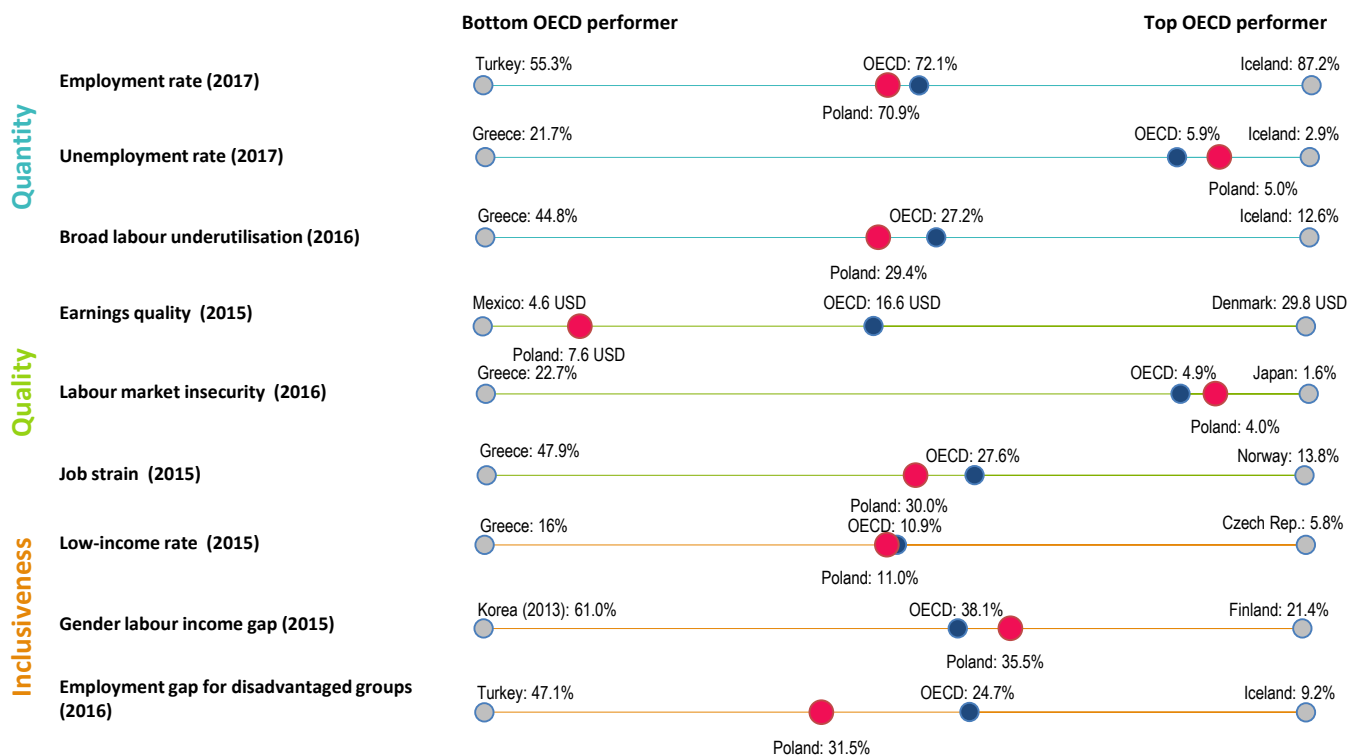


How does POLAND compare?

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 address 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 Poland



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.

- Poland scores slightly below the OECD average for two of the three indicators of job quantity, as the employment rate of workers over 55 is low even though it has increased steadily over the last ten years. However, the unemployment rate stands below the



OECD average, and it is falling fast as a result of rising employment and a shrinking labour force.

- Overall, Poland performs below or around the OECD average in measures of job quality. Earnings quality is low, as wage growth has not kept up with rapid productivity gains. Poland's share of temporary employment is among the highest in the OECD, and temporary workers suffer from a wage penalty, and low job security and quality. About 15% of temporary workers work on freelancing type of contracts and are not fully covered by social security benefits and workers' rights. Moreover, Poland's workers tend to report a lack of resources to meet their job demands, which translates

in a higher share of workers experiencing job strain than on average in the OECD. However, labour market insecurity is slightly lower than the OECD average, since the risk of staying unemployed for a long time in Poland is low.

- Inclusiveness indicators show a mixed picture for Poland. The employment gap for disadvantaged group weighs on labour market inclusiveness. The lack of high quality childcare services and long-term care impede female employment, and the employment rate of older workers is among the lowest in the OECD. Finally, the low-income rate and the gender labour income gap are broadly in line with the OECD average.

FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

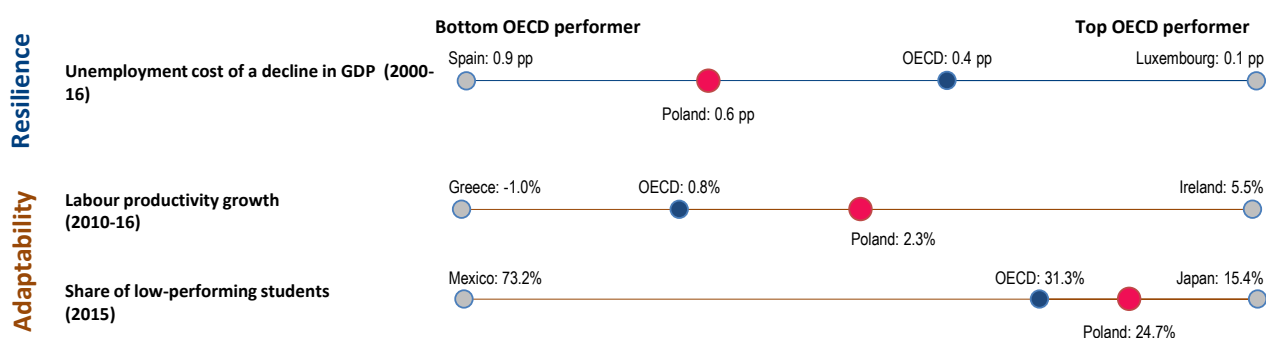
Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages 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.

- Poland's labour market adaptability is strong, suggesting that it is conducive to strong growth and sustained increase in living standards. However, the response of the unemployment rate to output variations is stronger than in most OECD countries.
- Poland scores below the OECD average in terms of employment resilience, reflecting the fact that on

average over the period 2000-16 output fluctuations have been associated with significant and persistent swings in unemployment. However, the labour market withdrawal of older workers whose skills were not fit for the market economy and the entry of relatively well-trained new generation has reduced equilibrium unemployment. This will likely decrease the dependence of the unemployment rate to downturns in economic activity.

- Labour productivity has grown more rapidly than on average in the OECD, largely reflecting a reallocation of labour from low-productivity sectors to higher-productivity market services and industrial sectors. Student skills are slightly better than the OECD average, and the Polish education system is characterised by a relatively low share of students that perform very poorly

Framework conditions for Poland



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).