

## **How Structural Change in CEE Countries Influenced Demand for Labor**

Topic: (6.7) Region/country-specific analysis (2)

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The importance of structural change was proved (among others) to be a significant driver of employment development in the region of Central and Eastern Europe. However, this overall effect does not provide the desired insights to the quality of such employment growth. Therefore, the qualitative aspect of the employment change needs to be addressed for the proper evaluation. To do so, the paper utilizes the structural decomposition analysis for qualification breakdown of the labor force.

Moreover, also the quality of economic growth has altered over time in analyzed countries. The growing importance of external demand seems to generate qualitatively different outcomes in labor market than traditional domestic demand used to in the past. The influence of this driver is also elaborated in the paper. Data necessary for analysis are sourced from WIOD database covering the period 1995 – 2009 (due to the availability of data with the volumes in prices of previous year mitigating the bias of results with inflation).

The achieved results provide a better understanding of labor market development in CEE countries with the identification of significant effects of structural change on labor demand in qualification aspect.