



Recommendation of the Council on Ageing and Employment Policies



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Background Information

The Recommendation on Ageing and Employment Policies was adopted by the OECD Council on 14 December 2015 on the proposal of the Employment, Labour and Social Affairs Committee (ELSAC). The Recommendation calls for Members and non-Members having adhered to it (hereafter “Adherents”) to promote better employment opportunities at older ages, which is crucial in the context of rapid population ageing and pressures on the sustainability of public social expenditures.

The need for a standard and OECD’s expertise on ageing and employment policies

All countries under the strain of rapid population ageing face many common challenges in promoting employment at an older age. Despite the significant policy to improve employment of at older ages, there remains considerable scope for further progress towards the objective of an integrated and comprehensive policy approach to achieve longer and better working lives and boost labour market prospects for older people. Much of the policy focus to deliver longer working lives has been in the area of reforming old-age pensions, restricting early retirement schemes and other passive benefits. However, strong policy action is also needed to remove employer barriers to support job retention and hiring of older workers and improving the employability of workers through their working lives, by for example, promoting better opportunities for lifelong learning and ensuring they are in good health.

During 2003-2005, the OECD carried out a major multi-country review of ageing and employment policies, covering 21 OECD Members, findings of which were summarised in the 2006 synthesis report [Live Longer, Work Longer](#). This was followed by nine country case studies in the series [Working Better with Age](#), which evaluated in detail the impact of recent policy reforms and identified good-practice measures. These reviews unfolded the discussion in ELSAC to develop a set of policy principles in order to address the challenges in giving people better choice and incentives to work at older ages, which led to the adoption of the Recommendation by the Council.

An extensive process that reflects the need for promoting employment at older ages

The Recommendation takes into account the significant foundation already provided by several international policy standards on various aspects of ageing such as the Sustainable Development Goal (SDG 10.2) which aims at promoting the economic inclusion of all, irrespective of age and the Madrid International Plan of Action on Ageing.

The proposal to develop the Recommendation was first discussed by ELSAC at its 16-17 April 2015 meeting in which Member countries expressed interest in the Recommendation and asked the Secretariat to prepare a draft for their consideration. This followed an extensive consultation process and dialogue with ELSAC. The Recommendation also benefitted from comments from Business at OECD (BIAC) and the Trade Union Advisory Committee (TUAC).

Scope of the Recommendation

The Recommendation presents three mutually supportive thematic areas including i) strengthening incentives for workers to build up longer careers and to continue working at an older age; ii) encouraging employers to retain and hire older workers; and iii) promoting the employability of workers throughout their working lives.

To make real change happen, the Recommendation sets out a number of measures that Adherents should adopt to improve employability at older ages. It also calls upon social partners, together with older workers themselves and civil society, to play a key role in co-operating with the public authorities to develop and implement specific reforms and measures to promote longer working lives and to realise the benefits of an age-inclusive workforce.

The Recommendation includes the following key sections corresponding to the three thematic areas:

- *Strengthen incentives for workers* to build up longer careers and to continue working at an older age. The Recommendation thus outlines the need for i) more flexibility in work and retirement transitions, ii) restricting the use of publicly-funded early-retirement schemes which can lead to early labour market exit for workers still in good health and able to work and iii)

ensuring access to unemployment and disability benefits irrespective of age whilst monitoring that these benefits not incentivise early retirement for those still able to work.

- *Encourage employers to retain and hire older workers.* The Recommendation thus calls for i) addressing age discrimination in employment, ii) discouraging mandatory retirement, iii) encouraging employers as well as worker representatives to identify mechanisms to facilitate the retention and hiring of older workers and iv) encouraging good practices in managing an age-diverse workforce through sharing of knowledge and experience across different age groups and adjusting work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course.
- *Promote the employability of workers throughout their working lives* with a view to strengthening employment opportunities at an older age. The Recommendation thus calls for i) the need to enhance participation in training by workers throughout their working lives, ii) provide effective employment assistance to jobseekers irrespective of age, but targeted at those groups most at risk of long-term unemployment and iii) improving working conditions to enhance job quality for workers at all ages.

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Implementation

The Recommendation instructs the ELSAC to serve as a forum for sharing experiences and good practices; support Adherents in the implementation of the Recommendation; and monitor progress and policy development as well as report to the Council.

2022 Report to Council

A [report](#) on dissemination, implementation and continued relevance was presented to the Council in 2022, assessing progress made by Adherents in implementing the Recommendation five years since its adoption. The 2022 Report found that Adherents are prioritising policies in accordance with each of the three pillars of the Recommendation. Adherents also widely considered the Recommendation useful to inform policy making but recognize that countries need to pursue their efforts to boost hiring, mobility and retention of older workers.

The 2022 Report also concluded that the Recommendation is still up-to-date and relevant in 2022 amidst the COVID-19 crisis. The majority of the respondents to a questionnaire on the usefulness and continued relevance of the Recommendation in March 2021 found the Recommendation to be highly relevant and crucial as guidelines of good practice. This should be allied by efforts by both the Secretariat and Adherents to strengthen dissemination of the Recommendation among public and private stakeholders, including through translating the Recommendation and undergoing country reviews that use the Recommendation as a benchmark.

The next reporting to Council is scheduled to take place in 2027.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Recommendation of the Council on a General Employment and Manpower Policy [C(76)37];

HAVING REGARD to the Recommendation of the Council on Gender Equality in Education, Employment and Entrepreneurship [C/MIN(2013)5/FINAL];

WELCOMING the reports towards an Active Society delivered by the OECD since the 1980s and the major in-depth OECD multi-country review of ageing and employment policies conducted since 2003;

CONSIDERING that important steps have already been taken by governments, employers, trade unions and non-governmental organisations to put forward policies and initiatives for reform in the following three broad areas: i) strengthening incentives to carry on working; ii) tackling employment barriers on the side of employers; and iii) improving the employability of workers;

RECOGNISING that there remains considerable scope for further progress towards the objective of an integrated and comprehensive policy approach to achieve longer and better working lives and boost labour market prospects for older people;

RECOGNISING that strong and effective actions by governments, employers, trade unions and non-governmental organisations are still needed in both the public and private sectors to remove the obstacles to longer and better working lives and monitor the progress in achieving this goal together, including by supporting the efforts of developing and emerging countries;

On the proposal of the Employment, Labour and Social Affairs Committee:

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

- a) **enhance incentives to continue working at an older age:**
 - i) by ensuring that the old-age pension system encourages and rewards later retirement in line with increased life expectancy while ensuring adequacy and sustainability of pension payments; and
 - ii) by encouraging longer and more satisfying careers through more flexibility in work-retirement transitions, including by promoting phased retirement, better balancing work and care and permitting a combination of pensions with work income
- b) **restrict the use of publicly-funded early-retirement schemes** which encourage workers to leave employment while they are still in good health and able to work;
- c) **ensure access to welfare benefits, such as unemployment and disability benefits, for all workers, irrespective of their age and status**, and monitor that these benefits are used for their original purpose and not to incentivise early retirement for those still able to work.

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

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

- b) **take a balanced approach to employment protection** by ensuring that age is not a criterion in determining the level of employment protection while promoting better access to quality jobs for older workers;
- c) **seek to discourage or further restrict mandatory retirement** by employers in close consultation and collaboration with employers' and workers' representatives, while respecting in a limited number of instances that such practices may be necessary;
- d) **encourage employer and worker representatives to identify mechanisms to facilitate the retention and hiring of all older workers**, even those in vulnerable situations, including reviewing their practices in setting pay to reflect productivity and competences, not age;
- e) **encourage good practice by employers in managing an age-diverse workforce** through public and private initiatives that provide guidance on issues such as promoting a sharing of knowledge and experience across different age groups and adjusting work responsibilities and working-time arrangements to the changing capacities of workers and their family responsibilities over their life course as well as to take account of improvements in the education, health and physical capacities of older workers.

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

- a) **enhance participation in training by workers throughout their working lives** by providing guidance services and ensuring that training is adjusted to reflect the experience and learning needs of workers at different ages, including strengthening access to work-based training for those in non-standard forms of work, encouraging increased investment in skills development at mid-career and improving the attractiveness of training and its potential returns for older workers by adapting teaching and learning methods and content to their needs;
- b) **provide effective employment assistance to jobseekers**, irrespective of their age, but targeted at those groups most at risk of long-term joblessness while ensuring that older jobseekers have the same obligations as younger jobseekers for receiving unemployment benefits in terms of actively seeking a job, but also the same rights in terms of access to targeted re-employment services;
- c) **improve working conditions through a broad-based strategy to enhance job quality for workers at all ages**, in terms of strengthening workplace safety and physical and mental health, reducing the incidence of hazardous and arduous work, balancing professional and family responsibilities, and facilitating job mobility as a function of the changing experience and capacities of workers.

IV. **INVITES** the Secretary-General to disseminate this Recommendation.

V. **INVITES** Adherents to disseminate this Recommendation.

VI. **INVITES** non-Adherents to take account of and adhere to this Recommendation.

VII. **INSTRUCTS** the Employment, Labour and Social Affairs Committee to:

- a) serve periodically or at the request of Adherents as a forum for an exchange of views and a structured sharing of experiences and good practices on matters related to the Recommendation;
- b) support the efforts of Adherents to implement this Recommendation through comparative data, analytical studies and measurable policy indicators;

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- c) monitor progress and policy development, including through the use of relevant indicators, in the follow up to this Recommendation and report thereon to the Council no later than five years following its adoption and regularly thereafter.

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