

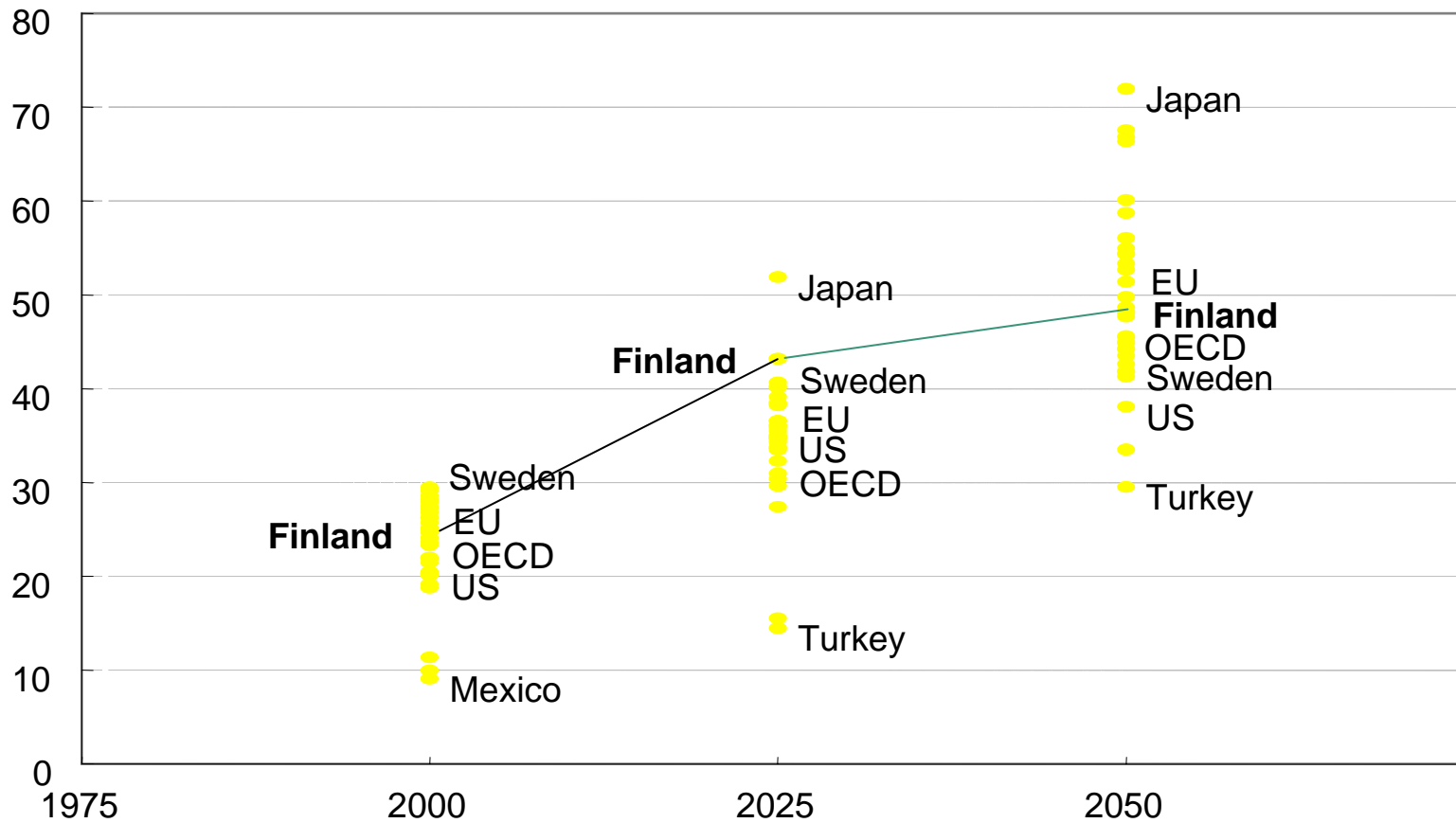
‘Are specific active policies necessary to  
reinforce the employability of older workers’  
Case Finland

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Ministry of Social Affairs and Health*

OECD Policy Forum on Ageing and Employment, Brussels, 17 October 2005  
Theme 3

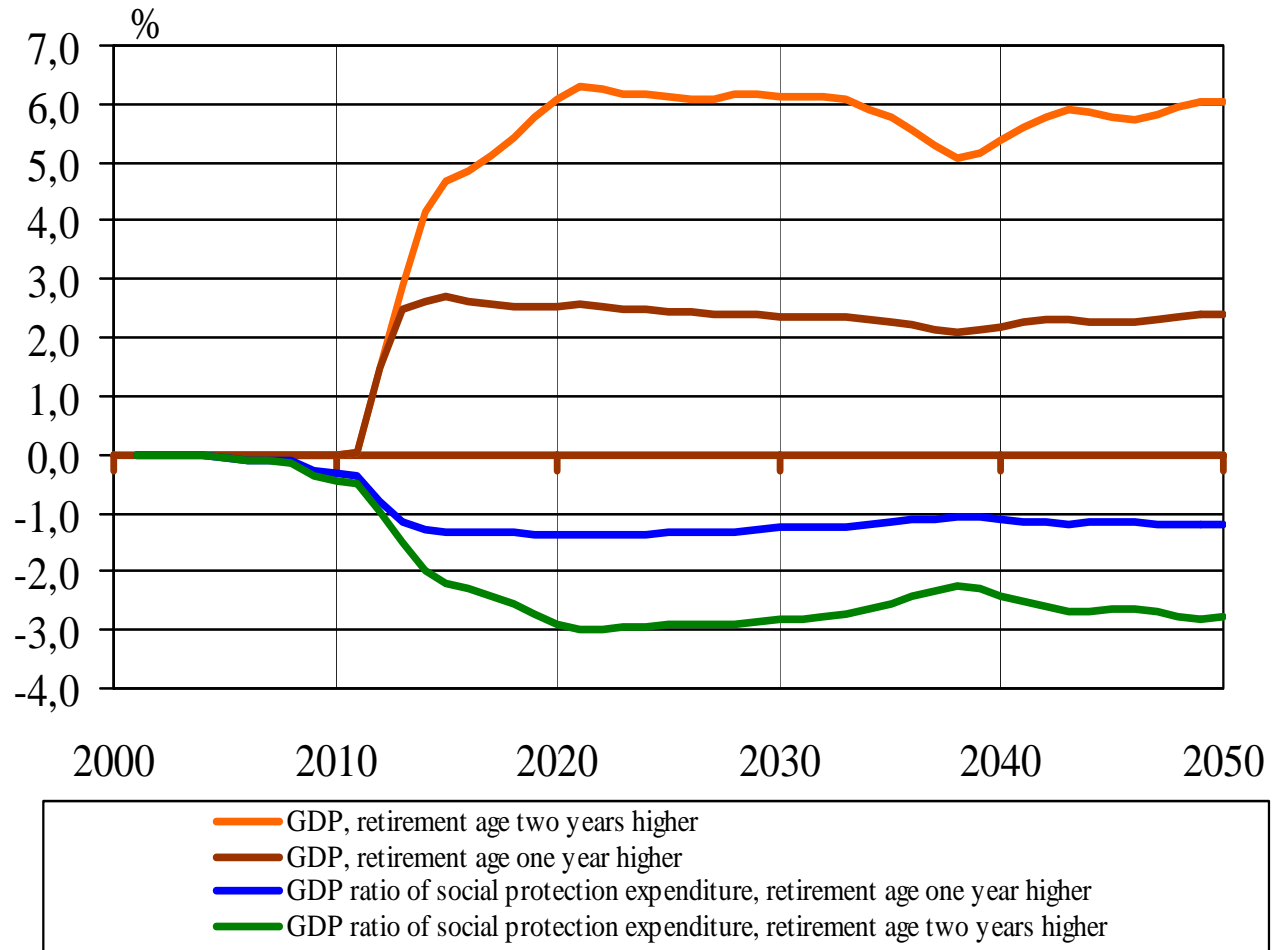


# Finnish population is ageing rapidly



lähde: OECD 2003

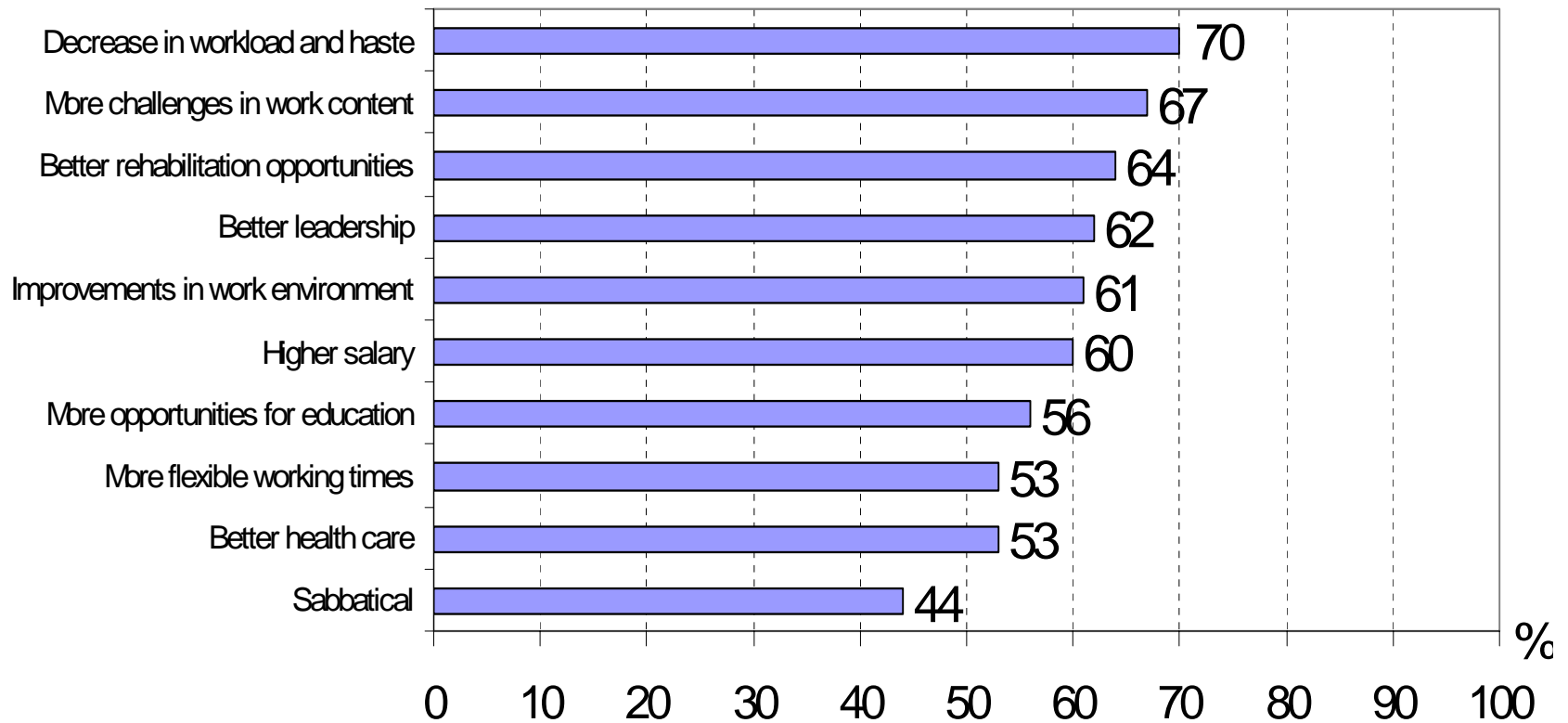
## Deviation of GDP (%) and GDP ratio of social protection expenditure (percentage points) from baseline scenario in alternatives where people continue in working life longer than at present



# Objectives of the new National Programme 2003 - 2007

- entry into working life at an earlier age
- work careers will be 2 – 3 years longer than today
- sick absences will reduce by 15%
- occupational accidents and diseases will be reduced by 40% from the present figures
- consumption of tobacco and alcohol among population of working age will decrease

## Important reasons for staying at work until statutory old-age retirement, based on inquiry of experts



Source: Juhani Ilmarinen

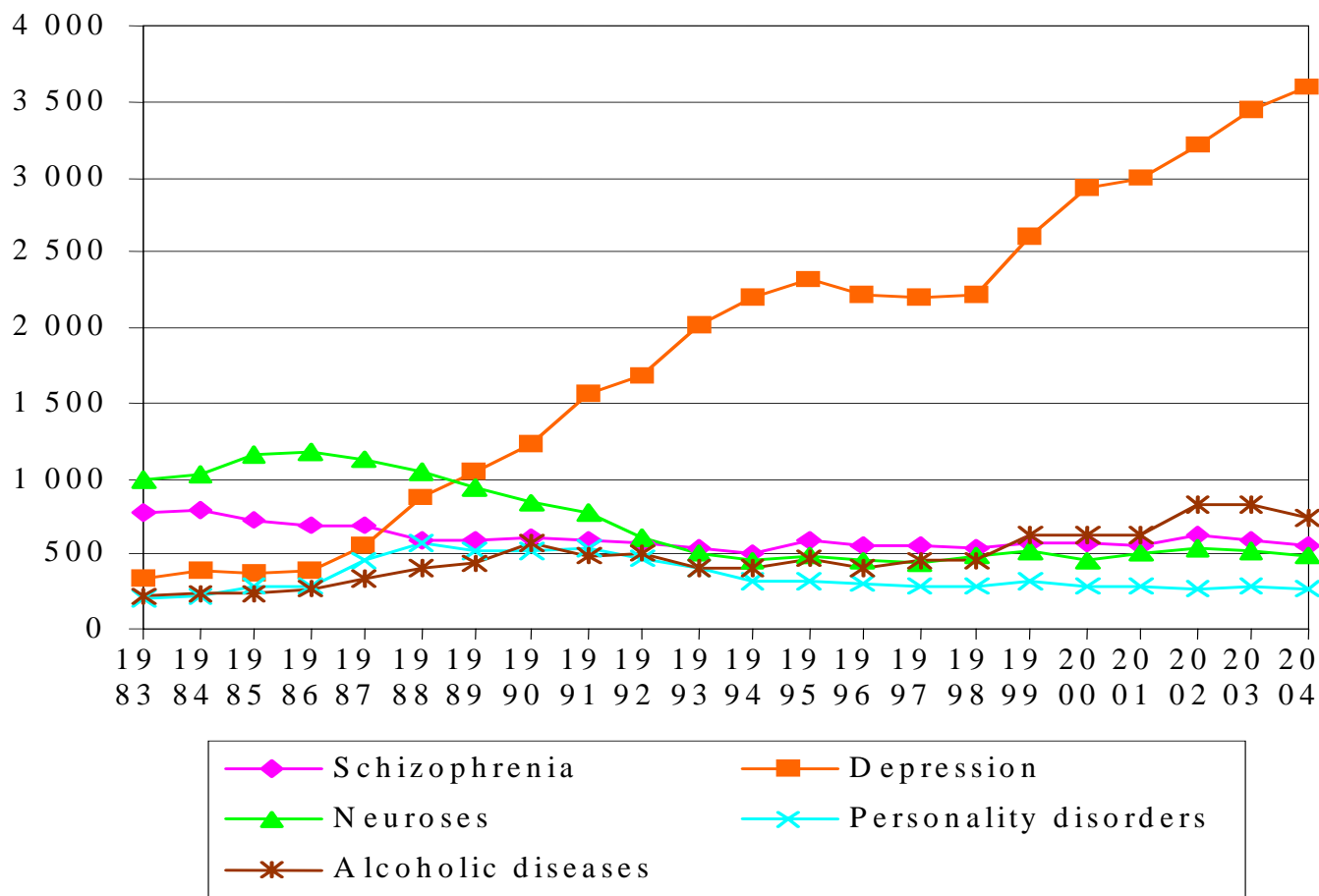
# Measures taken to increase the attraction of working life

- **Reforms in the employment pension legislation, 2005 –**
- **Occupational Safety and Health Act, 2003**
- **Occupational Health Care Act, 2002**
- **Decision-in-principle on occupational health care 2004**
- Occupational accident prevention programme, 2002 –
- Reforms in occupational rehabilitation, 2004
- Total reform of the Employment Contracts Act, 2001
- Implementation of the occupational safety and health strategy 1998, updating 2002
- Well-Being at Work Programme 2000 – 2003
- National Workplace Development Programmes 1996 – 1999 and 2000 – 2003
- Proposals by the working group on the Labour Inspectorates' resources, 2002

# 2005 Pension Reform

- An extensive package that is a combination of carrots and sticks
- The main goal is to postpone the average effective retirement age by 2-3 years in the long run
- One key element is the flexible retirement age, 63 – 68 years
- Changes in early retirement pension scheme
- Continued participation in working life is rewarded with very high accrual rates after the age of 63

# Disability pensions awarded in 1983–2004 in the private and public sectors in selected mental health disorder categories



## Target groups

- people in working life age 45+
- middle management
- small and medium size enterprises
- occupational health care professionals
- occupational safety organizations

# Measures taken in different sectors, examples of VETO programme 1

- PROGRAMME GROUP
  - Working life trainers network
    - in cooperation with different Agencies and Institutions
    - target group: occupational health care personnel, authorities and organisation
    - at the workplace, personnel management in enterprises, middle management.
  - Awakening Seminars
    - 8 seminars in every occupational safety district with the Minister of MSAH
- HIGH WORKING LIFE QUALITY AND SAFETY CULTURE
  - Good practices put into use
    - portal to the VETO web pages
  - Projects in different occupational sectors
    - Work Research Centre: “Developing and distributing practices to support workers’ well-being at work in hospitals”, joint finance with main programmes
    - development programme
    - next: the social and educational sectors

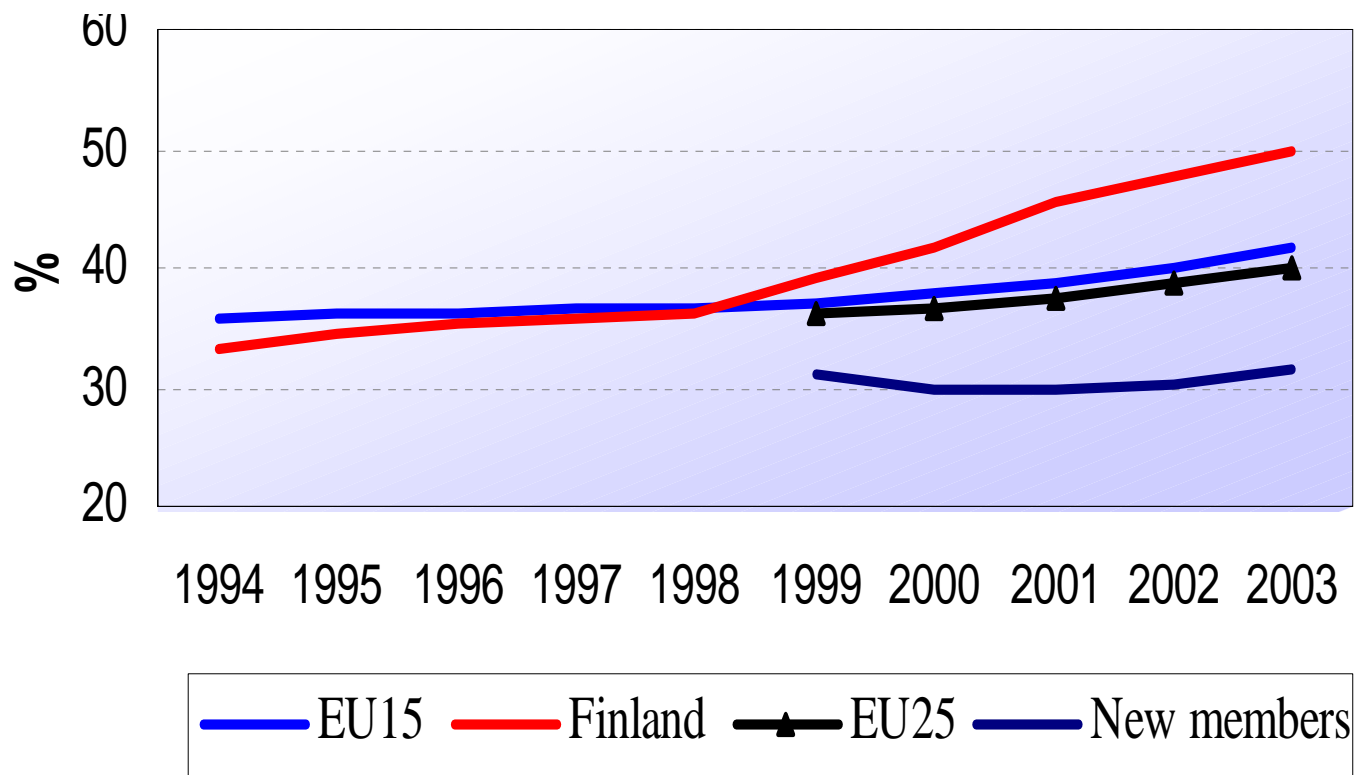
# Measures in different sectors, examples of VETO programme 2

- EFFECTIVE OCCUPATIONAL HEALTH CARE AND REHABILITATION
  - Developing good occupational health care practice
    - Pilot project by FIOSH: “Work-related upper limb disorders”
  - Workplace Health Promotion network
  - Developing municipal occupational health care systems
    - evaluation of different organisational and operational models (regional development project)
- DIVERSITY AND EQUALITY IN WORKING LIFE
  - international OECD comparisons “Ageing and Employment Policies” report
  - updating the book Ageing workers in Finland and in Europe

# Measures in different sectors, examples of VETO programme 3

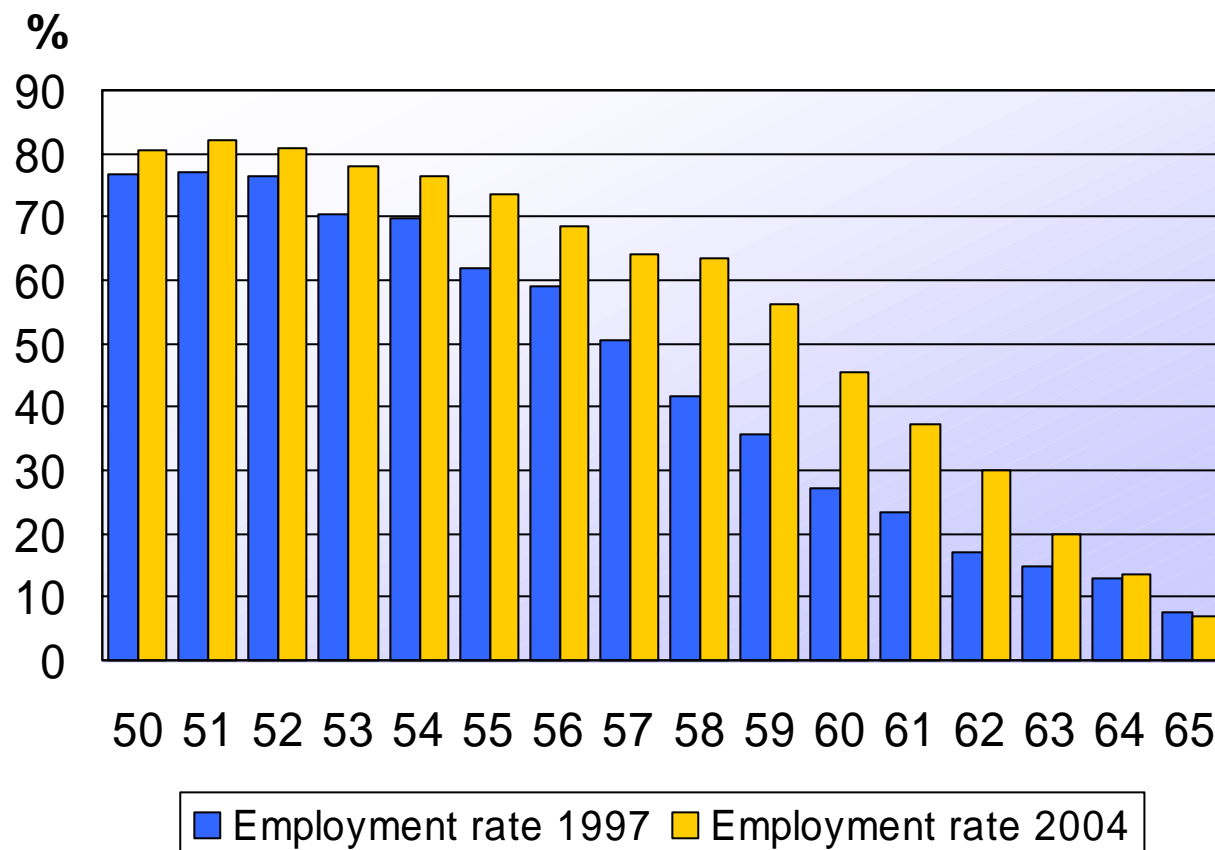
- INCOME SECURITY AND WORK INCENTIVES
  - Advice on opportunities for retirement and continuing working
    - information cooperation: Finnish Pension Alliance, Finnish Centre for Pensions, pension institutions
  - Monitoring agreements on retirement and unemployment pathway to retirement
    - indicators, development linked to employment programme
- COMMUNICATION
  - active communication using websites
  - information campaigns

# The employment rate of 55–64-year-olds in Finland and in the EU-countries 1994–2003



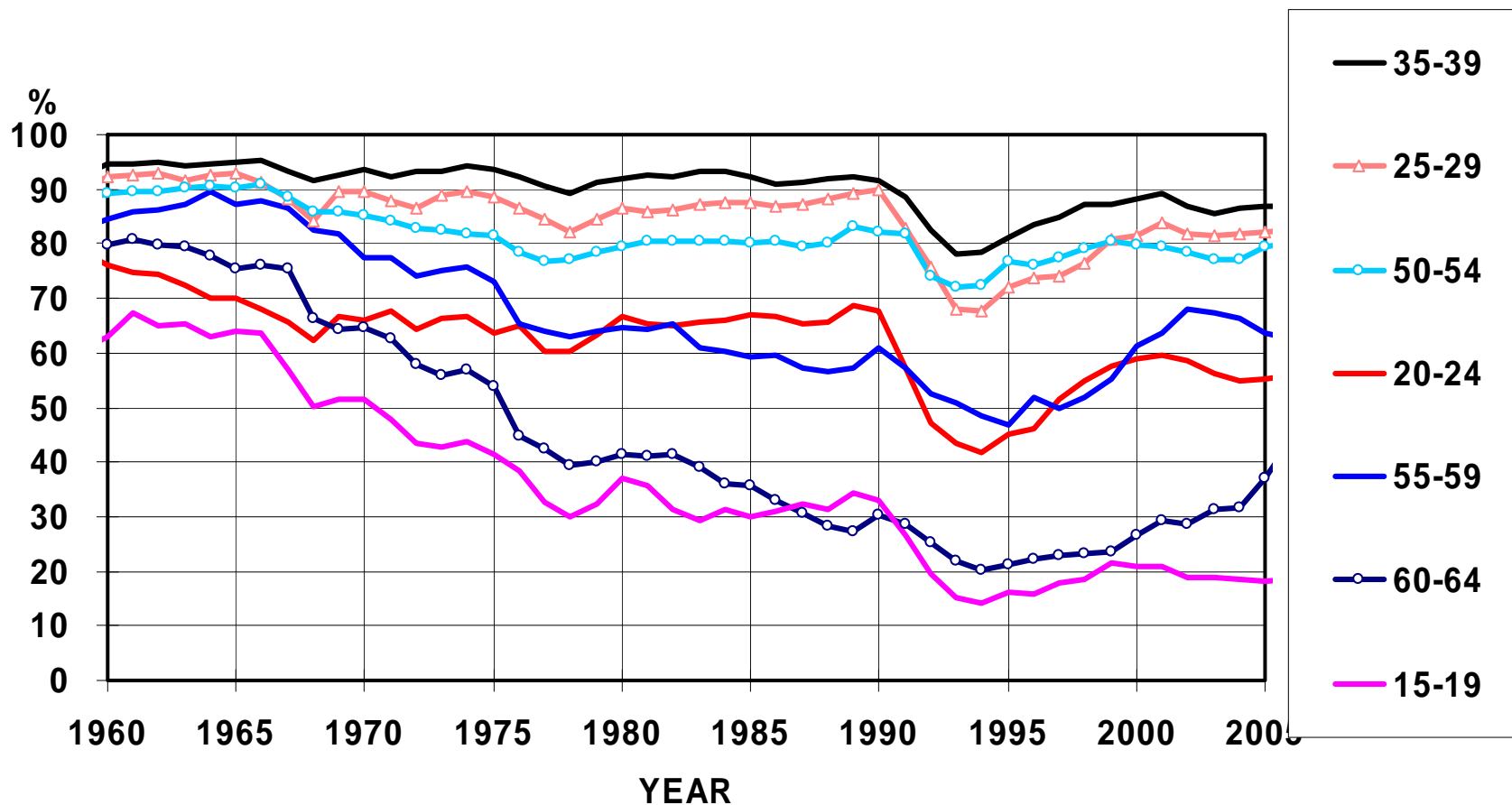
Source: Eurostat/ NewCronos

# The employment rate of 50–65-year-olds 1997 and 2004



Source: Labour force survey 1997 and 2004, Statistics Finland

## Male employment rates in some age groups, years 1960 - 2005 , % (7 months in 2005)



## Concluding remarks, achievements

- **Finland has given high priority to a number of legislative reforms and ageing programmes to remove barriers to employment of older workers.**
  - To design a coherent policy strategy
  - To engender political support that is sufficiently wide, deep, and durable
  - To put into place effective administration

## Why success in Finland?

1. Economic recession in early 1990s was an awakening call; cutting expenses was understood to be unavoidable
2. Information to central target groups with information and training campaigns
3. Improved working capacity of older workers and prevention of prejudice against ageing
4. Implementation of reforms in tripartite cooperation by emphasising the benefits for the employees, employers and the society as a whole
5. Research and development an important part of the reform
6. Legislative reforms that convince the public that this is a serious societal reform and not only lipservice