What Does the new ILO WORLD EMPLOYMENT AND SOCIAL OULOOK – Trends 2018 say about Central and Eastern Europe?

The ILO's World Employment and Social Outlook: Trends 2018 takes stock of the current global labour market situation. The report launched during the recent annual meeting of the World Economic Forum raises concerns about the ability of the global economy to generate sufficient jobs. For Central and Eastern Europe the report states that the rebound of economic growth does not lead to major employment increase.

The pick-up in economic activity has not led to widespread improvements in labour markets in the region

Economic growth in Eastern Europe has strengthened considerably, climbing from 1.0 per cent in 2016 to 2.3 per cent in 2017, where it is expected to remain over the next couple of years. However, the considerable economic growth rebound in Eastern Europe is expected to reflect only marginally on the labour market.

The unemployment rate in Eastern Europe is projected to decline modestly, from 5.5 per cent in 2017 to 5.3 per cent in 2018. This scenario reflects the falling unemployment rates in a number of countries, including Poland and Slovakia, which are partly offset by the expectation of growing unemployment in the Czech Republic.

Issues of job quality persist, with rates of vulnerable and informal employment remaining substantial

The downward trend in the share of workers in vulnerable employment is expected to halt in Eastern Europe at 10.6 per cent in 2017, remaining around this level over the next couple of years. "Persistent vulnerable employment is closely associated with relatively high shares of informal employment, ranging from 38 per cent in Poland, 29 per cent in Romania, and down to 9 per cent in the Czech Republic" explains ILO economist Stefan Kühn, lead author of the report.

The labour force continues to shrink in Eastern Europe

The labour force participation rate is expected to decline slightly below 59 per cent over the next couple of years in Eastern Europe. Along with shrinking population, the labour force is also expected to continue to decline in absolute terms, for the seventh consecutive year. As of 2018, the number of active people is 3.7 per cent lower than in 2011. Consequently, some sectors are already facing a shortage of skilled labor – a problem that will become bigger over the years.

The gender gap in the labour force participation rate, despite being one of the lowest in the world, remains notable at 16 percentage points in 2018.

A four page executive summary as well as the full version of the report can be found here: