

# 3 Overcoming barriers to mobility

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Various factors on both the employer and worker side, as well as public policies and regulations, impede an older workers' ability to transition fluidly between jobs. Country-level differences in mobility suggest that institutional policies are partly responsible for supporting or hindering career mobility. This chapter examines some of the barriers that older workers face when transitioning between jobs and explores government-led policy interventions that can facilitate career progression throughout the career lifecycle.

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## Key messages

**As workers age, circumstances such as health problems and informal caregiving responsibilities can create barriers that make changing jobs more challenging.** Facilitating mid-career mobility calls for a life-course perspective, and for innovative government-led and employer-led policies that help people to build their competencies and capabilities and remain healthy and active throughout their lives.

- According to a recent Generation/OECD survey, age discrimination (44%), location (33%), and scarce job opportunities (22%) are the most common barriers reported by workers aged 45-65 who have changed jobs.

**Older workers who lack recent job search experience, familiarity with relevant technologies, or knowledge of existing opportunities** need additional support to identify job opportunities that match their skills and requirements. Promoting individualised career counselling and expanding access to training programmes can equip older workers with skills and confidence to change jobs.

- The 2022 AARP Global Employee Survey found that around 20% of workers aged 45 and above report that “information on the type of jobs they would enjoy” or “assessment of their skills and competences” would be helpful when making a job change.
- Redistributing costs (e.g. co-contribution schemes) and expanding access to training (e.g. apprenticeships) can help overcome prohibitive cost barriers which prevent 34% of workers aged 45 and above from participating in training.

**High-skilled workers are increasingly reliant on personal and social networks**, but 13% of older workers who changed jobs or want to change jobs report that they needed help breaking into the job they want. Local and national governments can create public spaces (e.g. green spaces, group career counselling) where workers can expand their networks.

**Many older workers wish to move locations to change jobs or careers** but face personal, financial, and institutional barriers to do so. Governments can reduce transaction costs associated with job-related relocation in the form of subsidies or reforms to housing taxes that induce lock-in effects.

**In some cases, government policies such as employment protection and occupational licenses have detrimental effects on job mobility.** Policy reform is necessary to achieve the initial aim of the policy without imposing costs or disincentives that inhibit workers from seeking work and employers from hiring new employees.

**Quantitative analysis of structural and policy factors influencing workers’ job mobility** in 27 OECD countries finds that investing in active labour market policies, such as training, has significant positive effects on mobility for mid-career and older workers.

### 3.1. Barriers to job mobility for mid-career and older workers

As highlighted in Chapter 2, there are several opportunities associated with voluntary job changes and costs associated with involuntary changes. However, a number of factors on both the employer and worker side, as well as public policies and regulations, can impede labour market fluidity and, in particular, the free movement of mid-career and older workers from less productive to more productive roles, firms and sectors (Figure 3.1). These inter-related barriers can reinforce each other, thus requiring multi-dimensional approach involving both governments and employers.

Employer- and government-level interventions are necessary to *lower* barriers to mobility, as well as *enable* proactive job mobility for workers whose needs change as they age. This chapter examines the most pressing roadblocks that mid-career and older workers face when transitioning between jobs and offers evidence-based remedies<sup>1</sup> and policy examples that facilitate career mobility (Figure 3.1).<sup>2</sup> Most policy recommendations are designed to facilitate mobility for workers of all ages and skill levels. There are, however, some specific interventions that are particularly beneficial for certain groups, such as those facilitating mobility out of arduous and hazardous jobs. The discussion on barriers and solutions extends to Chapter 4, where employer-level factors, such as age discrimination, are examined.

**Figure 3.1. Barriers at all levels impede career changes for older workers**

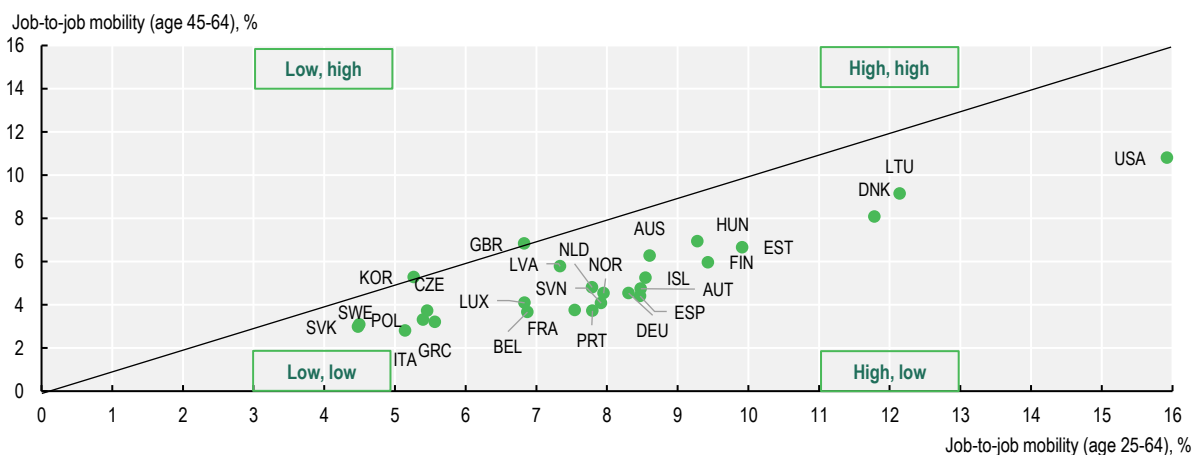


### 3.1.1. Addressing barriers to mobility requires a multi-dimensional approach

#### *Country-level differences in mobility at later career stages*


Country-specific factors, such as public policies, labour market institutions and culture, have a strong impact on career mobility at all ages. Countries can be broadly classified between those with high and low labour market dynamism, depending on the overall job-to-job mobility observed (among those aged 25-64). They can also be classified into high and low labour market dynamism at mid-career, depending on the job-to-job mobility rates of workers aged 45-64. Most OECD countries that have high overall labour market dynamism also have high mid-career labour market dynamism, and the inverse (Figure 3.2). Yet, in almost all countries, aside from Korea and the United Kingdom, mid-career dynamism lags behind the broad age group. Notably, Spain, Germany and Austria are relatively dynamic countries, on average, but mid-career dynamism remains low compared to other countries within its cluster. In the presence of variation across countries, there is no reason to think that the rate of job change should settle at any particular value as workers age. This result underscores the importance of country-specific policies and institutions, which can facilitate or hinder career mobility at all ages.

**Figure 3.2. Job mobility trends over working lives reveal large cross-country differences**



Note: Data refer to year 2020 and to 2019 for the United Kingdom. “Low, High” refers to low mobility among 25-64 year-olds and high mobility among those aged 45-64. “High, High” refers to high mobility in both age groups. “Low, Low” refers to low mobility in both age groups. “High, low” refers to high mobility among those aged 25-64 and low mobility among those aged 45-64.

Source: OECD calculations based on the European Union Labour Force Survey (EU-LFS) and the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Korean Labor and Income Panel Study (KLIPS) and Job-to-Job Flows database, US Census Bureau.

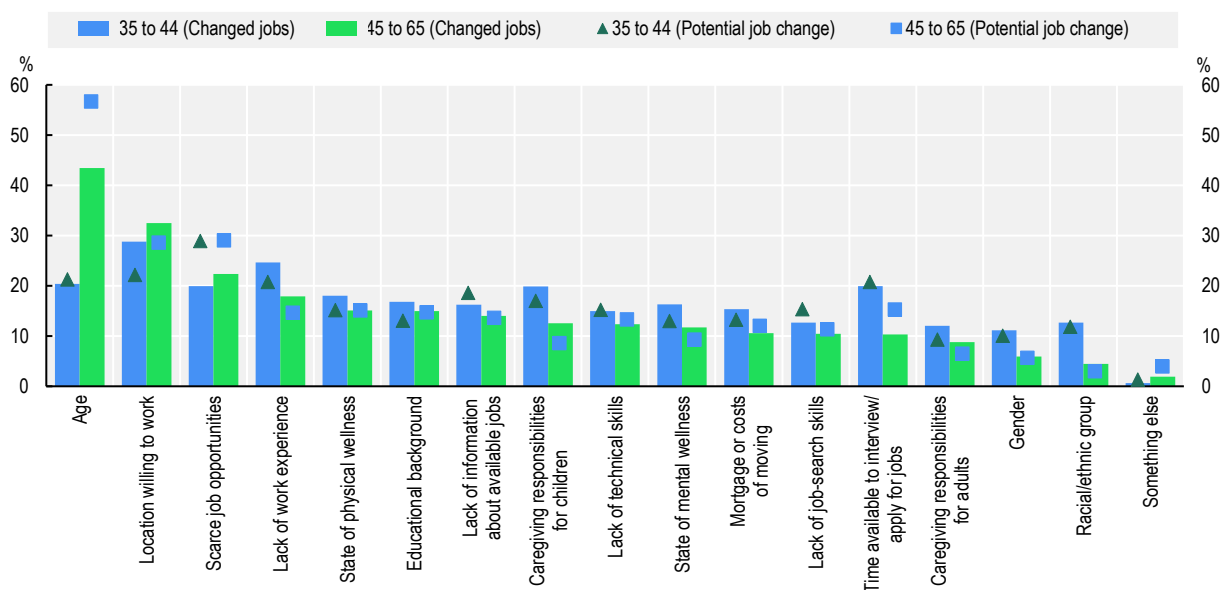
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Nevertheless, higher levels of mobility are not inherently beneficial. Chapter 2 highlighted that job churning between low-skill occupations is pervasive among older workers in OECD countries. For this reason, country-level interventions should target mobility that results in improved outcomes for workers, employers and society.

Personal barriers and circumstances also play a key role in determining career changes. As workers age, developments in workers’ personal and professional lives raise new challenges for mobility compared to younger workers. Health conditions and informal caregiving responsibilities can limit the available employment opportunities for older workers who require more flexibility. The difficulty finding suitable work that meets older workers’ needs can be compounded by skill and information gaps, discriminatory hiring practices, and poorly targeted government policies. In a recent survey of workers who have recently switched jobs, employed individuals looking to switch jobs and unemployed individuals in eight countries shows that workers of all ages cite age discrimination,<sup>3</sup> their location and scarce job opportunities as the most common structural barriers when changing jobs (Figure 3.3) (OECD/Generation: You Employed, Inc., 2023<sub>[1]</sub>). Moreover, workers aged 45-65 were more likely to report caregiving (12% vs. 9%), mortgage repayment (15% vs. 11%) as key obstacles when finding a new job compared to workers aged 35-44. Facilitating mid-career mobility calls for a life-course perspective, and for policies that help people to build their competencies and capabilities and remain healthy and active throughout their lives, including when they are older. It is, therefore, necessary to employ a multi-dimensional approach involving workers, employers, and institutions to expand job opportunities and improve employability at all career stages so that they can transition between jobs more fluidly.

**Figure 3.3. Age and location are the most common barriers to mobility for older workers**

Workers who responded “strongly agree” to “What of the following structural barriers do you strongly agree limit(ed) your ability to find a job?”



Note: Responses were taken from an online survey conducted in February/March 2023 of employed respondents (aged 35-65) and unemployed respondents (aged 18-65). Data show the unweighted average of the eight participating countries (Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom, the United States). Respondents who will potentially change jobs ( $n = 1\,776$ ) or have changed jobs ( $n = 2\,108$ ). Source: (OECD/Generation: You Employed, Inc., 2023<sup>[11]</sup>), *The Midcareer Opportunity: Meeting the Challenges of an Ageing Workforce*, <https://doi.org/10.1787/ed91b0c7-en>.

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## 3.2. Overcoming mobility barriers on the worker side

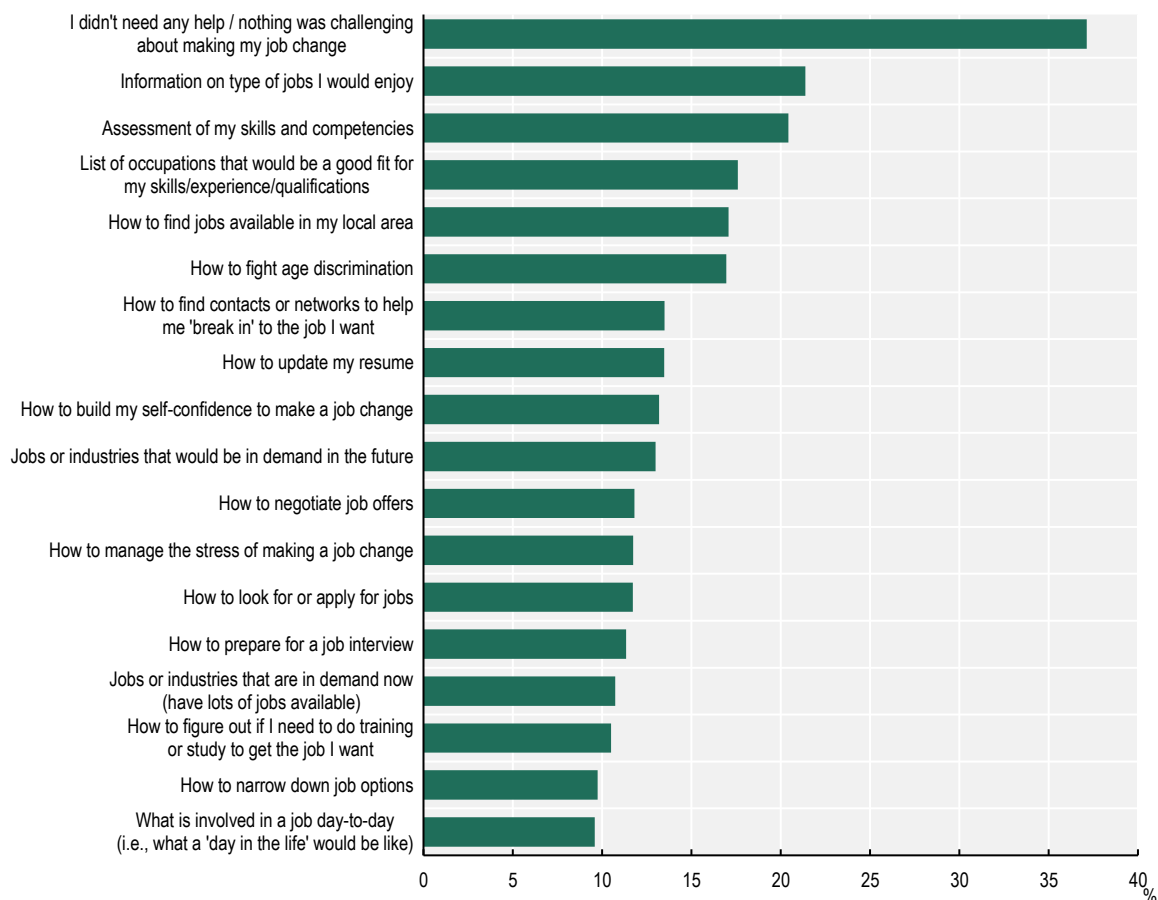
Some of the most pressing barriers that older workers face are barriers relating to employability (e.g. information and skills gaps) and financial burdens that raise the opportunity cost of changing job at later stages of their careers. This section examines the prevalence of these barriers and offers country-level policy recommendations that have been shown to stimulate job mobility.

### 3.2.1. Older workers are in need of information about job opportunities

Older and long-tenured workers who lack recent job search experience, familiarity with relevant technologies, or knowledge of existing opportunities that match their skillset often struggle to identify roles to apply to. Despite a history of stable employment and strong labour force attachment, some older workers may be at a disadvantage due to the increasing use of online platforms used for recruitment and job applications. Even workers with advanced digital skills or job search skills may find it difficult to identify job opportunities that suit their evolving interests and skillsets after working for a single employer over an extended period. The 2022 AARP Global Employee Survey found that around 20% of workers aged 45 and above report that “information on the type of jobs they would enjoy” or “assessment of their skills and competences” would be helpful when making a job change (Figure 3.4). A significant minority of workers reported needing a list of occupations that would be a good fit and help finding jobs in their local area. The survey results suggest that government and employer-led career counselling can help older workers identify how to apply their transferable skills to new roles.

### Figure 3.4. Mid-career workers need information on jobs that suit their skills and competences

Share of workers (45+) who recently made a job change, expect to make a job change or are looking for work who responded yes to “Was there anything that you needed help with, or information that would have been helpful when making your job change?”



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Respondents aged 45 and over ( $n = 3\ 726$ ).

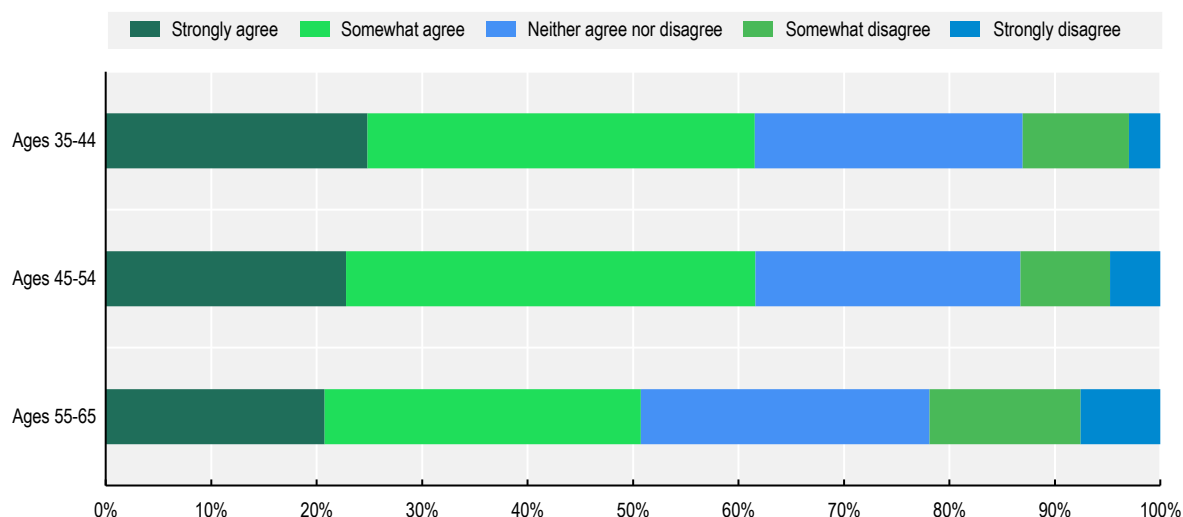
Source: AARP Global Employee Survey (2022).

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For many older workers with less-than-ideal working conditions, changing occupations can seem so daunting that some do not begin their job search at all. Lack of confidence in job search skills and fear of discrimination are two factors known to discourage older workers from searching for work (Abraham and Houseman, 2008<sub>[2]</sub>). Evidence suggests that older jobseekers become less confident in their ability to find a new job as they age (Figure 3.5), and the 2022 AARP Global Employee Survey found that as many as 13% of workers aged 45 and over need information on how to build self-confidence (Figure 3.4). Confidence sets the tone for workers' success in the job market, as evidence suggests that confident job seekers benefit from higher wages and improved working conditions (Slaughter, Cable and Turban, 2014<sub>[3]</sub>). Overcoming lack of confidence is, therefore, critical for career progression into high-quality jobs.

### Figure 3.5. Workers lose confidence in their ability to find work with age

Share of unemployed or employed job seekers who are confident they will get a new job, who reacted to “I am confident I will get a new job”, by age



Note: Responses were taken from an online survey conducted in February/March 2023 of employed respondents (aged 35-65) and unemployed respondents (aged 18-65). Data show the unweighted average of the eight participating countries (Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom, the United States). Respondents who will potentially change jobs (n = 1 776) or have changed jobs (n = 2 108). Source: (OECD/Generation: You Employed, Inc., 2023<sup>[1]</sup>), *The Midcareer Opportunity: Meeting the Challenges of an Ageing Workforce*, <https://doi.org/10.1787/ed91b0c7-en>.

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Age-targeted career advice and guidance services can help older workers build confidence and bridge information gaps. Several countries (e.g. Czechia, the United States) offer programmes to help workers make informed decisions about career opportunities and further investment in skill development (OECD, 2019<sup>[4]</sup>). Tailoring career counselling services to the individual, rather than their age-group, accounts for the heterogenous circumstances of older jobseekers. A limitation to such programmes, however, is that they are often operated by public employment services that cater only to unemployed or inactive job seekers. To compensate for this, governments can provide subsidies to employers and sectors to offer mid-career review or career counselling for employed individuals seeking a different role within or across firms (e.g. the Netherlands) or target similar services at employed job seekers (e.g. Switzerland) (Box 3.1).

### Box 3.1. Career advice and guidance services for employed older workers

- The Dutch Programme for **Sustainable Employability and Early Retirement (MDIEU)** introduced in 2021 offers subsidies for investments in the employability of workers, with particular attention to older workers. Employers, sectors, and individual organisations can apply to fund sector-specific activities, such as supporting older job seekers with career counselling and coaching, developing digital skills passports, setting up online job search platforms, and visualising career paths. Two years into the programme, MDIEU has funded sectoral projects representing approximately 40 to 45% of all workers in the Netherlands.
- In Switzerland, **Viamia** offers one-on-one career counselling for employed workers aged 40 and over. Advisors in each canton of residence examine workers' professional situation, identify development opportunities that suit their skillset, and set concrete steps to achieving their career goals. Viamia addresses the information gaps highlighted in the AARP Global Employee Survey such as knowledge and skill assessments. Since January 2022, Viamia's services have been in high demand among participants wishing to improve job satisfaction.

### 3.2.2. Forming broad personal networks expands opportunities for career mobility

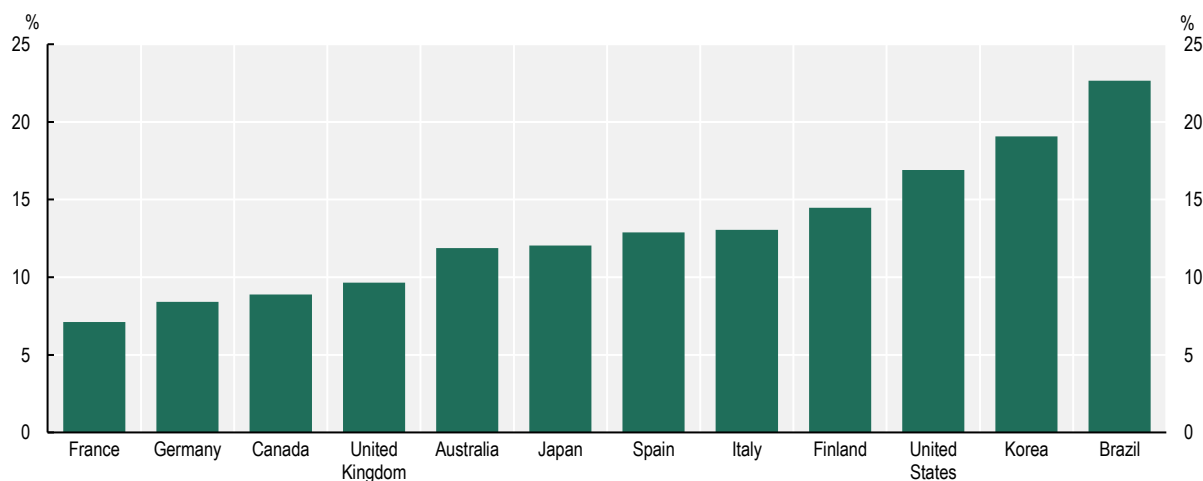
Social or personal networks (e.g. work contacts, friends and relatives) are key determinants influencing workers' awareness of job opportunities, institutional knowledge, and job referrals that make career mobility possible. These social networks commonly act as a springboard for facilitating school-to-work transitions (Özer and Perc, 2021<sup>[5]</sup>). Yet, the importance of forming broad social networks is not limited to workers' first jobs after graduation. Employers prefer to hire by referral because the process reduces risk of moral hazard, which in turn, contributes to lower turnover and higher productivity (Afridi and Dhillon, 2022<sup>[6]</sup>; Hoffman, 2017<sup>[7]</sup>). Evidence suggests that employers often rely on social contacts when recruiting workers at all levels, specifically those in management and professional occupations (Granovetter, 1983<sup>[8]</sup>; Özer and Perc, 2021<sup>[5]</sup>). Workers with low occupational prestige, in particular, can leverage strong ties within their networks to make upward occupational transitions (Wegener, 1991<sup>[9]</sup>).

Many older workers across OECD countries lack these important informal ties, thereby undermining their opportunities to change careers. The 2022 AARP Global Employee Survey uncovered that 13% of workers aged 45 and above who changed jobs or expect to change jobs reported that they needed help finding contacts or networks to help "break in" to the job that they desired (Figure 3.4). There was variation across countries with workers in France (7%), Germany (8%) and Canada (9%) among the least likely to need help building their networks (Figure 3.6). Workers in the United States (17%), Korea (19%) and Brazil (23%), on the other hand, were among the most likely. Cross-country differences may be explained in part by differences in the size of social networks. Research on personal networks across Europe suggests that adults aged 50 and above have larger personal networks in Western European countries than Eastern and Southern European countries (Tomini, Tomini and Groot, 2016<sup>[10]</sup>). Results from *OECD How's Life 2020* show that adults aged 50 and above in Korea were the least likely to report that they have social support across OECD countries (OECD, 2020<sup>[11]</sup>).



### Figure 3.6. Older workers need support to build their social networks

Share of workers (45+) who recently made a job change, expect to make a job change or are looking for work who reported that they need(ed) help with “How to find contacts or networks to help me break into the job I want”



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over in the 12 participating countries shown. Respondents aged 45 and over (n = 3 726).

Source: AARP Global Employee Survey (2022).

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The aftermath of the COVID-19 pandemic and rise of pervasive technologies has provoked concerns about their consequences for social networks and social participation. Wide social networks have been associated with overall satisfaction and well-being among older individuals (Tomini, Tomini and Groot, 2016<sup>[10]</sup>). Yet, perceived social support declines with age, on average, across OECD countries (OECD, 2020<sup>[11]</sup>). Creating opportunities for network-building and interaction is crucial to form relationships that enable knowledge sharing inside and outside the job market. Federal and local governments can strengthen social infrastructure by designing urban and suburban spaces that promote social connection among older community members. Social infrastructure encompasses programmes (e.g. member associations), policies (e.g. public transportation, and group career counselling), and physical spaces (e.g. parks and green spaces) (Office of the Surgeon General, 2023<sup>[12]</sup>). Mentorship programmes and networking events are two additional ways in which public employment services can help older workers expand their networks and promote intergenerational knowledge transfers.

#### 3.2.3. Re-skilling and up-skilling enables career mobility for older workers

For both employed and displaced workers, a common obstacle to mobility is lack of transferable or specific skills that are needed in growing industries mentioned in Chapter 1 (OECD, 2019<sup>[4]</sup>). For instance, workers displaced in “brown” sectors, the steel industry or in heavy engineering may face great difficulty in moving to new technology firms. Lower levels of digital readiness and low participation in adult learning among older individuals is particularly concerning as it can hinder their ability to benefit from the growth in sectors that are urgently looking for additional staff (OECD, 2019<sup>[4]</sup>; OECD, 2019<sup>[13]</sup>). These concerns are exacerbated by advancements in artificial intelligence (AI), which has the potential to redefine task composition for workers in higher- and lower-skilled occupations alike (Lane, Williams and Broecke, 2023<sup>[14]</sup>) (Box 3.2).

### Box 3.2. Advancing digital skills to enable career progression in the age of AI

The 2022 OECD Surveys on “The Impact of AI on the Workplace” uncovered that employers suspect that older and low-skilled workers are most likely to face more harm from artificial intelligence (AI). On the other hand, the worker survey found that older workers were among the least likely to worry that AI will replace their jobs (Lane, Williams and Broecke, 2023<sup>[14]</sup>). The dissonance between employers and workers illustrates how ambiguous the impact of AI on older workers is. Since AI is not a single uniform technology, each tool affects labour market inclusiveness differently, depending on the type of AI, how it is deployed, and on contextual factors, such as employer-led policies and institutions (Lane and Williams, 2023<sup>[15]</sup>).

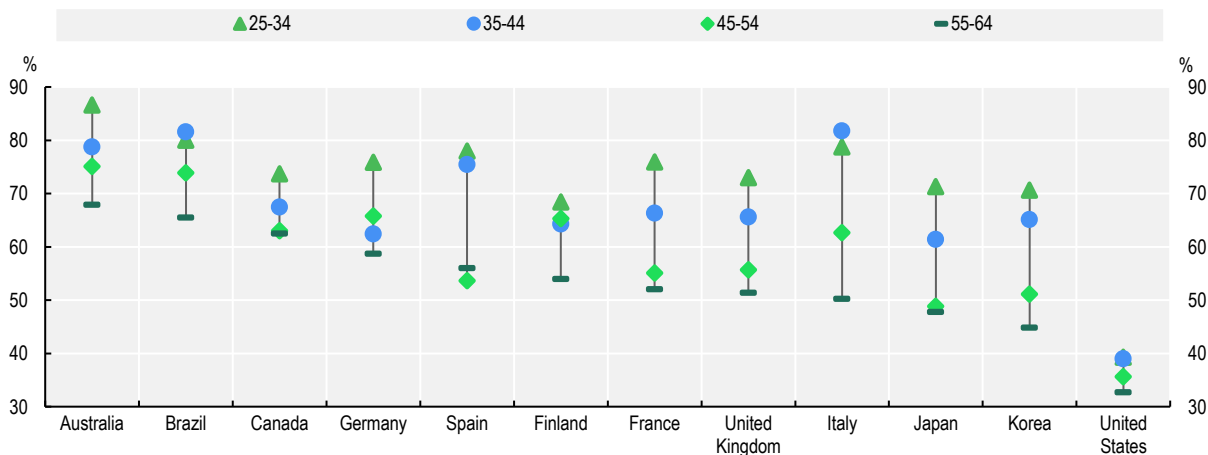
Nonetheless, older workers making career transitions stand to benefit from developing skills that are complementary to AI, such as information and communication technology (ICT) skills as well as creativity and critical thinking (OECD, 2019<sup>[16]</sup>; Lane and Saint-Martin, 2021<sup>[17]</sup>). Unlike previous waves of technological change that primarily automated non-cognitive repetitive tasks, AI creates new opportunities for older workers to leverage soft skills and experience and benefit from enhanced job quality. Several countries offer initiatives targeted at developing competences relating to digitalisation. Some examples include:

- The **Career Transition Assistance Program**, since 2019, provides tailored support for Australians aged 45 and older to help identify transferable skills and experiences with a focus on improving digital literacy. Courses include an assessment of current skills, the development of a career pathway plan, and an outline of steps needed to pursue new employment opportunities in their local labour market.
- In the Slovak Republic, **Don't lose your job – educate yourself (*Nestrat' prácu – vzdelávaj sa*)** subsidises education costs for skill development with emphasis on shortage professions, digitalisation, automation and the green economy.
- In 2022, Lithuania piloted **Start from 50+**, which aimed to encourage entrepreneurship among individuals aged 50 and above. The intensive programme targeted business management skills and digital skills necessary to transport a business idea online.

Mid-career and older workers are simultaneously weary that their skills are not suited for careers in expanding sectors and cautious about investing in training programmes. According to the AARP Global Employee Survey, more than half of workers aged 45 and above who are concerned they might lose their job in the next year reported that their skills are becoming obsolete, or they do not have the right skills. Despite these concerns, participation in training programmes declines with age. In nearly all countries surveyed in the AARP Global Employee Survey, workers aged 45 and above were among the least likely to participate in job related training within the past five years (Figure 3.7). To improve participation, training needs to be suited to older workers' needs and concerns. For instance, workers aged 45 and above were more likely than workers aged 35-44 years old to express that they are unable to afford the cost of training or are unsure whether training is worth it (Figure 3.8). These concerns are often validated by employers who struggle to see the benefits of investing in training for workers in the later stages of their careers (OECD, 2019<sup>[4]</sup>).

**Figure 3.7. Older workers are less likely to participate in training in nearly all countries**

Share of workers who participated in job-related training with the past five years



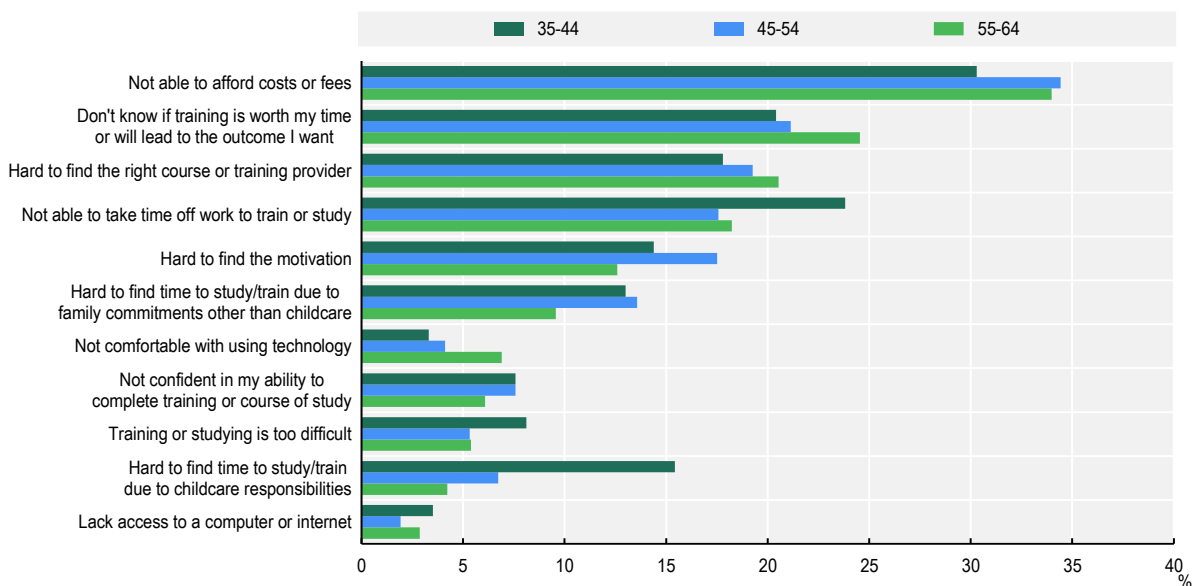
Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over in the 12 participating countries shown. Respondents (n = 12 158) were asked, “In the past 5 years (since 2017), have you taken any of the following types of job-related skills training either through your work or on your own?”

Source: AARP Global Employee Survey (2022).

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**Figure 3.8. Older workers do not know if training is worth their time**

Share of workers (35+) who would have liked to participate in training, by age



Note: Responses were taken from an online survey conducted in June/July 2022 of individuals aged 25 and over. Data show the unweighted average of the 12 participating countries (Australia, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Spain, the United Kingdom, the United States). Respondents aged 35 and above and who would have liked to participate in training over the past five years (n = 1 676) were asked, “Thinking about any job-related skills training that you wanted to take over the past 5 years (since 2017), which of the following situations have you encountered?”

Source: AARP Global Employee Survey (2022).

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### *Overcoming the cost of re-skilling or up-skilling*

The cost of re-skilling and up-skilling is the most common factor prohibiting workers from accessing training necessary to change jobs (Figure 3.8). Older workers often have families that are financially dependent on their incomes, which influences their decision to take up training as a consequence. In addition to the fees associated with training programmes, workers face considerable opportunity costs if they need to take time off work or are unpaid for stretches of time. Paid training leave provides workers with time and financial resources to up-skill or re-skill. Workers taking part in paid training leave continue to receive all or part of their salary guaranteed by regulation, collective agreements, or bi-lateral agreements with employers (OECD, 2019<sup>[13]</sup>). As part of a paid training leave scheme in Flanders, Belgium (*Betaald educatief verlof*), the government reimburses employers for workers' wages while absent on training leave up to EUR 2 760. However, older workers aged 55 and older were the least likely to take advantage of the programme (Cedefop, n.d.<sup>[18]</sup>). Australia offsets training costs through a co-contribution approach (Box 3.3).

#### **Box 3.3. Co-contribution approach to training fees in Latvia**

Governments and employers can offset the financial burden of training and increase participation by co-funding training fees. From January 2017 to December 2023, the European Social Fund (ESF) project, **“Improvement of Professional Competencies of Employed Persons”** (*Nodarbināto personu profesionālās kompetences pilnveide*), allowed workers in Latvia to apply for funds to cover most of the tuition for educational programmes using ESF and the state budget. Depending on the type of educational program, 90% or 95% of the tuition fee was *co-funded* by the ESF and the state, while 5-10% is the participant's co-payment. Given the high demand for the programme workers aged 45 and over with low education levels were given priority. As of June 2023, over 88 000 workers participated in the programme, including over 25 000 workers (29%) aged 45 and above. Around 64% of surveyed participants reported that the training improved their employment prospects. Evidence from a similar initiative in Australia found that a co-funded approach increased their commitment to participate in training that they would not have otherwise participated in (Department of Employment and Workplace Relations, 2022<sup>[19]</sup>).

### *Greater use of apprenticeships and work experience programmes can expose older workers to new careers*

Apprenticeships and work experience programmes are often aimed at younger individuals. However, older individuals can also benefit from apprenticeship programmes that combine short classroom sessions with a firm-based, experiential approach (OECD, 2018<sup>[20]</sup>; OECD, 2019<sup>[4]</sup>). As shown in Figure 3.4, 21% of workers aged 45 and above who recently changed job reported that they would have appreciated more information on the type of jobs that they would enjoy. For reasons relating to health, caregiving responsibilities and personal preferences, continuing to work in the same profession can become unsustainable. However, they may not know what opportunities align with their skillsets or flexibility needs. Experiential programmes, such as apprenticeships and work experience, overcome these hurdles by introducing workers to different sectors and occupations without requiring a long-term commitment. Moreover, apprenticeships offer workers the opportunity to earn while they learn, thus lowering financial barriers that discourage training participation among older workers (Mitchell, 2022<sup>[21]</sup>). Apprenticeship programmes are particularly attractive for workers in *brown* industries and must obtain the skills needed to move to a *greener*, more sustainable role (Cedefop et al., 2022<sup>[22]</sup>).

The United Kingdom Government has recently introduced an apprenticeship programme targeted at older workers (Box 3.4).

### Box 3.4. Generating experiential learning opportunities to older workers in the United Kingdom

In the United Kingdom, the “**Returns**hip” Initiative is a three-pronged programme which aims to encourage older workers to take on new career opportunities. The multi-dimensional programme connects workers aged 50 and over with learning opportunities in a format that is suited to their needs in the following ways:

- **Skills Bootcamps** are free training programmes designed in partnership with local employers to fill job vacancies. Courses target in-demand skills in growing sectors, such as digital and green industries.
- **Apprenticeships** are available to workers of all ages and all career stages. In addition to on-the-job training, apprentices are required to take part in a minimum of six hours of off-the-job training per week.
- **Sector-based work academy programmes (SWAPs)** prepare unemployed workers to apply for jobs in different sectors through pre-employment training, work-experience and/or help with the recruitment process. Work experience is beneficial to both firms and workers who benefit from experience and addressing skills shortages, respectively.

In 2023, the British Government dedicated an additional GBP 63.2 million to the programme to create about 40 000 and 8 000 new spots in the SWAPs and Skills Bootcamps schemes, respectively.

#### *Recognising older workers’ skills and experience*

Skills acquired on the job and outside the formal education system are often unrecognised in the hiring process. This barrier is especially relevant for mid-career and older workers whose qualifications may be outdated, despite decades of work experience demonstrating skills and competencies (OECD, 2019<sup>[4]</sup>). Reliable procedures are needed to assess and validate people’s skills and competencies, to make skills transparent to employers, and to establish a baseline for further learning. At the same time, the procedures must be carefully designed in such a way that they are not overly burdensome or complicated to encourage take up. Working with counsellors can help older workers identify these procedures to gain credit or find ways to help workers complete missing educational programmes (Box 3.5).

Recognition of prior learning (RPL) or accreditation of prior learning (APL) programmes provide older adults with the accreditation needed to progress in the labour market. RPLs can lower the opportunity costs of upskilling or reskilling by shortening the duration of training to focus specifically on where skill gaps exist (Meghnagi and Tuccio, 2022<sup>[23]</sup>; ILO, 2016<sup>[24]</sup>). The European Union has adopted the European Qualifications Framework (EQF) and the European Credit System for Vocational Education and Training (ECVET), which aims to encourage mobility and flexible learning, respectively. Several European countries offer additional RPL programmes. For instance, RPL accredited organisations in the Netherlands can grant Certificates of experience (*Ervaringscertificaat*). In France, higher education applicants without the pre-requisites to enrol in a post-secondary education programme can validate their prior learning (*Validation des Acquis Professionnels – VAP*) to gain admission.

### Box 3.5. Supporting older workers with incomplete educational requirements

Many older workers embarked on educational programmes but did not complete the requirements needed to obtain the degree. Recent estimates suggest that as many as 10.7 million, or 26.5% of Americans between 45-64 left postsecondary education without receiving a credential (National Student Clearinghouse (NSC), 2023<sup>[25]</sup>). Financial barriers, such as the inability to attend school and work to support their family, are common reasons why adults leave educational programmes. While many of these adults planned to return to the degree, administrative and financial obstacles (e.g. credit transfer policies) make re-enrolment burdensome. Furthermore, most older adults in this situation left their degree programmes before the age of 35, forging a long gap between leaving higher education and now (National Student Clearinghouse (NSC), 2023<sup>[25]</sup>).

Investing in policies to connect these individuals with the resources to complete educational requirements could increase earning potential and expand the talent pool for workers of all skill levels. In **Portugal**, **Qualifica Centres** (*Centros Qualifica*) offer counselling services to adults with incomplete primary or secondary education with the aim of identifying individualised qualification pathways. A pillar of the programmes is recognition, validation and certification of competences (RVCC) processes that help adults obtain a school qualification, professional qualification or both. While the programme is not specifically designed for adults aged 45 and over, this target group has made up over 38 000 full certifications (amounting to 42% of adult certifications through RVCC) and over 3 000 partial certifications (amounting to 47% of adult certifications through RVCC) between 2017-23.

#### 3.2.4. Early interventions prevent workers with disabilities from exiting the labour market

As workers age, they are more likely to face health or disability issues that make it more difficult to remain employed in their current job. Furthermore, the incidence of disability is higher among specific groups of workers such as women and those with low levels of education (OECD, 2022<sup>[26]</sup>). Transitioning between firms or within a firm can help these workers find better jobs that can accommodate their needs, allowing them to remain active throughout their lives. However, the existence of health issues raises barriers to finding sustainable employment. According to the 2022 AARP Global Employee Survey, 15% and 12% of workers aged 45-54 who changed jobs reported that their physical health and mental health limited their ability to find a job, respectively (Figure 3.3). In the face of such challenges, many workers with disabilities are pushed out of the labour market prematurely, thus highlighting the need for policies that promote greater inclusivity for workers with disabilities.

Social protection is crucial to aid older workers with health problems, but it can also create disincentives to work and self-sufficiency. For older workers in particular, paid sick leave and disability benefits commonly form a bridge between employment and retirement. As workers receiving benefits spend longer periods of time away from work, their skills can depreciate, and they become more distanced from the labour market. Government-level interventions should therefore prioritise early interventions that help rehabilitate workers to allow a gradual return to work (OECD, 2022<sup>[26]</sup>).

Governments can implement efficient return-to-work (RTW) strategies to maintain (and even improve) employability for workers who need additional support finding the right job fit. These strategies can target health-related barriers through regular meetings with caseworkers and employees or rehabilitation to address medical barriers (e.g. psychological counselling, courses on how to manage one's health situation) or work-related barriers through more traditional labour market activation policies (e.g. career counselling, training programmes, work experience) (Box 3.6). Although younger workers are more likely to participate in these vocational programmes, older workers who do participate are equally as likely to return to work as younger participants (OECD, 2022<sup>[26]</sup>). Other approaches to acting early include involving

employers in the monitoring process, setting limits to the sickness scheme, and allowing workers to receive partial sickness benefits while working part-time. Several OECD countries offer a combination of these services, such as the Austrian Fit2Work programme, which combines graded sickness insurance with regular meetings with employers or caseworkers, voluntarily (OECD, 2022<sup>[26]</sup>).

### **Box 3.6. Australian Disability Employment Services targets health conditions at their onset**

The nature of disabilities experienced by older workers will have consequences on the effectiveness of a policy intervention. Growth in mental health disorders has been correlated with inflows into disability benefit programmes, thus differing the type of treatments and interventions that are required from to treat physical ailments (OECD, 2022<sup>[26]</sup>). Further, neurological disorders have been shown to increase with age globally (Feigin et al., 2019<sup>[27]</sup>). Given the heterogeneity in disabilities, support services should be tailored to accommodate such variations.

In **Australia**, the **Disability Employment Services** programme aids workers who are having difficulty maintaining their current job due to an injury, disability, or health condition. Workers who are concerned that their disability is putting their job at risk can connect with a Disability Employment Services provider provides two types of individualised support to the employee: disability management services and employment support services. These services may include advice about job redesign, workplace assessment, workplace modifications or special equipment, and support in the workplace to help manage the impact of the injury, disability, or health condition, to name a few. The initial support lasts for 26 weeks, after which the Disability Employment Services provider recommends whether the employee requires ongoing support, which is key to maintaining labour market attachment. Approximately 90% of employees who receive the support continue to benefit from ongoing workplace support over a longer term.

While early intervention is effective, continued support as workers transition back into work prevents workers from facing worsened outcomes that lead to retiring shortly after. If governments invest in aiding workers successfully transition into a job, then workers develop new disabilities that push them out of the labour market, the economic benefit of the intervention is unrealised. Integrating ongoing monitoring and support services, such as the ongoing support that is offered through Australia's Disability Employment Services programme (Box 3.6), helps prevent worsening or creating new health issues. The policies are indeed complemented by preventative policies that promote the implementation of age management initiatives in the workplace (e.g. Costa Rica's Technical Rule INTE T 203:2021) to proactively reduce incidence of disability for workers of all ages.

### **3.2.5. Transitioning out of arduous or hazardous jobs**

One of the key challenges related to workers' health across the OECD is to support the transition of older workers out of hazardous or arduous jobs, which has consequences for their well-being, health, and overall career prospects. Chapter 2 explained that low-skilled workers, many of whom are in hazardous or arduous jobs, need additional support to make upward transitions later in their careers. Older workers who remain in these roles are often exposed unsafe working conditions and physical demands that can become unsustainable as workers' overall health and strength deteriorates with age. Many OECD countries still offer special retirement rules to workers in these roles that allow early retirement without penalty (OECD, 2019<sup>[4]</sup>; OECD, 2006<sup>[28]</sup>). However, shifting the focus towards preventative measures that improve working conditions and facilitating mobility out of arduous occupations can, instead, extend working lives and improve quality of life for older workers (Box 3.7). These improvements can take the form of training and counselling programmes, professional redeployment (e.g. Luxembourg's Professional Redeployment

Programme), as well as by strengthening occupational health policies to prevent sickness and disability at the source as recommended in the *2023 OECD Pensions at a Glance* (OECD, 2023<sup>[29]</sup>).

### Box 3.7. Preventing occupational health-related illness or injury in France

France offers two policies geared towards preventing and addressing the mental and physical effects of work. Taken together, the policies raise awareness of workplace ageing and enable workers to transition to safer roles.

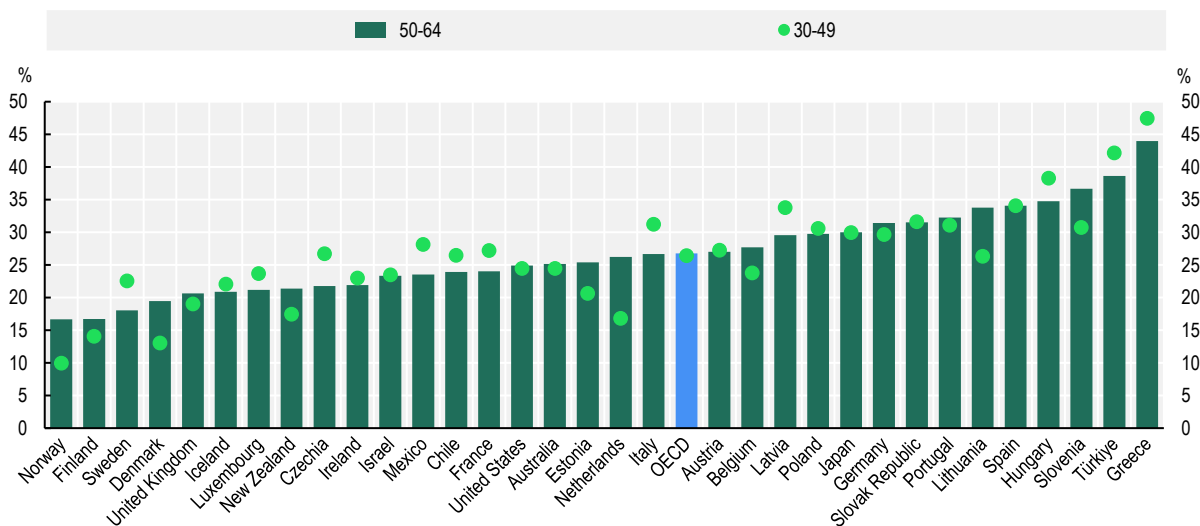
- The **Professional Prevention Account** (*Compte professionnel de prévention*) provides workers in hazardous conditions with autonomy to make changes in their career. Workers exposed to occupational risk factors (e.g. night work, successive alternating shifts, exposure to loud sounds, etc.) acquire points that can be exchanged for work in a less exposed position, finance a professional retraining project, change to a part-time work schedule, or access early retirement.
- The **French policy on Strengthening Occupational Health Prevention** (*Renforçant la prévention en santé au travail*) allows all workers around age 45 to meet with an occupational physician to ensure that the worker is healthy enough for their role and knows how to prevent occupational wear and tear. The occupational physician can propose job adjustments, as well as initiatives to promote lifelong learning, such as supervised trials and re-skilling within their firm. In 2021, the law was strengthened to enable all workers returning to work after a long-term leave to test a new job within their company or another company.

A broader discussion about promoting the creation of high-quality jobs with better working conditions is needed to expand the set of safe and accessible work opportunities for workers in hazardous or arduous occupations (OECD, 2023<sup>[29]</sup>). As discussed in Chapter 2, facilitating career mobility is only as beneficial at the availability of high-quality jobs to transition to. On average, across 33 OECD countries, 27% of workers aged 50-64 experience job strain (Figure 3.9). The share of workers aged 30-49 and 50-64 experiencing job strain are similar, apart from the Netherlands (9.4 percentage points), Lithuania (7.5 percentage points), Norway (6.7 percentage points), Denmark (6.5 percentage points), and Slovenia (6.5 percentage points) where older workers are greater than 5 percentage points more likely to be in strenuous roles. Given the magnitude of workers in low quality jobs, it is imperative that governments refer to key recommendations laid out in the 2018 OECD Jobs Strategy to expand the stock of high quality jobs (OECD, 2018<sup>[20]</sup>). Governments can promote high quality job creation by removing barriers to entrepreneurship, reform employment protection legislation, and to ensure price stability and fiscal sustainability, to name a few.



**Figure 3.9 More than one in four older workers experience job strain**


Share of employees who experienced a number of job demands exceeding that of job resources, 2015



Note: OECD is the unweighted average of the 33 countries shown.

Two types of job demands are identified: i) time pressure which encompasses long working hours, high work intensity and working time inflexibility; and ii) physical health risk factors, such as dangerous work (i.e. being exposed to noise, vibrations, high and low temperature) and hard work (i.e. carrying and moving heavy loads, painful and tiring positions). Similarly, two types of job resources are considered, namely: i) work autonomy and learning opportunities which include workers' freedom to choose and change their work tasks and methods, as well as formal (i.e. training) and informal learning opportunities at work; and ii) Social support at work which measures the extent of which workers receive social support from colleagues and supervisors. The composite Job Strain index, thus, refers to those jobs where the workers face one demand but have no resources, or face two demands but have one or no resource (Cazes, Hijzen and Saint-Martin, 2015<sup>[30]</sup>), "Measuring and Assessing Job Quality", <https://doi.org/10.1787/5jrp02kiw1mr-en>.

Source: OECD Job Quality Database, <http://stats.oecd.org/Index.aspx?DataSetCode=JOBQ>.

StatLink  <https://stat.link/mstohg>

### 3.2.6. Enabling geographic mobility can enable job mobility

Geographic mobility makes labour markets more efficient by enabling workers in economically depressed areas to move to locations with better opportunities. Many working age individuals wish to move locations to change jobs or careers, but they often face personal, financial, and institutional barriers to do so (Caldera Sánchez and Andrews, 2011<sup>[31]</sup>; OECD, 2005<sup>[32]</sup>). These barriers are pertinent for older workers who are less likely to move than younger workers due in part to longer housing tenure and social and familial connections. Community relationships that form over a long period facilitate the accumulation of social capital that is effectively lost when they move, thus creating disincentives to take on new job opportunities (David, Janiak and Wasmer, 2010<sup>[33]</sup>). Despite this, a 2023 Generation and OECD Survey of employed and unemployed individuals found that 33% of workers aged 45 and above who changed jobs reported that job location was a barrier during their job search (Figure 3.3). Geographic mobility is not comprised only of movements across long distances. It may also include short-distance movements that enable workers to retain their social connections while expanding opportunities and reducing commute time.

According to recent evidence from European countries, only around 2% of individuals who changed market status also changed regions, indicating a need for policy intervention at both the national and regional levels (Causa, Luu and Abendschein, 2021<sup>[34]</sup>). On the other hand, 16% of all job-to-job moved are between employers located in different states, which may reflect cultural differences between the United States and Europe (Azzopardi et al., 2020<sup>[35]</sup>). Several countries (e.g. Czechia, Hungary, Portugal, the

Slovak Republic, Switzerland) offer subsidies to smooth initial transportation and housing costs, as well as incentivise economic activity in regions with low-employment. Other programmes offer tailored job search assistance for people seeking work in another region (Box 3.8). The benefits, however, often provide aid only in the short-term and do not address institutionalised obstacles to geographic mobility, such as housing policy.

### Box 3.8. Policies to reduce transaction costs of job-related relocation

#### Government aid for transportation and relocation

- Portugal's **Inland Employment Plus** programme provides aid to workers who carry out a professional activity that requires them to move to an inland territory or work remotely from an inland territory. The objective of the programme is to create favourable conditions for job creation and professional activities in inland territories.
- Latvia's **Regional Mobility Support Programme** reimburses recently employed workers (i.e. in the first four months of employment) whose jobs are at least 15 kilometres from their residence up to EUR 150 per month for transportation and living expenses. Evaluation of the programme found that 18% of programme participants were aged 45-54 and 3% were aged 55-60, indicating that older workers may be a harder to reach population (OECD, 2019<sup>[36]</sup>).
- The **Moving Expenses Tax Deduction** in the United States allows individuals making a job-related move and meeting the distance and time requirements to deduct job-related moving expenses from their taxable income.

#### Job search assistance for workers seeking relocation

- The **EURES Targeted Mobility Scheme** offers jobseekers individualised support from national employment services to find work, training or traineeships in another European Union country, Norway or Iceland with the aim of lowering mobility barriers. The programme can provide allowances to cover the cost of language courses, recognition of qualifications, or travel expenses for jobseekers.
- Since 2009, Japan's **Regional Employment Support Project** (地方就職支援事業) has provided job seekers who wish to relocate to work for local companies with information related to the region, employment counselling, job placement, and individualised support from the Regional Employment Support Corner of Hello Work in metropolitan areas.

Housing costs (e.g. mortgage payments or rent) typically make up the largest component of household budgets or 18.3% of disposable income, on average, across OECD countries (OECD, 2022<sup>[37]</sup>). As a result, decisions to take up a new job are likely to be influenced by housing market conditions. Homeowners, for instance, are less likely to accept a job in a new location due to high transaction costs and potential capital losses associated with selling property, such as capital gains taxes (OECD, 2005<sup>[32]</sup>). This is not to suggest that policy makers should discourage homeownership for the sake of inducing job mobility. Instead, policy makers must consider the unintended obstacles that housing policy imposes on mobility.

High transaction costs tied to buying and selling property (e.g. taxes, real estate agents and legal costs) combined with tax incentives that promote home ownership inadvertently discourage worker relocation (Caldera Sánchez and Andrews, 2011<sup>[31]</sup>; OECD, 2005<sup>[32]</sup>; OECD, 2021<sup>[38]</sup>). Policy makers can lower tax-related transaction costs by replacing non-recurrent housing taxes (i.e. Stamp Duty) due when buying or selling a property with annual taxes on land value. In recent years, Australia, Ireland, the Netherlands and the United Kingdom have reformed transfer tax levies, thus lowering barriers to mobility (OECD, 2021<sup>[38]</sup>).

For many individuals living in social housing, relocating to change jobs would mean losing access to their housing benefits. Individuals in social housing are among the least mobile, irrespective of their housing status. Lock-in effects, such as residency requirements, minimum residence periods, and long waiting periods, impose additional limitations on an already vulnerable group (OECD, 2021<sup>[38]</sup>). Social housing programmes can be re-designed to addressing housing affordability and lower mobility barriers by waiving residency or waiting period requirements for formerly unemployed workers taking up a job in the region.

### 3.3. Alleviating labour market institutional and regulatory barriers

In some cases, government policies can stifle labour market flows. Policies and regulations influence mobility at the worker- and employer-levels by imposing costs or disincentives that inhibit workers from seeking work and employers from hiring new employees. This section discusses some institutional and regulatory barriers that have emerged in the literature on job mobility and offers alternative policies that preserve labour market benefits without sacrificing mobility.

#### 3.3.1. Labour-market concentration and monopsony power

Labour-market concentration and monopsony power work hand-in-hand to impede job flows. Recent evidence suggests that a sizeable share (16%) of workers are employed in markets that can be described as “highly concentrated”, thus imposing negative effects on working conditions and employment for both workers and jobseekers (OECD, 2022<sup>[39]</sup>). Jobseekers in concentrated markets can expect to face a labour market with many similar jobseekers but few employers, resulting in diminished bargaining power over wages and working conditions on the worker-side. Monopsony power, typically caused by labour market concentration, can give employers significant influence over wages and working conditions. However, monopsony power can also exist in competitive labour markets where workers with certain requirements have difficulty finding suitable employment offers (OECD, 2022<sup>[39]</sup>). For example, mid-career and older workers with flexibility demands may only find a small set of employers offering these conditions, thus diminishing their bargaining power.

Non-Compete Agreements (NCAs) and occupational licensing (Section 3.3.2) can also be used to assert bargaining power over workers. NCAs or restrictive covenants are clauses that prevent workers from taking up work at a competing firm. Around 11% of workers in the United States and 30% of workers in the United Kingdom are covered by NCAs, but the share varies age and industry, peaking at mid-career and declining with age (Boesch et al., 2023<sup>[40]</sup>; CMA Microeconomics Unit, 2024<sup>[41]</sup>). Although NCAs are often justified by the need to protect trade secrets, evidence suggests that NCAs produce negative spillover effects in terms of diminished job mobility and depressed wages (OECD, 2022<sup>[39]</sup>; U.S. Treasury, 2016<sup>[42]</sup>). (Sockin, Sojourner and Starr, 2023<sup>[43]</sup>) remarked that NCAs give companies power to conceal or suppress the flow of negative information (e.g. illegal or harmful conduct), which in turn, makes it difficult for jobseekers to differentiate between high and low-quality firms.

To realign the balance of bargaining power between workers and employers, countries may choose to ban the agreements entirely (e.g. Ontario Province of Canada, Colombia), ban agreements for certain workers (e.g. Belgium), or establish a rebutting presumption of abusive use. For instance, in Belgium, the use of NCAs is only enforceable if the worker earns more than EUR 78 706 in gross remuneration. Nevertheless, employers are known to include NCAs even in cases where they are not enforceable by law. Stronger enforcement and more robust accountability mechanisms may be necessary to deter imposition of NCAs. Other governments encourage employers to impose NCAs more thoughtfully by requiring employers to compensate workers for the period after separation in which the NCA binds for the agreement to be enforceable (Box 3.9).

### Box 3.9. Compensating for Non-Compete Agreements (NCAs)

Several governments impose minimum compensation schedules that cover the period after separation in which the NCA binds for the agreement to be enforceable. The funding is meant to compensate workers for the additional time it may take to find work outside of the firms listed in the clause, as well as discourage firms from imposing NCAs too widely. Some examples are:

- Employers in **Denmark** are required to compensate at least 40% of a worker's monthly salary if the duration of the clause is less than six months or 60% of a worker's monthly salary if the duration is greater than six months. After the first two months, the benefit can be reduced to 16% or 24%, respectively, if the employee finds suitable work.
- In **Germany**, the employer must pay at least 50% of the employee's total earnings (including base salary, bonus and benefits in-kind) during the period covered by the clause. The German law also prevents employers from waiving the agreement to avoid paying compensation after termination by obliging the employer to compensate the employee for at least one year following the waiver.

### 3.3.2. Occupational licensing

Occupational entry requirements (OER) or occupational licenses are traditionally put in place to protect consumer from problems arising from asymmetric information, such as consumer health and safety. At the same time, occupational licenses can act as a barrier to both entry and exit in some markets (e.g. retail and professional services) without creating clear benefits in terms of service quality, consumer health or safety (Gal and Hijzen, 2016<sup>[44]</sup>). In the European Union (EU), Japan and the United States, the share of workers covered by occupational licenses has risen to around 15% to 35% depending on the country or state (von Rueden and Bambalaitė, 2020<sup>[45]</sup>; Hermansen, 2019<sup>[46]</sup>; Pagliero, 2019<sup>[47]</sup>). The increase in the share of workers with licenses, as well as the share of occupations requiring licenses, raises questions about whether adopting OERs is justified in all licensed occupations.

Occupational entry requirements (OER) differ in coverage and stringency across and within countries, which, in turn, increases the opportunity cost of cross-country or cross-state mobility among licensed workers and undermines geographic mobility (Hermansen, 2019<sup>[46]</sup>; Kleiner and Xu, 2020<sup>[48]</sup>; Kleiner, 2011<sup>[49]</sup>). Despite higher geographic fluidity compared to other OECD countries, recent estimates suggest that licensed workers in the United States are 24% less likely than unlicensed workers to switch occupations in the following year. The effect is heterogeneous across occupations, which can be partly explained by diverse occupational requirements (Kleiner and Xu, 2020<sup>[48]</sup>). "Grandparent clauses" (i.e. clauses that enable licensed workers to continue working without meeting new requirements) create lock-in effects for mid-career and older workers in licensed occupations (Kleiner, 2015<sup>[50]</sup>).

Opportunity costs associated with acquiring a license discourage employed individuals from entering licensed professions (Kleiner and Xu, 2020<sup>[48]</sup>). Midcareer and older workers may be reluctant to invest in time-consuming and costly fees to obtain and maintain an occupational license. The barriers are often heightened for migrant and foreign workers who lack the language proficiency to succeed in the exams (Hermansen, 2019<sup>[46]</sup>).

National and regional governments can improve portability of occupational licenses by implementing reciprocity agreements. In the United States, several health professions have adopted inter-state compacts (e.g. nurses, physicians, physical therapists, emergency medical technicians and psychologists). Arizona House Bill 2 596 extends reciprocity to a wider range of occupations by granting licenses to residents who obtained a license from another state (Hermansen, 2019<sup>[46]</sup>). In Canada, outside of a few federally regulated occupations, foreign credential recognition is a provincial/territorial responsibility. Each

jurisdiction establishes education, training, and licensing standards and these vary from one jurisdiction to another. In most cases, provinces and territories further delegate this authority in legislation to regulatory authorities. The Government of Canada's Foreign Credential Recognition Program aims to develop and strengthen Canada's foreign credential assessment and recognition capacity, contribute to improving the labour market integration outcomes of skilled newcomers and support interprovincial labour mobility (Box 3.10). More generally, countries and regions should carefully examine whether occupational licenses are necessary to improve quality, health, and safety.

### Box 3.10. Supporting labour market integration of skilled newcomers in Canada

Approximately two-thirds of immigrants across OECD countries earned their qualifications abroad (OECD, 2017<sup>[51]</sup>). Many of these workers often have difficulty transferring these qualifications and take on jobs that require a lower level of formal education than they are qualified for, as a consequence. Workers who earned licenses and certifications in a foreign country are unable to work in the occupations they trained for without obtaining a formal assessment, which can be costly or complicated to navigate in a new country. While licenses exist to protect public health and safety, lack of reciprocity disincentivises licensed workers from taking on work opportunities abroad.

Canada supports labour market integration of skilled newcomers through the **Foreign Credential Recognition Program** by funding projects with provinces and territories, regulatory authorities and other organisations to improve foreign credential recognition (FCR) processes that make the credential recognition system faster and more efficient (e.g. standardised national exams, centralised information portals, alternative assessment processes), provide loans and support services (e.g. career counselling, training plans) to help skilled newcomers navigate the FCR process and, provide employment supports such as training, work placements, wage subsidies, mentoring and coaching to help skilled newcomers gain Canadian work experience in their field of study. A 2020 evaluation of the programme found that two-thirds of recipients would have taken more time to obtain credentials without the loans and targeted support (Employment and Social Development Canada, 2020<sup>[52]</sup>).

### 3.3.3. Overly strict employment and protection rules

Employment protection regulations lay the foundation for job security by protecting workers against arbitrary dismissals and compelling employers to bear some social costs of dismissals. Overly strict employment protection rules, however, can inhibit or delay productivity-enhancing re-organisation, hirings and dismissals, and hinder mobility especially among workers on regular contracts. Very few OECD countries still have age-specific employment protection measures, yet employment protection provisions that increase with job tenure and age (e.g. Severance pay and notice periods) are still widely used. These measures can strongly tie workers to their employer making them particularly damaging for mobility at mid-career and at older ages (OECD, 2019<sup>[4]</sup>; OECD, 2020<sup>[53]</sup>).

A number of studies suggest that the stringency of employment protection measures is negatively correlated with job flows (Haltiwanger, Scarpetta and Schweiger, 2006<sup>[54]</sup>; Causa et al., 2022<sup>[55]</sup>; OECD, 2010<sup>[56]</sup>) and occupational mobility (Bachmann, Bechara and Vonnahme, 2020<sup>[57]</sup>). By some estimates, stringency of employment protection measures explains between 20% to 30% of cross-country variation in worker allocation (OECD, 2010<sup>[56]</sup>). These effects hinder mobility of workers from low-productivity to high-productivity firms, which in turn, diminishes overall labour productivity growth.

Severance pay and notice periods, in particular, have a disproportionate impact on the job security of older workers, who have longer job tenure, on average. Across all OECD countries, severance pay and notice periods increase or remain constant as job tenure progresses. Individuals with 20 years of job tenure are entitled to benefits that are seven times higher, on average, than individuals with nine months of job tenure

(OECD, 2020<sup>[53]</sup>). Even so, notice periods are somewhat less costly for both firms and workers since workers can begin their job search while remaining employed. Getting a head start on the job search is particularly beneficial for mid-career and older workers who may have a strong emotional attachment to their work and are more likely to exit the labour market prematurely in periods of long-term unemployment. For these reasons, the OECD advises countries to extend notice periods and lower severance pay to facilitate smooth job transitions at a lower cost to employers (OECD, 2020<sup>[53]</sup>; OECD, 2018<sup>[58]</sup>). Several countries (e.g. Italy, Lithuania and Portugal) have recently introduced measures to reduce severance pay.

### **3.3.4. Product market regulations and barriers to entrepreneurship**

Product market regulations (PMRs) restrict competition with the aim of remedying market failures, such as natural monopolies, externalities, or informational frictions (Schiantarelli, 2016<sup>[59]</sup>). Since a significant share of job flows can be explained by firm entry and exit, imposing PMRs can raise entry costs for new firms which, in turn, impedes the reallocation of workers towards the most productive and profitable activities (OECD, 2010<sup>[56]</sup>). PMRs are often accompanied by overly strict employment protection regulations as discussed in Section 3.3.3 (Nicoletti and Scarpetti, 2005<sup>[60]</sup>; Haltiwanger, Scarpetta and Schweiger, 2006<sup>[54]</sup>). Taken together, workers in highly regulated markets are strongly incentivised to remain in their current job (Koeniger and Vindigni, 2003<sup>[61]</sup>).

Since the 1980s and 1990s, many OECD governments have introduced product market reforms that lower barriers to entry (Schiantarelli, 2016<sup>[59]</sup>). Several studies suggest that product market reforms stimulate employment (Schiantarelli, 2016<sup>[59]</sup>; Nicoletti and Scarpetti, 2005<sup>[60]</sup>; Koeniger and Vindigni, 2003<sup>[61]</sup>). Yet, fewer studies examine the positive impact of the reforms on job mobility (OECD, 2010<sup>[56]</sup>). Recent evidence affirms the theory that countries with more stringent product market regulations exhibit diminished responsiveness of job-to-job mobility to industry-level demand conditions, particularly among younger workers and female workers (Causa et al., 2022<sup>[55]</sup>). Product market reforms can therefore complement employment reforms targeted at stimulating job mobility.

### **3.3.5. Financial incentives to exit the labour market**

Addressing financial work incentives can be key to enabling workers to continue working at older ages, especially in countries where early retirement remains common, and where there are no attractive options for phased retirement. Unemployment benefit generosity, measured by length of eligibility and replacement rate, is one factor that impedes on job flows in some cases. On one hand, unemployment benefits have a positive impact on upward job mobility by promoting better matches, thereby mitigating wage penalties at re-employment, extending working lives, and improving productivity. On the other hand, unemployment benefits can be very generous for older workers with considerable work experience, irrespective of the time they may require finding a job (e.g. Belgium, France). Very generous benefits can suppress mobility by reducing search effort, which in turn, increases the duration of unemployment spells. These components combined with higher reservation wages and hiring discrimination can pave the way to de facto early retirement among workers in later stages of their careers (OECD, 2010<sup>[56]</sup>). It is, therefore, important that benefits must be distributed in such a way that they include strictly enforced work-availability conditions and are part of an activation package that promotes quick re-integration into employment and reforms overly strict employment protection (OECD, 2010<sup>[56]</sup>). Likewise, available data confirms that large numbers of disability benefit recipients are willing and able to work and benefit designs should reflect this, including by transforming them from out-of-work benefits into support that compensates additional needs and encourages continued work or re-employment (OECD, 2022<sup>[26]</sup>).

Targeted support for displaced workers through effective employment and social policies can be effective means to stimulate job flows for a group at risk of pre-mature labour market exit. Policies can tackle the specific re-employment barriers that midcareer/older displaced workers face, such as obsolete skills and the absence of recent job-search experience (OECD, 2018<sup>[58]</sup>). The Job Security Councils in Sweden,

represent one of the most successful examples of re-employment assistance for displaced workers. Wage insurance programmes (i.e. temporary wage subsidies for displaced workers in a new job that pays less) are another avenue to encourage workers to transition back into employment quickly (Box 3.11).

### Box 3.11. Wage insurance for displaced workers

Displaced workers (i.e. involuntary job loss due to firm closure or downsizing) face long periods of unemployment, and when they find new jobs, earn lower wages and have fewer benefits than in their previous job, on average (OECD, 2013<sup>[62]</sup>). Chapter 2 shows that not only does the share of involuntary separations increase with age, but older workers who experience involuntary separations are subject to the most profound wage penalties. Wage insurance programmes attempt to smooth transitions for displaced workers by compensating for the earnings loss in the form of tax credits or other financial incentives (Wandner, 2016<sup>[63]</sup>). Some argue that these programmes may lead to worse job matches and persistently low wages. These consequences can, however, be prevented by targeting specific workers and tying wage insurance schemes to training programmes that boost employability. Recurring evaluations should be carried out to validate that the programmes are meeting the objectives.

The United States offers **Reemployment Trade Adjustment Assistance (RTAA)** to workers aged 50 or older who are displaced as a result of international trade. The programme pays to help fill the gap between workers' pre- and post-separation earnings for up to two years. Recent analysis of the RTAA suggests that wage insurance increases employment in the short-run and leads to higher earnings in the long-run, thus covering the net costs of the programme (Hyman, Kovak and Leive, 2023<sup>[64]</sup>).

### 3.3.6. Quantifying the impact of policy interventions on mobility

Given the range of policy levers to promote job mobility, a key question for policy makers is to identify and determine which can most effectively promote midcareer career mobility. Until recently, relatively few studies have compared government-level policies based on their impact on job mobility and, where they do, the impact on mobility at older ages is overlooked (Causa et al., 2022<sup>[55]</sup>). This section draws on the (Causa et al., 2022<sup>[55]</sup>) methodology while focusing specifically on policy factors that are more likely to affect mid-career and older workers, including retirement age (Box 3.12).

The results shed light on the divergent impacts that structural and policy factors have on annual voluntary job mobility (Table 3.1). Voluntary mobility was chosen to avoid capturing job changes that do not contribute to workers' career progression.<sup>4</sup> Several messages emerge from the policy regression analysis:

- **Labour market programmes** appear to be the most significant drivers of overall job mobility for mid-career and older workers. Spending on active labour market programmes and training have significant positive effects on mobility for mid-career and older workers. The results give credence to recommendations that expand training (Section 3.2.2) and career counselling (Section 3.2.1) programmes aimed at helping older workers to improve their employability. On the other hand, unemployment benefit generosity and strictness of employment protection has a strong negative effect on voluntary job mobility, underlining the importance of supplementing unemployment benefits with active labour market initiatives and product market reforms (Section 3.3.5).
- **Retirement and pension policies** have a more significant negative impact as workers age. The results suggest that workers of all ages are less likely to make voluntary job changes in countries with high retirement ages.
- **Housing and geographic mobility indicators** exhibit mixed impacts on overall job mobility. Home ownership (without a mortgage) is associated with a positive impact on overall job mobility for older workers, in particular. On the other hand, homeowners with a mortgage are less likely to voluntarily

change jobs across age groups. This result supports the body of literature indicating the lock-in effects of home ownership on geographic mobility (Section 3.2.6). Policy makers can consider adjusting tax levies to lower the financial burden of moving to new job opportunities.

- **Barriers to business entry and competition** show some evidence of a negative impact on overall voluntary job mobility for mid-career workers, in particular. Restrictions that enforce mobility restrictions in the professional sector have a significant negative effect on job mobility for mid-career workers. OER, such as licenses, create barriers to entering some occupations, as well as moving jobs within- and between-countries (Section 3.3.2). Surprisingly, product market regulations (PMR) led to a positive, significant impact on voluntary mobility among mid-career workers. However, PMRs are often accompanied by employment regulations which stifle voluntary job mobility (Section 3.3.4). The methodology for these indicators differed slightly from the other indicators because PMR and OER indicators were published for 2018 only. While other policy indicators were examined over a time-series, the PMR and OER analysis exploited cross-sectional data from 2018.

Future research could explore the impact of policy bundles to simulate effective strategies targeted at improving overall job mobility.



**Table 3.1. Labour market programmes are drivers of career progression for older workers**

Dependent variable: Voluntary job-to-job transition probabilities, by age groups

	(1)	(2)	(3)	(4)	(5)
	Population 25-64	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55-64
<b>Labour market programmes</b>					
Active labour market programmes, Total expenditure as percentage of GDP	0.0122***	0.0102***	0.0099***	0.0102***	0.0066**
Training, Total expenditure as percentage of GDP	0.0613***	0.0415**	0.0347***	0.0425***	0.0340***
Direct job creation, Total expenditure as percentage of GDP	0.0080*	-0.0001	0.0014	-0.0034	-0.0056
Unemployment benefits at 2 months, as percentage of income	-0.0381**	-0.0220	-0.0280	-0.0144	-0.0049
Unemployment benefits at 1 year, as percentage of income	-0.0323***	-0.0333***	-0.0269***	-0.0282***	-0.0282***
Strictness of employment protection – individual and collective dismissals (regular contracts) – Version 4	-0.0777***	-0.0785***	-0.0571***	-0.0792***	-0.0820***
<b>Retirement and pension</b>					
Current retirement age for a person who entered the labour market at age 22, men	-0.1793***	-0.1885*	-0.1840**	-0.1482**	-0.2166**
Current retirement age for a person who entered the labour market at age 22, women	-0.1328**	-0.1873*	-0.1797**	-0.1539**	-0.2214**
<b>Housing and geographic mobility</b>					
Outright homeowners, as percentage of population	0.0510	0.0288	0.0608	0.0785*	0.0970***
Homeowners with mortgage, as percentage of population	-0.0558*	-0.0603*	-0.0558**	-0.0617**	-0.0584*
Total inland transport infrastructure investment, as percentage of GDP	0.0363	0.0594	0.1101	0.1163	0.0740
<b>Barriers to business entry and market competition</b>					
Product market regulations (PMR) – Aggregate X Industry-specific output growth gap	0.1821***	0.0912	0.1192	0.0816*	0.0683
Occupational entry restrictions (OER) – Personal services – mobility restrictions X Industry-specific output growth gap	-0.0732	-0.0035	0.0379	-0.0049	-0.1339
Occupational entry restrictions (OER) – Professional services – mobility restrictions X Industry-specific output growth gap	-0.0746**	-0.0333	-0.0625	-0.1338***	-0.1637

\*p&lt;0.05, \*\*&lt;0.01, \*\*\*p&lt;0.001.

Note: Refer to Box 3.12 for detailed methodology and Annex Table 3.B.1 for definitions of policy indicators and their sources. All estimates include structural control variables: recession and recovery dummies, regional-level unemployment gap (lagged), industry-specific output growth gap, share of part-time workers and self-employed workers, share of workers with below-secondary education, and share of workers with upper-secondary education. The regressions include fixed effects at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EU-LFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

### Box 3.12. Methodological framework

The analysis closely follows the methodological framework set out in (Causa et al., 2022<sup>[55]</sup>). Ordinary least squares (OLS) regressions estimate change in annual probability of voluntary transitions between 2010-20 in 27 OECD countries.<sup>1</sup> The probability of voluntary transitions is defined as: number of workers who made a voluntary job change (see Box 1.1 for definition) in the past year divided by the number of workers employed in the previous year at the country  $c$ , region  $k$ ,<sup>2</sup> industry  $m$ , and year  $t$  level:

$$p^{ij} p_{c,k,m,t}^{ij} = \Pr(S_t = i | S_{t-1} = j) = \frac{\sum N(S_t = i, S_{t-1} = j)}{\sum N(S_{t-1} = j)}$$

The baseline model<sup>3</sup> estimates structural and cyclical determinants of job-to-job mobility and is specified as:

$$p_{c,k,m,t}^{i,j} = \beta_0 + \beta_1 Z_{c,t}^1 + \beta_2 Z_{c,k,t-1}^2 + \beta_3 Z_{c,m,t-1}^3 + \beta_4 X_{c,k,m,t} + \eta_c + \eta_k + \eta_m + \eta_t + \epsilon_{c,k,m,t}$$

Where  $p_{c,k,m,t}^{i,j}$  is the probability of voluntary transition in country  $c$ , region  $k$ , industry  $m$ , and year  $t$ . Cyclical drivers of mobility are:  $Z_{c,t}^1$ , which includes dummy variables for Recovery, Recession, and Expansion (omitted);  $Z_{c,k,t-1}^2$ , which includes a lagged regional unemployment gap; and  $Z_{c,m,t-1}^3$ , which captures industry-level output growth gaps.<sup>4</sup>  $X_{c,k,m,t}$  captures structural determinants of job-to-job transitions, such as: share of workers by gender, age groups, educational levels, self-employed and part-time workers at the country-, region-, industry- and year-level. Fixed effects for country, region, industry, and year are denoted as  $\eta_c, \eta_k, \eta_m, \eta_t$  and robust standard errors are clustered at the regional level.

The policy analysis builds upon the baseline model by including each policy indicator individually:

$$p_{c,k,m,t}^{i,j} = \beta_0 + \beta_1 Z_{c,t}^1 + \beta_2 Z_{c,k,t-1}^2 + \beta_3 Z_{c,m,t-1}^3 + \beta_4 X_{c,k,m,t} + \gamma POL_{c,t} + \eta_c + \eta_k + \eta_m + \eta_t + \epsilon_{c,k,m,t}$$

$POL_{c,t}$  signifies the policy indicator for country  $c$  and year  $t$ , thereby estimating the policy effect on job-to-job mobility. The policy indicators fall into five categories: labour market programmes, retirement and pensions, health and disability spending, housing and geographic mobility policies and barriers to business entry and competition, which were informed by research in the sections above.

1. Countries include: Austria, Belgium, Czechia, Denmark, Germany, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, the Slovak Republic, Slovenia, Switzerland, the United Kingdom and the United States.

2. Regional classifications are based on NUTS-2 in European countries, metropolitan regions in Korea, and at the state-level in the United States.

3. For results emerging from the baseline model, see Annex 3.B.

4. For precise definitions on how these variables are defined, see Annex 3.B.

## Key recommendations

- Older and long-tenured workers without recent job search experience or familiarity with relevant technologies may struggle when re-entering the job market. Governments can offer age-targeted career advance and guidance services to bridge information gaps and build confidence (e.g. Dutch Programme for Sustainable Employability and Early Retirement (MDIEU)).
- Many older workers lack the professional and personal networks that are critical for breaking into a new occupation. Federal and local governments can strengthen social infrastructure by designing urban and suburban spaces that promote social connection among older community members (e.g. group career counselling).
- Re-skilling and up-skilling programmes can aid older workers to tap into their transferable skills and take advantage of opportunities in growing sectors. As advancements in AI change the work landscape, government can offer free or subsidised training on sector-specific digital skills (e.g. Australian Career Transition Assistance Program).
- Changing occupations at later stages in life can be both necessary and intimidating. Apprenticeship and work experience programmes introduce workers to different sectors and occupations without requiring a long-term commitment (e.g. British Returnership Initiative).
- A significant minority of low-skilled workers are trapped in hazardous or arduous jobs, which can become unsustainable with age. In addition to offering redeployment and career counselling to help workers find roles that suit their needs (e.g. Luxembourg's Professional Redeployment Programme), it is crucial to open a broader discussion about improving working conditions and promoting the creation of high-quality jobs.
- Housing costs and moving expenses discourage workers from taking on positions outside of their geographic area. Governments can offer subsidies for housing and transportation in the short-term (e.g. Latvian Regional Mobility Support Programme). However, longer-term solutions require lowering the transactions costs tied to buying and selling property by replacing non-recurrent housing taxes with recurrent or annual taxes on immovable property.
- Non-compete agreements (NCAs) and occupational licenses are implemented to protect health, safety, and trade secrets. However, overuse of such tools can promote monopsony power and stifle labour market fluidity. Governments can draw on policy tools, such as mandatory compensation for NCAs and forming reciprocity agreements for licenses, to lower barriers to entry and exit.
- Overly strict employment protection rules (e.g. severance pay and mandatory notice periods) accompanied by product market regulations (PMRs) disproportionately hinder job flows for older workers with longer tenure. Lowering severance pay and extending notice periods are policy levers used by governments to facilitate mobility at a lower cost to employers.
- Older individuals who are displaced from their jobs are at high-risk of pre-mature labour market exit. It is, therefore, necessary that benefits are distributed in a way that promotes quick re-integration into employment. Targeted wage insurance for older, displaced workers has the potential to speed up re-employment and increase earnings (e.g. American Reemployment Trade Adjustment Assistance (RTAA)).

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## Annex 3.A. Country-level employment policies

In June 2023, the OECD distributed a questionnaire to all member countries regarding their policies to facilitate job changes for mid-career and older workers. Countries were asked to provide information about existing policies to: promote job or occupational mobility, support people moving away from hazardous or poor-quality jobs and facilitating job change in anticipation of job displacement. The countries were asked to highlight their main or most important policies, rather than providing an exhaustive list of policies. The OECD received responses from the 20 member countries in the table below.

**Annex Table 3.A.1. Country-level policies to facilitate job mobility at mid-career and older ages**

Country-level policies, June 2023

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Australia	Skills Checkpoint for Older Workers Program	Skills Checkpoint for Older Workers Program	Labour market programmes	Yes	Provides eligible participants with free support and personalised career guidance to update their skills, one-on-one career guidance with an advisor and recommendations for further skills training to help them in their current role, a new role or to help them to transition into a new career.
Australia	Skills and Training Incentive (The Incentive)	Skills and Training Incentive (The Incentive)	Labour market programmes	Yes	Provides eligible mature Australians with up to AUD 2 200 (GST inclusive) from the Australian Government to fund re-skilling or up-skilling opportunities. The Incentive is available to people who have completed the Skills Checkpoint for Older Workers Program.
Australia	Career Transition Assistance (CTA)	Career Transition Assistance (CTA)	Labour market programmes	Yes	A voluntary programme that provides tailored support for Australians aged 45+, to help them identify transferable skills and experiences, while improving their digital literacy to allow them to become more competitive in their local labour market.
Australia	Relocation Assistance in Workforce Australia	Relocation Assistance in Workforce Australia	Housing, geographical mobility and international migration	No	Provides financial support to cover moving expenses for individuals who need to relocate more than 90 minutes away from their current residence to take up a new job. Eligible individuals depend on participation in some Workforce Australia programmes.
Australia	Workforce Australia Early Access Incentive	Workforce Australia Early Access Incentive	Labour market programmes	No	Provides retrenched workers and their partners immediate access to employment services through Workforce Australia.
Australia	Transition Support	Transition Support Network	Labour market	No	An on-the-ground support network that delivers support for local workforces as transitions

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	Network (TSN)	(TSN)	programmes		occur. It brings together representatives from the Department of Employment and Workplace Relations' national, state and territory offices together with Employment Facilitators from the Local Jobs Program.
Belgium	Outplacement – Special regime for workers aged 45 and above	Régime particulier – travailleurs âgés de 45 ans et plus	Labour market programmes	Yes	Requires that employers offer an outplacement to workers aged 45+ who fall under certain conditions. The aim is to aid dismissed workers find new work quickly and minimise unemployment duration.
Belgium	Aviato	Aviato	Barriers to business entry and dynamism	No	A co-operation between regional public employment services and other public-private partners to attract people to from Brussels and Wallonia to work at Brussels Airport.
Belgium	Active management of restructuring	Gestion active des restructuring	Labour market programmes	Partially	Enables employees that are made redundant as part of a mass redundancy scheme to find a job as quickly as possible or to develop a self-employed professional activity. Workers aged 45+ benefit from more advantageous measures than workers under 45.
Belgium	Law of 7 October 2022 aimed at partially transposing Directive (EU) 2019/1 152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions'	Loi du 7 octobre 2022 visant à transposer partiellement la Directive (UE) 2019/1 152 du Parlement européen et du Conseil du 20 juin 2019 relative à des conditions de travail transparentes et prévisibles'	Barriers to business entry and dynamism	No	The new regulation establishes more strict rules limiting the conditions of validity of non-compete clauses.
Canada	Workplace Safety and Insurance Act (WSIA)	Workplace Safety and Insurance Act (WSIA)	Labour market programmes	No	In Ontario, WSIA provides compensation for workers who are injured or ill due to work. While one of the primary aims of the WSIA is to have the injured worker return to work with the accident employer, in those cases in which return to work with the accident employer does not occur, the WSIB provides supports to help the worker return to the labour market.
Canada	Better Jobs Ontario (BJO)	Better Jobs Ontario (BJO)	Labour market programmes	Partially	Serves unemployed individuals who have either been laid-off or are experiencing challenges developing strong labour market attachment, and are experiencing, or are at risk of, long-term unemployment. This includes mid-career and older workers and workers trapped in low-skill employment. Participants are eligible for up to CAD 28 000 in funding for skills training and living expenses.
Belgium	Law of 7 October 2022 aimed at partially transposing Directive (EU) 2019/1 152 of the European Parliament and of the Council of	Loi du 7 octobre 2022 visant à transposer partiellement la Directive (UE) 2019/1 152 du Parlement européen et du Conseil du 20 juin 2019 relative à des conditions de	Barriers to business entry and dynamism	No	The new regulation establishes more strict rules limiting the conditions of validity of non-compete clauses.

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Canada	Workplace Safety and Insurance Act (WSIA)	Workplace Safety and Insurance Act (WSIA)	Labour market programmes	No	In Ontario, WSIA provides compensation for workers who are injured or ill due to work. While one of the primary aims of the WSIA is to have the injured worker return to work with the accident employer, in those cases in which return to work with the accident employer does not occur, the WSIB provides supports to help the worker return to the labour market.
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Canada	Rapid Re-employment and Training Service (RRTS) – Adjustment Advisory Program (AAP)	Rapid Re-employment and Training Service (RRTS)	Labour market programmes	No	Responds to large-scale layoffs by connecting individuals with relevant and appropriate Employment Ontario (EO) services to help them regain employment. As part of this, the AAP is a tool that supplies advisory and financial assistance to help clients adjust to the impacts of job loss, or threatened job loss, in the workplace.
Canada	Sectoral Workforce Solutions Program (SWSP)	Sectoral Workforce Solutions Program (SWSP)	Labour market programmes	No	Helps key sectors of the economy to implement solutions that address their current and emerging workforce needs. Funds sectoral projects such as training and reskilling workers to help workers gain new skills to meet the needs of employers and transition to in-demand jobs in key sectors, and helping employers retain and attract a skilled and diverse workforce.
Canada	Future Skills	Future Skills	Labour market programmes	No	Initiative of the government of Canada's plan to help prepare Canadians for jobs of the future. As part of the initiative, the Future Skills Centre was created to be an independent innovation and applied research centre. The Centre has invested in over 240 projects spanning in every province and territory, resulting in over 36 000 Canadians receiving hands-on skills training.
Canada	Community Workforce Development Program	Community Workforce Development Program	Labour market programmes	No	Tests community-based approaches to workforce planning and skills training to support local economic development and growth. The programme encourages collaboration between employers, training providers, community organisations and others to support community workforce planning, connect employers and training providers, and fill current and emerging jobs.
Canada	Ontario's Employment Standards Act, 2000 (ESA)	Ontario's Employment Standards Act, 2000 (ESA)	Barriers to business entry and dynamism	No	Any non-compete agreements entered into between employers and employees (or prospective employers and prospective employees) on or after 25 October 2021, are void. Employers are prohibited from entering into an employment contract or other agreement with an employee that is, or that includes, a non-compete agreement. Employees or prospective employees who refuse to sign such agreements are protected by the ESA's reprisal protection
Canada	Foreign Credential	Foreign Credential	Barriers to	No	Supports the labour market integration of skilled newcomers by funding P/Ts, regulatory

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	Recognition Program (FCRP)	Recognition Program (FCRP)	business entry and dynamism		authorities and organisations to enhance foreign credential recognition (FCR) processes, provide loans and support services to help skilled newcomers navigate the FCR process, and provide employment supports (e.g. training, work placements), to help skilled newcomers gain Canadian work experience in their profession or field of study.
Canada	The Skilled Trades and Apprenticeship programme (Red Seal Program)	The Skilled Trades and Apprenticeship programme (Red Seal Program)	Barriers to business entry and dynamism	No	Supports greater consistency in learning resources, provide tools and supports for assessment, and allows for increased industry involvement in standards development. The new model places increased emphasis on apprenticeship training and skills assessment with industry-defined learning objectives, outcomes and performance criteria.
Canada	Fair Access to Regulated Professions and Compulsory Trades Act (FARPACTA) and Regulated Health Professions Act (RHPA)	Fair Access to Regulated Professions and Compulsory Trades Act (FARPACTA) and Regulated Health Professions Act (RHPA)	Barriers to business entry and dynamism	No	Ontario introduced statutory amendments mandating time limits in which regulatory authorities must make and communicate registration decisions to domestic labour mobility applicants. The aim of the policy is to ease mobility across provinces.
Canada	"As of Right" Rule	"As of Right" Rule	Barriers to business entry and dynamism	No	As of 24 July 2023, Ontario allows physicians, nurses, respiratory therapists and medical laboratory technologists already registered in another province or territory to start working in the province immediately, without having to first register with the Ontario regulatory health college.
Canada	Ending Mandatory Retirement Statute Law Amendment Act, 2005	Ending Mandatory Retirement Statute Law Amendment Act, 2005	Retirement and pension policies	Yes	Ended the practice of mandatory retirement for workplaces in Ontario, with limited exceptions.
Costa Rica	National Employment System	Sistema Nacional de Empleo	Labour market programmes	No	Seeks contribute to generate labour development and capacity for the population that lives within Costa Rica. The System services are free and provided to all population. The options provided within the system are for employees but also for persons with their own business.
Costa Rica	National Program to Support Microenterprises and Social Mobility	Programa Nacional de Apoyo a la Microempresa y la Movilidad Social (PRONAMYPE)	Labour market programmes	No	Seeks to promote their social mobility and to improve their life quality by promoting their self-employment through productive projects proposed by themselves to create a regular income and to improve their employability.
Costa Rica	Employment Gender Equality Program	Programa: Igualdad de género en el empleo	Other	No	Aims to guide and support companies and public institutions to identify gender gaps and to establish plans, actions and measures to eliminate them gradually. It seeks to create cultural changes within the workplace and to promote business ethics to eliminate any gender gap. The three main tasks of the programme are: (1) Technical support through training, (2) Recognition of good labour practices for gender equality, and (3) Granting a Seal of Gender Equality.
Costa Rica	Technical rule INTE T 203:2021 "Age management in the	Factores psicosociales. Gestión de la edad en el ámbito laboral.	Other	Yes	The Occupational Health Council through the National Institute of Technical Standards has issued a technical rule to promote health ageing and to increase functionality and health during retirement to achieve better conditions throughout life stages. The rule establishes

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	workplace.”				action plans to adapt the working environment for middle-aged workers (50-64), while encouraging the rest of workers to consider the ageing process in working activities.
Costa Rica	National Learning Institute (INA): Orientation for Education and Training Model	Instituto Nacional de Aprendizaje (INA): Modelo de Orientación para la Educación y la Capacitación	Labour market programmes	No	The Orientation Model treats orientation as a teaching process for lifelong learning. The services are offered to groups and/or individually according to four pillars: Vocational area, Educational Area, Labour Area, and Personal and Social Area. The comprehensive approach provides support to individuals at all stages of the training and development process
Czechia	Database of retaining and further education courses and Payment of a digital education course	Databáze kurzů udržovacího a dalšího vzdělávání & Platba kurzu digitálního vzdělávání	Labour market programmes	No	An allocation of CZK 6.5 billion is reserved for reskilling and upskilling in digital skills and skills for Industry 4.0 within the framework of the National Recovery Plan. Within this amount, half (CZK 3.25 billion) will support training in companies (primarily in small and medium-sized enterprises) and the other half (CZK 3.25 billion) retraining and individual professional education of adults. The target group is all economically active citizens, the courses are intended for both employed and job seekers.
Czechia	Project: Age is not a barrier	Věk není překážkou (VNP)	Labour market programmes	Yes	Job seekers over 50, regardless of the length of registration at the Labour Office and the level of education, are eligible to deepen their skills in the form of retraining, employment mediation, increased flexibility, motivation and qualification of the unemployed so that they integrate into the labour market or are well prepared for it.
Czechia	Contribution to support regional mobility	Příspěvek na podporu regionální mobility	Housing, geographical mobility and international migration	No	Can support an applicant who is: a job seeker with a continuous record of more than five months; a job seeker or person interested in a job who has lost his job as a result of mass layoffs; and a job seeker who is given increased care (up to 29 years old, 51+, with a disability, caring for a child), for whom it is not possible to mediate employment in his place of residence for a maximum period of 12 months.
Czechia	Career counselling (long-term practice)	Kariérové poradenství (dlouhodobá praxe)	Labour market programmes	No	Career counselling is provided by the Labour Office of the Czech Republic. Career counselling services are most often provided by the workplace of the Information and Counselling Centre for choosing and changing occupations. Career counselling includes a wide range of informational, advisory, diagnostic, motivational and educational activities with the aim of helping the client in deciding on a professional orientation and in solving problems related to losing and regaining employment.
Czechia	Retraining (long-term practice)	Rekvalifikace (dlouhodobá praxe)	Labour market programmes	No	Retraining and requalification programmes have advanced the skills of over 14 000 individuals in Czechia in 2022. When determining the content and scope of retraining, it is based on the previous qualification, state of health, abilities and experience of the person who is to be retrained in the form of acquiring new theoretical knowledge and practical skills as part of further professional education.

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Czechia	Project Outplacement	Projekt Outplacement (OUT)	Labour market programmes	No	To help the employees of companies that are going through structural changes and that are therefore forced to lay off their employees. The project focuses on increasing the adaptability of these employees to find a new job before the end of the current employment relationship. Employers can continue to keep long-term workers for whom they no longer have a job, thanks to the project they can retrain them for another position.
European Union (EU)	EURES Targeted Mobility Scheme	EURES Targeted Mobility Scheme	Housing, geographical mobility and international migration	No	Supports jobseekers in overcoming the challenges of working abroad. It can provide earmarked allowances and fund language courses, recognition of qualifications and travel and living expenses.
France	Validation of prior learning (VAE)	La validation des acquis de l'expérience (VAE)	Other	No	Allows any worker to obtain a professional certification through the validation of their experience squared within the framework of a professional and/or extra professional activity.
France	FNE Formation (Keeping employees employed)	FNE-Formation (Fond National de l'Emploi)	Labour market programmes	Partially	Supports eligible companies in training and developing the skills of their employees in the form of training pathways. The scheme was strengthened during the health crisis in 2020, to respond immediately to the training needs of companies placed on partial activity, and to support them in the economic recovery. Within these three areas, priority is being given to training that helps older workers, defined as employees aged 55+, to remain in employment and to improve their employability.
France	Assistance for hiring a job seeker aged 45+ on a professional contract	Aide à l'embauche d'un demandeur d'emploi de 45 ans et plus en contrat de professionnalisation	Labour market programmes	Yes	Assistance is provided for hiring a job seeker aged 45+ under a professionalisation contract and is open to any employer under certain conditions and allows employees aged 45+ over to acquire a new certification or professional qualification through work-study training. The aid set at EUR 2000 is paid in two installments (3 months and 10 months of execution) and can be combined with aid for hiring an applicant under a professionalisation contract over 26 years old, amounting to also at EUR 2000.
France	Professional account for the prevention of arduousness	Compte professionnel de prévention de la pénibilité	Other	No	Since the implementation of the personal hardship prevention account, which in 2017 became the professional prevention account, employees exposed to certain occupational risk factors above certain thresholds (such as night work, in alternating shifts, exposure to noise, etc.) can acquire points under this account. They can then use them to take early retirement, work part-time or benefit from training to be able to change jobs and take up a less exposed job.
France	Law of 2 August 2021, strengthening occupational health prevention	Loi du 2 août 2021 renforçant la prévention en santé au travail	Other	Yes	Improves support for employees in mid-career by creating a new medical examination – the mid-career visit – which takes place around the employee's 45th birthday. It ensures that the employee's state of health is consistent with the position and the activities carried out. During this visit, the occupational physician can propose job adjustments to the employee but also the implementation of measures to prevent professional disintegration, such as the supervised trial and the professional re-education agreement in the company.
France	Investment fund for the prevention of	Fonds d'investissement dans la prévention de l'usure	Other	No	The amended Social Security Financing Act of 14 April 2023 created an investment fund for the prevention of wear and tear in the workplace. This fund, with a budget of EUR 1 billion

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	professional wear and tear	professionnelle			between now and 2027, aims to finance prevention, awareness-raising and training initiatives for employees who are particularly exposed to ergonomic risk factors (marked physical constraints). The fund can finance companies to support their efforts to prevent the effects of exposure to risk factors and their training initiatives for exposed employees.
France	Reclassification Leave	Le congé de reclassement pour reconversion professionnelle	Labour market programmes	No	The regulation stipulates that companies with at least 1 000 employees must offer each employee retraining leave if they were dismissed on economic grounds.
France	Professional Security Agreement (CSP)	Le contrat de sécurisation professionnelle (CSP)	Labour market programmes	No	Allows certain employees (companies with less than 1 000 employees) affected by a redundancy procedure to benefit from a set of measures intended to promote an accelerated return to employment.
Hungary	Supporting jobseekers to become entrepreneurs	Vállalkozóvá válás támogatása, VVT	Barriers to business entry and dynamism	No	Provides resources to jobseekers who wish to become entrepreneurs. The forms of support can be: (1) Interest-free capital grant, (2) non-refundable support up to the minimum wage for a period of up to six months, (3) expert advice costs.
Hungary	EKKV: e-learning for SMEs to improve the management skills of businesses	EKKV- Vállalkozzon Okosan!	Labour market programmes	Partially	A digital curriculum offered to SMEs for free with the aim of making companies more resilient and prepared with necessary management skills. The 4th module is dedicated to generational transfer (e.g. senior entrepreneurs who trying to create the right conditions to transfer their business. In addition to operational advice, the e-learning module discusses the psychological background of trust and letting go, as well as practical difficulties of handing a business over to a new leader.
Hungary	National Mentor Program	Országos Vállalkozói Mentorprogram	Barriers to business entry and dynamism	No	A 6-12 month-long programme for different entrepreneurial subgroups. The programme connects entrepreneurs to a volunteer mentor with specialised knowledges. The target groups of the mentees are women lead micro and small enterprises, young entrepreneurs, enterprises facing generational change or re-structuring due to the COVID-19 pandemic. 60% of the 200 supported entrepreneurs are older than 55.
Hungary	Non-competition agreement (NCAs)	Versenytilalmi megállapodás	Barriers to business entry and dynamism	No	The Hungarian Labour Code references the disadvantages of NCAs by requiring employers to pay adequate compensation based on the degree of impediment the agreement has on their ability to find employment elsewhere and education. The amount of compensation must be at least one-third of the base wage for the same period.
Hungary	Housing allowance	lakhatási támogatás	Housing, geographical mobility and international migration	No	Offered to jobseekers who are offered to work at a place located in a settlement at least 60 km from their place of residence.

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Hungary	Support of employee mobility	Mobilitási itámogatás	Housing, geographical mobility and international migration	No	A travel allowance may be awarded to jobseekers who are offered to work at a place located in a different settlement at least 10 km away but closer than 60 km from their permanent residence (if other conditions are met).
Hungary	Several support services for ageing law enforcement officers	Könnyített szolgálat a hivatásos állomány tagjai számára / Nyugdíj előtti rendelkezési állományba helyezés / Szenior állomány	Retirement and pension policies	Yes	At various stages before reaching the upper-limit of service, law-enforcement can improve their working environment. For example, at ten years before the age limit, they can request to be placed on light duty. At five years before reaching the upper age limit, they can be placed on pre-retirement disposition. Law enforcement officers who are entitled to a veteran pension and meets eligibility requirements must be included in the senior staff upon their request.
Hungary	Evolution Programme- Generation Change Program	Evolúció – Megújuló Vállalkozások Programja, Generációváltás Program	Barriers to business entry and dynamism	Yes	A unique company diagnostic based on the international standards to analyse the financial and economic situation of the participating companies and to determine the value of the company. It was created to be a compass for the companies by offering SMEs with consulting services and free templates and education material.
Japan	Subsidy for Mid-career Recruitment (Mid-career Recruitment Expanding Course)	中途採用等支援助成金 (中途採用拡大コース)	Labour market programmes	Yes	To secure diverse employment opportunities for middle-aged and elderly people and strengthen distribution through wage increases, we will expand employment opportunities for those who change jobs or re-enter the workforce by offering subsidies to employers who expand mid-career hiring.
Japan	Lifelong Active Worker Support Desk Project	生涯現役支援窓口事業	Labour market programmes	Yes	Establishes the Lifelong Active Worker Support Desk at major Hello Work locations nationwide to comprehensively provide support for redesigning their working lives and employment support through support teams for elderly job seekers over the age of 65 in particular.
Japan	Employment Development Subsidy of Specific Job Seekers (Course for those who have difficulty finding employment)	特定求職者雇用開発助成金 (特定就職困難者コース)	Labour market programmes	Partially	Provides subsidies to employers who hire those who have difficulty finding employment as continuously employed workers. The programme specifically targets workers who older, the disabled, and others who have difficulty finding employment.
Japan	Hello Training (Public Vocational Training (for unemployed people), Job Seeker Support Training)	政策の名称：ハロートレーニング (公共職業訓練 (離職者訓練) ・求職者支援訓練)	Labour market programmes	No	Dedicated to providing training to job seekers of Hello Work after identifying that they need it during vocational consultation.
Japan	Career Development and Reskilling Support Center	キャリア形成・学び直し支援センターの創設	Labour market programmes	No	For individuals (employees), companies and organisations, and school officials, various career development support and reskilling support are provided free of charge using job cards.
Japan	Revision of the benefits	失業給付制度における	Labour market	No	Current regulations for unemployment benefits that that if you leave your job for personal



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	restriction in the case of voluntary turnover under the unemployment benefit system	自己都合離職の場合の給付制限の見直し。	programmes		reasons, you cannot receive unemployment benefits for two to three months after applying for a job. The Japanese Government is amending the specific designs to relax the requirements for restrictions on benefits in the case of voluntary turnover.
Japan	Sharing Public-Private Information on Recruitment, Job-Seeking, and Career Advancement	求人・求職・キャリアアップに関する官民情報の共有化	Labour market programmes	No	To facilitate the smooth movement of labour to growth sectors, we will establish a system to process, consolidate, and share basic information held by the public and private sectors on job seeking and job offers, and career consultants (currently 64 000 people) will be able to provide consultations on career development and job changes to workers based on this basic information.
Japan	Revision of Model Rules of Employment for Retirement Allowances	退職金に係るモデル就業規則の改正	Retirement and pension policies	Yes	In private companies, it may be necessary to review labour practices. For example, the retirement allowances reduced for voluntary retirement in some companies, and if the length of service and retirement age do not meet certain standards, the retirement allowances do not be paid. One of the reasons is that since it has been pointed out that the “Model Rules of Employment” has influenced to the restrictions on the retirement allowances based on the length of service and the treatment of retirement allowances are different between voluntary and involuntary retirement, the Model Rules of Employment was revised.
Japan	Job tag (the Japanese version of O-NET)	職業情報提供サイト	Other	No	To promote “visualisation of the labour market”, this site “visualises” occupational information from the viewpoints of “job” (occupation, job), “task” (detailed breakdown of the content of the job, work), “skills” (technology and skills necessary for a specific work), etc., and supports job hunting and corporate recruitment activities.
Japan	Regional Employment Support Project	地方就職支援事業	Housing, geographical mobility and international migration	No	Provides job seekers who would like to move to rural areas and work for local companies with information related to life in the region, employment counselling, job placement, and other support according to individual needs at Hello Work specialised support desk “Regional Employment Support Corner” in metropolitan areas (Tokyo and Osaka).
Japan	Employment Conversion Benefit	職業転換給付金	Labour market programmes	No	Provides benefits to those who have difficulty finding employment for the purpose of assisting them in changing jobs, interregional migration, and applying to the workplace.
Japan	Career Enhancement Subsidy	キャリアアップ助成金	Other	No	Provides subsidies to employers who have implemented initiatives such as making non-regular workers to regular workers to promote career advancement within the same company.
Latvia	ESF project “Improvement of professional competencies of employed persons”	ESF projekts “Nodarbināto personu profesionālo kompetenču pilnveide”	Labour market programmes	Partially	To motivate the working population to apply for educational programmes, most of the education costs are covered by EU funds and the state budget. Depending on the type of educational programme, 90% or 95% of the tuition fee is covered by the ESF and the state, while 5-10% is the participant’s co-payment. Admission advantages are given to workers aged 45+ with a low or insufficient level of education for the labour market (completed or incomplete basic education or general secondary education)
Latvia	Active Ageing Strategy	Aktīvās novecošanas stratēģija	Labour market programmes	Yes	Targeted workers aged 50+, who face barriers to entering or staying in the labour market. Some progress was achieved between 2016 and 2020. However, the initiative was

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
					suspended due to COVID-19. A new project is being developed that will focus on the adjustment of workplaces and different individual support measures to support longer, better and healthier working lives.
Latvia	Skills programmes for better labour market outcomes	Prasmju programmas labākiem rezultātiem darba tirgū	Labour market programmes	No	Aims to improve labour market prospects of the unemployed various skills programmes have been prioritised by the Latvian Public Employment Service (State Employment Agency) with a particular focus on those with lower qualifications. In 2023, the emphasis was put on retraining and skill improvement measures, with a special focus on the development of digital skills.
Latvia	Modernizing digital systems of the Latvian Public Employment Services (22LV10)	Nodarbinātības valsts dienesta digitālo sistēmu modernizācija (22LV10)	Labour market programmes	No	The programme, which falls under the EC DG Reform Technical Support Instrument (TSI) Project, is aimed at improving the capacity of the Latvian Public Employment Service – the State Employment Agency (SEA) by also making better use of available data to reach out to different target groups, including the long term unemployed, as well as better tailoring the support to the needs of the individual.
Latvia	Promotion of regional mobility	Reģionālās mobilitātes veicināšana	Housing, geographical mobility and international migration	No	Offered to unemployed workers who start employment at least 15 km away from their residence. The amount of support depends on the real costs of transportation or living submitted to the PES. However, regional mobility support covering transportation costs or living costs is also available in various policy measures (e.g. subsidised employment and training if working place or training institution is at least 15 km away from residence).
Lithuania	Acquisition of High-Added Value Qualifications and Competences (Changes in the Law on Employment No XII-2470)	Didelę pridėtinę vertę kuriančių kvalifikacijų ir kompetencijų įgijimas (Užimtumo įstatymo pakeitimai Nr. XII-2470)	Labour market programmes	No	Aims at supporting employed and unemployed jobseekers seeking to obtain qualifications and/or competences for high value-added jobs. A part of these education and training programmes shall be specifically focused on digital skills. It shall provide more opportunities for employed people and shall also include higher education modules.
Lithuania	Support to Start a Business (Changes in the Law on Employment No XII-2470)	Parama verslo pradžiai (Užimtumo įstatymo pakeitimai Nr. XII-2470)	Labour market programmes	No	Unemployed and employed persons, can benefit from a support a one-off lump sum payment for job creation to start a business, by creating a job place for oneself or the unemployed person(s) referred by the Employment Service in a micro-enterprise, where the jobs created are in consideration to the priorities that help to achieve the goals of digital and green transformation, to promote circular economy and/or to reduce the impact of COVID-19 disease.
Lithuania	Law on Adult Education – Co-ordinated lifelong learning system (LLL)	Suaugusiųjų švietimo įstatymas – Koordinuota mokymosi visą gyvenimą sistema	Labour market programmes	No	Creates links between formal and non-formal adult education by enabling schools providing formal education programmes to run non-formal educational programmes and provide information and advice to interested persons on these programmes, as well as recognises competences gained through non-formal learning.

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Lithuania	Start from 50+	Startuok nuo 50+	Labour market programmes	Yes	To expand entrepreneurship opportunities and develop the skills of older workers. During the programme the participants are taught not only the basics of business practices, but also digital skills, including e-commerce.
Luxembourg	Lifelong learning initiative	Stratégie nationale du Lifelong Learning	Labour market programmes	No	Developed and managed by the National Institute for the Development of Continuing Vocational Training (INFPC), a public institution under the supervision of the Ministry of Education, Children and Youth. Its mission is to promote lifelong-learning among all groups of the population involved in training – employees, job seekers, training providers, training buyers, or company managers.
Luxembourg	Future Skills Initiative	Programme “Skills-Plang”	Labour market programmes	No	To provide skill upgrades, including digital training. Among other activities, some focuses of the programme are developing a new training course that involves a practical component for jobseekers and supporting companies in analysing and planning their workforce.
Luxembourg	OECD Skills Strategy Project	Stratégie de l’OCDE sur les compétences	Other	No	To support Luxembourg in its reform agenda, the OECD has conducted a collaborative and tailored National Skills Strategy. The report identified that developing relevant skills and using them effectively is crucial for Luxembourg’s ability to thrive in an increasingly interconnected and rapidly changing world.
Luxembourg	Early Retirement	Préretraite	Retirement and pension policies	Yes	In January 2013, the general pension insurance scheme reform took effect. One aim of the legislation was to adapt the replacement rate of pensions to life expectancy and to plan for regulating mechanisms if financial resources are inadequate. The legislation also addresses the gap between legal and effective retirement ages by establishing an active policy to facilitate conditions for keep older employees.
Luxembourg	Aid for the re-employment of older jobseekers	Aide à l’embauche de chômeurs âgés	Labour market programmes	Yes	Targeted at unemployed workers 45+ who have been unemployed for at least one month. If the application is successful, the government funds the employer’s share of social security contributions for two years for unemployed people aged 45-49 and up to the age of retirement (awarding an old age pension) for unemployed workers over age 50+. For instance, when hiring unemployed jobseekers who are 50+-years, the Employment Fund reimburses 100% of the actual salary costs incurred until their retirement.
Luxembourg	ESF+	FSE+	Labour market programmes	Yes	Based on: Regulation (EU) 2021/1 057 OF The European Parliament and of the Council of 24 June 2021. The State devotes ESF allocations to support lifelong learning to improve the adaptability of the workforce to future challenges and to help older workers remain in employment. For example, the Just Transition Fund aids workers who are affected by the climate transition. This policy intends to support workers in a specific region in their efforts to retrain, reskill, upskill or learn new skills.
Luxembourg	Professional Redeployment	Reclassement Professionnel	Labour market programmes	No	Aids workers who are incapable of performing their previous jobs due to health reasons, disability, or bodily wear (but are not eligible for the invalidity scheme) to either: 1) reintegrate within the same company in another position or work regime or 2) external redeployment.
Luxembourg	Reform of early retirement systems of	Réforme des systèmes de retraite anticipée des	Retirement and pension policies	Yes	The reform of the early retirement schemes, including the solidarity, progressive and early retirement systems of shift and night workers, excluding adjustments aims to target more

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	shift and night workers	travailleurs postés et de nuit			employees with difficult jobs, consequently placing greater emphasis on the working conditions of employees, while favouring the retention of older workers in companies. More precisely, the law abolishes the early retirement-solidarity system and has modified other early retirement systems.
Luxembourg	National social dialogue meetings make it possible to discuss with the social partners the challenges facing Luxembourg	Les réunions nationales du dialogue social permettent d'échanger avec les partenaires sociaux sur les défis du Luxembourg	Job protection legislation	No	The legal framework on social dialogue was overhauled in 2015 by an amended law of 23 July 2015 on the reform of social dialogue within companies. This law modernised the rules within which social dialogue must take place within companies.
Luxembourg	Recovery and Resilience Plan, Grand-Duchy of Luxembourg	Plan pour la Reprise et la Résilience	Labour market programmes	Partially	Sets out a roadmap for rebuilding an economy capable of meeting the challenges of a post-COVID-19 world. Programmes in the plan include: The "Future Skills" and the "Digital Skills" initiatives, as well as the "Skillsdësch" initiative which aims to raise awareness of the concept of "lifelong learning" and continue developing training programmes.
Netherlands	Programme Sustainable Employability and Early Retirement	Maatwerkregeling Duurzame Inzetbaarheid en Eerder Uittreden (MDIEU)	Retirement and pension policies	Yes	Temporary programme for sustainable employability and early retirement (MDIEU) is a 5-year subsidy scheme for investments in the employability of workers, including older workers. Sectors and individual companies can apply for funding for projects to promote the employability of their workers. For those older workers for whom it is hard to continue working until the state retirement age, the programme can subsidise, under certain conditions, temporary arrangements for early retirement (max. 3 years before state retirement age) that the employer funds and offers to those specific older workers.
Norway	New Education Act	Ny opplæringslov	Other	No	Mandates that everyone will have a right to secondary education until completed with trade certificate or university preparatory. The right is for everyone who hasn't completed secondary education. The Education Act also introduces the right to achieve a second trade certificate. This is a right to vocational training for people who have formerly completed secondary education, either through a trade certificate or university preparatory.
Norway	Career Guidance at the County Municipality Level	Karriereveiledning på Fylkeskommunenivå	Labour market programmes	No	County municipalities must have an offer of free career guidance for everyone who lives there. The goal of career guidance is that people become better able to handle transitions, and to make meaningful choices related to education, learning and work throughout life. The Norwegian system consists of both digital information and guidance services and services where you can meet physically.
Norway	Modularised education as the main model for learning for adults	Modularisert opplæring som hovedmodell for læring for voksne	Labour market programmes	No	To facilitate more flexible learning that easier builds on the adult's previous skills, learning for adults is divided into smaller modules. This makes it easier to give the adult the education they need to achieve the desired competency at the end of the learning, easier to learn part time and easier to provide secondary and primary education for those who need both. It's introduced to selected trade certificates and primary education and introducing it to other trade certificated will be considered.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Norway	Educational training and education	Pedagogisk oppl�ring og utdanning	Labour market programmes	No	To qualify unemployed and people with reduced work capacity to available jobs. The educational training and education have to take the form of either: (1) Short courses based on the needs of the labour market, (2) Formal vocational training, (3) Higher Education.
Norway	Special age limits	s�raldersgrenser	Retirement and pension policies	Yes	Certain professions in the public sector have a special age limit of mandatory retirement, in Norwegian called "s�raldersgrenser". The special age limit is lower than the ordinary age limit for retirement. People in professions with the special mandatory age limit were by law obliged to retire (at latest) at the age limit. However, a 2021 change of law removed the mandatory obligation to retire at the special age limit.
Norway	Non-compete agreements (NCAs) – Norwegian Working Environment Act (WEA) Chapter 14 A.	Arbeidsmilj�loven kapittel 14 A: Konkurransbegrensende avtaler i arbeidsforhold	Barriers to business entry and dynamism	No	According to the WEA there are several requirements related to notification, compensation and duration etc. that must be complied with in order to invoke such clauses.
Norway	Supplemental benefit (aka. mobility promotion benefit)	Forskrift om st�nader til dekning av utgifter knyttet til � komme i eller � beholde arbeid (tilleggsst�nadsforskriften)	Housing, geographical mobility and international migration	No	Individuals can get support for moving expenses if they move to another place in Norway or the EU to start a new job.
Norway	Tax on gain when selling home	Skatt ved salg av bolig	Housing, geographical mobility and international migration	No	The gain from homes is tax exempt if the person has lived in the home for one of the last two years before selling. For commuters the gain on the part of the home that the owner uses as a commuter home is also tax-free when the other conditions for tax exemption for housing is fulfilled
Norway	Center for Senior Policy (SSP)	Senter for seniorpolitikk	Other	Yes	National centre of excellence that seeks to provide, develop, and disseminate knowledge and experience that contribute to the increased participation of workers over the age of 50 in employment. SSP's work is rooted in a three-party partnership with the job market. The social partners and the authorities play an important role in the SSP's work.
Norway	Fit for Employment	friskmelding til arbeidsformidling	Labour market programmes	No	If all possibilities of returning to the workplace have been tried, sickness benefit recipients can receive sickness benefit for up to 12 weeks while looking for a new job. The scheme is applicable to recipients where their health condition is such that he/she can return to work, but not to the job they are on sick leave from (employer-to employer mobility).
Norway	Expert assistance	Tilskudd til ekspertbistand – nav.no	Labour market programmes	No	To help an employee and employer to solve a situation that can lead to sickness absence. Expert assistance means that the employer and employee receive help from a neutral person who has expertise in sickness absence and the working environment. The expert must help clarify and find solutions to challenges that lead to sickness absence and propose measures that can enable the employee to carry out his work.
Norway	Trial scheme on	Fors�k med kompetansetiltak	Labour market	No	Targeted at employees on sickness benefits who are in danger of leaving the work force

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	re-skilling of long term recipients of daily cash benefits in the case of sickness	for sykemeldte	programmes		permanently and who need re-skilling and new employment to stay in the work force. All recipients of daily cash benefits in case of sickness are eligible for the trial. After identifying and interviewing possible candidates are interviewed. Suitable candidates may then be offered competence giving courses as an active labour market measure.
Poland	National Training Fund	Krajowy Fundusz Szkoleniowy	Labour market programmes	No	Intended to co-finance lifelong learning for employees and employers. Employers are supported in the process of securing adequate and required competencies among employees, thus supporting both the adaption to a changing economy and encouraging lifelong learning among employees. The measure helps the employees to remain in employment and prevent potential job loss.
Poland	Monitored redundancies	Zwolnienia monitorowane	Job protection legislation	No	An employer aiming to dismiss at least 50 employees within a period of 3 months is obliged come to an agreement with the labour office competent for the seat to discuss the scope and forms of assistance for dismissed employees, including disabled employees, regarding in particular: job placement, career guidance, training. In addition, the employer is obliged to take action to provide employees who are to be dismissed or are in the process of termination or within 6 months after the termination of employment or service relationship with labor market services provided in the form of a programme.
Poland	Non-compete clauses (NCAs)	Klauzule o zakazie konkurencji	Barriers to business entry and dynamism	No	According to the new Art. 26 of the Labour Code, the employer may not prohibit the employee from simultaneously remaining in an employment relationship with another employer or from remaining in a legal relationship that is the basis for the performance of work other than an employment relationship. However, there are some exceptions.
Portugal	Qualifica Centres	Programa Qualifica	Labour market programmes	No	Provides an individualised public service to adults, allowing the definition of the most appropriate qualification pathway for each specific situation, depending on the characteristics of each person, their educational and professional background and their ambitions and expectations. These centres are widely spread across the national territory and are promoted by different types of institutions such as schools, training centres of the national public employment services, city councils, companies and business associations or local development associations.
Portugal	The recognition, validation and certification of competences (RVCC)	Regula o reconhecimento, a validação e a certificação de competências no âmbito do Programa Qualifica	Labour market programmes	No	Process that allows the recognition, validation and certification of competences (RVCC) acquired and developed throughout life by adults, in non-formal and informal contexts, with a view to obtaining a school qualification (at basic, secondary or upper-secondary levels), a professional qualification or both. Adults aged 23+ must have at least three years of professional experience. RVCC is carried out exclusively by Qualifica Centres and fits in Qualifica Programme since 2017.
Portugal	Programme Upskill	Programa Upskill	Labour market programmes	No	Consists of professional training of workers (employed or unemployed), with at least an upper-secondary education, in the field of Information, Communication and Electronics Technologies. Involves a period of intensive training, from six to nine months, followed by practical training in a work-based context and professional integration in a company.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Portugal	Inland Employment Plus	Programa “Emprego Interior Mais”	Housing, geographical mobility and international migration	No	Consists of a financial support for geographic mobility in the labour market, awarded by the public employment services, to lower the financial barriers associated with moving inland. The goal is to create favourable conditions for job creation and development of professional activities in inland territories.
Portugal	Programme of incentives to the establishment of public sector workers in inland territories	Cria um programa de incentivos à fixação de trabalhadores do Estado no interior	Housing, geographical mobility and international migration	No	Offers incentives to workers with a public employment contract in cases of definitive or temporary change of the workplace to territories of low population density. Incentives can be financial (e.g. duplication of meal allowance) or non-financial (e.g. guaranteed school transfer and extension of paid leave by two days).
Portugal	Programme +CO3SO Employment	Cria um sistema de apoio ao emprego e empreendedorismo (+ CO3SO Emprego)	Labour market programmes	No	Consists of financing job creation in small and medium-sized enterprises (SMEs) and social economy entities. Support is granted for the remuneration for job creation, contributory expenses, and 40% additional support for costs associated with job creation.
Portugal	Employment Award	Prémio de emprego	Job protection legislation	No	If an open-ended employment contract is concluded with the trainee of ATIVAR.PT traineeships, within a maximum period of 20 working days from the date of completion of the traineeship, the promoting entity is awarded an employment bonus.
Portugal	Reintegration of workers in case of accidents at work and occupational diseases	Regulamenta o regime de reparação de acidentes de trabalho e de doenças profissionais	Labour market programmes	No	According to national law, the employer is obliged to reintegrate the worker, that suffered an accident or contracted an occupational disease at the service that has resulted in any of the legally foreseen disabilities, in functions and working conditions compatible with the respective condition.
Portugal	Sustainable Employment Commitment	Compromisso Emprego Sustentável	Labour market programmes	No	Consists of granting financial support to employers for the permanent hiring of unemployed people registered with the IEFP, combined with financial support for payment of contributions to social security, in the first year of validity of supported employment contracts.
Portugal	“Green Skills and Jobs” Program	Programa «Trabalhos & Competências Verdes/Green Skills & Jobs»	Labour market programmes	No	Aims at the professional training and requalification of workers whose employers were directly or indirectly affected by the increase in energy costs, and also of the unemployed. Training may include themes within the scope of energy transition, namely: energy efficiency, renewable energy, water efficiency, sustainable mobility and circular economy.
Slovak Republic	“Development of new skills of the employees”	“Profesijný rozvoj nových zručností zamestnancov”	Retirement and pension policies	No	The main activity is the development of new professional employee’s skills, including digital skills. The activity is aimed at acquiring new skills/increasing and developing the skills of employees, including specific skills according to the employer’s requirements for the job, i.e. for the professional competence to perform a certain profession in the renewed labour market. It is carried out in the form of targeted in-company/in-firm education and professional training.
Slovak Republic	Contribution to support the re-qualification of a job seeker	Príspevok na podporu rekvalifikácie uchádzača o zamestnanie	Labour market programmes	No	Job seekers can request an allowance to participate in a retraining programme on their choice and the contribution will be awarded based on the probability that the jobseeker will enter the labour market after completing the qualification. The Office of Labour, Social Affairs and

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
					Family assesses the job seeker based on the effectiveness and cost of the programme and labour market demand. The contribution covers the cost of re-qualification, reimbursement of travel expenses for transport and for all meals.
Slovak Republic	Contribution for commuting to work	Príspevok na dochádzku za prácou	Housing, geographical mobility and international migration	No	The contribution covers the cost of travel expenses for commuting to work for a maximum of 6 months. Workers must apply for this contribution within one month of beginning a job and the amount of contribution depends on the distance and the number of days worked per month.
Slovak Republic	Contribution to support mobility for work	Príspevok na podporu mobility za prácou	Housing, geographical mobility and international migration	No	Covers part of the housing expenses related to a change in residence in connection with starting a new job. Eligible employees are job seekers who have been in the job seeker registry for at least 3 months and applied for the allowance within 6 months from the data of dismissal from their residence at least 50km from their original place of residence. The length and amount are dependent on whether the job seeker was disadvantaged.
Slovak Republic	National project "Support of employability in the upper Nitra II region"	Podpora zamestnatelnosti v regióne horná Nitra II	Labour market programmes	No	Addresses the anticipated loss of employment for employees of the mining industry and industries directly connected to brown coal mining. The goal is to mitigate the consequences of the termination of mining activity for employees and to create conditions for their transition from the declining lignite mining sector to new employment in other sectors of economic activity in the region. Activities include: Assessment of employees' competences, employee training, financial support for displaced workers, and more.
Slovak Republic	The national project "Don't lose your job – educate yourself"	"Nestrat' prácu – vzdelávaj sa"	Labour market programmes	No	Targeted at people interested in new employment or job seekers interested in a different job. The project offers education focused on the individual needs of job seekers, with emphasis on shortage professions, digitalisation and automation and the green economy. Interested job seekers must choose a specific education of their interest from publicly available sources. The Office will pay 100% of the education costs if the training is completed. As of 1 May 2023, over 32 000 applied and over 24 000 agreements were concluded.
Spain	Promotion of the employment of long-term unemployed (Article 21 of Royal Decree-Law 1/2023 & Article 52 of Law 3/2023)	Promoción del empleo de parados de larga duración (Artículo 21 del Real Decreto-Ley 1/2023 y Artículo 52 de la Ley 3/2023)	Labour market programmes	Partially	Includes a bonus of EUR 110/month for 3 years for the indefinite hiring of long-term unemployed people. Employers who hire women or workers aged 45+ are entitled to EUR 128/month for 3 years. Article 52 of Law 3/2023 also includes employment policies that prioritise people 45+ and other vulnerable groups.
Spain	Article 44 of the Employment Act	Artículo 44. La actividad de recolocación de las personas trabajadoras.	Labour market programmes	Partially	The specialised placement activity aimed at the professional reintegration or outplacement of workers affected by business restructuring processes may be carried out directly by the staff of the public employment services or by placement agencies. The law stipulates that special attention should be paid to workers whose contracts have been terminated by collective redundancy after the age of 52.



Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
Spain	Royal Decree 818/2021: Programme to prevent age discrimination	Real Decreto 818/2021, de 28 de septiembre, por el que se regulan los programas comunes de activación para el empleo del Sistema Nacional de Empleo	Labour market programmes	Yes	To avoid discrimination on grounds of age, the programme covers active employment policy measures or actions that facilitate the reactivation and labour market insertion of job seekers and services who are over 45 years, as well as public aid or subsidies that encourage their recruitment and the undertaking of a self-employed activity. The reference amount of the subsidy will be EUR 5 500 when the person hired is over 45 years (EUR 6 000 if they are also a woman or person belonging to a vulnerable group), and EUR 7 000 when they are long-term unemployed (EUR 7 500 if they are also a woman or person belonging to a vulnerable group).
Sweden	The Transition Package: Improving long-term flexibility, adaptability and security in the labour market	Lars Lööw ny generaldirektör för Arbetsmiljöverket	Job protection legislation	No	To ensure that all workers achieve better opportunities for transition and skill development throughout their working life. Pillars of the initiative include: reformed labour law, a new student finance scheme and new basic transition and skills support. The reformed laws lower the cost of terminations, as well as offer workers greater security by replacing general fixed term employment with a specific fixed-term employment that is more easily converted to permanent employment among other reforms.
Sweden	Labour Market Training	Arbetsmarknadsutbildning	Labour market programmes	No	The training programmes are promoted as a tool to aid workers in occupational transitions and decrease labour shortages in the market. In 2022, Swedish PES invested in increasing the number of workers in labour market training.
Sweden	New student loan for everyone who receives a loan from 2022	Nytt studielån för alla som får lån från 2022	Labour market programmes	Partially	A change in student finance regulations made it easier for seniors to study by allowing individuals to take up a student loan through the government until after 60. The loan must be paid by age 64.
Sweden	Job Security Councils	Trygghetsrådet (TRS)	Other	No	First to contact displaced workers and support them in making labour market transitions. The Job Security Councils are made up of collective agreements between social partners in an industry or sector and financed by corresponding employers. They can provide displaced workers with additional financial support to study in the middle of their working lives.
Switzerland	Viamia	Viamia	Labour market programmes	Yes	Since January 2022, people aged 40+ have been able to take advantage of a free career assessment and personalised advice. A career guidance service called Viamia aims to improve the career prospects of this age group and encourage the potential of the indigenous workforce.
Switzerland	Impulse programme: Measures to facilitate the return to work	Potential de la main d'œuvre: mesures du Conseil fédéral / Arbeitskräftepotenzial: Bundesmassnahmen / Potenziale di manodopera: misure federali	Labour market programmes	Yes	Funds cantonal projects aiming at improving the reintegration of jobseekers who have difficulties re-entering the labour market, in particular jobseekers over 50. In doing so, the programme provides cantonal authorities the opportunity to test new approaches and, if successful, introduce them into the cantonal portfolio of labour market policies.
Switzerland	Pilot: Supported employment for over 50s	Nouvelle offre de «supported employment» pour les 50 ans et plus / Neues Angebot	Labour market programmes	Yes	Targets people aged 50+ who are about to lose their unemployment benefits (UBs). Eligible jobseekers can participate in the programme for up to 18 months, even after they have lost their entitlement to UB. As part of the programme, job coaches support jobseekers during

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
		«Supported Employment» für 50 plus / «Supported Employment»: la nuova offerta destinata agli over 50			their job search. After jobseekers have found a job, job coaches continue to support them and their employers by, for example, identifying skill gaps and financing targeted trainings and continuing education.
Switzerland	Pension fund contributions increase with age	Réforme de la prévoyance professionnelle (Réforme LPP)	Retirement and pension policies	Yes	Among other reforms, old-age bonuses have been simplified. There are now only two steps instead of four, and the extra cost for people aged 55+ has been abolished.
Switzerland	Commuter and weekly residence contributions	Pendler- und Wochenaufenthaltsbeiträge – PEWO	Housing, geographical mobility and international migration	No	This measure of the unemployment insurance is intended to promote the geographical mobility of jobseekers who have not found an appropriate job in their region of residence. The commuter cost contributions cover the travel costs caused by commuting between the place of residence and the place of work. If the place of work is too far away from the place of residence so that a daily commute is no longer reasonable, the unemployment insurance can pay weekly allowances to cover weekly residence costs.
Switzerland	Basic skills for adults: Financial aid to the cantons	Compétences de base des adultes: Aides financières aux cantons	Labour market programmes	No	Together with the cantons, the Confederation is committed to helping adults acquire and maintain the basic skills they lack. The Federal Law on Continuing Education (LFCo) provides for financial assistance to be allocated to the cantons for this purpose. Basic skills cover fundamental knowledge and abilities in the following areas: reading, writing and speaking in a national language, basic mathematics, or use of information and communication technologies.
Switzerland	Simply better!...at work	Simplement mieux!...au travail	Labour market programmes	No	Enables the Confederation and cantons to support basic skills courses organised in companies to improve the quality of work, improve processes and communication, reduce error and absence rates, prepare employees for increased demands, and enhance reputation and loyalty to the company.
Switzerland	Induction Grant	Einarbeitungszuschüsse	Labour market programmes	No	Allows jobseekers who need to be inducted in a new specific area to acquire new skills on-the-job. The grant covers part of the wage costs during the induction phase to achieve the level of productivity expected by the employer.
Switzerland	Training Grants	Ausbildungszuschüsse	Labour market programmes	No	Training grants which allow, under some conditions, jobseekers who haven't yet completed their vocational training or whose training is no longer up-to-date to complete a vocational training and obtain a Federal VET Diploma. Is not targeted to workers 45+ nor specifically designed to move jobseekers from hazardous or poor-quality jobs. However, it can be used for that purpose.
United States	Workforce Innovation and Opportunity Act (WIOA) Adult Program	Workforce Innovation and Opportunity Act (WIOA) Adult Program	Labour market programmes	No	Provides support to individuals and helpers by enabling workers to obtain good jobs by offering job search assistance and training opportunities. Priority is given to recipients of public assistance, veterans, low-income individuals and individuals who lack basic skills.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
United States	Senior Community Service Employment Program (SCSEP)	Senior Community Service Employment Program	Labour market programmes	Yes	A community service and work-based job training programme for low-income, unemployed seniors. Participants also have access to employment assistance through American Job Centers. SCSEP participants gain work experience in a variety of community service activities at non-profit and public facilities, including schools, hospitals, day-care centres, and senior centres.
United States	Non-compete agreements (NCAs)	Non-compete agreements (NCAs)	Barriers to business entry and dynamism	No	Addresses concerns caused by the impact of non-compete agreements on labour mobility (e.g. inability for workers to pursue better opportunities with higher pay and more fulfilling working conditions), the federal government and states have proposed regulations to limit their use. Regulations regarding the use of NCAs, however, varies across the United States.
United States	Occupational Licenses	Occupational Licenses	Barriers to business entry and dynamism	No	Recognises that occupational licensing restrictions make it challenging for workers to move across state lines to take up work. Therefore, the DOL and coalition of state governors (NCSL) have proposed grants to fund research on occupational licensing reform. The Obama Administration also released a document of best practices outlining how policy makers and reimagine occupational licensing across state lines.
United States	Re-entry Employment Opportunities (REO) programme	Re-entry Employment Opportunities (REO) programme	Barriers to business entry and dynamism	No	Incarceration makes many workers ineligible for certain kinds of employment, licenses, or credentials. To help address this, the DOL launched the REO programme in 2015 to test the effectiveness of service delivery models found in community, faith-based organisations, and government systems for their adaptability in assisting the re-entry population enter the workforce. To assist incarcerated individuals and ease employer worries, DOL also operates the Federal Bonding programme which provides a fidelity bond that covers fraudulent or dishonest employee acts if an employer agrees to take on "at-risk", hard-to-place applicants.
United States	IRS Moving expenses tax deduction	IRS Moving expenses tax deduction	Barriers to business entry and dynamism	No	The IRS recognises that moving can be a prohibiting and expensive factor in changing jobs or following a current job to a new location. Therefore, individuals whose move is related to work and meet the distance (50 years further) and time (must work at the company 39 weeks during the following year of the move) tests are able to take an above-the-line tax deduction on their work-related moving expenses.
United States	Good Jobs Initiative	Good Jobs Initiative	Other	No	Aimed at improving job quality throughout the country by providing critical information to workers, employers, and government entities as they seek to improve job quality and create access to good union jobs – free from discrimination and harassment – for all workers and jobseekers. The initiative empowers workers by engaging employer stakeholders as partners to improve job quality and workforce pathways to good jobs.
United States	Training and Employment Guidance Letter No. 21-22 "Increasing equitable service access and employment outcomes	Training and Employment Guidance Letter No. 21-22 "Increasing equitable service access and employment outcomes for all job seekers in WIOA and DW	Other	Partially	The DOL provides State Workforce Partners on best practices for administering the workforce system through TEGLS. In addition to providing guidance on others with barriers to employment, the guidance targets mid-career and recently incarcerated workers. Recommendations include providing support services like childcare and transportation, partnering with employers to develop and expand flexible training programmes, and leveraging incumbent worker training to prevent layoffs and incentivise retention.

Country	Policy name (English)	Policy name (Native)	Category	Age targeted?	Short description
	for all job seekers in WIOA and DW programmes”	programmes”			
United States	National Dislocated Worker Grants (DWGs)	National Dislocated Worker Grants	Labour market programmes	No	Discretionary grants awarded by the Secretary of Labor. DWGs provide resources to states and other eligible applicants to respond to large, unexpected layoff events causing significant job losses. This funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to reemploy laid off workers and enhance their employability and earnings.

## Annex 3.B. Supplemental information on the quantitative analysis

Annex Table 3.B.1. Data sources and descriptions

Variable	Description	Source	Time coverage	Missing countries
Recession/recovery dummy	Dummy variables indicating recession or recovery periods (and expansions as an omitted category). Recessions include years with negative real GDP growth, recoveries are the year following a recession, and expansions are subsequent years where GDP growth expands.	IMF World Economic Outlook Database (2023), own computations	2010-20	-
Regional unemployment gap	Difference between current and average regional unemployment rate between 2010-20	EU-LFS, US-CPS, KLIPS, own computations	2010-20	-
Industry-level output growth gap	Difference between actual and average annual output growth rate in current prices over the years 2000-19 for each industry according to NACE 1-digit codes in percentage.	OECD Annual National Accounts Database	2010-19	-
Output gap	Country-level output gap in percentage.	OECD Economic Outlook Database	2010-20	-
Spending on total active labour market policies	Public expenditure on active labour market programmes in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	GRC
Spending on active labour market policies, training	Public expenditure on training in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	-
Unemployment benefit replacement rate at 67% of average wage after one year unemployment spell	Share of previous in-work income that is maintained after 1-year average spell of unemployment, formerly earning 67% of the average wage as a single people without children (excluding social assistance benefits and housing benefits).	OECD Social Protection and Well-being Database	2010-20	-
Job protection on regular contracts, individual and collective dismissals	The OECD indicators of employment protection evaluate strictness of the regulations on the costs of dismissing of workers on regular contracts and procedures to hire workers on fixed-term contracts (Version 4).	OECD Indicators of Employment Protection Database	2013-19	-
Retirement age, men or women	Current retirement age for a person who entered the labour market at age 22, men and women divided.	OECD Pensions at a Glance Database	2014, 2018, 2020	-
Spending on early retirement	Public expenditure on early retirement in percentage of GDP.	OECD Labour Market Programmes Database	2010-20	-

Variable	Description	Source	Time coverage	Missing countries
Spending on health	Public expenditure on health in percentage of GDP.	OECD Social Expenditure Database	2010, 2015, 2019, 2020	-
Spending on disability and sickness cash benefits	Public expenditure on disability and sickness cash benefits in percentage GDP.	OECD Social Expenditure Database	2010, 2015, 2017, 2018, 2019	-
Social rental dwellings	Social rental dwellings in percentage of the total housing stock.	OECD Affordable Housing Database	2010, 2018 (Varies)	GRC, SWE
Outright homeowners	Number of outright homeowners in percentage of population.	OECD Affordable Housing Database	2010-20	-
Transport infrastructure investment	Total inland transport infrastructure investment and maintenance in percentage of GDP.	ITF Transport Statistics Database	2010-20	-
Product market regulations (PMR), Overall	Indicators of Product Market Regulation (PMR) measure the degree to which laws and policies promote or prevent competition in areas of the product and service market where competition is viable.	OECD Product Market Regulation Database	2018	-
Occupational entry restrictions (OER), Mobility restrictions, personal services	The OER Indicator measures barriers to labour mobility between jurisdictions concerning personal services (e.g. baker, driver, electrician).	OECD OER Indicator Database	2018	CZE, DNK, EST, GRC, IRL, KOR, LVA, LTU, LUX, NLD, NOR, SVK
Occupational entry restrictions (OER), Mobility restrictions, professional services	The OER Indicator measures barriers to labour mobility between jurisdictions concerning professional services (e.g. accountant, lawyer, real-estate agent).	OECD OER Indicator Database	2018	CZE, DNK, EST, GRC, IRL, KOR, LVA, LTU, LUX, NLD, NOR, SVK

### Annex Table 3.B.2. Structural determinants of voluntary job-to-job mobility

Dependent variable: Voluntary job-to-job transition probabilities, by age groups, education and gender

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
<b>Cyclical variables at the macro and regional level</b>										
Recession	0.0047*** (0.0008)	0.0048** (0.0015)	0.0040*** (0.0010)	0.0029*** (0.0008)	0.0042*** (0.0011)	0.0039* (0.0015)	0.0042*** (0.0009)	0.0039*** (0.0010)	0.0040*** (0.0009)	0.0041*** (0.0009)
Recovery	0.0040***	0.0032**	0.0024**	0.0018*	0.0023**	0.0003	0.0027***	0.0031**	0.0038***	0.0022*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
	(0.0008)	(0.0011)	(0.0008)	(0.0007)	(0.0009)	(0.0014)	(0.0007)	(0.0010)	(0.0009)	(0.0009)
Regional-level unemployment gap in percentage point; lagged	-0.0126***	-0.0095***	-0.0047*	-0.0074***	-0.0052***	-0.0081**	-0.0074***	-0.0090***	-0.0099***	-0.0099***
	(0.0021)	(0.0023)	(0.0019)	(0.0016)	(0.0015)	(0.0030)	(0.0016)	(0.0024)	(0.0020)	(0.0026)
<b>Demand conditions at the industry level</b>										
Industry-specific output growth gap	0.0117*	0.0193**	0.0204***	0.0195***	0.0140*	-0.0028	0.0170***	0.0221***	0.0186***	0.0170**
	(0.0045)	(0.0067)	(0.0053)	(0.0051)	(0.0055)	(0.0072)	(0.0049)	(0.0053)	(0.0042)	(0.0060)
<b>Industry-specific characteristics at the regional level: non-standard work</b>										
Share of part-time workers	-0.0045	-0.0020	0.0015	0.0063	0.0057	-0.0118*	-0.0020	0.0023	-0.0035	0.0030
	(0.0066)	(0.0065)	(0.0045)	(0.0057)	(0.0056)	(0.0048)	(0.0065)	(0.0070)	(0.0066)	(0.0056)
Share of self-employed workers	-0.0120**	-0.0012	-0.0042	-0.0105*	-0.0068*	0.0011	-0.0059	-0.0079	-0.0065	-0.0157**
	(0.0045)	(0.0073)	(0.0043)	(0.0041)	(0.0032)	(0.0059)	(0.0047)	(0.0044)	(0.0039)	(0.0057)
<b>Industry characteristics at the regional level: Demographic composition of workers</b>										
Share of workers with below-secondary education	-0.0086	-0.0050	-0.0073	-0.0036	-0.0007				-0.0018	-0.0049
	(0.0054)	(0.0044)	(0.0038)	(0.0034)	(0.0033)				(0.0042)	(0.0047)
Share of workers with upper-secondary education	-0.0066	0.0053	0.0003	0.0069	0.0093				0.0019	0.0013
	(0.0075)	(0.0047)	(0.0060)	(0.0072)	(0.0057)				(0.0060)	(0.0066)
Age: <25 (%)	0.0677***					0.0196*	0.0687***	0.0506***	0.0563***	0.0515**
	(0.0141)					(0.0076)	(0.0163)	(0.0130)	(0.0131)	(0.0157)
Age: 25-34 (%)	0.0079					-0.0008	0.0054	0.0185	0.0105	0.0077
	(0.0124)					(0.0092)	(0.0041)	(0.0101)	(0.0092)	(0.0069)
Age: > 55 (%)	0.0093					-0.0021	-0.0064	-0.0173	0.0055	-0.0136
	(0.0146)					(0.0065)	(0.0084)	(0.0090)	(0.0088)	(0.0079)
Share of female workers	0.0076	-0.0015	0.0004	0.0005	0.0013	0.0115*	0.0049	0.0035		
	(0.0122)	(0.0056)	(0.0055)	(0.0060)	(0.0052)	(0.0058)	(0.0056)	(0.0039)		
Constant	-0.0166**	-0.0070	-0.0063	-0.0016	-0.0063	-0.0119	-0.0091*	-0.0206***	-0.0186***	-0.0096
	(0.0056)	(0.0044)	(0.0043)	(0.0040)	(0.0044)	(0.0066)	(0.0040)	(0.0053)	(0.0050)	(0.0053)
N	25 165	23 733	23 895	24 036	23 699	22 540	23 936	23 983	24 169	23 788

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Middle education	Men	Women
R-sq	0.712	0.548	0.505	0.542	0.389	0.220	0.652	0.583	0.670	0.580

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001.

Note: Refer to Box 3.12 for the definition of annual transition probabilities and Annex Table 3.B.1 for descriptions of how expansions, recoveries and recessions were identified. The table reflects ordinary least squares (OLS) regression results at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes the following 27 countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data from the European Labour Force Survey (EU-LFS), the Korean Labor and Income Panel Study (KLIPS) and the United States Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

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## Quantifying the impact of policy interventions: Using job-to-job mobility as the dependent variable

### Annex Table 3.B.3. Labour market programmes are drivers of mobility for older workers

Dependent variable: Job-to-job transition probabilities, by age groups, 2010-20

	(1)	(2)	(3)	(4)	(5)
	Population 25-64	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55-64
<b>Labour market programmes</b>					
Active labour market programmes, Total expenditure as percentage of GDP	0.0048**	-0.0010	0.0008	0.0080***	0.0059*
Training, Total expenditure as percentage of GDP	0.0083	-0.0295	-0.0203	0.0383**	0.0317*
Unemployment benefits at one year, as percentage of income	-0.0210***	-0.0197***	-0.0191***	-0.0245***	-0.0280***
Strictness of employment protection – individual and collective dismissals (regular contracts) – Version 4	0.0536	0.0908	0.0351	0.0263	-0.0261
<b>Retirement and pension</b>					
Current retirement age for a person who entered the labour market at age 22, men	-0.0447	0.1261	-0.1590	-0.0149	-0.1884
Current retirement age for a person who entered the labour market at age 22, women	-0.0856	-0.0168	-0.1681	-0.0223	-0.2131




	(1)	(2)	(3)	(4)	(5)
Early Retirement, Total expenditure as percentage of GDP	0.0187**	0.0329*	0.0093	0.0061	0.0069
<b>Housing and geographic mobility</b>					
Social rental dwellings, percentage of the total housing stock	0.3035	-0.3728	-0.3400	0.7331*	0.8210
Outright homeowners, as percentage of population	-0.0054	-0.0614	0.0171	0.0572	0.1124***
Total inland transport infrastructure investment, as percentage of GDP	0.0524	-0.0846	0.0564	0.0900	-0.0277
<b>Barriers to business entry and competition</b>					
Product market regulations (PMR) – Aggregate X Industry-specific output growth gap	0.1330*	0.0466	0.1569	0.0142	-0.0364
Occupational entry restrictions (OER) – Personal services – mobility restrictions X Industry-specific output growth gap	-0.0468	-0.0210	0.1003	-0.0060	-0.0817
Occupational entry restrictions (OER) – Professional services – mobility restrictions X Industry-specific output growth gap	-0.0299	-0.0338	-0.0088	-0.1248**	-0.1111

\*p<0.05, \*\*<0.01, \*\*\*p<0.001.

Note: Refer to Box 3.12 for detailed methodology and Annex Table 3.B.1 for definitions of policy indicators and their sources. All estimates include structural control variables: recession and recovery dummies, regional-level unemployment gap (lagged), industry-specific output growth gap, share of part-time workers and self-employed workers, share of workers with below-secondary education, and share of workers with upper-secondary education. The regressions include fixed effects at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EULFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

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### Annex Table 3.B.4. Structural determinants of job-to-job mobility

Dependent variable: Job-to-job transition probabilities, by age, education and gender

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Working age population	Aged 25-34	Aged 35-44	Aged 45-54	Aged 55-64	Low education	High education	Mid education	Men	Women
<b>Cyclical variables at the macro and regional level</b>										
Recession	-0.0027 (0.0015)	-0.0055 (0.0029)	-0.0032 (0.0021)	-0.0004 (0.0017)	0.0026 (0.0018)	-0.0034 (0.0030)	-0.0015 (0.0021)	-0.0023 (0.0019)	-0.0028 (0.0017)	-0.0002 (0.0022)
Recovery	-0.0038* (0.0016)	-0.0112*** (0.0029)	-0.0027 (0.0024)	-0.0018 (0.0015)	0.0013 (0.0017)	-0.0030 (0.0032)	-0.0063** (0.0020)	-0.0037 (0.0021)	-0.0016 (0.0019)	-0.0059** (0.0022)
Regional-level unemployment gap in pp; lagged	-0.0109*** (0.0022)	-0.0134*** (0.0027)	-0.0019 (0.0026)	-0.0064*** (0.0017)	-0.0037* (0.0017)	-0.0097** (0.0037)	-0.0061** (0.0023)	-0.0089** (0.0029)	-0.0081*** (0.0022)	-0.0121*** (0.0032)
<b>Demand conditions at the industry level</b>										
Industry-specific output growth gap	0.0124* (0.0053)	-0.0057 (0.0086)	0.0229** (0.0073)	0.0174** (0.0059)	0.0170** (0.0055)	0.0059 (0.0108)	0.0125* (0.0057)	0.0217** (0.0082)	0.0164** (0.0053)	0.0015 (0.0080)
<b>Industry-specific characteristics at the regional level: non-standard work</b>										
Share of part-time workers	-0.0248* (0.0113)	0.0042 (0.0127)	0.0119 (0.0103)	0.0055 (0.0095)	0.0213* (0.0084)	-0.0311*** (0.0090)	-0.0052 (0.0103)	-0.0170 (0.0089)	-0.0043 (0.0130)	-0.0171* (0.0085)
Share of self-employed workers	-0.0680*** (0.0085)	-0.0619*** (0.0102)	-0.0481*** (0.0076)	-0.0530*** (0.0065)	-0.0363*** (0.0049)	-0.0425*** (0.0089)	-0.0370*** (0.0075)	-0.0456*** (0.0069)	-0.0538*** (0.0062)	-0.0464*** (0.0087)
<b>Industry characteristics at the regional level: Demographic composition of workers</b>										
Share of workers with below-secondary education	0.0256* (0.0108)	0.0343** (0.0109)	0.0184* (0.0089)	0.0183** (0.0059)	0.0205*** (0.0051)				0.0344*** (0.0083)	0.0237** (0.0083)
Share of workers with upper-secondary education	-0.0059 (0.0093)	0.0185* (0.0090)	-0.0089 (0.0093)	0.0001 (0.0076)	0.0230** (0.0075)				0.0041 (0.0069)	0.0074 (0.0093)
Age: <25(%)	0.0781*** (0.0175)					0.0575*** (0.0120)	0.1229*** (0.0221)	0.0878*** (0.0147)	0.1033*** (0.0196)	0.0646*** (0.0183)
Age: 25-34(%)	0.0612** (0.0227)					0.0518*** (0.0121)	0.0569*** (0.0075)	0.0637*** (0.0126)	0.0662*** (0.0116)	0.0461*** (0.0114)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Age: > 55(%)	0.0015 (0.0172)					-0.0192* (0.0088)	-0.0114 (0.0110)	-0.0372*** (0.0107)	-0.0046 (0.0104)	-0.0335*** (0.0097)
Share of female workers	0.0276 (0.0170)	-0.0097 (0.0086)	0.0053 (0.0090)	0.0102 (0.0100)	-0.0051 (0.0063)	0.0139 (0.0078)	0.0096 (0.0081)	0.0149* (0.0069)		
Constant	0.0765*** (0.0070)	0.1317*** (0.0072)	0.0891*** (0.0068)	0.0620*** (0.0060)	0.0361*** (0.0046)	0.0810*** (0.0078)	0.0676*** (0.0064)	0.0757*** (0.0066)	0.0723*** (0.0061)	0.0750*** (0.0069)
N	25 165	24 657	24 829	24 985	24 630	23 349	24 882	24 925	25 120	24 717
R-sq	0.452	0.201	0.224	0.336	0.235	0.116	0.317	0.337	0.401	0.307

\*p<0.05, \*\*<0.01, \*\*\*p<0.001.

Note: Refer to Box 3.12 for the definition of annual transition probabilities and Annex Table 3.B.1 for descriptions of how expansions, recoveries and recessions were identified. The table reflects ordinary least squares (OLS) regression results at the country, region, industry and year level. The regional classification is based on NUTS-2 in European countries, metropolitan region in Korea, and at the state-level in the United States. Standard errors are clustered at the regional level. The sample includes 27 member countries: Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland, the United Kingdom and the United States.

Source: Administrative data comes from the European Labour Force Survey (EULFS), the Korean Labor and Income Panel Study (KLIPS) and the US Current Population Survey (CPS). See Annex Table 3.B.1 for detailed data definitions and sources.

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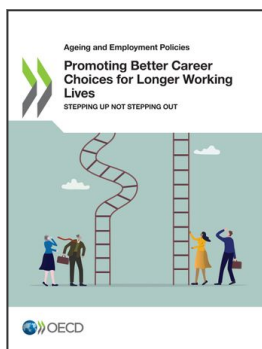
## Notes

<sup>1</sup> Section 3.2 draws on survey evidence from the 2022 AARP Global Employee Survey and the 2023 Generation and OECD Employee Survey to assess older workers' perceptions of job mobility and factors that prevent them from changing jobs. Section 3.3 relies on evidence from the literature to identify key institutional factors that stifle mobility at the structural level across OECD countries.

<sup>2</sup> In June 2023, the OECD distributed a questionnaire to member countries that asked about existing policies to facilitate job mobility at mid-career and older ages. For a complete list of policies collected through the questionnaire, see Annex 3.A.

<sup>3</sup> Barriers related to age discrimination are discussed in detail in Chapter 4.

<sup>4</sup> See Annex 3.B for regression tables using annual job-to-job mobility (including voluntary and involuntary job changes).



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