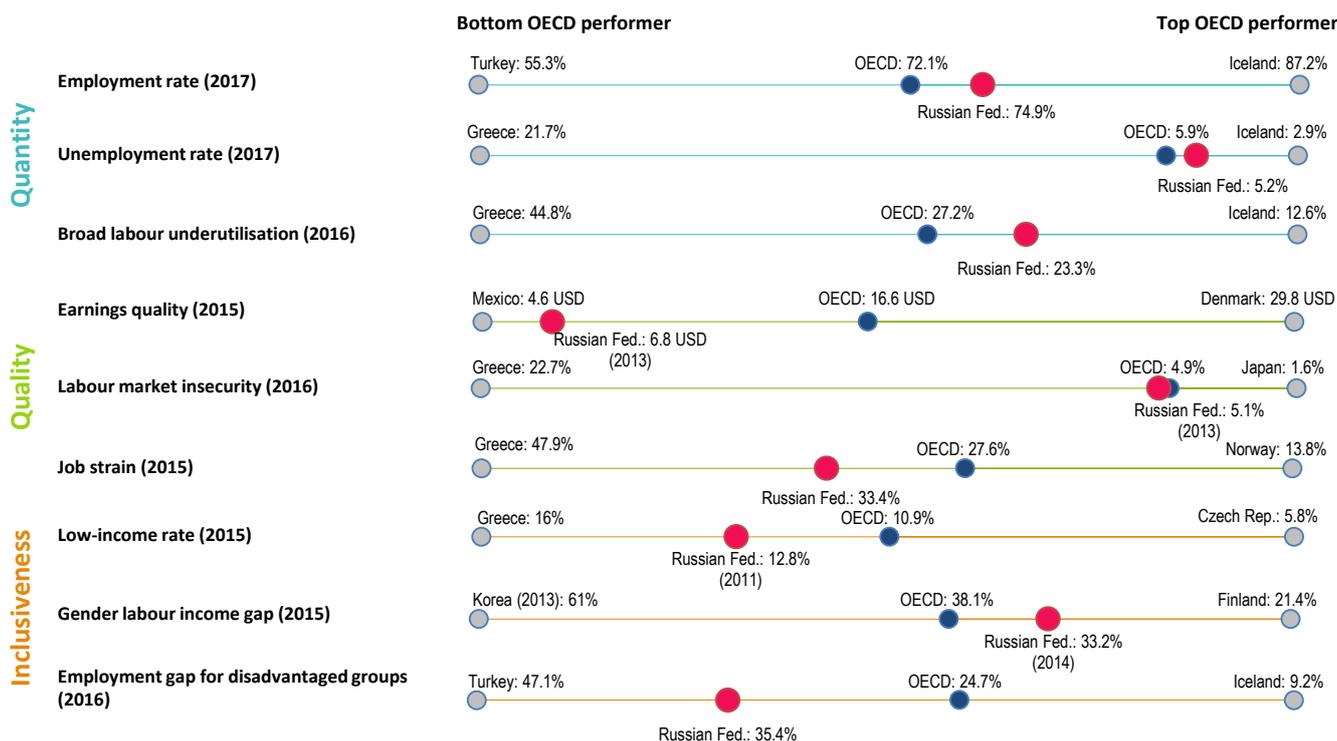


How does Russia compare?

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 Russia



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad broad underemployment: 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.

- Russia performs relatively well on indicators of job quantity. The employment rate is above OECD countries' average and the unemployment rate is below the OECD average. Flexible labour market legislation, weak unemployment insurance and the ongoing economic recovery reduce unemployment. Yet in a context of approaching structural labour force decline,



Russia has the potential to improve further its labour utilisation.

- Russia scores relatively poorly on job quality indicators. Earnings quality is close to the bottom of OECD countries, partly due to low labour productivity resulting from a low capital stock in the economy. More than 30% of workers face high job demands with few job resources to meet these demands. Labour market insecurity is close to the OECD average, combining the effects of lower unemployment risk and weaker unemployment insurance.

- The Russian labour market performs below the OECD average in the main indicators of inclusiveness. Poverty has increased, partly because of the recent recession: 13% of working-age persons live in households with less than 50% of the median income. The employment gap for disadvantaged groups, such as mothers with children, youth, older workers, non-natives, and persons with partial disabilities, is high compared to OECD countries average but should decrease progressively due to the pension reform and higher retirement age as of January 1, 2019.

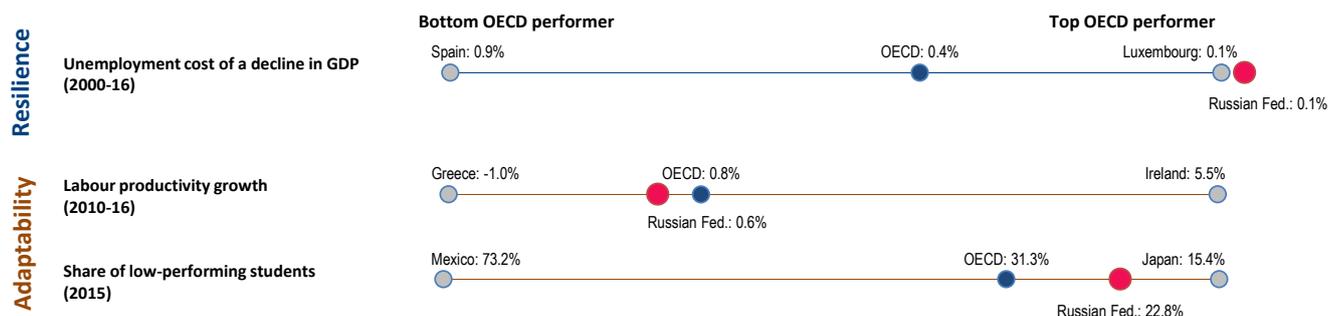
FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

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.

- Russia performs better than OECD countries in terms of labour market resilience. This result is largely due to weak unemployment insurance, requiring workers to find a new job rapidly, which is still possible thanks to flexible labour market legislation.

- Labour productivity growth is below the OECD average, partly reflecting underinvestment and a decrepit capital stock. Sanctions and other import barriers have hampered technology transfers from abroad. A poor business climate, in particular weak property rights, impedes innovation.
- Russia has a relatively good secondary education system, scoring above the OECD average. Only 23% of students are scoring below Level 2 in PISA or are not in secondary school compared to 31% on average in OECD countries, creating a good basis for a highly skilled labour force in the future.

Framework conditions for Russia



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).