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BREZPOSELNOST IN SOCIALNA VARNOST BREZPOSELNIH OSEB V TREH TRANZICIJSKIH DRŽAVAH
Primerjalna analiza Češke, Estonije in Slovenije

Magistrsko delo

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COMPARATIVE ANALYSIS OF UNEMPLOYMENT AND
UNEMPLOYMENT PROTECTION IN THREE
TRANSITIONAL COUNTRIES
(The case of the Czech Republic, Estonia and Slovenia)

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POVZETEK


Naloga temelji na opazovanju obdobja po padcu starega komunističnega sistema, ki je zaznamoval vse tranzicijske države s silovitim naraščanjem brezposelnosti. Ta pojav je predstavljal »trd oreh« državam, ki so poprej izvajale »politiko polne zaposlenosti«.

Osrednji del naloge predstavlja primerjavo trendov različnih oblik brezposelnosti v tranzicijskem obdobju med izbranimi državami. Prav tako skušam v tem delu identificirati brezposelne osebe glede na spol, starost in stopnjo izobrazbe. V nadaljevanju so predstavljeni sistemi socialne varnosti brezposelnih oseb, ki so jih države vzpostavile kot v odgovor na veliko brezposelnost.

V nalogi so predstavljeni tudi različni dejavniki: zgodovinski vzroki, ekonomski in politični razvoj ter institucionalna ureditev obravnavanih držav, ki pojasnjujejo specifičnost trendov brezposelnosti, strukturo le-te ter sisteme socialnega varstva.
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ABSTRACT

The dissertation is concerned with the phenomenon of unemployment and unemployment protection in three transitional countries, the Czech Republic, Estonia and Slovenia.

It observes the situation after the collapse of the old, post-communist system when the countries faced the problem of the rapidly increasing unemployment, which was a great hardship especially because in the previous regime there was almost no unemployment, because of the implementation of the so called “full employment policy”.

The main aim of the dissertation is to compare the trends of general unemployment and long-term unemployment among the countries in the transitional period; identify the unemployed people regarding their gender, age group and educational level and determine the systems of unemployment protection the countries have introduced after the “unemployment shock”.

In order to understand the unemployment trends, the structure of unemployment and the systems of unemployment protection within the countries and among them specific features of each individual country had to be observed. Historical background, economic and political situation and development and institutional framework were some of the specifics that I had to acknowledge.

The analysis of the unemployment and unemployment protection in transitional countries consist of two main parts, theoretical background and comparative analysis. Theoretical background describes the main characteristics of the labour markets under the ex-communist system and it tries to show the consequences of the old regime on the new labour markets. In
addition, it wants to illustrate the unemployment phenomenon and consequently unemployment protection systems and labour market policies.

The comparative part tries to answer four sets of research questions. First two research questions are related to unemployment situation and unemployed people; while another two are concerned with the unemployment protection among the chosen countries.

Thus, the first part of the comparative analysis deals with the unemployment in general: changes in unemployment rate during longer period, patterns and development in decreasing the unemployment rate while the second part covers and shows gender differences in shares of unemployment and age and educational structure of unemployed people.

The third part, which together with the fourth, answers to the research linked with unemployment protection, compares different unemployment (in most cases insurance) systems. Fourth, the last part is oriented in analysing the labour market policies that all chosen countries implemented after the collapse of ‘the old system’.
1. INTRODUCTION

In my dissertation I will approach the situation and circumstances in labour markets in transitional countries with emphasis on unemployment situation and unemployment protection. I will concentrate on three transitional post-socialist countries that “shared the same destiny” in a sense of diverging from bigger systems (states). Therefore, I have chosen the following states: The Czech Republic, existing before in one state together with Slovak Republic, Estonia a Baltic country which gained independence from Russia and Slovenia which was once a part of Yugoslavia.

The three countries have joined the European Union in May 2004 and they are with regard to macroeconomic features and some other aspects doing relatively well, considering the fact that the communist history has restricted developments in various ways. In addition, all the chosen countries are doing better than the countries they were once united with.

After the collapse of the old system all the post-communist countries faced the problem of unemployment, which was a great hardship especially as in the previous regime there was almost no unemployment, because of the implementation of the so called “full employment policy”.

Since the late 1980s many changes have been introduced as to the way how labour markets are regulated, and in many countries labour policies have become increasingly concerned with the growing problem of unemployment. (Standing, 1997: 134)

\[1\] For extended description see section: selection of the countries
Off course, there are many differences among the chosen countries, which are the result of different historical background, institutional arrangements and economic development. Therefore, I will try to explain the diversities related to unemployment and unemployment protection in the chosen countries with specific historical, economic or institutional features of each country.

However, while writing my dissertation I have faced certain limitations. Unemployment and unemployment protection are very extensive phenomena. If we try to observe them in the unusual, changeable circumstance, which the transition undoubtedly was, the issue becomes even more complex. In addition, when we observe the pattern of one phenomenon, we are almost immediately faced with another phenomenon, which makes the explanation even more extensive. In order to avoid the mentioned extensiveness I had to omit many phenomena I have encountered due to the time and space limits.

1.1 Research questions

All transitional countries experienced unemployment but still there are great differences among them. Therefore, the first question to be answered is: What are the distinctions between the three chosen transitional countries in terms of unemployment? Which countries had in “the beginning” the highest level of unemployment, which countries the lowest? Which countries were successful in lowering the level and which countries are still having problems with high unemployment? What about the long term-unemployment? Which historical, institutional and economic factors are the crucial in understanding the differences among the countries?
The level of unemployment leads to another question: *Who were the unemployed people?* 

*Who were the unemployed regarding gender?* In the previous regime all, men and women were included in full time employment from “cradle to grave” (Standing, 1997). Are in the transition period men and women still equally represented in the total unemployment?

Furthermore, are women the ones who are more often unemployed or is it the opposite? I was also interested in: *how old the unemployed people were?* Which age group is the most vulnerable? Is it the youngest, the oldest or the middle age group? Another interesting question arises with regard to the educational structure of unemployed people. *Are the unemployed poorly or well educated?*

**Regarding unemployment protection** I am interested in trends that countries are following.

*Which ‘way’ will they choose? ‘Scandinavian’, ‘German’ or more ‘liberal one’? What are the main characteristics of these systems and who finances them?* There is also a question of *benefit level and duration period:* does it differ from one country to another - how and why?

In order to reduce the unemployment rate, all the chosen countries introduced labour market policies, the *so called passive and active measures.* The passive measures come in the form of unemployment benefits while active include different programs. Therefore, I am interested in: *How many funds were provided for passive and active labour market policies and how many participants the policies included in the chosen countries?*
1.2 Structure of the research

The analysis of the unemployment and unemployment protection in transitional countries consist of two main parts, theoretical background and comparative analysis. Theoretical background describes the main characteristics of the labour markets under the ex-communist system and it tries to show the consequences of the old regime on the new labour markets. One of them hardship was unemployment and consequently unemployment protection systems and labour market policies, thus the theoretical background wants to illustrate the mentioned phenomena.

The comparative part in divided in to five chapters. In the first, methodological strategy main methodological approaches are described, the main sources of data are named and the selection of the countries is explained. In addition, it also shows a model of the analysis in a more “synoptic” way

Furthermore, the comparative part consists of four sets of research questions. Thus, the first part deals with the unemployment in general: changes in unemployment rate during longer period, patterns and development in decreasing the unemployment rate. In this part, I try to answer the first research question.

Second part tries to answer to second set of the reach questions. It covers and shows areas regarding the gender differences in shares of unemployment and age and education of unemployed people.
First and second parts are written as a mixture of quantitative and qualitative methods. They consist of an analysis of data (quantitative approach) with emphasis on comparison of the differences among the chosen countries in qualitative manner.

The third part will be more of qualitative nature. It will compare different unemployment (in most cases insurance) systems.

Fourth, the last part will be oriented in analysing the labour market policies that all chosen countries implemented after the collapse of ‘the old system’. This part will also be more of qualitative manner for it is difficult to measure it or do a quantitative analysis.
2. THEORETICAL BACKGROUND

2.1 Situation in the labour market in the communist time

Despite many shortcomings, up until 1989 there was, in general terms, a broadly coherent and similar system of welfare across the countries with centrally planned economies. The old social-welfare contract between the party state apparatus, the nomenclature and the people, consisted, in terms of employment, of guaranteed jobs and small differentials between the wages of workers, professionals and managers in return for the political quietude of the population. (Deacon, 2000: 146)

The labour market features were similar in all countries of the old regime: low level and slow growth of wages; reportedly small wage differentials across most skill groups and industries, zero open unemployment, low geographic mobility and virtually a hundred percent membership in the official trade unions. (Ham et al in Commander & Coricelli, 1995: 92)

In this context, I will utilise Barr’s characterization of the old economic order. It includes five facts: (1) every worker was paid the same low wage; (2) wages were supplemented by generous universal benefits, often provided by enterprises; (3) work was guaranteed, and jobs were for life, including very low or nonexistent unemployment; (4) resources were allocated by central planning; (5) government was totalitarian.

Mentioned system can be described as a stylized picture of the labour market system built up during the Soviet era (Standing, 1997) in which in addition female participation was one of

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2 Differences among the countries; particularly Slovenia seems to be an exception or outlier, described later in the text
3 Slovenia faced some open unemployment, though it was very low.
4 Such as family allowances, pensions, subsidized food, housing, heating…
the highest in the world (see Ham et al in Commander & Coricelli for example). The system maximized employment and “abolished” unemployment or at least made it an illegitimate activity. Full employment meant precisely that, with many people expected to continue in a paid job until retirement age, although some were expected to be pensioned off at an early age. (Standing, 1997: 133-134). In short, there was just one type of employment, i.e. permanent and full-time employment. All other types were exceptional. (Svetlik, 1992). Standing calls this type of formal employment, very literally: employment from “cradle to grave”. (Standing, 1997)

The command, soviet-type system had its achievements and its shortcomings. Thus, the advantage of job security for the many, did not counter the inadequacy or absence of unemployment benefit. Similarly, on the one hand, workers wages were compared with average wages but on the other hand the party and the state bureaucrats benefited from hidden benefits. Working women in general received favourable treatment, such as the right to resume their previous employment (after maternity leave); however, women were obliged to not only to work but to remain responsible for family care, and the division of labour remained sexist. (Deacon, 2000: 147)

Standing is pointing out five distortions in the development of the previous regime: (1) the nature and degree of social protection, (2) the distortion in the distribution that was focused manly on enterprises; (3) the pattern of labour mobility, (4) stratified and segmented integration, including very high women’s labour participation, and (5) the basic

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5 did not exist because of the absence of unemployment
6 Which was by according to the author opinion not chosen on the basis of uncover preferences of those in need but was determined by direct providers (i.e. ministries, enterprises…)
7 Which we know did not even exist or we can say it was “one way labour mobility”, because of the phenomenon of i.e. permanent and full-time employment.
distortion was the fact that many pensioners\(^8\) worked in a wage employment after they started receiving a pension. (Standing, 1996)

Subsequent to mentioned facts, we can understand Standing’s literally ‘avowal’: “There never was a ‘Golden Age’ of a Soviet social policy”. The author admits that the system was provided by a very broad range of secure social benefits, and as long as the economy grew and was insulated from international economic forces, it was able to function reasonably well. But the trouble was that it became increasingly inefficient along with the economic system in general. (Standing, 1996: 227)

To sum up, there were many common labour market characteristics among the countries of previous regime, however, we should be careful in making great generalisations as the countries had their own specifics; particularly Slovenia’s earlier period seems to differ in many aspects from other transitional countries. Therefore, there should be mentioned some principal distinctions or features that make Slovenia (also in further development) different from other transitional countries of Central and Eastern Europe. The institutional arrangement of Slovenian, old, communistic regime did not officially recognise the existence of the labour market, for it was believed that the labour market could be effectively substituted by direct agreements between job seekers and employers who were both supposed to belong to the same ‘working class’. Self-management boards in the enterprises made decisions on employment of the new employees, wages and other aspects of personal policies. (Svetlik, 1992:54)

In spite of state intervention, individuals in Slovenia were free to choose their study programs, their employers, and were free to leave them. Employment was not obligatory.

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\(^8\) old-age and the ones receiving a disability pension
Enterprises were free to choose new employees from the various applicants. The enterprises were not allowed to make their employees redundant. (Svetlik, 1992: 54-55) Mentioned characteristics were to some extent more “market oriented”, compared with some other communist countries, as Slovenia was part of the Yugoslav “market socialism” system, with a relatively well developed product market and at least partially developed labour market. In addition, persistent open unemployment existed; however it was very low (Godfrey, Richards, 1997: 3).

However, officially, there was neither a labour market nor a labour market policy. Employment security was guaranteed to all employees by law. Occasionally there were discussions about employment policy, which was considered as a part of economic policy. (Svetlik, 1997: 217).

The old Slovenian regime was supported by the so-called silent partnership, established between the working class and the party oligarchy (Ţupanov in Svetlik, 1992: 55 ). Workers were given modest but secure wages for modest work effort: they were provided with the number of unpaid social services and absolute job security; and the state did not interfere with their informal economic activities. In return, workers supported the power elite and did not demand a sharing of the political and economical power. Trade unions were integrated into the political establishment and served as a means of party control of workers. (Svetlik, 1992: 55)

Open unemployment - as a consequence of “socialistic social contract” – existed, in contrast to other communist countries, in Slovenia; however it remained enviably low. (Kajzer, 1998: 46). Low unemployment rates can be largely explained by the absence of a benefit system that could support a full-time job search. In addition there was a high level of hidden
unemployment, as an outcome of inappropriate allocation of labour; while registered
unemployment was only about 2% in 1988, the rate of hidden unemployment exceeded 13%.
(Mencinger in Kausch, 2002: 180)

2.2 “New” labour markets after the collapse of the communist system

Governments of the economies in transition faced tremendous labour market problems.
The declining level of public sector employment and the decline in the share of total
employment taken by the public sector was a powerful trend in most countries of the region
(Standing, 1997: 136). The collapse of uneconomic undertakings and the reduction in the staff
of overmanned industries produced levels of unemployment not previously experienced.
(Elmann in Svetlik, 1997).

At the outset of the mentioned collapse, it was thought that the growth of unemployment
would be driven by labour casting in the state sector and that unemployed people working
before in state enterprises would be gradually absorbed to the emerging private sector. Thus,
the shifts of workers (from state to private sector) would be the driving force pursuing the rise
of unemployment. Although the employment in state sector was falling rapidly and private
sector was booming, the closing stages were not balanced; the unemployment was still
tenacious growing (Boeri, 1994: 13) In effect, governments everywhere have abandoned any
claim to a commitment to full employment (Standing, 1997: 134) and introduced measures for
stopping existent rapid and substantial growth in unemployment.
According to Svetlik, the following practical changes appeared after the labour market liberalization\textsuperscript{9}: 1) an establishment of a great number of new private enterprises; 2) flexibilisation in the labour market (various new employment forms have been allowed); 3) large redundancy of workers (employees can be made redundant immediately in the event of close down of a firm); 4) the emergence of open unemployment; 5) introduction of labour market policy programs and measures; 6) decreased role of the old “job-centred” welfare system (new more selective programs are slowly entering) and 7) the presence of ‘informal sphere’ (which serves as a buffer of the social and economic hardships) (Svetlik, 1992: 55-56).

From an economic point of view, the transition can be seen as a move from central planning to market forces. For this reason, there was a necessity of radically reforming inherited welfare-state institutions. The difficulty in terms of social policy was to keep the best of the old system while adapting to a new economic order. The other task was to change the welfare state in order to meet the needs of a market economy, which was a hardship in the massive economic, political and social disruption that accompanied the transition where the information was imperfect, risk was great and uncertainty was pervasive (see Barr, 2000: 241).

All the mentioned problems and distortions forced the large state sector to shed labour. Because of that, there were many unemployed people, so the resulting policy strategy was to subsidize unemployment - for example through unemployment benefits - and on the other hand to subsidize employment. (Barr, 2000: 248).

With the rise in unemployment came the flow of western governments and consultants urging the new authorities to resort to active labour policies to deal with unemployment. The steep rise in unemployment was accompanied by a squeeze on social policy included cuts in

\textsuperscript{9} The author is defining the changes
generosity of unemployment benefits and a tighter conditionality regarding entitlements
(Standing, 1997: 138)

2.3 The phenomenon of unemployment as a result of transition

The transition process impelled a need for structural changes on labour markets of previous
command economies. Old uncompetitive enterprises had to leave the new emerging market,
causing mass lay-offs, while the new enterprises had to emerge to absorb the suddenly
increased numbers of unemployed. (see Freytag 2002, Svetlik 1992; OECD 1997 for
example)

Virtually all Central and Eastern European countries have experienced a sharp increase in
unemployment, although rates differ from country to country depending on factors such as
economic performance, progress in economic reform, industrial structure and industrial
change. (Nešporova and Uldrichova, 1997:47)

Thus, the phenomenon of unemployment became an immense problem that occurred after the
collapse of the previous regime. There are some common features of unemployment that we
can identify in all transitional countries. According to Vidovic, they are classified as follows:
(1) unemployment varies significantly across regions, while at the same time there is low
mobility of labour; (2) the proportion of long-term unemployment is steadily on the increase;
(3) in most countries women are more affected by unemployment than men; (4) youth
unemployment has been increasing rapidly; (5) the lowest skill and educational groups are
over-proportionately affected; and (6) unemployment levels among ethnic minorities and
other socially disadvantaged groups are many times higher than the average rate (Vidovic, 2001: 7)

The decline in employment has disproportionately impacted upon women. The strong employment drop is not necessarily reflected in the unemployment figures since many women decided to leave the labour market. Therefore, the unemployment rates of women are not much higher than that of men, in some countries even lower. In addition, unemployment also impacted disproportionately on young people. The sharp employment decline has made entering the new labour market extremely difficult for young people. Nevertheless, demographic developments have contributed to an already demanding situation - since the number of young entrants has been increasing in many transitional countries. (see Vidovic, 2001: 9-10)

In addition, long-term unemployment seems to be a major feature of unemployment in the Central and Eastern European countries (Vidovic, 2001) which was mainly caused by structural unemployment; the later results from transformed economic structures (e.g. obsolescence of branches of industry reduction of the proportion of state-owned, public enterprises, expansion of the tertiary sector, etc.) that are not entirely replaced in the labour market. The reasons for such, can be insufficiency in training, obstacles to mobility, but also the failure to create new jobs. This in particular, illustrates the close interrelationship between low- growth unemployment and structural unemployment (Kausch, 2002: 5)

Similar to western countries, there are large regional disparities on the transitional countries’ labour markets particularly regarding unemployment. Imbalances are mainly due to the regional industrial structures predominating in the previous system. Areas concentrating on
war equipment, mining, steel and textile industries in the past – are more distressed by unemployment than others, taking into account that often the entire social and economic infrastructure had been focusing on a single industry. (Vidovic, 2001: 7). In most transitional countries, there is a low frequency of unemployment in the capital cities, where also youth and female unemployment tends to be the least possible. Internal mobility of the labour force is low since it is deteriorated by the lack of accommodation facilities, high rents and transport costs, and the cutting of public transport services (Köllö in Vidovic, 2001:8).

2.4 Unemployment protection

2.4.1 ‘Unemployment welfare regimes’ in Western Europe

In order to observe the situation in transitional countries in the context of unemployment protection and furthermore to detect which stated ‘European’ trend, if any, they are following, I will first briefly portray the unemployment systems in Europe using Gallie’s and Peugam’s theoretical typology of ‘unemployment welfare regimes’. Their theory resembles to well-known Esping-Andersen’s typology of ‘three worlds of welfare capitalism’; however it is more closely linked to only one aspect of welfare regime - to unemployment protection: financial support systems for the unemployed and institutional arrangements intervening job allocation.
In taking three criteria: coverage, level of compensation and expenditure on active
employment policies, Gallie and Peugam distinguish four ‘unemployment welfare regimes’\textsuperscript{10} in Europe\textsuperscript{11}: the sub-protective regime, the liberal/minimal, the employment-centred regime and the universalistic regime.

The so called \textit{sub-protective regime} is, according to Gallie and Peugam, a system that offers
the unemployed, less than minimum level of protection needed for survival. Not every
unemployed person receives benefits, and the ones that do, receive the very low amount.
Active employment policies virtually do not existent. In this type of regime, the unemployed
can experience relentless financial hardship and leave under the poverty threshold. In addition
the probability of long-term unemployment is high; however it is also conditioned by other
factors such as the level of economic development. The authors see close to that regime
countries of southern Europe: Italy, Greece and Portugal. In the Esping-Andersen ‘three
worlds of welfare capitalism’ typology we do not find that kind of welfare regime.

\textsuperscript{10} Welfare regime in Peugam and Gallie typology refers to provision by public authorities and to the way in
which welfare production is allocated between state, market and households like in Esping-Andersen typology

\textsuperscript{11} It should be noted that also EU distinguishes between four basic models of social protection:
\textit{(European Commission, 2001; The EC bases its distinction on research by Esping-Anderson, 1990, and Scharpf, 2000):}
1. The Anglo-Saxon Model (IE, UK)
2. The Continental European Model (AT, BE, DE, FR, LU, NL)
3. The Scandinavian Model (DK, FI, SE)
4. The Southern European Model (ES, GR, IT, PT)
for more details see Bifel and Schappelwin in 23rd CEIES seminar ‘Social protection statistics’ 2003
Nevertheless, he adds in the later work (2000), in the re-examination of the three words of welfare capitalism the Mediterranean fourth world, which can be in some aspects similar to the mentioned sub-protective regime. ¹²

A level of protection of the unemployed is slightly higher (than in the sub-protective) in a *liberal/minimum regime*, mostly prevalent in the UK and Ireland. Even though it does not cover those at risk of unemployment as a whole, and while providing financial compensation, arguably not very substantially. Likewise there is little advance in active employment policies. The regime support an explicit political will not to interfere too profoundly in the protection of the unemployed, and also not to undermine the laws of the market. The purpose of this is to encourage the unemployed to take the responsibility for themselves, in order not to become dependent on the state. Therefore, the benefits are subject to a means-testing of household income. Within this type of regime there is a strong risk of poverty among the unemployed. (see Peugam and Gallie, 2000: 5-6). This regime can be compared with Esping Andersen’s liberal welfare regime and liberal social policy which traces its roots back to nineteen century English political economy, to its notions of ‘less eligibility’ and ‘self help’. It sheltered boundless faith in market sovereignty. Liberal welfare regimes in their contemporary form reflect a political commitment to minimize the state, to individualize risks, and to promote market solutions, thus they disfavour citizen’s entitlements (Esping-Andersen, 1990: 74)

The next regime, Peugam and Gallie are referring to countries, namely France, Germany, The Netherlands and Belgium, is *employment-centred regime*. It provides a much higher level of protection than the above-mentioned ones. Also the level of financial compensation is higher and the development of active employment policies, in contrast to liberal system here reflects

¹² Esping-Andersen mentions this type of regime more as an answer to critics of authors, such as Leibfried, Ferrera, Castles, than really his new, added regime.
the concern of the public authorities in order to avoid the withdrawal of the employed in most deprived sectors from the labour market. The coverage of the unemployed is still far from complete for the system is concentrated on those who have built up the greatest rights; therefore it tends then to create a division between ‘insiders’ and ‘outsiders’. The poverty risk depends on the status of the unemployed person, and also on the length of the individual’s unemployment time. This regime does not show benevolence to people with temporary jobs or those with little work experience (see Peugam and Gallie, 6). It can be argued that the employment- centred regime is a synonym for Esping-Andersen’s corporatist model which includes high level of social protection, but benefits are based more selectively. Rights are often tied to labour experience and paid contributions. Certain groups, such as civil servants, have benefit schemes of their own, which are on the higher level. Families with children are well protected, also if there is just one breadwinner. The labour market participation of women is therefore low, such as the participation of elderly disabled people. Countries with that type are the countries of more autocratic tradition on the European continent such as Germany, France, Austria, Belgium and Italy. (Esping- Andersen, 1990)

The regime that is, distinguished from the other three by the fact that it offers comprehensive coverage of the unemployed, a much higher level of financial compensation and a more ambitious active employment policy, is considering Peugam and Gallie, called universalistic regime. Universalism is linked with the individualisation of rights. Benefits are granted relatively autonomously of the researches of other households members. Therefore it can lead to a low level of poverty among the unemployed, and also a lower risk of labour market marginalisation. The two countries that are according to Peugam and Gallie the closest to the universalistic regime model are Denmark and Sweden. The universalistic regime is very alike the Esping-Andresen social-democratic model. Here benefits are available for all, at a high level and of limited duration. The high collective costs this implies can only be afforded
through an efficient activating labour market policy. The participation of women is high, although they mainly work in the service sector. Private insurance is low according to Esping-Andersen, the Scandinavian countries fall into this welfare state type.

In addition, I will describe another classification (see Table 1) (1999) which is in some aspects very similar to abovementioned theories and it clearly illustrates the “unemployment welfare systems.” It is relevant for our further analysis, with exception of so called ‘Targeted’ institutional type which according to Caroll refers to Australia and New Zealand.

Before the introduction of legislated unemployment insurance labour unions in some of Scandinavian and Continental European states established the first institutional type of unemployment insurance, voluntary state-subsidised insurance. It offered mutual benefits with funds financed by membership contributions. These schemes were performed in France in 1905, in Norway in 1906 and in Denmark in 1907. In Denmark, Finland and Sweden this model still remains in force. Benefits funds are here a crucial instance of control and administration, with the state playing a regulatory role. The unemployed are entitled to benefits on the basis of membership in the funds. Benefits have historically been paid in the form of flat-rate daily benefits, however there has been a trend of income-related forms as well. (see Caroll, 1999: 126)

In countries with obligatory insurance, prevailing in Continental European countries, we can find a model of corporatist insurance. It includes both: state insurance regimes and these regimes’ joint administration by employer and employee representatives. In partial accordance with its organisation by the labour market partners (in bi- or tripartite forms) occupational affiliation is essential to benefit entitlement. Benefits are generally income-related. (Caroll, 1999:126-127)
Table 1: Ideal - typical models of Unemployment insurance

<table>
<thead>
<tr>
<th>Institutional type</th>
<th>Organizing authority</th>
<th>Basis of entitlement</th>
<th>Benefit payment principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary State-subsidized</td>
<td>Union-linked or regional funds (State)</td>
<td>Membership</td>
<td>Flat-rate (Income-related)</td>
</tr>
<tr>
<td>Targeted</td>
<td>State (Local authorities)</td>
<td>Need, low assets/prior income</td>
<td>Minimum</td>
</tr>
<tr>
<td>Corporatist</td>
<td>Labour market</td>
<td>Occupational affiliation</td>
<td>(Income related)</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>State</td>
<td>(Insurance contribution)</td>
<td>Flat rate (income related)</td>
</tr>
</tbody>
</table>

Source: Caroll, 1999: 125

Another type of compulsory insurance Caroll terms: Comprehensive insurance. It was first introduced in Great Britain. The basis of entitlements to benefits is payment of social insurance contributions, although unemployed person without a prior contribution record can also be granted benefit rights. Benefits tend to be flat-rate in character, or are very weakly linked by income. (see Carol, 127-128)

2.4.2 Unemployment protection in transitional countries

Because of previous full employment policy, unemployment was a great “shock” (Svetlik, 1997: 218) out of which circumstances had to be reconciled by people and the states. The latter had introduced new labour legislation - which was a part of wider reform of the social security system - including passive measures and active labour market policies (Svetlik, 1997: 221).
In other words, countries started to implement “labour market policy” which can be said, according to OECD (2003) to have two main components:

1. the design of regulatory framework for employment and industrial relations
2. a range of so-called “passive” and “active” labour market policies.

However, implementation of “labour market policy” meant by some means changing entire old system. It can be argued that one way of creating new system (in our case unemployment protection system) was to look and examine the non-socialist neighbour’s countries systems.

Considering Esping Andersen transitional countries were following and replicating mostly liberal characteristics:

One, comprising East-Central Europe, follows broadly a liberal strategy, based on privatization on social insurance, a reduced public safety nets, a shift towards targeted means-tested assistance and a free-market bias in labour market regulation. A common trait in the ex-communistic nations’ transition is a first attempt to cushion the shock therapy with social security. Initially, virtually all introduced generous unemployment insurance, and industrial redundancies work were countered with attrition and early retirement. The dramatic fall in revenues, coupled with unexpected levels of unemployment and income loss let in many countries to virtual collapse of the existing social security system and a uniform shift towards targeted means-testing.

(Esping-Andersen, 1996: 20-21)

The complexity of the situation - in which I would argue, the liberalisation was just one of the processes imitated from liberal system among other features “copied” from other systems - will be described in the sequel.
2.4.3 The unemployment benefit system (insurance and/or assistance)

Transition led to reshaping of the economic landscape. One of the strategic reform directions was also strengthening unemployment insurance. The implementation of this was difficult because of several problems, linked with transition. One of the biggest was raising open unemployment which was both cyclical (which can, if it proves impossible to counteract an economic downturn, take a form of long-term unemployment (see Kausch, 2002) and structural and which included large unemployment of women and long-term unemployment. The trouble also included an acute shortage of resources, connected with collapse in output and “ill” tax system and acute shortage of administrative capacity as the result of no pre-existing unemployment insurance system. Nonetheless, there appeared incentive problems, based on a very small difference (in the level) between unemployment benefit, minimum wage and average wage. We should not overlook impediments to occupational and geographical labour mobility and a skills mix not well suited to a modern market economy. (Barr, 2000: 246-248)

Indeed, a great step had to be taken from former system, successful in previous regime including full employment, jobs for life, and no competitive market pressure, but very ineffective in today’s competitive world. The mayor reform required cutting the link between social benefits and enterprise. In the prior times there was no connection between contributions and benefits, for there were generally no workers contributions. Thus, contributions were not individualized because enterprises paid contributions. Therefore, the task was to move social benefits out of enterprises and contributions to the social insurance
authorities (see Barr, 2000: 251-52) and to ‘establish’ unemployment insurance i.e. insurance in the case of unemployment.13

As pointed out, this type of Western social insurance arrangement required mayor changes for the previous system was very different. The old fiction of the enterprise or employer paying benefits has been preserved, even though we can find in many cases heavy ‘tax wedge’ for employers (in some cases even 50 percent of the money wage bill) Consequently, it has depressed the level of money wages, hence the costs has been passed on to workers. In addition, it has lead to widespread avoidance of contributions. (Standing, 1996: 243)

In some countries, e.g. Estonia, the system of unemployment benefits that arose as the result of rising unemployment and other problems of transition became flat-rate. Flat-rate benefits were cheap, administratively easy and they gave to an unemployed worker a greater incentive to find a job (than earning-related benefits would). Another task for the policy was to protect the minimum level of benefits, which was difficult especially because of weak administrative capacity (Barr, 2000: 249)

2.4.4. Labour market policies and active labour market programs

Since unemployment was practically non-existent in the former centrally planned economies before 1990s, the regulatory framework for labour market policies and a set-up of employment offices, where the unemployed could register, ask for labour market services and receive benefits had to be created from the very start. Currently, both unemployment compensation systems and the wide arrangement of active labour market programmes

13 It should be noted that in Slovenia there was unemployment insurance since 1974 in a frame of social insurance system which has been regulated similar to the German legislation
(ALMPs) comparable to those found in developed market economies are found in all transitional countries. (Leetmaa and Võrk, 2003:2)

Of course, Labour market policies are not a new phenomenon. The OECD formally adopted the conception of active labour market policy already in 1664 (see Kopač, 2004: 92) and introduced in 1988 a convention to distinguish between seven major categories of public labour market expenditure reflecting national labour market spending. It defined: (1) employment services including counselling staff, programme management and administration of unemployment benefit systems; (2) labour market training; (3) special youth measures; (4) subsidised employment including direct job creation in the public and private sector and support for unemployed starting enterprises and (5) special measures for the disabled. (see Schömann, 1995:4)

The above-mentioned measures are considered as active policies (more precisely expenditure for active measures) while unemployment compensation and early retirement schemes are treated as passive policies or expenditure because they largely finance inactivity. However, in practice both types of expenditures are often closely linked. (see Schömann, 1995:4-5)

Nowadays, broadly speaking, active labour market programs (ALMPs) are used to reduce the risk of unemployment and to increase the earnings capability of workers. They comprise job search assistance, training, public works, wage and employment subsidies, and self-employment assistance. These programs are implemented to increase labour supply (e.g., training); increase labour demand (e.g., public works, subsidies); and improve the functioning of the labour market (e.g. with employment services). (Betcherman et al, 2003:5)
After roughly describing labour market policies, we should ask what is the function of them?
According to Esping-Andersen they should ideally, in addition to the basic function of
decreasing unemployment, carry out also three further functions: (1) to protect the
unemployed from poverty and social exclusion. (2) to promote the shift from the industrial to
the service economy by encouraging re-qualification and education of the unemployed. (3) to
advance flexibility on the labour market to reduce unproductive rigidities, which contribute to
increasing gap between unprotected unemployed ‘outsiders’ and well protected ‘insiders’.
(Esping-Andersen in Kausch, 2002:197)

Nevertheless, particularly active labour market policies and programmes are closely linked
with the “four pillar” European Employment Strategy: (1) Improving employability, (2)
Developing entrepreneurship, (3) Encouraging adaptability in businesses and their employees
and (4) Strengthening policies for equal opportunities
htm#3, 15.8.2003)
3. COMPARATIVE ANALYSIS

3.1 Methodological strategy

This paper, namely: “Comparative analysis of the unemployment and unemployment protection in transitional countries” (case of Czech Republic, Estonia and Slovenia) can be considered as a case study;

*A case study is an empirical inquiry that investigates a contemporary phenomenon with its real-life context, especially when the boundaries between phenomenon and a context are not clearly evident.* (Yin, 1994: 13)

According to Yin (1994: 15) case studies have distinctive place in evaluation research, with at least five different applications:

(1) *To explain* the causal links in real-life interventions that are too complex for the survey of experimental strategies

(2) *To describe* an intervention and the real-life context in which it occurred

(3) *To illustrate* certain topics within an evaluation, in a descriptive mode

(4) *To explore* those situations, in which the intervention being evaluated has no clear, single set of outcomes

(5) May be a “*meta-evaluation*” – a study of evaluation study

I would argue that in my analysis there are used, at least partially, the first four mentioned instruments: during the research, I am *explaining* relationship between the phenomena of unemployment and unemployment protection with historical, economic, political and
institutional features of the chosen countries. In addition, I can not avoid describing and illustrating different situations in a qualitative (descriptive) as in quantitative way (with the data available).

Hence, this paper includes both qualitative and quantitative methods; on the basis of the gathered data, relevant for my research, I present situation in unemployment in quantitative way; however, many phenomena need an explanation in a sense of historical background, and other explanations that pure data can not provide demand thus I have to use qualitative methods. Mentioned fact does not undermine the approach of the case study I utilize:

“*Yes, case studies can include, and even be limited to quantitative evidence... The case study should not be confused with qualitative research...Instead, case studies can be based on any mix of quantitative and qualitative evidence.*” (Yin, 1994: 13)

Furthermore, regarding Regan case oriented and variable oriented strategy:

“The *Case oriented strategy* starts with the simple idea that there are distinct and singular entities (major features of countries, world regions, cultures, etc. or their history) that parallel each other sufficiently to allow comparing and contrasting them. The case-oriented strategy sees cases as meaningful but complex configurations of events and structures, and treats cases as singular, whole entities purposefully selected, not as homogenous observations drawn at random from a pool of equality plausible selections.” (Ragin, 1992:300)
In variable-oriented work, investigators begin research not by asserting the existence of comparable entities, but by positing general dimensions of macrosocial variation. In this approach, empirical instances are viewed as partial, jumbled or impure representations of underlying theoretical concepts or principles. Instances vary in the degree to which they express these underlying properties and researches view their task as one of uncovering basic patterns of co variation among essential properties. Investigators initiate their research by defining the issue to be explored in a way that allows examination of many cases. (Ragin, 1992:300)

I would argue that the research uses in majority ‘case-oriented strategy’ since we explain some occurring phenomena “in depth”. However, we also posit general dimensions of macrosocial variation, while observing unemployment and unemployment protection systems combined with their features. Thus, one might argue that the research tends to variable oriented approach as well.

However, according to Ragin (1992), in practise most researches combine both strategies using elements from each of them. In addition, Regan suggest that a good comparative research should balance case oriented and variable oriented approach.
3.1.1. Sources of data and methodological limitations

Data for comparative analysis of unemployment are mainly taken from ILO Labour force survey LABORSTA (http://laborsta.ilo.org/cgi-bin/brokerv8.exe, EUROSTAT’s New cronos database and OECD publications. Data that I could not get from mentioned sources are taken from National Employment/labour Institutions (ESS) or Ministries of each, individual country.

Furthermore, data and basic descriptions for Unemployment protection systems are manly taken from two publications, namely Social Security Programs throughout the World and MISSCEEC (1999): Mutual Information System on Social Protection in the Central and Eastern European Countries. Some data are also taken from Joint assessment papers (JAP) of the countries and different articles and National institutions.

In addition, labour market policies are mostly described by data gathered and in some cases calculated from different National sources of each country (Ministries, ESS, etc)

Nevertheless, all the sources are stated below each table or figure and some of the data, presented in tables can be find also in Appendices.

Particularly because of different sources of data we can face some difficulties, comparing them. For instance, some data are EUROSTAT database while some are from ILO (LABORSTA) and other sources, therefore we cannot directly compare the numbers. Selecting of data differ between the methodological approach by different provider.
However, we usually observe the trend, thus the changes in numbers are not of so immense importance.

Another methodological problem, which should be noted, is particularly seen in the section 3.3. There, we are analysing and asking ourselves who are the unemployed people. We are observing the number of unemployed regarding gender, age group and education as *shares of total unemployment* and not levels, rates in some group. This does not always show us very obviously picture “we would like to have”. The problem is due to the selection of the data; they are taken from the ILO database (LABORSTA; see APPENDICES) which comprise the total numbers of unemployment but does not offer the levels (rates) or numbers of active population from which we could calculate from. Therefore, we have to “reconcile ourselves” with the proportions as shares of total unemployment groups.

In addition, some data are not available for certain years (mostly for earlier), which can also make comparison difficult.

**3.1.2 Model of the analysis**

*Figure 1* shows us the correlation between the two complex phenomena I observe in my dissertation, namely unemployment and unemployment protection. In addition, it also illustrates the impacts of other phenomena, historical background, institutional framework and economic and political situation to Unemployment and Unemployment protection.
Both phenomena comprise some “sub-phenomena”. Unemployment observable fact includes also unemployed people, as my research question is who are the unemployed people.

Unemployment protection has specific regulatory framework in each specific country, with other words is based on a legislation of each country, which result as an unemployment protection system. In addition, the unemployment protection includes also labour market policies, passive as well as active.
3.1.3 Selection of the countries

I have chosen Czech Republic, Estonia and Slovenia for my comparative analysis because of some common characteristics. All of them can be considered as transitional or post-socialist countries\textsuperscript{14}, which are independent for a little more than a decade. They all “shared the same destiny” in a sense of diverging from states, they were once united with. In addition, they are all part of EU since May 2004.

They are all quite small states in comparison to bigger post-communist states as for example Russia or Poland. Estonia with a population of 1.367 million, Czech Republic with 10.295 and Slovenia with 1.990 million are comparable with each other, which is another reason of choosing these countries for my research.

All of the chosen countries are doing better than the countries they were once united with. Estonia has higher GDP per capita\textsuperscript{15}: 38, 6 percent of the EU15 average (Lithuania: 33, 4; Latvia: 37, 9) and lower unemployment level\textsuperscript{16} (9, 8) than its Baltic neighbours Lithuania and Latvia. Likewise, Czech Republic has better features in all respects in comparison to its south neighbour state Slovakia. GDP per capita in Czech Republic is for 16 percent higher than in

\textsuperscript{14} At first, I wanted to include six countries, namely Czech Republic and Slovakia; all the Baltic States – Lithuania, Estonia, Latvia – and Slovenia. However, I realized it would be too extensive choice. Therefore, I have limited the numbers of countries and chosen the representative of every ‘group’, considering some similarities (in a sense of macroeconomic indicators and other aspects) between new chosen countries. Consequently, I have in the research Czech Republic, Estonia and Slovenia. See also the Methodological part: Selection of the countries.

\textsuperscript{15} Measured in terms of Purchasing Power Standards (PPS) 2000; considering EU average, which is 100%

\textsuperscript{16} The unemployment levels in both, Lithuania and Latvia, are higher than 10%: Lithuania (12, 2), Latvia (10,4)
Slovak Republic; in addition, unemployment level is more than twice higher in Slovakia than Czech republic. Although there are no figures for the Ex-Yugoslavia states\textsuperscript{17}: namely Croatia, Bosnia, Serbia and Montenegro, Bosnia, and Macedonia, I would argue that in the moment none of the mentioned countries has higher macroeconomic indicators than Slovenia. (source: EUROSTAT)

Furthermore, the countries also differ from other transitional, post-communist countries. The economic and political system in Slovenia, which existed under Yugoslavian coordination, was recognised as much more liberal than those of the other communist countries of Central and Eastern Europe. This was partly due to the close linkage with western economy\textsuperscript{18}, which had an important impact on the labour market and employment policies of the former Yugoslavia and particularly for Slovenia (Svetlik, 1997:216)

Czech Republic is unique among the transitional economies of Central and Eastern Europe as well. In the year 1995, its unemployment rate was the third lowest in the world, wages were competitively low and the population was calmly accepting the tribulations of the transition (Ham et al, 1995: 91)

In addition Estonia, as the other Baltic States, has favourable location between the East and West, its historical and cultural traditions of cooperation with the countries around the Baltic Sea, and the market economy experience it gained in the period between the two world wars are important initial conditions as determinants of the transition affecting the economic development. By implementing a comparatively liberal foreign trade regime Estonia is one of the most trade-intensive small economies in the world (OECD, 2003: 17)

\textsuperscript{17}Because the data are taken from EUROSTAT, which included just accession countries.

\textsuperscript{18}Germany and Italy were respectively the first and the third economic partners for most of the post second world war period (Svetlik, 1997: 216)
Although all three countries I have chosen for dissertation, namely Czech Republic, Estonia and Slovenia were once under the communist regime, which included abovementioned characteristics there were also some dissimilarities among the countries, which were linked with the authority and influence of the political i.e. communist system.

3.2 Unemployment situation

3.2.1 General unemployment trend

From the figure 2 we can see that the chosen countries have different levels of unemployment and different trends during the chosen ten years. If we look at the earlier years (first years of the analysis) we can conclude that the countries have different ‘unemployment starting points’; however, none of the unemployment level exceeds 10 percent. Of all the chosen countries the Czech Republic seems to have the lowest level, which is indeed very low - only 4 percent. In the year 1993 Estonia and Slovenia have started with a rather high unemployment level, particularly Slovenia with the unemployment level of about 9 percent.

Furthermore, every country had its own trend and oscillation of unemployment level during those ten years, but it seems that the mentioned limit of 10 percent was not exceeded during those years with exception of Estonia with its unemployment peak in 2000 when it exceeded 13 percent. Afterwards the unemployment sharply decreased, however in 2002 it still
Also unemployment rates in 2002, which is the final year of our observation, seem to be interesting in regard to the starting level. It appears that only Slovenia has “the ending” level lower than the starting one. Furthermore, it might seem that Slovenia was the most successful in decreasing the unemployment level, as the discrepancies between the levels are much higher in both The Czech Republic and Estonia. Slovenia’s trend is more stable without so many “ups and downs” in the unemployment levels which in the long run appears as a successful decline of unemployment. However, it is also a success to decrease the level of unemployment in 2 years for almost 4 percent which was the Estonian pattern.
In order to understand the unemployment trends of countries we should seek out some background reasons such as historical, institutional, economic and political, of each country. In 1993 The Czech Republic (see Figure 2) had a relatively low (the lowest in comparison to other countries) unemployment rate. In order to explain that certain specific features of the Czech labour force should be acknowledged. Namely, the relatively high flexibility and mobility of labour. People were prepared to change not only their jobs but also their profession and place of work. They were willing to be retrained, to take the risk of starting a business etc. Labour turnover was one of the highest in Central and Eastern Europe. (see Nešporova and Uldrichova, 1997: 55-56). Standing explains the Czech low level in the beginning of transition with economic dynamism which has been seen as greater than in almost all other countries in Central and Eastern Europe. (Standing, 1996: 247). Different authors suggested other possible reasons for low unemployment, for instance successful labour market policies. Some found the reasons in economic policies and the inflow of foreign investment, and others to the persistence of the hidden unemployment. (Standing, 1997: 137).

In addition, one of the reasons for low unemployment is labour hoarding, which was connected with cheapening of labour, which enabled enterprises to keep and pay redundant workers as a reserve, in waiting of economic recovery (see Nešporova and Uldrichova, 1997: 51)

Why the level does not remain low (and it even progressively increases) can be at least partly explained with a prediction made by Nešporova and Uldrichova: Some of these factors will weaken in the future. Real wages will increase, further and higher labour costs will result in many more redundant workers. Also the new shareholders who emerge from the process of consolidation of share ownership will reduce persistent labour hoarding in enterprises. (see Nešporova and Uldrichova, 1997: 56). Czech JAP (Join Assessment Paper, 2000) explains the
sharp increase of unemployment over recent years, particularly after 1996 with the following words: “The sharp rise of unemployment is both a reflection of the economic slowdown, but also of the accelerated restructuring by some Czech enterprises”.

In Estonia, unemployment started to increase when the privatisation process began and all the Baltic States lost their close connection to the Russian market which they had been supplying. The general decrease in production, which was started largely by the fall in the product demand, led to the decrease in labour demand and formed the mass of unemployed. The following changes in the structure of production caused the need for reallocation of labour, which also increased the number of unemployed. In other words, reallocation of the people from old sectors to the new emerging ones took time. In addition, labour force was not as mobile as it could have been. Some argue that was also due to the nature of Soviet education; it was characterised by narrow specialisation, therefore people in the post-Soviet countries find it more difficult to change their profession or the sector of employment.
(Paas et al, 2003: 28)

How can we understand the rather low unemployment level (between 6-7%) in the 1993 (the beginning of our observation) in comparison to the following years? It might be the consequence of the previous time - the mid 90s – when sharp increase of unemployment was prevented by a decrease in labour supply due to emigration to the other former Soviet countries (Eamets, Philips, Annus 1999 in Pass, 28). Another possible reason for the low unemployment in the early 90ies has been found in the successful privatisation of state enterprises. The privatisation technique chosen in Estonia was direct sales (often to foreign owners), which ensured investments to the companies and therefore led to the stable employment (Nesporova in Pass, 2003:29), at least for some years.
However, Estonian unemployment trend is on the whole characterised with high unemployment rates - with the peak in 2000. Some argue it is due to the Russian crises (see Leetmaa and Võrk 2003) and a sharp reduction of trade relations with Russia. This caused a dramatic fall in demand for Estonian products, leading to mass lay-offs. (Freytag, 2002: 3). In addition the reason for a relatively high level of unemployment in Estonia could be partly explained also with rather insufficiently funded labour policies. The share of active measures is relatively low: only 60% of the overall employment policy budget is allocated on passive measures. At the same time, the overall coverage of the unemployed by the system of income maintenance is still low. In addition the participation of registered job seekers in active labour market measures is low as well. (Paas et al, 2002). Nevertheless, it should be noted that in contrast to other transition countries another potential reason for a higher unemployment can be found, namely the existence of some ethnic conflicts, language problems and the like (Noorkõiv et al in Freytag, 2002).

From the Figure 1 one can conclude that Slovenia had a rather favourable and stable development in decreasing the unemployment in comparison to other chosen transitional countries. This is partly true because of its economy was quite developed at the start of transition and quickly adjusted to the demanding global markets (Ignjatović, 2000).
However, we should be careful while making such a conclusion for we should bear in mind that in Slovenia there is an enormous difference - see \textit{Figure 3} - between registered and survey-based unemployment\(^{19}\) (rates):

\begin{quote}
“A striking feature of Slovenian unemployment is a difference between the two unemployment rate figures. One counting the number of unemployed registered with the Employment Service of Slovenia (ESS) has come to reveal almost twice the level than the measure derived from the Labour Force survey (LFS)” (Ignajtović: 2000)
\end{quote}

For example, we can observe the situation in 1998, shown in \textit{Figure 3}, when the number of registered unemployed was about 127 000 while all ILO unemployment was only 76 000, including both the ILO registered and not registered; thus the number of the registered under ILO definition was only 63 000. This is only half of the amount of the registered people in ESS.

\(^{19}\) In addition to registered unemployment, the Statistical Office of the Republic of Slovenia also provides data on survey unemployment in accordance with the methodology and definitions of the International Labour Organisation (ILO). The source of this data is the Labour Force Survey (LFS), which was first carried out in 1993 and is harmonised with the European Union labour force survey and with the Eurostat requirements. Unlike the traditional register data sources which monitor formal status, the international methodology focuses on monitoring the actual position of the adult population on the labour market. Under the ILO definition, unemployed people are those older than 15 who cumulatively meet the following three conditions: that they did not perform any paid work in the week before the survey; that they actively sought employment through at least one channel in the four weeks prior to the survey; and that they are willing to take up employment within fourteen days of the survey, provided there is the work available (source: see Pirher at al, 1999)
The discrepancy between the two ‘approaches’ can be explained in different ways and with different reasons (Ignjatović et al, 2002: 198-199):

(1) many people register even if they do not seek jobs (e.g. already have one in the informal economy) for the registration with the ESS provides not only “shelter” and cash benefits but also access to a number of employment programmes, health and old-age insurance payments and assistance in preparing job applications.
(2) some people benefited from the legislation which allowed them to register with the ESS without actively seeking jobs since the monitoring of the behaviour of the registered unemployed did not exist up to the late 1990s;

(3) some employers made employees redundant in order to hire them afterwards and collect these subsidies, as employers could receive subsidies if they hired registered unemployed persons;

(4) unemployment benefit recipients are allowed to earn money while receiving benefits if their income is below the benefit level. As a consequence they are considered as actively working (the criteria- at least one hour last week);

(5) many workers registered with the ESS work informally and have two sources. The grey economy, where people are registered at the ESS but perform work occasionally or are employed on illegal basis, has a significant impact on the scale of survey unemployment as well. In addition, a large share of the registered unemployed are, under the ILO methodology, also classified as family workers. (see Pirher et al, 1999)

However, the mentioned fact causes problems in understanding real unemployment levels. According to the registered unemployment rate, Slovenia belongs to a group of countries where unemployment is a big social problem, while international surveys of unemployment place Slovenia among the countries with lower unemployment rate. 

(Ignjatović, 2000)
3.2.2 Long-term unemployment

The long-term unemployment has become a major characteristic in all transitional countries (see Vidovic, 2001; OECD 2003, for example). It is particularly problematic in the Baltic countries (OECD; 2003: 28), thus also Estonia is not an exception:

“Long-term unemployment has been a growing feature of the labour market, with the proportion of the unemployed who are without work for more than one year rising from 30% in 1995 to 47% in mid-2000; when long-term unemployment affected over 6% of the labour force (Estonian JAP; Paas et al, 2003)

The long-term unemployment in Estonia (as in other Baltic countries) supports the idea of structural unemployment. The share of long-term unemployment was steadily increasing in the early 90s. From then on, about 50 percent of the unemployed have been without a job for more than one year. Generally, the share of long term unemployment is larger in regions where unemployment rate has persistently been high. Besides the regional characteristics, the persons experiencing long unemployment spells can usually be characterised by low skills and qualifications. (Paas et al, 200: 30) In addition it should be noted that a large share of people in Estonia is experiencing repeated spells (OECD, 2003)
Figure 4: Long-term unemployment (EUROSTAT data)\textsuperscript{20}

![Graph showing long-term unemployment trends in selected countries](image)

Source: Eurostat's New Cronos database

Considering Figure 4, we can observe that the ‘long-term unemployment trend’ in all chosen countries, namely the Czech Republic, Slovenia and Estonia, has been negative, which means that the long-term unemployment is slowly falling. The Slovenian Ministry of labour, family and social affairs (2002) claims that it is the result of the changes in the status of those persons included in active employment programs, the increase in the supervision of the activity of the unemployed and the effects of active labour market policy measures. Similarly OECD (\textit{Jobs Study} in 1994) is advocating that active labour market policies are appropriate instruments for improving the prospects of the long-term unemployed (see OECD: 2001: 21)

\textsuperscript{20} It should be noted that here data are taken from EUROSTAT database while in Figure 1 the data are from ILO (LABORSTA), therefore Figure 3 and Figure 1 cannot and should not be directly compared. However, we are observing the trend, thus the changes in numbers are not of so immense importance. Another remark that should be mentioned is that the long-term unemployed, under the Figure 3 is taken as a percentage of active population (not as a percentage within total, general unemployment)
To sum up, if we simplify and speculate we can argue that the long-term unemployment is lower in all countries also due to the efficiency of active labour market policies which all the countries have implemented (and will be discussed later).

In addition, it is interesting that all three countries have their peak in long-term unemployment in the year 2001 (which in Estonia continued to the year 2001). It is not far from the truth if we claim that long-term unemployment is directly connected with the general unemployment, in fact it is just a longer and more persisting form of it. Hence, we can argue that the reason for the long-term unemployment in 2001 (in all the three countries) is the high level of general unemployment which is according to ECE (2001) (Economic Survey of Europe) due to the following factors (1) mass layoffs in coal mining, steel and textile industries, (2) the termination of employment guarantees in privatized firms, and (3) the baby boom generation entering the labour market (ECE in Vidovic, 2001: 4)

From the figure 2 we can also find some similarities in the development of the long-term unemployment rates between Czech republic (with much lower Czech starting point) and Estonia while Slovenia has again (similar as in the general unemployment) a more stabile trend. It starts with a little above 3 percent in 1998 and it has the same level until 2002 (with some oscillations). It is not really an excellent trend but in comparison to the Czech and Estonian one it still seems to include positive development.

Before ending this comparison of long-term unemployment in the chosen countries let me name some of the common characteristics of this unpleasant phenomenon: Estonian JAP (Joint Assessment Paper) suggests that the imbalance in the labour market can be a potential cause for the problems of, cyclical in nature, that are encouraging the response of
employment but also unemployment to the recovery in economic growth that commenced in 1999. (Estonian JAP; 2001) Similarly Slovenian authors (Ignjatović et al, 2002) see long-term unemployment as a consequence of not efficient, rigid labour market, which even before the transition protected the employed population at the expense of the unemployed and new entrants. However, one should bear in mind that when discussing about long-term unemployed people, we have mainly in mind poorly educated, elderly and disabled persons for long-term unemployment is characteristic especially for the groups of people with worst employment opportunities. (see Pirher et al, 1999: 82)

3.2.3 Concluding remarks I

After thoroughly examining the unemployment and long-term unemployment trends in the three transitional countries, namely Estonia, the Czech Republic and Slovenia, we can make some conclusions and answer the first set of the research questions.

Each country had its own trend and oscillation of unemployment levels. However, it seems that all the countries have been successful in decreasing the level, as in none of them the level of 10 percent was exceeded in the period of the observed ten years.

In the year 1993 Estonia and particularly Slovenia have started with a rather high unemployment level, while the Czech Republic started with the lowest unemployment rate, compared to the other two countries.
Regarding unemployment rates in 2002, which was the final year of our observation, it appears that only Slovenia has the final level lower than the starting one. In addition, it also has a more stable trend without so many “ups and downs” in the unemployment levels, which might in the long run appear as a successful decline of unemployment.

The background reasons for diverse unemployment trends should be sought in historical, institutional, economic and political differences of the countries. Thus, we can explain the Czech low level in the beginning of our observation with a high flexibility of labour force, labour hoarding (Nešporova and Uldrichova, 1997), economic dynamism, successful labour market policies (see Standing, 1997) while the increase is probably due to economic breakdown (Czech JAP, 2000).

In Estonia, there were various reasons that accounted for the increase of the unemployment. The privatisation and loss of the Russian market was one of the economic ones while the nature of Soviet education which resulted in inflexibility of the labour force (see Paas et al, 2003) was one of the historical reasons. Furthermore, the rather low unemployment level in the beginning of our observation might be due to the emigration (see Paas et al, 2003) which can be considered as any of the mentioned factors (historical, economic, political or institutional). Another, institutional reason for high unemployment can be found in the low share of money provided for active employment policies.

In Slovenia, there is yet another factor, namely the methodological one which is the result of the difference between registered and survey based, ILO unemployment.
Considering the long-term unemployment none of the chosen, transitional country is an exception. They are all fighting with that persistent phenomenon. However, the trend in all the countries seems to be negative. The long-term unemployment is explained by some with imbalance and inefficiency of the labour markets which can be considered as the institutional or/and economic reason.

3.3 Unemployed people

3.3.1 Unemployed by gender

It has been argued that differences between male and female unemployment rates are the result of differences in the frequency of job loss. In addition, unemployment rates can also differ because the one group confront greater difficulties in finding jobs or because these individuals move in and out of the labour force more frequently. (Lauerová and Katherine, 2002: 3)

However, the decline in employment and hence the growth of unemployment has in transition excessively hit women: for example (according to ECE, 1999) even the smallest cut in female employment recorded for the Czech Republic was ten times higher than for males (Vidovic, 2001: 9)

It should be noted in the beginning of our observation of differences between female and male unemployment that the *Figures* for chosen countries, namely: 4, 5, 6 do not represent the difference in unemployment rates (levels) - which would be as a matter affect much larger-
but the proportion between men unemployed and women unemployed as a percentage of total unemployment in some country.\textsuperscript{21}

\textit{Figure 5: Unemployed by gender in the Czech Republic}

![Graph showing unemployment by gender in the Czech Republic](image)

Source: Calculation from LABORSTA database, Labour force survey

The proportion of unemployed, regarding gender vary from country to country (\textit{see Figures: 5, 6 and 7}), alike they vary also within the countries. In the Czech Republic we see that women have been on the whole more affected in terms of unemployment all years of transition: from the year 1993 up to recent years. Nevertheless, the percentage rarely exceeded 55 percent with exception in the beginning of our observation - in the year 1993 and then again in the year 2000.

\textsuperscript{21} according to ILO definition; look also APPENDICES
In general, we can conclude, that there are more women in Czech Republic in the period 1993- 2002 unemployed than men. Some see it as a consequence of the position of women who remain economically disadvantaged also due to various social and protective measures (financial support for expecting mothers, childbirth allowance, contribution for parents, child benefits and others), which aim to offer support in the traditionally difficult and demanding situations women face (pregnancy, motherhood, parenthood), tend to reinforce the stereotype of an “unstable female work force” and decrease women’s social status and value as a potential labour force. Therefore, these measures offer only formal support to women for the risks which they undertake if they want to enter new areas of employment (Cermakova, 2000).

Lauerová’s and Katherine’s, in their analysis of explaining differences in unemployment (2002), reached a conclusion that the principal reason of higher women’s unemployment in the Czech Republic is not because women are more likely to enter unemployment but rather because the probability that women leave unemployment for a job in is far lower than men’s. In addition they are arguing that in the Czech Republic we are able to recognize married women as particularly unlikely to leave unemployment for a job.

In Estonia we have just the opposite picture from the one we were observing in Czech Republic. Here we are facing with more men being unemployed, seen as a share of total unemployment (see Figure 6) all years of transition with no exception; only in the year 1994 we have ‘fifty- fifty situation’. Hence there is also a visible trend of lower unemployment rates for women than men (see Paas, 2003; Hazl, 2002). I would like to notice once again that we should not interpret it as a decline of women unemployment in general, for it is possible that the women are not considered to be unemployed because of their withdrawal from the
labour market (see Vidovic 2001; Hazl 2002). Many women might decide to leave the labour market completely because of the bad national economic situation. (Hazl, 2002)

Figure 6: Unemployed by gender in Estonia

Source: Calculation from LABORSTA database, Labour force survey

Other reasons for more men being unemployed can be sector specific as female employment is high in the public and service sectors which have not experienced so dramatic employment decrease. In addition it has been argued that the willingness of women of working for lower paying jobs, have helped women to avoid the unemployment (see Nesporova in Paas, 2003: 30)
In Slovenia (see Figure 7) we can detect the smallest difference in the proportion of unemployed men and women, particularly since 1999. The reason for small gender differences might be due to the fact that the labour market in Slovenia is considerable segregated by gender. Male-dominated sectors and industrial branches are those most affected by the economic recession and plant closures; therefore men are at the risk of being displaced from their jobs (Drobnič, in Godfrey in Richard, 1997: 162) However, the proportion of women began to increase in 1994, reaching 47 percent in 1998. The reason for this can be seen in the crisis in the textile and footwear industries, dominated by women. The recession hitting these branches of the economy came several years after other branches. The rehabilitation and restructuring of companies in these sectors is expected to soothe the growth trend for female unemployment. (see Pirher et al, 1999)
3.3.2 Unemployed by level of education

Beside different proportion of men and women in unemployment there are also different risks of unemployment regarding education structure in all the countries, not just transitional ones. However transitional countries have, as we will see, some common characteristics.

According to OECD most forms of education are offering the most general protection against unemployment in Estonia – and conversely it is that the negative effects of poor educated are most difficult to remedy with work experience (2003: 145-146). Similarly states also JAP (2001:7) “There is also wide variation in unemployment depending on educational qualifications – ranging from 5% among those with higher education to over 20% for those with only basic education.” Also other authors are claiming that the unemployment is particularly high among less educated people (Paas 2003; Freytag 2002).

Mentioned characteristics are typical for all the chosen countries (see Pirher et al, 1999 (for Slovenia) and Nešporova, 1997 (for Czech Republic) for example). Figure 7 represent the shares of the most poorly educated people (ISCED 0- 2) as a part of total unemployment in

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22 ISCED 0-2 (zero, first and second level) includes people with very basic education:

**Level 0: Education preceding the first level**

Education delivered in kindergartens, nursery schools as well as in infant classes attached to primary schools.

**Level 1: First level**

Programmes are designed to give the students a sound basic education in reading, writing and arithmetic along with an elementary understanding of other subjects such as national history, geography, natural science, social science, art, music and religious instruction. Children enter these programmes when they are 5 to 7 years old. Literacy programmes for adults are also to be classified under Level 1.

**Level 2: Second level, first stage**

The basic programmes constituting the first level are continued, but usually on a more subject-oriented pattern. Some small beginnings of specialization may be seen at this level with some students having the opportunity to direct their attention more particularly to certain types of subjects, e.g. commercial or technical subjects. Vocational programmes designed to train for a
all three countries in a period of five years. This allows us to see the trend in specific country and also detect the differences among the countries regarding shares of low educated unemployed people.

Figure 8: Low-educated unemployed as a share of all unemployed in Estonia, Czech Republic and Slovenia

Source: Calculation from LABORSTA database, Labour force survey; ISCED-7623

specific occupation and often associated with relatively unskilled jobs, as well as apprenticeship programmes for skilled trades and crafts that provide further education as part of the programme, are also included.
In Czech Republic (see Figure 8) we can observe that the amount of unemployed people with low education is decreasing at least till 1999. The decline is particularly seen in from the year 1997. There is exception - in the last year of our observation, 2002 which (according to Czech JAP, 2000) reflects the growing demand for higher skills - when we can observe slightly higher part of people with low education in the structure of education among unemployed.

Slovenia has, as we can conclude from the Figure 8, comparing the other two countries, the higher share of unemployed persons with the lowest education. It appears that it is not going to change- looking at the high level in the last year of observation, 2000. According to Pirher (et al, 1999) in Slovenia among less educated the majority are elderly.

In Estonia, as already mentioned, education is very good preventive against unemployment, even though the share of low educated does not seem so immense as in Czech Republic or Slovenia. Nevertheless the share of poor educated unemployed is increasing persistently, with no exception.

### 3.3.3 Unemployed by age group

It has been argued (Paas 2003, Nešporova 1997, Rončević, 2002, for example) that next to low - educated people the most vulnerable and numerous group, representing unemployment are young and elderly people.

However, there are differences in age group of unemployed persons among the chosen countries (compare Figures 9, 10, 11).
In the Czech Republic, (see Figure 9) the biggest group of unemployed people includes young people (15 to 24 years old). The number of young unemployed has vertiginously increased in the year 1998 and year later reached the peak. On the other hand, it seems we have low number of elderly unemployed, comparing to other age groups. Nešporova and Uldrichova are suggesting that the explanation should be sought in the preference the Czech employers give to long work experience rather than to formal education, and their social conscience concerning redundancies of older workers. Nevertheless, laid off workers tend to take early retirement or seek some form of social assistance, such as disability pension, and only very rarely appear in open unemployment. (Nešporova and Uldrichova, 1997: 58)

24 It should be noted that we are observing the number of unemployed in some age group as a share of total unemployment and not levels, rates in some group. If we have larger number of active population in some age group, it would also result in larger number of unemployed.
Also in Slovenia, we are facing high youth unemployment. *Figure 10* shows the number of young unemployed is decreasing from the year 1997 and is in the year 2002 surprisingly lower than a group of older unemployed - in the age group “35-44”. It could be partly explained with the fact that there is an important (growing) proportion of young and relatively well-educated people, with considerably good employment opportunities, with permanent employment contracts and relatively high wages. In addition, the share of unemployed with university education was only 2.5% in 2001 (see Rončević in Kausch, 2002:183) Other explanation can be also that the younger generations spend longer time in education and training (see Ignjatović et al, 2002) which they see as the safest way of not being unemployed.
Surprisingly low is also the number of elderly unemployed, particularly in earlier years of transition. 25 One reason for that, (for the earlier years of our observation) the early retirement, which was a policy, implemented in all transitional states in order to solve or at least diminish a problem of aged workers:

“The older generation was pushed out of the labour market via the relatively generous early retirement scheme applied in the first half of the 1990s, when unemployment occurred in significant numbers for the first time after World War II. In addition, it left the labour market with the help of generous disablement pension practices and the pension system, which allowed men to get a full pension at the age of 57 and women at the age of 52 if they had 40 and 35 years of service, respectively… This policy changed in the second half of the 1990s when the pension fund underwent crisis. “
(Ignjatović et al, 2002: 197)

Also in Estonia as in other countries, youth unemployment rate is higher than adult unemployment rate (see Estonian JAP). Let me once again notice, that we are observing the numbers of unemployed in specific age group compared with numbers of unemployed in other age group and not the levels of youth unemployment.

25 See remark 25
Reason for the high youth unemployment rate can be found in the deficiency of education system, which has not yet been entirely reformed in order to content to the market needs. (see Pass et al, 2003: 32)

We do not have at our disposal data for earlier year of transition. Notwithstanding, we can see that the proportion of young people among all unemployed was not so sky-scraping till 1999. Pass (et al, 2003) is laying stress on the fact that the high unemployment among youth has not been the case throughout the whole transition period. The young people having modern education and being more open to innovations were often even preferred to the prime aged workers in time when the transition process changed the structure of production and hence the existing human capital was depreciated. That changed as the early restructuring was finished; work experience again gained its value.
However, the number of young unemployed includes also young people with low education, who particularly find themselves in straitened circumstances and unfavourable situations as the employers are usually looking for workers with some experience. Thus, if there is any redundant but qualified person from other age group (older) available, young individual with little experience is unable to compete (see Pass et al, 2003)

3.3.4 Concluding remarks II

After illustrating some basic shares of unemployed people concerning gender, education and age group we can answer to another research question: Who were the unemployed people?

The growth of unemployment has in transition excessively hit women: particularly in Czech Republic we can see that women have been on the whole more affected in terms of unemployment all years of transition: from the year 1993 up to recent years.

In Estonia, we are witnessing just the opposite picture regarding the shares of unemployed men and women, from the one we were observing in Czech Republic. Here we are facing with more men being unemployed, seen as a share of total unemployment. Slovenia appears to be “somewhere in between” comparing Czech Republic and Estonia, since we can detect the smallest difference in the proportion of unemployed men and women, during transition, particularly since 1999.
To put it briefly, we can state that there is no common trend or pattern, which would tell us whether transition was more in favour to men or women in terms of unemployment shares.

Beside different proportion of men and women in unemployment, there are also different risks of unemployment regarding education structure. In all countries, the poor educated have the considerable great chances of becoming unemployed.

The education is becoming every year more important in Estonia since there is a positive trend of poor educated among all unemployed during five years. In Czech Republic there has been a decline of low educated unemployed until 1999, however it appears the trend is changing. Out of all of the chosen countries, Slovenia has the biggest proportion of low educated people unemployed, compared to Estonia and Czech Republic, particularly since 1997.

In all the chosen countries is, next to low - educated people, the most vulnerable and numerous group as a part of total unemployment, the one that represent young and elderly people.

Czech Republic and Slovenia are particularly confronting with large shares of young unemployed while Estonia appears to have slightly larger shares of aged people unemployed. However age and education are closely linked, therefore the combination of low education and having too little experience (“being too young”) or be in mature age with low education is potentially the most perilous.
3.4 Unemployment protection systems

3.4.1 Characteristics of the systems

Table 2: Regulatory framework (Legislation) in the Czech Republic, Estonia and Slovenia

<table>
<thead>
<tr>
<th>Countries</th>
<th>First low</th>
<th>Basic legislation (current lows)</th>
</tr>
</thead>
</table>

Source: Social Security Programs Throughout the World: Europe (2002), MISSCECC(1999); Paas et al 2003 for estonian case

*In Czech Republic we find low concerning unemployment benefits already in 1918; in Slovenia we find first low in 1927

** The first payments will be made from 2003 because of the minimum insurance record requirement
Table 2 represents the basic current regulatory framework of unemployment protection and shows us first attempts of legislation in the field of unemployment security in Estonia, Slovenia and Czech Republic. We can see that the first low, regarding unemployment protection was implemented in the Czech Republic and Estonia in the same year, 1991 while Slovenia introduced Low on Employment and Insurance in Case of Unemployment already in 1974 which might be also the answer to some discrepancies regarding unemployment in general among the observing countries. Nonetheless, the following lows are linked to the one in 1991 in Slovenia as well. That was the year when each country introduced a new system which should mean a new beginning after the collapse of the old regime. Slovenia and Czech Republic have kept the social insurance system (see Table 3) implemented in 1991 (which has in Slovenia source in 1974). Mentioned insurance system originates from German type of social insurance system, which name vary with regard to different authors: Peugam and Gallie call it employment-centred regime while according to Esping-Andersen and Caroll it is considered as corporatist model (regime) of unemployment insurance. Estonia introduced mentioned system to a great extent latter, just recently, in 2002 while in 1991 it has introduced social assistance system. The social insurance system covers the employees as we can see (Table 3) in the case of Slovenia and Estonia (after 2002) while the rights deriving from social assistance system are not are tied to labour experience and paid contributions as it is in ‘corporatist model’.

The unexpected fact in the table 3 is the “Czech coverage” which includes citizens and permanent residents, which is characteristic of social assistance and not insurance system. One partial answer might be that first compensation scheme (first introduced) in Czech Republic was relatively favourable to the worker and also some other groups: the scheme entitled anyone who was laid off, who graduated or took care of handicapped relative or child.
In addition, there was no requirement on the minimum period of contributions paid. Therefore it reminded more to a social assurance system than insurance system. However, afterwards (particularly in 1992) there were many reductions in entitlements, (see Ham et al, 1995) which made the system more alike “classic” insurance system.

Table 3: Type of program and coverage in the Czech Republic, Estonia and Slovenia

<table>
<thead>
<tr>
<th>Countries</th>
<th>Type of program</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>Social insurance system*</td>
<td>Citizens &amp; permanent residents</td>
</tr>
<tr>
<td>Estonia</td>
<td>Social insurance system (before 2002:</td>
<td>Employees; (before: permanent residents</td>
</tr>
<tr>
<td></td>
<td>Unemployment assistance system)</td>
<td>over 16)</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Social insurance system</td>
<td>Employees</td>
</tr>
</tbody>
</table>

Source: Social Security Programs Throughout the World: Europe (2002) MISSCECC(1999);

*Can be called also contributory unemployment protection scheme
Table 4: Qualifying conditions in the Czech Republic, Slovenia and Estonia

<table>
<thead>
<tr>
<th>Countries</th>
<th>Qualifying conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>• No working activity</td>
</tr>
<tr>
<td></td>
<td>• Not studying</td>
</tr>
<tr>
<td></td>
<td>• Registered as a job seeker with the employment service</td>
</tr>
<tr>
<td>Estonia</td>
<td>Unemployment insurance (after 2002*)</td>
</tr>
<tr>
<td></td>
<td>o Registered as unemployed at the labour market office</td>
</tr>
<tr>
<td></td>
<td>o Actively searching for employment,</td>
</tr>
<tr>
<td></td>
<td>o The minimum contribution record</td>
</tr>
<tr>
<td></td>
<td>Unemployment assistance</td>
</tr>
<tr>
<td></td>
<td>Unemployed who fail to fulfil this criterion can apply</td>
</tr>
<tr>
<td></td>
<td>for unemployment assistance. A record of employment is</td>
</tr>
<tr>
<td></td>
<td>required as well, however there are many exceptions to</td>
</tr>
<tr>
<td></td>
<td>this rule.</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Unemployment insurance</td>
</tr>
<tr>
<td></td>
<td>• Involuntary unemployed</td>
</tr>
<tr>
<td></td>
<td>• Fulfil a minimum period of insurance</td>
</tr>
<tr>
<td></td>
<td>• Register at the National Employment Institute**</td>
</tr>
<tr>
<td></td>
<td>• Be capable of work</td>
</tr>
<tr>
<td></td>
<td>• Be at the disposal of the National Employment Institute***</td>
</tr>
<tr>
<td></td>
<td>• Be actively searching employment</td>
</tr>
<tr>
<td></td>
<td>Unemployment assistance</td>
</tr>
<tr>
<td></td>
<td>Rights of unemployment insurance have expired and</td>
</tr>
<tr>
<td></td>
<td>income for a family member is lower than 80% statutory</td>
</tr>
<tr>
<td></td>
<td>reference amount</td>
</tr>
</tbody>
</table>

*According to old – assistance (flat-rate) system: Between 16 and pension age; not engaged in work; searching for a job; registered as unemployed at the labour market office

**and apply for benefit within 30 days of the termination of employment

*** 3 hours per day

Source: Social Security Programs Throughout the World: Europe (2002) MISSCECC(1999);
From the table 4 we can recognise the main conditions for applying for benefits that derive from the insurance system. The criteria are quite similar in all countries. However, it should be noted that in Slovenia and Estonia (see Table 4) unemployment insurance includes also the right of unemployment assistance. For example in Slovenia the rights of unemployed persons are regulated by the Law on Employment and Unemployment Insurance. Under the law, the rights guaranteed by unemployment insurance includes: (1) unemployment benefit, (2) unemployment assistance, (3) reimbursement of transport and relocation expenses (4) rights to health insurance and to retirement and disability insurance (Bohinc and Rajgelj, 2003)

Table 5: Source of Funds in Czech Republic, Estonia and Slovenia

<table>
<thead>
<tr>
<th>Countries</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>Employee: 0,4% of earnings; Employer: 3,2% of payroll; Government: any deficit</td>
</tr>
<tr>
<td>Estonia</td>
<td>Employee: 0.5 - 2% of wages and other compensations* (in 2001 1.5%)</td>
</tr>
<tr>
<td></td>
<td>Employer: 0.25-1% of payroll*</td>
</tr>
<tr>
<td></td>
<td>(before 2002: Government: total cost)</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Employee: 0,14 of earnings; Employer:0,06 of payroll; Government: provides subsidies</td>
</tr>
</tbody>
</table>


* in 2001: 1.5%
Unemployment insurance is defrayed by employer and/or employee. In all of the observed
countries both of them have to pay in the insurance system. In Slovenia the employer (0, 06% of payroll) and employee (0, 14% of earnings) pay less in comparison to employee and employer in Czech Republic and Estonia (see table 5). It should be noted that in all countries also government is also taking some responsibility. In Estonia before 2002 it had the mayor role in paying benefits in so called assistance, flat rate system.

Table 6: Unemployment benefits in Czech Republic, Estonia and Slovenia

<table>
<thead>
<tr>
<th>Countries</th>
<th>Benefits and duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>50% of earnings for 3 months; 40% for next 3 months; 60% when retraining</td>
</tr>
<tr>
<td>Estonia</td>
<td>Not less than 1 year during the 2 years prior to registering</td>
</tr>
<tr>
<td></td>
<td>(before 2002: usually 400EEK (26 euros) for 180 days)</td>
</tr>
<tr>
<td>Slovenia</td>
<td>70% of earnings for 3 months; thereafter 60%; 3-24 months (years of work)</td>
</tr>
</tbody>
</table>


The level of benefits and duration of payment also vary from country to country. In Slovenia maximum duration of unemployment may thus be: 3 months for insurance from 1 to 5 years; 6 months for insurance from 5-15 years; 9 months for insurance from 15 to 25 years; 12 months for insurance over 25 years, 18 months for insured the age of 50 years and insurance over 25 years and 24 months for the insured the age of 55 years and insurance over 25 years.

In the first three months unemployment benefit amounts to 70 percentages and in the months to follow 60 percentages of the average monthly salary which the insured person had been
receiving in the last twelve months prior to the onset of unemployment (source: National programme on the fight against poverty and social exclusion, 2000)

In Czech Republic unemployment benefit is payable for up to 6 months the amount depending on the persons previous average net earnings and on the duration of unemployment. In the first three months of unemployment, the benefit amounts to 60 percentages of person’s wage prior to the loss of job; in the next three months, it equals 50 percent of that wage. Where the unemployed person enter retraining course, he or she is granted unemployment benefit amounting to 70 percent of his/her previous wage, for the whole duration of the course. There is an upper limit on unemployment benefit but no lower limit. (Nešporova and Uldrichova, 1997:63)

Currently also in Estonia the benefits are tied to the contributions that had been paid before the person become unemployed (see Table 6) This period of paying contributions should be at least one year. Maximum unemployment payment last one year in which benefits in first 100 day represent the 50% of of previous earnings while after 100 days it decrease for 10 % thus unemployed pesron can get 40 % until 360 days. Before the new system was introdused, the benefits have universal amount, which was only about 26 euros and last 180 days.
3.4.2 Concluding remarks III

“The common historical roots in the countries of Eastern and Central Europe had an impact on the development of the social policy, which has subsequently contained elements of conservative-corporatist as well as social-democratic system” (Črnak-Meglič, 1998:9)

Mentioned statement supports the idea of prevalent influences of ‘German’ and ‘Scandinavian’ type of social protection in transitional countries. The systems are called differently according to authors; thus, Scandinavian type is according to Esping-Andersen adequate to social-democratic model, while Caroll, terms it voluntary state-subsidised insurance system. Furthermore, “German” type, corporatist, by Esping-Andersen and Caroll, is according to Peugam and Gallie named employment-centred regime.26

However, we can indeed see that Czech Republic (in 1991) and Slovenia (already in 1974) have implemented so called “German”, corporatist, employment-centred social insurance unemployment system. In addition, also Estonia has followed that pattern after changing old unemployment assistance system, which had universalistic characteristics. Hence, the benefits under insurance are earning-related in Slovenia, Czech Republic and Estonia (after 2002). In the latter, before 2002 the rights deriving from social assistance system were not are tied to labour experience and paid contributions as it is in ‘corporatist model’.

26 It should be noted that we were observing the unemployment regimes and not welfare system in general.
Furthermore, corporatist nature shows the unemployment insurance, defrayed by employer and employee. This is the characteristic of all observed countries which, except in Estonia before 2002 when the State (Government) had the mayor role in paying benefits in so called assistance, flat rate system.

The level of benefits and duration of payment also vary from country to country, depending on the person’s previous average net earnings and on the duration of unemployment. With other words, benefits are tied with to the contributions. In Estonia, before 2002, the level and duration of benefits was limited with certain amount of money (26 euros) and time -180 days.

To sum up, we can see that in general all countries tend to corporatist, unemployment insurance system. Even, Estonia, which had implemented in the beginning of 90s flat-rate, universalistic, unemployment assistance system, has changed the system to the “German”, insurance type of unemployment protection. However, it should be noted that the mentioned unemployment system include some elements of the universalistic one at least in Slovenia:

_The unemployment insurance system has become less insurance and more social assistance based; less contribution and more tax financed. The duration of benefits has shortened and the maximum payment decreased. The insurance scheme is becoming more re-distributive aiming at the provision of basic security rather than the maintenance of living conditions of those losing jobs at the level that they had as employees. People in a more difficult position, such as older workers, have been given priority._ (Ignjatović, 2002)
Nevertheless, we should bear in mind that at the all countries unemployment protections systems a strong heritage of ex-socialist regime, has still a great impact; in socialist regime State had the dominating role (see Kolarič, 1992) in every social protection “sub-system” even (un)employment, which still reflects nowadays. I would argue that otherwise there would be a great probability of facing some more pure characteristics of the liberal system.

### 3.5 Labour market policies

Labour market policies consist of both passive and active instruments. The passive instruments include all forms of earnings replacement benefits (unemployment benefits and unemployment assistance) while active labour market instruments can be according to Kausch\textsuperscript{27} (2002) divided into three areas:

1. Placement, information, and vocational counselling (including applicant training);
2. Qualifications measures (e.g. training and advance training, re-training) including qualifications for self-employment;
3. Measures aimed to create (limited-term) employment or preserving jobs (e.g. wage subsidies, employment programs, (financial) support for business start-ups, subsidies for the employment of given groups).

\textsuperscript{27} There are many classifications about active labour market programs, however there is no single coherent categorisation, in addition they also differ from country to country. For some basic classifications, e.g. OECD’s one, look the theoretical part (2.4.5.Labour market policies and active labour market programs). At this point I am using Kausch’s classification from her part: Employment and labour market policies in the transitional Countries in the publication employment and labour market policy in South Eastern Europe (edited by her)
3.5.1 Expenditure on labour market policies

ILO, OECD, EU conventions and recommendations mainly emphasise the linkage between the quality of active and passive labour market policy combined with the quality of public employment services. Additionally, emphasis has been placed in particular to close coordination of placement and counselling services with active measures and unemployment insurance. (see Kausch, 2002: 29)

The choice of the labour market policies requires that the ratio between funds earmarked for active employment (labour market) programs are gradually equalised with the funds earmarked for passive forms such as unemployment benefit and unemployment assistance. This is the common goal of all EU countries (Slovenian Ministry of Labour, Family and Social Affairs, 2002)

The Figure 12 shows the ratio between the funds earmarked for active labour market policies and funds earmarked for passive forms in Slovenia in the period of ten years. We can see that the funds, for both measures, oscillate for the duration of our observation. In addition, we can also conclude that the trend of the total expenditure for labour market policies (active and passive measures) is on the decline, particularly since 1995 when there has been a drastically fall of the total expenditure. The trend of expenditure (as % of GDP) of active policies is negative: it fell from 1, 3% of GDP in 1993 to less than 1, 1 in 1994 and has steady continued to fall until 2001 (with exception in 1999) when the expenditure earmark for active measures was only 0,37 %. This is a very small fraction compared to EU average 1, 12 % in 2001 (see Paas, 2003).

28 See the Recommendations for action adopted by the labour minister of the OECD countries in 1997 and the EU conclusion: What outcome, what future?
Similarly we can see in general a decline of expenditure for passive measures, nevertheless it was less significant and had many “ups and downs” however in the end we have lower amount of expenditure earmarked than in the year 1993.

Even though Slovenia has given advantage to ‘active’ employment policy measures over the ‘passive’ ones in the last few years approximately 50% of ESS’ annual budget went to unemployment benefits and unemployment assistance in 1998, and only 16% went for ‘active’ employment policy measures (see Ignjatović et al, 2002)

Figure 12: Total expenditure on active and passive measures, percentage of GDP in Slovenia

Source: Ministry of Labour, Family and Social Affairs (Slovenia)
This fact is also reflected in the Figure 12, where it is not very obvious that Slovenia earmark more sources for active measures. In addition, Slovenia is classified among countries with a very low share of expenditure on labour market policies (according to the GDP); however, it should be pointed out that according to the internal ratio, the share between active and passive forms, Slovenia is drawing near to countries with the most favourable ratio between active and passive programmes (see Pirher et al, 1999).

At first sight one can argue that in Czech Republic they prefer passive measures as the expenditure (as % of GDP) for them is much higher than for active measures (see Figure 13). The change in favour to passive measures was particularly obvious in 1993. This change in the distribution of financial resources between active and passive policies is according to Nešporova (1997: 70-71) a consequence of several factors. Let me expose two political: (1) the first elected, post- communist government was in favour of an active role of the state in regulating the labour market. Thus it preferred active programs of the Swedish type. This policy continued until changes were made in the content of some programs and structure of the labour market policy package. These changes were made in order to address newly emerging programs, especially 'socially purposeful jobs'. Hence, the proportion of expenditure on labour market programs decreased and (2) Active labour market policies no longer play as important role as in past as the new government was not in favour of active labour market policies especially as the unemployment rate was very low in international terms.
In Estonia, spending on active and passive labour market policies and programs is fairly low by OECD standards (OECD, 2003: 74). It is also low comparing to other two countries, particularly regarding active measures (compare Figures 13,14,15). What strikes the eye is the sudden increase of the expenditure for passive measures in 1999 which became more than 3 times higher and remains high also later. It can be partly explained with the fact that major part of the increase has been used to fund the immense need for benefits. (Paas et al, 2002: 18)
3.5.2 Recipients of unemployment benefits (passive measure)

Unemployment benefits are tied to unemployment insurance system in Czech Republic, Slovenia, and Estonia, since 2002. Before 2002, Estonia had unemployment assistance, flat-rate system. For more details, see the previous section (3.4.Unemployment protection systems). At this point, I will not repeat mentioned characteristics of the systems. I would only like to notice that one should be aware that data (taken for the period: 1991-2001; for Estonia from 1995-2001) in Figure 16 of Recipients of unemployment benefits in a case of Estonia are correlated with the old, assistance system; hence the benefits are flat-rate and not earning related.
However, benefits – linked to any unemployment system - are considered as passive measures. Thus, we are interested in the trend of the number (percentage) of recipients in observed period.\textsuperscript{29} Trends of recipients of unemployment benefits should in fact bear a resemblance to the trend of expenditure of passive measures (see, compare with \textit{Figures 13, 14, 15}).

After careful scrutinising, we can indeed see trends are somewhat alike (e.g. Czech “passive expenditure fund” decreases in 1994 and so does the number of recipients of unemployment benefits, than after little fall – of both trends - it remains more or less stable till 1996 and it again increase). However, there are also some deviations (e.g. in Czech Republic the number (%) of recipients of benefits after the year 1997 gradually falls while expenditure for passive decrease; or in Estonia when increase of expenditure in 1999 is much more significant than the raise of number of recipients). The differences in trends are due to other passive measures, earmarked from the same fund as unemployment benefits. Still we can see that the mayor part is allocated for the benefits of unemployed people.

However, after 1997 all the chosen transitional countries are facing a drop of recipients of unemployment benefits, which has been a trend in most European countries. This can be according to Ignjatović, \textit{et al}, 2002) explained for Slovenian case by several factors;

\textsuperscript{29} Off course, we can not observe the absolute numbers, for we are directly comparing the recipients in all chosen countries.
I would expose two, which I would argue has been recognised in all three countries: (1) the persistence of the duration of unemployment throws many individuals out of unemployment benefit entitlements; (2) more severe conditions of entitlement to unemployment benefit and unemployment assistance combined with effective control over fulfilment of obligations of the unemployed (Ignjatović, et al, 2002)

Figure 15: Recipients of unemployment benefits as % of (registered) unemployed

3.5.3 Active labour market programs

Despite the relatively low GDP shares for the implementation of different measures, all the chosen, transitional countries have managed to develop the majority of the modern active labour market policy measures.

Every country has its own Active Labour Market programs, which in addition change considering the needs and situation. Therefore, it is unfeasible to compare the different programs that countries have introduced. Instead, I will name the basic in the table 5 in each country and afterwards make comparison among countries regarding shares of participants in all ALMP (Active labour market programs).

From the table 7 we can observe that countries have similar programs. Thus, we find that ALM programs in all countries include: training programs, public works and some kind of support for self-employment - start up supports. In addition, all of the countries also provide some programs for less competitive or disabled persons.
**Table 7: Basic ALMP in Estonia, Czech Republic and Slovenia**

<table>
<thead>
<tr>
<th><strong>Estonia</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Information on the situation in the labour market and the possibilities of employment;</td>
<td></td>
</tr>
<tr>
<td>• Employment mediation;</td>
<td></td>
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<tr>
<td>• <strong>Vocational training;</strong></td>
<td></td>
</tr>
<tr>
<td>• Employment subsidy to start a business (business start-up grant);</td>
<td></td>
</tr>
<tr>
<td>• Employment subsidy to employers to employ less competitive unemployed persons (wage subsidy);</td>
<td></td>
</tr>
<tr>
<td>• Community placements;</td>
<td></td>
</tr>
<tr>
<td>• Vocational guidance (public works)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Slovenia</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Training and education;</strong></td>
<td></td>
</tr>
<tr>
<td>• Public works;</td>
<td></td>
</tr>
<tr>
<td>• Training and employment for disabled people and the medical service;</td>
<td></td>
</tr>
<tr>
<td>• Support for self-employment;</td>
<td></td>
</tr>
<tr>
<td>• Refunds and repayment of contributions;</td>
<td></td>
</tr>
<tr>
<td>• Shared funding of regional projects</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Czech Republic</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Subsidized employment (creation of socially effective jobs)</td>
<td></td>
</tr>
<tr>
<td>• Public works (creation of new jobs for long-term unemployed and disadvantaged people)</td>
<td></td>
</tr>
<tr>
<td>• Youth training programmes (subsidy of new jobs for school leavers)</td>
<td></td>
</tr>
<tr>
<td>• Sheltered workshops (for disabled workers)</td>
<td></td>
</tr>
<tr>
<td>• <strong>Training programmes</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Slovenia: ESS; Czech Republic: Vecernik, 2001; Estonia: Leetmaa, Võrk, 2003
Figure 16 shows the trend in the shares of participants involved in the ALMP during 7 years (for Czech Republic - 4 years). We can see that we do not have a general picture of all trends, with other words, generalisation is not possible; while in Estonia we can observe the declining trend of participants of ALMP (there is just one exception in 1997) we can on the other hand observe completely opposite, positive, trend of participants of ALMP in Czech Republic.

Slovenia seems to be an exception again, for two reasons:

(1) The number of participants seen as a share of registered unemployed people is much higher in comparison to other two observed countries.

(2) In Slovenia the trend of shares of participants in ALMP is not so stable as in Czech and Estonian cases where the trends, irrespective of the direction of inclination, are more stable and tranquil. In 1998 there was a sudden increase of the number of participants in ALMP in Slovenia. It was due to the 1998 amendment to the Employment and Insurance in Case of Unemployment Act, which introduced a different regulation of the area of rights deriving from unemployment insurance (entry conditions, extension to retirement, linking with entitlements to rights for active job seeking, etc). (Ministry of labour, the family and social Affairs, 2002)
Figure 16: Participants in active measures as % of registered job seekers

Source: Slovenia: ESS; Czech Republic: Calculation; data Ministry of Labour and Social Affairs; Estonia: Estonian Labour Market Board in Leetmaa, Vörk (2003)
3.5.4 Concluding remarks IV

In order to reduce the speed of the rapidly increasing unemployment all transitional countries have implemented labour market policies, both passive and active measures.

After analysing the expenditure, recipients and programs of labour market policies, we can conclude that the trends in expenditure for labour market policies differ among the countries:

In Slovenia the ratio between the funds earmarked for passive and active measures oscillates for the duration of our analysis, but the proportion of funds allocated for active and passive measures appears to be balanced; while in Czech Republic the expenditure for labour market policies is earmarked in favour to passive benefits.

In Estonia the total expenditure for labour market policies is very low. However, there is an apparent, sudden increase of the expenditure for passive measures in 1999 which did not decrease so radical afterwards. It can be partly explained with the fact that major part of the increase has been used to fund the immense need for benefits. (Paas et al, 2002: 18). One can argue, with a lot of speculating, that Estonian’s change of the social unemployment assistance system to unemployment insurance system can be also due to too immense expenditure for unemployment flat-rate benefits.

Czech Republic and Slovenia were in last years of our observation facing a decline of recipients of unemployment benefits, while Estonia confronted the sudden increase. Regarding active labour market policies, diverse trends of participants involved in the active labour market programs are seen.
In other words, we do not have a general picture of all trends, thus the generalisation is not possible; while in Estonia we can observe the declining trend of participants of active labour market programs (there is just one exception in 1997) we can on the other hand observe completely opposite, positive, trend of participants of active labour market programs in Czech Republic. Slovenia seems to be an exception again with much larger amount of participants in active labour market programs and sudden increase in 1998.

In addition, generalisation or comparison is not possible also in terms of the active labour market programs, as each country has its own Active Labour Market Programs. However, we can detect some universal programs, such as training programs, public works, programs for start up supports, programs for disabled persons.
CONCLUSION

The dissertation tried to answer the research questions, related with unemployment and unemployment protection in the three transitional countries, Estonia, Czech Republic and Slovenia.

Table 8: Review on unemployment and unemployment protection

<table>
<thead>
<tr>
<th></th>
<th>Czech Republic</th>
<th>Estonia</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unemployment situation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>starting point</td>
<td>low</td>
<td>quite low</td>
<td>high</td>
</tr>
<tr>
<td>final point</td>
<td>higher than starting</td>
<td>high</td>
<td>low</td>
</tr>
<tr>
<td>trend</td>
<td>first positive later negative</td>
<td>mostly positive, till 2000</td>
<td>negative</td>
</tr>
<tr>
<td>long-term unemployment</td>
<td>problematic</td>
<td>problematic</td>
<td>problematic</td>
</tr>
<tr>
<td><strong>Unemployed people</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>regarding gender</td>
<td>women prevail</td>
<td>men prevail</td>
<td>balanced</td>
</tr>
<tr>
<td>regarding age structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(trend for young and aged)</td>
<td>aged: first positive later negative</td>
<td>aged: first positive later negative</td>
<td>aged: positive</td>
</tr>
<tr>
<td>regarding education level</td>
<td>poorly educated:</td>
<td>poorly educated</td>
<td>poorly educated</td>
</tr>
<tr>
<td>(trend)</td>
<td>negative trend</td>
<td>positive trend</td>
<td>positive trend</td>
</tr>
<tr>
<td><strong>Unemployment protection systems</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>trend</td>
<td>universalistic?</td>
<td>corporatist</td>
<td>universalistic?</td>
</tr>
<tr>
<td><strong>Labour market policies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenditure</td>
<td>low/more for passive measures</td>
<td>low/more for passive measures</td>
<td>low/more for passive measures</td>
</tr>
<tr>
<td>recipients of benefits</td>
<td>number decrease since 1997</td>
<td>number decrease since 1999 -</td>
<td>number decrease since 1997</td>
</tr>
</tbody>
</table>
Table 8 shows us the basic findings and results, which are more thoroughly described after in concluding remarks after each chapter. Therefore, I will only make a brief summary of the findings (see also table 8):

- Despite different trends of unemployment, all the countries have been successful in decreasing the unemployment level in the transitional period. However, the persistent long-term unemployment still appears to be a hardship.

- The only country that appears to be really successful in decreasing the unemployment level is Slovenia.

- The growth of unemployment has excessively hit women; however, there is no common trend or pattern, which would tell us whether transition was more in favour to men or women in terms of unemployment shares.

- There are also different risks of unemployment regarding education level. In all countries, the poor educated have the considerable great chances of becoming unemployed. It seems that only in Czech Republic the trend of poorly educated is negative, therefore the chances appears to a little better.

- Next to the low-educated people, the most vulnerable and numerous group is the one representing young and elderly people. Only in Slovenia it appears that the shares of young unemployed people decrease. The shares of aged people in Czech Republic and Estonia are falling, while in Slovenia they are increasing.

- In general, all countries tend to corporatist, unemployment insurance system. Even, Estonia, which had implemented in the beginning of 90s flat-rate, universalistic, unemployment assistance system, has changed the system to the “German”, insurance type of unemployment protection. The trend is Czech Republic and Slovenia tends to be more social assistance based, therefore with some speculating one could argue it leans to universalistic, flat-rate system, ‘Scandinavian’ system.
• Considering the expenditure, we can conclude that the total expenditure for both labour market policies (passive and active measures) is low; in addition, in all the countries more funds are earmarked in favour to passive benefits.

• Since 1997 the number of recipients of unemployment benefits is falling in Czech Republic and Slovenia, while in Estonia since 1999.

• The countries differ in terms of the active labour market programs, and no generalisations can be drawn. However, we can detect some common programs, such as training programs, public works, programs for start up supports, programs for disabled persons.

In order to understand the unemployment trends and furthermore unemployment protection of the countries we have examined some particularities such as historical, institutional, economic and political, of each individual country.

One should bear in mind that the countries chosen for this dissertation in many aspects differ from other transitional countries, therefore to extend generalisations to other post-communist countries are not advisable.

Due to the time and space limits, the dissertation could not cover all the aspect of unemployment and unemployment protection in chosen countries. In order to get a broader perspective on the mentioned phenomena further work on unemployment and unemployment protection one should, include for instance some labour market features (e.g.: active labour market participation and activity rates), or extend the question of unemployed people (e.g. with regional differences in unemployment or/and minorities and ethnic groups as a vulnerable group of unemployment) etc.
Nevertheless, my dissertation was written in a more descriptive, comparative manner, and it could be as such a good starting point for further evaluations of some processes and changes that occur in time of transition (e.g. evaluation of the effectiveness of labour market policies or unemployment protection systems).
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Other sources:

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http://www.gov.si/mddsz

http://www.ess.gov.si/

http://laborsta.ilo.org/cgi-bin/brokerv8.exe

http://www.ess.gov.si/


## APPENDICES

### Table 1: Unemployment, general level (Thousands) in Czech Republic

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<tbody>
<tr>
<td><strong>Total unemployment</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>220</td>
<td>221</td>
<td>208</td>
<td>201</td>
<td>248</td>
<td>336</td>
<td>454</td>
<td>455</td>
<td>418</td>
<td>374</td>
</tr>
<tr>
<td>Men</td>
<td>97</td>
<td>102</td>
<td>98</td>
<td>95</td>
<td>113</td>
<td>146</td>
<td>211</td>
<td>212</td>
<td>193</td>
<td>169</td>
</tr>
<tr>
<td>Women</td>
<td>123</td>
<td>119</td>
<td>110</td>
<td>106</td>
<td>136</td>
<td>190</td>
<td>243</td>
<td>243</td>
<td>225</td>
<td>205</td>
</tr>
<tr>
<td>Rates, total</td>
<td>4.3</td>
<td>4.3</td>
<td>4.0</td>
<td>3.9</td>
<td>4.8</td>
<td>6.5</td>
<td>8.7</td>
<td>8.8</td>
<td>8.1</td>
<td>7.3</td>
</tr>
<tr>
<td>Rates, men</td>
<td>3.4</td>
<td>3.6</td>
<td>4.0</td>
<td>3.9</td>
<td>4.8</td>
<td>6.5</td>
<td>8.7</td>
<td>8.8</td>
<td>8.1</td>
<td>7.3</td>
</tr>
<tr>
<td>Rates, women</td>
<td>5.4</td>
<td>5.2</td>
<td>4.8</td>
<td>4.7</td>
<td>6.0</td>
<td>8.3</td>
<td>10.5</td>
<td>10.6</td>
<td>9.9</td>
<td>9.0</td>
</tr>
</tbody>
</table>

**Notes:**
1. Persons aged 15 years and over.
2. Excl. persons on child care leave actively seeking a job.
3. Dec. of each year.

Source: LABORSTATA Display screen ([http://laborsta.ilo.org/cgi-bin/brokerv8.exe](http://laborsta.ilo.org/cgi-bin/brokerv8.exe))

### Table 2: Unemployment, general level (Thousands) in Estonia

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total unemployment</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49.1</td>
<td>55.5</td>
<td>68.1</td>
<td>68.4</td>
<td>65.8</td>
<td>66.1</td>
<td>80.5</td>
<td>89.9</td>
<td>83.1</td>
<td>67.2</td>
</tr>
<tr>
<td>Men</td>
<td>25.5</td>
<td>27.9</td>
<td>38.3</td>
<td>37.8</td>
<td>35.6</td>
<td>37.4</td>
<td>45.7</td>
<td>49.5</td>
<td>43.7</td>
<td>36.1</td>
</tr>
<tr>
<td>Women</td>
<td>23.6</td>
<td>27.6</td>
<td>29.7</td>
<td>30.6</td>
<td>30.2</td>
<td>28.7</td>
<td>34.8</td>
<td>40.5</td>
<td>39.3</td>
<td>31.0</td>
</tr>
<tr>
<td>Rates, total</td>
<td>6.6</td>
<td>7.6</td>
<td>9.7</td>
<td>9.9</td>
<td>9.6</td>
<td>9.8</td>
<td>12.2</td>
<td>13.6</td>
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**Notes:**
1. Persons aged 15 to 74 years.
2. Prior to 1997: persons aged 15 to 69 years.
3. Persons aged 16 years and over.
Table 3: Unemployment, general level (Thousands) in Slovenia

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**Notes:** ¹Persons aged 15 years and over. ²Second quarter of each year. ³May.

Table 4: Long-term unemployment as a percentage of active population

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**Source:** Eurostat’s New Cronos database

Table 5: Unemployment, by level of education (Thousands) in Czech republic

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**Notes:** ¹Persons aged 15 years and over. ²1993-97: excl. persons on child care leave actively seeking a job. ³1993-2000: revised data. ⁴Revised data. ⁵Dec. of each year.
Table 6: Unemployment, by level of education (Thousands) in Slovenia

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Notes: 1Persons aged 15 years and over. 21993-96: May; beginning 1997: second quarter. 3Figures under 6000 are rough estimates.

Table 7: Unemployment, by level of education (Thousands) in Estonia

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Notes: 1Persons aged 15 to 74 years; prior to 1997: 15 to 69 years. 2Figures are rounded off independently; consequently the total differs from the sum of the groups.
Table 8: Unemployment, by age group (Thousands) in Estonia

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Notes: 1Persons aged 15 to 74 years 2 Prior to 1997: persons aged 15 to 69 years.
### Czech Republic

**Source:** (BA) Labour force survey

#### Total unemployment

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**Notes:**

1. Persons aged 15 years and over.
2. Excl. persons on child care leave actively seeking a job.
# Table 10: Unemployment, by age group (Thousands) in Slovenia

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**Notes:** 1Persons aged 15 years and over. 2Second quarter of each year. 3May. 431st Dec. of each year.