
**Launch of the OECD
Economic Survey of
Poland 2014:
Labour market
challenges and product
market competition**



CASE – Center for Social
and Economic Research



Polskie Towarzystwo Ekonomiczne



***POLICIES TO IMPROVE LABOUR
MARKET OUTCOMES***

ANNA RUZIK-SIERDZIŃSKA

SGH, CASE

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1. Introduction
2. Young NEET
3. Older workers
4. More flexibility or stability?
5. Conclusions

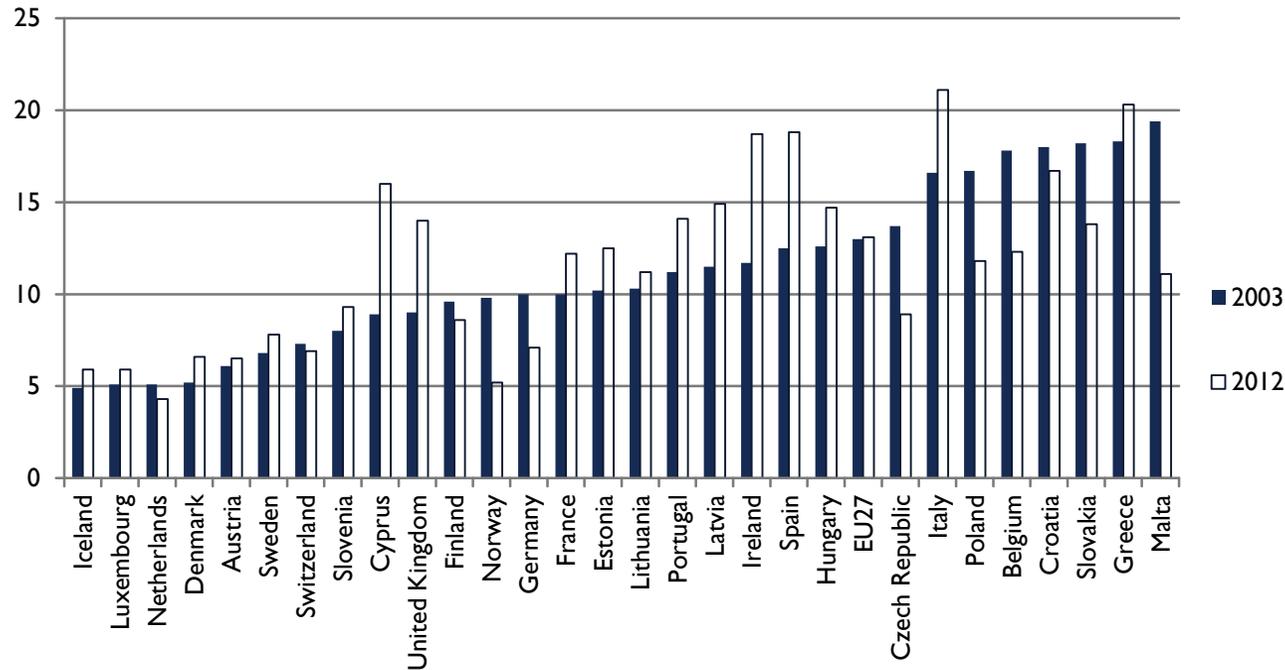
INTRODUCTION

- OECD report analyses the reasons for the poor performance of the Polish labour market, in that at the two ends of the age spectrum:
 - Younger - NEETs are a challenge for active labour market policy
 - Older - incentives to early outflow from the labour market are still in place

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NEET RATES

NEET among 15-24 yrs in 2003 and 2012



- Share of NEETs among younger people decreased in Poland
- Returns to higher education in Poland are important, and the influence of tertiary education on employment rates is among the highest in OECD
- But then – participation in life-long learning is among the lowest in Europe (!)

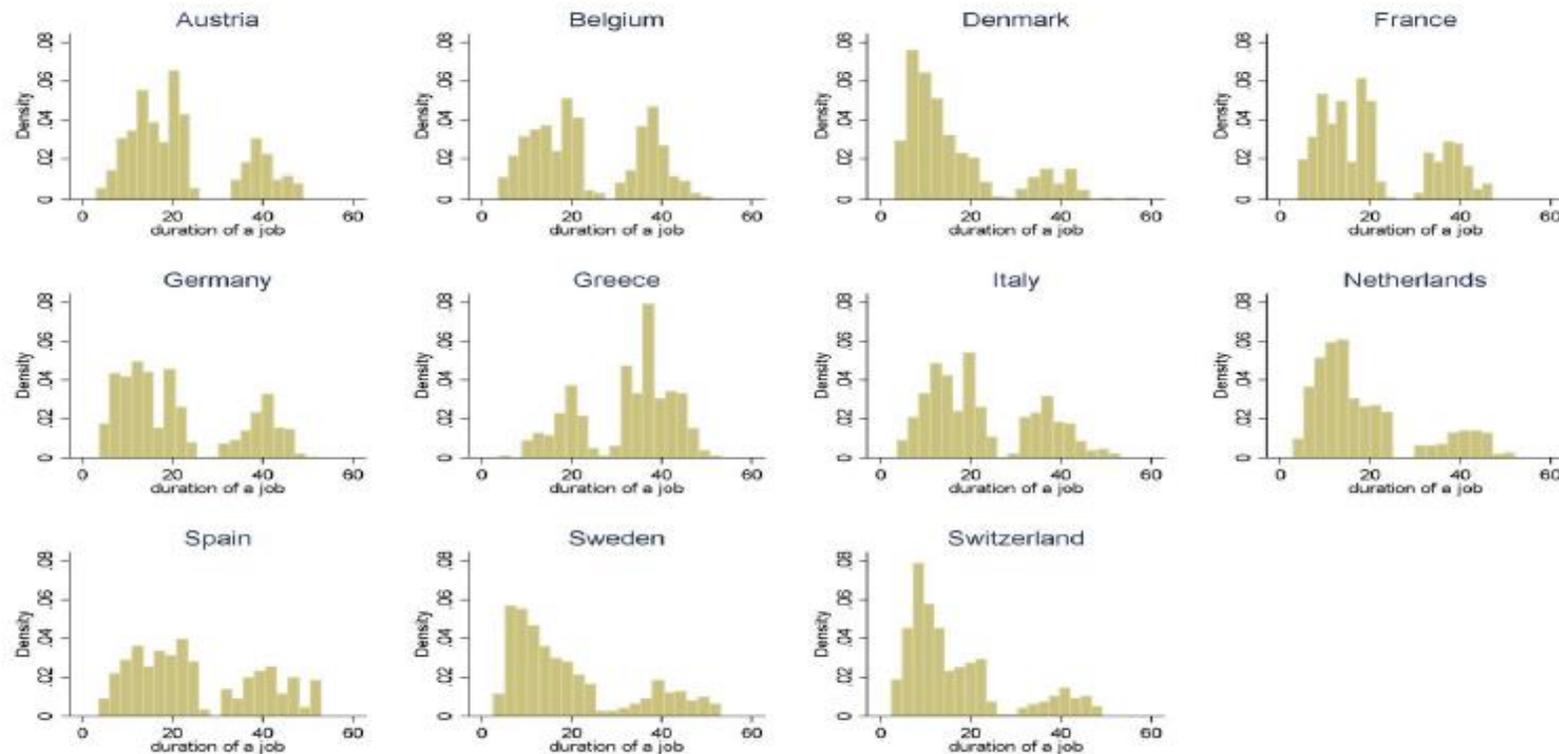
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OLDER WORKERS

- What are the sources of success in other countries?
- In countries with high employment rates at older ages people change their jobs more often, also in the age group 45+
- In the countries with low economic activity (like Poland) older workers have a long tenure at one employer and institutional settings often pull them out from the labour market relatively early
- Slow increase in ER of older people (aged 55-64) in Poland during last recession, by 7 percentage points between 2008 and 2012 (from 31,6%)
- So – higher employment rates are in line more with labour market flexibility than with employment stability

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AVERAGE TENURE AT ONE EMPLOYER



Source: NEUJOBS project



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CONCLUSIONS

- To improve the situation of the young in the labour market – various measures , development of LLL can help
- To increase activity at older ages:
 - monitor health status of older cohorts,
 - phase out remaining possibilities of early retirement (occupational regimes),
 - adjust disability pensions to old-age pensions.
- Policies should focus not on the protection of the older workers against dismissal, but on helping them to quickly find another job
- However - protection against dismissal 4 years before retirement age is not an obstacle. as far as firms can hire older workers on temporary contracts or in other flexible forms
- Finally - looking forward to the OECD report on the labour market situation of older workers in Poland