

Promoting better career mobility for longer working lives in Czechia

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Prague, 24 June 2025

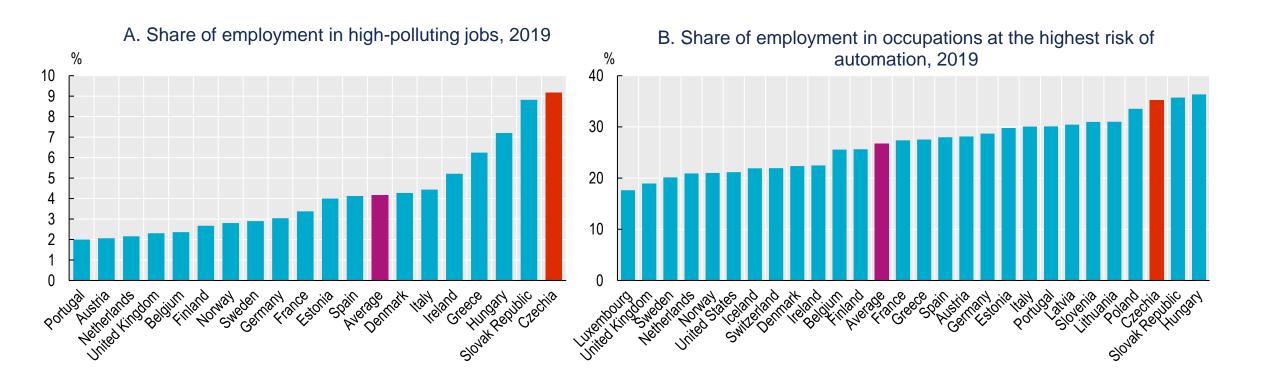


Voluntary job mobility can lead to improved labour market outcomes and enable longer labour market participation



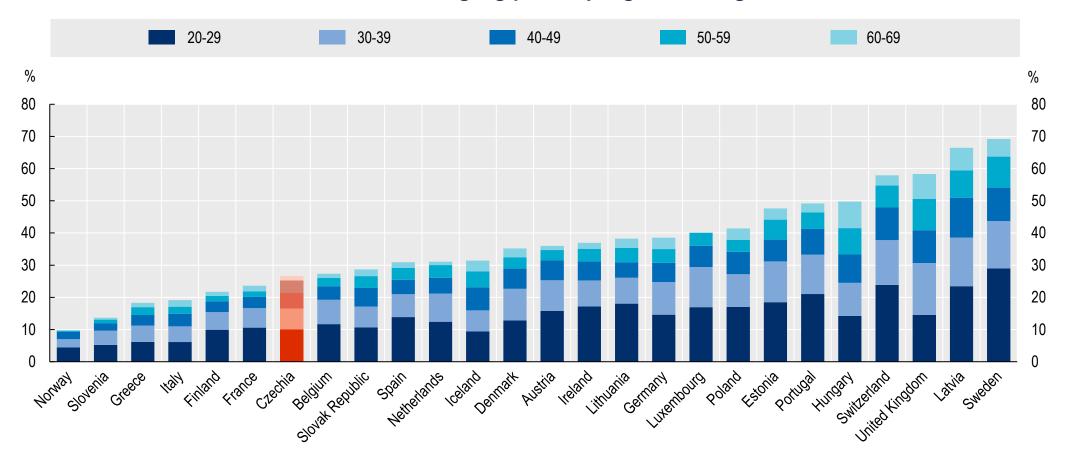


Structural shifts, driven by the green and digital transitions, require job reallocation
 Older workers are particularly at risk of displacement



Yet, job mobility remains low in Czechia, and falls with age

Share of workers changing jobs by age, average over 2017-20



Policy action is needed to decrease barriers to mobility for older workers

Jork Friend Self Friend Nork Life BALANCE

Removing structural barriers

is essential to ensuring older workers can remain active in the labour market.



Investing in skills and career guidance

would ensure the continued employability of older workers and support their transitions into suitable jobs.



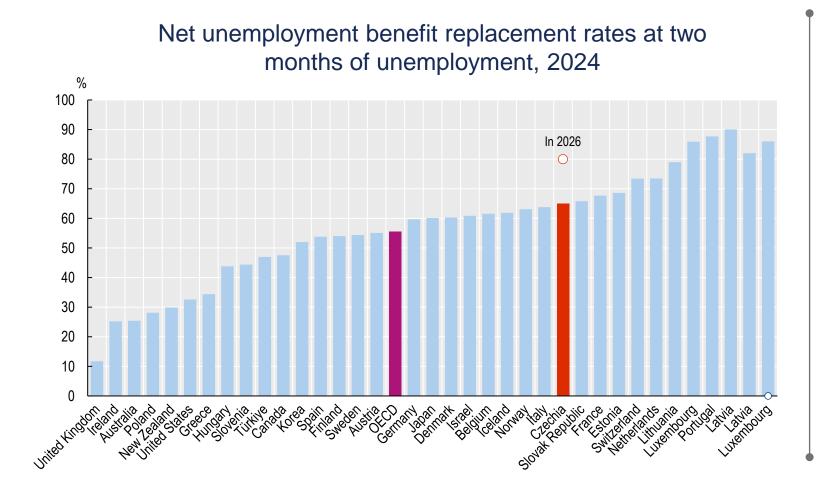
Effective age management and workplace health policies

are key to enabling longer and healthier working lives.

Removing structural barriers



Key challenge: Czechia has a number of structural barriers to upward job mobility



- Financial vulnerability disincentivizes many workers from moving jobs
- Czechia has the highest level of employment protection legislation in the OECD
- Self-employment is widespread among older workers, but there are concerns about its quality
- High tax wedges on incomes for low and secondary earners, discentivise moves into employment and upward mobility

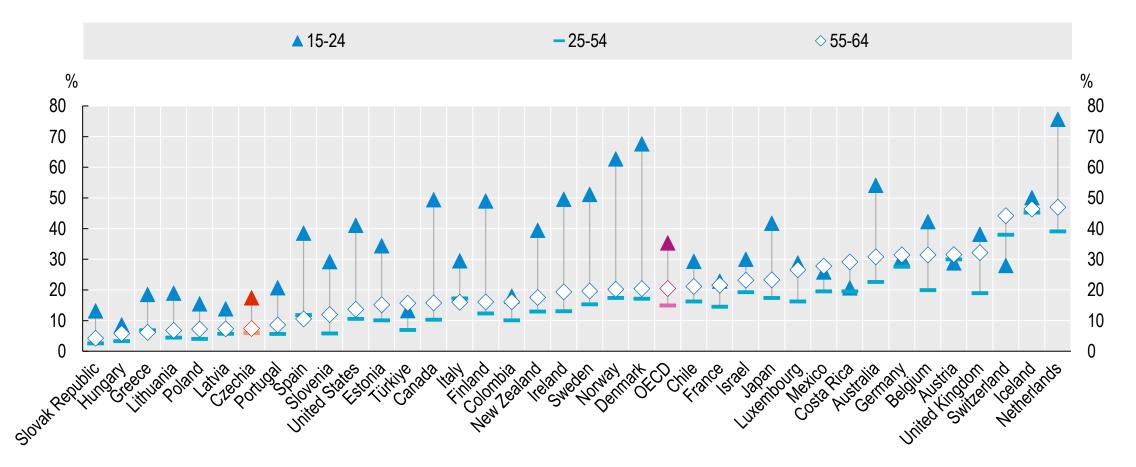


What can be done?

- Carefully monitor the effects of the recent unemployment insurance reform
- Reform employment protection to incentivize good job mobility while decreasing structural incentives for self-employment
- Reform the tax and benefit system to incentivize the participation of low and secondary earners

Key challenge: Access to flexible work arrangements is limited in Czechia

Share of part-time employment by age, 2023



Enabling labour market participation of men and women at older ages

What can be done?

- Increase access to flexible work arrangements (e.g. part-time work, flexible schedules, remote work)
 - ✓ Review regulation of work agreements
 - ✓ Promote phased retirement
- Remove barriers to women's labour market participation and career progression.
 - Improve care infrastructure and redesign parental leave

Good practices:

Flexible work in the United Kingdom:

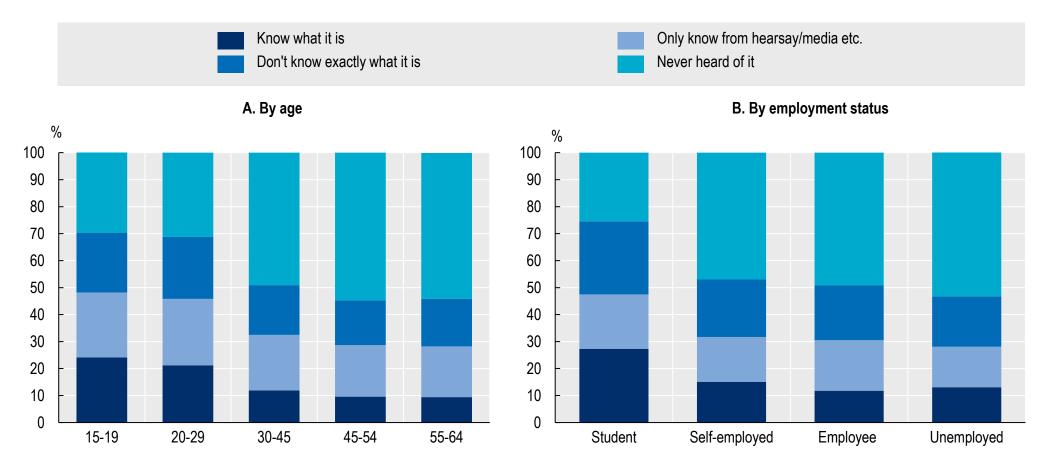
In the UK, all employees have the legal right to request flexible working from day one. Employers must handle requests in a 'reasonable manner' and discuss the request with the employee before making a decision.

Investing in skills and career guidance



Key challenge: Awareness of career guidance is low and decreases significantly with age

Knowledge of career guidance by age and employment status, Czech population 15-64, 2020



Career guidance need to be accessible for workers at all ages to facilitate good job matches

What can be done?

- Invest in high-quality, long-term labour market intelligence
- Establish a high-quality, publicly accessible career guidance system for all ages
 - Raise awareness of career guidance among mid- and late-career workers

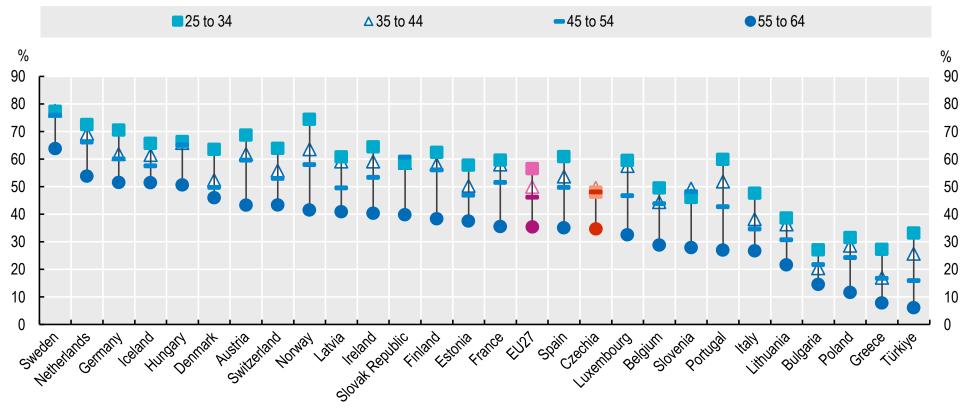
Good practices:

+ Career guidance in Switzerland:

Individuals aged 40+ can benefit from viamia, a free career guidance service, involving an assessment of an individual's current labour market situation, their skills, and avenues for future development.

Key challenge: Participation in training decreases with age

Participation rate of persons in education and training by age, 2022



Source: Eurostat dataset: Participation rate in education and training by age

Training support need to be accessible for workers at all ages to facilitate career progression

What can be done?

- Continue widening training access for all workers, but design policy instruments carefully
 - strengthen targeting towards groups less
 likely to participate in training, including
 older workers
 - Improve the design of company training subsidies

Good practices:

Paid training leave in Flanders:

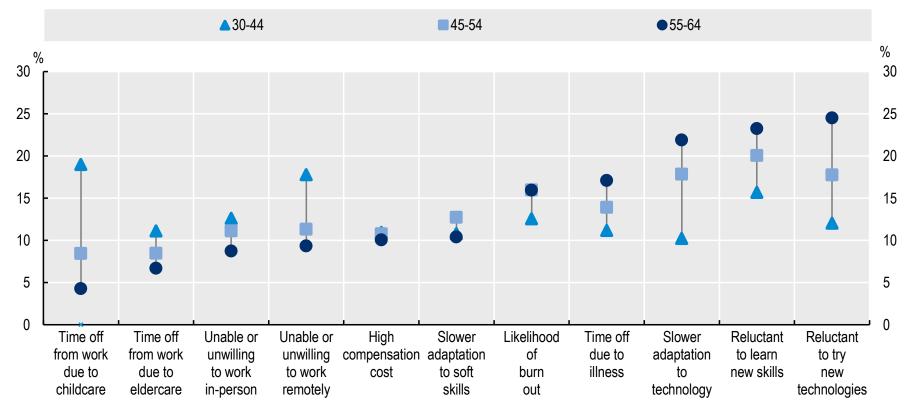
Private sector employees can take paid leave for recognised training programmes, with 32 to 125 hours per year available based on class time and work hours.

Effective age management and workplace health policies



Key challenge: Employers have biases regarding the potential of older workers when hiring

Share of employers who report that the factors negatively impact applicants' success, by age



Note: Responses were taken from an online survey of hiring managers. Data show the unweighted average of the 8 participating countries (Czechia, France, Germany, Romania, Spain, Sweden, United Kingdom, United States). Respondents (n=1 510) were asked, "Which of the following characteristics do you think are most likely to negatively impact the success of the following applicants?" Source: OECD (2024), Promoting Better Career Choices for Longer Working Lives: Stepping Up Not Stepping Out, Ageing and Employment Policies, OECD Publishing, Paris, https://doi.org/10.1787/1ef9a0d0-en, Figure 4.3.

Promoting age management practices in companies

What can be done?

- Increase guidance and support structures for implementation of age management practices in companies
 - A systematic, national-level structure should assist companies with age management
 - Encourage social partners to promote age management

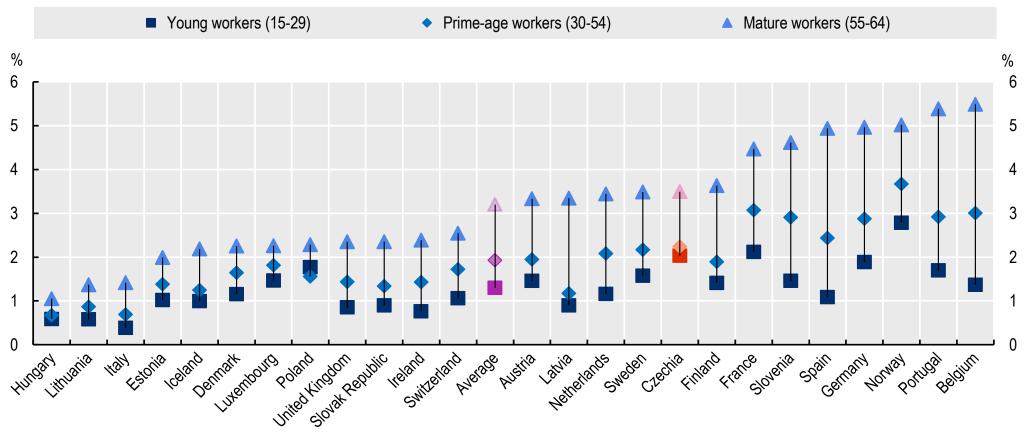
Good practices:

Age-management in Austria:

The Austrian PES offers free counselling to help create age-appropriate workplaces. Following an initial consultation, it provides a needs analysis, tailored recommendations, and follow-up support. Measures may include job redesign, working time arrangements, and hiring practices.

Key challenge: Ill health is one of the main barriers to continued labour market participation of older workers

Rates of sickness absence by age, 2019



Policy action is needed to invest in workplace health prevention and facilitate return to work after illness

What can be done?

- Strengthen investment in prevention measures for healthy workplaces
 - \checkmark Recognize psychosocial risks in OSH legislation
 - \checkmark Consider introducing financial incentives for workplace health promotion
- Move towards a structured and mandatory process for sickness absence case management to facilitate early return to work
 - ✓ Introduce an option for graded return to work

Good practices:

Preventive health checks in France:

At age 45, workers can get a health check to assess wellbeing and work-related strain. Doctors may recommend job adjustments or re-skilling to support long-term employability.



OECD

Ageing and Employment Policies

Promoting Better Career Mobility for Longer Working Lives in Czechia



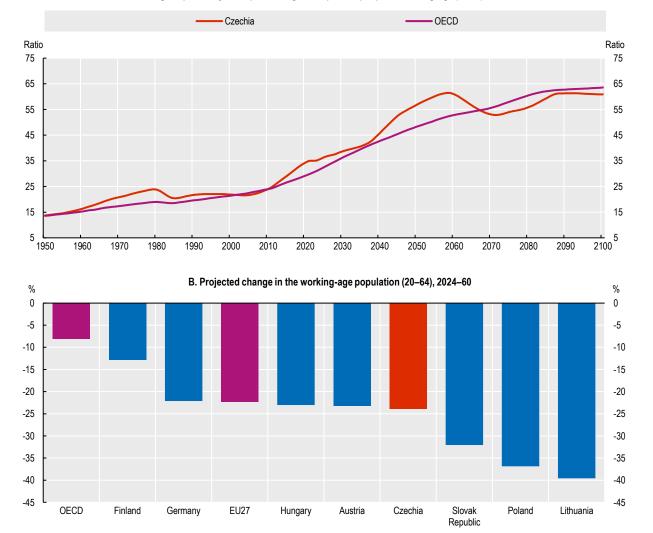
Thank you!



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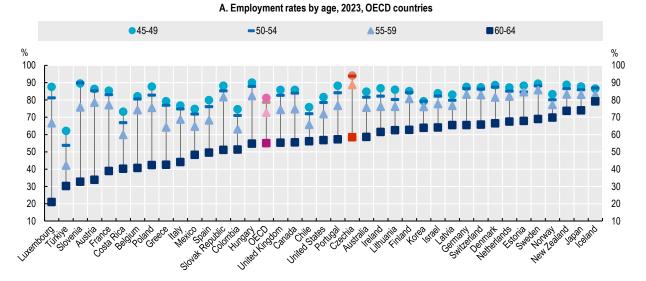
The Czech population is ageing significantly, leading to declining labour force

A. Old-age dependency ratio: persons aged 65+ per 100 people of working-age (20-64), 1950-2100

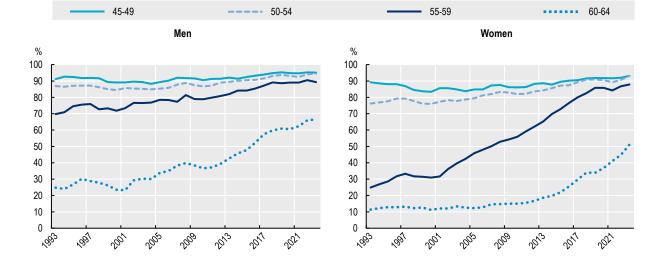


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The employment situation of older workers in Czechia has improved markedly, but gender gaps remain large

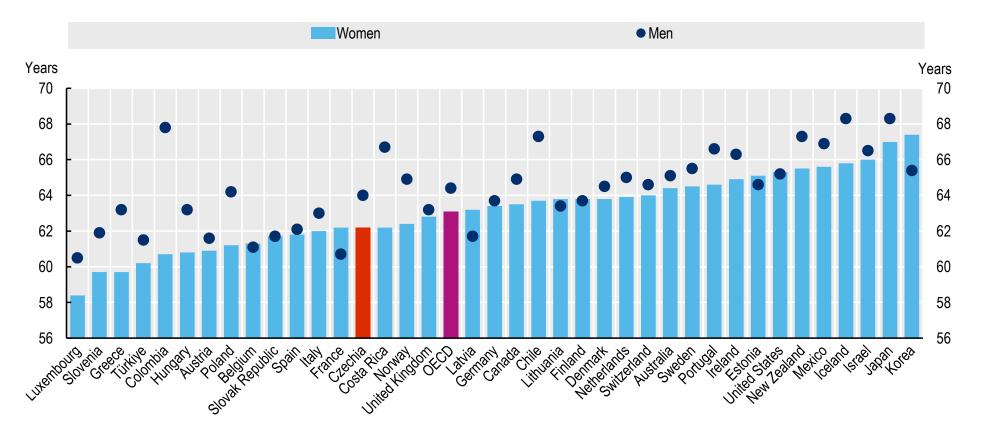


B. Employment rates by age and gender, 1994-2023, Czechia



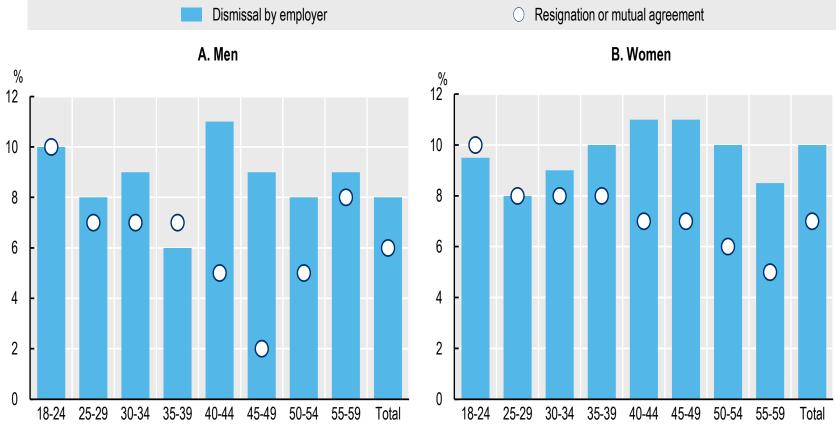
The average age of labour market exit is still relatively low in Czechia, especially among women

Effective labour market exit age by gender, 2022



Share of companies using different types of health and safety services, 2014 and 2019

Median wage growth after job changes, by age and gender, 2024



Note: The total includes data for minors and seniors.

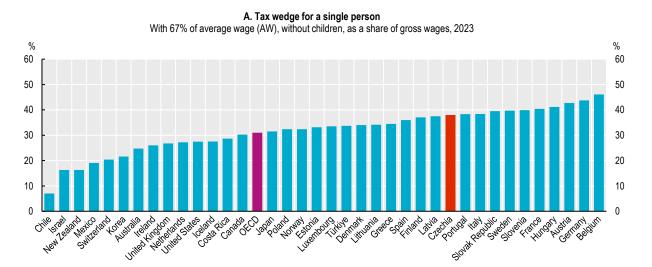
Source: MPSV, 2024. Analýza změn podpory v nezaměstnanosti: cesta k flexibilnímu trhu práce.

Unemployment benefit reform would place short-term benefits, including those for older workers, among the most generous in the OECD

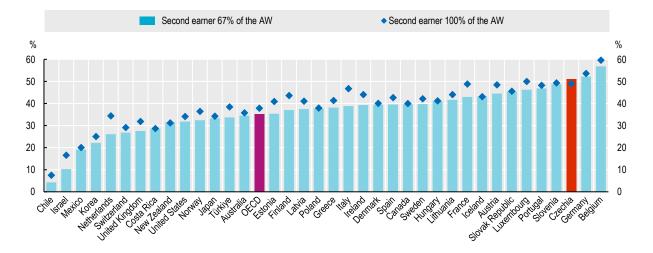
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Net unemployment benefit replacement rates at two months of unemployment, 2024

The tax wedge for low incomes is high, especially for second earners



B. Tax wedge for second earner With two children, as a share of gross wages, 2023

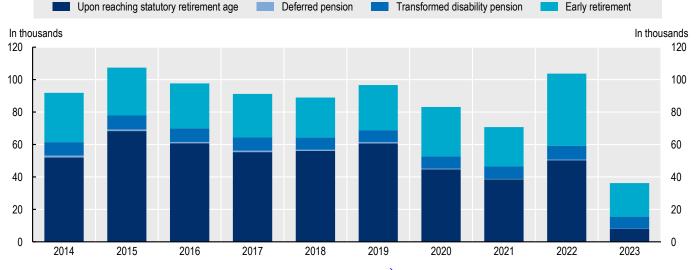


Hardly anyone defers retirement, but many people work while receiving a pension

Without changes With changes % % 60 60 50 50 40 40 30 30 20 20 10 10 Livenburg Jovenia 0 18¹ Hellin France Frank Frank Formage Longer Land Daught Reputs Frank Galance Casting Result Engine Prank Point Facing Greece

A. Persons aged 50-69 receiving an old-age pension who continued working at the beginning of pension receipt, 2023

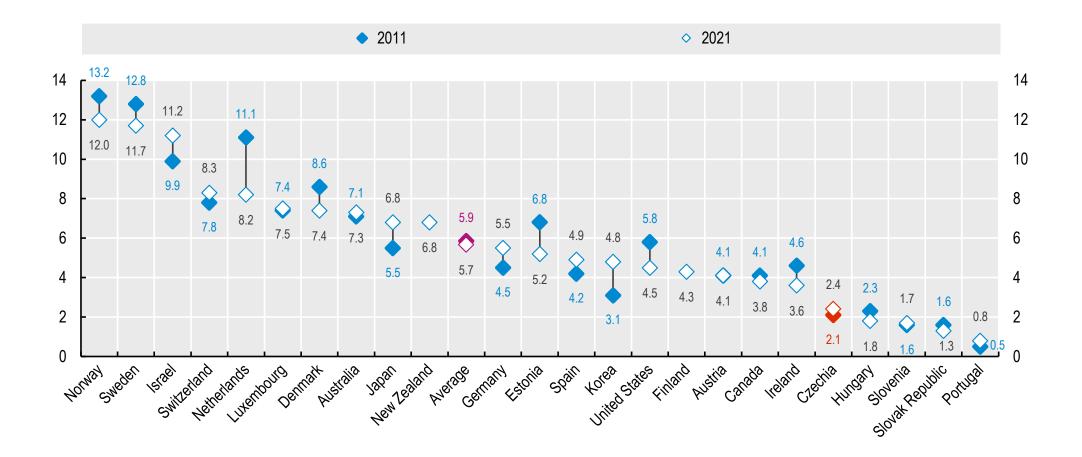
B. Number of retirements by timing of retirement, Czechia, 2014-23



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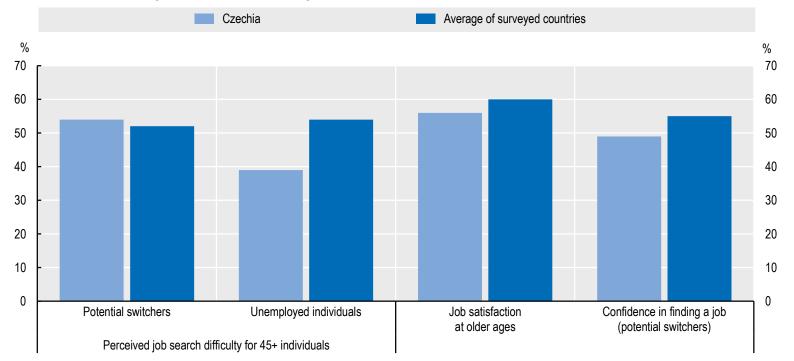
The number of long-term care workers is very low

Long-term care workers per 100 people aged 65 and over, 2011 and 2021 (or latest available year)



Older workers in Czechia have difficulty searching for jobs and lack confidence

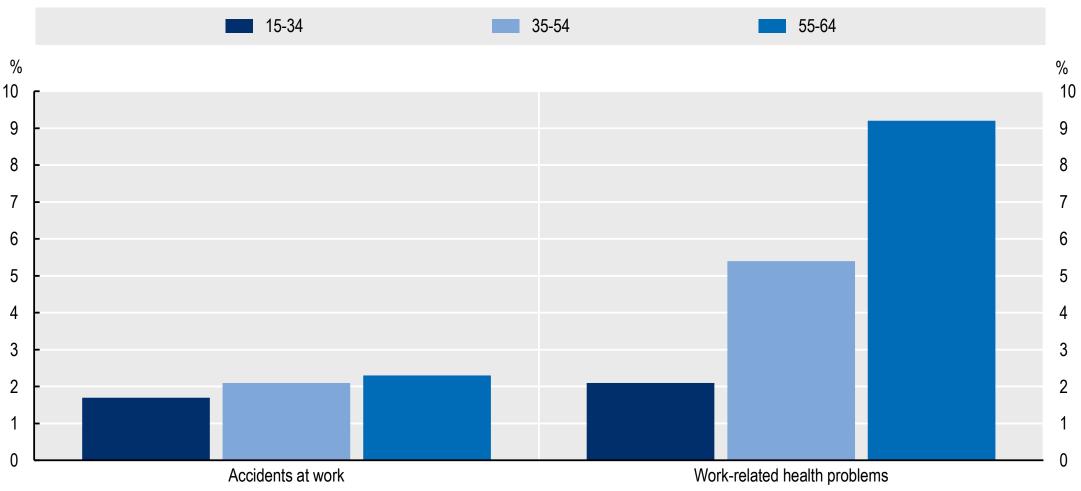
Perceived job search difficulty, job satisfaction and confidence to find another job, individuals aged 45+



Note: Perceived job search difficulty is the share of respondents declaring that the job search is "very difficult" or "somewhat difficult". Graph for job satisfaction shows the percentage of workers who state that their work is interesting. Graph for confidence shows the share who strongly or somewhat agree they are confident that they will find a new job. The survey covers eight countries: Czechia, France, Germany, Romania, Spain, Sweden, the United Kingdom and the United States. Potential switchers are workers currently employed full-time who are looking to transition into a new occupation. Source: Generation and OECD (2023), survey of employers and employed/unemployed individuals.

The incidence of accidents at work and work-related health problems increases with age in Czechia

Share of persons reporting a work-related health problem and an accident at work, Czechia, 2020



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