



Non-Compete Clauses: Policy Approaches across the OECD

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SOME DATA ACROSS THE OECD

- **US** (Starr, Prescott and Bishara, 2021; Colvin and Shierholz, 2019): around 18% of workers; between 28% and 47% of US private-sector workers
- **Austria** (Young, 2021): over 35% of private sector workers (2005-06 data)
- **Italy** (Garnero and Boeri, 2022): around 16% of private sector employees
- **Finland** (Akava, 2017): around 37% of high-skilled workers
- **The Netherlands** (Streefkerk, Elshout and Cuelenaere, 2015): around 19% of employees
- **Denmark** (Dahl and Stamhus, 2013): around 20% of sales and marketing workers
- **UK** (Gov. Consultation, 2023): around 5 million UK employees
- **Australia** (Dan Andrews and Bjorn Jarvis, 2023): around 22% of workers



ESCAPING COMPETITION AND CIVIL LAW?

- **Carve-out / exemptions**
- **Employees as single economic unit with the company**
- **Verticals agreements**

**Asymmetry in the
negotiating power / knowledge of the parties**



Eagle-Chicken Paradox



5 POSSIBLE POLICY MODELS

Banning non-competes

- Fully (e.g. US proposal)
- Above a certain revenue threshold (e.g. Austria, Luxembourg)
- By sectors/occupation?

Limiting duration (e.g. UK proposal)

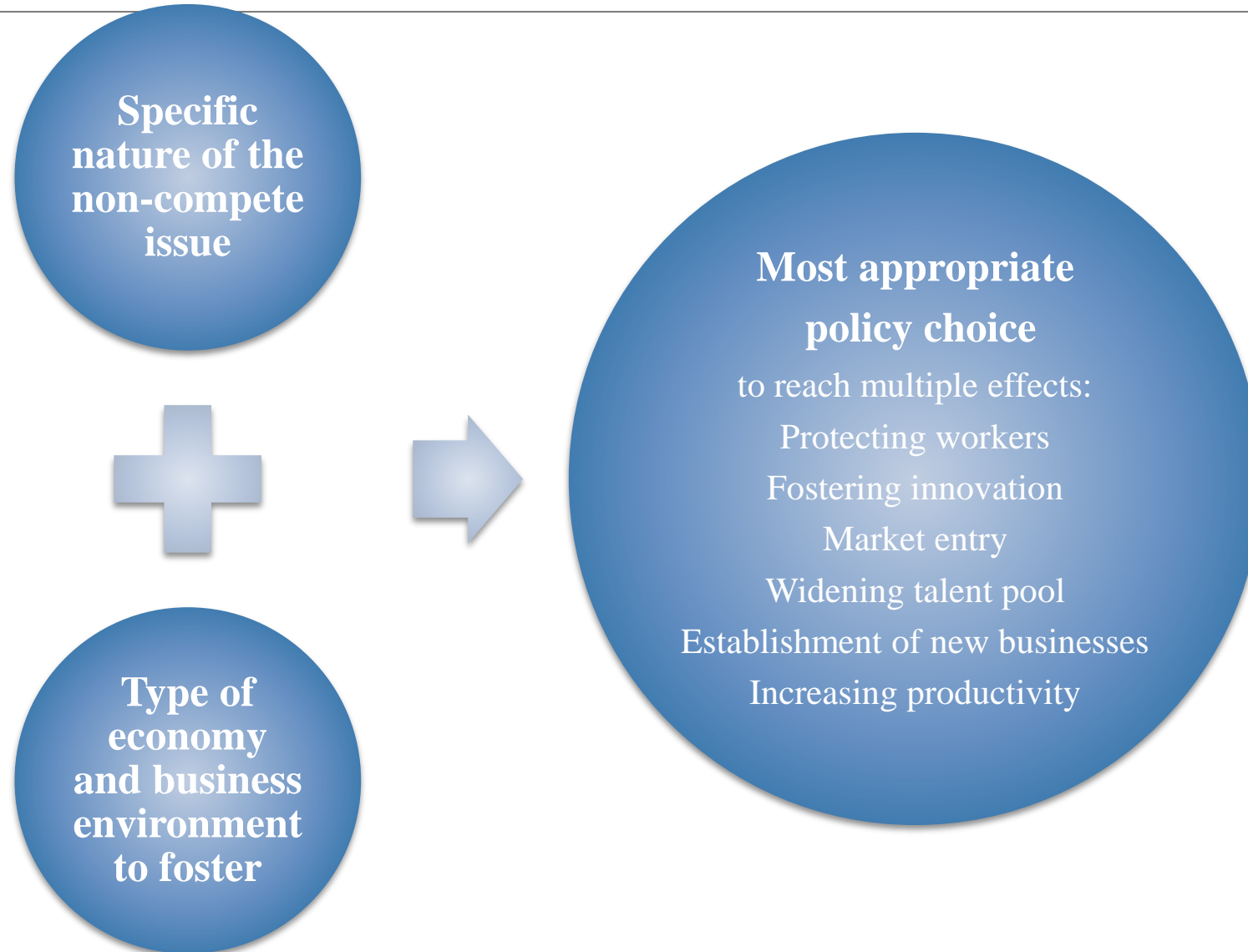
Mandatory compensation (e.g. Finland, Denmark, Germany, Portugal, Sweden and France)

Enhancing transparency about non-competes (e.g. UK proposal)

Controlling and monitoring the use of non-compete agreements



NO ONE-SIZE-FITS-ALL SOLUTION





Stay in touch!

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