

## OECD Employment Outlook 2014

The 2014 edition of the OECD Employment Outlook reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes

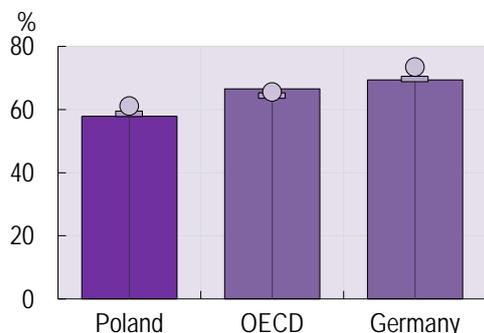
For further information: [www.oecd.org/employment/outlook](http://www.oecd.org/employment/outlook)

DOI: [10.1787/empl\\_outlook-2014-en](https://doi.org/10.1787/empl_outlook-2014-en)

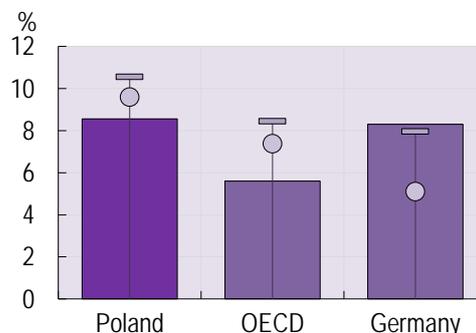
### Labour market developments in Poland

■ Start of the crisis (Q4 2007) = Country-specific peak/trough ○ Current value (Q2 2014 or latest)

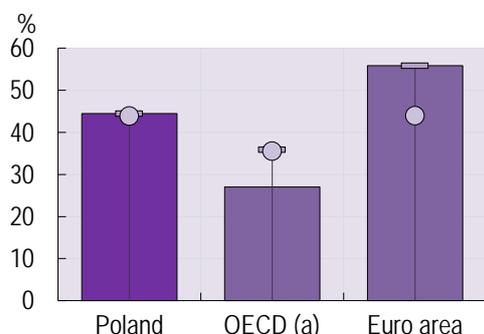
**A. Employment rate**  
Percentage of the working-age population (aged 15-64)



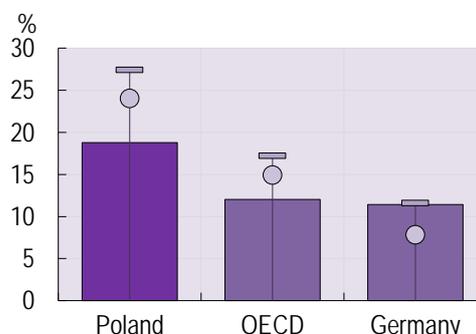
**B. Unemployment rate**  
Percentage of total labour force



**C. Incidence of long-term unemployment**  
Percentage of total unemployment



**D. Youth unemployment rate**  
Percentage of young labour force (aged 15-24)



a) OECD is the weighted average of 33 OECD countries excluding Chile.

Source: OECD calculations based on quarterly national Labour Force Surveys and *OECD Short-Term Labour Market Statistics* (database), <http://dx.doi.org/10.1787/data-00046-en>.

### Employment remains low in Poland, although gradually increasing

Poland's employment rate at 61% (Q2 2014) remains well below the OECD average but, in contrast to many other countries, it has increased slowly since the onset of the economic crisis (from 57.9% in Q1 2007).

Poland was not hit as hard by the economic crisis as in many other OECD countries, even if the level of unemployment in Q4 2007 was

above the OECD average. From its peak of 10.6% in Q1 2013, unemployment has slowly declined to 9.6% in Q2 2014.

However, youth unemployment in Poland remains very high. It has declined somewhat since reaching a peak in 2013, but in Q2 2014 it was still at 24%. Well above the OECD average of around 15%.

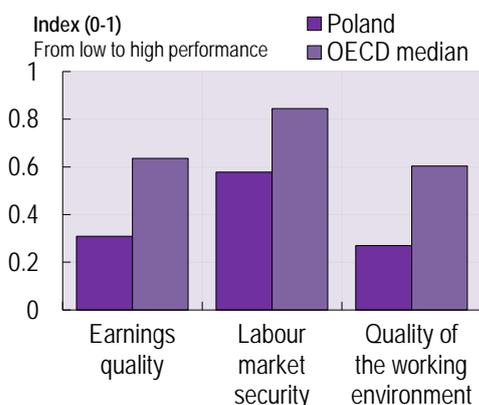
The share of the unemployed who have been out of work for 12 months also remains high at

just under 44% in Q1 2014 compared with the OECD average of around 36%. The incidence of long-term unemployment is of particular concern because of the hardship it imposes for the individuals concerned and their families as well as potentially contributing to the consolidation of structural unemployment that will be difficult to reverse even through stronger economic growth.

**Poland is behind the best achievers in terms of job quality**

People spend most of their day and a significant part of their life at work. Therefore, job quality is a key determinant of well-being. The 2014 *OECD Employment Outlook* paints a broad picture of job quality across OECD countries. This is based on three dimensions that are considered as essential aspects of quality jobs: earnings quality (the level of earnings and degree of inequality); labour market security (risk of job loss and income support available); and quality of the working environment (work demands and conditions, and the resources and support available to cope with these demands). Compared with other OECD countries, Poland performs poorly in all three dimensions.

**Job quality and job opportunities (2010)**



Source: *OECD Employment Outlook 2014*.

Poland lags well behind the OECD median country in the quality of the working environment because a relatively high share of people report high work pressure and difficult

tasks combined with insufficient resources and support in the workplace to accomplish work duties. Earnings quality is also relatively low as average earnings are low, but also because earnings inequality is well above the OECD median. Finally, in terms of labour market security, Poland performs poorly because of both a high risk of unemployment and less generous welfare benefits for unemployed workers and their families.

**Poland's labour market is highly segmented**

The Polish labour market is strongly segmented between permanent workers and temporary workers. About a quarter of all employees are on a fixed term contract, which is the highest share for OECD countries apart from Chile. This share is more than 55% for Polish youth. Moreover, most new hires involve fixed term contracts: more than 80% of employees with 3 months or less of tenure were on a temporary contract in 2012. Again, this is one of the highest shares for OECD countries.

Measured by various indicators, workers on non-regular contracts are in a more precarious labour market situation than workers on regular contracts. The probability of being unemployed one year later is significantly higher for non-regular employees than for full-time permanent employees. The difference is particularly high for women in Poland, only surpassed by Spain and Portugal.

A temporary job can be a stepping-stone to more permanent work for some individuals but, in Poland, only about one out of three people on a temporary contract in 2008 were employed as a full-time permanent employee in 2011.

Possible policy options for reducing labour market segmentation linked to employment protection legislation range from measures to enhance convergence of termination costs between fixed-term and permanent contracts, to the introduction of either a single or unified employment contract.

**OECD Employment Outlook 2014** is available to journalists on the **password-protected** website or on request from the Media Relations Division. For further comment on Poland, journalists are invited to contact Mark Keese (+33 1 45 24 87 94; [mark.keese@oecd.org](mailto:mark.keese@oecd.org)) or Hilde Olsen (+33 1 45 24 76 43; [hilde.olsen@oecd.org](mailto:hilde.olsen@oecd.org)) from the OECD Employment Analysis and Policy Division.