

Meeting of the Council at Ministerial Level, 9-10 June 2022**REPORT ON THE IMPLEMENTATION OF THE OECD
RECOMMENDATION ON AGEING AND EMPLOYMENT POLICIES****JT03496802**

Table of contents

1 Background	4
Introduction	4
Recent labour market developments for older people	5
2 Methodology and Process	8
Information collection	8
Questionnaire	8
Process for developing the Report	9
3 Implementation	10
Pillar 1. Strengthen incentives for workers to build longer careers and to continue working at an older age	10
Pillar 2: Encourage employers to retain and hire older workers	15
Pillar 3: Promoting the employability of workers throughout their working lives	23
3.4. Overall implementation of the Recommendation	32
4 Dissemination	35
Dissemination efforts can be enhanced further	35
Developing tools to strengthen dissemination and use of the Recommendation	36
5 Summary and conclusions	38
Implementation	38
Dissemination	39
Continued relevance	39
References	41

Tables

Table 2.1. Respondents to the policy questionnaire	8
--	---

Figures

Figure 1.1. Employment has increased for older people	5
Figure 1.2. Employment of older people less affected by COVID-19 crisis	6
Figure 1.3. Large differences in employment of older people among OECD Members	6
Figure 1.4. Unemployment for older people has become less persistent but more common	7
Figure 3.1. Effective retirement ages have been rising over the past two decades	11
Figure 3.2. Hiring rates decline with age across the OECD	15
Figure 3.3. Seniority based pay are negatively correlated with retention of older workers	18
Figure 3.4. Employers have few policies in place to support multigenerational workforces	22
Figure 3.5. Older adults participate in training far less than younger adults	25
Figure 3.6. Tackling chronic illnesses will be critical as the workforce ages	30
Figure 3.7. Self-assessed level of usefulness of the Recommendation by Respondents to the policy questionnaire and the relevance of the Recommendation for the years ahead	33
Figure 4.1. Self-assessed level of dissemination of the Recommendation by Respondents to the follow-up questionnaire	36
Figure 4.2. Self-assessed of tools to strengthen dissemination by Respondents to the follow-up questionnaire	37

Boxes

Box 3.1. The weakening and the abolishment of the unemployment gateway to old-age pension – Finland	12
Box 3.2. Socio professional reintegration programmes – Belgium	15
Box 3.3. Establishment of a performance-based wage system – Korea	19
Box 3.4. Measures to increase elderly workers' hiring – Colombia	20
Box 3.5. Boosting older workers productivity through age management policies – Poland	23
Box 3.6. Skills Checkpoint for Older Workers programme – Australia	26
Box 3.7. National Programme of Health and Safety at Work – Slovenia	32

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

1 Background

Introduction

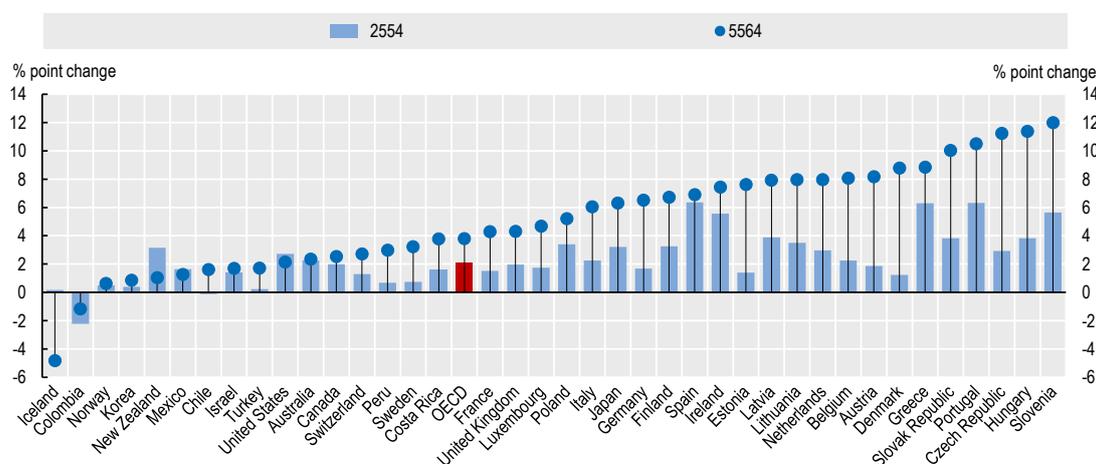
1. On 14 December 2015, the Council adopted, on a proposal from the Committee on Employment, Labour and Social Affairs (ELSAC), the OECD Recommendation on Ageing and Employment Policies [[OECD/LEGAL/0419](#)] (hereafter the “Recommendation”).
2. The Recommendation is based on extensive research and major multi-country reviews under the series *Live Longer, Work Longer* carried out between 2003 and 2005, and *Working Better with Age* conducted during 2011 and 2015. These reviews unfolded the discussion in the ELSAC to develop a set of policy principles in order to address the challenges in promoting employment at an older age, which led to the adoption of the Recommendation by the Council.
3. The Recommendation became immediately applicable to all OECD Members, but also open to non-Members’ adherence (referred together as the “Adherents”). To date, Peru is the only non-Member that has adhered to the Recommendation.
4. The Recommendation promotes giving older people better work incentives and choices, which is crucial in the context of rapid population ageing and pressures on the sustainability of public social expenditures. It represents a key reference for assessing and benchmarking policies to promote employability at older ages and fosters a process of mutual learning about policies to work longer.
5. The Recommendation sets out a number of measures that Adherents should adopt to improve employability at older ages. It notably recommends that Adherents:
 - strengthen incentives for workers to build up longer careers and to continue working at an older age;
 - encourage employers to retain and hire older workers; and
 - promote the employability of workers throughout their working lives with a view to strengthening employment opportunities at an older age.
6. The Recommendation instructs the ELSAC to “monitor [its] implementation [...] and to report thereon to the Council no later than five years following its adoption and regularly thereafter”. The objective of the present Report is to provide the Council with an update on the implementation and dissemination of the Recommendation, including an assessment of its usefulness against the purpose for which it has been designed. The Report also analyses and explains the continued relevance of the Recommendation and, while recognising that the Recommendation requires no updates at this stage, concludes with some reflections on possible follow-up actions.

Recent labour market developments for older people

7. In the context of rapid population ageing, one of the key objectives of the Recommendation is to encourage longer working lives by promoting better employment opportunities and choices at older ages. The good news is that tangible progress has been achieved on this front: prior to the COVID-19 pandemic, the proportion of people aged 55-64 who were working had risen in nearly all Adherents since 2015 (Figure 1.1).¹ Moreover, the rise in the proportion of older people working was greater than the rise for the age group 25-54.

Figure 1.1. Employment has increased for older people

Percentage point change in employment rate of people aged 25-54 and 55-64, 2015-2019



Source: OECD Labour Force Statistics, *LFS by sex and age – indicators dataset*, <http://stats.oecd.org/Index.aspx?QueryId=54218> and the International Labour Office (ILO) for Peru.

8. Employment of older people also proved to be quite resilient in the face of the sharp economic contraction that occurred in 2020 as a result of the COVID-19 pandemic. In nearly all Adherents, whereas the employment rate fell for people aged 25-54, sometimes quite steeply, it either continued to rise or declined less steeply for older people aged 55-64 (Figure 1.2). This resilience was remarkable in comparison with previous deep recessions, especially prior to the 2008 Global Financial Crisis, where employment of older people had often declined substantially as a result of governments introducing or expanding early retirement schemes in the mistaken hope that this would improve employment opportunities for young people. During the COVID-19 crisis, governments refrained from using these schemes and instead many of them invested massively in job retention schemes to help workers of all ages maintain an employment link with their existing employer.

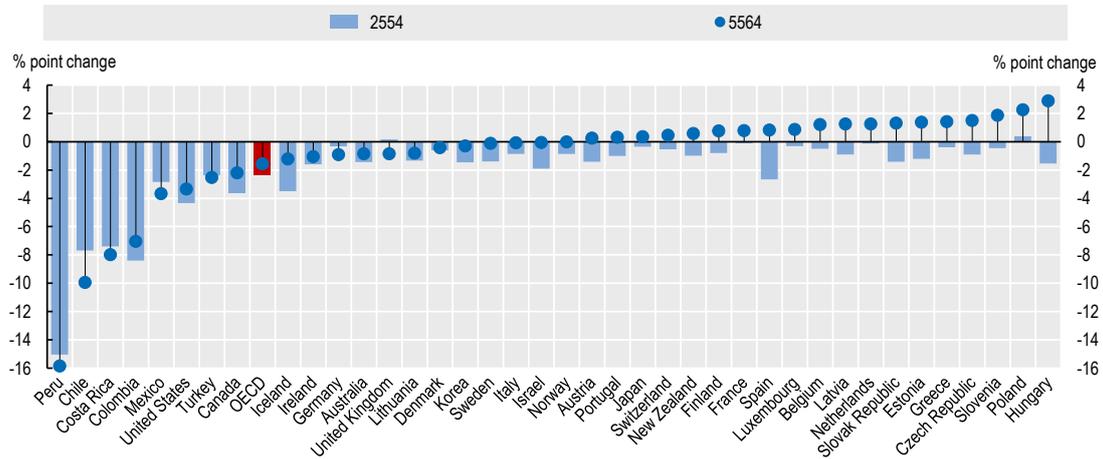
9. However, despite widespread increases in the proportion of older people who are working, there remain large differences across Adherents in this proportion (Figure 1.3), and thus considerable scope in some for further policy action to promote higher employment rates at older ages. The large differences partly reflect low employment rates of women and the need for policy to focus on closing the gender employment gap at younger ages as well as at older ages. If women increase their participation in paid work relative to men at younger ages, this

¹ Iceland is a notable exception, reflecting its exceptionally high employment rate of older people relative to other OECD Members and so less scope to increase further.

will eventually lead to smaller gender gaps in employment at older ages as these cohorts grow older.

Figure 1.2. Employment of older people less affected by COVID-19 crisis

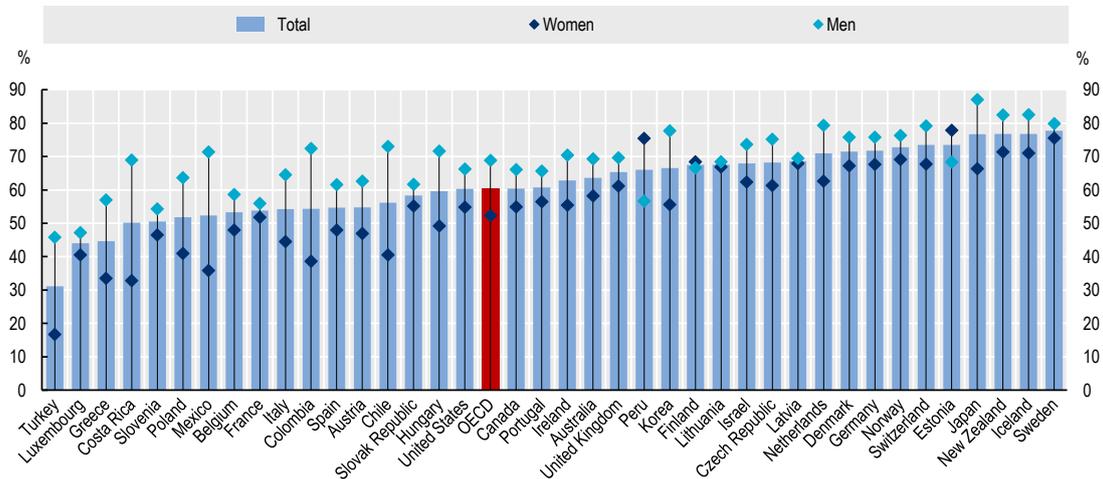
Percentage point change in employment rate of people aged 25-54 and 55-64, 2019-2020



Source: OECD Labour Force Statistics, *LFS by sex and age – indicators dataset*, <http://stats.oecd.org/Index.aspx?QueryId=54218> and the International Labour Office (ILO) for Peru.

Figure 1.3. Large differences in employment of older people among OECD Members

Proportion of people aged 55-64 who are working by gender, 2020



Source: OECD Labour Force Statistics, *LFS by sex and age dataset*, <http://stats.oecd.org/Index.aspx?QueryId=9571> and the International Labour Office (ILO) for Peru.

10. Substantial employment gaps at older ages within OECD Members also exist by skill level, with higher skilled older people generally more likely to be still working than those with few qualifications. Greater access to training at all ages, especially for low-skilled people, is needed to help people find and keep jobs at an older age. In particular, the COVID-19 pandemic has accelerated the need to close the digital divide for older workers. Evidence suggests that

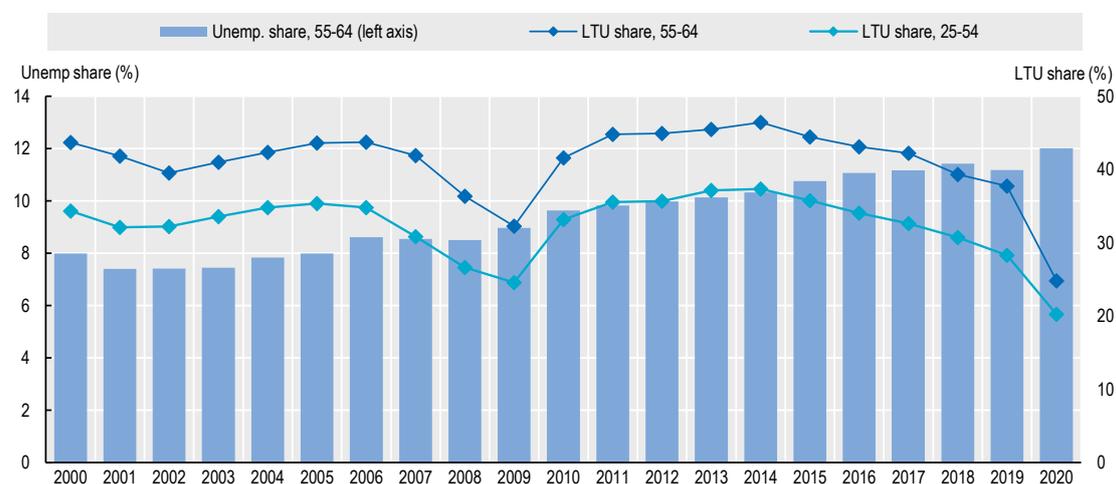
older workers were less likely to be working from home on average than their younger counterparts. This raises concerns about the adequacy of their skills to use digital tools and the health risks they faced because of greater exposure to the COVID-19 virus in the workplace. Further work is needed to understand better these aspects of the experience of older workers during the crisis.

11. While there has been a great deal of focus on the risks of long term youth unemployment following the COVID-19 pandemic, long term unemployment is also a significant challenge for older workers. Helping older people retain jobs is important, as job loss at an older age is often associated with a higher risk of persistent unemployment or early exit from the labour force than for younger people. The share of all unemployed who are long-term unemployed (i.e. for 12 months or more) is generally higher for people aged 55-64 than for people aged 25-54 (Figure 1.4). On average across OECD Members, there has been a decline in this share for older people since 2015, in parallel with a similar decline for younger people. The sharp drop in 2020 reflected a very high influx of newly unemployed because of the COVID-19 crisis.

12. At the same time the share of all unemployed who are aged 55-64 has been increasing since 2009, reflecting higher numbers of older people who are remaining longer in the labour force. The trend increase in the share of unemployed who are older people suggest that employment and skills policies need to focus more on this group to prevent long-term unemployment. Long-term unemployment among the older unemployed also remains stubbornly high, despite some recent declines, and policy attention is also required to drive it down further.

Figure 1.4. Unemployment for older people has become less persistent but more common

OECD average, 2000-2020



Note: Unemp. share 55-64 = share of people aged 55-64 in total unemployment; LTU share 55-64 (25-54) = share of all unemployed people aged 55-64 (25-54) who have been unemployed for 12 months or more.

Source: OECD Labour Force Statistics, *LFS by sex and age dataset*, <http://stats.oecd.org/Index.aspx?QueryId=9571> and *Unemployment by duration dataset*, <http://stats.oecd.org/Index.aspx?QueryId=9594>.

13. The section on implementation examines recent policy measures taken in line with the Recommendation, which may have contributed to these improvements for older people in the labour market.

2 Methodology and Process

Information collection

14. Since the adoption of the Recommendation, the OECD has continued its work on ageing employment policy, including the monitoring of policy developments. The Secretariat used several tools to collect extensive material, while avoiding unnecessary duplication and reducing the burden on respondents. This Report is mainly based on:

- [OECD scoreboard on Older Workers](#) which comprises key quantitative indicators on six topics including i) demographic situation, ii) employment, iii) job characteristics, iv) dynamics, v) joblessness and vi) employability;
- [OECD synthesis report on Working Better with Age](#), and OECD flagship publication on [Pensions at a Glance and Promoting and Age Inclusive Workforce](#);
- [OECD country reviews](#) under the series Working Better with Age (e.g. Denmark, France, Japan, Korea, Netherlands, Norway, Poland, Switzerland, and the United States); and
- [Policy toolkit highlighting good practice and country notes](#) consisting of key policies to promote longer working lives in EU Member States.

Questionnaire

15. To complement these sources of information, the Secretariat collected information on policy experiences, use and implementation of the Recommendation through a questionnaire (hereafter the “policy questionnaire”) sent to 39 Adherents in March 2021. To date, 29 Adherents provided responses to this policy questionnaire (hereafter “the Respondents”). The policy questionnaire asked Adherents to describe significant reforms in policies introduced since January 2016 that align with the Recommendation in each of its three pillars – strengthening incentives for workers to build up longer careers and continue working at an older age; encouraging employers to retain and hire older workers; and promoting employability throughout working lives. The responses from the policy questionnaire provide much of the evidence used to prepare the Report.

16. The following table mentions the 29 Adherents that provided responses to the policy questionnaire:

Table 2.1. Respondents to the policy questionnaire

Australia	Estonia	Italy	Norway	Spain
Austria	Finland	Japan	Peru	Sweden
Belgium	France	Korea	Poland	Switzerland
Canada	Germany	Latvia	Portugal	United Kingdom

Colombia	Hungary	Lithuania	Slovak Republic	United States
Czech Republic	Ireland	Netherlands	Slovenia	

17. The policy questionnaire also included questions to assess efforts to disseminate the Recommendation, the level of awareness of the Recommendation among stakeholders, and the perceived usefulness and relevance of the Recommendation. It further included an additional section requesting information on measures taken by Adherents to support workers during the COVID-19 crisis in accordance with the different areas of the Recommendation. The findings on the implementation and usefulness of the Recommendation are set out in Section 4, which provides an analysis of the responses sent by the Adherents.

Process for developing the Report

18. Following the data collection, an initial draft of the Report [[DELSA/ELSA\(2021\)10](#)] was prepared by the Secretariat and discussed at the 138th Session of the ELSAC on 14 October 2021 [[DELSA/ELSA/A\(2021\)2/REV3](#)]. Adherents welcomed the draft Report and found that it summarised well policy developments in their countries.

19. A revised version of the draft Report reflecting the comments subsequently received from Adherents was approved by the ELSAC under the written procedure on 25 March 2022 for transmission to the Council [[DELSA/ELSA\(2021\)10/REV](#)]. Following approval of the Report by the ELSAC, adjustments were made in the Report, at the request of some Adherents, to the description of their domestic situation. The ELSAC has been informed of these adjustments ahead of the transmission to Council [of [DELSA/ELSA\(2021\)10/REV/FINAL](#)].

20. The Council is now invited to note and declassify the approved Report, and to invite the ELSAC to take further follow-up actions to support the dissemination and implementation of the Recommendation. Thereafter, a link to the Report will be included in the public webpage of the Recommendation on the online [Compendium of OECD legal instruments](#). The key takeaways of the approved Report will also be included in an online booklet.

3 Implementation

21. This section describes how the Recommendation has been implemented by Adherents since its adoption in 2015 in its three pillars, i.e. i) strengthen incentives for workers to build up longer careers and to continue working at an older age, ii) encourage employers to hire and retain older workers and iii) promote the employability of workers throughout their working lives with a view to strengthening employment opportunities at an older age. An overall assessment of the usefulness of the Recommendation is discussed thereafter.

Pillar 1. Strengthen incentives for workers to build longer careers and to continue working at an older age

22. Pensions should be designed to promote financial incentives to work longer and to influence social norms about working late in a career, which affects the behaviour of both employees and employers. As such, the first pillar of the Recommendation calls on Adherents to put a special emphasis on ensuring that the pension age reflects increases in life expectancy, closing special early retirement pathways and facilitating the combination of work and pension receipt to give people better choices and incentives to extend working lives. Moreover, the pillar recommends preventing welfare benefits from being used as alternative pathways to early retirement.

Infographic 3.1. Relevant extracts of the Recommendation on strengthening incentives for workers

I. RECOMMENDS that Members and non-Members having adhered to this Recommendation (hereafter the “Adherents”) strengthen incentives for workers to build up longer careers and to continue working at an older age. To this effect, Adherents should, as appropriate:

a) enhance incentives to continue working at an older age:

i) by ensuring that the old-age pension system encourages and rewards later retirement in line with increased life expectancy while ensuring adequacy and sustainability of pension payments; and

ii) by encouraging longer and more satisfying careers through more flexibility in work-retirement transitions, including by promoting phased retirement, better balancing work and care and permitting a combination of pensions with work income

b) restrict the use of publicly-funded early-retirement schemes which encourage workers to leave employment while they are still in good health and able to work;

c) ensure access to welfare benefits, such as unemployment and disability benefits, for all workers, irrespective of their age and status, and monitor that these benefits are used for their original purpose and not to incentivise early retirement for those still able to work.

Retirement ages and work incentives

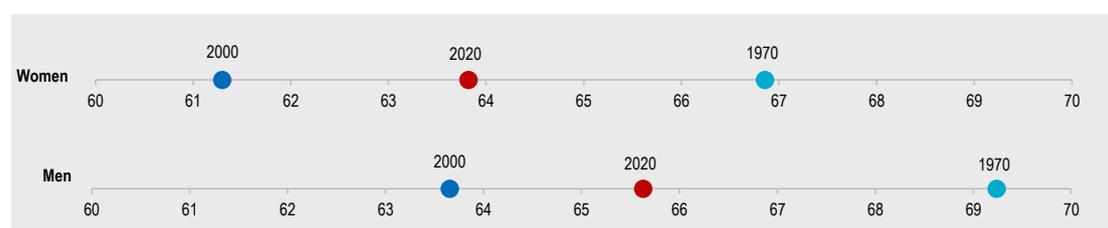
23. Raising the retirement age can be an important step towards keeping individuals longer in the workforce and maintain pension levels. In the last decade, many OECD Members have raised the retirement age above 65 years of age to 67 and higher. Since the adoption of the Recommendation, reforms of the statutory retirement age were legislated further in Estonia

where the retirement age will increase from 63 and 4 months to 65 in 2026. In Finland and Sweden, retirement ages were linked to life expectancy.

24. Setting a legal norm does not mean that all people actually work up to these higher ages. Many workers leave the labour market well before reaching the pension age. The effective retirement ages at which older workers withdraw from the labour force have been increasing in most OECD Members over the past decade. On average in the OECD, men left the workforce two years later in 2020 than in 2000, and women two and a half years later (Figure 3.1). However, in all OECD Members, despite the significant increases in life expectancy, the effective retirement age is still lower today than it was 30 years ago. This suggests that there is still scope for reforms to make work more rewarding at an older age.

Figure 3.1. Effective retirement ages have been rising over the past two decades

OECD average, 1970, 2000 and 2020



Source: *OECD Database on Average Effective Retirement Age*, <https://www.oecd.org/employment/emp/average-effective-age-of-retirement.htm>.

25. Reforming early retirement options significantly influences effective retirement ages. In some Adherents, the possibility for early retirement has been restricted by an increase in the minimum years of contributions to receive a full pension, or through large penalties, or by abolishing early retirement options for the private sector entirely. However, early retirement options continue to exist in both private and public pension systems in many Adherents even after significant reforms over the past two decades.

26. Since the adoption of the Recommendation, Austria has abolished the regulation that allowed an inflow into early retirement pensions without any deductions to be replaced with an “early starter bonus”. In Finland, since 2017 a number of reforms have taken place to limit early retirement including rises in the minimum retirement age gradually from 63 to 65 by 2025; phasing-out of the so-called ‘unemployment tunnel’ (Box 3.1). Preliminary results show that the expected effective retirement age has increased as planned and is now 61.9 years (calculated for 25-year-olds, including also disability pensions).

27. As pension reforms to deal with population ageing are often unpopular, a key challenge for many countries is to avoid short-term measures that bring political support but weaken solvency in the medium term. Several OECD Adherents including Italy, and the Slovak Republic have backtracked on earlier reforms raising the retirement age or expanded early-retirement options (OECD, 2019^[11]). Delaying reforms that address long-term needs may leave pension systems less resilient to economic shocks in the future and unprepared to face population ageing. A higher retirement age might be regressive due to socio-economic inequality in life expectancy and to fewer employment opportunities for more disadvantaged older workers. This is a major challenge for policy makers, but it does not mean that a higher retirement age is an inadequate policy. Instead, it underlines the crucial importance of

improving the situation and opportunities of older workers through inclusive labour market policies for older ages.

Box 3.1. The weakening and the abolishment of the unemployment gateway to old-age pension – Finland

Notwithstanding the economic growth and employment rates nearly of 72.6% prior to the COVID-19 pandemic, Finland's population is ageing and older-workers face labour market difficulties. The employment rate for older workers in Finland is much lower than in other Nordic countries, where access to early retirement schemes is considerably more limited (OECD, 2020). Therefore, the government has implemented major reforms in the pension system to make it sustainable and reduce the pressure in the public finances driven by the expenditure on pension, health, and social care.

Since 2017, the retirement age has been raised by three months annually until reaching 65 years by 2027. After that, the retirement age will be linked to life expectancy. Additionally, to incentivise longer working lives, when workers have turned 61 years old, they have the option of the partial old-age, which is a flexible pension that allows employees to continue working and do not have restrictions as to how much work or earn. The worker under this schedule could draw 25% or 50% of the pension that has accrued up to that time. The partial old-age will continue until the worker retires on the old-age pension.

At the same time, workers who decide upon an early retirement will reduce their pension by 0.4% monthly from the time start drawing their pension to the month after reaching their retirement age. Therefore, the pension will be reduced for the rest of their life.

An amendment to the Unemployment Security Act also attempts to weaken and abolish the unemployment gateway to old-age pension. The qualifying age for additional days (above the otherwise maximum of 500 days) of unemployment benefit rises for those born in 1961 and later from 61 to 62 years. This means that the unemployed older worker can receive the benefit continuously if the unemployment has started 500 days before the age of 61 until the age of 65. For those born in 1965 and later, the age at which unemployment benefit ends changes from 65 years to the age group's own retirement age. It has been decided that this so-called unemployment tunnel will be abolished in the near future.

Source: <https://www.tyoelake.fi/en/different-pensions/flexible-partial-old-age-pension/>.

Boosting work incentives by extending flexible retirement options

28. While pension reforms face strong resistance in many Adherents, calls for more flexible retirement rules have re-surfaced in the public debate. Some older workers are not able or willing to continue full-time work at older ages. Entry into flexible retirement (i.e. working fewer hours combined with the receipt of pension benefits) may be an option to facilitate a smooth transition into retirement, thereby preventing older workers from quitting work abruptly. Moreover, providing care to relatives is sometimes an important factor that pushes workers, especially women, into retirement. Providing these workers with the flexibility to combine work and care activities is important to maintain their employment at older ages.

29. In recognition of workforce ageing and to accommodate older workers and their preferences, a range of policies have been implemented by Adherents to extend flexible retirement options. For instance, Estonia expanded flexible retirement options, allowing combining pensions and labour income three years before the legal retirement age. It is also possible to take out only half a pension, which makes later pension payments higher compared to taking the full pension. In Norway, a new pension scheme allows public sector employees to

benefit from flexible retirement options in line with existing flexibility in private sector. The new public pension scheme ensures that workers between 62 and 75 years may choose between a pension rate of 20, 40, 50, 60, 80 or 100 percent, and work and pension may be combined without deductions. In Austria, the so-called “partial pension” facilitates employment for older employees with the greatest possible financial security at reduced working hours until they reach the standard retirement age. In Germany, the *Flexirentengesetz* provides incentives to make the transition from work to retirement more flexible². In Belgium, *Emplois de fin de carrière en douceur* encourages workers over 58 years old to adopt a flexible working schedule (e.g. night over day, or less time), and the compensation for the salary lost is paid by *Fonds de sécurité d’existence* (FSE).

30. While a phased approach to retirement can incentivise to work longer, it may also have the effect of inducing people to retire too early if they underestimate their future financial needs. Options for flexible retirement must therefore come with renewed efforts to foster financial literacy, and be consistent with the financial balance of the pension system. There should also be greater efforts to evaluate phased retirement schemes.

A number of Adherents are making it attractive to work after the normal retirement age

31. Pension systems in many Adherents already allow combining work and pensions after the normal retirement age. Yet, in practice, there can be significant constraints or disincentives that discourage people from staying active after retirement. Many Adherents have taken steps to design pensions systems to reward, not penalise, longer working lives. For instance, Denmark gives a one-off lump sum of DKK 44.221 (7% of the average wage) in the first year after reaching the statutory retirement age (currently 67 years of age), and another one-off lump sum, if someone is employed for a minimum of 1 560 hours during 12 months in the second year. In Australia, the pension work bonus, allows pensioners to keep more earnings when they work. In Norway, the new pension scheme for public sector employees is based on career earnings which implies increased pension earnings for each additional year with pensionable income, regardless of whether the pension drawing is started or not, to encourage workers to stay in the labor force longer. Career earnings is in line with existing pension schemes in private sector and the National Insurance Scheme. In Belgium and Finland, pension regimes have been made more flexible to encourage workers to continue stay in the labour force after their retirement age to allow work part-time or receive a partial old-age pension, respectively. Similarly, in Spain, further to new reforms under the ‘Toledo Act’ workers who continue to pursue work after the normal retirement age will have the option to either receive an extra benefit per year or a lump-sum at the end of the first year of retirement.

32. Other innovative methods are being sought to enhance work incentives at older ages. For instance, in the case of the United States, under the Setting Every Community Up for Retirement Enhancement (SECURE) Act, workers can continue to contribute to the traditional IRA (Individual Retirement Arrangements – the long-term savings account) past age 70 and half as long as they are working. Canada allows workers receiving the Canada Pension Plan (CPP) retirement pension to continue contributing to the CPP up to age 70 and supplement their retirement pension with the Post-Retirement Benefit. In addition, it increased the earnings exemption for the income-tested component of their first-tier benefit (GIS), to allow low-income seniors to work without reducing their GIS entitlement.

² The effectiveness of the measures of the flexible pension law is currently being evaluated. The evaluation project is expected to be completed by the beginning of 2022.

33. In spite of the wish for greater retirement flexibility, surveys confirm that combining work and pensions is still uncommon and available options are either poorly understood or unattractive for retirees. Myopia or a lack of financial literacy can lead some workers to retire too early. Social norms, according to which normal retirement implies the abrupt transition from full-time work to full retirement, drive the retirement behaviour of some workers, especially those with low levels of financial literacy. Changing these social norms and establishing flexible retirement as an alternative to traditional patterns will take time.

Adherents are increasingly restricting alternative pathways to retirement

34. In many Adherents, welfare programmes such as disability and unemployment schemes have not always been used for their original purposes and have served as de facto pathways into early retirement. In 2018, in 26 Adherents, a quarter of men retired below the age of 60 in 2018, dropping to as low as 53 or 54 in Turkey and Luxembourg. The corresponding age is often substantially lower for women (OECD, 2019^[21]).

35. Notably in Finland, the possibility of receiving unemployment benefit for additional days will be phased out. At the same time a greater focus is given to promote employment among people over the age of 55 people to help them cope at work by providing better employment support provisions and improving their work ability and skills.

36. Many Adherents have also enacted reforms that i) restrict access to disability pensions, ii) strengthen the work focus of sickness and disability benefits and iii) assess of remaining work capacity. In Norway, the current permanent survivor's pension for persons under the age of 67 will be replaced by a time-limited benefit to facilitate transition towards income-generating work and will require the recipient to take part in activity as part of the transition process. Moreover, current survivors' supplements to old-age pension or disability benefit will be phased out over time. In Canada, the new Post-Retirement Disability Benefit (PRDB) was introduced to allow retirement pensioned individuals under age 65 access to a disability benefit, as eligibility for a disability pension ends when the retirement pension begins. Individuals under 65 who are in receipt of their CPP retirement pension and who become disabled may qualify to receive the PRDB in addition to their retirement pension. In Portugal, the Social Inclusion Benefit (PSI) was created to integrate all types of disability benefits into a single one, targeting persons with a certified degree of incapacity of 60% or more.

37. Early intervention is often the best way of preventing long-term dependence on benefits, particularly among older workers. To this end, reforms have been directed to prevent long-term absences translating into permanent withdrawal from the workforce. For instance, in Austria, the employer and the employee can agree on a reduction of the previous working hours within the framework of part-time reintegration of workers on sick-leave. The programme serves to facilitate the return to work after at least six weeks (42 days) of sick leave with part-time employment (including a reintegration plan and agreement between worker and employer) and financial security through the reintegration allowance of the health insurance institutions. To support this measure, the nationwide programme fit2work advises employers and employees on return-to-work models and supports companies in establishing concepts for maintaining the employees' workability. In Belgium (Box 3.2), the socio-professional reintegration programme is designed to reintegrate workers with long time incapacities by providing vocational training programmes and changing jobs that are better compatible with the health status.

Box 3.2. Socio professional reintegration programmes – Belgium

Belgium has reformed labour law to make it more flexible, bring opportunities to workers and safeguard competitiveness. For instance, in order to give employees the opportunity to reincorporate work after long-term incapacities a royal decree was designed which entered into force on 2016.

The policy aims to offer the worker the opportunity to perform:

- Temporarily an adapted or different job until the work agreed upon can be resumed
- Permanently an adapted or different job if the worker is definitely incapable to perform the work agreed upon

Furthermore, a second royal decree was adopted to promote the labour integration of a worker who is no longer employed by his employer, by helping him to find a job with another employer or within another sector. Therefore, employees have the necessary tools to reintegrate in the labour market.

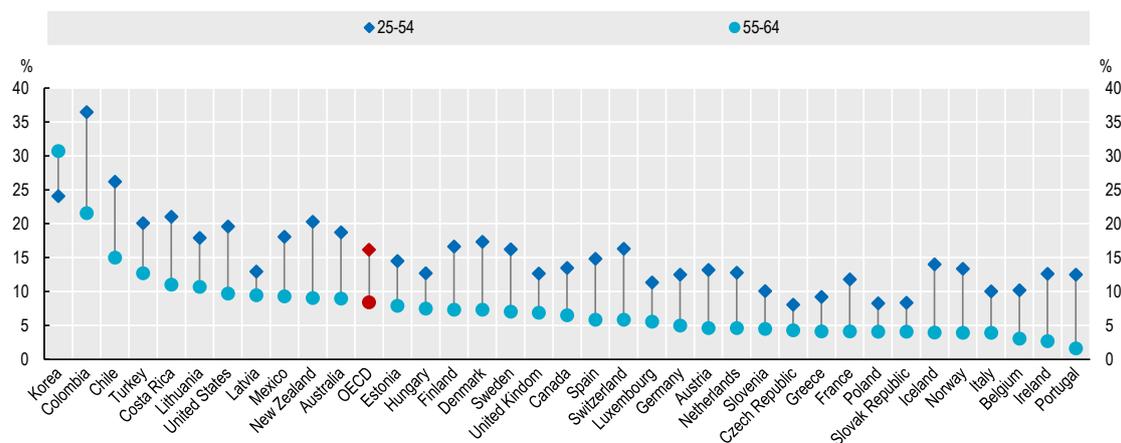
Source: <https://www.eubelius.com/en/news/reintegration-of-sick-workers-new-rules>.
<https://www.dlapiper.com/en/belgium/insights/publications/2017/03/reintegration-of-employees-on-incapacity-leave/>.

Pillar 2: Encourage employers to retain and hire older workers

38. Despite the overall increase in employment for older workers over the past decades, hiring older workers remains a significant challenge. In 2020, across OECD Members, less than one in ten employees in the 55-64 age group are new hires. Hiring rates for workers aged 25-54 are much higher, averaging about one in six workers across the OECD (Figure 3.2). Moreover, data suggests that OECD Members still face a challenge to enhance job mobility of older workers who lose their jobs or wish to change jobs.

Figure 3.2. Hiring rates decline with age across the OECD

Share of workers with job tenure of less than one year as a percentage of total employed, by age group in 2020



Note: OECD is a weighted average and excludes Israel. Data refer to 2018 for Australia. Data for Korea and the United States cover employees only.

Source: *OECD Job Tenure Database*, <http://dotstat.oecd.org/Index.aspx?QueryId=100278>.

39. The higher likelihood of reduced work capacity or declining productivity among the elderly may make some employers hesitant to retain or hire older workers. To this end, this pillar asks Adherents to encourage employers to retain and hire older workers in five main ways: addressing discrimination in employment on the basis of age; taking a balanced approach to employment protection; seeking to discourage or further restrict mandatory retirement; encouraging employer and worker representatives to identify mechanisms to facilitate the retention and hiring of all older workers, and encouraging good practice by employers in managing an age-diverse workforce. Adherents are undertaking policy efforts in these areas, but more urgency is required in pushing forward the reform agenda to boost hiring and retention of older workers, which could help ease some of the labour and skill shortages that have emerged in many countries during the recovery from the COVID-19 crisis.

Infographic 3.2. Relevant extracts of the Recommendation on encourage employers to retain and hire older workers

II. **RECOMMENDS** that Adherents encourage employers to retain and hire older workers. To this effect, Adherents should, as appropriate:

a) address discrimination in employment on the basis of age by taking measures, such as legislation preventing age discrimination and public-awareness campaigns, to eliminate discrimination in the recruitment, promotion and training process, and in employment retention in collaboration and consultation with employers' and workers' representatives.

b) take a balanced approach to employment protection by ensuring that age is not a criterion in determining the level of employment protection while promoting better access to quality jobs for older workers.

c) seek to discourage or further restrict mandatory retirement by employers in close consultation and collaboration with employers' and workers' representatives, while respecting in a limited number of instances that such practices may be necessary.

d) encourage employer and worker representatives to identify mechanisms to facilitate the retention and hiring of all older workers, even those in vulnerable situations, including reviewing their practices in setting pay to reflect productivity and competences, not age.

e) encourage good practice by employers in managing an age-diverse workforce through public and private initiatives that provide guidance on issues such as promoting a sharing of knowledge and experience across different age groups and adjusting work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course as well as to take account of improvements in the education, health, and physical capacities of older workers.

Many Adherents are tackling age discrimination more forcefully

40. Age discrimination is a persistent challenge for older workers, but it is hard to prove and difficult to measure. Available evidence suggests that perceptions of age discrimination remain very common, even though age discrimination is banned in virtually all Adherents. Data from the International Social Survey Programme shows that, on average across 28 Adherents, age is the most common reason for workplace discrimination next to sex, race and political beliefs. And among workers who feel discriminated, 42% of older employees feel they are being discriminated against at work because of their age, including believing they have been turned down for jobs and being offered fewer opportunities for progression (OECD, 2020^[3]). Negative stereotypes not only restrict employment choices for older and sometimes even younger workers, but also represent a considerable cost to business. A study by AARP (American Association of Retired Persons) also shows that age discrimination against workers age 50 and older cost the US economy USD 850 billion in 2018 (AARP, 2018^[4]).

41. To counter negative employer attitudes, policy makers must take affirmative action (e.g. through information campaigns and guidelines) and coercive measures (in the form of anti-age discrimination laws). Since the adoption of the Recommendation, many Adherents are

advancing on both fronts. In Finland, new legislation provides a framework to determine the employment conditions and obliges employers to treat employees equally and in a non-discriminatory manner. Similarly, the government of Sweden established measures to prevent and promote equal rights and opportunities to all workers under the discrimination act. In Belgium, the law gives a greater emphasis to carrying out quantitative and qualitative analysis of workers aged 45 and above at the workplace; designing targeted intervention in the recruitment and selection process, and raising awareness in human resource and internal communication.

42. Other Adherents have implemented awareness campaigns to eliminate age discrimination. An interesting examples is the case of Netherlands where two public awareness campaigns were launched featuring an ex-soccer player to reduce the negative stereotypes among employers and encourage them to hire older workers. Anti-age discrimination laws are powerful if victims themselves are aware of their rights. In this regard, Belgium disseminated information via banners and posters on the illegal nature of discrimination on the basis of age and encouraged victims of discrimination to report their experience.

43. Affirmative action and coercive measures (e.g. antidiscrimination laws) tend to be mutually reinforcing. The *Promoting Diversity* programme in Latvia is a good example. In this programme, Latvia implemented four activities related to age discrimination including i) targeted motivation and support services for individuals at risk of discrimination to help them integrate them into employment, ii) educational activities targeted at employers and employees on social inclusion and anti-discrimination, iii) support measures to promote an inclusive working environment and diversity management, and iv) public awareness-raising. By the end of 2022, it is expected that 930 people who are at risk of discrimination will either start their job search or participate in education/training, qualification, employment, including self-employment, following the use of motivation services. In addition, 300 employers and employees will be trained in social inclusion and non-discrimination and five good practices will be promoted to create an inclusive working environment and diversity management.

The practice of mandatory retirement age is diminishing albeit slowly

44. Mandatory retirement allowing for the termination of employment contract of elderly people at a certain age can be used as a convenient mechanism for parting with less productive workers, especially in Adherents where employment protection rules are rigid. Age limits on employment remain a key barrier to working at an older age and send out the signal that the ability to work diminishes at an arbitrarily set age. Suitability for employment should be based on choice, competence and health rather than age (OECD, 2017^[4]).

45. Several Adherents like Australia, Canada, Denmark and Poland have already abolished mandatory retirement ages as a valid reason for terminating labour contracts, or have raised the applicable age limits (OECD, 2019^[5]). Since the adoption of the Recommendation, progress has been in made in Adherents where mandatory retirement ages have been a long-standing practice and posed particular challenges in hiring and retaining older workers in good quality jobs. Notably, Korea established financial incentives to firms to offset the impact of mandatory retirement by providing new grants to firms that decide either to i) extend the retirement age a year, ii) abolish the retirement age, or iii) retain those who reached the retirement age for more than a year.

46. Another example is Japan, which recently amended the Act on Stabilization of Employment of Elderly Persons to promote the employment of workers between the ages of 65 and 70. Under the reform implemented in 2021, employers shall endeavor to introduce one of the following measures: i) offer re-employment or extension of the employment contract to their

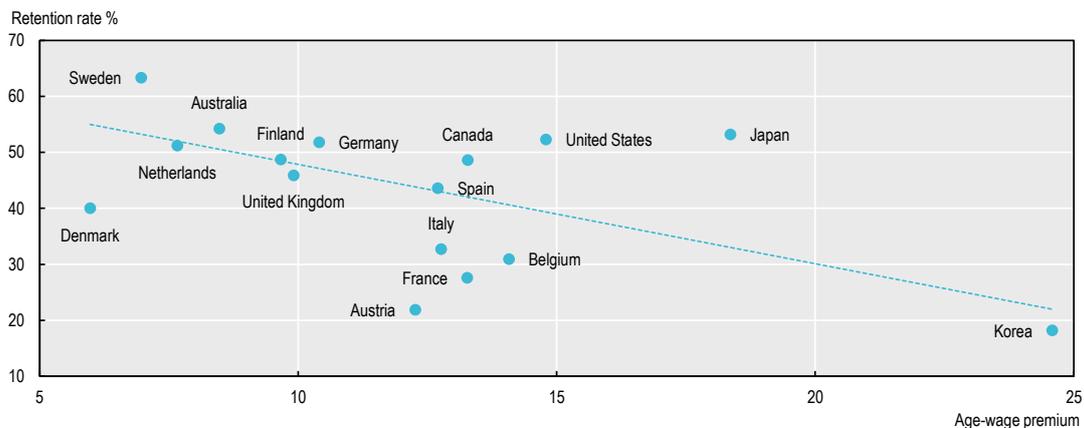
older workers up to the age of 70 as part of the continued employment system (in-house or group enterprises) ; ii) extend mandatory retirement age to 70 years; iii) abolish the mandatory retirement system; iv) introduce a system for concluding business outsourcing contracts until age 70 years; or, v) introduce a system that allows employees to engage in social contribution projects carried out by the employer or organisations to which they have entrusted or invested, etc., for example a non-profit organisation, until age 70 years. In Sweden, the age at which employers can terminate the contracts of older workers according to the Employment Protection Act – the so-called mandatory retirement age – will be raised from age 67 to 68 in 2020 and to 69 in 2023.

Seniority wage-settings

47. Increasing labour demand for older workers also calls for better aligning their wage profiles with productivity. Indeed, in many OECD Members, concerns have arisen that seniority-based wage systems may create barriers to employment for older workers (Frimmel et al., 2015^[5]). An international comparison of the relationship between age-wage premium and retention rate of workers aged 60-64 shows a negative correlation among OECD Members (Figure 3.3).

Figure 3.3. Seniority based pay are negatively correlated with retention of older workers

Age-wage premium and retention rates, 2012



Note: The wage premium indicates the effects of age and tenure on wages. The retention rate is defined as the number of employees aged 60- 64 with job tenure of 5 years or more as a percentage of all employees aged 55-59 5-years previously (and 4-years previously for the United States). The age-wage premium is wage growth between the ages of 40-49 and 50-59

Source: OECD (2019), "Seniority wages may harm retention: Age-wage premium and retention rate, 2012", in *Working Better with Age*, Ageing and Employment Policies, OECD Publishing, Paris, <https://doi.org/10.1787/8aee39cd-en>.

48. To facilitate the retention and hire of older workers, different strategies have been designed such as reviewing their practices in setting pay to reflect productivity and competencies, not age. In order to reduce excessive seniority rules, Korea is supporting the establishment of a performance-based wage system (see Box 3.3). In the case of Japan, the mechanism consists of subsidy measures for employers who promote constructing the evaluation and wage payment system which puts importance on the ability and performance.

Box 3.3. Establishment of a performance-based wage system – Korea

Korea has the fastest ageing population in the OECD, with the number of persons aged 65 or over projected to exceed 80% of the working-age population in 2060, the highest ratio in the OECD.

For several decades, the seniority system was based on age, position in the firm, and society among others, which had adverse effects on workers and the efficiency of the economy. For instance several studies have documented the system to i) impeding labour market prospects for older workers; ii) triggering early retirement of older workers; iii) reducing new recruitment of youth, and iv) increasing the gap between compensation and productivity.

The strong dialogue between the labour representatives, employers and the government have led to gradual reforms of the wage system from the seniority-based rules to the job-or-performance-based. Hence, the policy aims to support promotion of a fair wage system based on social consensus. This reform reduced excessive seniority rules, decreasing the rate of salary step schedule in businesses with more than 1 000 employees: 60.3% in 2017, 59.5% in 2018, 58.7% in 2019, and 54.5% in 2020.

Source: OECD compilation based on responses to the policy questionnaire on ageing and employment policies (2021); (OECD, 2018^[6]).

Greater financial incentives are used to improve hiring and mobility of disadvantaged older workers

49. Additional support can be necessary to help employers retain or hire disadvantaged older workers, i.e. those with low productivity and few employment prospects. This is essential to prevent early withdrawal from the labour market and reduce poverty risks at old age.

50. Since the adoption of the Recommendation, several Adherents have introduced wage-subsidy and in-work benefit schemes to strike a better balance between older workers' productivity and the cost of employing them. For instance, Slovenia launched a new subsidy to hire older unemployed workers. This program has included 884 people since its implementation in 2017. The Slovak Republic provides financial benefits to support the creation of jobs for disadvantaged job-seekers aged 50 and over and offers a financial contribution to employers who recruit or create a job for disadvantaged job-seekers including those aged 50 and above. In Australia during the 2018-19 Budget, the Government provided AUD 1.1 million to support additional wage subsidy places under the *Restart Wage Subsidy programme*, which provides job seekers aged 50 and over with a wage subsidy of up to AUD 10 000 after six months of income support. The subsidy supported more than 50 000 mature age workers to find employment by the end of March 2021.

51. Another mechanism developed by Adherents is the reduction of labour costs. Examples include lower social security contributions in Belgium and Netherlands. Colombia, where less than 25% of the older population has access to a pension, formulated a policy to promote the employability of older adults who do not receive a pension by reducing the tax burden for firms (Box 3.4).

Box 3.4. Measures to increase elderly workers' hiring – Colombia

In Colombia, approximately 3.8 million people are above 65 years. However less than the 25% of them have access to a pension system, which means that the majority of the older population do not have a stable income mainly in the poorest households. This lower coverage is explained by the higher informality in the labour market, and problems in the pension system such as: i) inequality because of the regressive impact in the access (FEDESARROLLO, 2018).

The Social Protection Program for the Elderly, *Colombia Mayor*, aims to increase protection for older adults who are homeless, do not have a pension, or live in extreme poverty or poverty, through the delivery of a monthly financial subsidy. There are two subsidies within the program: 1. Direct economic subsidy: these are resources that are paid directly to the beneficiaries through the banking network or entities contracted for this purpose. 2. Indirect economic subsidy: resources that are granted in Basic Social Services, through welfare centers for the elderly and day centers. The subsidy is around USD 17 per month.

Given this context, the law 2040 of 2020 was designed to promote the employment of older adults who do not have a pension, promoting the autonomy and economic self-sufficiency of the elderly, thus guaranteeing the active, satisfactory and healthy aging of the Colombian population. Employers who hire adults under this modality will reduce the tax burden on income tax. Thus, contributing employers who hire people who are not beneficiaries of the old-age, family or survivor pension and who access this mechanism, have the right to deduct 120% of the value of wages from income tax and social benefits paid to workers during the taxable years in which the employee remains hired. Additionally, to be a beneficiary of this program, 2.5% of workers must be in the program in companies with less than 100 employees. This 2.5% hiring requirement will increase by 0.5% for every 100 additional employees, without going beyond 5% of the staff.

Source: Fedesarrollo, *Elementos para una propuesta de reforma del sistema de protección económica para la vejez en Colombia*, 2018.

<https://www.fondodesolidaridadpensional.gov.co/fondo-de-solidaridad/que-es-el-fondo-de-solidaridad-pensional/programas/programa-colombia-mayor.html>
<https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=137231>.

52. Evidence suggests that self-employment and start-up subsidies may be another good possibility and also effective in providing a job for an older unemployed (OECD/European Union, 2015^[7]): In particular, i) liberal professionals and company owners may have a higher motivation to remain in employment, and ii) consultant contracts are another opportunity for experienced workers to stay in the labour market. For example, in the Slovak Republic, entrepreneurship schemes for the older long-term unemployed and those receiving pension aims to support gradual retirement and encourages combination of pensions with earnings.

There is scope for encouraging good practice by employers in managing an age-diverse workforce

53. Age management/friendly policies are essential to manage age diversity at the workplace and ensure that older workers are enabled to fulfill their potential. Good practices to age management that includes work practices, training, health measures, working hours, etc. is proven to be most effective in increasing older workers' productivity and supporting their retention (OECD, 2019^[8]). Thus, the Recommendation aims to encourage good practice by employers in managing an age-diverse workforce through public and private initiatives that: i) provide guidance on issues such as promoting a sharing of knowledge and experience across

different age groups, ii) adjust work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course iii) bring improvements in the education, health and physical capacities of older workers.

54. Looking at the efforts of Adherents, several initiatives by the government, firms and social partners highlight the opportunities of active age management across different sectors and industries. In particular, importance is given to issuing guidelines on dealing with age-related issues and facilitating information on good practices to support the development of age management strategies. For instance, *the Collaborative Partnership on Mature Age Employment* (as part of the Australian Government budget on *More Choices for a Longer Life*) was established to improve the workforce participation of mature-aged Australians and encourage employers to create workplaces that are more mature age-friendly. In the partnership, different stakeholders of the labour market (age discrimination commissioner, public sector, business leaders, mature age advocates, among others) have invested in creating guidelines; research into mature age employment needs, and awareness programmes. In Ireland, the *Workplace Relations Commission* published a code of practice around the issue of longer working in 2017, giving guidance and setting out best practice in managing the engagement between employers and employees in the run up to retirement age. This code also highlights best practice for retaining older workers in the workforce.

55. A promising way to promote the implementation of age management in companies is to involve social partners. In this regard, the recent initiatives in Poland stands out (Box 3.5).

56. Another common way of raising awareness at national, regional and local levels is the granting of awards or prizes for the implementation of age-management strategies. In Austria, the NestorGOLD *quality label* is awarded to companies and organisations whose entire organisational structure is designed to be generation- and age-friendly and in which the potential needs of employees of all ages and in all phases of life are taken into account. For this purpose, the companies have to undergo a special certification process, which supports them in fulfilling the award criteria. Another example is the *Competition of the South Bohemian region* in Czech Republic, where companies employing workers aged 55 and over, eliminating discrimination and improving intergenerational working relationships are awarded by the Ministry of Labour and Social Affairs.

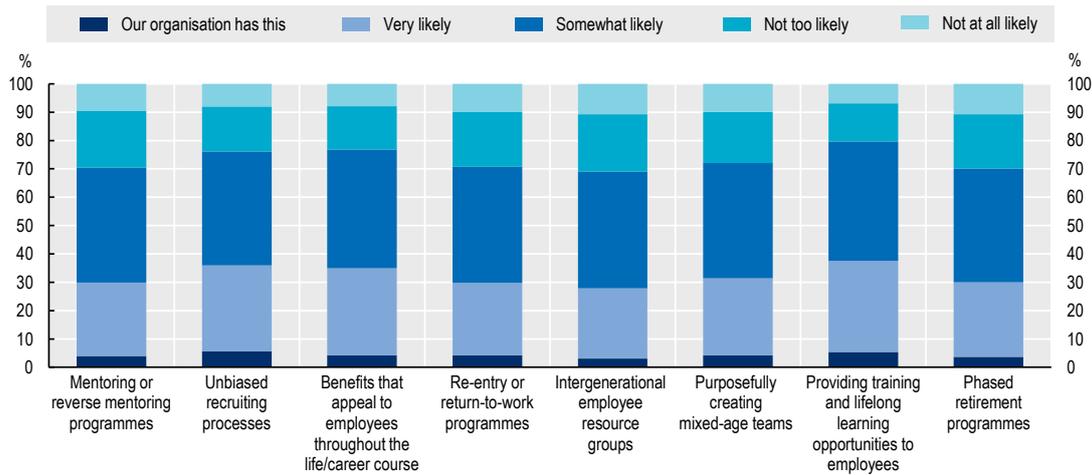
57. Strengthening intergenerational co-operation is a key component in maximising the benefits of an increasingly diverse and a multigenerational workforce. To this end, the Czech Republic created a program in 2016 to promote the generational change between people without experience and older people in the pre-retirement age. In this program, the employer's contribution is provided to the wage costs of a new employee at socially useful job and existing employee who is entitled to a retirement pension for a period of 36 months or less and who is also at risk of losing his/her job. The existing employee also acts as a trainer and must have been employed by the employer for at least two years for the training.

58. Overall, Adherents can do more to support employers to manage an age-diverse workforce in an efficient way that allows all workers to stay longer in employment and maintain or increase their productivity. Evidence suggests that many employers struggle to create and manage an age-diverse workforce. A recent survey conducted by AARP Global Employer Survey 2020 shows that no policy area have more than 6% of employers that have implemented policies targeted at supporting a multigenerational workforce, such as unbiased recruiting processes and return-to-work or phased retirement programmes (Figure 3.4). Concerns around greater health risk from exposure to COVID-19 could also fuel a rise in age discrimination and a greater reluctance by employers to employ older people. Overall, the COVID-19 pandemic

reinforces the need for putting in place effective age management policies that will benefit business, individuals and the economy.

Figure 3.4. Employers have few policies in place to support multigenerational workforces

Share of employers that have or would be very, somewhat, not too or not all likely to implement or explore implementing a specific policy if provided with examples of promising practices



Note: The question asked was “If provided with examples of promising practices and “how-to” guides on a multigenerational workforce, how likely are you to implement or explore implementing programs or strategies in each of the following areas?”. Respondents were about 5 900 employers from all OECD Members with the exception of Colombia and Costa Rica.

Source: OECD (2021), "Employers have few policies in place to support multigenerational workforces but they aim for more: Share of employers that have or would be very, somewhat, not too or not at all likely to implement or explore implementing a specific policy if provided with examples of promising practices", in *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, OECD Publishing, Paris, <https://doi.org/10.1787/24ce6f73-en>.

Box 3.5. Boosting older workers productivity through age management policies – Poland

Poland has developed different measures to boost better age management at the workplace and a balance between workers and their family responsibilities over their life course. In this regard, the project *Family and Work - it pays off!* designed by the Ministry of Family, Labour and Social Policy aims to provide information to different groups of employees and employers to promote mechanisms to facilitate their work and their family lives. Through a web platform, Polish workers have a comprehensive, practical and intuitive source of knowledge on possible solutions to maintain a work-life balance (WLB). The platform has legal advice, tests of WLB, potential benefits, good practices, among other functionalities. From the employers' point of view, the platform offers optimum WLB solutions to various financial possibilities, estimated costs, and good practices no matter the business size or the economic activity.

The platform has been a successful mechanism to adapt work, family and private life. In fact, one month after being launched it was visited by more than 10 thousand individual users. The success of the platform is given by the universality it offers despite workers and business profiles, making it a practical tool in any circumstance, whilst provide answers and practical guide to stakeholders on innovative solutions in WLB.

Another strategy developed by the Polish Government is the implementation of the Autonomous Framework Agreement on Active Ageing and Inter-Generational Approach. This project targeted the elder population and is an international initiative designed by different stakeholders to encourage the workforce through social partners' initiatives that provide training, guideline and time policies that change according to workers' capacities and their family responsibilities over time.

In the case of Poland, the objective is to create the conditions of the national-level implementation with the participation of trade unions and employers' organisations developing action plans and collect good practices and policy recommendations. For instance, the project seeks to formulate solutions and good practices in ergonomics and adaptation of workplaces to the needs of ageing workers in selected occupational groups with policy recommendations for employers and employees, and design proposals of intergenerational cooperation at the workplace. Moreover, the project also aims to increasing social partners' knowledge on the improvement of working conditions through training and promotional activities.

Source: <https://rodzinaipraca.gov.pl/guide/>

Pillar 3: Promoting the employability of workers throughout their working lives

59. There are many factors that make it difficult for older workers to stay in their existing job or find a new one. Some are related to incentives for firms to retain and hire older workers, or related to pensions and mandatory retirement systems. In addition, the lack of training opportunities and employment assistance, or poor working conditions also heavily affect the employability of older workers. Thus, the following provisions of the Recommendation seek to ensure that older workers remain employable preventing skill obsolescence, close the age gap, improve adult learning, recognise the importance of training, and improve job quality through the working life.

Infographic 3.3. Relevant extracts of the Recommendation on promoting the employability of workers throughout their working lives

III. RECOMMENDS that Adherents promote the employability of workers throughout their working lives with a view to strengthening employment opportunities at an older age. To this effect, Adherents should as appropriate:

a) enhance participation in training by workers throughout their working lives by providing guidance services and ensuring that training is adjusted to reflect the experience and learning needs of workers at different ages, including strengthening access to work-based training for those in non-standard forms of work, encouraging increased investment in skills development at mid-career and improving the attractiveness of training and its potential returns for older workers by adapting teaching and learning methods and content to their needs;

b) provide effective employment assistance to jobseekers, irrespective of their age, but targeted at those groups most at risk of long-term joblessness while ensuring that older jobseekers have the same obligations as younger jobseekers for receiving unemployment benefits in terms of actively seeking a job, but also the same rights in terms of access to targeted re-employment services;

c) improve working conditions through a broad-based strategy to enhance job quality for workers at all ages, in terms of strengthening workplace safety and physical and mental health, reducing the incidence of hazardous and arduous work, balancing professional and family responsibilities, and facilitating job mobility as a function of the changing experience and capacities of workers.

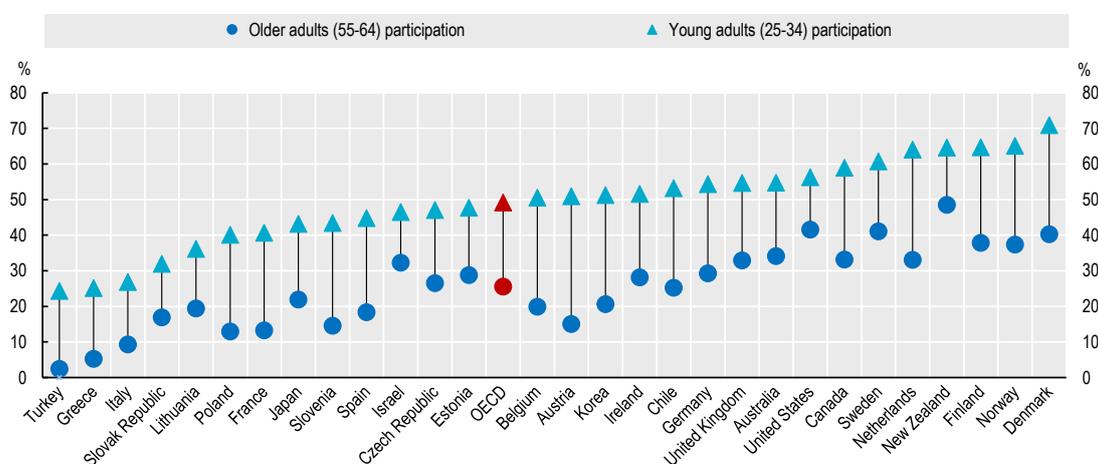
Enhance participation in training by workers throughout their working lives

60. Workers who maintain and upgrade their competencies throughout their working lives fare better in the labour market. However, data from OECD Members shows that older workers receive less training than workers between 25-34 years old (Figure 3.5). In the OECD average, training participation rates of older adults (55-64) are 20 percentage points less than that of young adults (25-34). Typical reasons for not participating in the training are the lack of time for personal or work reasons, inconvenient time or place, and the expensive training cost. There is evidence that training participation rates are particularly low among part-time workers and workers in small and medium-sized enterprises (OECD, 2020^[9]).

61. Policymakers across Adherents are aware of the problem of large gaps in training and the damaging effects that may have on worker's employability and well-being. Various measures have been taken in Adherents to increase training participation rates, including career guidance, financial incentives, and flexible provision of training. Efforts are also being made to make training more relevant to the needs of the labour market by improving digital and basic skills and certifying qualifications, as discussed below.

Figure 3.5. Older adults participate in training far less than younger adults

Share of young adults and older adults in job-related training, 2011/12 or 2014/15



Note: Year 2014/15 for Chile, Greece, Israel, New Zealand, Slovenia and Turkey. OECD is an unweighted average of the countries in the chart.

Source: OECD (2019), "Older adults participate in training far less than younger adults: Share of young adults and older adults in job-related training, 2011/12 or 2014/15", in *Working Better with Age*, Ageing and Employment Policies, OECD Publishing, Paris," <https://doi.org/10.1787/2a12fd8e-en>.

62. Targeted career advice and guidance services can help older adults understand the benefits of learning and make informed decisions about their investment in further skill development. Many Adherents offer personal counselling and guidance to improve workers' incentives to develop better career opportunities. The clearest example is the strategy implemented in the Netherlands, where the *Development Advance programme* provides personal counselling and information on the prospects of the current job, one's own competencies and future career opportunities. This programme has assigned 55 000 counselling processes. Moreover, in Australia, the programme *Skills Checkpoint for Older Workers* helps workers, aged 40 years and over, to access support and guidance in their career through career assessment, one-on-one career guidance with an advisor, recommendations to further skills training to support workers in a current role, a new role, or help to transition to a new career (Box 3.6). Additionally, workers could be eligible to receive a financial contribution towards a training course to support their career development. In Korea, it is mandatory for businesses with more than 1000 employees to provide re-employment support services such as career design or job placement to those at risk of involuntary job change. .

63. Some Adherents are trying to increase the participation rate of training by providing financial incentives or by developing a legal framework to improve access to training. A good example is the *personal training account (CPF)* in France, which consists of accumulated training rights that workers can use throughout their professional life. These can be used to pay for training chosen by employees at training centres or remotely. This programme trained 900 000 private-sector employees from 2015-2018. And, since November 2019, 136 000 workers have been accepted to take part in a training program. In the case of Sweden, *the implemented strategy* raised the eligible age for financial aid for studies (grants and loans) from 56 to 60, and the student financial aid system from 51 to 60. Furthermore, the gradual decrease in the right to student loans will start from the age of 51 instead of 47. In Belgium, the 2017 Law on Workable and Flexible Work makes it possible to organize the right to vocational training by creating an individual vocational training account, with special arrangements for

Small and Medium-sized Enterprises (SMEs) to adopt the new system to the economic realities. In Germany, the federal government passed the *Qualifications Opportunities Act (Qualifizierungschancengesetz, 2018)*, which enables employees whose work is at risk to access training regardless of qualification, age and size of company. For the elderly, up to 100% of the training costs will be covered. In the case of the Czech Republic, the *Strategic Framework for Preparation on the Ageing of Society 2021–2025 (STRAPS)* aims to develop existing methods of lifelong learning, increase the qualification of trainers and implement a campaign to support the motivation of older people and employers to enter the labour market.

Box 3.6. Skills Checkpoint for Older Workers programme – Australia

In 2018, the Australian Government introduced a new programme – the *Skills Checkpoint for older workers* – with the aim to provide older Australians with guidance on, transitioning into new roles within their current industry or pathways to new careers, including options for relevant education and training. When this programme commenced, it targeted 45 to 70 year-old Australians and permanent residents employed but who were at risk becoming unemployed, or recently unemployed individuals who were not registered for assistance through an Australian Government employment services programme. On 1 January 2022, the eligibility for the programme was revised to age 40 years and over, with no upper limit. The programme is directly linked to the Skills and Training Incentive which provides up to AUD 2 200 to co-fund education and training with either the participant or their employer also required to make a co-contribution. The programme is targeted to the needs of the participant and uses customised assessment tools to identify their strengths and interests. If eligible training is identified in their Career Plan, then they are able to access the Skills and Training Incentive to fund eligible training courses.

Between November 2018 and December 2021, 11,630 participants completed the programme.

The programme has continued to gain momentum after a relatively slow start, and on 1 January 2022, the initial annual target of 5,000 places per year was expanded to 10,000 places per year. The number of Skills and Training Incentives was also increased from 3,600 to 7,500 per year. The Skills Checkpoint programme has also had to alter the format of service delivery, pivoting from face-to-face to on-line delivery of services as a result of the COVID-19 pandemic. It was initially anticipated that, given the age of the cohort targeted for this programme, low digital literacy would hinder the uptake of people applying for the programme. However numbers have shown that this has not been the case.

Overall, the Skills Checkpoint programme enables more older workers to access training to upskill or re-skill and remain in, or re-enter, the workforce and encourages lifelong learning. Long term unemployment is identified as a significant challenge for older workers and it is important that greater access to training at all ages, especially for the low skilled and older workers, is provided to help people find and keep jobs. The Skills Checkpoint programme and Skills and Training Incentive provides this support to a vulnerable older Australian cohort.

Source: <https://dese.gov.au/skills-checkpoint-older-workers-program> (department website), <https://skillscheck.com.au>.

64. In addition, an increasing number of Adherents are offering more flexible training to overcome time and place constraints on training participation. For instance, in Ireland, since 2016 increased funding has been provided for shorter, more focused courses that can be offered in a flexible manner and through blended or online learning to allow all citizens to gain skills, without taking a considerable period away from their workplace. This modular provision enhances the delivery of flexible modules in a considered manner that meets the need of the economy and society and increase Ireland's participation in Lifelong Learning. The spread of

COVID-19 has accelerated the need for flexible training including online learning. In Latvia, in 2020, to immediately mitigate the negative effects of the COVID-19 pandemic crisis, additional education programmes in a form of distance learning, first time including study modules or study courses at a university and college, were offered. By the end of 2020, 13 700 persons were involved in the programmes, including 3 500 persons aged over 45 years old.

65. Another important perspective is to ensure a sufficient supply of upskilling and reskilling opportunities in response to the structural changes including digitalisation. Many jobs today require the use of digital tools, and this trend is expected to intensify as technology advances. However, many older adults do not have the necessary digital skills compared to their children, which can make it increasingly difficult for them to remain employed or find a job. According to the OECD Survey of Adult Skills (Programme for the International Assessment of Adult Competencies, PIAAC), on average, one-third of people aged 55 to 65 have no experience with computers or have failed the core Information and Communications Technology (ICT) test. Also only one in ten older adults rated their ability to solve problems in a technology-enabled environment as moderate to high (OECD, 2019^[8]).

66. To cope with this situation, many Adherents are increasing the number of digital-related trainings in which older people can participate. In Australia, Career Transition Assistance (CTA), launched nationwide in 2019, helps jobseekers aged 45 and over develop their ICT skills, along with core digital literacy skills required to work in a variety of workplaces. CTA also aims to improve confidence and soft skills in participants. As of February 2022, 14,085 participants took part in the programme. In the United Kingdom, the government, national and local employers and charities are working together to address the digital skills gaps through the Digital Skills Partnership. Since 2020, low-skilled adults in the United Kingdom have access to fully funded ICT skills programs, in line with maths and English programmes already in place (OECD, 2020^[10]).

67. Some Adherents focus on vulnerable groups, especially those with low skill levels, to provide training in basic skills, or provide training in specific skills to middle-aged and older groups. For instance, Peru designed a programme for people living in poverty to improve their employability through job training, promotion of self-employment and certification of job skills. In the case of Ireland, the programme *Skills to Advance* targeted vulnerable groups in the workforce. The programme focuses on employees with low skill levels who need more opportunities to advance in their working lives to sustain their employment and to avoid displacement or to avail of emerging job opportunities. The programme offers skills training needed by employees and industry, including supporting the development of soft skills and digital skills, responding to the changing nature of jobs and skills, supporting enhanced productivity in Irish SMEs and driving effective regional development (SOLAS, 2018). In Switzerland, the training programme *Simplement mieux!.. au travail* is related to basic skills required in the workplace. The programme is supported by sectoral funds or organisations, and the company implements measures to acquire basic skills for employees. Another clear example is vocational training for the new middle-aged generation in Korea, designed to implement skills development programmes customized to the new middle-aged by running special courses at Korea Polytechnics and offering employment opportunities. Those courses include different topics such as automobile, equipment, smart electricity, among others, and have benefitted 704 trainees in 2020.

68. Recognizing skills through validation and certification brings benefits to not only individuals but also employers and the economy. For individuals, recognition of learning efforts increases motivation and provides steps for further learning. For employers, the recognition of skills allows them to better match employees' skill sets with their jobs, thereby increasing productivity. In this regard, some other Adherents have focused on offering certification of

skills and competencies learned outside the formal education system. For example, in Lithuania, the “Recognition of competencies acquired through non-formal and informal education and self-education” offers certain practical skills and competencies acquired through work, volunteering, non-formal learning, traineeships, and gives a certification through the issuance of a diploma or a certificate of competence. In Portugal, Adult Education and Training courses (EFA) offer basic and secondary levels of certification through modular training following the diagnosis of candidate’s needs and profile. This diagnosis is usually carried out through a process of recognition, validation and certification of competences (RVCC) that allow the identification, recognition, validation and certification of previously acquired competences by adults throughout life in formal, informal and non-formal contexts.

Provide effective employment assistance to jobseekers

69. Recent technological advances, particularly in artificial intelligence, have rapidly expanded the range of tasks that machines can perform. This may put a significant percentage of jobs at risk of automation, and there are concerns that automation will lead to job displacement. Although entirely new tasks may emerge, the OECD estimates that 32% of jobs, on average across the OECD Members, may see a large share of their tasks be automated (OECD, 2019_[11]). While the risk of automation faced by older workers are smaller than young workers in the estimate, older workers face more difficult transitions. When displaced, older and long-tenure workers typically are at the greatest risk of ending up in long-term unemployment or finding jobs that are less well paid than their previous jobs in OECD Adherents.

70. Active labour market programmes (ALMPs) and activation strategies play a key role in connecting older workers into the labour market and in maintaining or restoring their employability. Early and targeted intervention can also prevent the widespread displacement of older workers.

71. In recognition of the diverse circumstances of older jobseekers, some Adherents are making use of individualised action plans and job counselling to improve labour market integration of older unemployed. For example, in Latvia, ALMPs are targeted through a use of a profiling tool for each unemployed. As a result, an individual job search plan is developed taking into account a range of factors including demographic characteristics to enhance self-esteem and motivation to look for a job. In Switzerland, job coaches are heavily involved in the job-search and job placement of jobseekers aged 50 and over and whose re-entry into the labour market is difficult. Moreover, the “*Impulse programme*” provides specific support in particular for older job-seekers aged 50 years and above, who face difficulties reintegrating into the labour market. In Portugal, priority access to a range of employment and training measures is given to socially disadvantaged groups, including the unemployed aged 45 and over. Measures include enhanced opportunities for work placements, support hiring the unemployed and integration into social work. In Lithuania, according to the Law on Employment, jobseekers (including jobseekers 45+) can benefit from labour market services such as career consultations, planning of vocational career and psychological consultations as well as assessment of employment opportunities and employment intermediation.

72. Many Adherents focus their support on the most vulnerable groups such as the long-term unemployed, among whom many are older workers. This type of support typically involves the provision of career guidance consultations and vocational training to improve necessary skills for the unemployed. For instance, in the Slovak Republic, the project *Support for individualized counselling for long-term job-seeker* aims to provide professional counselling and training for long-term job seekers. In Brussels, Belgium, the new contact strategy in the

Flemish Service for Employment and Vocational Training (VDAB) focuses on most vulnerable job seekers and provides services and guidance more tailored to their individual needs. In the Netherlands, the Public Employment Service offers intensified job assistance in order to increase their chances of becoming employed. 90% of the targeted group consists of older workers, and this group was well reached with extra job assistance in the form of extra counselling and/or training. In Spain, The *Plan Reincorpora-t* encompasses a total of 63 measures designed from an integral and systemic perspective to promote their labour integration.

73. There are some Adherents such as Ireland and Korea which have implemented programmes with a view to equip participants with basic work and personal development skills through work placement programmes. In the case of Ireland, the *Work Placement Experience Programme (WPEP)* is a programme developed as a response to the Covid-19 pandemic. It is a labour market initiative which aims to keep people who have been unemployed for six months or more close to the labour market and provide them with quality work experience to increase their employability and increase the likelihood of return to full employment once the placement concludes. Similarly, in Korea the *Act on the Employment Promotion and Livelihood Stabilization Support of Jobseekers* was enacted in June 2020 and the National Employment Support System was enforced from January 1, 2021 to support economic independence of low-income jobseekers through employment support services e.g. vocational training and job experiences.

74. Notwithstanding these positive developments, as highlighted earlier, long-term unemployment among the older unemployed remains stubbornly high, despite some recent declines. Further policy attention is required to drive it down further. Tailored support for older job-seekers, and reducing inequalities in access to training for those facing redundancy will be vital to give best chances of getting this group back to work in the aftermath of the COVID-19 crisis.

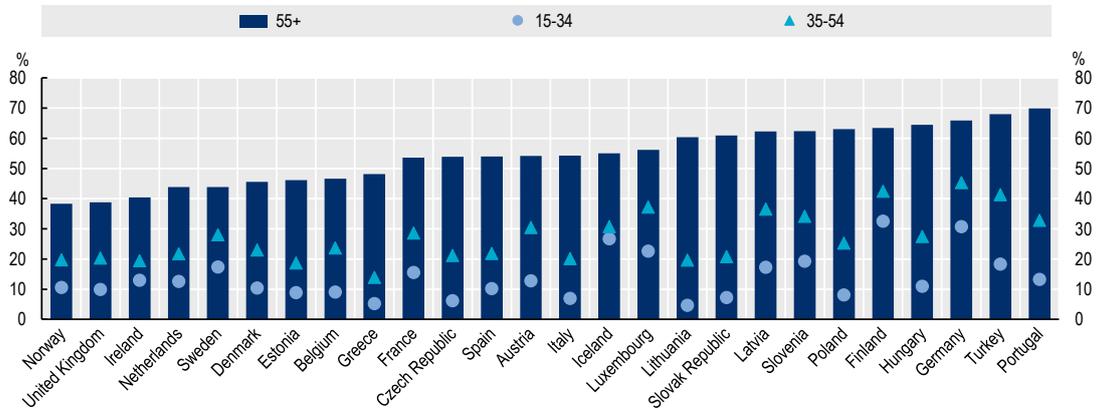
Improve working conditions through a broad-based strategy to enhance job quality for workers at all ages

75. Poor health is a major factor in older workers exiting the labour market before reaching state pension age, and many working people with chronic conditions such as rheumatoid arthritis and multiple sclerosis often consider quitting work altogether for health reasons. According to the European Health Interview Survey, older workers are more likely than younger workers to have multiple long-term conditions (Figure 3.6). Ample evidence also suggests that poor quality work, stressful work, exposure to hazards, strain and physical exertion can exacerbate pre-existing conditions (OECD, 2020^[9]). As such, it is important to focus on chronic disease risk management and guarantee a quality work environment, as many of the working-age population have health conditions that limit their ability to work.

76. In recognition of the benefits of supporting the health and well-being of workers in the workplace, a number good practice examples and initiatives have emerged across the OECD Members.

Figure 3.6. Tackling chronic illnesses will be critical as the workforce ages

Prevalence of persons with a chronic condition by age, European countries, 2014



Note: Comorbidity refers to the self-reported prevalence of at least two chronic diseases among the following: asthma; chronic bronchitis, chronic obstructive pulmonary disease, emphysema; myocardial infarction (heart attack) or chronic consequences of myocardial infarction; coronary heart disease or angina pectoris; high blood pressure (hypertension); stroke (cerebral haemorrhage, cerebral thrombosis) or chronic consequences of stroke; arthrosis (arthritis excluded); low back disorder or other chronic back defect; neck disorder or other chronic neck defect; diabetes; allergy (allergic asthma excluded); cirrhosis of the liver; urinary incontinence; kidney problems; and depression.

Source: OECD (2021), "Tackling chronic illnesses will be critical as the workforce ages: Prevalence of persons with a chronic condition by age, European countries, 2014", in *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, OECD Publishing, Paris, <https://doi.org/10.1787/4e3185d9-en>.

77. Long working hours in particular can deter some older people from working longer and prevent some women, returning from child-rearing breaks, and pursuing longer work careers. Considering the impact of long working hours on health condition, some Adherents have implemented measures to ensure that workers' working hours are properly managed. In Japan, the *Act on the Arrangement of Related Acts to Promote Work Style Reform* was passed i) to allow employees to work according to their personal circumstances and ii) promoting employees health management by making it mandatory to monitor the status of working hours. Other examples were implemented in Ireland, where a code was designed to set out guidance for employees and employers about best practices and approaches to employee disengagement outside normal working hours; and, Korea, where the maximum working hours were limited to 52 hours per week.

78. Early intervention is often the best way of preventing long-term dependence on benefits, particularly among older workers. In this regards, providing access to occupational health services to promote safer workplaces is a good starting point. A number of initiatives have surfaced since the adoption of the Recommendation. For instance, Korea overhauled the Occupational Safety and Health Act in 2019 (effective from January 2020) and provided provisions to prevent industrial accidents in contracting. According to a survey carried out by the Korean Ministry of Employment and Labor in September 2020, 65.6% of respondents pointed that the amended Act had brought positive changes in terms of the management of health and safety in workplaces.

79. In other Adherents, a more comprehensive approach is taken involving a wide range of stakeholders to improve working conditions. In Slovenia, the National Programme of Health and Safety at Work 2018-2027 brings together all stakeholders under the health and safety at work system to foster better and safer workplaces (Box 3.7). In the case of France, the

occupational health plan is structured around three axes: the development of a culture of prevention; improve the quality of life at work; strengthen social dialogue. This focus on occupational health highlights the interest of stakeholders, particularly employers, in investing in the prevention and well-being of their employees and thus ensuring job retention and limiting professional exclusion. The plan aims to equip companies to support active aging of their employees and prevent burnout in order to promote job retention. Last but not least, the *Work Environment Strategy* in Sweden takes into account not only prevention in illness and accidents but also aims to develop good work conditions for men and women through four priority areas: i) sustainable working life: everyone should be able to have the capacity to and want to work a full working life, ii) Healthy working life: working life is to contribute towards development and well-being, iii) Safe working life: no-one is to place their life or health at risk due to their job, and iv) A labour market free from crime and cheating: a poor work environment is never to be a competitive tool.

80. Toolkits and guidance material for companies with a focus on older workers provide a cost-effective way to raise awareness and help employees mitigate the effects of bad working conditions. For instance, in Austria, the website - *Arbeit und Alter* (Age and Work), created by social partners – provides measures and best practices to improve healthy workplaces for all ages. Portugal in partnership with the EU Occupational Safety and Health (OSH) Strategic Framework 2014-2020, launched in campaign in 2016 on ‘Safe and healthy workplaces’ emphasising that safe and healthy working conditions throughout the whole working life are good for workers, businesses and society as a whole. Specifically, the campaign had four objectives: i) promoting sustainable work and healthy ageing from the start of the working life; ii) preventing health problems throughout the working life; iii) providing ways for employers and workers to manage occupational safety and health in the context of an ageing workforce; and iv) encouraging the exchange of information and good practice.

Box 3.7. National Programme of Health and Safety at Work – Slovenia

The purpose of the National Programme of Health and Safety at Work is to join forces and to connect all stakeholders in the system according to their best abilities and in compliance with their mission. This programme creates and maintains a work environment, which preserves workers' health throughout the entire period of their employment, to allow workers to remain in employment for longer and promote individual well-being. A key feature of the programmes is the cooperation between the employer, the safety officer and the occupational health provider to increase the quality of a safe work environment.

The programme developed some reforms in order to accomplish its objective:

- Implementing, monitoring and upgrading programmes promoting physical and mental health in the workplace directed at preventing chronic diseases and maintaining the ability to work
- Establishing mechanisms for early detection and assistance in the event of work-related mental overload
- Establishing mechanisms to assist workers when returning to work after long-term sick leave
- Implementing thematic campaigns directed at promoting a culture of prevention in a working environment
- Introducing health and safety at work and healthy lifestyle in education at all levels and directions
- Promoting the recognition of diversity when ensuring health and safety at work; promotion of providing workplaces for all generations and of intergenerational cooperation
- Raising the awareness of workers working in new forms of work and employment about the basics of health and safety at work

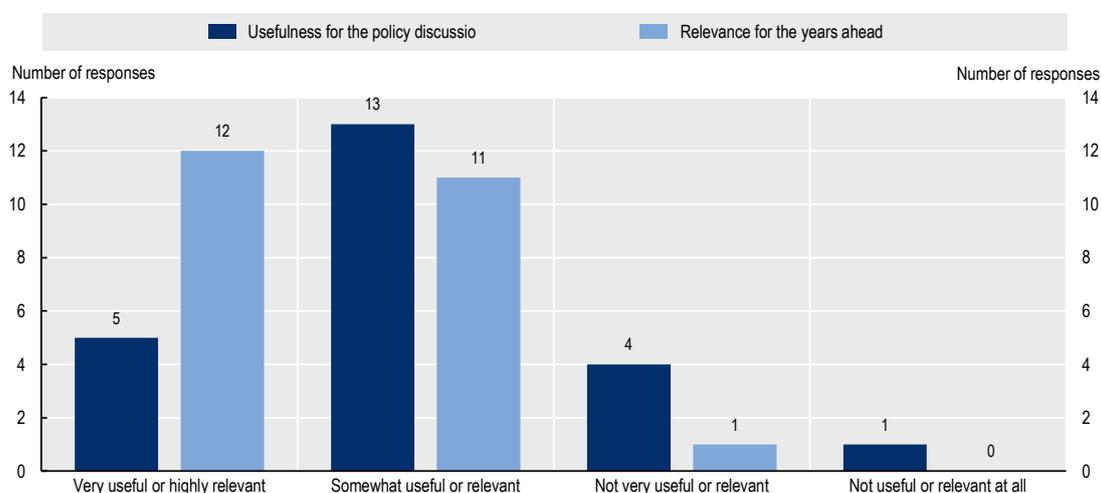
Dissemination of the latest findings on how the working environment is changing and new forms of work and employment. Some relevant outcomes of the model include i) revision of the regulation on preventive medical examination, ii) establishment of a national platform for providing expert support to employers, iii) preparation of practical guidelines to assist workers when returning following sick leave and Preparation and iv) implementation of training programmes for managerial and HR staff for intergenerational cooperation.

3.4. Overall implementation of the Recommendation

The Recommendation is widely considered as useful to inform policy developments

81. In the policy questionnaire, Adherents were asked to consider how useful the Recommendation had been so far in policy discussions and in reforming systems and policies. A majority of the Respondents stated that the Recommendation had so far been 'somewhat useful' or 'very useful' in policy discussions as shown in Figure 3.7. The Recommendation was seen as being even more useful for guiding policy over the years ahead, with the majority of Respondents stating that it would be 'highly relevant' and 'somewhat relevant'.

Figure 3.7. Self-assessed level of usefulness of the Recommendation by Respondents to the policy questionnaire and the relevance of the Recommendation for the years ahead



Note: Of the 29 Respondents to the policy questionnaire, 23 provided a response to the question on the level of usefulness and 24 provided a response to the question on the level of relevance. The distribution shown is based on the self-assessment of the Respondents to the policy questionnaire.

Source: OECD policy questionnaire on the Recommendation of the Council on Ageing and Employment policies (2021).

82. Among the Respondents to the policy questionnaire who responded saying that the Recommendation had been ‘very useful or highly relevant’, they considered that the agenda of elderly workers is a priority to reflect societal changes, and “it is a main challenge in the long term”. Additionally, it was highlighted that supporting the retention of older workers is crucial in the light of employment rate target set in the Action plan for the Implementation of the European Pillar of Social Rights. Several Respondents also emphasised the importance of the Recommendation in the context of the COVID-19 pandemic, in which many older workers lost their jobs, thus, some Respondents found the Recommendation crucial as guidelines of good practices.

83. Some Respondents also mentioned that the Recommendation reflects international agreement on the importance of activating the elderly. Specifically, in the case of Belgium, the Recommendation has been supportive in the reforms developed. Additionally, in Colombia, the Recommendation has been useful in order to give an international context through experiences and mechanisms applied in other Adherents, which serves to direct and guide national public policy. Similarly, in Norway, the Recommendation was used as an international example of best practices and assessments to formulate the national policy. The ongoing collaboration between Lithuania, the OECD and the European Commission to support *Active Ageing* for which the Recommendation is being used as a framework demonstrates the usefulness of the Recommendation as a framework for policy reform. Such country reviews and implementation process can act as a vehicle to translate the Recommendation into concrete policy actions that bridges the apparent gap between the usefulness and relevance of the Recommendation

84. By contrast, some Respondents did not specify why the Recommendation was not useful, while one Respondent mentioned that it was not disseminated across the country. The Secretariat will build on the results of this consultation exercise to reach out to Adherents about

the relevance of the Recommendation and the support that can be offered for supporting reforms that could promote employment at older ages.

4 Dissemination

Dissemination efforts can be enhanced further

85. The Recommendation invites the Secretary-General and Adherents to disseminate it. While a number of dissemination efforts and measures have taken place, there is scope to do more, especially in reaching out to and involving non-governmental stakeholders and employers. Adherents may wish to consider if they would be interested in the Secretariat developing tools to help strengthen the dissemination of the Recommendation.

86. **Dissemination by the OECD:** A primary means of dissemination by the Secretariat has been the preparation of the synthesis report in July 2018 titled *Working Better with Age* (OECD, 2019^[8]), which synthesised main actions and progress in the three areas of the Recommendations as a framework for informing best practices to strengthen incentives to build up longer careers, encourage employers to retain and hire older workers, and promote employability throughout working lives.

87. The Recommendation has also been disseminated through flagship events organised by the OECD. This includes, most notably, the OECD Employment and Labour Ministerial and High-Level Policy Forum held in Paris in January 2016, at which ministers welcomed the Recommendation and recognised the ways in which employment and social policies interact and together will play a major role in improving the employment opportunities for older people (OECD, 2016^[5]). The OECD also prepared a flyer summarising the key messages from the Recommendation, which was distributed to attendees and is available [online](#). The Secretariat will continue to promote the Recommendation through events organised by the OECD.

88. The OECD continues to advance ageing and employment agenda other international fora. Pushing forward the Recommendation also served to establish the common principles to boost employment at older ages, as agreed by G20 Leaders at their summit in Japan in 2019. The OECD contributed to the building up of an agenda on adapting to demographic change.

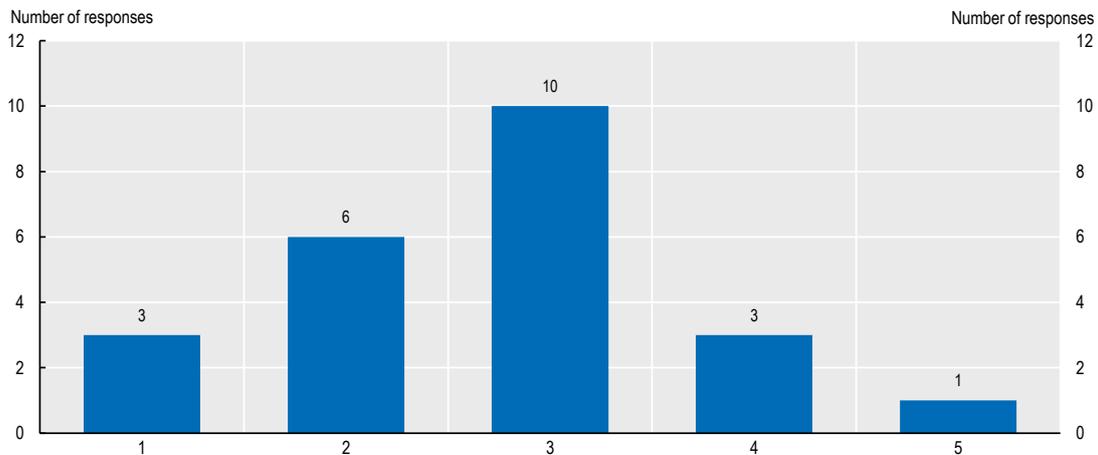
89. The Secretariat has also promoted and disseminated the Recommendation through smaller-scale events such as launch events and has also drawn on the Recommendation in OECD publications on labour market and social policy. Notable publications referring to the Recommendation include *Promoting an Age-inclusive Workplace: Living, Learning and Earning Longer* (OECD, 2020^[9]), *Good Jobs for All in a Changing World of Work: The OECD Jobs Strategy* (OECD, 2018^[12]) and OECD Economic Survey on Japan (OECD, 2019^[13]).

90. **Dissemination by Adherents:** In the policy questionnaire, Adherents were asked to note how widely the Recommendation has been disseminated in their country on a scale of 1 to 5, with a rating of '5' meaning that the government considers all relevant administration units, stakeholders and the public in general have been informed about the Recommendation. The results point to substantial variation across Respondents to the policy questionnaire in the degree of dissemination efforts as shown in Figure 4.1. Only four Respondents (3 and 1) responded with a score of '4' or '5', with the average score across all Respondents being 2.7.

91. In the case of the level of awareness of the Recommendation for stakeholders, Respondents found that policy makers and government agencies have a high and medium level of awareness, meanwhile non-government sector, research and employer representatives present mainly low and medium. Also, Respondents said that the Recommendation is in line with the national priorities, thus, it is necessary to increase further dissemination among stakeholders to understand their role in the implementation of the Recommendations.

Figure 4.1. Self-assessed level of dissemination of the Recommendation by Respondents to the follow-up questionnaire

Scale of 1 to 5, with a score of '5' meaning that all relevant administration units, stakeholders and the public in general have been informed about the Recommendation



Note: Of the 29 Respondents to the policy questionnaire, 7 provided no response to the question on the level of dissemination and 1 country provided an ambiguous answer. The distribution shown is based on the self-assessment of the remaining 23 Respondents to the policy questionnaire.

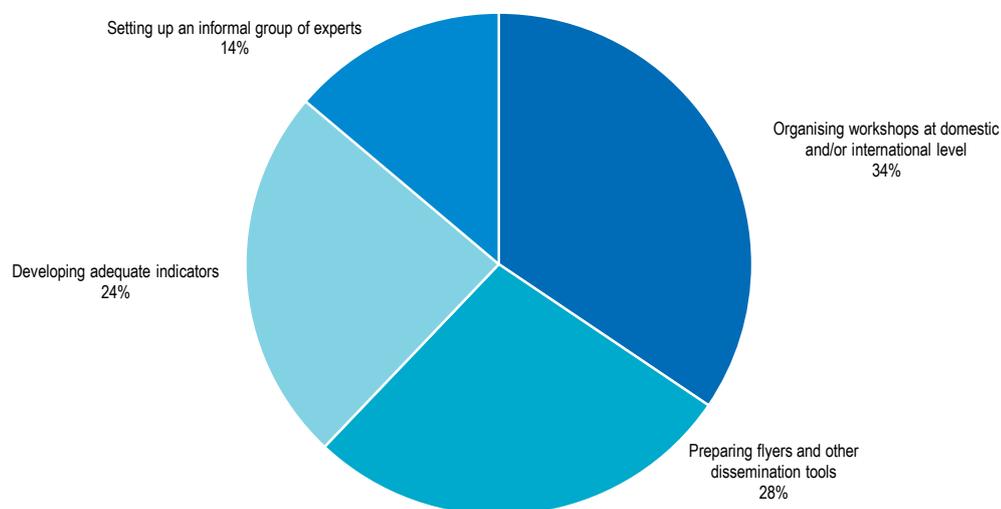
Source: OECD policy questionnaire on the Recommendation of the Council on Ageing and Employment policies (2021).

92. The Recommendation is available in both English and French, and in the case of Respondents for which these languages are not one of the official languages, only two Respondents (Peru and Lithuania) said that a translation of the Recommendation had been made available. Further translations of the Recommendation may help promote its use at the working level. The Secretariat will therefore explore taking measures to facilitate translation of the Recommendation into other unofficial languages by encouraging Adherents to translate it or by seeking the support of third parties and include these unofficial translations on the webpage of the Recommendation on the [online Compendium of OECD Legal Instruments](#).

Developing tools to strengthen dissemination and use of the Recommendation

93. In the policy questionnaire, Adherents were asked whether they would like to see the monitoring process of the Recommendation continue and the majority answered 'Yes' and 'Yes but with changes' (13 and 3). The Respondents would like to see the OECD take measures moving forward, to strengthen the dissemination of the Recommendation and to support Adherents in implementing the Recommendation, Adherents choose from a number of measures. Noting that in some cases Respondents chose more than one proposed measure, the results are presented in Figure 4.2.

Figure 4.2. Self-assessed of tools to strengthen dissemination by Respondents to the follow-up questionnaire



Note: Of the 29 Respondents to the policy questionnaire, 24 provided a response to the question on the monitoring process continue. The distribution shown is based on the self-assessment of the remaining 29 options chosen by Respondents to the policy questionnaire.

Source: OECD policy questionnaire on the Recommendation of the Council on Ageing and Employment Policies (2021).

94. The Secretariat will consider whether such activities may be feasible to support the dissemination and implementation of the Recommendation going forward. Workshops, at national or international level, could help support Adherents in implementing and disseminating the Recommendation, and a number of Adherents have provided additional written comments expressing their interest in participating in such workshops to help promote peer learning between Adherents and to tailor the implementation of the Recommendation to specific national circumstances. A small share (14%) of Respondents also indicate the interest of Adherents in the establishment of a group of experts, and thus the Secretariat will consider whether this is feasible, and if so, how such a group of experts could be implemented in practice without duplicating the functions of existing expert and working groups.

95. The Secretariat will also consider developing additional flyers to build on the existing flyer prepared in 2018, which provided an overview of the Recommendation. Based, on the policy questionnaire, the Secretariat can also consider updating the online repository of best practices to promote employment at older ages and to reduce the consequences of the COVID-19 crisis on this group.

5 Summary and conclusions

96. More than six years after the adoption of the Recommendation, this Report highlights the main trends and developments across Adherents with respect to their implementation of its provisions. The Report underscores a selection of good practices and measures developed by Adherents, as well as challenges that they still face in fostering better employment opportunities at older ages.

Implementation

97. Several key messages have surfaced from this process. These include:

- The Recommendation has gained international recognition as a relevant policy standard. Adherents are prioritising policies that enhance incentives to work at older ages, improve hiring and retention of older workers and improve their employability through better skills and promoting a healthy working life.
- Since the adoption of the Recommendation, employment among older worker rose in nearly all Adherents. Employment among this group also proved to be quite resilient in the face of the sharp economic contraction that occurred in 2020 as a result of the COVID-19 pandemic. Nevertheless, and in virtually all Adherents the effective age at which people exit the labour market is still lower today than it was 30 years ago, despite higher remaining years of life. In addition, the COVID-19 outbreak has triggered a labour market crisis which risks reversing the progress which has been made in recent years.
- Much of the policy focus to deliver longer working lives has been in the first of the three areas of the Recommendation, namely on reforming old-age pensions, restricting early retirement schemes and other passive benefits, and raising retirement ages. Yet, many Adherents continue to struggle with early withdrawal from the labour market and there is a greater need to tackle barriers that lie outside of pensions systems. In the wake of the COVID-19 crisis, and the stubbornly high share of long-term unemployment among older workers, it is particularly crucial to addressing demand-side barriers in order to promote the hiring, retention and mobility of older workers.
- Adherents have made much progress to boost labour demand of older workers by tackling age discriminatory attitudes, and moving away from seniority-based practices for setting wages and age-based hiring and dismissal rules. However, Adherents should build on recent progress to hire and retain older workers which could also help ease some of the labour and skill shortages that have emerged in many countries during the recovery from the COVID-19 crisis. In particular, there is urgency to take further action on providing guidance and tools to employers to manage an age-diverse workforce in an efficient way that allows all workers to stay longer in employment and maintain or increase their productivity.
- Effectively extending working lives also requires addressing concerns about the lack of employment opportunities for older workers, so that later retirement age does not mean

longer unemployment spells for older people, especially the lower-skilled. To this end, many Adherents are investing in training programmes and providing targeted job-search and placement support to older workers. However, as a result of COVID-19 together with mega trends such as globalisation, climate change and technological adoption workers may increasingly involve having to seek new opportunities and switching careers at middle and older ages. Therefore early intervention and supporting mid-to-older workers who no longer wish to or who are no longer able to continue working in their primary career, make a successful transition to a new job should be given a policy priority.

- If people are to extend working lives, they must have better access to effective skills development throughout their life to enable them to upskill and reskill to changing labour market needs. To this end, Adherents are increasingly focused on initiatives to prevent skills obsolescence; improve their digital readiness and recognising and validating skills acquired through experience. However, more efforts are needed to evaluate the effectiveness of these measures. Addressing disparities in digital skills gaps would also be necessary to ensure that post-pandemic recovery is accessible to older workers who do not have the skills or ability to work remotely.
- Supporting the health and well-being of workers is a key determinant for supporting workers to stay in work. Many Adherents are making progress in improving job quality at all ages through greater use of occupational health; better enforcing safety-at-work and promoting well-being at work.
- Overall, the immediate employment and skills response to the pandemic has focussed on younger workers. While there are good reasons for this, older workers face distinctive and significant challenges. Maintaining high levels of employment at older ages and encouraging greater participation among older workers in Adherents that lag behind will therefore require persistent action in each of the three policy pillars of the Recommendation and ensuring that public policies and employer practices are designed with an eye-towards an age-inclusive workforce.

Dissemination

98. The Secretariat and Adherents have actively disseminated the Recommendation in various fora. Continuing to raise awareness of the Recommendation nationally and internationally is considered very important.

99. Nevertheless, more could be done by Adherents to actively disseminate the Recommendation in the non-governmental sector and among employer representatives where level of awareness seems to be the lowest. Such efforts by Adherents will be instrumental to help them to respond to emerging risks and opportunities associated with higher life expectancy and demographic change.

Continued relevance

100. While the Respondents consider that no further revision of the Recommendation would seem warranted at this point, several areas for possible further action have been identified. Adherents should consider:

- Using the Recommendation as an ongoing benchmark to assess progress in developing an age-friendly policy agenda.

- Improving the dissemination of the Recommendation to all relevant stakeholders, and especially employers and social partners, including by producing translations in their domestic language and increasing the visibility of the Recommendation on their domestic platforms.

101. Undergoing country reviews of key policies to promote longer working lives, tailored to the needs of the Adherent, which would use the Recommendation as a benchmark. To support Adherents' efforts, subject to available resources, it is proposed to:

- Develop an online repository tool of good practice examples that may support Adherents in the implementation or dissemination of the Recommendation.
- Strengthen dissemination efforts including through flyers that are shared with non-Adherents and relevant stakeholders, and especially non-governmental organisations.
- Organise workshops on a number of issues covered in the Recommendation, at national or international level, to share good practices and facilitate its implementation (interested Adherents could volunteer to host such events).

102. The ELSAC should continue to support the implementation of the Recommendation and report back to Council in another five year cycle on its implementation, dissemination and continued relevance.

References

- AARP (2020), *Caregiving*. [16]
- AARP (2018), *Age Discrimination By Employers Is Common*, [4]
<https://www.forbes.com/sites/nextavenue/2018/08/12/age-discrimination-by-employers-is-common-aarp-survey-says/#5967a1f82cc5> (accessed on 28 October 2019).
- Frimmel, W. (2015), *Seniority Wages and the Role of Firms in Retirement*. [18]
- Frimmel, W. et al. (2015), “A Service of zbw Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre for Economics Seniority Wages and the Role of Firms in Retirement”, [5]
<http://hdl.handle.net/10419/114065www.econstor.eu> (accessed on 29 March 2022).
- Nedelkoska, L. and G. Quintini (2018), “Automation, skills use and training”, *OECD Social, Employment and Migration Working Papers*, No. 202, OECD Publishing, Paris, [21]
<https://dx.doi.org/10.1787/2e2f4eea-en>.
- OECD (2021), *Creating Responsive Adult Learning Opportunities in Japan, Getting Skills Right*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/cfe1ccd2-en>. [20]
- OECD (2020), *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, [3]
<https://doi.org/10.1787/59752153-en>.
- OECD (2020), *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, [9]
 OECD Publishing, Paris, <https://doi.org/10.1787/59752153-en>.
- OECD (2020), *Raising the Basic Skills of Workers in England, United Kingdom*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/4ff42de8-en>. [10]
- OECD (2019), *OECD Economic Surveys: Japan 2019*, OECD Publishing, Paris, [13]
<https://doi.org/10.1787/fd63f374-en>.
- OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, <https://doi.org/10.1787/9ee00155-en>. [11]
- OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9ee00155-en>. [22]
- OECD (2019), *OECD Employment Outlook 2019: The Future of Work*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9ee00155-en>. [24]

- OECD (2019), *Pensions at a Glance*, <https://www.oecd-ilibrary.org/docserver/b6d3dcfc-en.pdf?expires=1631027607&id=id&accname=guest&checksum=2FC312F283DD83E9F819E03ADCF0833B> (accessed on 17 September 2021). [1]
- OECD (2019), *Working Better with Age*, Ageing and Employment Policies, OECD Publishing, Paris, <https://doi.org/10.1787/c4d4f66a-en>. [8]
- OECD (2019), *Working Better with Age*, Ageing and Employment Policies, OECD Publishing, Paris, <https://dx.doi.org/10.1787/c4d4f66a-en>. [2]
- OECD (2018), *Good Jobs for All in a Changing World of Work: The OECD Jobs Strategy*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264308817-en>. [12]
- OECD (2018), *Working Better with Age: Japan*. [17]
- OECD (2018), *Working Better with Age: Korea*, Ageing and Employment Policies, OECD Publishing, Paris, <https://doi.org/10.1787/9789264208261-en>. [6]
- OECD (2017), *Preventing Ageing Unequally*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264279087-en>. [19]
- OECD (2016), *Ministerial Statement: Building More Resilient and Inclusive Labour Markets, OECD Labour and Employment Ministerial Meeting*, <https://www.oecd.org/employment/ministerial/labour-ministerial-statement-2016.pdf>. [14]
- OECD (2015), *Fit Mind, Fit Job: From Evidence to Practice in Mental Health and Work*, Mental Health and Work, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264228283-en>. [23]
- OECD/European Union (2018), *Health at a Glance: Europe 2018: State of Health in the EU Cycle*, OECD Publishing, Paris/European Union, Brussels, https://dx.doi.org/10.1787/health_glance_eur-2018-en. [15]
- OECD/European Union (2015), *The Missing Entrepreneurs 2015: Policies for Self-employment and Entrepreneurship*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264226418-en>. [7]