

POLAND

Despite substantial growth in recent years, GDP per capita is still well below OECD average, reflecting large gaps in both productivity and labour utilisation.

Priorities supported by indicators

Reduce public ownership

Public ownership is declining but remains the highest among all OECD countries, contributing to low investment in R&D and physical capital.

Actions taken: The process of privatisation continues, but at a slow pace and with many social and “strategic” elements incorporated into deals, which undermine the potential efficiency gains.

Recommendations: Step up privatisation and eliminate most remaining state controls exerted through residual shareholding (including special shares) kept in many privatised companies. Refrain from imposing side conditions on employment and investment in privatisation deals.

Reform the benefit and tax system to make work pay

Strong disincentives to take up work arising from the unemployment and disability benefit schemes contribute to low employment rates, including by maintaining upward pressures on tax wedges.

Actions taken: A tightening of access to disability benefits has reduced the number of new claimants of disability pension, albeit the stock of beneficiaries remains high.

Recommendations: Raise incentives for the unemployed to accept jobs or training by further tightening of work-availability and job-search requirements in the unemployment benefit system. Lower tax rates and finance the reductions by constraining social expenditures and by broadening the tax base.

Improve efficiency of tertiary education

Rapid expansion of tertiary education since 1991 is contributing to raise productivity, but problems of co-ordination and mismatch of resources remain both between public and private institutions and among students.

Actions taken: A state body to monitor the quality of higher-education institutions (HEIs) is increasing transparency and should improve quality. Rules have been introduced to eliminate the problem of multiple job-holding among staff of public HEIs.

Recommendations: Reinforce quality control and information dissemination. Improve both equity and efficiency by introducing, in parallel, tuition fees for full-time students in public HEIs and improved systems of means-tested grants and student loans with income-contingent repayments.

Other key priorities

- Simplify product market regulation in professional services, and improve regulation in telecommunications so as to facilitate third-party access to the network segment.
- Improve geographical mobility by continuing to upgrade transport and communications, and by improving national integration of the public employment service. Ensure that urban planning addresses the need for housing (private and social) and transport services, while also taking into account other considerations, such as environmental factors.