

Finland 2007

Active Ageing Strategies to Strengthen Social Inclusion

Short Report



On behalf of
European Commission
DG Employment, Social Affairs and Equal Opportunities

The Peer Review was held in Helsinki (Finland) on 22-23 November 2007 and hosted by the Finnish Ministry of Social Affairs and Health. In addition to the host country, eight peer countries took part: Denmark, Estonia, Germany, Hungary, the Netherlands, Norway, Romania and Slovenia. Also participating were stakeholder representatives from AGE – the European Older People's Platform, together with representatives of the European Commission's DG Employment, Social Affairs and Equal Opportunities.

1. The policy under review

Finland ranks fourth in the EU in terms of older workers' total employment rate, which has increased by 17 percentage points since 1995. That is the most rapid rise in the EU. A major factor in this success is the implementation of substantial active ageing programmes. **Active ageing** policies set out to modify the behaviour of individuals, firms and the society in four steps:

- Health: maintenance of social, mental and physical capacities
- Maintenance of occupational capacities
- Valuing of older workers: maintenance of attitudes and motivation
- Workplace organisation and well-being at work.

At the end of the 1990s, Finnish society became aware that it could no longer afford to pay for the generous early retirement schemes then in place.

The Finnish Institute of Occupational Health (TTL) first launched the *Finn Age, respect for the ageing programme* (1990-1996). This was aimed at maintaining older workers' productivity by promoting their health and ability to work. Rehabilitation became a central element of occupational care.

The *National Programme on Ageing Workers* (1997-2002) was implemented jointly by several ministries, in cooperation with the social partners, the TTL and the social insurance and pension institutions. €4.2m were allocated for the five-year programme, which received support from the European Social Fund. The objective was to strengthen the status of ageing people in the labour market and improve their opportunities to stay in work. The programme mainly involved information and campaigns. According to its final report (2002), it succeeded in four areas: promotion of work ability, measured by the national Maintenance of Work Ability Barometer, and of adult education; increasing the opportunity to work, measured by the decrease in the employment rate discrepancy between ageing and all workers; increasing employability through the promotion of social capital maintenance; promotion of the research on employability and rehabilitation. The programme was prolonged by the *Well-Being at Work Programme* (2000-2003), which focused on improving working conditions throughout people's careers, so that they are able to work longer.

Other relevant programmes include *Veto* (2003-2007), which is the national programme for increasing the attraction of working life, achieving a high employment rate, increasing the number of hours actually worked hours and reducing sick leave absences; *Tykes*, the national workplace development programme; the research programmes *Kesto* and *Kaiku*; the *Noste* programme to improve adult education and skills; and the *Motivo* and *Evita* programmes introduced by pension insurance companies to give employers incentives for action in favour of longer careers. These programmes include advice and training seminars both for human resources managers and for trade unionists.

2. Key lessons and aspects of transferability

The peer reviewers discussed the lessons to be learnt from the Finnish experience and the possibilities for transferring some aspects of it to other countries. Among the key points:

- Social inclusion and employment policies promote active aging. It has an important part to play in ensuring the sustainability of pension systems, healthcare and social protection. Sometimes reaching the goals can be fairly challenging.
- Not all tasks are suitable for older workers. **Changes in work organisation and careers evolution** are needed in order to promote active ageing. Early retirement may have to be retained for some categories of blue-collar worker in physically demanding jobs. However in general the peer countries are in the process of postponing the retirement age. A **flexible retirement age** is being introduced in Finland. It has also been adopted in a number of peer countries and many others have similar plans.
- **Educational provision for retirees** is an important part of active ageing. **Training** is needed to help older workers adjust to changes in the labour market. **Lifelong learning** has an important role to play in increasing the labour market participation of older workers. For instance the Slovenian Third Age University offers educational opportunities to retired people.
- The Finnish model focuses also on the **improvement of working conditions**, and more particularly on **occupational health and safety**, as a way of helping people to work longer. Slovenia's competition for awards to companies 'Best Practice in Health and Safety at Work 2007' pursues the same idea. Besides, the Finnish approach seems less concerned with training, with adaptation to new technologies or new jobs for workers issued from declining sectors.
- The Finnish active ageing strategy does not address directly the issue of **long-term unemployment**, although first steps have been taken to tackle the problem (creation of Duuri network and similar initiatives). Finland is open to other countries' examples, notably the activation measures used in Denmark and the Netherlands.
- **Older people have much-needed knowledge and skills**, and should therefore be provided with incentives to return to work or stay in work. Through Germany's 'Initiative 50plus', for example, in-company training for older workers is supported, besides other measures. In some countries, those receiving pensions, incapacity benefits and other payments are not allowed to work. This could impede active ageing strategies. On account of this some peer countries, e.g. Estonia, Denmark and Slovenia, offer the possibility to retire later in return for a higher old age pension then. The Netherlands allow income tax deduction for older people in employment.
- There is a need for greater **awareness** of active ageing strategies, on the part both of employers and of employees. This is particularly the case in SMEs. **Proactive measures and campaigns** should be preferred to passive transfers of income to employers and employees, although financial incentives have a part to play in promoting active ageing. The Romanian national plan for fighting against discrimination (2002-2006) which incorporates prevention and action regarding age related discrimination is one example. In October 2007 the Norwegian government launched a campaign aiming at changing the

employers' attitude towards and knowledge of older workers' resources, working capacity as well as working ability. Another activity is the Slovenian action plan of active ageing in the field of labour market and employment set up by the Ministry of Labour, Family and Social Affairs. **Self-help groups** can be given greater responsibility within active ageing if they are provided with a budget. **Legislation against age discrimination** can play an important role in changing employers' attitudes. Building a **consensus** on active ageing also entails increasing the **financial literacy** of the population as a whole. This need will be addressed in the European Commission's work programme for 2008.

- **The Finnish strategy combines individual attention with a holistic, integrated approach.** This formula should be applied in other countries. One important lesson from the Finnish experience is that **active ageing programmes should be launched before pension reform**, not after. The Finnish strategy is a way of reassuring workers that they will not be left alone to face the social and economic consequences of ageing.
- Some peer reviewers wondered whether the **multiplicity of programmes** within the Finnish model adds to the efficiency of the reform. The Finnish participants pointed out that the present multiplicity is a sign that various ministries, agencies and insurers all take a strong interest in the active ageing strategies and feel ownership of them. It also reflects a consensus and promotes communication and coordination. However, it is not yet known to what extent this multiplicity will be maintained in future.
- Finnish active ageing strategies are based on a **consensual social model** and a **strong social protection system** which have taken decades to build. They are therefore not immediately transferable to other peer countries. A number of peer countries (e.g. Denmark, Norway, Romania) foresee in their policy the involvement of social partners through various tools such as tripartite agreements.
- Nevertheless, peer reviewers felt that the **contact and coordination between ministries and between social partners** in Finland on the question of active ageing could usefully be emulated in other countries.