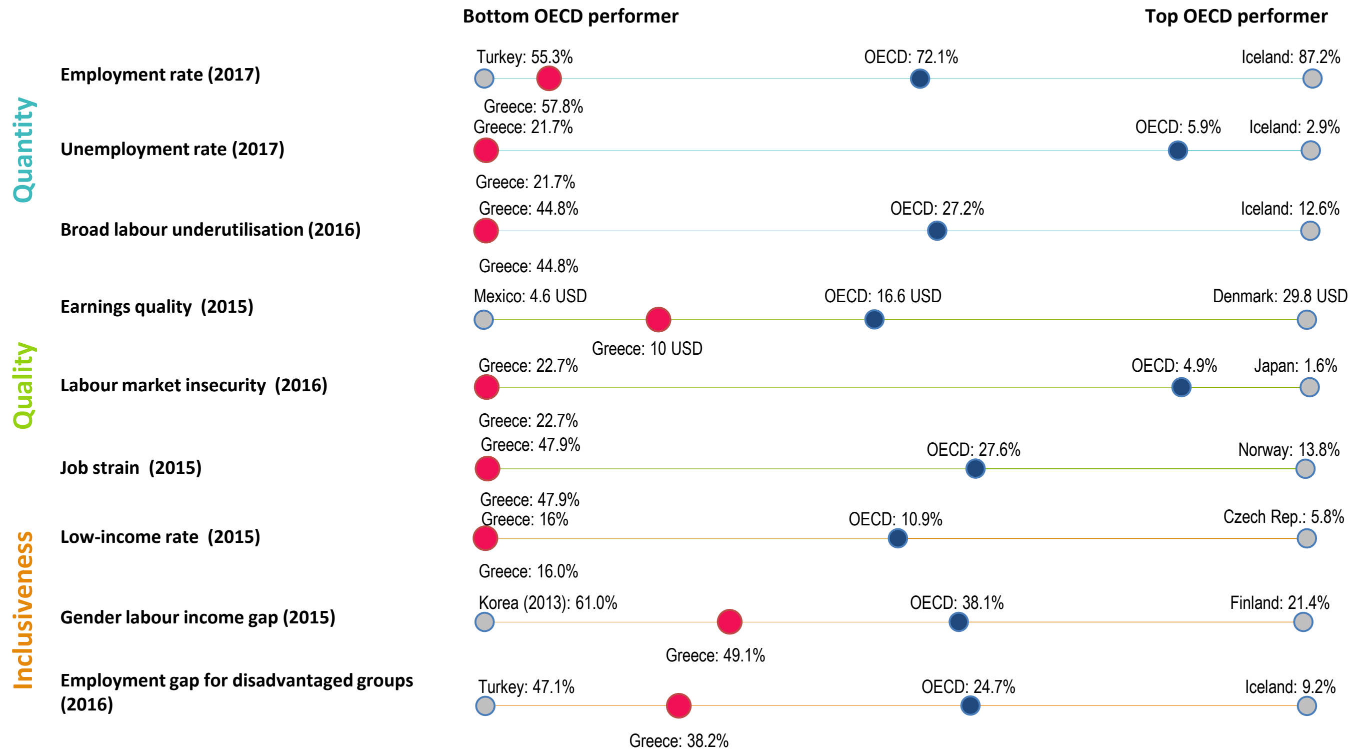
How does GREECE compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new ***OECD Jobs Strategy*** provides a comprehensive framework and policy recommendations to help countries addressing these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Greece



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Greece scores in the bottom third of OECD countries on all three indicators of job quantity, due to the legacy of the long recession: unemployment and broad underemployment rates are the highest among OECD countries. However, since 2013 the situation started to improve. The employment rate is now more than 6 percentage points higher than in 2013.

- Labour market insecurity is the highest among OECD countries. The risk of becoming unemployed but also of staying unemployed for a very long time are both high. The system of unemployment and social assistance benefits to alleviate financial hardship during unemployment is improving, but remains limited. Moreover, Greece has a very high incidence of temporary work and this is associated with a low probability of moving into permanent work: less than half of workers on a temporary contract has a permanent contract three years later. Finally, Greece has the highest share of workers experiencing job strain among OECD countries.

- The labour market is not very inclusive. In part as a result of the global financial crisis, poverty has increased: 16% of working-age persons live in households with less than 50% of the median income, up from 11.3% in 2006. The gender labour income gap in Greece is the fourth highest after Japan, Korea and Mexico reflecting the relatively low employment rate for women. The employment gap for disadvantaged groups, such as mothers with children, youth, older workers, non-natives, and persons with partial disabilities, is the second highest among OECD countries (after Mexico and Turkey) and has slightly increased over the last decade.

FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

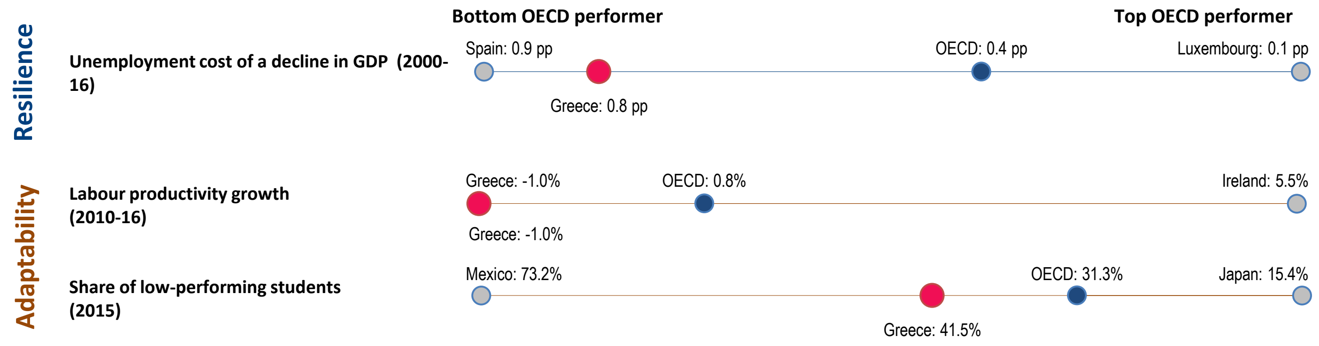
Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key pre-condition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Greece scores below the OECD average in all the key indicators of labour market resilience and adaptability. This lack of resilience and adaptability in turn contributes to underperformance on job quantity, job quality and inclusiveness.

- Below-average employment resilience reflects large and persistent employment losses following the global crisis of 2008-09 and the subsequent banking, sovereign debt and balance of payment crises. However, labour market reforms implemented during the crisis could reduce the employment impact of future economic downturns.

- Labour productivity growth is the lowest among OECD countries, which reflects depressed investment over 2010-16 but also barriers to doing business and burdensome regulation. Student skills are below the OECD average, with the Greek education system being characterised by high inequality as a small share of students excel but many others do very poorly.

Framework conditions for Greece



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).