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Looking back on 30 years of transition – and looking 30 years ahead
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Session 5
The future of CESEE: the impact of megatrends

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Divergent demographic trends

UN population projections, % change between 2015 and 2045

Source: UN, Medium fertility variant.
The “tipping point” is rapidly approaching for most of CESEE
Estimated year in which labour demand will become equal to supply

Source: Grieseson, Leitner and Stehrer (2019).
Room for more (female) employment in Balkans
Employment rate (LFS), female, 15+

Note: Belarus age 15-74, Kosovo age 15-64.
Source: Eurostat, wiw & 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.
Source: fDi markets database, wiww calculations.
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.

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.
Thank you for your attention!

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