

OeNB Conference on European Economic Integration (CEEI) 2019
Looking back on 30 years of transition – and looking 30 years ahead
26 November, 2019

Session 5

The future of CESEE: the impact of megatrends

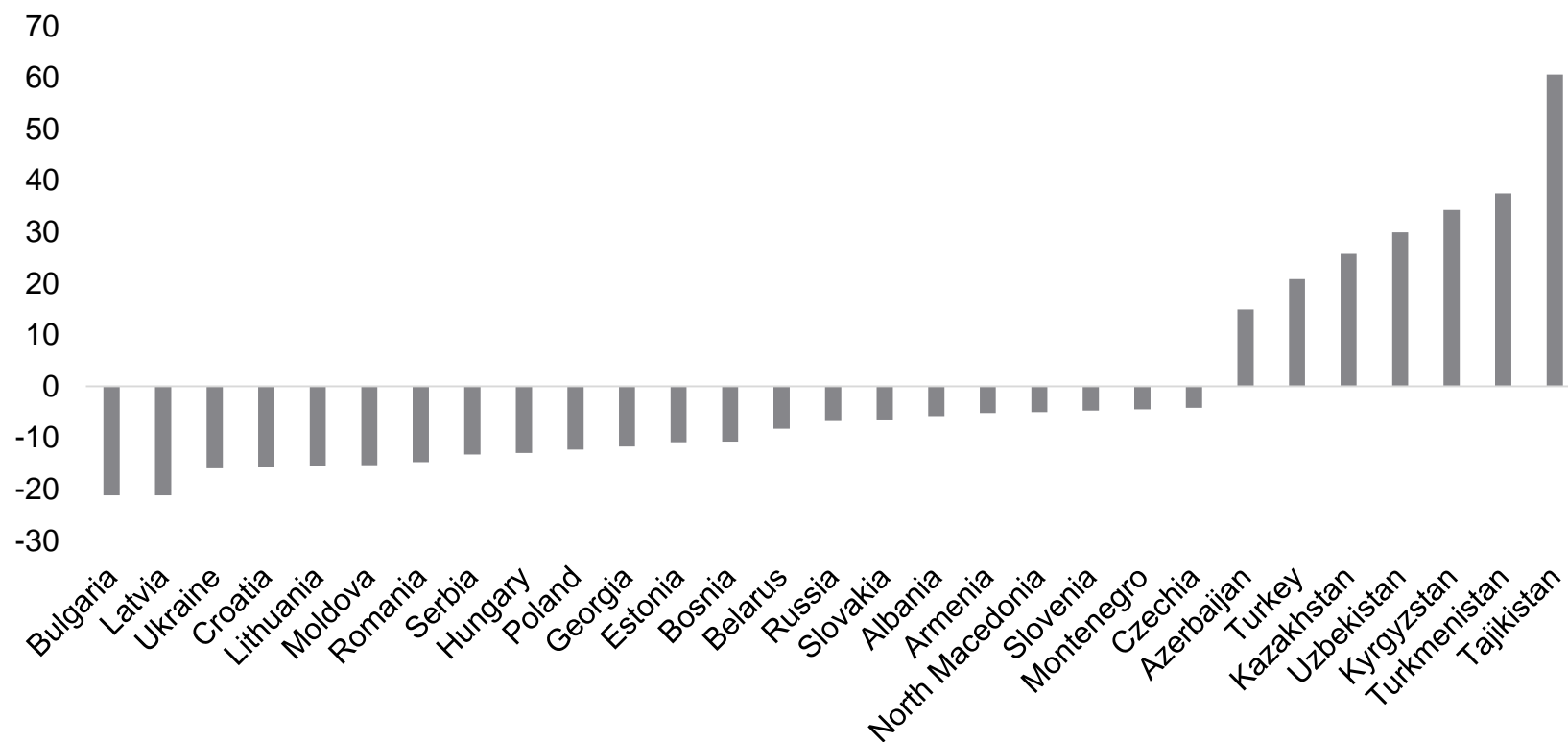
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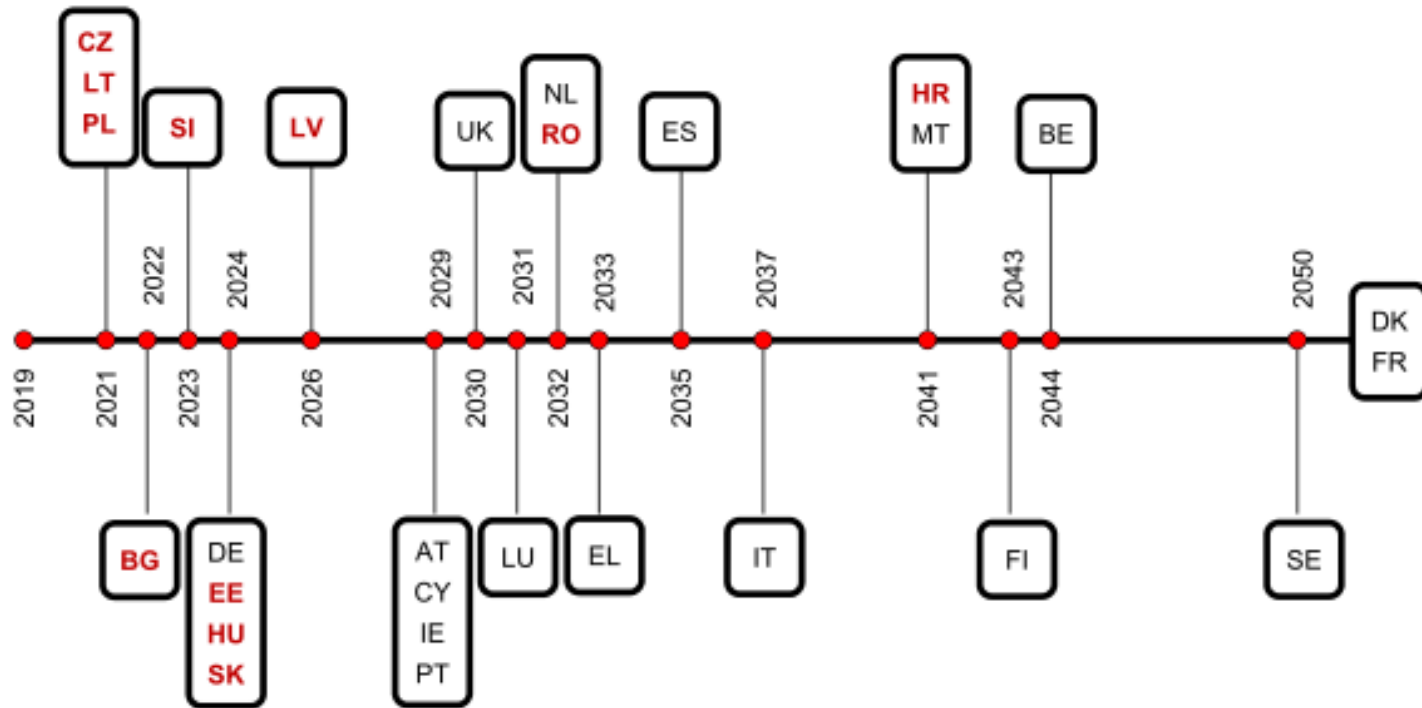
 [@MarioHolzner](https://twitter.com/MarioHolzner)

Divergent demographic trends

UN population projections, % change between 2015 and 2045

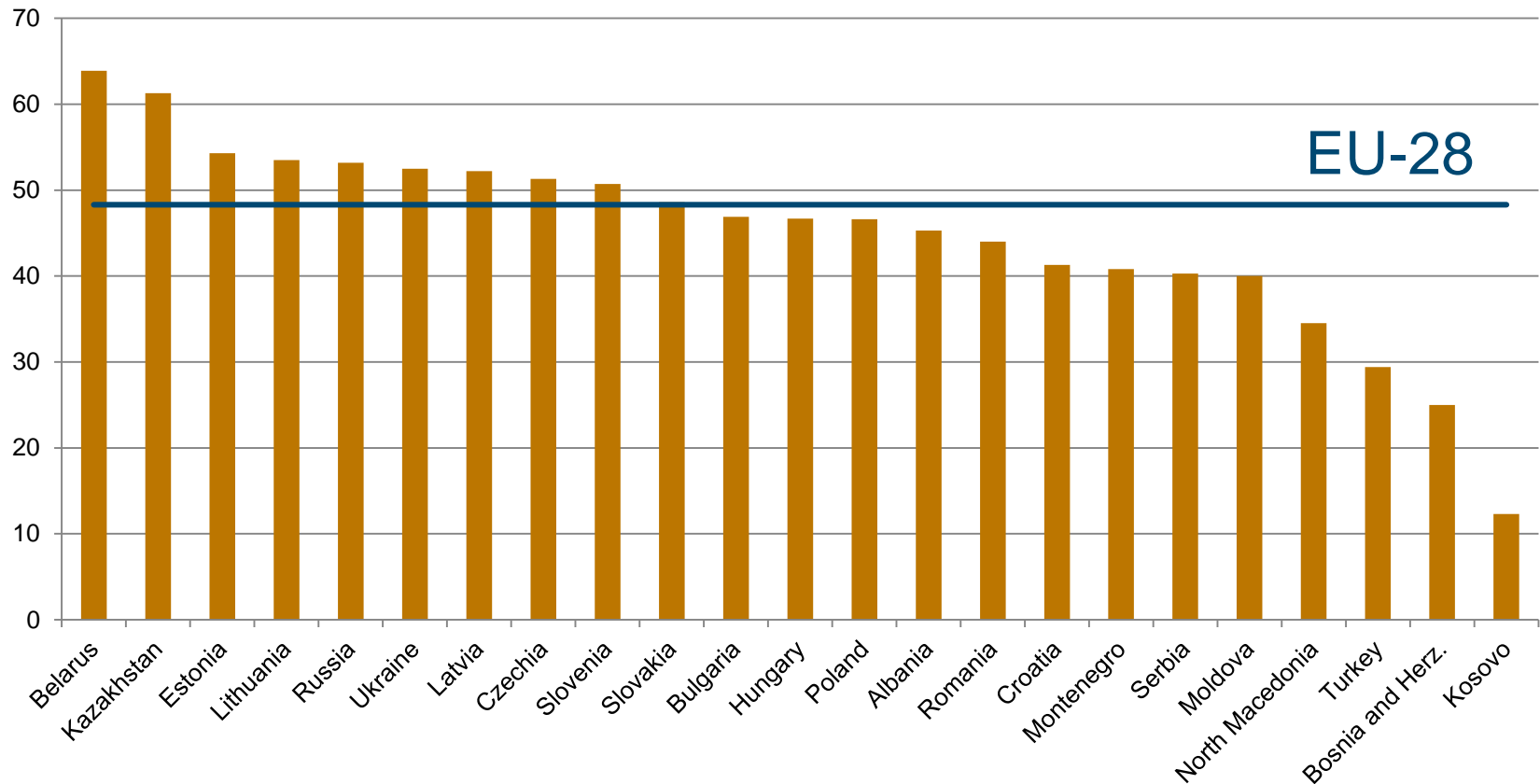


The “tipping point” is rapidly approaching for most of CESEE
 Estimated year in which labour demand will become equal to supply



Room for more (female) employment in Balkans

Employment rate (LFS), female, 15+

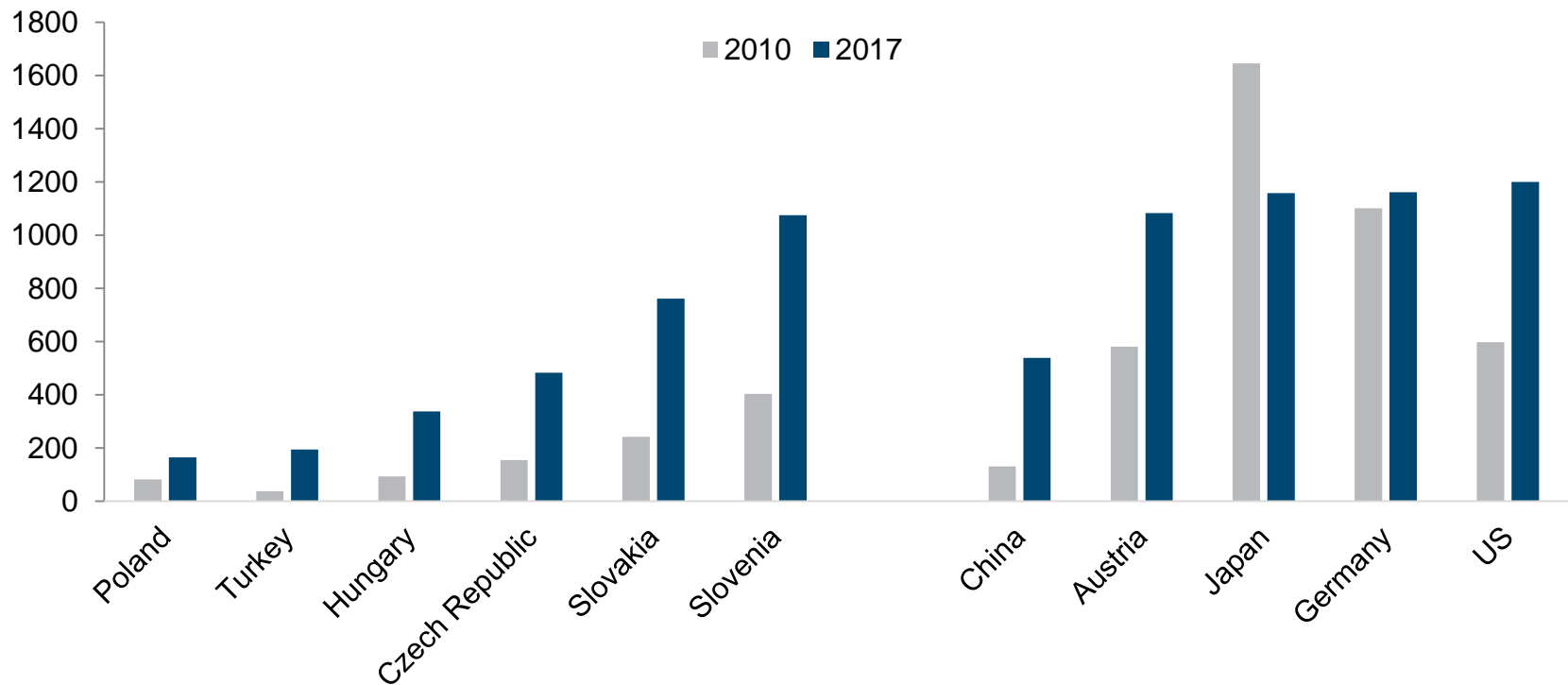


Note: Belarus age 15-74, Kosovo age 15-64.

Source: Eurostat, wiiw & World Bank's SEE Jobs Gateway Database.

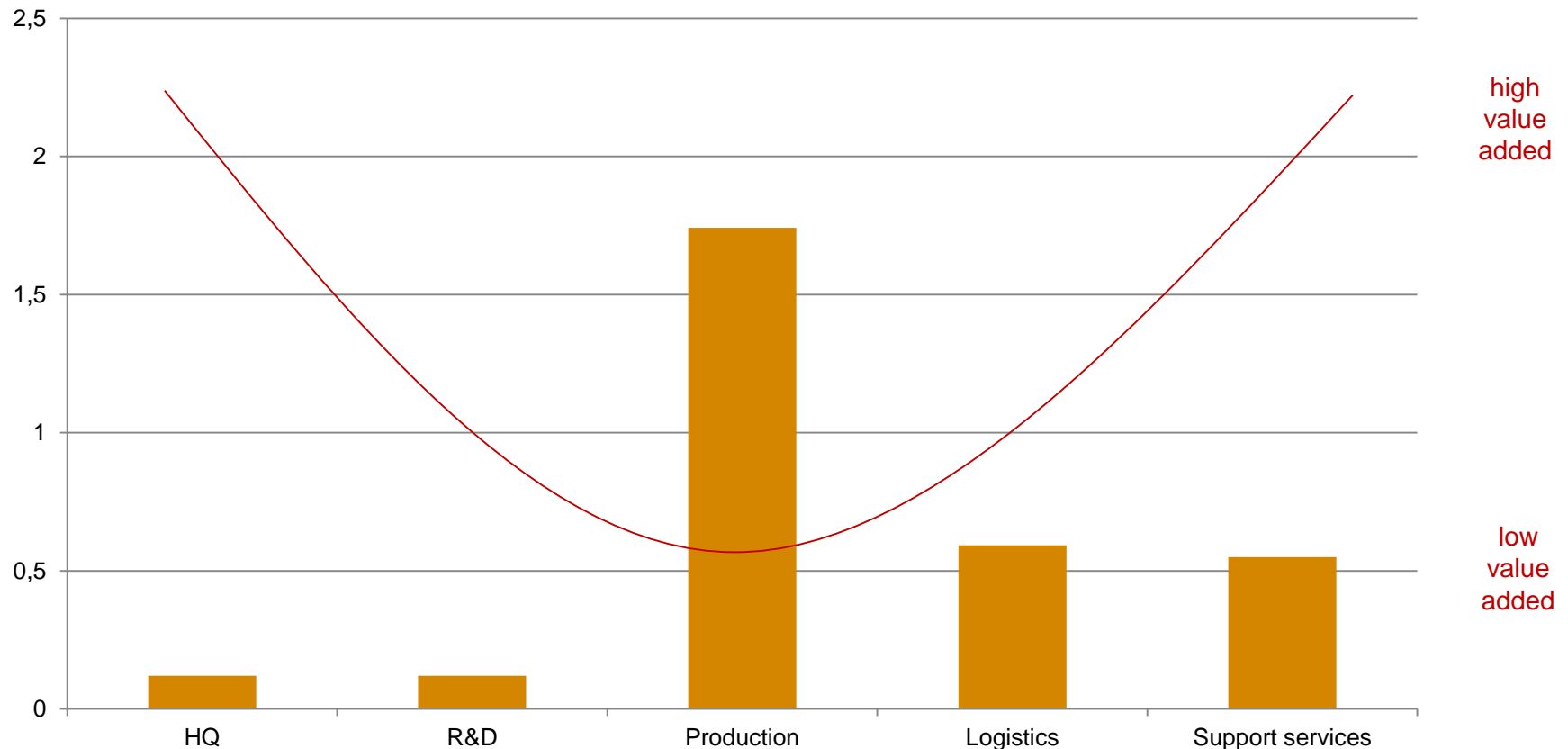
Falling behind on automation?

Estimated number of multipurpose industrial robots per 10,000 persons employed in automotive industry



At the bottom of the smile curve (but better than nothing)

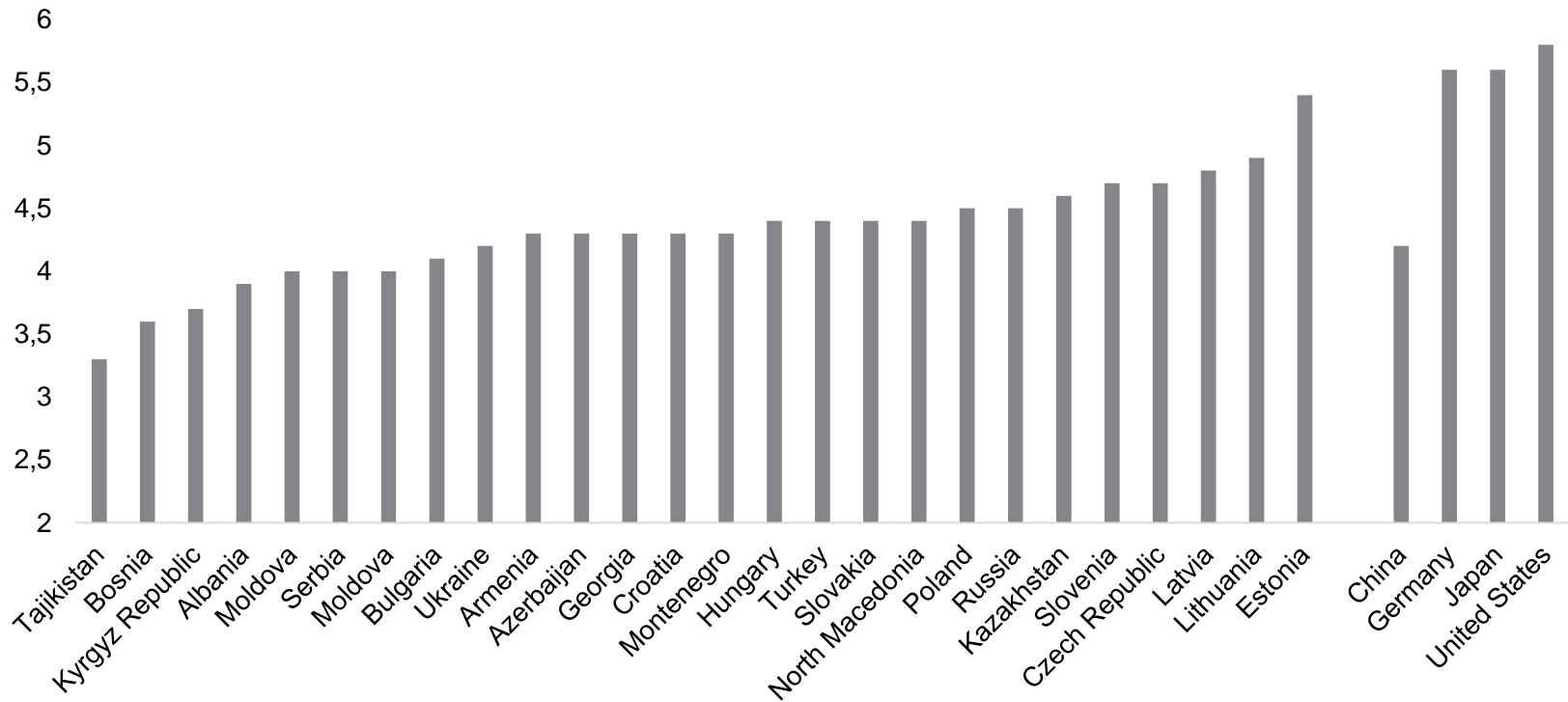
Relative functional specialisation of Serbian FDI projects, 2003-2015 (lhs)



Notes: A relative functional specialisation of above 1 in any value chain function indicates that that particular country is more often used as the location for that value chain function than the world average.

The new digital economy: an opportunity to catch up?

World Economic Forum Networked Readiness Index

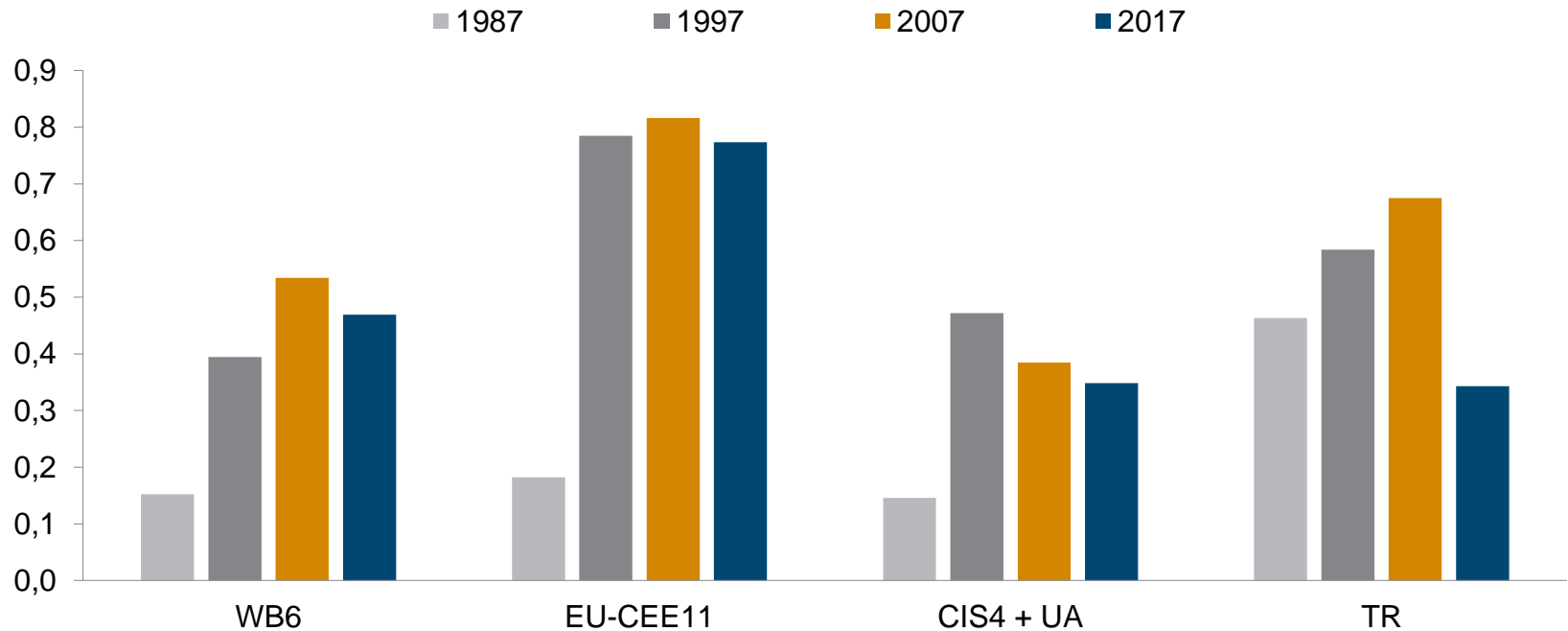


Note: The index assesses countries' indicators including the legal framework around ICT, ICT use by government and firms, availability of latest technologies and venture capital, tax rate on profits, ease of starting a business, education level, coverage of electricity, mobile and broadband, innovation capacity, and knowledge-intensive jobs as share of workforce.

Source: World Economic Forum.

Rise of authoritarianism/state capture, with implications for institutional quality

V-Dem Electoral Democracy Index, overall score over time



Note: Five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian are measured.

Source: Varieties of Democracy.

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