

BOOSTING EU COMPETITIVENESS

SESSION IV. EU STRUCTURAL POLICIES



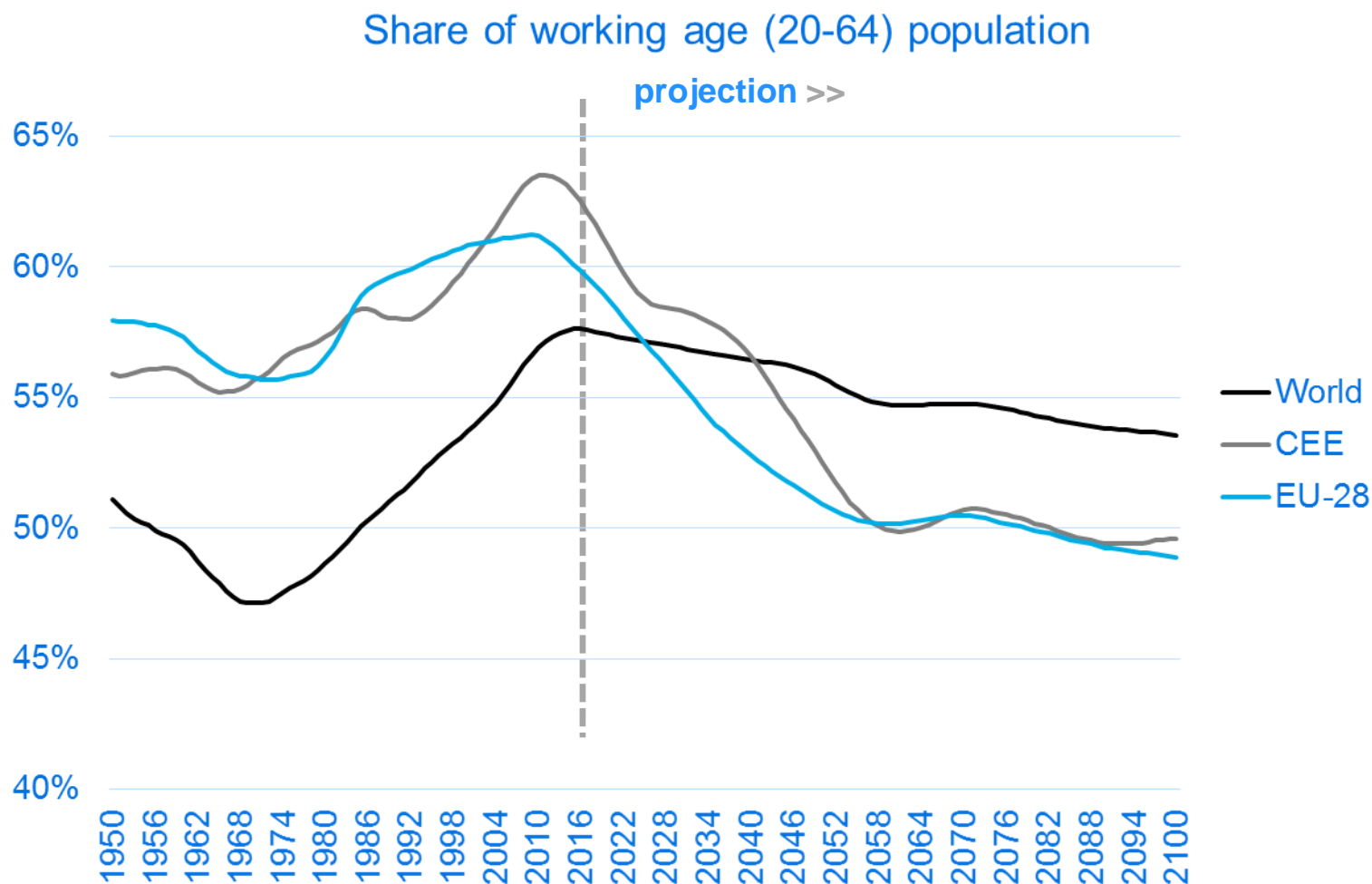
Marina Wes
Country Manager, Poland
World Bank

Potential gains from structural reform can be large.



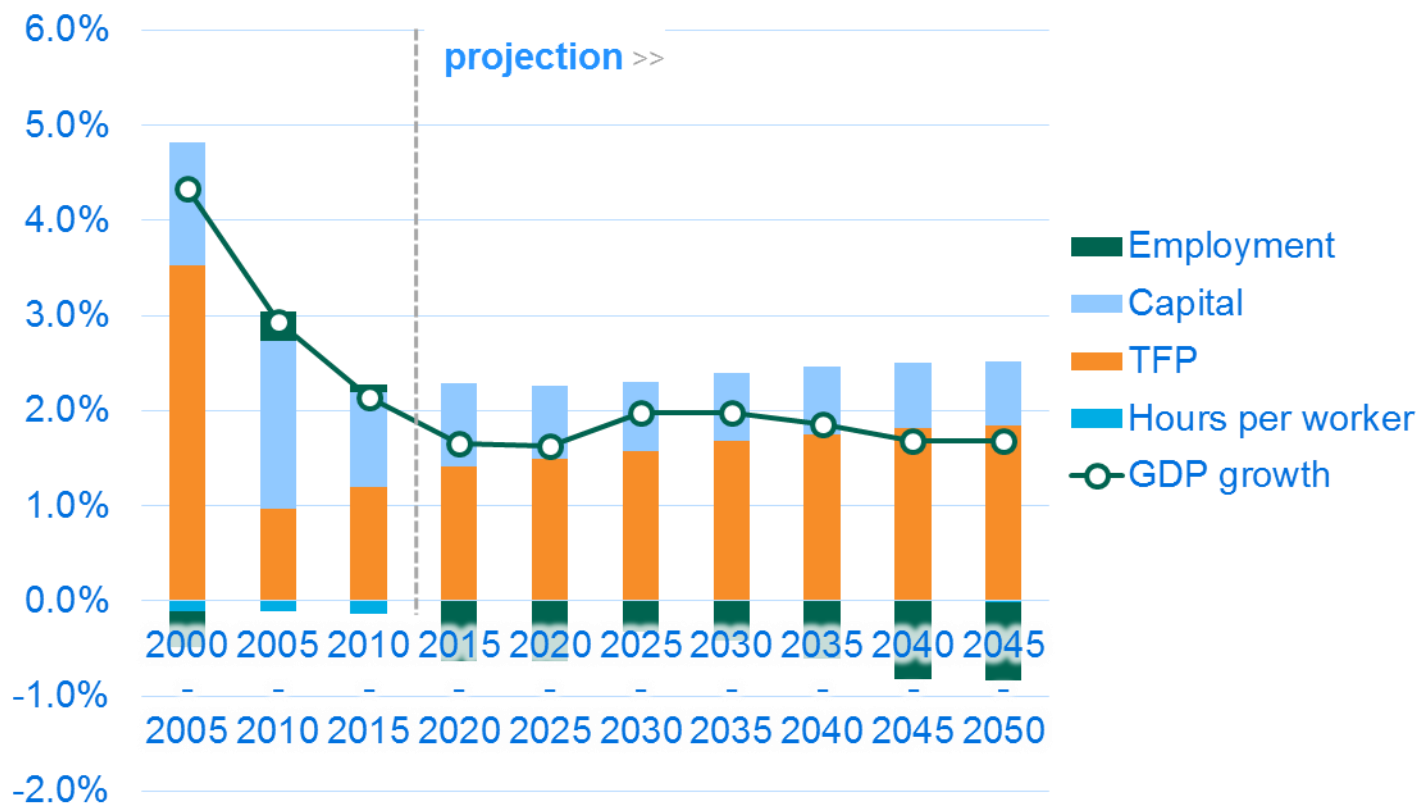
- Structural reform can **boost productivity and employment**, reallocate resources and restructure economies. It can also **improve resilience** to shocks;
- IMF (2012) suggests that structural reform could boost output by **4.5% over 5 years**. Also ECB (2015), OECD (2012).

Demography is at a turning point...



...raising questions about the growth model...

GDP growth decomposition in CEE countries



...and putting the onus on structural reform.

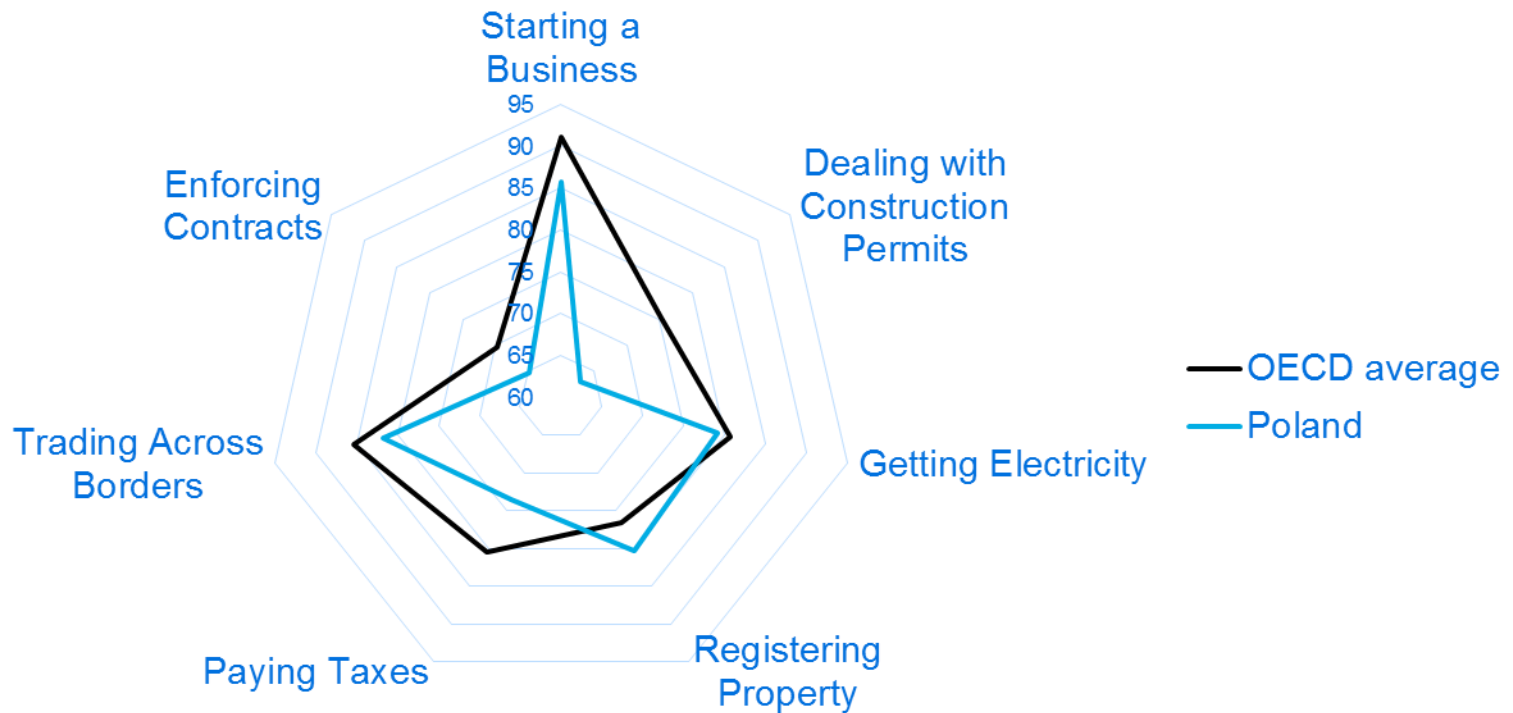


- **Doing business reforms** and **deregulation of product and labor markets** to encourage entrepreneurship and innovation;
- Assuring a proper balance between **labor market flexibility and worker protection**, increasing labor force participation, and mitigating the existing duality of the labor market;
- **Public administration reform** to further increase the efficiency of public finances and to improve service delivery;
- Modernizing of **network industries**, in particular energy sector and railways, including mining restructuring.

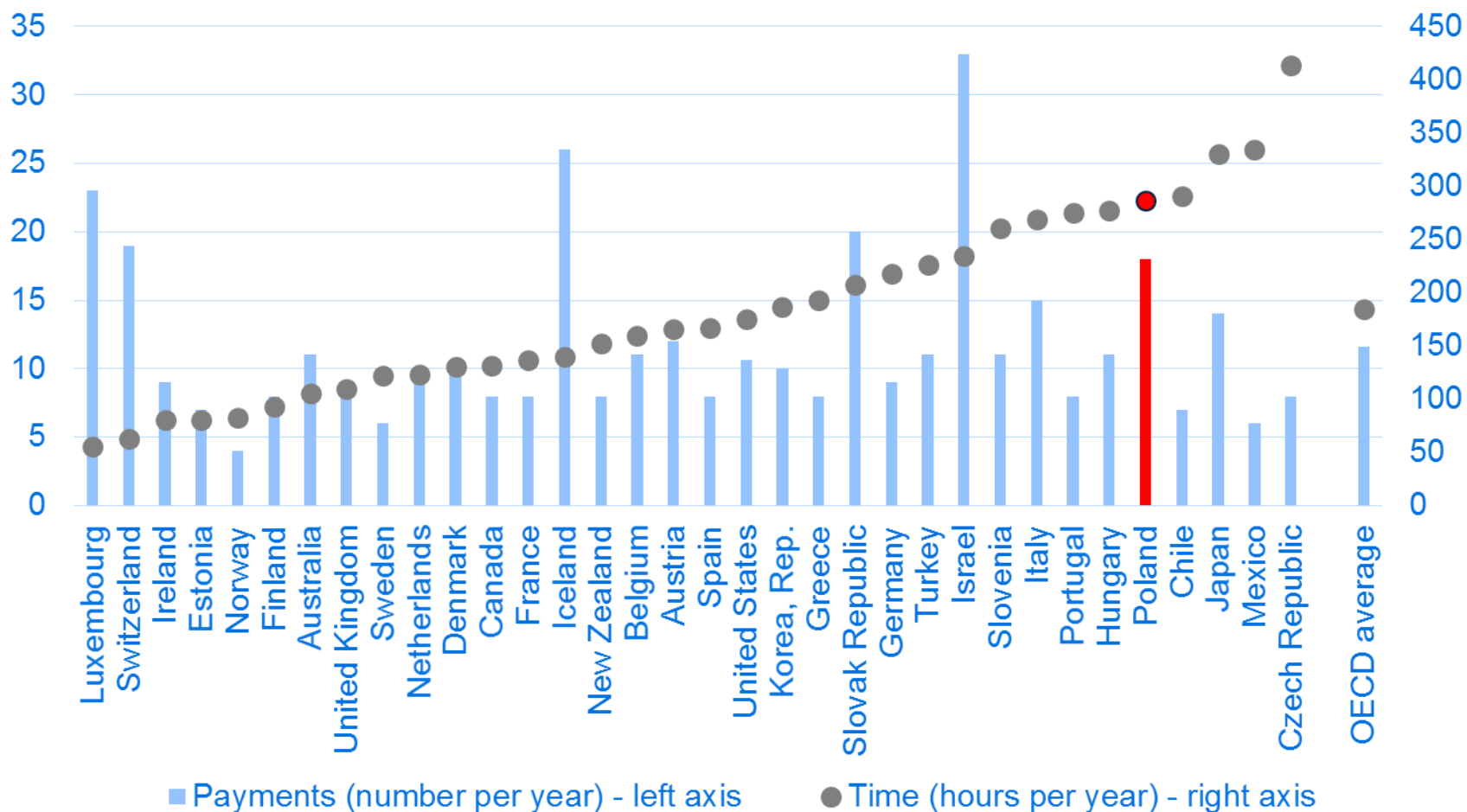
DB scores are less than OECD average.



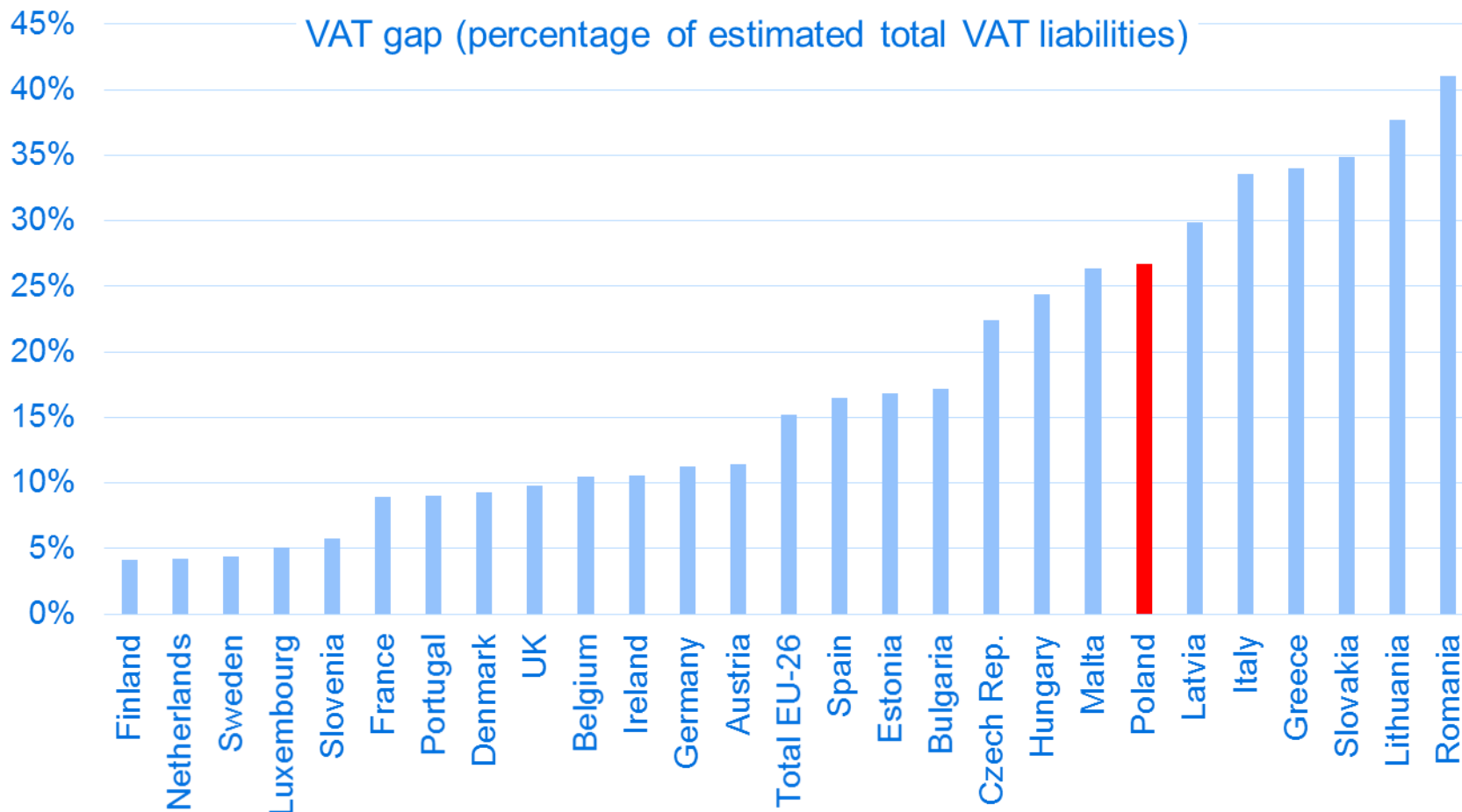
WB Doing Business score of Poland against OECD (2015)



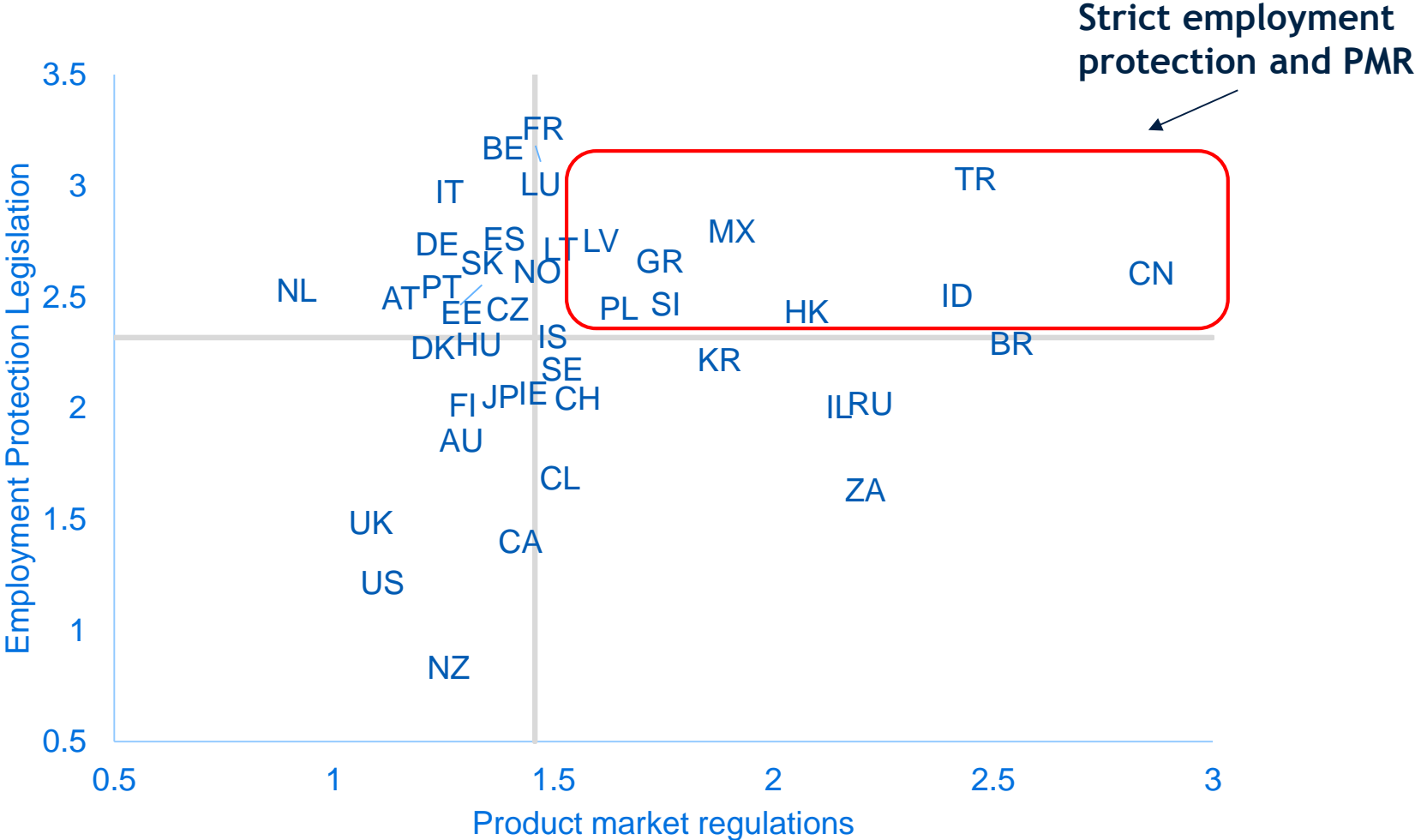
Paying taxes is **difficult** and **time consuming**...



...leading to a high VAT gap.



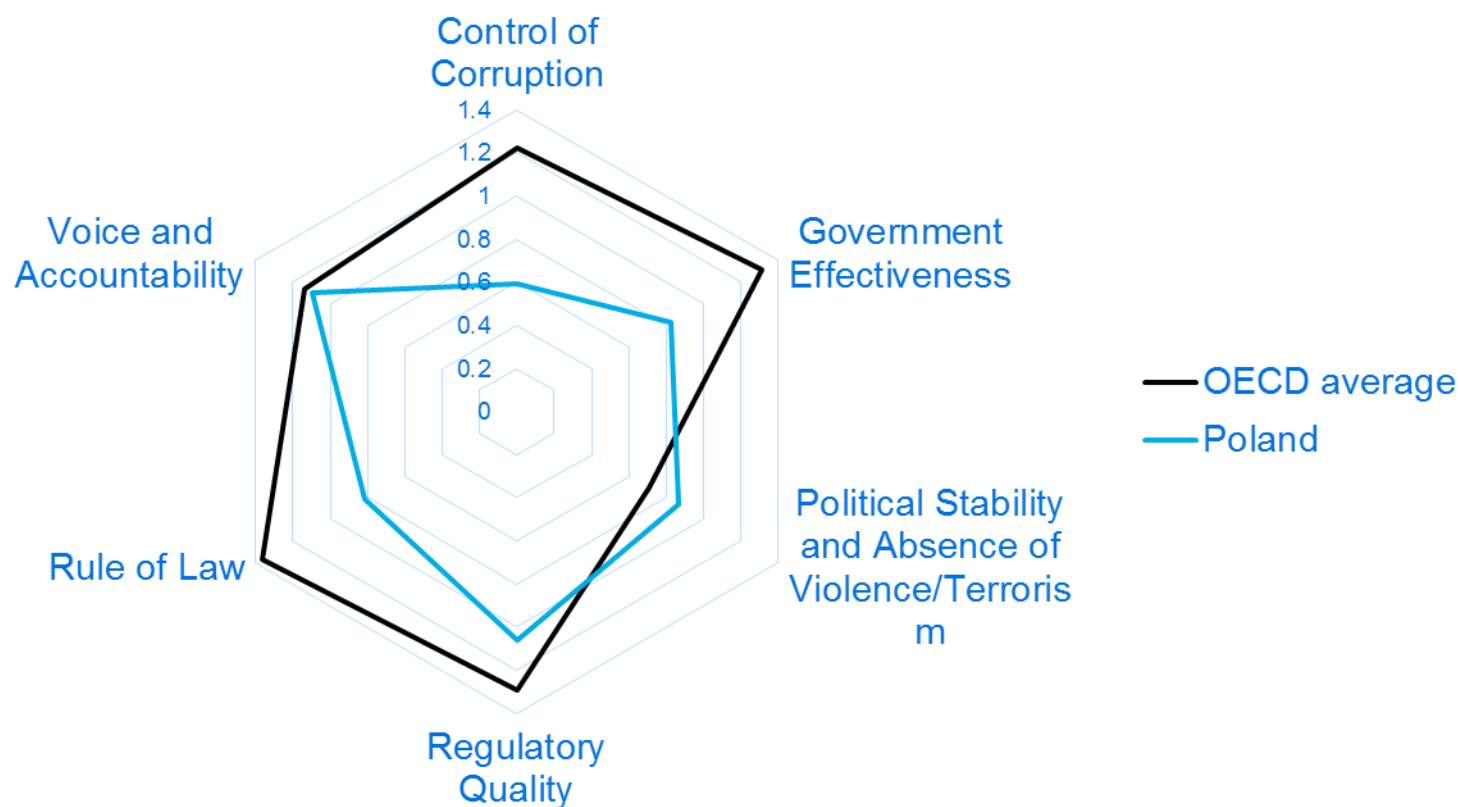
Poland is among countries with quite strict EPL and PMR.



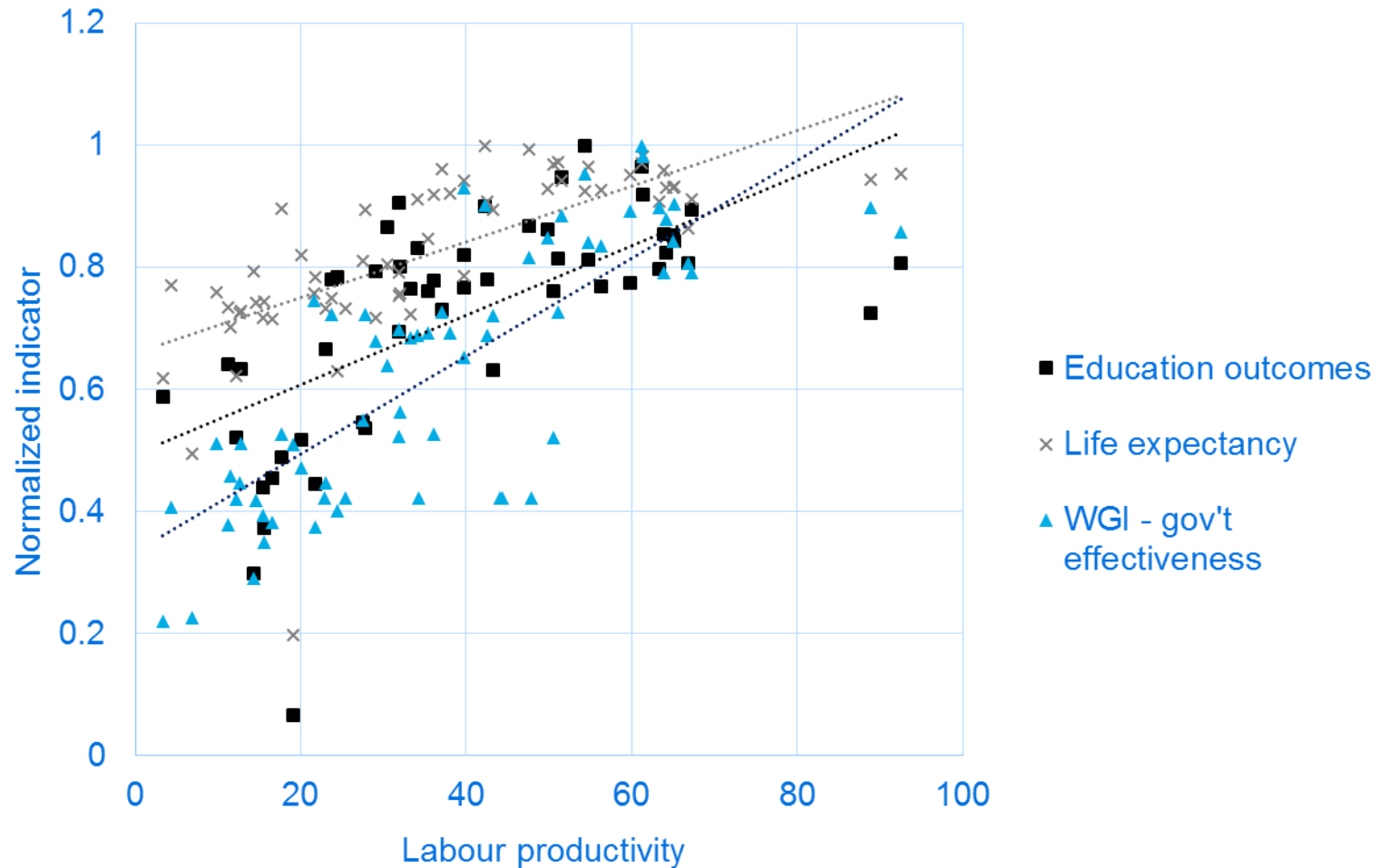
WGI scores in Poland are less than the OECD average...



WGI score of Poland against OECD (2015)

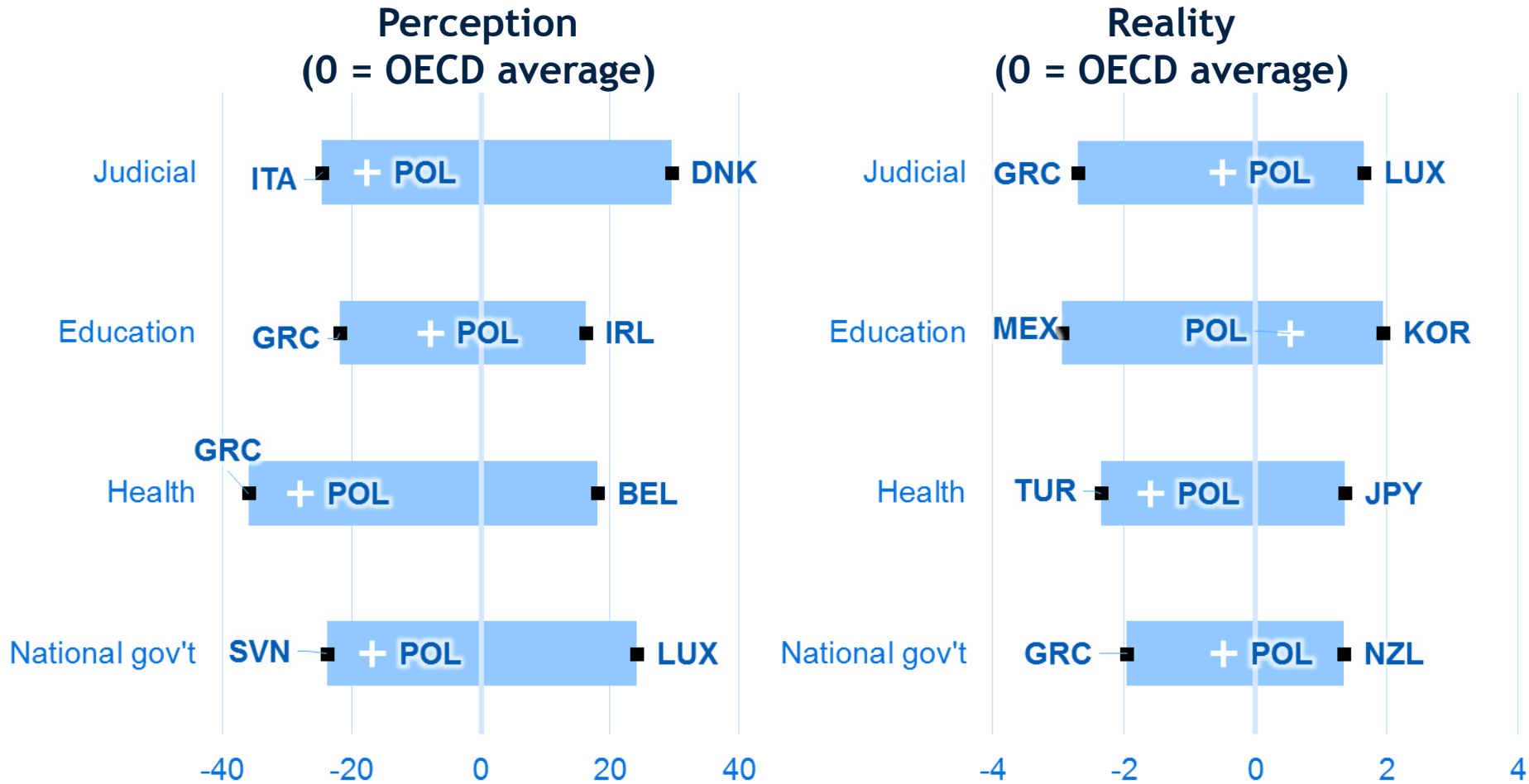


Structural reform will help to deliver better services...



Sources: *TED database (Conference Board), EdStats database, World Governance Indicators database, World Development Indicators (all World Bank)*

...as they remain worse than OECD average.



Sources: *Government at a Glance 2015 (OECD, 2015)*, *Doing Business database*, *EdStats database*, *World Governance Indicators database*, *World Development Indicators (all World Bank)*