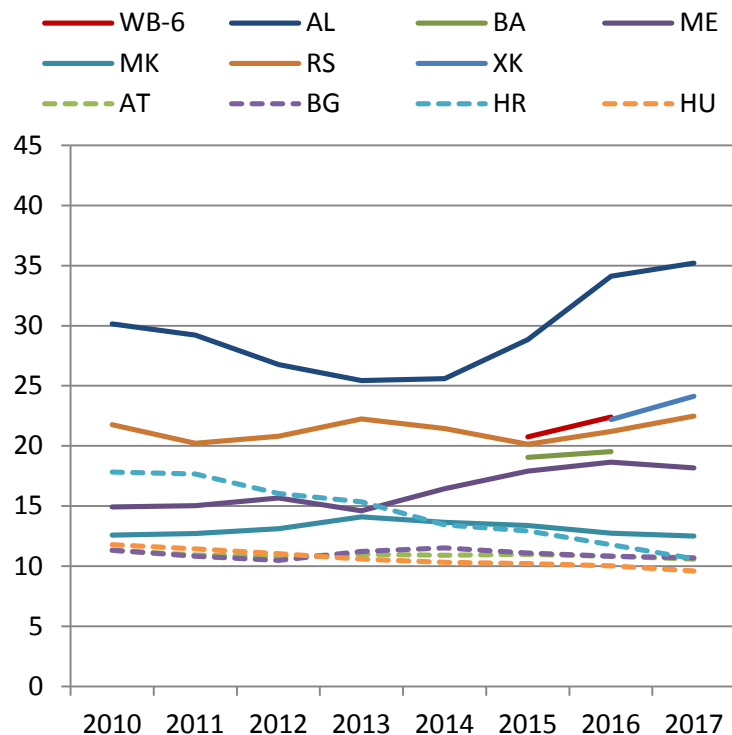
	Gender			Age			Education		
	Total	Male	Female	15–24	25–54	55–64	Low	Medium	High
Albania	3.4	5.6	0.8	13.4	3.0	1.4	2.4	1.2	10.8
Bosnia and Herzegovina	1.9	-0.9	6.8	17.2	.	.	5.7	2.5	-4.1
Kosovo	9.2	11.0	2.8	18.2	5.7	18.7	3.5	9.4	13.1
Montenegro	3.5	4.8	1.9	4.9	1.9	9.5	20.1	3.2	-1.0
FYR Macedonia	2.7	1.4	4.7	13.2	3.2	0.1	-6.0	3.9	6.5
Serbia	4.3	2.9	6.2	3.0	2.9	8.9	1.2	4.9	5.4
Western Balkans	<b>3.9</b>	<b>3.3</b>	<b>4.7</b>	<b>9.8</b>	.	.	<b>1.8</b>	<b>4.1</b>	<b>5.4</b>
Austria	1.2	1.1	1.3	-1.3	0.8	6.5	-2.2	0.1	4.2
Bulgaria	4.5	4.5	4.5	5.1	3.6	5.7	8.8	4.5	3.0
Croatia	1.7	3.4	-0.2	7.2	1.3	2.4	-18.5	5.2	1.4
Hungary	1.8	2.5	0.9	3.0	1.6	0.6	1.2	1.5	2.6

Note: BA: no employment data by age groups above 24 years.

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# High share of self-employment signaling large informal sector

Self-employment, share in total employment (15–64 years), in %

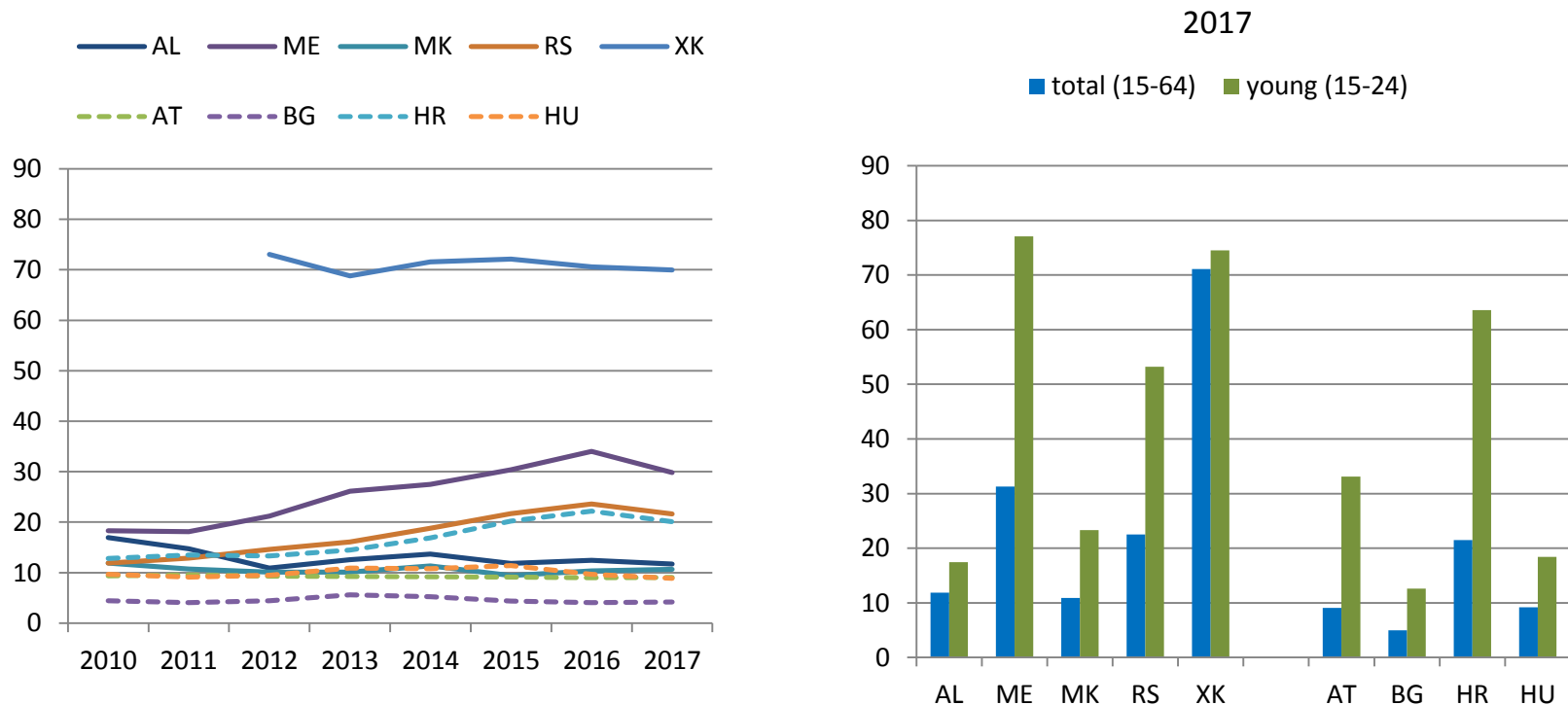


Note: Data for 2017 refer to the first two quarters. Data for BA refer to the working-age population 15+.

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Temporary employment highest among young people

Temporary employees, share in total employees (15–64 years), in %

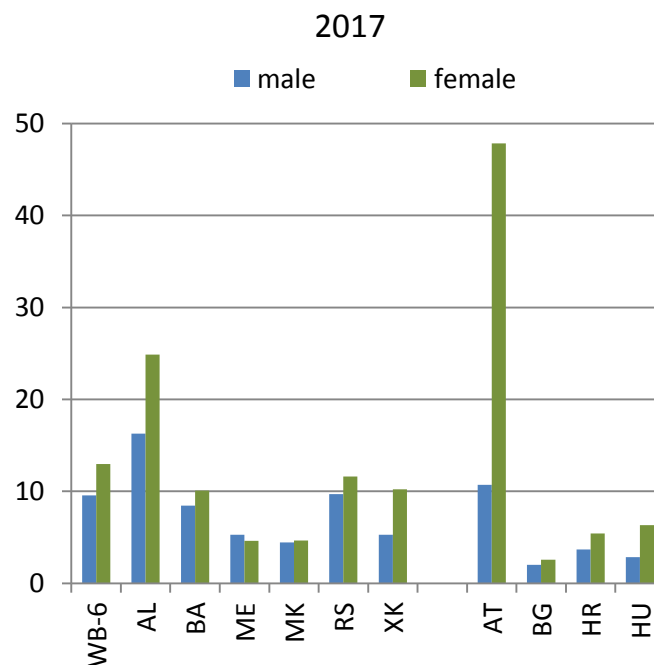
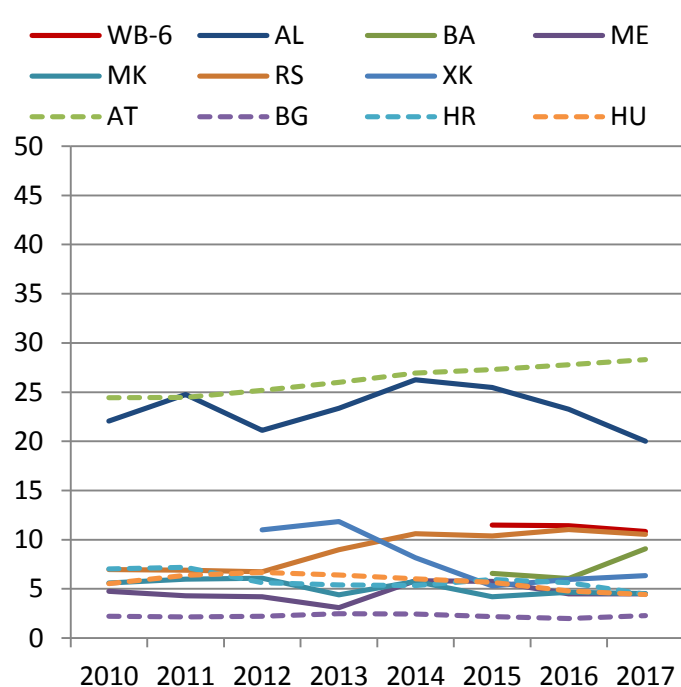


Note: Data for 2017 refer to the first two quarters. Data are not available for Bosnia and Herzegovina.

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Part-time employment less common in the Western Balkans than in EU countries

Part-time employment, share in total employment (15–64 years), in %

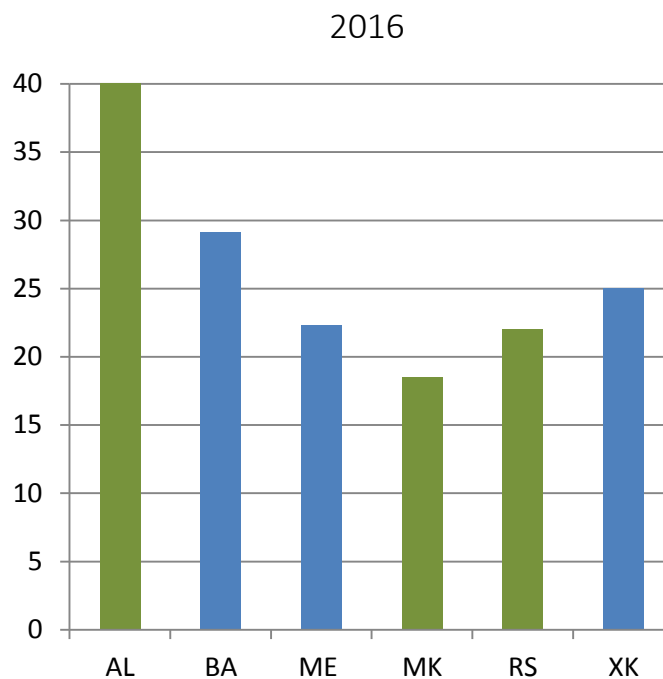
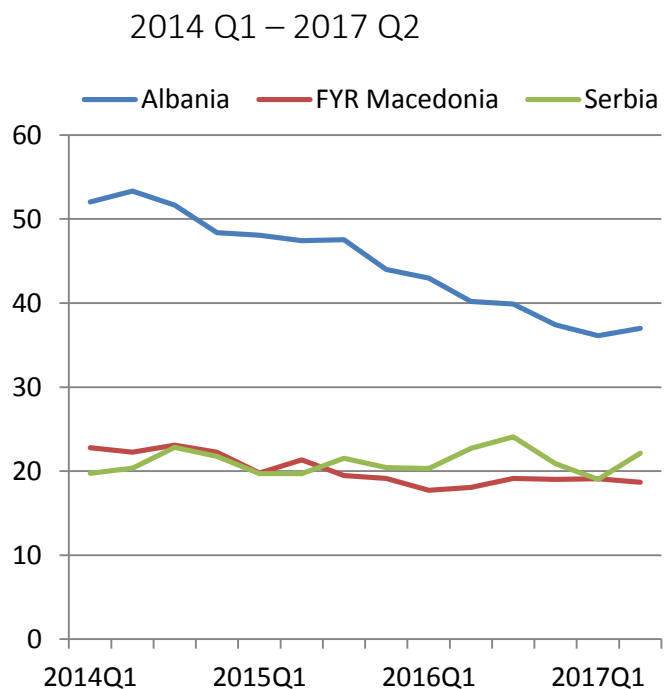


Note: Data for 2017 refer to the first two quarters. Data for Bosnia and Herzegovina refer to the population aged 15+.

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Despite declining, informal sector employment remains at high levels

Share of informal employment in total employment, in %

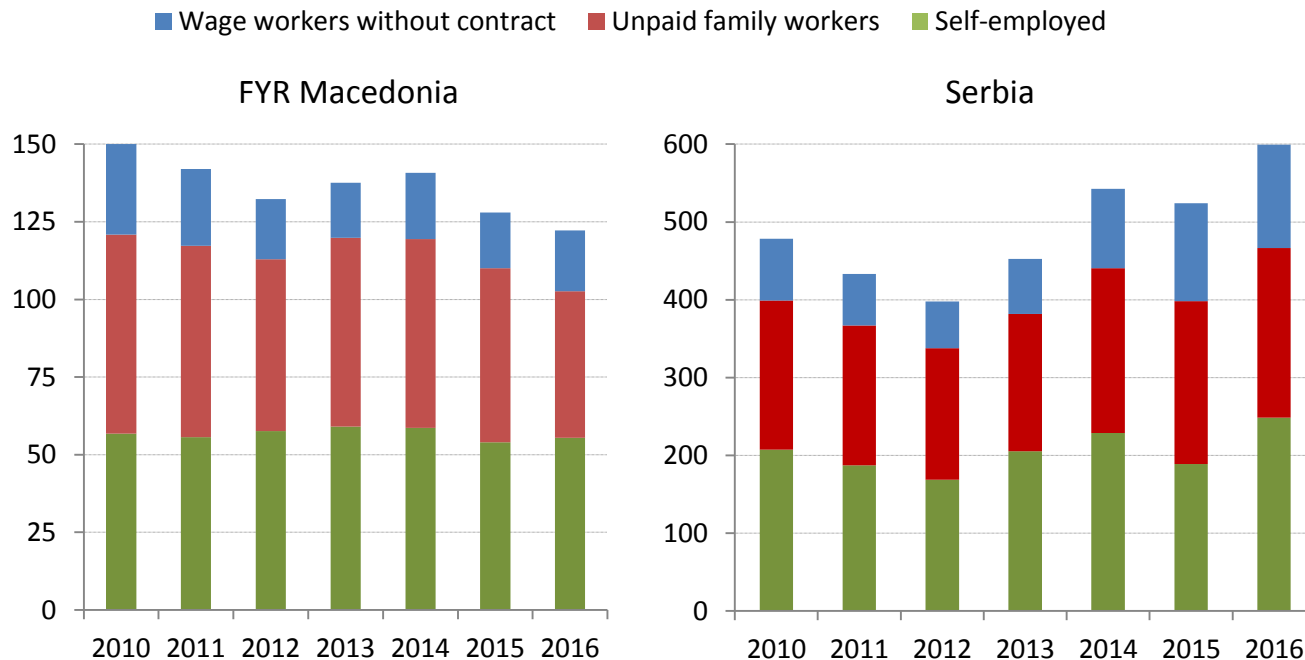


Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat. For BA, ME Krstic and Gashi (2016), for XK Cojocar (2017).



# Western Balkans: Self-employed in unregistered businesses now represent the majority of informal sector employment

Structure of informal employment by individual categories, in 1000 persons



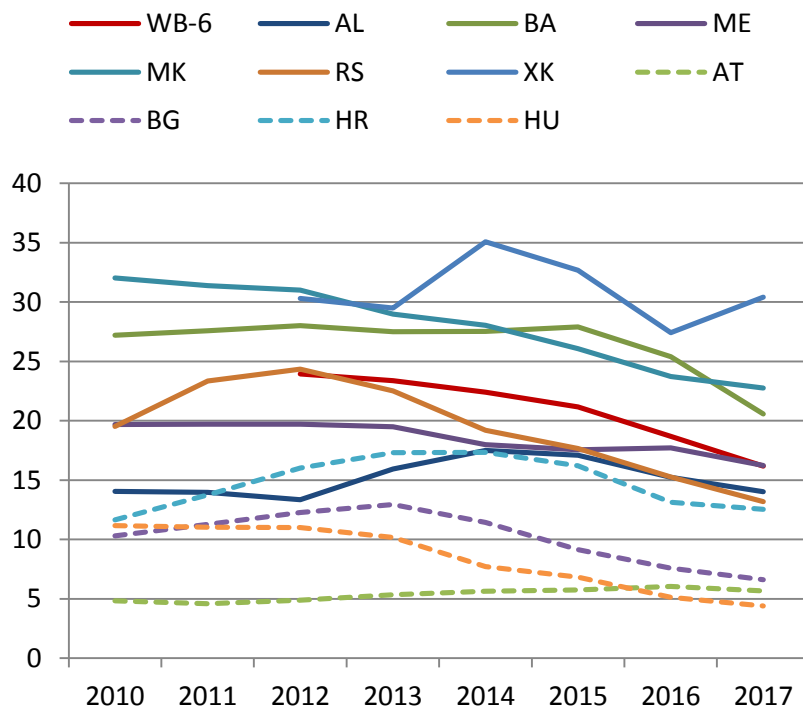
Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Informal employment – characteristics

- Men are more likely to work in the informal sector than women; the only exception being Serbia
- Young people (young men in particular) account for the highest share of informal employment in Albania, FYR Macedonia and Serbia
- Low-educated constitute the majority of informal workers in Albania and FYR Macedonia, and medium-educated that in Serbia
- About two thirds of informal work is concentrated in agriculture in FYR Macedonia and Serbia (the only countries providing detailed data)

# Unemployment decreasing in most countries, but levels remain high

Unemployment rates, in %



Unemployment rates fell faster than average (2016 Q2 -2017 Q2) for

- females
- young people (15-24 years)
- Low- and medium-educated

Unemployment rates in WB-6 in 2017 Q2 were

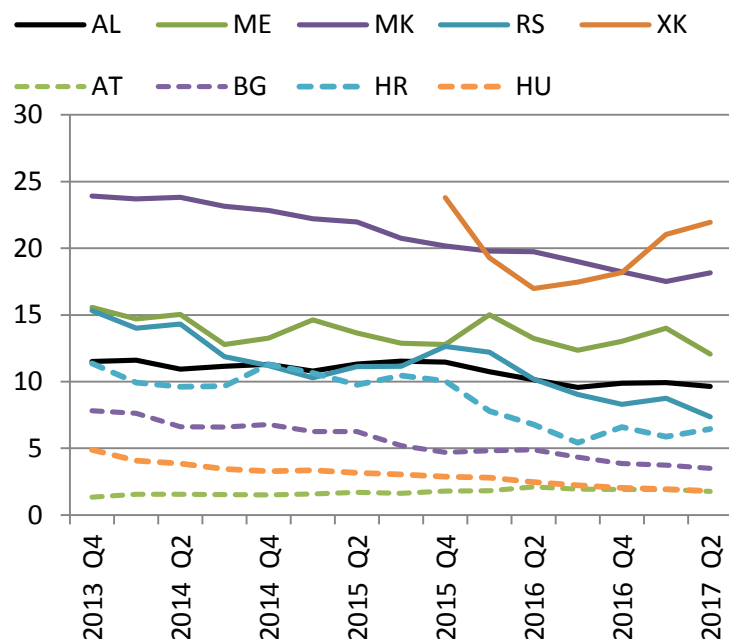
- equal for men and women
- double the overall rate for the young
- highest for the medium-educated

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

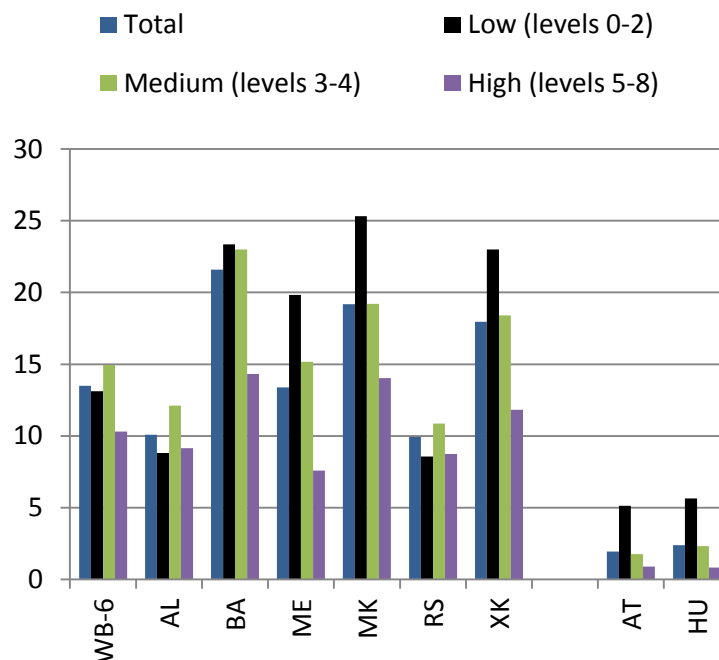
# Despite declining, long-term unemployment remains a major concern for the Western Balkans

Long-term unemployment rate, in %

percentage of labor force (15+ years)



Educational attainment, 2016

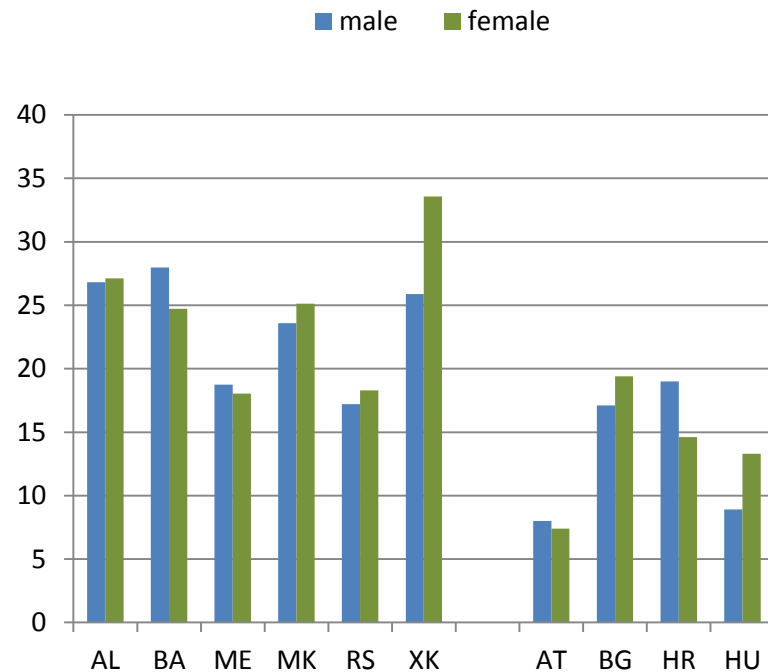
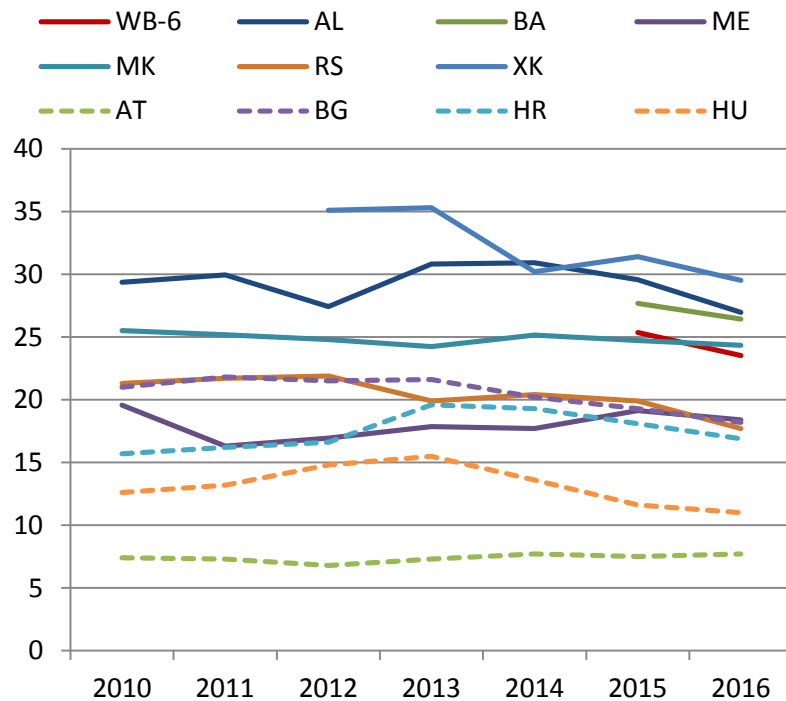


Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

# Probability of young people becoming a NEET (neither in employment, education or training) is high

NEET rates (15–24 years), in % of the respective population

Gender (2016)

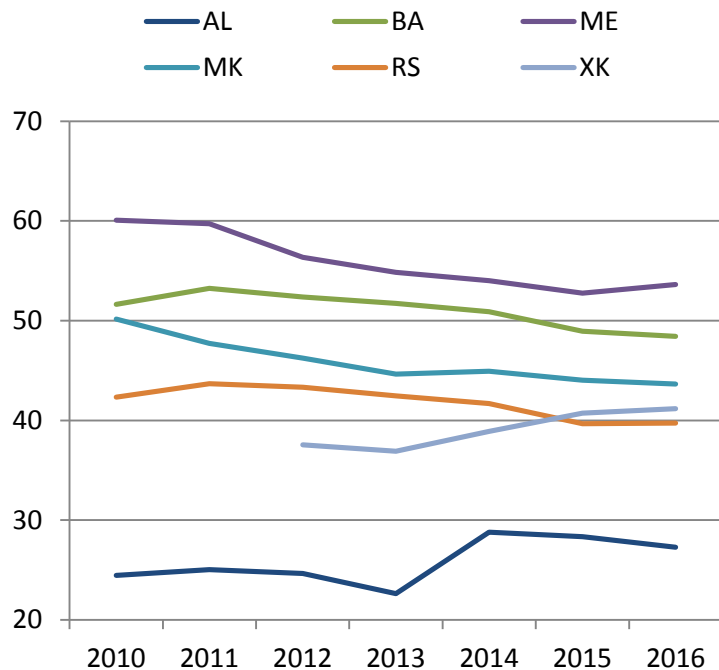


Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat.

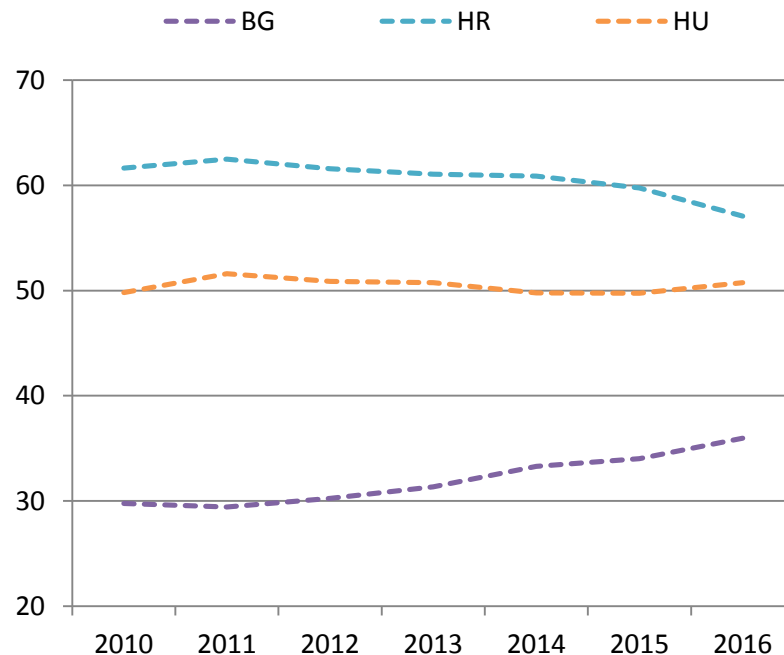
# Wage levels differ within the region and in comparison to the peer countries

Average monthly gross wages, Austria=100 (PPP EUR based)

Western Balkan countries



EU peer countries



Note: Wage data refer to register-based survey data for the Western Balkans and peer countries, except Austria and EU-28 which are based on gross wages of National Accounts. Albania: methodological break 2013/2014.

Source: SEE Jobs Gateway Database, based on data provided by national statistical offices and Eurostat, own calculations.

# Main findings

- 231,000 jobs created between 2016 Q2 and 2017 Q2, largest share due to increasing self-employment
- Unemployment decreased by 169,000 (from 18.6 to 16.2 percent of labor force), reaching historical lows in some countries
- Activity remains low especially among women; long-term unemployment is high and persistent
- Youth unemployment fell faster than overall unemployment, but remained high compared to EU countries. NEETs account for almost one quarter
- Improvements in the labor market were not sufficient to prevent young, educated people from continuing to emigrate



[SEJobsGateway.net](http://SEJobsGateway.net)

Thank you for your  
attention!