

Active Ageing in the Labour Market. Country Report – Norway

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Foreword

This publication comes out of the Active Age project, financed by the European Union, aiming to identify and analyze the socio-institutional, economic and political realities facing the implementation of active ageing policies in ten European countries. The project implies the following main subjects: 1. Chart and analyse the existing active ageing policy landscape in Europe; 2. Identify and outline barriers and opportunities for implementing active ageing policies in Europe; 3. Highlight and explore means of overcoming barriers and seizing opportunities for active ageing policies in Europe. Demographic ageing will challenge European policy-makers in the coming decades, straining the labour market, pensions systems, health care systems and the voluntary sector. This report deals with the active ageing policies in the Norwegian labour market.

Rune Ervik
Project director

Abstract

The paper analyse active aging policy in the labour market in Norway. First, a statistical analysis of the changes in labour market is presented. Even though European countries are more challenged than Norway, demographic ageing puts some pressure on the labour force and the ability of the welfare state to meet the needs of increased retirees in the future. The statistical analysis deals with labour market participation, unemployment, part-time employment, education, early exit and working conditions. The other part of the report presents and assesses measures for older workers in the labour market. The findings are that Norway has implemented measures aimed at prolonging working careers for older employees. The trend is to put more responsibility on the employers as well as on the employees themselves. Isolating labour market participation among older workers, we can conclude that active ageing policy is a success in Norway. This has, however, more to do with the established active labour market policy in Norway than the recent focus on the elderly. Moreover, this paper concludes that the specific measures established to include older workers have a negative impact; an increasing portion of older workers retire earlier than before.

Sammendrag

Notatet er utarbeidet innenfor det EU finansierte prosjektet Active Ageing Policy in Europe. Utgangspunktet er de demografiske endringene som innebærer flere passive eldre og færre yrkesaktive i fremtiden. Prosjektet som helhet har som målsetning å identifisere og analysere de institusjonelle, økonomiske og politiske realitetene som møter implementeringen av en aktiv aldringspolitikk i 10 europeiske land. I første delen av notatet analyseres norsk statistikk av sysselsetting, arbeidsledighet, deltidsarbeid, utdanning, førtidspensjonering og arbeidsforhold som angår eldre arbeidstakere. I andre delen av notatet presenteres og vurderes tiltak iverksatt for å fremme aktiv aldring i arbeidsmarkedet. Norske myndigheter har iverksatt tiltak ut fra ideen om å overføre større ansvar til arbeidsgiverne og arbeidstakerne selv, ispedd innslag av finansielle incitamenter. Isolert sett tyder yrkesaktiviteten blant eldre på en vellykket aldringspolitikk, til tross for en liten nedgang de siste år. Likevel har utstrakt yrkesdeltakelse blant eldre større sammenheng med den institusjonaliserte aktive arbeidsmarkedspolitikken enn med de nylig iverksatte tiltakene for å imøtekomme demografiske endringer. De foreløpige evalueringene av tiltakene konkluderer negativt når det gjelder å få eldre til å stå lengre i arbeid.

Introduction¹

This report deals with the issue of Active Ageing Policies connected to the labour market. Like in Europe, Norway is challenged by population ageing and the pressures this puts upon the labour force and the ability of the welfare state to meet the needs of the future retirees. Active aging policies in Norway have so far concentrated on measures aimed at maintaining older people in the labour market and resisting early exiting. The generous welfare state model to which Norway belongs has active and extensive participation in the labour market as a main precondition. This means that extensive labour market participation also concerns the elderly. Norway is on the top of the list when it comes to participation among seniors in the labour market; only Iceland has better participation (OECD 2003). On the other hand, and despite the objective of full employment, the trend to exit earlier from the labour market is also currently emerging in Norway. The participation rate is generally decreasing, but the group aged 60–66 is decreasing. This tendency is the most visible source behind the problem definition of active aging in Norway, in addition to demographic ageing as such.

The current situation of an increasing proportion of elderly persons in the total population combined with earlier exit from the labour market has raised problems, including a lack of labour supply and increased financial burdens. This situation is referred to as the main welfare challenge in Norway today. On the other hand, from the perspective of the elderly themselves, the situation can be assessed positively due to improved possibilities in employment for older workers in the future.

The first section will describe the changes and the challenges in the labour market policy for the elderly. After a brief demographic introduction, we deal with the situation in employment and unemployment. We also aim to show some aspects of the elderly workforce compared to other age groups due to different educational backgrounds and the question of part-time and full time work. In this section we also include findings from empirical research, when relevant for the description. Against this background, and based upon the literature review, we will give an overview of the main measures set up to solve the challenges faced in the Norwegian context, followed by assessments of the policy, effects and measures. In the last section we discuss opportunities and barriers for active aging in the Norwegian context of labour market.

Demographic development

The population in Norway, as in other European countries is greying. In projections of the demographic development, researchers predict different scenarios in how extensive the ageing will be. The projection estimates a strong increase in persons over 67 years, which is the formal old age pension age in Norway. As shown in the figure below, the ageing could, based on a strong increase, raise from 610.000 in 2002 to 1,4 million in

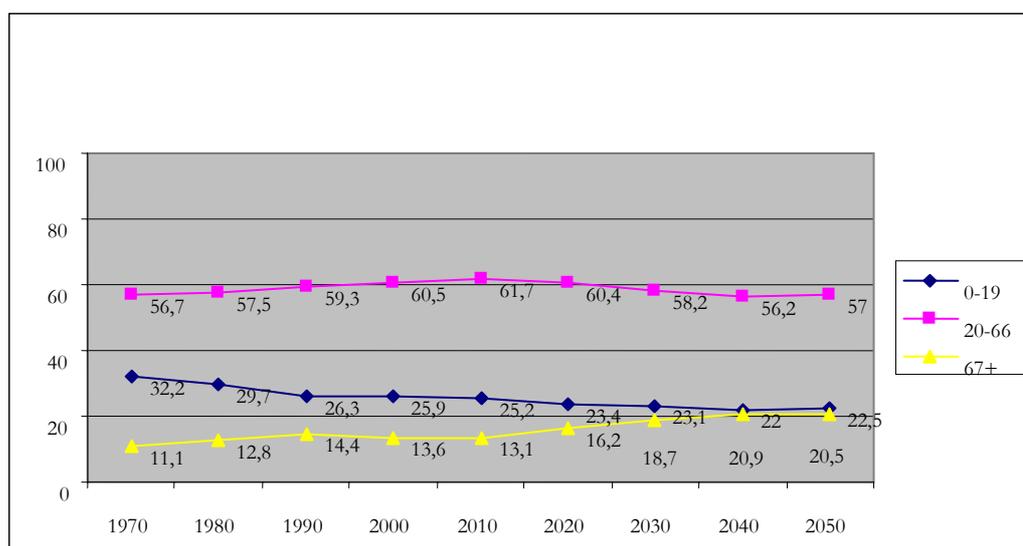
¹ Thanks to Dag Arne Christensen, Rune Ervik and Hannu Piekkola for valuable comments

2050. If the projection is based on a midlevel increase, there will be about 1,2 million retirees in 2050 and 1,1 retirees if the increase is low (NOU 2000:27).

The prospected increase will give us twice as many «passive» elderly than today. Among the very oldest, people aged 90 and over, the number is projected to increase six times from the number of today, from 27.000 to somewhere in between 80–160.00 in 2050. This group is supposed to need extensive and high-intensity health and care support, which worries authorities because of the financial burdens.

The projected ageing population is relative to the population in the labour force (20–66 years). As the WP1 report (Christensen 2003) states, the aging of the population projection can be shown in the following figure:

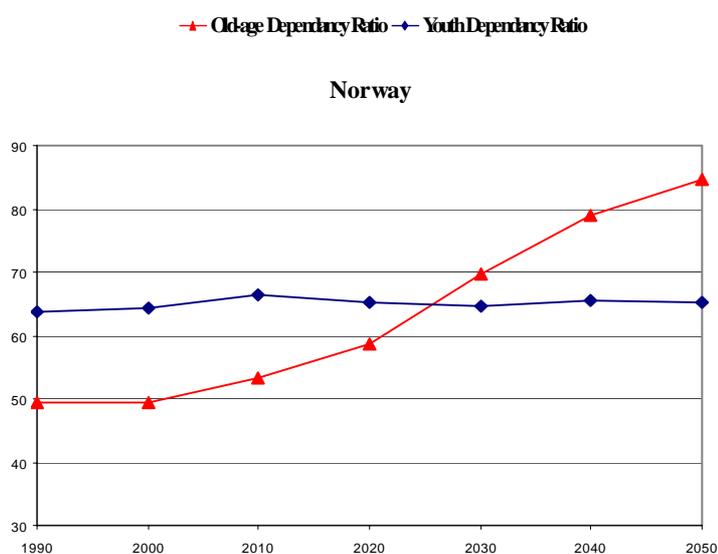
Figure1. Population projections among different age groups 1970–2050 (percent), source NOU 2000:27, p.34)



In addition, the discrepancy between the population in the labour force and the aging population makes the situation even worse. The problem is the accumulation of people 60+ and the parallel decreasing of younger people who begin their working careers late. The group aged 20–66 is expected to increase a bit around 2010 but in 2050 it will decrease to the same level as today, around 57 percent of the total population.

The relation between the number of pensioners and number of employed in Norway is quite positive. The support burden in the meaning of persons aged 64 and over is in relation to the population between the age 20–64. Compared to other European countries, both the present and the future in Norway look bright. By 2050, we will be one of few countries where there are more employed than inactive people.

Figure 2. Old Age Dependency Ratio and Youth Dependency Ratio, 1990–2050



Source : Piekkola (2003)

The old-age dependency ratio means the sum of persons older than 60 relative to the number of people between 20 and 60. It shows the number of employed supporting the non-active elderly. The youth-dependency ratio means the number of persons in the population younger than 20 years relative to the working age population (20–60). A ratio less than 100 means more than one person employed for every young, passive person. Similarly, less than 100 in the old age dependency ratio mean that there is more than one active elderly for every passive elderly. As the figure illustrates, both ratios are projected to be fewer than 100 over the next 50 years.

The future development in Norway is caused by lower fertility in the EU than in Norway. In 2000, the demographic support burden in Norway was 26, 7. That means that there were about 26 persons over 64 years (which is the average exit age in Norway) per 100 persons aged 20–64. In 2050, the ratio is projected to be 41,4 in Norway compared to a ratio of 53,4 in EU.

However, if we take the financial burdens represented by pensioners into consideration, the future in Norway doesn't look that bright. *The pension burden* shows that the balance between pensioners and those employed in the year of 2000 is quite favorable in Norway. The prospective development is pessimistic, however. Norway is supposed to be the country with the strongest degree of pension burdens in 2050 (NHO 2004). The reason for this seems to be the strong increase in the degree of settlement and compensation.

Changes in Labour Market Behaviour

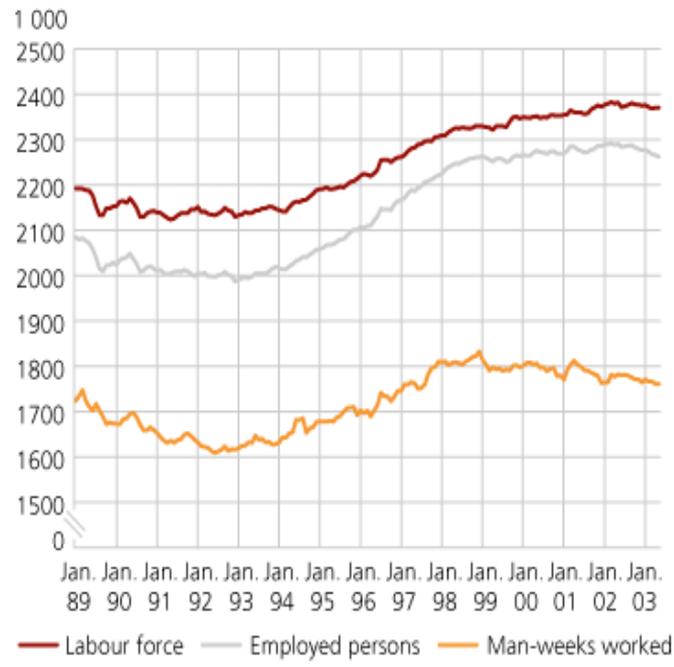
Labour market participation

As in the other Nordic countries, Norway has a long tradition of full employment policy. The labour supply since 1993 has had an annual increase of about 1.5 percent. This is more than twice the growth implied by purely demographic trends. The projected annual increase in the labour force over the next decade is limited to 0.4. The Directorate of Labour worries about this situation and holds that it is important to maintain high labour force participation and create conditions that allow the labour supply to be used as efficiently as possible. For most occupational groups and in most sectors the labour market is tight, and it is expected to remain so in the upcoming years. In this situation, many employers experience difficulties in recruiting qualified employees. Labour shortages are most marked in the health sector and in the building and construction branch. In technical professions, oil-related industries and manufacturing, labour shortages have decreased over the past year. The demand for labour in the health and social sector will increase even more considerably in the future, partly as a result of an ageing population. According to authorities, this may lay claim to a substantial share of the projected increase in the labour force. The growth in the number of new disability pensioners and those making use of the contractual early retirement scheme may contribute to labour shortages.

Compared to other countries, the labour market situation in Norway is very favourable; the labour force participation rate in Norway is among the highest in the OECD area. The unemployment rate is also one of the lowest in OECD.

Due to the women's extensive participation in the labour market since 1970, the aim of full employment seems to be almost a reality. The overall participation rate has increased from 61% to 73% from 1972 to 2000. For the population aged 16–64, the employment rate is 80 and this ranks Norway as number one in Europe.

Figure 3. Labour force, employed persons and man weeks worked. Seasonally adjusted figures, three months moving average in 1000, 1989–2003



Source: Norwegian Statistics, <http://www.ssb.no/emner/06/01/aku/main.html>

There is a weak decrease in the number of employed during the period. Underemployment (part-time employed who seek to work full-time) is also increasing and in 2003 there were 86, 000 under-employed. This we will turn to later. The table below show the development from 1972 to 2001 for different ages and sex.

Table 1. *Employed by sex, age and year. Percent. 1972–2002*

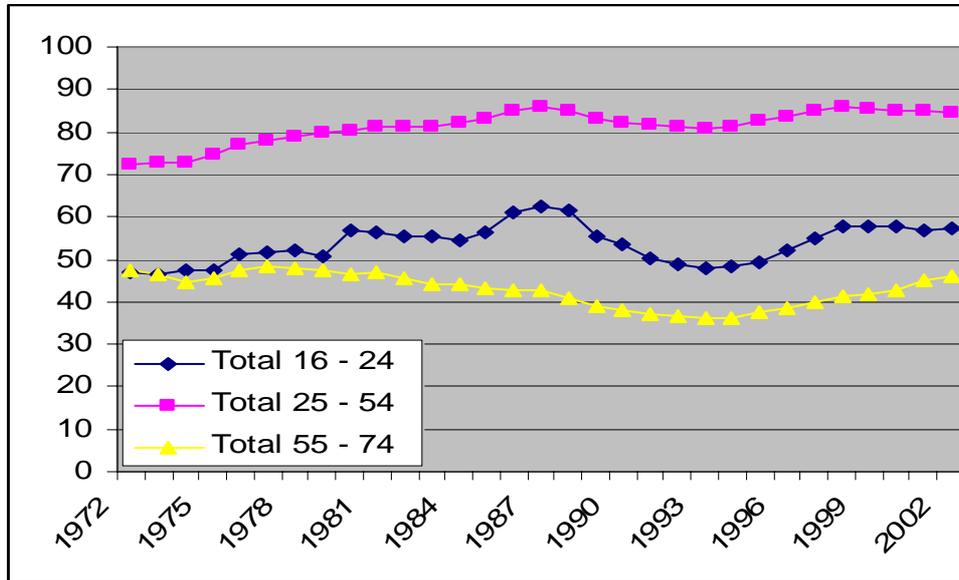
Year	Employed Males Percent				Employed Females Percent			
	16–74	16–24	25–54	55–74	16–74	16–24	25–54	55–74
1972	77	50,5	92,7	66,8	43,8	43,6	51,5	30,6
1975	76	49,1	93,2	62,9	45,6	45,4	55,1	29,9
1978	77,7	54,3	94	63,7	51,6	49,8	63,2	33,9
1981	78,1	61,6	93,2	60,9	54,8	50,4	68,8	34
1984	76	59,7	91,9	55,7	56,3	49,2	71,8	33,5
1987	77,4	65,8	93	52,6	62,1	58,9	78,4	33,6
1990	71,8	56	87,9	45,9	59,4	50,9	76,1	31,1
1993	69,1	50	85,1	42,9	59,1	45,9	76,1	30,2
1996	72,9	54,3	88,3	44,4	62,6	49,7	78,3	33,1
1999	75,4	60,3	89,5	47,4	66,5	55,3	81,5	37
2002	74,2	56,8	88,1	50,9	67,1	57,4	80,7	41,7

Source: SSB, Labour force statistics (2003)

During this period, the employment rate among men decreased some, but is still high: 74,2 for all men. Among the youngest men there has been a small increase; among the core age groups (25–54), a small decrease. The old age group (55–74) has gone through an obvious change, with a decrease in their employment rate from 66, 8 to 50, 9 percent. The 1970s represents the entry of the women in the labour market. All together, women’s participation has increased from 43, 8 per cent to 67,1 per cent. The strongest increase has been among the 25–54 group, from 51, 5 to 80,7, but those aged 55–74 have also increased their participation rate from 30,6 to 41,7 percent. This development is visualized in the following figures.

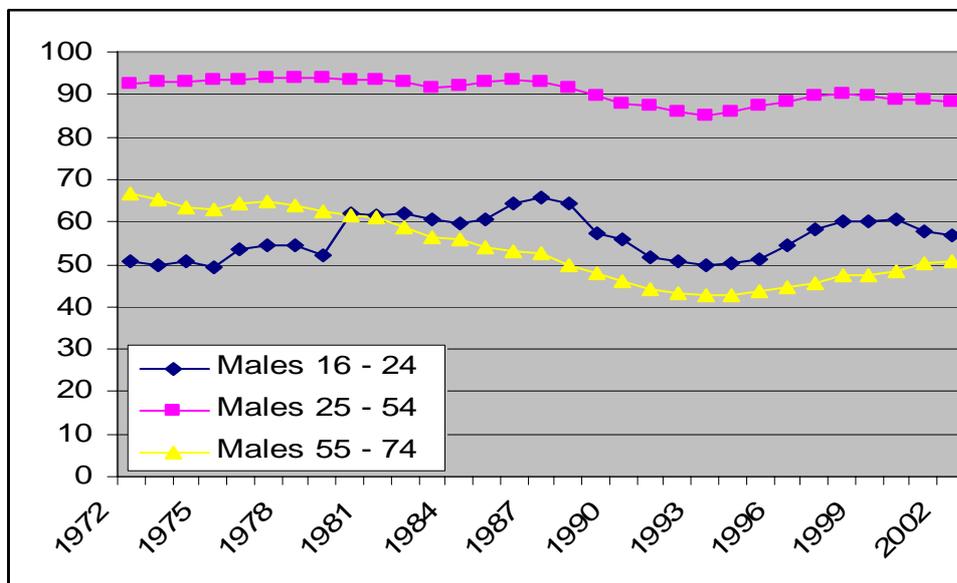
The figures give us the impression that participation in the labour market is increasing in the old age group as a whole. However, Table 2 and these figures don’t cover the variation in participation within the 55–74 group. The following table implies the variation among older employees.

Figure 4. *Employment rates total by age, 1972–2002. Percent*



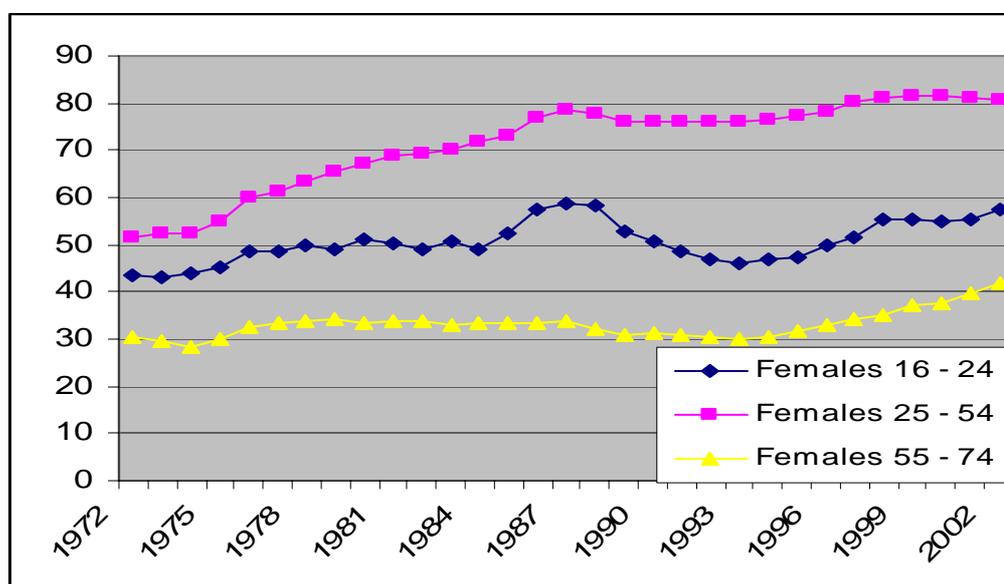
Source: Statistics Norway

Figure 5. *Employment rates males by age, 1972–2002. Percent*



Source: Statistics Norway

Figure 6. Employment rates females by age, 1972–2002, Percent



Source: Statistics Norway

Table 2. The employment rate, males by age. Percent of the total population, 1980–1999

Age/year	1980	1990	1995	1999
45–55	92,3	91,9	90,7	90,7
55–59	85,0	82,0	81,3	84,7
60–64	73,4	64,2	62,5	61,1
65+	34,3	25,0	15,3	13,4
16–64	84,3	83,4	82,4	85,0

Source: Labour Force Statistics (2000), OECD (2003), Rønningen (2002)

As we can see, there has been only a limited decrease in labour force participation among age groups until the 59th year. From 60 to 64, the exit from the labour market is obvious, increasing from 73, 4 to 61,1 percent. It seems to be more and more common to exit after 65, when only 13, 4 per cent is working compared to 34,3 per cent in 1980.

The situation for women is quite different. While older males exit between age 60 and 64, the parallel group of females stay in, and even increase their participation in the labour market.

Table 3. The employment rate for females by age, Percent of the total population, 1980–1999

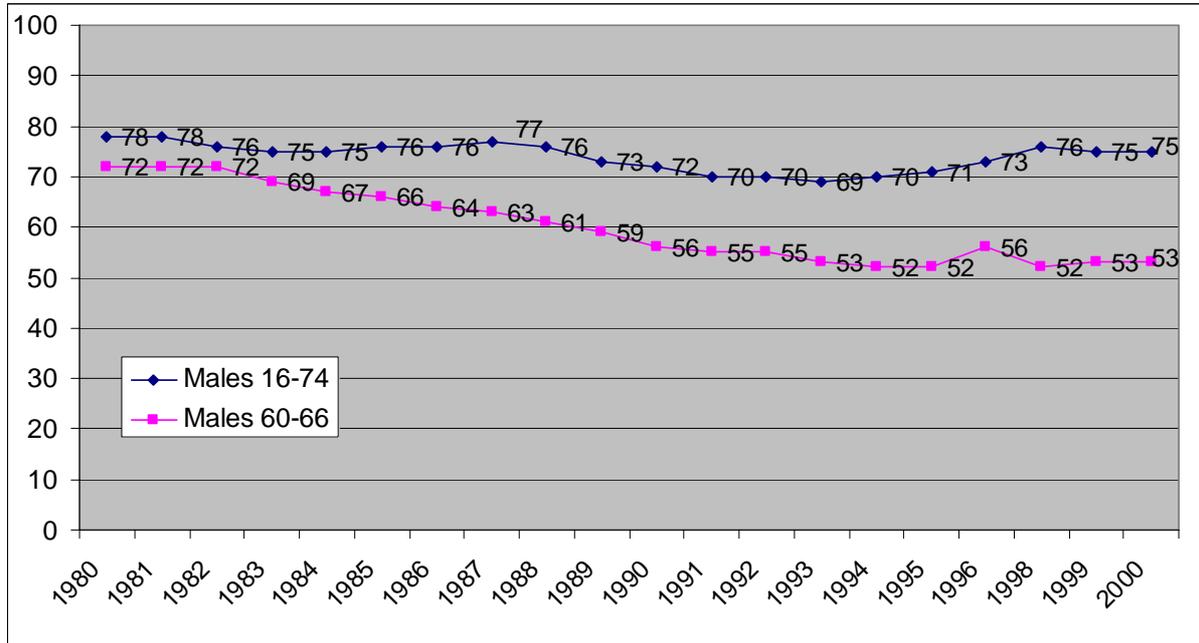
Age/year	1980	1990	1995	1999
45–55	73,9	79,6	79,4	83,0
55–59	59,0	62,0	66,0	71,3
60–64	40,2	46,5	47,7	49,5
65+	12,7	12,0	9,0	9,4
16–64	62,2	70,7	72,1	76,1

Source: Labour Force Statistics (2000), OECD (2003), Rønningen (2002)

The 83 per cent employment rate among women aged 45–55 year is quite high. Up to age 59, it decreases to 71,3 percent. However, the 60–64 age group has an increase of] nearly ten percent in their employment rates. That could mean that many women at that age started their working career late and wished to earn their pensions. The participation of the 60–64 age group in Norway is relatively high compared to many other countries in Europe. The average employment for the 15 EU members is 24 per cent in the same age group.

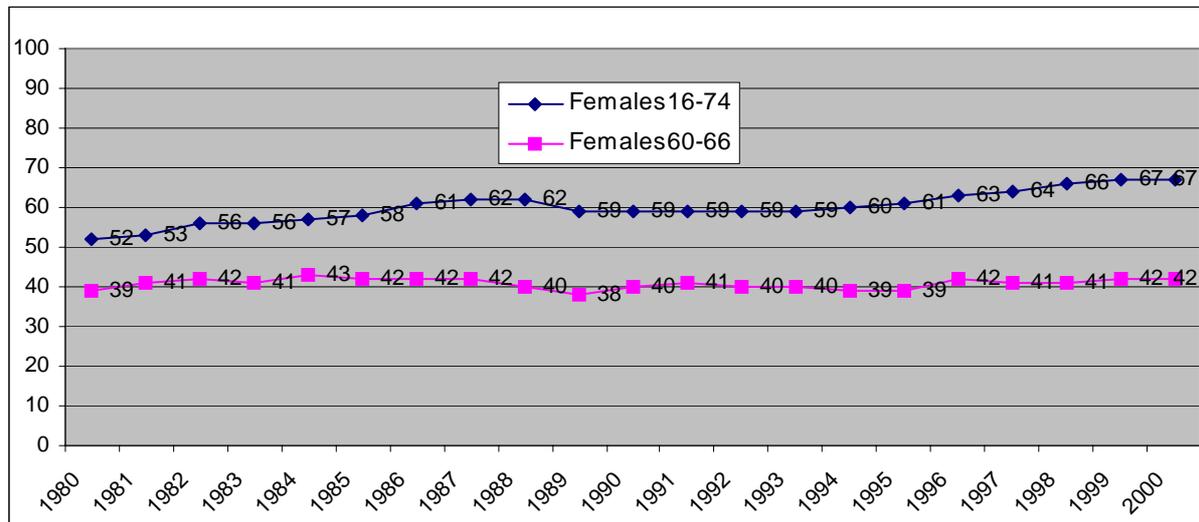
Other research has concentrated on the age group 60–66. If we have a look at the males aged 60–66, the decrease seems even more radical during the period between 1980–2000. While the employment rate was 72% in 1980, it decreased to 52% in 2000. For women aged 60–66, the employment rate has been more stable, and there has even been a small increase during the period (Solem, Mykletun and Mykletun 2001).

Figure 7. Employed males, age group 60–66 and 16–74, 1980–2000, Percent



Source: Statistics Norway, Solem, Mykletun and Mykletun (2001)

Figure 8. Employment rates, females 16–74 years and 60–66 years 1980–2000, Percent



Source: Statistics Norway, Solem, Mykletun and Mykletun (2001)

The figures take this specific «problem group» of those aged 60–66 into consideration and shows the development of their labour force participation from 1980 to 2000.

Although the employment rate generally is increasing, in Norway there are also obviously changes in the pattern of employment and exit tendencies connected to age. The last tendencies to exit early are strongly connected to those aged 60–66. Persons aged 50–74 has increased their participation rate from 45% in 1989 to 54% in 2000, but the participation rate has inclined for those aged 60 to 66 during the same period, from 44% to 39%. According to the labour market authorities, the future challenge will be to secure the labour supply due to the fact that the inflow of younger employers is negative, and the age group above 50 years will increase. In this group, the tendency to exit earlier is growing stronger. From 1995 to 2001, the expected age for retirement was reduced by 9 ½ months, with most of the reduction attributed to the early retirement scheme AFP.

Unemployment

Compared to other countries, the unemployment rate in Norway is low, as shown in the table below.

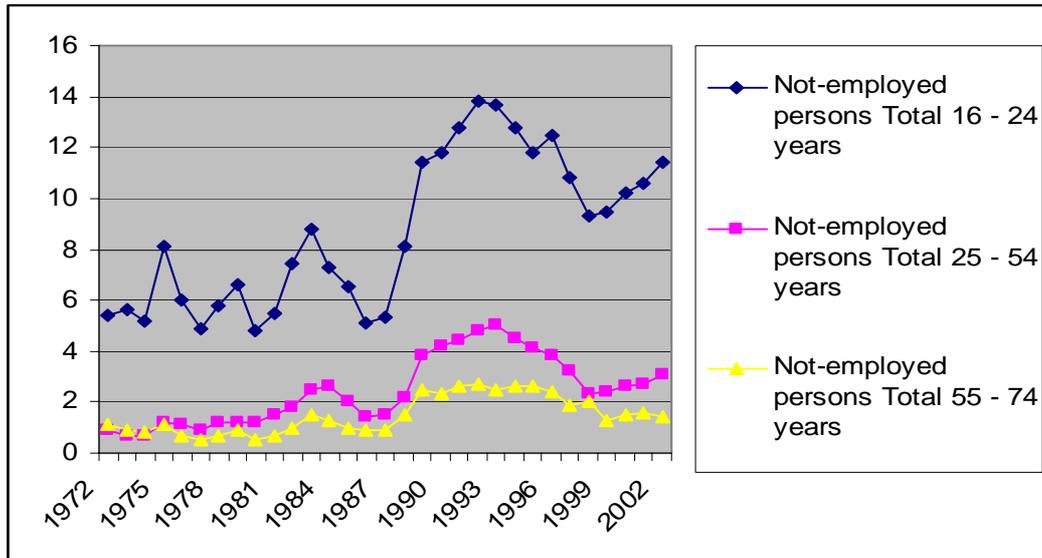
Table 4. Unemployment as percent of the labour force, 1992–2002

	1992	1994	1996	1998	2000	2002
Canada	11,2	10,4	9,6	8,3	6,8	7,7
USA	7,5	6,1	5,4	4,5	4,0	5,8
Japan	2,2	2,9	3,4	4,1	4,7	5,4
Australia	10,8	9,7	8,5	8,0	6,3	6,3
New Zealand	10,3	8,2	6,1	7,5	6,0	5,2
Belgian	7,3	10,0	9,7	9,5	6,9	7,3
Denmark	8,6	7,7	6,3	4,9	4,4	4,5
Finland	11,6	16,8	14,6	11,4	9,7	9,1
France	10,0	11,8	11,9	11,4	9,3	8,7
Ireland	15,4	14,3	11,7	7,5	4,3	4,4
Italy	8,7	11,0	11,5	11,7	10,4	9,0
Netherlands	5,3	6,8	6,0	3,8	2,8	2,7
Norway	6,5	5,9	4,8	3,2	3,4	3,9
Portugal	4,2	7,0	7,3	5,2	4,1	5,0
Spain	14,9	19,8	18,1	15,2	11,3	11,4
Great Britain	9,7	9,2	8,0	6,2	5,4	5,1
Sweden	5,6	9,4	9,6	8,2	5,6	4,9
Germany	6,4	8,2	8,7	9,1	7,7	8,2

Source: Norwegian Statistics

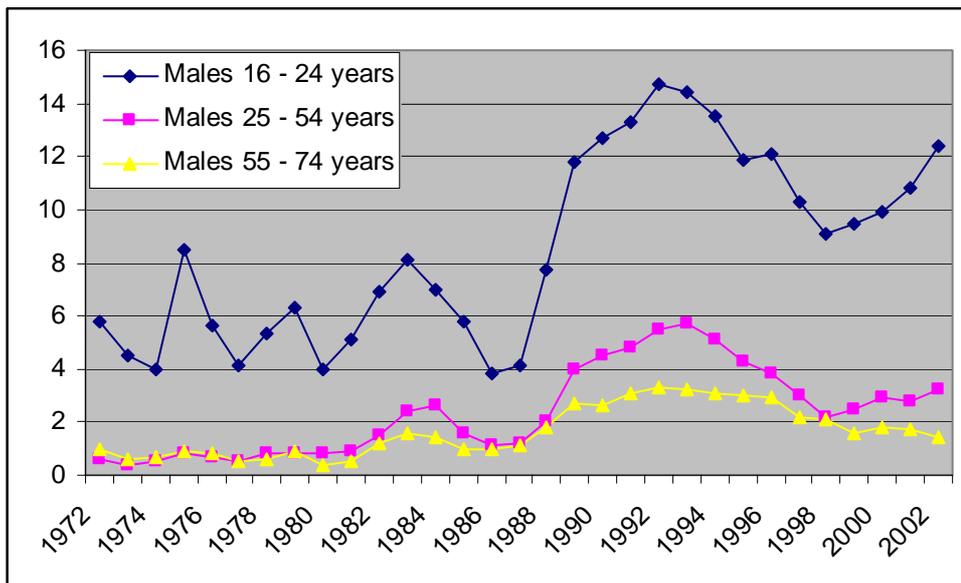
In the beginning of the 1990s, there was a relatively high unemployment rate, from a Norwegian perspective, at 6,5%, compared to 3,9 in 2002. From a historical perspective, we see that the 1990s was a special period compared to the 1970s and 1980s. The following figures illustrate the development in unemployment since 1972 by age groups and sex.

Figure 9. Unemployment rates by age groups, 1972–2002, Percent



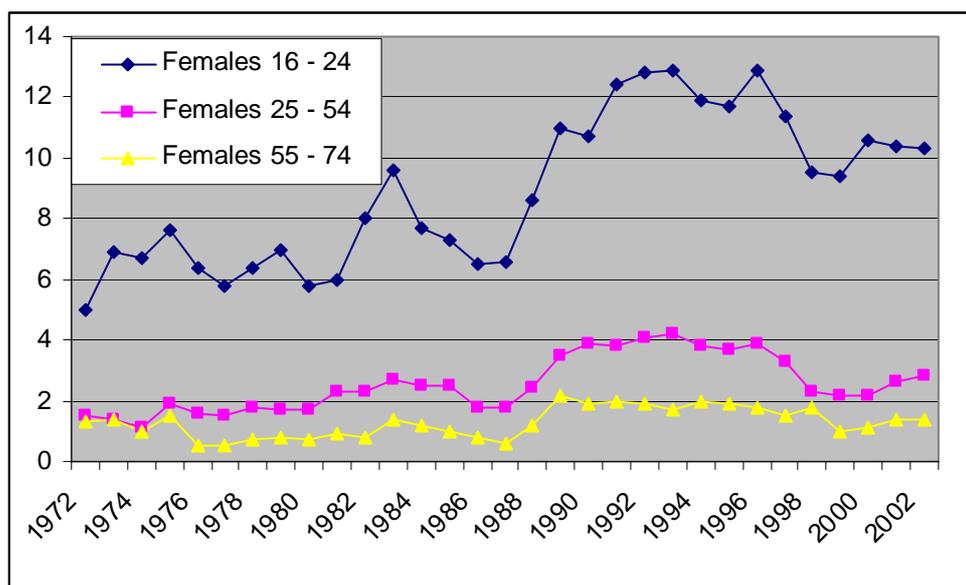
Source: Statistics Norway

Figure 10. Unemployment rates, males by age groups, 1972–2002, Percent



Source: Statistics Norway

Figure 11. Unemployment rates, females by age groups, 1972–2002, Percent



Source: Statistics Norway

The figures illustrate that the unemployment rate among the elderly is lower than other age groups. As we will point out later in the report, the elderly are not at greater risk of being unemployed than others. They are still strictly protected by collective agreements. As in other countries, older workers are less threatened than other age groups, but face problems in finding new jobs if they are dismissed. In addition, we do not see big differences between the sexes due to unemployment among the elderly.

Since 1999, unemployment has gradually increased. From 2002, while it was 3,8, it has continued to increase and, in the third quarter, was 4,7 per cent. During the same period, the number of employed persons decreased by 20 000. Accordingly, unemployment has not been higher in the third quarter since 1996. Among males, unemployment was 5, 1 per cent, and for females it was 4, 2 per cent. The increase came mainly among men aged 25–54 and most of the growth came among people wanting a full-time job. In the same period, the unemployment rate remained unchanged at 8.0 percent, which is the average in the EU member countries (Statistics Norway: Labour Force Survey, third quarter 2003).

Educational level is important to the level of labour market participation, as illustrated in the table below.

Table 5. Educational level by total, and labour market participation in age group 20–66 and 62–66, per cent, 2000

	Total		Employed		Not employed	
	20–66	62–66	20–66	62–66	20–66	62–66
Age	20–66	62–66	20–66	62–66	20–66	62–66
Primary education	11	30	9	17	24	39
Secondary education	60	51	60	56	61	47
Tertiary Upper edu.	29	19	31	27	15	14
Total	100	100	100	100	100	100

Source: Statistics Norway, Vaage (2003)

Not surprisingly, a low educational level is followed by a lower degree of employment. Tertiary education means a lower risk of being unemployed, and a greater likelihood of being employed.

Part-time employment

Even though the participation rate is high due to the number of employers, the number of working hours is radically decreasing. According to NHO (the main employers association), we could not say that the policy of «work fare» is an unambiguous success. If we take into consideration how much single employees contribute, some interesting patterns appear. Between 1970 and 2000, the employment rate has increased by 40% but the number of working hours has only increased by 9. Compared to other countries, Norwegians work less per year. In addition, 10% have retired by disability pensions. The number of persons on disability pensions, or long-term sick leave rehabilitation covers 15% of the population between age 16 and 67. The impression of Norway as a hard-working nation could perhaps use some reformulations. In addition to the trend of people in the sixties who wish to retire earlier, we also have a trend, especially among women, of part-time work. The table below shows that we are one of the top in Europe when it comes to average working hours per week.

Table 6. Actual average weekly working hours in Europe, 1998. Population aged 16–64, all employed and employees aged 16–64

	Population	All employed	All	Employees Men	Employees Women
Sweden	30.2	38.9	38.1	41.1	34.9
Norway	30.0	37.4	36.7	40.9	32.1
Austria	29.7	42.4	41.1	45.2	35.7
Denmark	29.5	37.2	36.4	38.8	33.8
Luxembourg	28.1	39.2	38.6	41.4	34.3
Ireland	28.1	41.0	38.9	42.3	34.4
Portugal	27.1	41.4	39.7	43.1	36.1
Finland	26.9	40.0	39.1	41.5	37.3
United Kingd.	26.4	38.5	37.3	37.3	32.2
Germany	26.0	38.8	37.5	42.1	37.5
Netherlands	24.4	35.0	33.7	39.3	25.9
Belgium	23.9	38.4	37.5	40.4	33.5
Eur 15+Norway	23.7	39.0	37.7	41.4	32.9
France	23.6	38.7	38.0	40.7	34.4
Greece	21.6	44.9	39.8	42.4	35.7
Italy	18.6	39.1	37.4	37.4	34.2
Spain	17.7	40.5	39.3	41.1	34.9
Difference: Max-Min	12.5	9.9	7.4	7.4	11.4

Source: Survey data from the project Employment Options of the Future, by the European Foundation for the Improvement of Living and Working Conditions, Torp and Barth 2001.

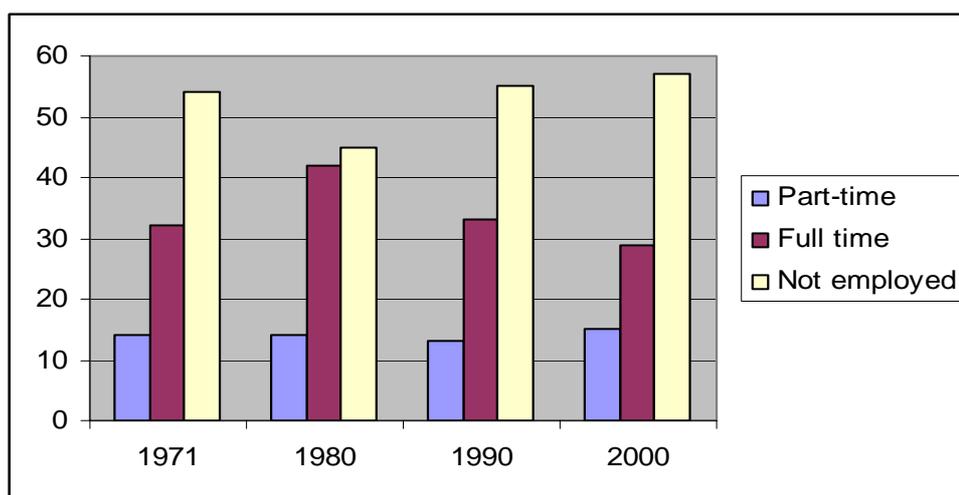
In short, the table shows that a lot of work is done in Norway because a large portion of the adult population is employed (total volume of paid work divided by the number of person in working age 16–64). The European average is 24 and the Norwegian average is 30.

However, when it comes to how much a single employee works, Norway is close to the bottom, with only Denmark and the Netherlands ranking lower. This is due to the fact that we have a large portion of part-timers but also because full-timers also work

less than the European average. As an example, 43 percent of all women in Norway work part-time; in Finland, only 15 percent do the same, and in Italy 24 percent work part time. The European average is 38 percent. Women are still working less than men, but there are different trends for each gender. Employed men tend to work less and employed women tend to work more: Average working hours for employed men have declined from 42 hours per week in 1980 to 40 hours per week in 1995. Average working hours for employed women have increased from 28 to 30 hours per week. The refereed study also shows that full time workers prefer to work less and part time workers prefer to work more, in Norway as in other European countries. The difference between actual and preferred rates of full-time work is especially large in the Nordic countries (Torp and Barth 2001).

During the 1990s, it has become more common also for men to work part-time, and women has have decreased as a share of part-time workers. In this way, the gap between males and females is slowly decreasing when it comes to actual hours worked. However, females still comprise the majority of the part-time workforce, with four of ten working part-time. When it comes to males, one of ten is doing the same.

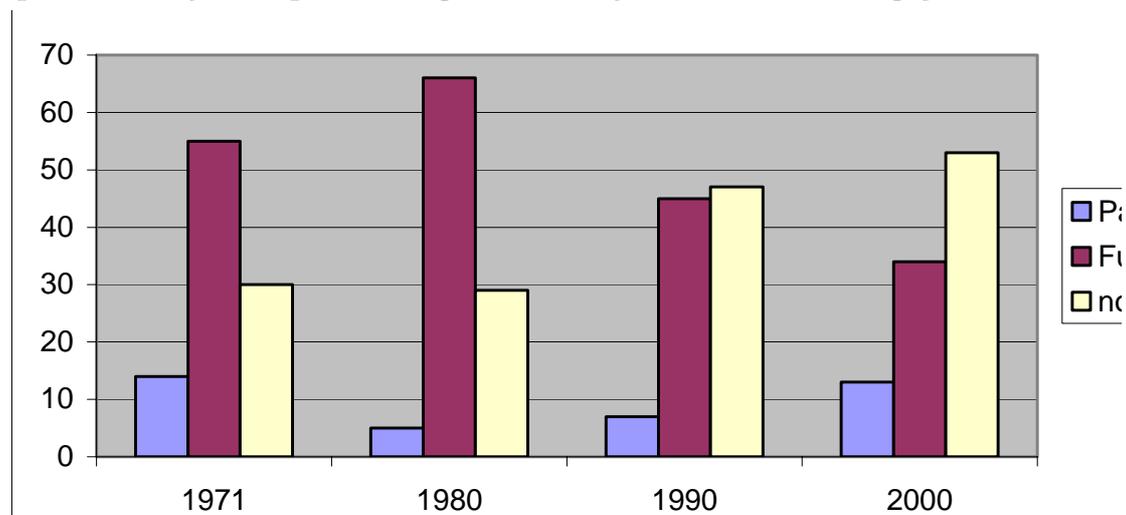
Figure 12. Share of persons aged 62–66 in part time work, full time work and not employed



Source: Statistics Norway

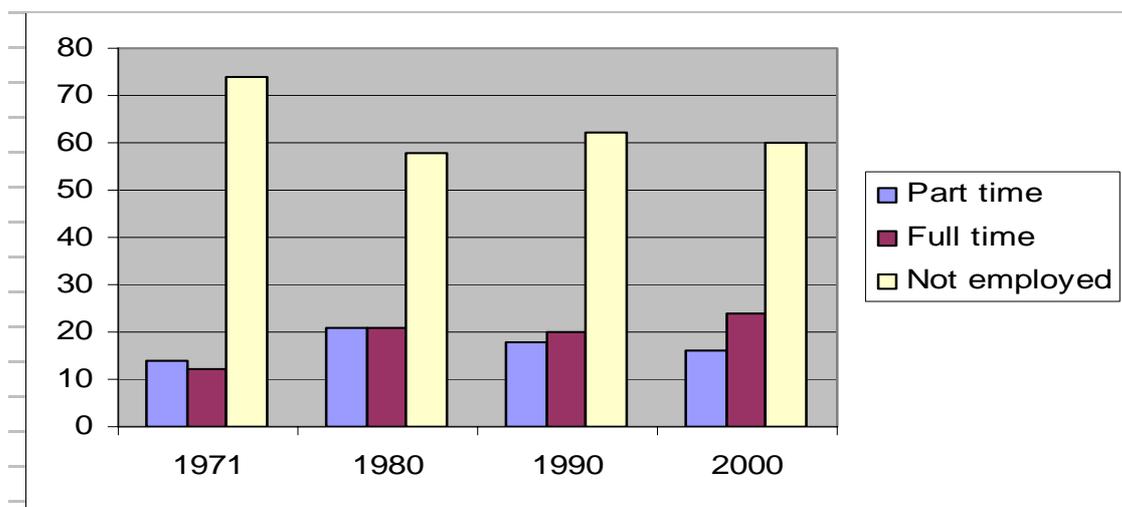
According to the time-use inquiries, one of three workers in age group 62–66 is part time employed. Among those employed, 18 percent worked part-time in 2000 (Vaage 2003). This represents a sharp decrease from 1970, when 30 percent of all employees worked part time. Females are still working fewer hours than males, but have, during the period 1971 to 2000, decreased from 61 to 31 percent working part time. The same could not be said when it comes to the group aged 62–66 generally. When 31 percent of the employed worked part time in 1971, it decreased some, to 25 percent in 1980. After that, it has again increased to 28 percent in 1980 and 34 percent in 2000. The part time share has not been higher than that in 30 years among the «young elderly».

Figure 13. Share of males aged 62–66 in part time work, full time work and not employed



Source: Statistics Norway

Figure 14. Share of females aged 62–66 in part time work, full time work and not employed, 1971–2000



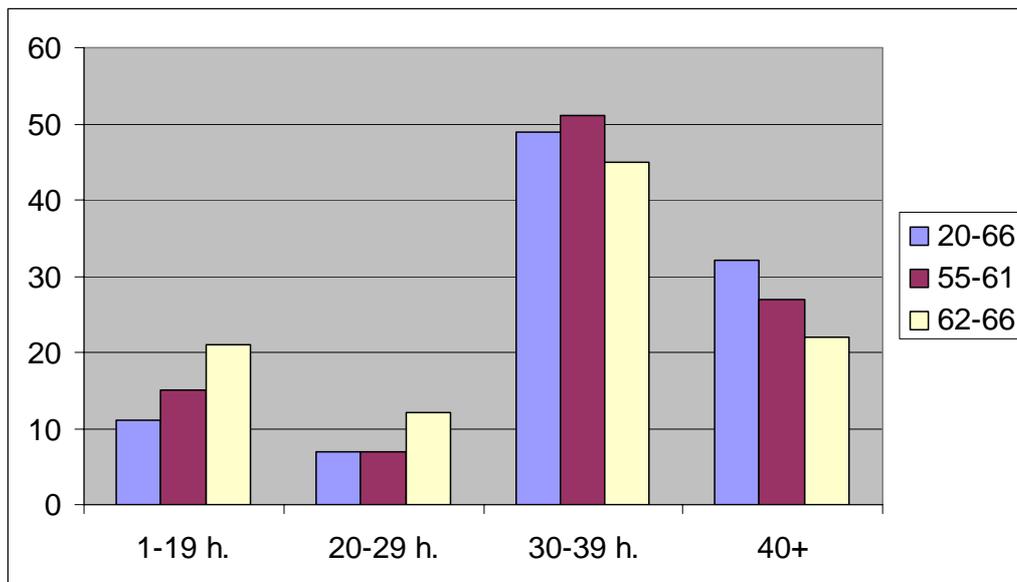
Source: Statistics Norway

The increased share of part time workers in the last years cannot be explained by the women’s appearance in the labour market. On the contrary, women have gone from part timers to full timers in this age group, and the men themselves have increased their share of part time work and decreased their share of full time work. In 1980, only 8 percent of men aged 62–66 worked part time. When it comes to females, the share of part time workers has decreased from 55 percent in 1971 to 40 percent in 2000 in reverse. If we also include those who don’t participate in the labour market in age group

62–66, as shown in figures 12, 13 and 14, another pattern appears. From this perspective, the share of part time workers has changed only to a minor degree, as we can see in figure 12. The variation between the sexes is also disappearing when the unemployed are included.

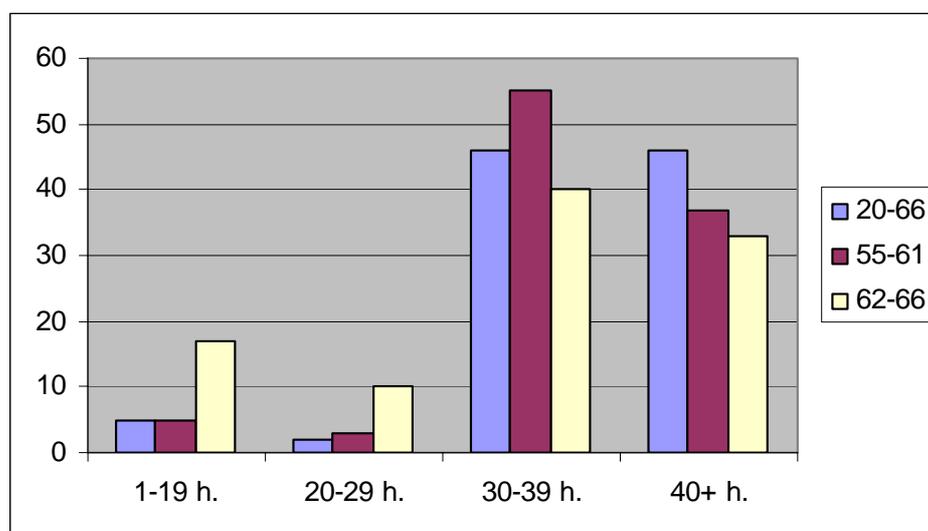
Another indicator of the extension of variation in working time is weekly working hours by age. Among the employed, there is an inclination to work less if you belong to the age group 62 –66 than the age groups 20–66 and 55–61. The average working time in the total population is 36 hours weekly. The 62–66 group works on average 32 hours.

Figure 15. *Weekly working hours by age, percent. 2000*



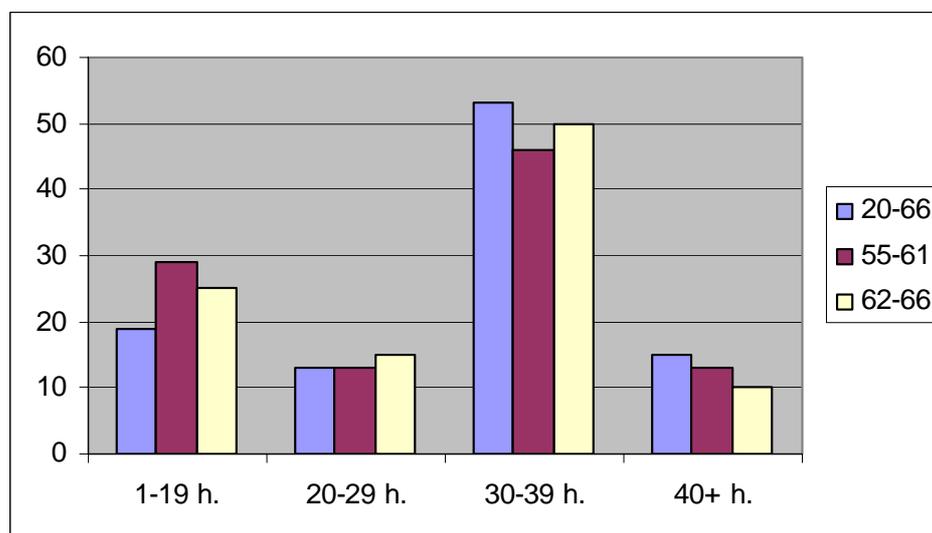
Source: Statistics Norway

A larger part of the age group 62–66 works less than 20 hours weekly, constituting 11 percent in the total population, and 21 percent among those aged 62–66. Only 22 per cent among the same group works 40 hours and or more when 32 per cent of the employed does the same.

Figure 16. *Weekly working hours, males by age, percent, 2000*

Source: Statistics Norway, Vaage (2003)

The weekly average working hours are quite high for males, at 41 hours. For women, it is considerably lower (by 30 hours weekly). Concerning the group aged 62–66, the average working hours weekly is 35 hours for men and 30 for women. Accordingly, age plays an important role for males' working hours, but is not that important when it comes to females.

Figure 17. *Weekly working hours, females by age, percent, 2000*

Source: Statistics Norway

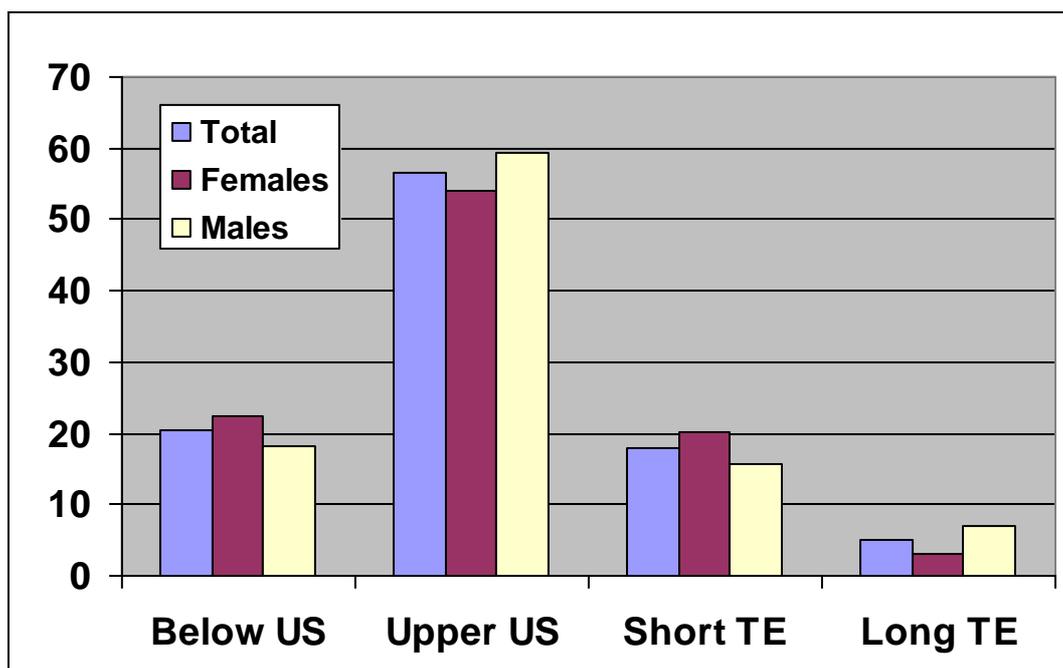
Concerning the attitudes toward current working time, the time-use data shows that 8 out of 10 workers think their working time is reasonable. If some want to change their working time, it should not be exaggerated: only a minority wants to work more. Those

who most clearly want a change in working time are those wanting to work less. This statement is somewhat different than the above mentioned study done by Torp and Barth (2001), which gave the impression that both full-time and part-time workers wanted to change their working time in the opposite direction. Among those aged 55–61 and 62–66, we find that a majority are satisfied with their working time, especially among females. In addition, very few wish to work longer in this age group. Taking into account that men in these age groups work considerably more than females, it is not surprising that several wish [to have] shorter working time (Vaage 2003).

Education

The following table illustrates the current education situation as of 2002. The main group is concentrated in the category of upper secondary education. Almost 60% of persons aged 16+ has have reached this level of education. Only 5% have reached the highest educational level, and 20% of the population has attained the lowest degree. Some of the explanation must be related to the youngest age group, who are still completing their education.

Figure 18. Persons 16 years and above, by level of education and gender, 2002

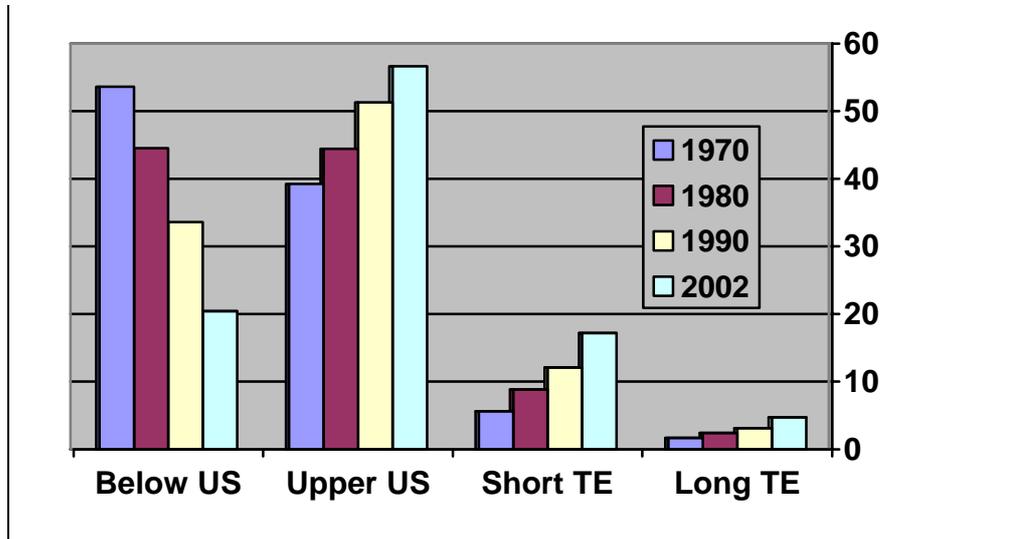


Source: Statistics Norway

In general, the period of 1970 to 2001 is characterized by a clear increase in tertiary education. In 1970, more than 50 percent of the population above the age of 16 had attained an education less than upper secondary education. In 2001, the proportion was 20 percent. Similarly, the share of those completing the upper secondary level has

increased from under 40 percent to about 55 percent. While 7 percent of the population completed university or a college education in 1970, 22 are doing the same today

Figure 19. Persons 16 years and above, by level of education 1970–2001. Percent

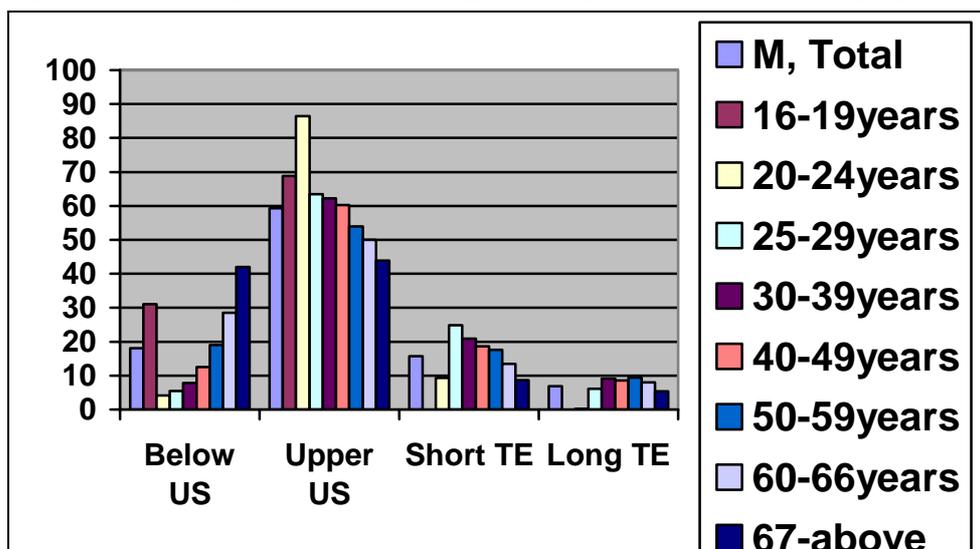


Source: Statistics Norway

If we look at the variation among different age group by sex, we see, not surprisingly, that the age group 60+ is strongly represented at the lowest level, reaching 40 per cent. Similarly, the elderly groups have low shares at the highest educational levels.

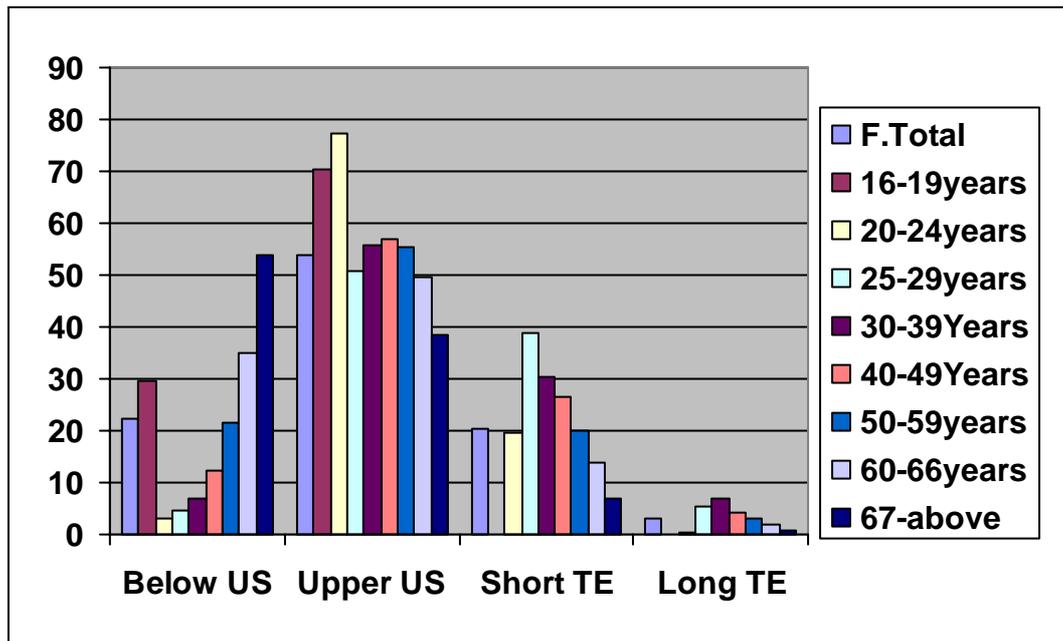
A related question is how the differences between the age groups are correlated to gender, which the two figures below illustrate.

Figure 20. Males 16 years and above by highest level of education attained and by age



Source: Statistics Norway

Figure 21. Females 16 years and above by highest level of education attained and by age, 2002. Percent



Source: Statistics Norway

When it comes to gender, we see that the differences are considerably stronger between the oldest age groups and the youngest. Today, Norway is ranked high because of gender equality within education, the labour market and political life. It seems that education is one of the few areas where the question of equality has been turned on its head, meaning that females in some areas of higher education are in the majority. However, men still dominate some subject areas, such as mathematics and the natural sciences, computer sciences and engineering.

Early Exit

In addition to the problem with men aged 60–66 who leave the labour market, to a greater degree than before authorities' worry about the relation between employees and pensioners. The estimated development in the division of the population in terms of the different types of pensioners and non-pensioners is represented in tabular form:

Table 7. Population and pensioners' status. (Absolute numbers in thousand)

Year	1995	1999	2010	2030
Old age pension	616	613	612	942
Disability pension	226	265	385	412
AFP-pension	9	26	57	62
The surviving pension	27	24	19	18
R�habilitation pension	74	85	90	85
Non pensionner	3 417	3 464	3 542	3 580
Sum	4 295	4 477	4 705	5 099

Source: R nningen (2002)

The table estimates a strong increase in old age pensioners, disability pensioners and AFP-pensioners (the agreement-based retirement scheme). From 2010 to 2030, the old age pension is estimated to increase by 50 percent. The group attaining old age pensions this year is huge and will have earned their full rights in the pension system. At present, a 67-year old person can expect to live until the age of 84. A fifty 50-year old person can expect to live until the age of 89. Consequently, each retiree will, on average, receive a pension for eight more years in 2050 than in 1973, assuming that they work until the age of 67. While in 1967 there were 3.9 members of the labour force per retiree, this ratio will decrease to 1.6 members of the labour force per retiree in 2050. At present, there are 2.6 members of the labour force per retiree (NOU 2004:1). Over the period of 1995–2030, the group of non-pensioners will be stable. That means that the financial burdens of this group will be enlarged as long as we have today's pension system.

The increasing gap between employees and pensioners is what worries the authorities in Norway, as it does in other countries. In addition, pensioners are getting younger and younger, and the real age for retiring as pensioners is decreasing. This development should be seen in connection to the increase in the disability pension. On the other hand, AFP has replaced disability pension as the most common early exit pathway among those aged 62–66. The AFT pension is an occupational early retirement scheme agreed upon by LO and NHO (the federation of employers) in 1988. Since 1998, AFP covers all employees in the public sector and half of the employees in the private sector, from the age of 62.

The main discussion today is why early retirement has become more and more common.

Among researchers and experts there seems to be agreement on the connection between early retirement and economic factors. The impact of economic incentives is asymmetrical (West Pedersen 1999, 2002). The consequence is that yearly growth in the future pension has to be quite generous to postpone retirement. At the same time, receiving a pension one year earlier is no longer of interest if it means a reduction in future pensioning. The Norwegian pension system is characterized by a weak connection between labour market participation and earning own pension, and the level

on pension benefit. A strong increase in the minimum level of pension is giving strong incentives to pass on the first opportunity. Second, the system reduces the value of the pensions rights connected to labour market participation. Thirdly, legislation prevents people who want part-time work to continue because they are forced to choose either pension or work. The AFP pension gives especially strong incentives to retire early.

In addition, early retirement is connected to type of participation in the labour market. If a person has been a full-time worker and if the person has been unemployed previously, they have a great chance of being an AFP pensioner (Bratberg, Holmås and Thøgersen 2000). The highly educated have a lower probability of exiting from the labour market than those with lower education. The same is true for women and those working in the service sector. When it comes to the trades, it is somewhat surprising that employers in traditional industry have a lesser tendency to use the AFP pension than those in other industries. Originally, the AFP pension was established for those working in physically strenuously branches. It seems, however, that branches using new technology partially influence the labour market participation for the elderly (Rønningen 2002).

In an inquiry, persons aged 62–66 were asked why they still participate in the labour market despite the fact that they have the possibility to receive AFP. The factors they underlined as causes for their labour market behavior are two-fold: Economic reasons and conditions at the work place (Vaage 2003). One of three gave economic subject as the main reason for their prolonged working career. One of five stated that they have interesting working tasks, and one in five wished to be active and stated that they found the working conditions satisfying. A very few answered that their employers wanted them to continue their working careers. This must be seen in connection to the fact that well educated persons, to a greater degree, also prolong their working careers.

Another question in the same inquiry was asked to persons aged 50 – one group in firms covered by AFP and another group who was not – when they wanted to retire. In firms covered by AFP, 64% supposed they would retire at 62; in firms without AFP, 32 percent supposed the same. As we see, the AFP makes an obvious difference in supposed behavior in a common age group. Those who wanted to retire were asked about the reason for this. Persons who wanted to retire mainly reported economic reasons, independent of AFP firms. Health problems and strenuous work were also seen as future reasons to retire. Another reason given was the spouse's situation as well as problems in updating their skills (Vaage 2003). Other conclusions from research on this topic stress the importance of factors such as learning and receiving support and recognition from the employer. However, the majority of employees are indecisive about work after 62, (Solem, Mykletun and Mykletun 2001).

Older workers and working conditions

One of the most characteristic traits of the current labour market is the flexibility of working time arrangements. National surveys show that, in 1980, 8 per cent described their working time arrangements as flexible. In 1989, 21 percent and as many as 50 per cent of all those employed in 1999 stated that they could either perfectly or to some extent decide when to start and end their daily working day. Men had more often

flexibility in working time than women, and were also better educated than older women, who are overrepresented among the classification of unskilled workers (Torp and Barth 2001).

In this report we have strongly implied older workers' lack of skills. Consequently, the lack of skills is decisive in competition for new jobs. In addition, their lack of skills explains why older workers could be excessed in situations where there is redundancy. What the authorities make clear is that the significance of skills, new technology and competence will be even stronger in the future. That could mean a weaker position for older people in the labour market, but could, to some degree, be compensated for by increased formal education and by systems for life-long learning

Employees aged 40 and over are less mobile, less inclined to change employment and regularly work during normal daytime hours. However, the main impression from research on working conditions is that age doesn't matter. The limited differences show that working conditions are even better for people aged 55 or above. Of course, the results must be seen in connection to the fact that older employees who experienced bad working conditions are already retired from the labour market and are not represented in the research. It could also be that older workers are better adjusted to special arrangements. And the last point is that older people more generally reports positively in studies of such conditions (Solem 2001, Lahn et al 1999).

However, we have seen that the decision to continue working past age 62 is related to working conditions and is motivated by work itself. First and foremost, the foregoing has pointed to the potential for interventions in working places to prolong the working life of older persons. We now turn to this topic.

Labour market policy and measures for older workers

Introduction

In this part of the report, we present measures for older workers in the labour market in Norway. Firstly, we find it relevant to describe the institutional context and labour market policy generally. To some extent, the framework of labour market policy, networks and measures has already been described in our country report of WP1 (Christensen 2003).

However, we find it necessary to connect this outline to labour market measures for older workers, especially to understand the aim behind current policies. The second aim of the report is to assess the measures for older workers. By integrating the measures for older workers in an institutional framework of labour market policy, our aim is to show how the Norwegian authorities reflect a specific conceptualisation of and policies towards active aging. In assessing this policy, we will discuss how relevant and effective we find the measures to be. We will also explore to what degree the measures seems to be developed in dialogue with the different actors and thereby how the measures are legitimated. In addition, in assessing the policy, we also found it highly relevant to critically recount the active aging concept by discussing the normative implications of the concept. What are the real intentions behind the increasing focus on active aging, and what does active aging mean with respect to established rights and welfare?

The active labour market policy

Comprehensive or strategic approaches for integrating older workers in the labour market or to eliminate options for early exits are only implemented in a few countries in Europe. Norway is not among them. However, Norway is characterized by a policy of full employment, which also includes older workers. The active age policies in Norway are, to a lesser degree, centralized and coordinated as a policy field (Christensen 2003). Instead the sectors themselves are formulating and implementing policies to activate older people, and the labour marked sector is «the» sector in that respect. That means that active ageing in Norway is strongly work-oriented, is the Norwegian society as such. Norway has close to full employment. Full employment has been the central aim of the dominant federation of employees, LO. The Norwegian model of the labour market has some distinctive traits that we have to take into consideration in order to understand the policy. Firstly, the labour market is highly organized, both on the side of employers and of the employees. Second, a mutual understanding between the social partners about the rules of the game in the labour market combined with the strong influence of public regulations and legislations. Thirdly, the labour movement plays a central role. The combination of the presence of the labour movement and an extensive public engagement is perhaps more obvious in Norway than in any other country. Fourth, in

Norway there are individualised legal rights attached to working conditions, adjustments in work and defence against dismissal (Engelstad, Svalund, Hagen and Storvik 2003).

A distinctive consequence of this model is that policies must be analyzed for the interplay between institutions, more so than simply the relations between the government's intentions and results.

In the tripartite cooperation between the Government and the main labour market organisations, LO, has compromised by showing moderation in wages in exchange for employment opportunities for unemployed and low-productivity workers. Norway has one of the highest employment ratios in the age group 55–64 in selected OECD countries (OECD 2003). The claim that work is more satisfying than leisure is often taken for granted in the public debate (Solem and Øverbye 2002). The workfare orientation in welfare policy has been introduced independent of the unemployment rates (Kildal 1998).

Today, of course, it seems easy to sell the message of workfare. The first part of the report has demonstrated that the demand for labour is high and will be even higher in the future. Furthermore, experts point to the shortage of labour in health care and care for the elderly, and also in other labour demanding and knowledge-based industries, shortages that will become even more pronounced in the future. The challenge is to develop measures to mobilise labour force reserves, encourage people to stay in the labour force longer and develop more flexible forms of work organisations. Flexible working time arrangements seem to be a key word. We do, however, reiterate that many full-timers would prefer shorter working hours. The consequence of flexible working time arrangements could therefore be the very opposite and reduce the labour supply (Torp and Barth 2001). In addition, the relevance of a flexible working life depends on the degree to which part-time workers will increase their participation.

The problem formulation: From focus on pensions to focus on working conditions?

As mentioned already, the increased exit from the labour market has, beyond doubt, caused alarm about the future labour supply in Norway. The government defines population ageing as an economic problem, viewed as a threat to the well-being of coming generations. A Labour force shortage, combined with increased public pension expenditures, seems to be the essential problem. Retirement incentives are one of the major challenges, along with increased sick leave absenteeism and extensive disability pensioning. For instance, sick leave increased by almost 60 percent between 1994 and 2001, and is now a major drain on the budget (Wallin 2002). In addition, for the past 50 years, and particularly for those beyond the age of 60, employment rates are declining.

The policies to maintain older workers' participation in the labour market should also be seen in connection to measures, (or call it the failed policy), intended to reduce early retirement. But, obviously, ensuring labour force participation of older people also goes hand-in-hand with macro-economic performance. Low unemployment seems to be a precondition for creating sufficient job opportunities for older people. Another fact to take into consideration is that the authorities seem to worry about declining oil

revenues in the new millennium. This will coincide with an ageing population and increase the state's pension's obligations.

The Social Democratic government introduced the workfare line, also called «the benefit to work line», in the late 1980s. One of the results was a tightening of the eligibility rules in the disability pension scheme. That limited the diagnostic criteria's for illnesses qualifying for disability pensions and direct reductions in the benefit levels. These so-called pull factors led to fewer new disability pensioners (Solem and Øverbye 2002). Meanwhile, in the mid-1990s this line was loosened by the non-Socialist coalition government led by the «Christians People's party». Hence, the focus shifted from the pension system to labour market factors such as flexibility of working life. In addition, the firm level became a relevant factor in the sick-leave, retirement and rehabilitation discussion. In Norway, workers have legal rights to (or a duty to) carry through vocational rehabilitation before retirement pension can be decided. The firms have gradually come to have more and more responsible in the rehabilitation process in the name of «in-plant-rehabilitation» (bedriftsintern attføring). Conclusions from research are that the in-plant-rehabilitation is positive and should be developed even more (Alm Andreassen 1996). As we will see, this point is in line with the measures implemented to ensure older workers in the labour market.

However, in the Norwegian (or Scandinavian) model, we seldom talk about policy as the results of government intentions alone. We should bear in mind the tripartite cooperation in most labour market questions. In this case as well the shift in focus from changes in the pension system to working conditions was not the responsibility/result of the government alone. A main reason for the stability of the pension system is the conflict between the social partners in pension questions: Initiatives have been taken by different committees, but have been broken down by the employee organisations. For instance, the committee report «On Flexible Retirement» (NOU 1998:19) once again suggested measures to increase the effective retirement age. The committee recommended changes in AFP, among other items, including an occupational early retirement scheme agreed upon by LO and NHO (the federation of employers) in 1988. The recommended changes in the enticements were supposed to reduce early retirement. This caused members representing labour unions to resign from the committee before the report was presented. In principle, the unions agreed that [the effective retirement age was too low, and also agreed on improved options for continued work. However, they effectively vetoed cutbacks in the existing arrangements. Solem and Øverbye (2002) make the point that further work with changes to the early retirement pension system has been set aside, because of this conflict. Still, another pension commission delivered a report discussing the same issues covered by previous reports (NOU 2004:1). The report raised proposals to reduce opportunities to retire by the AFP scheme. Unions have already campaigned strongly against the proposals, especially unions representing female workers in the public sector (Christensen 2003). On the other side, the social partners seem to be prepared to co-operate to find improvements in working life.

Legal Framework of Labour Market Policy

The legal framework for Norwegian labour market policy consists of three main laws. *The National Insurance Act* regulates measures and benefits for the unemployed; *The Working Environment Act* provides the basic legislative framework for employer and employee duties to secure physical and psychological safety in the working place, and secure employment protection. In addition, the law aims to require firms to solve their own working environment problems. Lastly, in connection to the working conditions, the law defines the rights and duties for both the employer and the employee. In addition, there is a special act regulating public employees' relation to the state. *The Act of Employment Provision* regulates the inflow to the labour market by connecting vacancies and job-seekers. Until 2000, the Norwegian labour market authorities had a monopoly over employment provisions, but the new law opens the task to private companies.

In addition, the Norwegian labour market is strongly regulated by central and local agreements between the social partners. Due to the highly organised labour market, the *Basic Collective Agreement* between the different employee organisations – the Confederation of Norwegian Business and Industry (NHO) and the state – plays an important role. The original 1935 Basic Collective Agreement between the Norwegian Confederation of Trade Unions (LO) and NHO was called the Labour Market Constitution. Even though the agreement has changed since then, the strong influence of the agreement is not threatened. Today, we have a lot of Basic Agreements covering different confederations on both sides and in different sectors. These agreements state general principles for negotiations and the playing rules for labour market conflicts. Concerns about wages, however, are regulated in the *Tariff* agreement, which is the core document in the relation between the partners in the labour market. The Basic Agreement is included as § 1 in every Tariff agreement. The Tariff agreements are invariable, and the contents have direct consequences for individual working agreements and are legally binding. Internationally, the trade unions in Norway have a strong position. The system of collaboration is based on strong traditions and is imprinted by established roles. The system is stable due to membership: 57% of Norwegian employees are members of a trade union and about 70% are covered by a Tariff agreement (Engelstad et. al. 2003).

Formal institutions of tripartite co-operation in Norway date back to the 1960s. These talks typically take place prior to negotiations on wages or negotiations among the organisations of employers and employees and with the organisations representing fishermen and farmers.

The so-called *Contact Committee* (kontaktutvalget) is the most important body of incomes policy co-operation. The Prime Minister chairs the committee. In these meetings, the Government presents its views on the current economic situation. The organisations also present their views and bring up issues they consider important to discuss. The committee usually has two meetings a year, i.e., one in the autumn when the Government presents the Fiscal and the National Budgets to the Norwegian parliament (Storting) and one in February, prior to the wage negotiations. The previous Government enlarged the committee. Following this enlargement, all the main

organisations of employers and employees as well as the organisations representing farmers and fishermen are represented (AAD 2003).

The Norwegian labour market is characterized by strict employment protection. It is normal, after a probationary period, to attain permanent employment. This implies strong rights, perhaps on the expense of the power of the employers. Norway has the strongest employment protection among the Nordic countries. Generally, employment protection is weakest in English-speaking countries and strongest in Southern European countries such as Greece, Italy, Portugal, Spain and Turkey. Norway has the eighth strongest employment protection of the 27 OECD countries (Engelstad et. al. 2003). On the other hand, Norway so far has not had any anti-age discrimination measures.

The combination of strict employment protection and the absence of non-discrimination measures may lead to a situation which secures older employees holding their jobs, which also makes employers more reluctant to hire older job seekers. Pursuant to the National Insurance Act, after reaching retirement age, workers cannot be dismissed solely because of age (Act relating to worker protection and working environment section 60 no. 3). Further, even though the working environment act does not directly protect jobs for workers with long tenure, the court has in several cases considered long tenure as objectively justified when it comes to the selection of which employees to dismiss. The importance of long tenure is also regulated in different collective agreements, and the periods of notice may be longer for elderly workers.

A tripartite committee was appointed in August 2002 to revise the Norwegian labour law, with a mandate to prepare to discuss the need for changes in labour laws. It finalised its report in December 2003. The situation with regard to working conditions, working hours, terms of hiring and firing and the regulations of these conditions was analysed by the commission. The need for flexibility in enterprises and in labour market was specially focused upon. Its recommendations included a simplification of labour laws, e.g., the regulations on hiring temporary workers. The question of giving possibilities to hire temporary workers was vetoed by LO, which also left the commission. Other topics for further discussion included the recognition that employees are given more responsibility and influence for their working conditions, working time etc, and the commission also raised the question of whether regulations, to some extent, should reflect these changes.

The committee proposed implementing the European Union Council Directive 2000/78/EC concerning age discrimination. The proposal does not define age as such, but states that age is not an objective justification in treatment of workers.

Workers above 60 years have the right to an additional holiday week per year. The wage negotiations in the public sector in 2002 resulted in an agreement on the possibility to motivate employees by economic stimuli to continue working after the age of 62. Measures taking place in some private firms, such as one extra day off per month with full wage, or extra pay up to a certain percentage of the gross wage after the age of 62 if the employee agrees to a later exit, is also planned for implementation in the public sector.

As already pointed out, there is also legislation on subsidies to promote employment of older people.

Organisation of Labour Market policy in Norway

The Ministry of Labour and Government Administration has the responsibility to secure a safe, inclusive and self-regulating labour market. In addition, it has the responsibility to contribute to the deployment of all working groups. The department was given a distinctive responsibility to secure users' interests and public security. Personnel policy, collective wage negotiations and working conditions for State employees are also the Ministry's responsibility.

The Ministry has important duties in connection with analyses of income and income distribution in Norwegian society and matters concerning living standards.

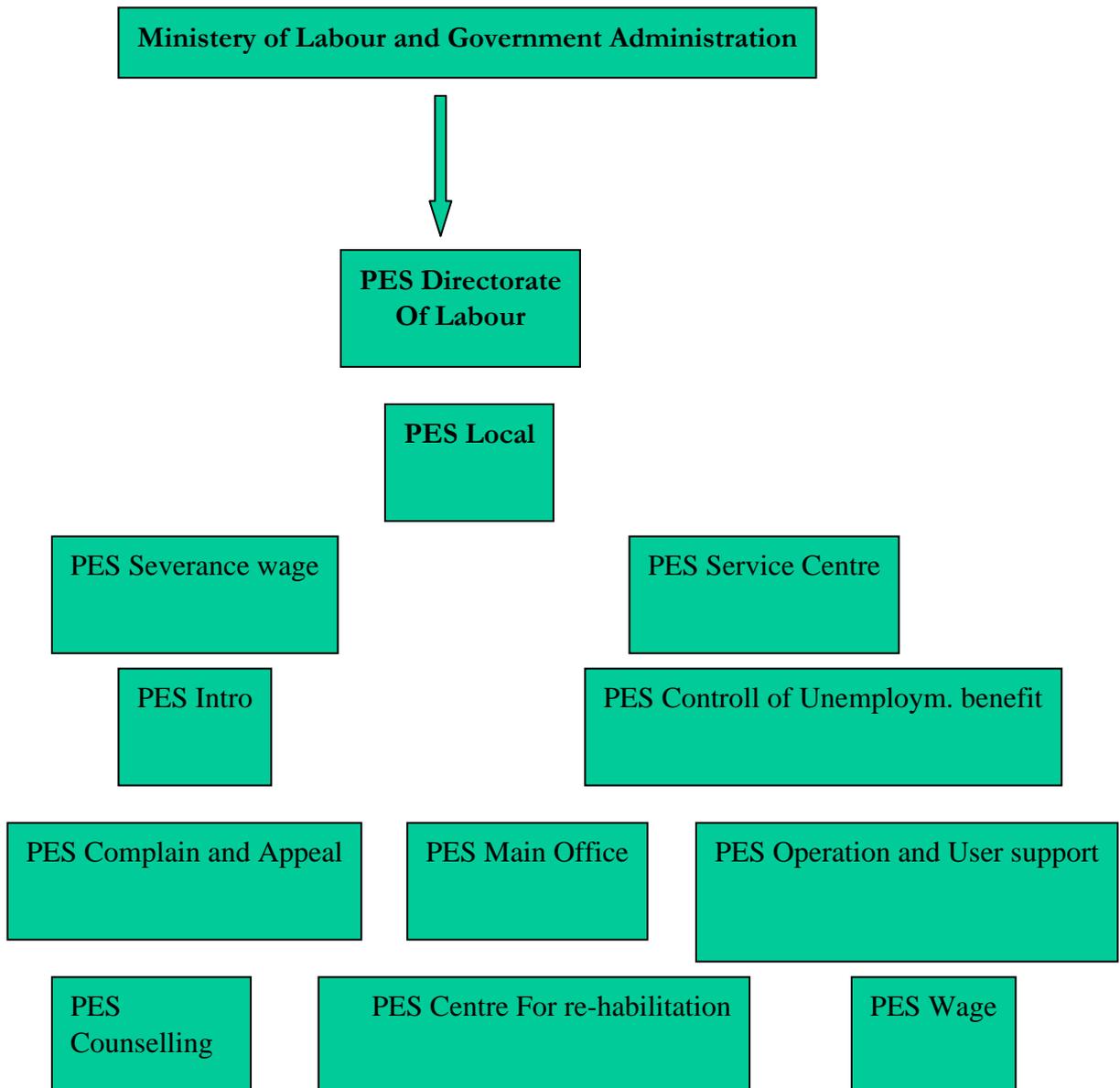
The Public Employment Service (PES) has the responsibility to carry through the labour market policy. PES has three main tasks: To help people get a job; to help employers with recruitment, and re-adjustments; and prevent and subdue the consequences of unemployment. The PES is supervised by the Directorate of Labour and comes under the jurisdiction of the Ministry of Labour and Government Administration. Currently, efforts are being made to improve the efficiency of the PES through the implementation of improved computer support systems and organisational changes. The objective of the reorganisation is to improve reporting systems and transfer more resources to the local offices of the PES in order to make the organisation even more user-focused. The PES offers the following services:

- Information on vacancies and jobseekers. The PES registers all publicly announced vacancies and disseminates information through local employment offices, the Internet, Text-TV and a phone service.
- Placement service adapted to the needs of employers and employees.
- Implementation of ordinary labour market programmes to raise the competencies and skills of the unemployed to maintain their employability and enable them to fill vacant jobs.
- Specialised labour market programmes directed towards the disabled with physical, mental or sociological handicaps to increase their possibilities for obtaining or keeping a job.
- Administration of daily cash benefits under the unemployment benefit system and payments to persons in vocational rehabilitation.

As mentioned above, in July 2000, the public monopoly on job placement was abolished and private employment agencies were given the right to carry out placements and private recruitment services. Furthermore, temporary work agencies are now allowed to contract out staff categories to all sectors. Previously, contracting out was only for secretarial, canteen and warehouse work. However, agencies can only contract out in cases where temporary job contracts are allowed (i.e., only to replace regular staff absent because of illness, leave or holidays, and in case of seasonal labour demand peaks) or if agreed to by union representatives. At the same time, the PES has been granted permission to introduce fee-based employment services. The new regulations concerning conditions for hiring in workers are provided in Act No 4 of 4 February

1977 relating to worker protection and working environment (Working Environment Act).

Figure 22: *The Organisation of the Labour Market Service*



After the privatization of job placements, PES decided to reorganize in order to increase its effectiveness and user-orientation. The most important change was to close down the county offices and to move those tasks from the administrative to the operational level. As figure 22 show, it was important to reduce the hierarchical levels in order to signalize dynamics, adaptability and user-focus. They received a new, trendy logo and visual profile. In order to meet the competition, PES had to modernize and focus on service for both employers and employees (Kjeseth 2003). The results show that PES is doing well in its competition with private placement firms.

The major challenges for PES are stated as:

- Reduce labour shortages and increase the employability of the labour force.
- Contribute to an efficient matching of jobseekers and vacant positions.
- Making redundant employees from industries in decline available to other parts of the labour market.

The authorities are responding to labour market challenges with a focus on the need to increase the labour force and to maintain and develop their qualifications. Active labour market programmes are used to qualify unemployed persons for the labour market and avoid social exclusion. Increased attention is directed towards the high inflow of persons utilizing disability pensions and early retirement schemes.

An active labour market policy aims at facilitating structural adjustments, reducing adjustment costs and maintaining the contact of the unemployed with the labour market. This requires a well-developed information system to match vacancies with jobseekers. The Internet is becoming increasingly important as a channel for information and job matching. For unemployed persons in need of further support, the Public Employment Service (PES) offers comprehensive programmes, targeted education, training and temporary jobs in order to increase their employability. The labour market programmes try to bridge the gap between the need for skills and qualifications and the competence of the unemployed, both in terms of education and work. (<http://odin.dep.no/aad/engelsk/publ/reporter/002021-990014/>)

Yet another public organisation is important to mention, namely the *Working Life Centre*, which is supervised by National Insurance Service, within the Ministry of Social Affairs. The Working Life Centre is implementing the tripartite agreement on An Inclusive Working Life, which we will see is the most important measures directed at older workers and the disabled. The working place is pointed to as the main arena for reaching the aim of an inclusive working life. The Working Life Centre is meant to play a supportive and counselling role. The centres, located in each county, serve as a «Bank of Knowledge» for the companies who want to enjoy the agreement of An Including Working Life. In addition, The Working Life Centre coordinates activities with other public entities and the Companies Health Service.

Lastly, the Centre for Senior Policy (CSP) plays an important role in coordinating Norwegian Active Aging policies in general, especially on issues concerning the labour market. The Ministry of Social affairs and the Ministry and Labour and Governing Administration gave annual financial support to the semi-public CSP in the 2001–2005 period. In 2001, CSP was given the task of coordinating the government's National Initiative for Senior Workers, i.e., to help people continue to work. The aims of CSP are a) to promote awareness of the potentials and resources older employees have; b) provide better working environments for older workers; c) develop age-related Human Resource Management and personnel policies; and d) create more cooperation concerning senior policy among labour, employers, government organisations and authorities.

Current policy measures to maintain older workers in labour market

Firstly, in sampling labour market policies for older workers, it should be said that, in general, Norway spends more on active labour market programs than most OECD countries (OECD 2003). We have to take into account that this spending also covers older workers. Another point to make before outlining the actual policy currently taking place is the changing role of the CSP. Since 1969, it has been engaged in providing courses preparing workers for retirement. During the last 10 years, CSP has changed retirement policy into something quite different, namely to stimulating older workers not to retire early. Hence, their efforts are addressed to a wider group, of those aged 45 and over, and these efforts cover broader personnel policy areas. According to AAD (2003), the current purpose of CSP is to make individuals, companies and politicians aware of the benefits of accommodating workers over the age of 45 to a changing working life, as they are an increasing proportion of the workforce. For the last 10 years, the CSP has stimulated activities aimed at reversing early retirement by promoting research, information campaigns and building networks between labour unions, employer associations and politicians.

However, today active aging policy in the labour market consists of two main programs: An *Action Program for Senior Policy* and *An inclusive Working life*.

An Action Program for Senior Policy

The Contact committee consisting of the government and the social partners took a major initiative. They set up a reference group which, in turn, proceeded to appoint a working group known as ASSA (*a working group for promotion of seniors in working life*). CSP led the group, consisting of a broad constellation of all the main parties in working life. In addition to the Federations of the employers and employees, the group included the Directorate of Labour, the Directorate of Work Environment and the National Insurance Authorities. The group prepared and launched an *Action Program for Senior Policy* in 2001. The plan is scheduled to end in 2005 and the goal is to improve options for prolonged working careers through amendments of working conditions and to introduce age-related Human Resource Management. Six areas of activity are proposed in this plan:

- ***Mobilising working life organisations.*** The aim is to initiate co-operation between the partners (social partners, ministries, employment authorities, personnel management consultants, research institutes, adult education units, and social security administrators) on national, regional and local levels. In addition, the aim is to stimulate senior policy activities within each organisation.
- ***Information.*** Attempts to raise awareness about the situation of ageing workers through a media campaign and information addressed to target groups in working life are part of the program.

- **Development projects.** One of the most important parts of the project is to initiate concrete management projects in the work place. Research institutes representing competence on action research and organisational development will lead a limited number of concrete projects in state, municipal and private sectors. In that way, controlled knowledge, as a basis for change, ought to be spread through working life.
- **Research.** CSP is coordinating the research network Working Life, Ageing and Life Course – Work Environment and Personnel Policy (YAL).
- **Education and competence improvement.** The aim is to stimulate education both among older workers, professionals, personnel officers at the company level and private consultants and public working life agencies. In addition, the aim is to produce handbooks and other material detailing how to build a senior policy in a company.
- **Funds to support changes.** Two funds were proposed: one for company consultants who want to implement senior policies, and another for specific measures within companies (Christensen 2003, Solem and Øverbye 2002, AAD 2003).

As we see, the emphasis is on information and campaigning aimed at individual workers and companies. In this way, the CSP is an important node in the network. Among other efforts, CSP arranged a series of conferences on senior policies throughout Norway in June 2003, in order to strengthen older workers' position in the work force. According to our respondents, these are important measures because of the stereotypes that still prevail in how companies view older employees. Information and knowledge about accessible means seems to be the most important measure in this respect. It seems important to underscore that senior policy is not only a question about attitudes, particularly positive attitudes against older workers, which seems only to have an indirect effect on behavior (Solem 2001). Employers express positive attitudes towards older workers but fail when it comes to attending and recruiting seniors (Taylor et al. 2000).

Our respondents strongly emphasized the importance of seeing the advantages of recruiting older workers, particularly when faced with the prospect of a labor shortage. Another potential advantage of firms' focusing on senior policies is the positive consequences manifested in the work environment. Investment in human capital, including means directed towards older workers, could, in the long run, be profitable, according to one of our respondents. The challenge of The Action Program for Senior Policy, then, seems to be in getting companies to reformulate their human resources policies for the companies' own sakes. This assertion is supported by current research concluding that older people are generally not less profitable than younger employees (ECON 2003). On the other hand, addressing an improvement of attitudes and knowledge only by employees is not considered to be sufficient. Changing attitudes among employers is another aim of the program. In this respect, focusing on the individual advantages of being active at old age is central: The work place is pointed to as the main arena for individual development and social involvement. During our

interviews, we found a surprising conformity in respondents' belief work as the main solution to older people's happiness.

An Inclusive Working Life

The other program agreed upon by the government and the social partners was the tripartite agreement aiming to achieve more inclusive workplaces. This program was borne out of the committee report «An Including Working Life» (NOU 2000:27) and signed in October 2001. The signatories were the Ministry of Labour and Government Administration (AAD), the Ministry of Social Affairs (SD) and, as usual, the leaders of the principal employers and employee organisations.² Later, most of the other minor employee and employer's organisations, approximately 20 groups, entered into the program, although not as full status parties. So far, 500, 000 employees are employed in an «inclusive workplace enterprise». The agreement runs for four years, from 3 October until 31 December 2005. The original aim was twofold: Firstly, to reduce absence due to sickness by 20 percent by the end of 2005 through an increased focus on rehabilitation and retraining. Secondly, the aim was to enhance disability pensioners and older workers to participate in the labour market.

The main focus is on the company level and is based on the assumption that employers and employees will cooperate to probe the reasons for and find solutions to sick leave and absenteeism. The measures would be more closely related to the workplace. Employers can make special arrangements with the National Insurance offices, including: a) easier access to activation during sickness leave; b) better guidance by the national insurance authorities; c) special reimbursement for occupational health care services; and d) extended possibilities for self reported sickness absence.

In addition, a «cooperation agreement» between companies and local social security offices seems important. The enterprises that enter into this agreement have to commit themselves to work systematically to reduce sickness absences. Further, they must be recognised by the authorities as an «inclusive workplace enterprise» (IW Enterprise) and also have special measures in place for implementing IW Enterprises: a) a more lenient practice of sick leave without medical examination and the right to use the active sick leave scheme without prior consent from the local security office; b) more active dialogue between employers and employees during sick leave through the designation of a regular, appointed contact persons at security offices to enable follow-up with employees on sick leave; c) IW Enterprises will provide a special refund rate from the National Health Service for efforts to bring employees on prolonged sick leave or those receiving disability benefits back to work.

An important measure is the use of a work-ability index to measure what the employee is able to do in spite of sickness. There is a greater emphasis on functional capacity and companies are urged to adapt tasks to the functionality of disabled persons.

² The social partners represented by the Norwegian Confederation of Trade Unions (LO), the Confederation of Norwegian Business and Industry (NHO), the Confederation of Vocational Unions (YS), The Federation of Norwegian Commercial and Service Enterprises (HSH), the Norwegian Association of Local and Regional Authorities (KS) and the Federation of Norwegian Professional Associations (Akademikerne) (AAD 2003).

The measures must be rooted in the individual workplaces and the responsibility for them must lie with the employer and employee. That means that the responsibility to achieve the aims of the agreement are given to the social partners supported by the National Insurance Offices, offering counselling and providing financial support to firms making serious efforts to cope with the problem of early retirement and sick leave. In addition, the focus on earlier intervention and qualitatively better follow-up for employees on sick leave is necessary in order to prevent prolonged absence and «exclusion».

The agreement has set up some special schemes and measures to support the parties not specifically linked to the IW enterprises: a) a greater part of national health expenditures will be used for active measures targeting the enterprises; b) The agreement compels the government to put more emphasis on active labour market policies; c) Better coordination of public services (the Public Employment Services, the National Insurance Authorities, the Labour Inspectorate) in order to improve follow-up and assistance services to the enterprises; d) An extension of the current limits for in-house rehabilitation, in addition to an extension of the current arrangement of purchasing health services in close cooperation between the National Insurance Authorities and the enterprises; e) The National Insurance Authorities, in cooperation with the PES (Public Employment Service), has embarked on a project to encourage recipients of disability pensions to return to work. Disability pensioners that are assessed to have a potential for return are interviewed, where the possibility of return to work is discussed. The interview is compulsory, with the exception that pensioners have to agree to participate in the project; f) Employers are provided wage subsidies if they hire disabled employees and get special subsidies for workplace adaptation for disabled people. The financial support for this is a salary subsidy of a maximum of 50 percent for 3 years, in addition to a subsidy for task adjustments; g) Employers' social security contribution is reduced by 4 percent for workers who are 62 years and older. If the measure reaches the desired effect, the government has stated that it will consider a further reduction in employers' contribution (AAD 2003).

The agreement will be evaluated twice. The first evaluation was done 2003 and will be completed at the end of the programme in 2005. The government has promised not to propose any changes in the sickness benefits during this period.

The first evaluation of the agreement is based on a statistical analysis report from an inter-ministerial working group, and from two different research reports¹. The main conclusion from the evaluation was that it is difficult to evaluate the effects of the agreement and that it may be too early to draw conclusions. The statistical analyses are mostly negative. It is clear that companies enjoy the agreement due to the fact that an overwhelming share of companies is signing the agreement. Today, over 50% of all employees is working in an Inclusive Working Life Company. When it comes to the three aims of the agreement, the development is not that positive. Sick leave has continued to increase, in IW companies, instead of being reduced. The question is

¹ Ministry of Social Affairs, Ministry of Labour and Administration, Ministry of Financial Affairs, ECON-Report 2003–047, FAFO-report nr. 417.

whether sick leave is increasing more slowly in IW companies, but the evaluation cannot conclude about that yet, nor has the effect on including the disabled been stated. The evaluation states the contrary, as we see a clear decline among the disabled in the labour market. In addition, we see a growing share of the disabled among pension recipients. The same tendency is observed concerning the third aim, which was to reduce the age of retirement. Instead of increasing, the age of retirement had declined, and there is no variation between the IW companies and the others. The evaluation concludes that the companies have implemented a range of activities intended to reach the goals set forth in the agreement. A positive observed trend, however, is that companies have focused on the topic and have increased their consciousness about working conditions. A very clear conclusion from the evaluation is that it will take time to change the development.

Despite these quite discouraging inferences, the Government has decided to move on with the programme as planned, but to give more attention on the disabled and older workers than has been done to this point of time.

The expert interviews confirm these tendencies. The leader of The Working Life Centre stated that companies first and foremost aims to decrease sick-leave. The experts at the Working Life Centre indicated a change in the companies' attitudes, reflecting the belief that sickness is no longer a private affair. A fairly new paragraph in the Public Insurance Scheme put pressure on the medical practitioners to decide whether sick employees are able to perform some tasks. Accordingly, sick leave, in some sense, has become a subject of negotiation between the employer and employee. When an employee becomes sick, he/she has to ask his/her employer what he/she can do despite his/her sickness. We are talking about a grey-area between employees' rights and duties. The expert meant that the medical practitioners are no longer able to decide whether the worker should stay at home because of sickness. This depends on the flexibility of tasks and working conditions and what the prevailing partners decide on despite the sickness. The expert underscored that we are in the beginning of a change in attitudes. He meant that medical practitioners too often used the sick-leave scheme, and that some practitioners used it more than others. Still, we cannot yet see the effect of this possible change, as the sick leave is still increasing. However, what is reasonable to believe is that the Active Sick Leave Scheme, where the employer can decide how much to work, is becoming more and more common. The authorities register Active Sick Leave as ordinary sick leave, and it is also financed through the Public Insurance Scheme. Lately, the authorities and the public have begun debating whether this measure is abused by companies as a way of getting free labour.

The experts points out that there are many potential reasons for the negative evaluation. The main barrier against an inclusive working life is, according to the experts, that the partners haven't been engaged enough. They also lack responsibility for the situation.

At the firm level, the employer does not take enough responsibility, according to our respondents. The program is dependent on intensive engagement from key persons in leadership positions. Another reason is the lack of consciousness about what resource employees represent. Consequently, there are unexplored possibilities within the group of disabled and older workers, in the opinion of our experts. Negative attitudes against older workers are also pointed out as a barrier. Another reason is at the structural level

and the high demands of efficiency, liberalization and privatization. In the Public Post Agency and the Public Tele-Communication Agency, for example, old employees have been offered different types of retirement-packages (55+packages). Some of the barrier could lie in the program itself, or in its implementation. Our experts point to the fact that even though information has been one of the main goals in the program, there seems to be an even greater need for information, both about the program itself, but also specifically about the financial support the employers will attain if they join the program. Including working life has, according to the partners, to some extent been perceived as a threat against the AFP scheme. Therefore, the IW counsellors try to change opinions, but also suggest other solutions to redundancies in order to prevent retirement. The opportunities are intended to introduce new ways to handle human resources within the working places. Still, much has to be concentrated on the responsibility for their employees, and to introduce life-phase-oriented human resources policies at the firm level.

The respondent from the main employees association (LO) agreed with the focus on the working environment within the program. She sees the program as an opportunity to improve working conditions generally. In addition, she was aware of the challenges caused by the growing aging population, and also that employees, in the future, have to take responsibility along with employers. However, she was ready to fight if the authority suggested changing the AFP scheme. A member of the union described the AFP scheme as a strong and internalised right. Consequently, the majority's way of thinking is to at least assess when to retire after the age of 62. She agreed with the point that the scheme no longer is an opportunity for exhausted workers, as it was meant to be. Still, the opportunity to retire on AFP is taken for granted as something workers deserve after a long working career. This is in line with research conclusions underlining the pension system as a factor for retirement, and is also in line with the program's focus on both the employers' and employees' attitudes.

Employment Services for Older People

The public employment service (PES) does not run any specialised active labour programmes for older job seekers. Older people receive services such as information, guidance, work-related training and benefits, which is the same as what other unemployed workers receive. Older people are not among the few priority groups in the public employment service. In addition, none of the staff in the PES is given specialized training to deal with older job seekers. If older people become long-term unemployed, they will become part of a priority group in line with other long-term unemployed workers. However, people over 60 years are among the groups with high unemployment rates receiving wage subsidies as an active labour market measure, together with the long-term unemployed, immigrants and refugees etc. The priority among the groups does vary from year to year. The purpose of wage subsidizing is to motivate employers to hire unemployed people for jobs with ordinary pay and working conditions. There is no standard duration and size of the subsidies, but they vary according to employee's capacity and need for support. However, the maximum subsidy is 50% of the wage paid

over 18 months. Although people aged 60 and above are a priority group, they only represent 2.6 percent of those given subsidies (34 persons out of 1296); 9, 2 percent were job seekers between 50 and 59 years.

The public employment service is implementing several active labour market programs in addition to wage subsidies to employers, such as skills training measures, practice positions/sponsorships and public sector employment measures and temporary posts.

Table 8 People in regular labour market measures, by age, yearly average

	All regular labour market measures	
Age	1995	2000
Under 25	16180	3520
25–49	23006	7014
50–59	2420	804
60 and older	537	101
Total	42143	11439

Source: AAD (2003), PES (Public Employment Service) (2001)

As we see, there is an obvious difference between the age groups receiving labour market measures. In 1995, the total number of unemployed receiving measures was 42 143, and about 3000 persons age 50+ were among them. If we look at the unemployed over 60, the number decreased to 537. The total number of unemployed receiving measures decreased dramatically in 2000, to 11 439, and the pattern of differences between the age groups is the same as in 1995. In both years, the main group seems to be the unemployed between 25–49 years and thereafter, the unemployed under 25 years. The total number of job seekers is highest among the group 25–49 years, but the 50+ groups are higher than the 24-group (respectively 33 425 and 21 102).

Table 9 Number of job seekers, average for the year 2001 by gender and age, all job seekers included

	Women	Men	Total
15–24	8 825	12 277	21 102
25–49	60 219	56 900	117 118
50–54	6 658	6 755	13 412
55–59	5 229	5 820	11 050
60–64	2 738	3 424	6 162
65 and over	1 295	1 496	2 791
All ages	84 963	86 673	171 635

Source: AAD (2003), PES (Public Employment Service) (2001)

Documenting the effect of the active labour market program is difficult. An evaluation report on the wage subsidies (Report 29/01) shows contradictory directions: 40% of the group 60+ reported that the measure was of great importance in securing a job, while another 40% reported that wage subsidies were of no importance in getting a job. The evaluation shows further that 54% of the attendants got a job 12 to 18 months after utilizing the measures. That should mean that participation increases the possibilities in the labour market. For all groups, the average efficiency of participating in the measures increased by up to 10 months duration.

Although there are not uniform special measures for older job seekers in PES, our experts underscored that older persons more often benefited from the general package of measures than did non-senior groups. The interviews with the experts gave the impression that PES, more often than before, had to take into consideration employers' demands. The employers, firstly, preferred updated and relevant skills. If age is irrelevant for the employer and the older job seeker matches this demand, there is a chance for placement. The official will in such a situation, use the opportunity to employ the old job seeker. However, experience shows that age *is* relevant and employers more often prefer younger employees. In such a situation the official in charge can try to «sell» the elderly anyhow, by pointing out his/her experience and excellent skills. Secondly, the official has the possibility to introduce measures, by paying the wage the first six months and hoping for prolonged employment. Older persons also more often make use of skill measures due to their lack of education. The increased demands from employers have brought officials to change placement tactics in employees' daily work. The logic is that a good relationship to the employer will open the possibilities for negotiating employment for different job seekers. The experience of the front-line official was that giving the employer three well-skilled employees made it easier to employ an old, or disabled, person the next time.

Our expert, who has a long experience as a front line official, gave the impression that age is more relevant than before. Age has almost become a standard question in the placement discussion. In addition, the employer informs the employment service about

the composition of their firm. Although skills and experience are the main criteria, it alone is not enough to attain employment. The current attitudes is in favour of young employees, and working places more often present themselves as «young and dynamic». Accordingly, they do not want older employees. Our expert experienced this as a sort of informal and hidden discrimination, but it is not illegal to choose young people based on such reasons.

A barrier, according to the employment service, is employer attitudes against the elderly. The elderly are assessed as less efficient by the employers. This has been a widespread misunderstanding, according to the officers. A second barrier is the elderly's lacks of skills. In addition, an additional experienced barrier is that particular parts of the unskilled working life are, in some sense, more youth orientated than others. An example is shops for youths and other firms with young customers. Such working places are more or less closed to older employees. A third barrier in placing the older job seekers is the economic costs.

Accordingly, an opportunity is available to alter the employers' attitudes against old job seekers. In their daily work, the expert points out, it is important to view the elderly as individuals with different advantages and not as a group. In addition, the challenge is to make the elderly act in different working conditions in such a way that employers want them to continue on after a trial period. Another opportunity is to inform employers about financial support available for hiring the elderly. A third opportunity is to focus on the advantages of the elderly as employees with regard to their experience, stability and loyalty.

Life long learning

A trend in many countries is the belief that older people are less equipped with relevant education and skills, which is a major reason for early retirement and problems in getting new jobs for older employees. Lack of skills or education may be correct but could also be a misconception. In Norway, the view of older employees as a resource is quite ambivalent. Although it is stressed that the labour market is in need of the insight, experience and competencies of older employees, at the same time older employees are laid off when closing down workplaces. The challenge will then be both to change the attitude toward older workers' qualifications and to set up opportunities for older employees to improve their skills. In this respect, the different social partners and ministries compromised on a specific reform aimed at promoting adult education, the so-called Competence Reform (Kompetansereformen) (Christensen 2003). The reform gives adults some rights to primary and lower secondary education and higher education through the following measures to stimulate life-long learning:

- a) A legal right for adults to primary and secondary education. The education in question shall be adapted to the individual needs of the participants. Upper secondary education may be shortened on the basis of documentation and assessment of non-formal competencies;

- b) A legal right to admission to higher education on the basis of non-formal competencies for adults who are more than 25 years old, and who lack upper education;
- c) A legal right for employees to three years study leave. Beginning 1 January 2001, employees who have been with the same employer for the last two years, have a right to a full-time or part-time leave of absence for up to three years in order to participate in organised education and training. However, a request for study leave does not have to be granted if it will be a hindrance to the proper management of the enterprise in question;
- d) An amendment to the rules for educational funding in order to adapt them to the needs of adults requiring competence building. In addition, fiscal advantages are connected to student loans for adults;
- e) Development and provision of educational courses adapted to the individual needs of adults;
- f) Funding of joint projects between enterprises and providers of education in order to plan systematic competence building and to exploit the potential of the workplace as an arena for learning. In addition, taxes on education paid by employers were removed in 1999;
- g) A system for documentation and assessment of non-formal competencies with regard to the requirements of qualifications in working life.

AAD (2003) assess the system mentioned in (h) as a successful policy for promoting training and re-training of older people. 26 000 adults have been assessed on non-formal competencies, 20 000 of them with regard to upper secondary education. A majority of the participants are middle-aged women. According to AAD, a relatively large numbers of vocationally disabled have been helped back to work through obtaining new competencies as part of an active labour market policy. However, in contrast, the leader of the CSP maintains that the competence building programme's plan to use the workplace as an arena for learning has not produced any results yet (Christensen 2003). Experts from the labour movement support this view. They hold that people in real need of education are not getting it. Instead, people who are already educated are to some degree covered by the programme.

Barriers and opportunities

In this section, we sum up findings from the changes and challenges in the labour market, literature and research review and the expert interviews. This will be done with the purpose of outlining the barriers and opportunities for active aging in the Norwegian labour market.

The driving forces behind what is defined as active aging policies in Norway are complex due to different motivations. The labour market participation among older workers is among the highest among OECD countries. Despite this, the authorities have caused alarm about the future supply of labour in Norway. A slow increase in exiting from the labour market among older employees is one, but not the only, reason

for this. In addition, we have to take our welfare state arrangements into consideration when we look for the origin of active age policies. From this point of view, ageing population becomes a problematic piece in the bigger picture. The greying population is defined as an economic problem, viewed as a threat to the well-being of coming generations. A Labour force shortage, combined with increased public pension expenditures, seems to be the driving forces in the problem definition. Early retirement, increased sick-leave and extensive disability pensioning are now major drains on the budget.

Barriers

Following this, a main barrier in the active aging policy seems to be *the retirement incentives*. The favourable AFP scheme might represent a possibility for passive aging with respect to the labour market. There has been an increasing focus on leisure and the possibility to retire earlier. The AFP scheme gives the majority of employees a choice to fulfil alternative activities outside the labour market. AFP retirees are healthy and have many resources to bear. One of the reasons for retiring is to use leisure time to be more active. Accordingly, this might be an opportunity for participation in other arenas.

Another, but subordinate, driving force seems to be the struggle, from the older workers' own perspective, for the right to retire when he/she wants. Experts representing LO find it more reasonable to fight for the right to retire at 62 and to secure maintenance of the AFP scheme. The employees' organisations see the problem with labour force shortage, but find the rights to retire to be a more important struggle.

So far, the active age policy has not brought changes in basic welfare rights. This is not necessarily because of a common and shared ideology of universal social rights. More to the point, the established collaboration system between the social partners has resisted radical changes in the system of welfare rights. Consequently, we have to take into consideration the *tripartite collaboration decision making system* as a barrier against active aging.

In addition, in Norway the already high employment rates have to be taken into consideration when barriers against the elderly in the labour market are discussed. The group of elderly are, to a certain degree, already in the labour market, and accordingly they don't represent a labour force reserve.

Another barrier is elderly employees' changing attitudes toward work. The elderly's preference to work part-time and retire early could, among other factors, mean negative attitudes against work. Still, this group doesn't represent the majority. In any case, this is seen as an important barrier by the authorities, due to the established measures. Moreover, the attitudes toward early retirement are one of the main barriers reported from the experts' interviews.

Another barrier is older workers' lack of skills. Even though the general population in Norway is well-educated, the elderly are still the losers. In the last decades, education for youths has been in focus, meaning that the gap between the elderly and youths has become deeper, and which makes the competition in the labour market favourable for youths.

A main barrier on the firm level is the working environment or conditions. As we have pointed out, the main reasons to choose prolonging one's working career are factors connected to daily working life. Educated people seem more likely to prolong their working careers, due to interesting tasks and the feeling of participation in the firm's core activities. That could mean that people who population are not taken care of and given interesting or relevant tasks are more inclined to enjoy one's self and feel comfortable at work.

The lack of employers' responsibility in taking care of the elderly is also a barrier in active ageing. Our informants find it relevant to specifically highlight the role of firm leadership as a barrier. They are not aware of their own importance as an influence on their employees' attitudes toward work or working conditions. In addition, this might reflect employers' negative attitudes against older workers, thus pointing at discrimination as a barrier.

Currently, there is a smaller chance of keeping a job if you are not 100 percent employable. This point could be strengthened by the fact that there are no longer traditions for policies limited to special target groups.

The contradictory aims within the main measure of the Inclusive Working life program to prevent older workers could also be seen as a barrier. The aim of reducing sickness absence might override the inclusion of marginalized workers. The size of the financial support and the fact that there is no quantitative target set for the other aims in the agreement can indicate that control of sickness absence is the main objective in the programs. This view is also shared by our informants. In the beginning, firms seemed to have a reluctant attitude towards entering the inclusive work-place agreement. One of the reasons for this is that the goals contradict one another (Hilsen and Steinum 2002). Moreover, studies concluded that firms gave priority to only one of the goals, namely the sick leave reduction (Christensen 2003). This was also the conclusion from the 2003 evaluation.

Although the working place are is defined as the main arena for active aging policy in Norway, improving employment for older workers is not based on forcing people to work longer. Current policy is focused on encouragement. The committee reports and policy programs reflect this style of encouragement in formulations such as: «companies are urged to adapt tasks», «are supposed to implement senior policy», «to stimulate continued work» and so on. The aims concerning disabled and older workers seem to have a more symbolic character and are, for this reason, a barrier against success for this measure.

As pointed out in this report, demand for flexible working conditions are emerging in today's working life. Lack of flexibility still seems to be a barrier to labour market participation.

In the complex area that active ageing policy is, connected to the suppositions of our welfare system, the barriers could not be seen as isolated. Instead, the barriers are interconnected and can, in worst cases, form negative spirals. For example, employees' attitudes and focus on leisure more often have to be seen in connection with working conditions and economic factors.

Opportunities

The active age measures have focused on the firm level and working conditions. Due to the aforementioned barriers, this approach has to be assessed as a main opportunity for achieving active ageing in the labour market. It is in line with research based knowledge, which points out that labour market problems have to be solved where they originate: in the working places. This is also in line with findings from our expert interviews which express a nearly common view about how to retain older workers in the labour market. The policy of active age is in line with the Norwegian Welfare state Model and its strong focus on labour. In addition, and due to the interwoven barriers against active ageing, it seems to be a reasonable opportunity to set into action. However, so far the measures haven't borne too many fruits. The aims are far from achieved. On the other hand, none of the actors have questioned the focus itself. The opportunity therefore seems to improve the implementation of the measure.

The negative labour supply, combined with the strength of the economy, provides an opportunity for active ageing policy. For employees, the favourable labour market is, at the moment, an opportunity in itself, and seems to be a precondition to retain older workers. To overcome the barriers and provide greater opportunities, it is necessary to have flexibility that makes it increasingly possible to combine work and pensions.

Increased financial support could be an opportunity for maintaining older workers in the labour force. A question is how possible and reasonable it is to use financial support to prolong working careers. This opportunity is mentioned by a few of our experts. The financial advantages of supporting employers to maintain older workers seem obvious compared to the burdens by paying AFP. On the other hand, this could have negative effects such as discriminating against or stigmatising older workers. It could also remove the currently strengthened responsibility of the employers and employees and return it back to the authorities.

In assessing the effectiveness of the measures taken in the name of active age policy in Norway, the question of legitimacy among different groups is of great importance. The main measure, An Inclusive Working Life, can be seen as a typical example of a policy with strong legitimacy. It aims to solve problems of importance to the employers, the employees and society in general. It is almost impossible to criticize the intentions of the program. However, as the evaluation has concluded, the aims of the program surely conflict. Reduced sickness absence may be challenged by inclusion of marginalized workers as disabled persons or older workers are more prone to illness. The ongoing discussion of better coordination between the different policy areas concerning inclusive work, i.e., social policy, pension and labour market, could be an opportunity to overcome the barriers of conflicting measures in this field.

Concluding remarks

The programs indicate that although policies for older workers in the labour market are well defined to the labour market sector, they also represent solutions for other policies areas, such as pension policies. That means measures arranged for keeping older persons

at work could have been motivated by the emerging need for reducing pension costs. Until recently the situation was the opposite: The AFP scheme and early retirement were viewed positively because of their alleged effects on reducing the pressures of unemployment (Christensen 2003). Then, the pension policy was a solution to a labour market problem. Hence, the inter-connection between these two policy sectors is obvious.

Isolating labour market participation among older workers, we can conclude that active age policy is a success in Norway. However, this might have some negative effects on those marginalized from work. In evaluating active age policy, we must ask how the focus on work may endanger stronger marginalization and neglect of those outside work by legitimating the right to be treated equal to those inside the labour market. A focus on aging as an economic problem, as it is viewed in Norway, might be incomplete since it fails to take into account considerations of fairness, for instance, in terms of distributive outcomes related to income, health, work conditions and gender issues.

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