

How important is a structural change to employment development: a comparison of Germany vs. Slovakia

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The employment levels of Central and Eastern European countries are even after two decades of transformation process not reaching the employment levels of developed Western countries. This phenomenon can be clearly observed on case of employment development in Germany vs. Slovakia. The paper utilizes structural decomposition analysis for these countries within 1995 – 2009 time-frame based on World Input-Output Database in order to bring some light into the importance of structural change in employment development. Beside typical and deeply analysed contribution of labour productivity change, also the contribution of other determinants, such as share of imported intermediates on total intermediates, technology change and change in structure of final demand is elaborated. Various dimensions of final demand structure are analysed with orientation on industrial and sectorial structure. The decomposition provides new results with aim to better understand the role of structural changes in the labour market of post-transformed economies.