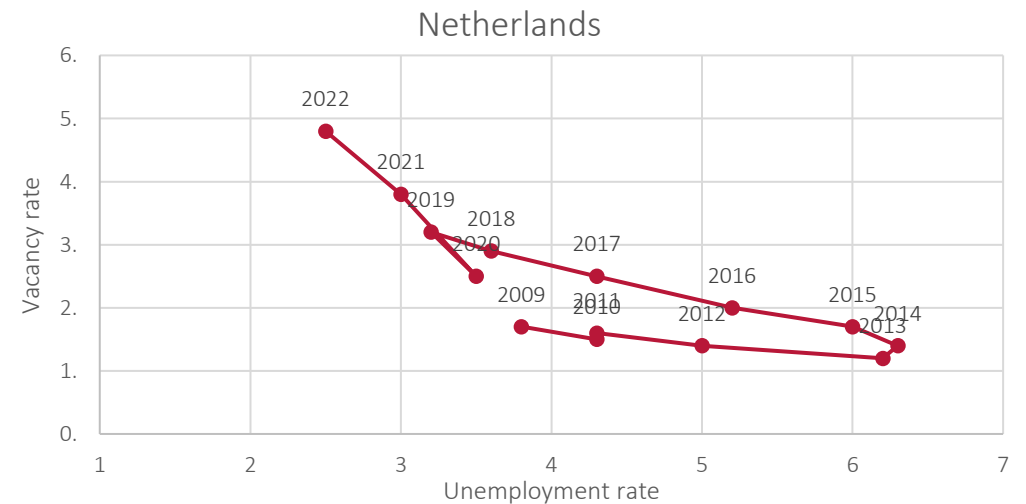
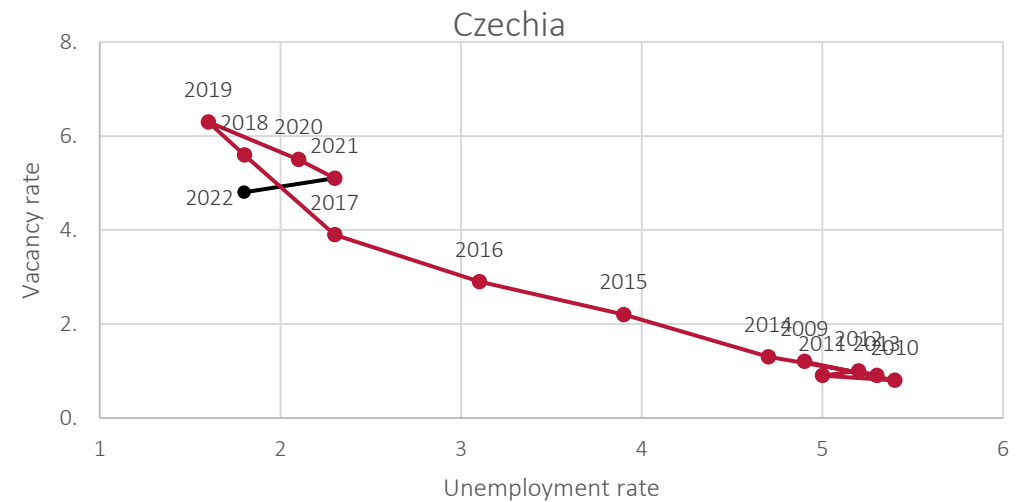


Structural Labour Market Shifts in CESEE

Piotr Lewandowski
(IBS, IZA, RWI)



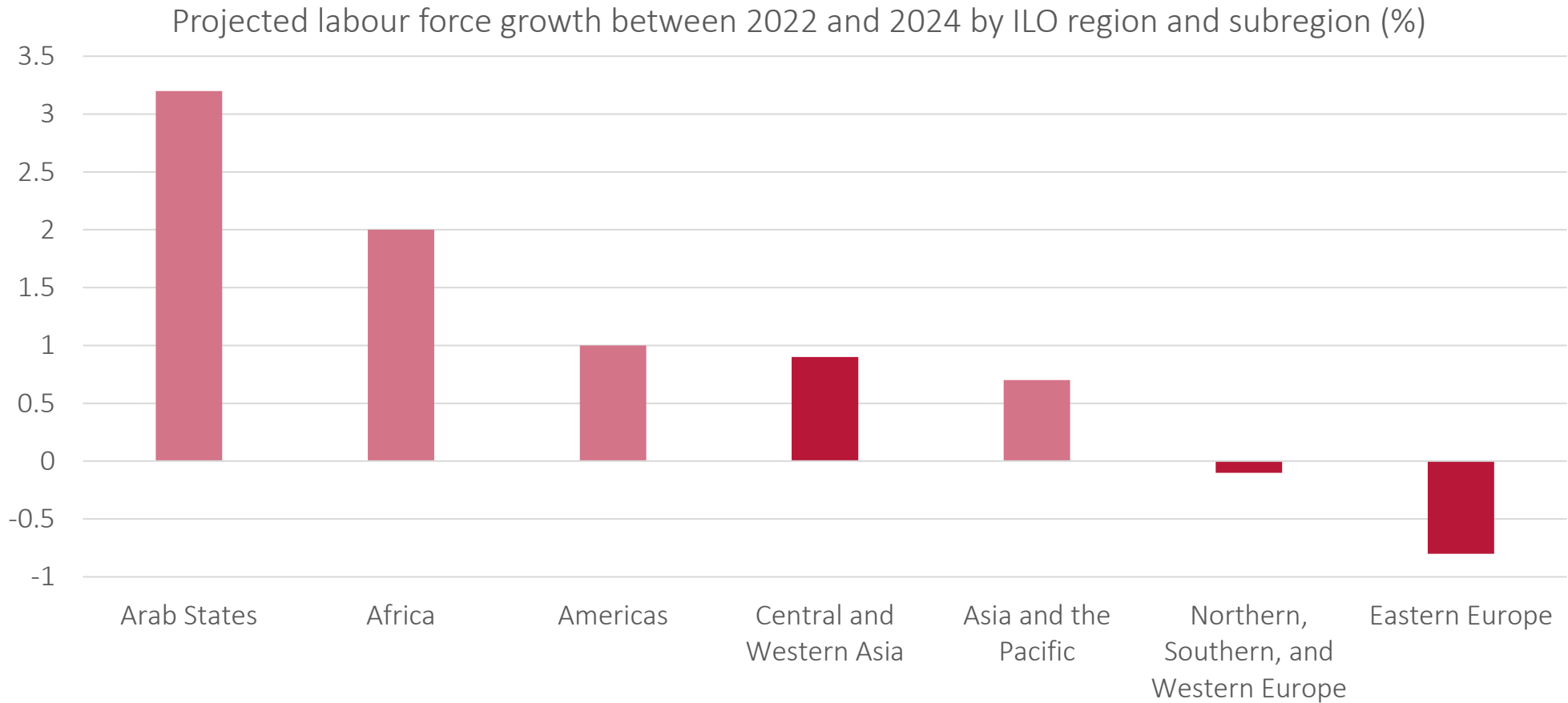
Until the pandemic, the Beveridge curves showed cyclical movements. In 2022, unemployment in CEE countries declined without vacancy growth



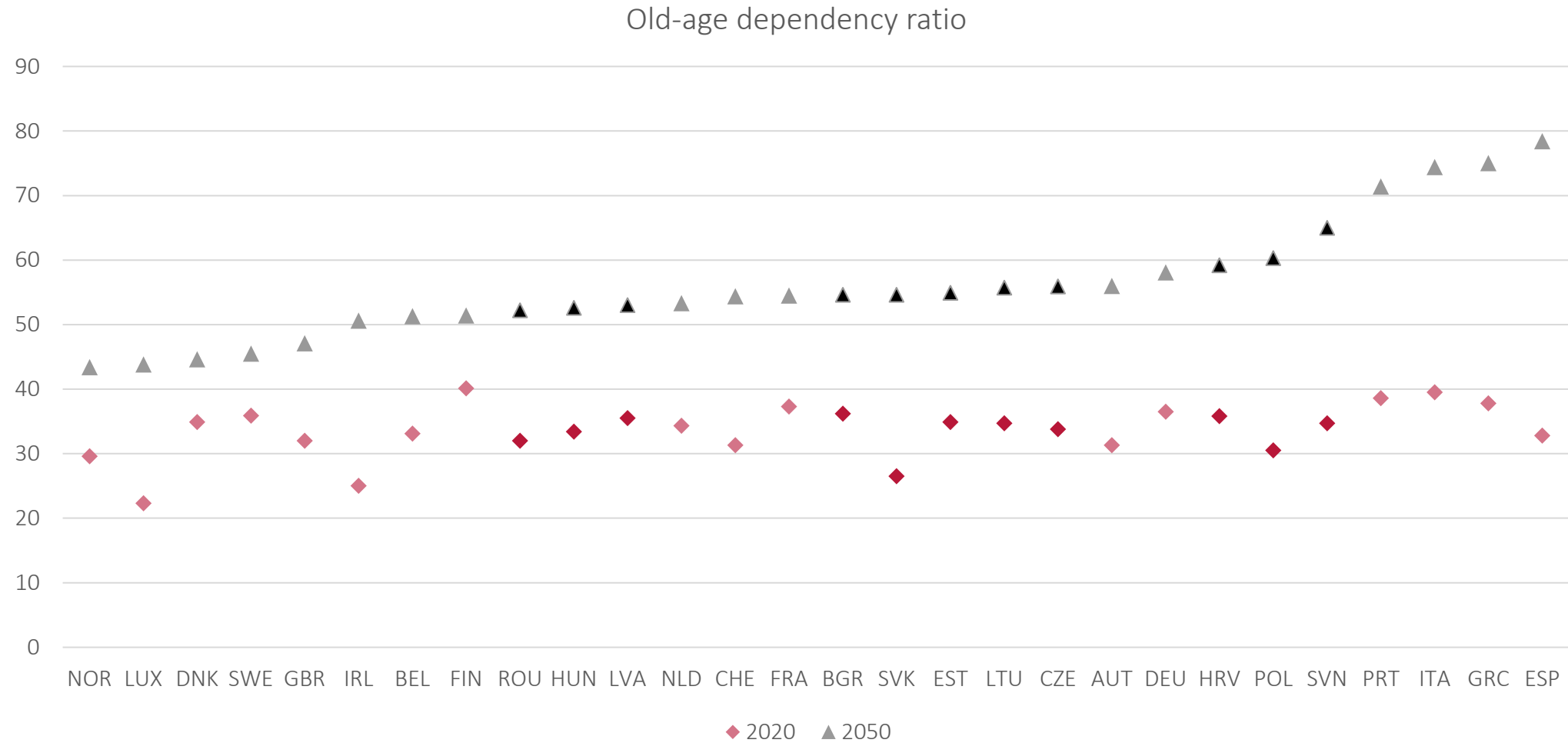
Despite high nominal wage growth, the inflation shock slashed real wage growth in CESEE to the lowest European levels



Declining labour supply will characterise CESEE in years to come



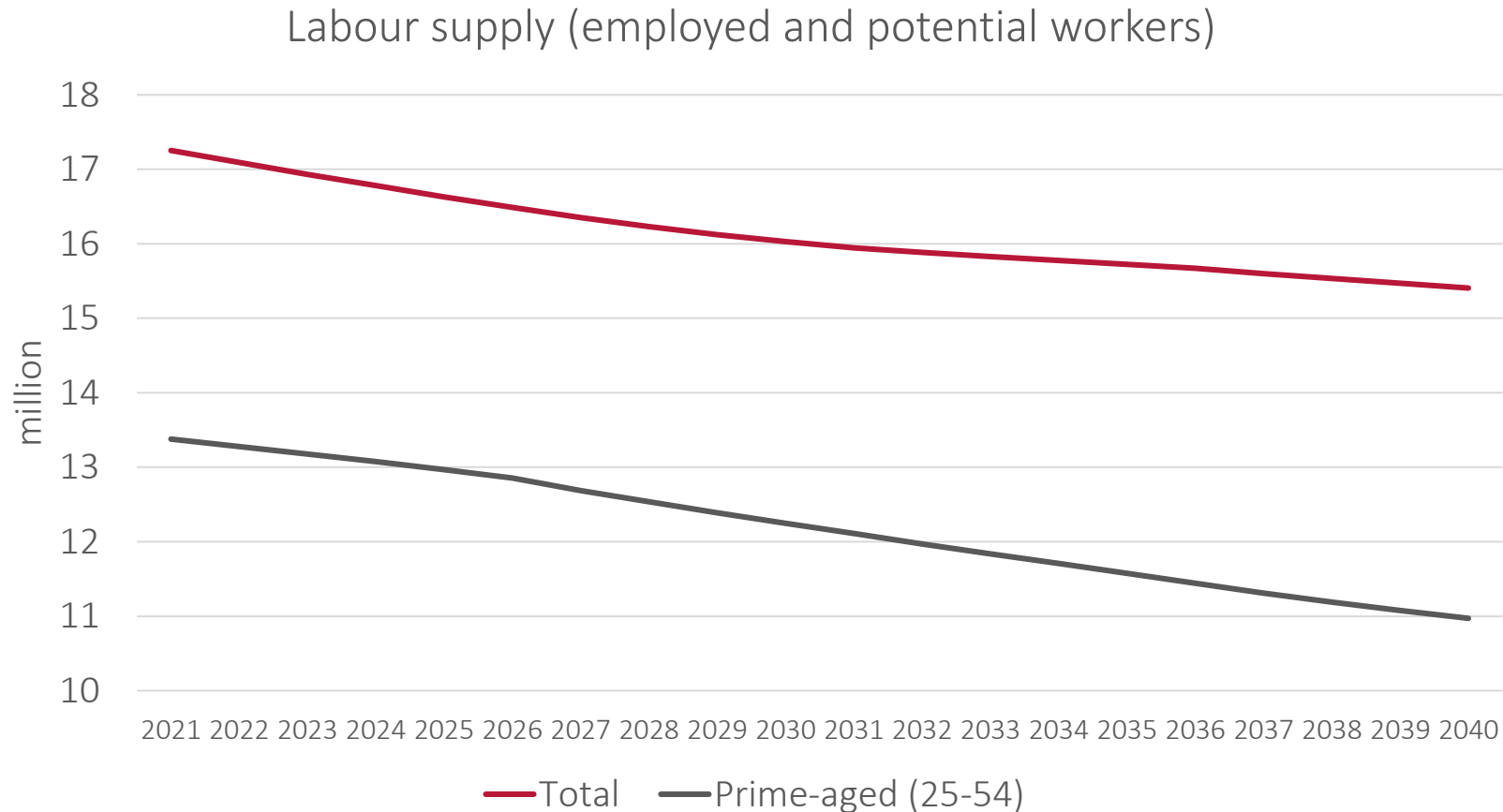
By 2050, CESEE and Southern European countries will be the oldest in Europe . | :



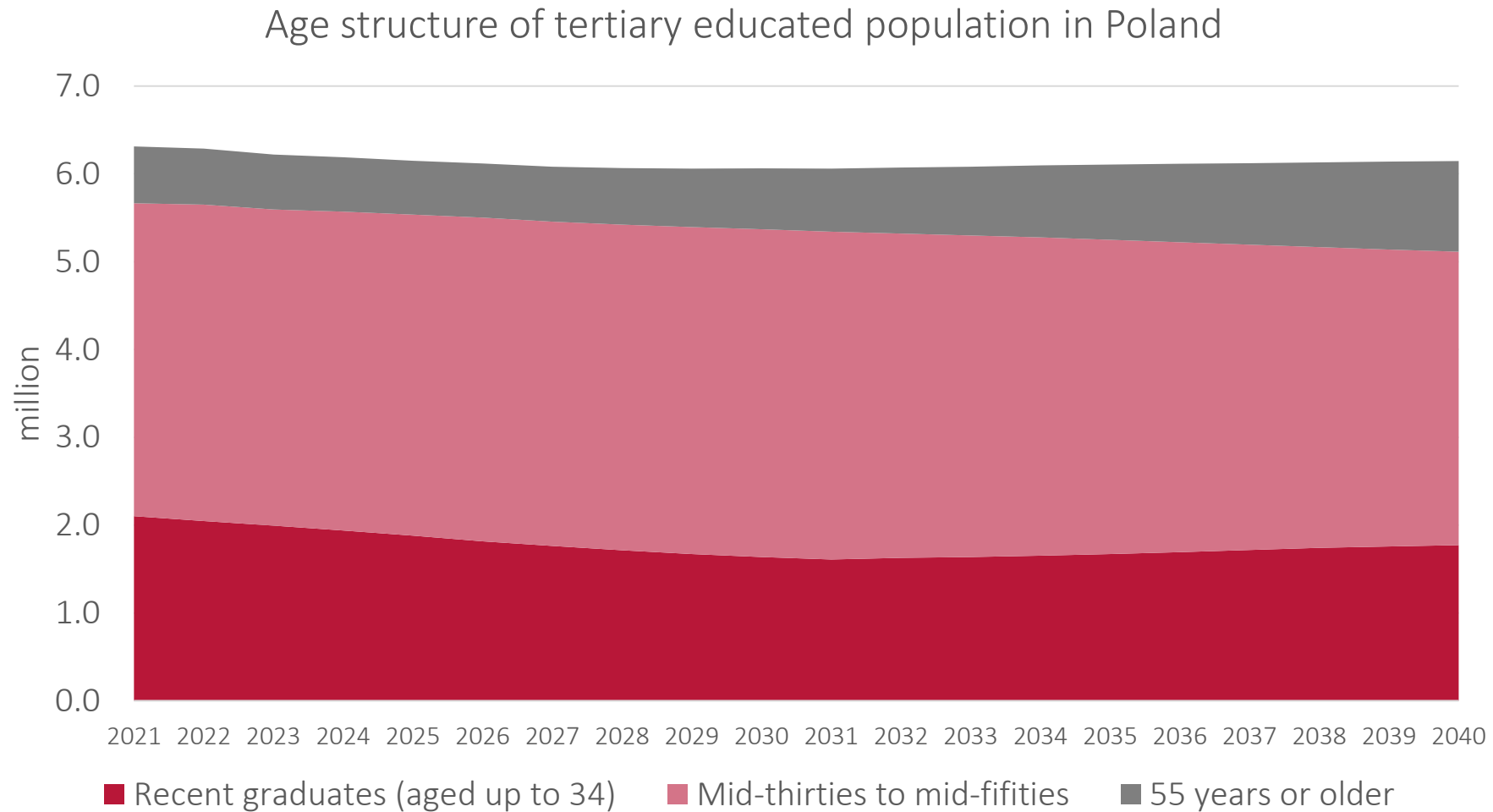
Demographic change will gather steam. In Poland, the labour market will shrink significantly



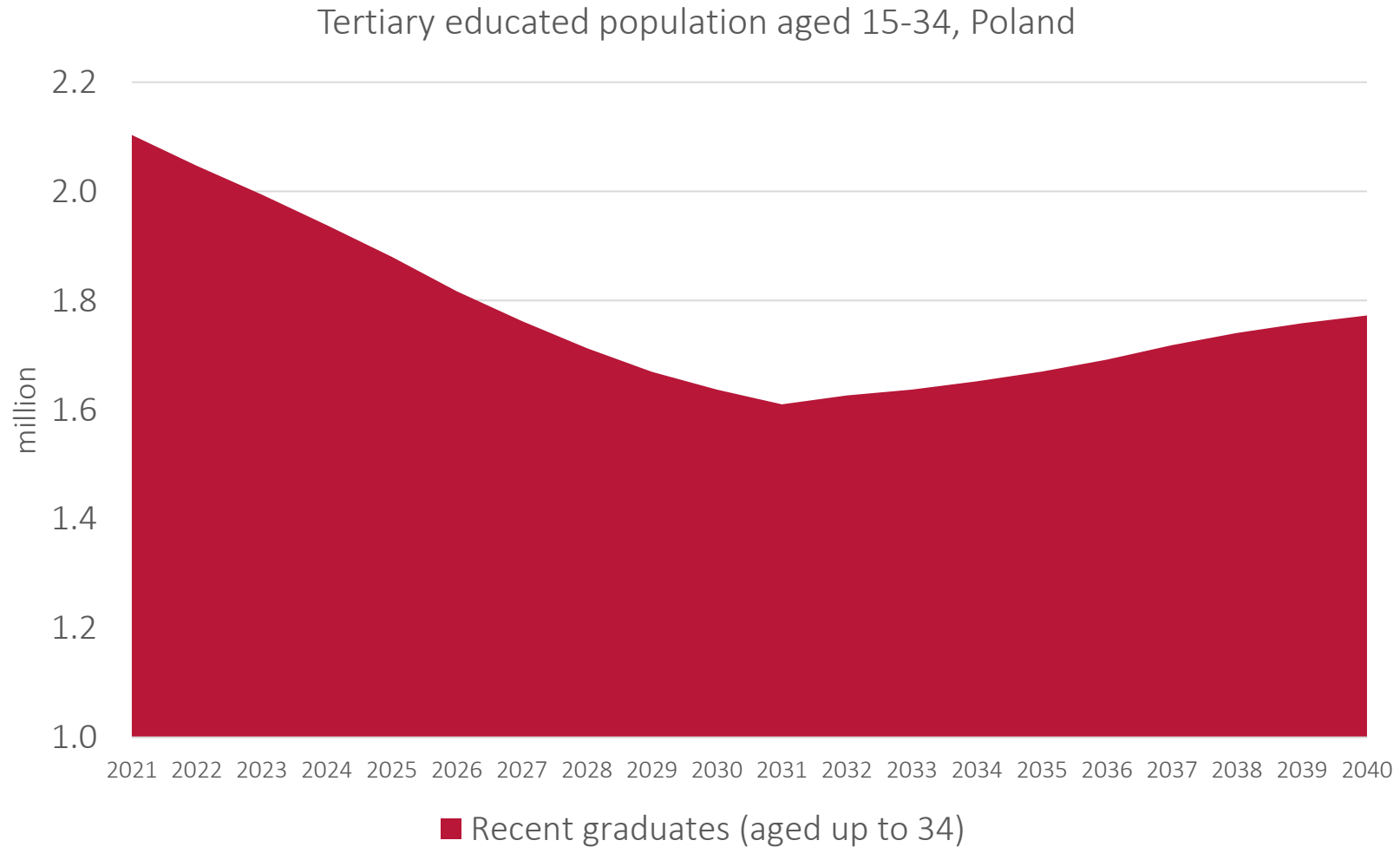
By 2040, the total labour supply will fall by 10%, the labour supply of prime-aged workers – by 17%.



The number of tertiary-educated workers will remain at around 6 million, but the number of graduates entering the labour market will decline



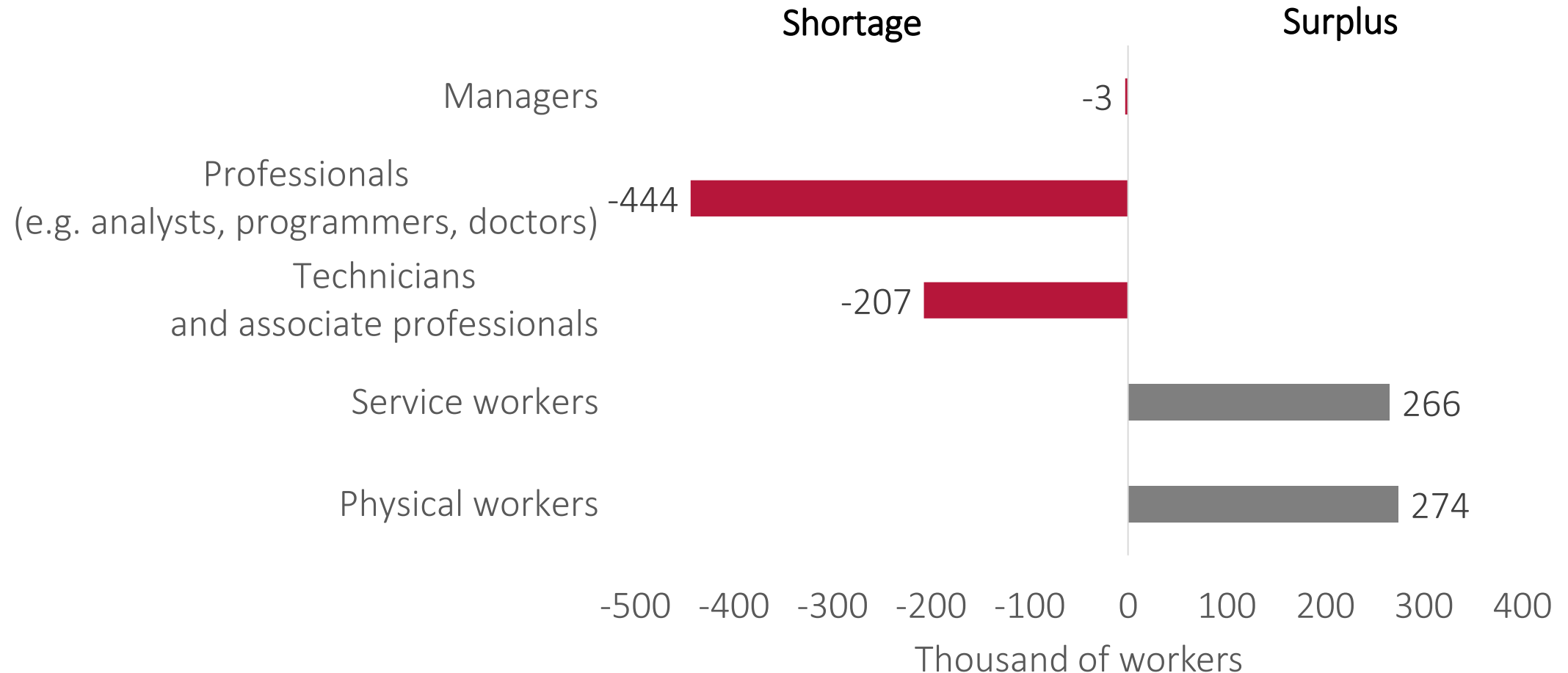
Specifically, in Poland the number of recent graduates will decline by almost 400 thousand = 20% by 2030



Talent shortage will be particularly acute among professionals, while there will be a surplus of service and physical workers



Talent mismatch in 2040, Poland



Despite record-high immigration, so far migrants have barely eased labour shortages in high-skilled occupations



- Migrants often work below their qualifications and perform less advanced tasks
- Obstacles for migrants' occupational upgrading:
 - language issues – native and Western languages
 - poor knowledge of the local labour market
- Weak state: CESEE lacks strategic migration policy and integration institutions

Labour and skill shortage - a structural break from the past 30 years



- Demographic change and population ageing will gather steam
- For a given demand-side shock, the unemployment response will be smaller than in the past
- Fewer graduates, talent shortage particularly acute in high-skilled occupations
- Betting on (im)migration is risky
- Automation can alleviate labour shortages but can also widen inequality

President of the board

piotr.lewandowski@ibs.org.pl

[@ptrlewandowski](#)

[@ibs_thinktank](#)

