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Comparative analysis of wages in central and eastern Europe

Abstract

This article reviews the recent performance of south-east European, and eastern European, economies on the issue of wages, inequality and the role of the minimum wage. Rises in inequality are often associated with market liberalisation in transition economies, stemming from unemployment and a reversal of communist societies' heavy investment in the stock of human capital, although it is also true to say that some economies have managed at least to see the position deteriorate no further as a result of economic growth and effective fiscal redistribution measures. Real wage developments are important for domestic purchasing power and for welfare, but also for economic growth. Real wages have lagged behind productivity in south-east European countries in the entire period since 2008, although minimum wages have seen a process of catching up since 2012 and a small process of income redistribution. The result, otherwise, is clear in terms of the impact both on workers as well as on aggregate demand of a disconnect between economic growth and wage growth, which will be to the long-term detriment of societies in the region.

Keywords: *salaries, central and eastern Europe, minimum wages, income distribution, pay rises, wage share*

Introduction

Following the conflict-ridden 1990s, the countries of the western Balkans set out comprehensively to rebuild and reform their economies. They opened up to global trade and became increasingly export-oriented; expanded the role of the private sector; dismantled regulations that stifled business development; and began to build the institutions needed to support a market system. Banking systems were built up with the aid of foreign capital and know-how. The result of these efforts has been robust economic growth, a significant rise in incomes and living standards and enhanced macroeconomic stability. The Balkans experienced growth before the global financial crisis, first of all fuelled by credit and direct foreign investment; successively, however, growth declined as the crisis caused tighter credit conditions.

The process of structural transformation of the western Balkans began to stall in the mid-2000s and remains incomplete. Meanwhile, the global financial crisis has had serious repercussions on economies right across the Balkan area, both in terms of growth (with the exception of Albania – which still recorded a slowdown – and Kosovo) and in terms of an increase in public debt.

In recent years, however, international pressure has had a strong economic and political impact in terms of development across the Balkans which, nonetheless, still have an uncertain future both in terms of domestic economic stability and in terms of international integration. This same international context should prompt the European Union to move without hesitation to the implementation of its new strategic proposal for the entire continent. It should lay the foundations of a new approach to regional policy, which should become a balanced and forward-looking contribution to a new world governance. Interestingly, the Balkan countries that did not experience Ottoman rule were the first to join the European Union (Slovenia in 2004; Bulgaria and Romania in 2007; and Croatia in 2013); while Albania, Macedonia, Montenegro and Serbia have recently gained candidate country status. Bosnia and Herzegovina and Kosovo still have a long way to go before starting the integration process. The European Union is thus becoming the guarantor of a process of reconstruction of south-eastern Europe based on new political spaces and new forms of social and regional solidarity, replacing the role of mediator of past tensions and conflicts under which it has been operating and whose sparking point was territorial.

In this broad context, the issue of salaries is quite complex and, as such, it can be viewed from different aspects: economic, legal, social, political, psychological, philosophical, historical and others. Inequality in the transition economies of eastern Europe and the CIS comes from the past. In eastern Europe, changes in the distribution of income and wealth are associated with the restoration of market economies and the privatisation of state assets. The political implications are country-specific as the countries themselves are diverse in terms of size, level of development, historical background and social and political structure. After the drastic increase in income equality during the market liberalisation period, some eastern European nations have improved or maintained the same level of Gini coefficient since 2000 due to economic growth and effective fiscal redistribution as regards social services (see charts and tables below).

Table 1 – Trends in real wages in the region, 1989-2001

Country	1989	1995	2001
Bulgaria	100	60	51
Romania	100	74	71
Armenia	100	5	11
Azerbaijan	100	14	50
Georgia	100	12	40
Kazakhstan	100	23	36
Kyrgyzstan	100	21	26
Moldova	100	25	32
Russian Federation	100	36	52

Tajikistan	100	5	7
Ukraine	100	44	46

Source: UN Economic Commission for Europe (2002: 167).

Table 2 – Changes in inequality during the transition

Country	Gini coefficients of income per capita (annual)	
	1987-8	1996-7
Balkans and Poland	23	33
Bulgaria	22	36
Poland	25	34
Romania	23	30
Central Europe	21	25
Czech Republic	20	28
Hungary	24	25
Slovakia	19	24
Slovenia	22*	24
Baltics	25	33
Estonia	27	34
Latvia	25	32
Lithuania	24	32
Slavic Republics and Moldova	25	35
Belarus	24	25
Moldova	26	46
Russia	26	38
Ukraine	25	31
Central Asia	*31*	*35*
Kazakhstan	29	33**
Kyrgyz Republic	31	35**
Turkmenistan	32	36
All transition	*25*	*32*

Note: Income concept per capita household income. Regional averages are unweighted.

Source: UNU/WIDER World Income Inequality Database

Table 3 – Overview of wage levels in the CIS region (2017, or latest available)

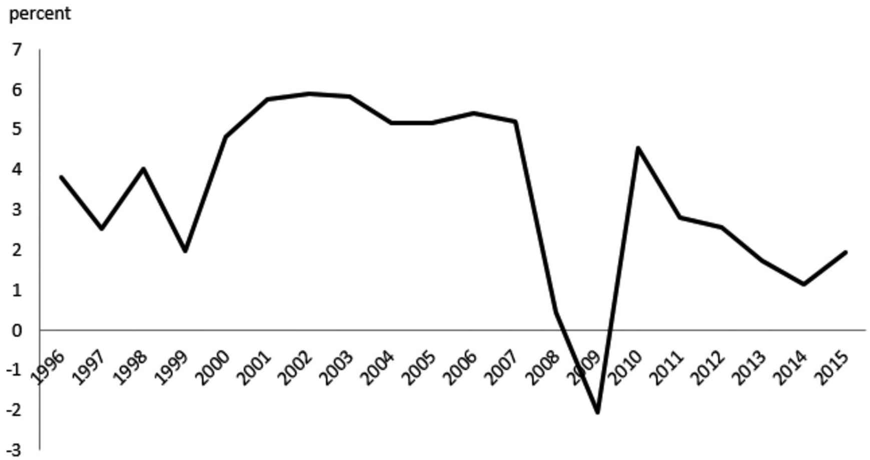
Country	National minimum wage	Minimum wage set by…	Trade union demand for minimum wage	Average wage	Poverty threshold
Moldova	1,000 lei (€50) / month in public sector;2,380 lei (€115) elsewhere (guaranteed minimum wage)	Government	50-60% of average wage	5,084 lei (€240)	1,379 lei (€65.30)
Ukraine	3,200 UAH (€100) since 1.1.2017	Verhovna Rada, upon proposal of Council of Ministers	Not lower than subsistence level for employable persons	6,752 UAH (€220)	75% of median spending (24.1%); working poor: 19.9%
Georgia	20 GEL (€7) / month in private sector. 135 GEL (€50) / month in public sector	No specific body	Increase to 30% of the average wage	982 GEL – €366	274 GEL for average family
Russia	7,800 RUB (€110)	Federal Assembly	Subsistence level	37,640 RUB (€540)	10,466 RUB (€150)
Belarus	265 BNR (€115)	Council of Ministers	Yes, but not specified	770 BNR (€335)	183 BNR (€80)

Source: Questionnaire survey organised by the Pan-European Regional Council of Trade Unions (PERC) among its national affiliates

From a purely economic aspect, many eastern Europe nations inherited a relatively large stock of human capital from the socialist period arising from the relative significant investment in and development of all stages of education.

The increase in inequality has, however, resulted from an increase in unemployment due to recent under-investment in human capital.

Chart 1 – Labour productivity in eastern Europe (1996-2015)



There is an increasing number of questions related to salaries which, among other things, can be put in several groups, these being:

1. economic policy and salaries
   a) policy of growth and development and austerity policy
   b) implementation of fiscal consolidation; existence of IMF arrangements
   c) giving importance to foreign investments
2. level of salaries and distribution of salaries: here, the basic indicators are:
   a) salary purchasing power — salary compared to an average and minimum consumer basket
   b) purchasing power parity – PPP
   c) differences in salaries between different European countries
   d) differences in salaries between sectors within a country
   e) differences in salaries between companies doing business in different countries
   f) differences in salaries between men and women
   g) differences in salaries between regions
   h) salaries of young people
   i) relationship between highest and lowest salaries
   j) the Gini co-efficient
   k) regularity of the payment of salaries and other issues
3. salary rise – the basic indicators are:
   a) nominal and real salary rise indices
   b) salary rises compared to profit growth
   c) development of basic macroeconomic indicators: gross domestic product, prices, industrial production, employment, productivity, budgetary deficit, public and overall foreign debt

4. salary structure (basic salary, part of salary representing performance at work, increased salary, criteria for valuing human work)
5. salary fiscal burden
   a) income tax
   b) contributions for mandatory social insurance
   c) tax burden
   d) tax wedge
6. minimum wage (minimum wage as social and economic category; the minimum wage as a rule or an exception; regulating the right to the minimum wage by special law or the Labour Law)
7. compensation of salary, compensation of costs and other income
8. salary statistics (methodology for determining average salary and other indicators).

Most generally considered, these issues listed here can be sub-divided into two broad groups:

a) salary creation and rise; and
b) distribution of salaries (on macro and micro plan).

The social consequences of economic policy

Social protection is rooted in the constitutions of almost all modern European democracies and, accordingly, all citizens should be equally protected regardless of their status, nationality, gender, age and origin. The social welfare system is based on solidarity and equal rights, and aims to provide better living and working conditions; access to public services, education and health care; and protection against the major risks of life.

Today, unemployment is reaching pre-crisis lows, wages have been growing at a strong pace for an extended period and current account balances have begun again to deteriorate. However, financial sustainability and economic competitiveness have gained priority over the social dimension. The social consequences of this most recent economic policy approach are:

- unemployment continuing nevertheless to be too high
- de-industrialisation (as a result of the mantra that development should be based on services rather than on industry and mass production)
- widespread informal economy
- low and insecure salaries do not allow a proper and continuing contribution to the systems of social protection
- reduction of employees' rights
- high prices of basic foodstuffs
- increasing poverty[1] – the population living below the poverty threshold and at risk of poverty or social exclusion has constantly increased

1 Despite the EU target of reducing the number of people experiencing poverty or social exclusion by 20 million by 2020, the number of people at risk of poverty has increased from 116 million people in 2008 to 122 million in 2014, or 24.4% of the population (EU-28).

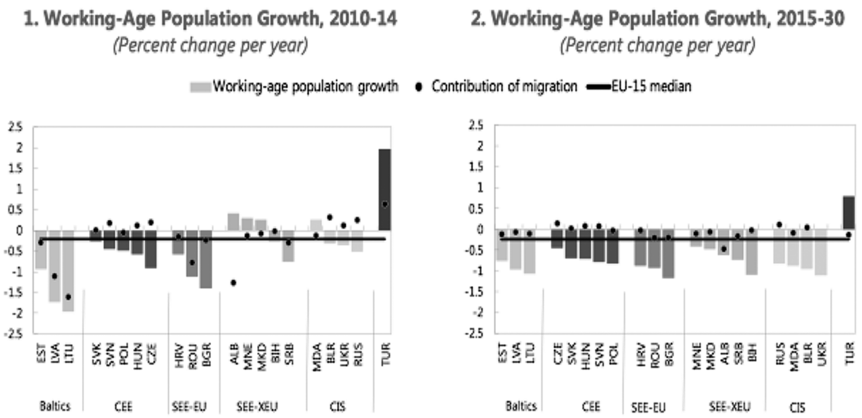
- deterioration in the health status of the nation:

  > Access to healthcare and hospitalisation are a prominent issue in the austerity context, as patients bear increasing burdens as a result of lower costs met by public services and the privatisation trends in the health sector.[2]

- mass emigration from the country in search of work – it is necessary to take stock of the changing paths of work and demography, with a focus on more and better employment across all ages.

With the ageing of the European population, the increasing dependency ratio and the limited interventions for recovery, social protection systems are under pressure while budget cuts reduce their coverage, adequacy and quality.

Chart 2 – Changes in working age population: out-turns and forecasts



The social importance of a sound wage policy and, within it, a policy on minimum wages, is derived from the need to ensure safety for employed people because being inn work is no longer a protection against poverty. The population living below the poverty threshold and at risk of poverty or social exclusion has continually increased to the point where it reaches 24.4% of the population (EU-28). The population living below the poverty threshold and at risk of poverty or social exclusion is on the increase among several key groups: women; children and young people; elderly and retired people; people living in single parent households; people with low levels of education; and migrants.

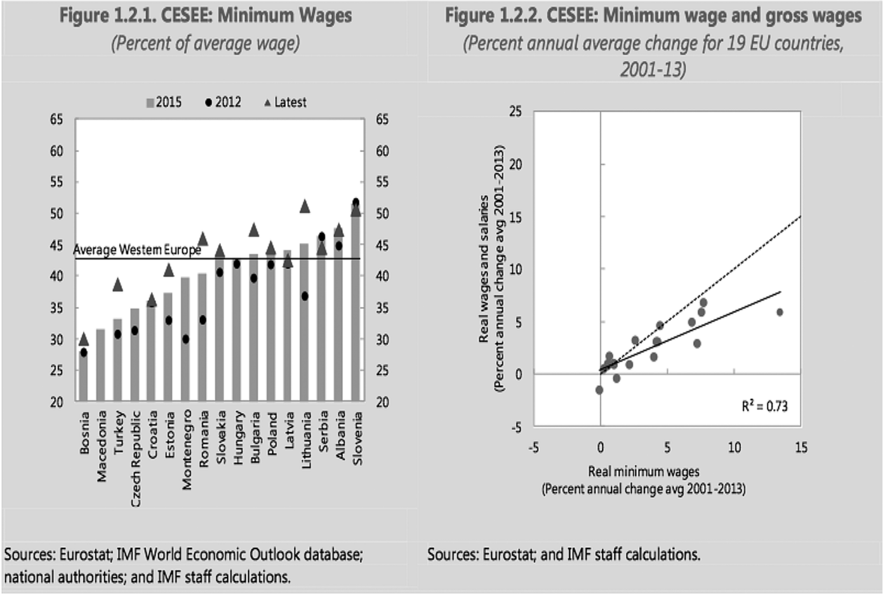
2 Resolution adopted at the Executive Committee Meeting held on 15 December 2016: *ETUC Action Programme for Welfare and Social Protection.*

Average and minimum wage growth

Real wage developments are most important for domestic purchasing power and for welfare but also for economic growth. Nevertheless, real wages have lagged behind productivity in south-east European countries in the entire period since 2008. The shares of wages in GDP tend also to be lower in central and east Europe (c. 55 per cent) than in the EU-15 (65 per cent); while the main trend is also downwards. GDP growth is below potential and, instead of abandoning the 'low wage competitiveness' model, this is being reinforced.[3]

In the period since 2012, minimum wages have been rising faster than average wages in most of the countries of central and eastern, and south-eastern, Europe. The pace of increase has been particularly sharp in Turkey as well as some of the Baltic States and south-east European countries. Based on the limited available data, some 10-20 per cent of workers earn the minimum wage in the wider region. Increases in the minimum wage could thus contribute to overall wage growth directly as well as indirectly through spill-over effects. Some one-quarter of the average wage growth in the countries of the broader region over 2012-15 is associated with developments in minimum wages.

Chart 3 – Minimum wages



3 Béla Galgóczi (2017) *Pay rise CEE: feasible and necessary!* European Trade Union Institute / PERC Economists Network Meeting 'Wage policy forum', 10-11 May, Chişinau, Moldova.

Table 4 – Wage growth by region, ILO modelled estimates, December 2016 (per cent changes)

	World*	NSW Europe*	Alban-ia **	BIH***	Croatia ***	Maced-onia***	Monte-negro***	Serbia ***
2000	2.6	0.8	10.2	8.3	2.3	-0.6	n/a	6.2
2001	2.3	1.3	7.6	-0.4	0.1	-5.3	n/a	18.4
2002	2.5	1.2	6.1	8.6	4.3	4.0	n/a	30.9
2003	1.9	0.8	9.4	8.0	2.5	3.7	n/a	14.0
2004	1.7	0.5	-0.1	1.5	3.5	4.8	n/a	11.1
2005	2.2	0.2	2.6	1.0	1.3	3.3	n/a	6.8
2006	2.8	0.5	7.2	1.8	2.9	4.6	n/a	11.4
2007	3.4	0.8	21.1	8.2	3.4	1.9	11.0	14.8
2008	1.5	0.2	21.3	8.6	1.1	1.4	12.4	3.9
2009	1.6	0.8	2.9	8.6	-0.4	14.8	1.9	0.2
2010	2.5	-0.2	-7.0	-1.0	-0.8	-0.7	10.5	0.6
2011	1.7	-0.7	1.3	0.7	-1.0	-2.6	-2.0	0.1
2012	2.5	-0.8	1.4	-0.5	-2.2	-3.0	-2.9	1.0
2013	2.5	0.2	-3.8	0.2	-1.4	-1.6	-2.3	-1.9
2014	1.9	0.7	-0.7	0.8	0.5	1.1	0.3	-1.7
2015	1.7	1.6	n/a	1.0	1.8	3.0	n/a	-2.4

Source: ILOSTAT, 20.3.2017.

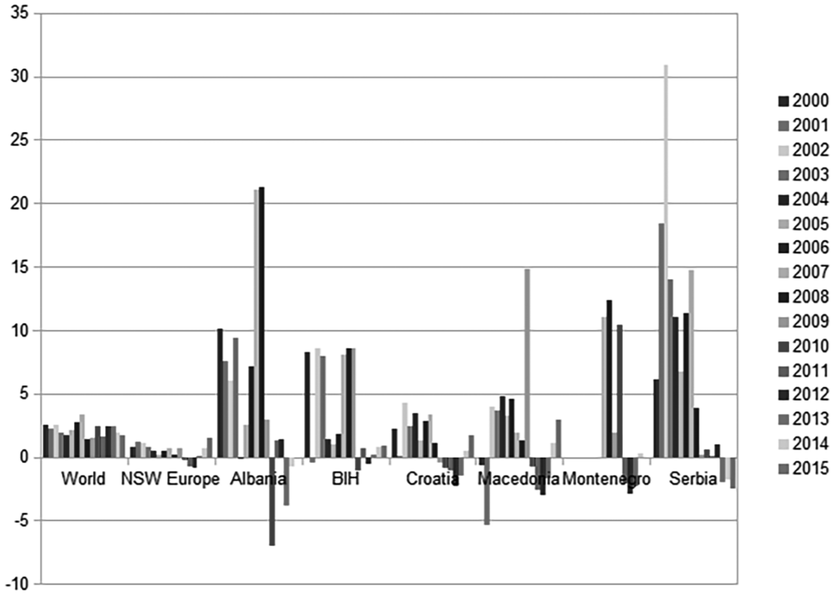
* ILO estimates (northern, southern and western Europe)

** Other administrative records and related sources

*** Survey data; n/a – not available

The region of northern, southern and western Europe covers the following countries: Albania, Austria, Belgium, Bosnia and Herzegovina, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, Netherlands, Norway, Portugal, Serbia, Slovenia, Spain, Sweden, Switzerland, Former Yugoslav Republic of Macedonia, United Kingdom.

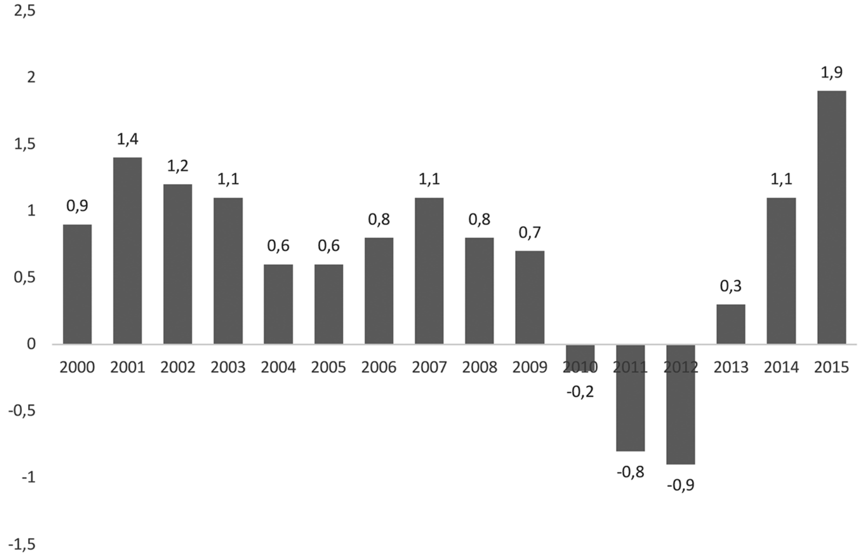
Chart 4 – Annual average real wage growth in northern, southern and western Europe region, 2000-2015 (%)



In northern, southern and western Europe, wage growth also accelerated in 2015 after a long period of relative wage stagnation or even decline. Real wage growth had resumed in 2013 and, in 2015, the growth rate of wages was double (1.5 per cent) that observed in 2014 (0.7 per cent).

The EU, which includes some countries from the above region, experienced higher wage growth than in the previous 15 years, going from negative growth in 2012 to a growth of 1.9 per cent in 2015. It is as yet unclear whether such wage growth will be sustained in the future or whether developed countries will return to their previous pattern of wage stagnation.

Chart 5 – Annual average real wage growth in European Union, 2000-2015 (per cent)

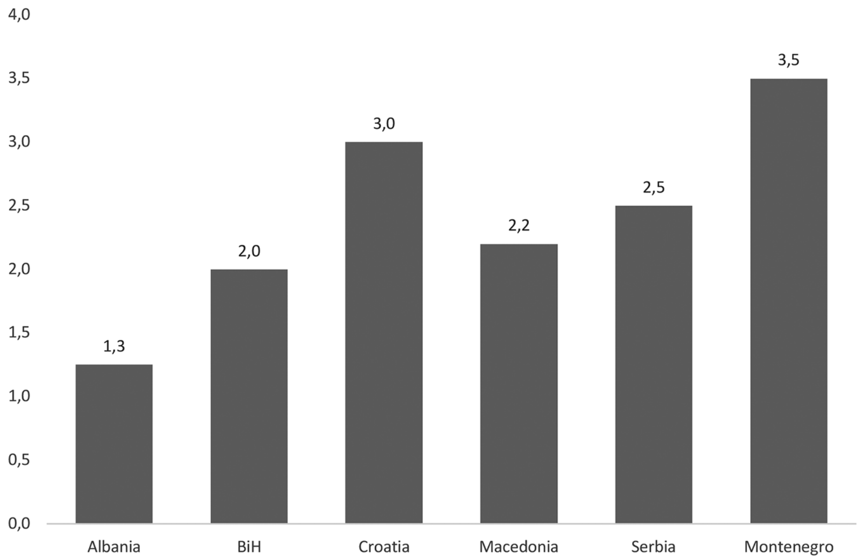


Source: ILO estimates based on official sources

According to recent ILO estimates, in 2015 there were 3.21 billion employed persons in the world, 1.66 billion (51.5 per cent) of whom were wage and salaried workers (a global estimate based on the combination of real and estimated wage data for 132 economies).[4]

4 ILO (2016) *Global Wage Report – Wage Inequality in the Workplace 2016/17*, Geneva.

Chart 6 – Real wage growth in south-east Europe, 2016 (per cent)



Stagnating average wages can have serious social and economic consequences. The disconnect between economic growth and wage growth means that workers and their families do not feel that they are receiving a just share of the fruits of economic progress. On the economic side, low wage growth dampens household consumption and this can reduce aggregate demand, particularly when wages stagnate in many large economies at the same time. In this respect, the higher wage growth seen in 2015 in various countries has had positive economic effects beyond country borders.

> In 2016 the G20 called for the implementation of macroeconomic policies to achieve substantial wage and productivity growth, and for sustainable wage policy principles in which strengthened labour market institutions and policies – such as minimum wages and collective bargaining – could help wage increases to better reflect improvements in productivity growth.[5]

5 ILO (2016) *Global Wage Report – Wage Inequality in the Workplace 2016/17*, Geneva, p. XIX, XX.

Chart 7 – GDP per capita in south-east Europe, 2016 ($000)

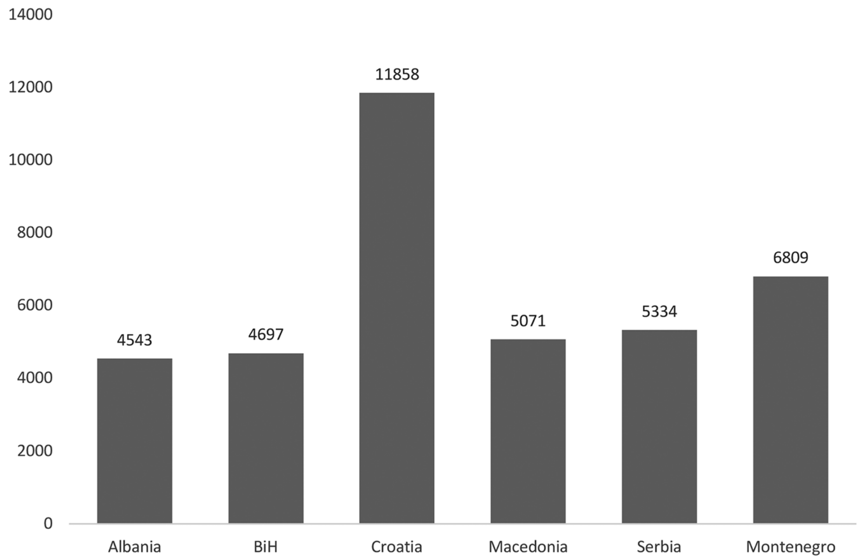
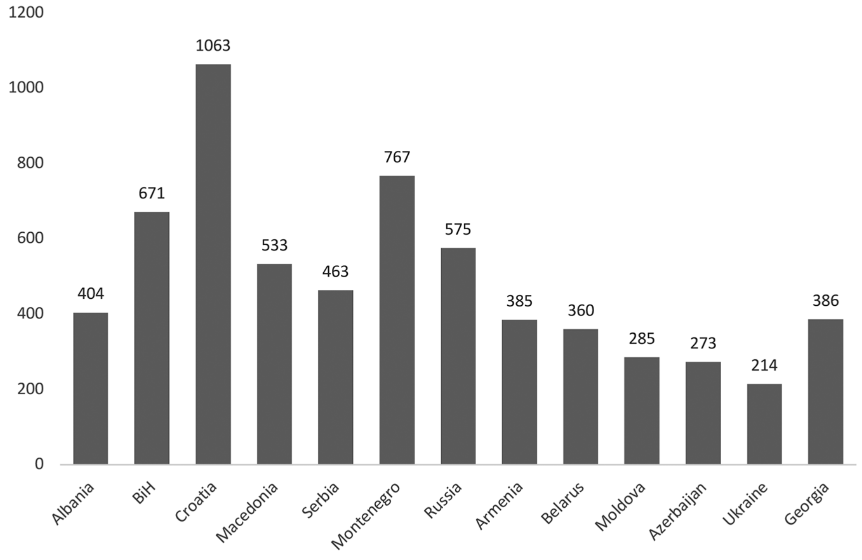


Chart 8 – Gross average monthly wages in south-east Europe and eastern Europe, 2016



Minimum wages can improve income distribution through four types of effects:[6]

1. minimum wages can reduce poverty by improving the incomes of minimum wage and low-wage earners, but minimum wage levels are often too low to push household incomes above the poverty level
2. minimum wages are likely to improve income distribution and reduce inequality, primarily by pushing up lower wages, if sufficiently high
3. minimum wage increases can improve workers' incomes in general if a higher wage floor provides incentives for employers to increase the wages of better-paid workers to retain sufficient pay differentiation
4. minimum wages can influence the distribution of productivity between labour and capital by pushing up the share of income taken by wages. The latter has been declining across the world, with negative effects on inequality and economic growth (ILO and OECD, 2015).

Table 5 – Minimum wages in south-east and eastern Europe (€)

Country	Date	Minimum wage
Croatia	2017-01	433
Montenegro	2017-01	288
Russia	2017-01	78
Kazakhstan	2017-01	94
Macedonia	2017-02	231
Serbia	2017-01	250
Albania	2016-Q3	155
Armenia	2016-07	149
Georgia	2016-Q2	10.5
Belarus	2017-01	133
Moldova	2016-12	59
Azerbaijan	2016-05	123
Kyrgyzstan	2017-02	17
Ukraine	2017-02	80

6 Jan Drahokoupil (2016) *What role can minimum wages play in overcoming the low-wage model in central and eastern Europe?* European Trade Union Institute Working Paper 2016.09: Brussels, p. 12.

Case study of salary rise in Serbia: problems and requirements

It is very difficult to talk about individual single countries in Europe because the challenges are far more complicated and unique, and it is necessary that trade unions work more constructively to resolve the problems.

In the period between 2008 and 2016, salaries essentially stagnated in Serbia. This salary stagnation lasted eight years and, in 2008, the wage level was formally at its height (over the past seventeen years). Concerning investments, low-paid jobs are inevitable.

Table 6 – Trends in average salaries in the Republic of Serbia (2002-2016)

Year	Net Salary		Gross Salary	
	- in RSD	- in €	- in RSD	- in €
2002	9,208	151.7	13,260	218.5
2003	11,500	176.6	16,612	255.1
2004	14,108	194.1	20,555	282.8
2005	17,443	210.2	25,514	307.4
2006	21,707	258.1	31,745	377.4
2007	27,759	347.1	38,744	484.5
2008	32,746	402.1	45,674	560.8
2009	31,733	337.8	44,147	469.9
2010	34,142	331.3	47,450	460.5
2011	37,976	372.5	52,733	517.2
2012	41,377	365.8	57,430	507.7
2013	43,932	388.3	60,708	536.6
2014	44,530	379.6	61,426	523.6
2015	44,432	368.0	61,145	506.4
2016	46,097	374.4	63,474	515.6
2017-04	47,814	385.7	65,695	529.9

According to the Law on the Budget for 2017, the developments of overall wage costs for employees in 2017 are defined on the one hand by a legal salary rise (for employees in education, the police, the army, health, justice and some other public segments) and, on the other, by a rationalisation of the number of employees. The net result of these two measures should condition the growth of expenditure on employees in 2017 by 3.5 per cent.

Problems

1. low salaries
2. non-payment of salaries
3. irregular payment of salaries
4. payment of a part of salary into a current account and the rest in cash; non-payment of taxes and contributions damages both the state and the employee upon retirement
5. low percentage of the share of salaries in the average consumer basket
6. insufficient control of accounts and the payment of salaries
7. non-implementation of prescribed sanctions for the inadequate calculation and (non-)payment of salaries
8. reduction of employees' acquired rights – non-payment of overtime, shift working, labour in previous workplaces
9. disrespect for the provisions of collective agreements (primarily in the public sector) concerning the salary level and method of calculation
10. limiting the salary level in the public sector by the Law on the Budget and the Law on the Budgetary System
11. several levels of qualification envisaged within a single workplace (aimed at paying at the lowest envisaged level of qualification)
12. differences in income levels between employees in the services sector (IT sector, financial services, oil processing...) on the one hand; and employees otherwise in the non-budget sector
13. major differences in average salary levels in the Republic of Serbia compared to EU member states (especially west European countries)
14. low salaries of employees as a factor in attracting sources of foreign investment
15. salary being insufficient to cover elementary costs of living (the employee is still poor)
16. the salary level being insufficient to exit from a state of social jeopardy.

Requirements

1. it is necessary for salaries to follow increases in consumer prices
2. strengthening of the competent inspection bodies aimed at providing regularity concerning the calculation and payment of salaries
3. consistent enforcement of prescribed sanctions for irregularities in the calculation and payment of salaries
4. special calculation of salary percentage increases where based on shift work
5. the maintenance of adequate records for overtime work, night working and other forms of work engagement; and, according to this, the percentage increase in real salaries
6. low salaries must not represent a base argument in the attraction of foreign investment
7. compensation for past labour should be calculated according to the overall length of service, not only according to the time spent in the last workplace
8. there should be no more limitations on the salaries of public sector employees imposed by the Law on the Budget and the Law on the Budgetary System,

which represents a derogation from collective agreements concluded in the public sector
9. people in employment must not be socially jeopardised.

Summary

If we look at wage developments in the region, we can note signs of consolidation. Serbia and Montenegro, which also have comparably more balanced labour markets, take the lead, with sustained real wage increases in the recent past. Among those south-east European countries for which data are available, only Croatia had a lower real wage increase than the EU-27 average over the course of the last decade, but Croatia also had an outstandingly high wage level for the region. The Gini coefficient measures the extent to which the distribution of income among individuals or households deviates from a perfectly equal distribution.[7] Growing income inequality is a general trend in Europe and there is no evidence to support the assumption of an equality-efficiency trade-off. Depressing wages has led to a loss of efficiency, with the purchasing power of the population being maintained through credit that has eventually built to unsustainable levels and resulted in a debt crisis (Qerimi and Sergi, 2014 and 2015).

However, looking forward we could see how important variables are forecast to change in the region (see tables and charts below).

Table 7 – GDP out-turns and forecast (real change in per cent against previous year)

	2016	2017	2018	2019
Albania	3.2	3.5	3.9	4.0
BiH	2.3	2.8	3.0	3.1
Kosovo	3.6	3.9	3.8	3.7
Macedonia	2.5	3.1	3.3	3.0
Montenegro	2.7	3.1	2.9	3.3
Serbia	2.7	2.8	3.0	3.3
WB	2.7	3.0	3.2	3.4
Turkey	1.9	2.1	2.6	3.1
Belarus	-2.6	0.5	1.6	2.2
Kazakhstan	1.0	2.0	3.0	3.0
Russia	-0.2	1.7	1.7	2.0

7 A Gini coefficient of zero represents perfect equality – everyone has the same income – while an index of one (100 on the percentile scale) implies perfect inequality in the income distribution (one person has all the country's income; everyone else has nothing).

	2016	2017	2018	2019
Ukraine	2.0	2.5	3.0	3.0
CIS + Ukraine	0.0	1.7	1.9	2.2
VIS-4	2.6	2.9	3.0	3.0
BALT-3	1.9	2.5	2.7	2.9
SEE-9	3.8	3.5	3.6	3.6
Non-EU-11	0.6	1.9	2.2	2.5
CESEE-22	1.3	2.2	2.5	2.7

Chart 9 – Real GDP growth, 2015-2019 (per cent)

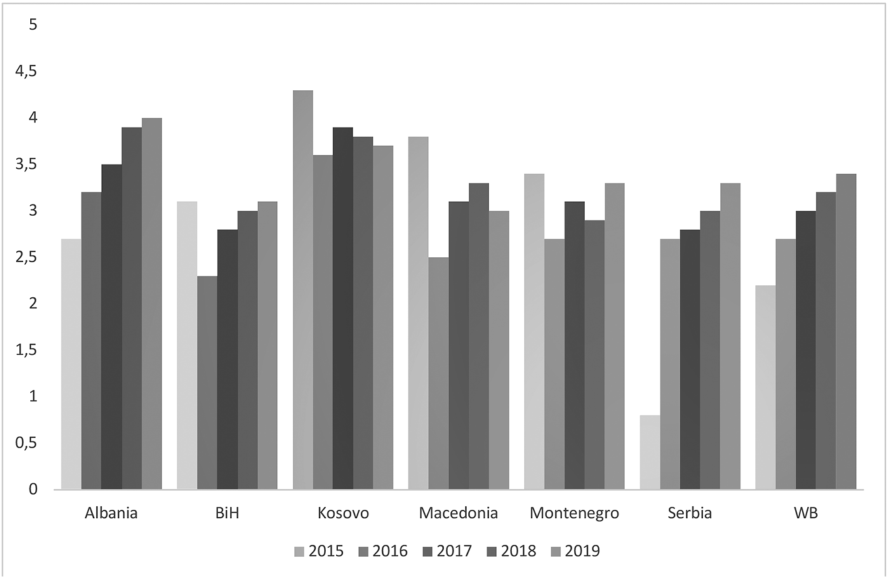
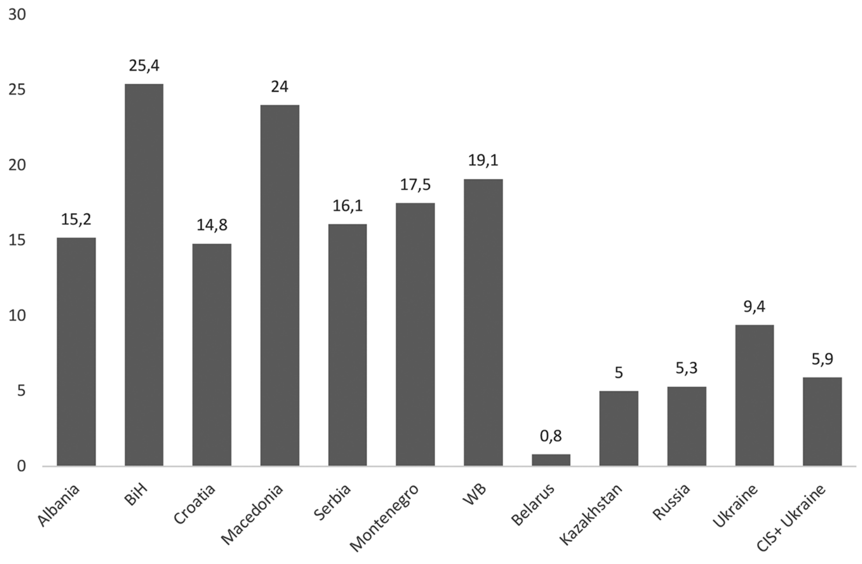


Table 8 – Unemployment (LFS) out-turns and forecasts (rate in per cent, annual average)

	2016	2017	2018	2019
Albania	15.2	14.8	14.5	14.0
BiH	25.4	25.3	25.1	25.0
Kosovo	26.5	25.8	25.5	25.2
Macedonia	24.0	24.0	23.0	23.0
Montenegro	17.5	17.0	16.5	16.5

	2016	2017	2018	2019
Serbia	16.1	15.0	14.0	14.0
WB	19.1	18.4	17.7	17.6
Turkey	10.8	11.0	10.6	10.4
Belarus	0.8	1.0	1.0	1.0
Kazakhstan	5.0	5.0	5.0	5.0
Russia	5.3	5.6	5.6	5.5
Ukraine	9.4	9.2	8.1	7.3
CIS + Ukraine	5.9	6.0	5.8	5.6
VIS-4	6.0	5.8	5.7	5.6
BALT-3	8.2	7.7	7.3	7.0
SEE-9	11.3	10.9	10.4	10.2
Non-EU-11	7.6	7.7	7.4	7.2
CESEE-22	7.3	7.3	7.1	6.9

Chart 10 – Unemployment rate, 2016



The global financial crisis and social disparities are additions to our analysis. So far, the focus has been on the broader state of social welfare. The relevant state and trends were explored in the light of the global economic crisis and the influence it has exerted on labour markets in the south-east European region and, to a certain extent, also globally. A more complete and comprehensive vision of this state of affairs would benefit significantly from an understanding of the effects produced as regards different social categories. Certainly, participation in labour markets and employment rates differ according to age, gender, level of education and other similar criteria. The ILO has argued (2010) that it has indeed been the young who have been hit badly by the global financial crisis. Statistics show a particularly dramatic increase in youth unemployment in the south-east European region.

In contrast to the tough unemployment rates in south-east European countries, we can observe, in the Eurozone, levels of unemployment among the under-25s. It must, however, be noted that, in those EU member states that were most hit by the crisis, youth unemployment rates were similar to, or even higher than, some of those in the Balkans region. The global economic crisis has also had an impact on other dimensions of labour, resulting in some countries with increased and higher unemployment rates for men than women. This effect is more prominently exposed in the case of Croatia, where the unemployment rate for men has increased three times more than that for women. The same pattern, though to a different degree, is present among other regional countries. Thus, the unemployment rates of men are also significantly higher than those for women in Bosnia and Herzegovina, Bulgaria, Montenegro and Serbia. Romania would appear to be the only exception in the broader region; here, the female unemployment rate has increased by more than the male unemployment rate (Qerimi and Sergi, 2014 and 2015).

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