

Active Ageing Policy in Finland

Active ageing is one of the main themes in the cross-sectional Employment Programme of the Finnish Government. The principal aims of the Employment Programme are to reduce structural unemployment and prevent exclusion, to ensure the supply of skilled labour and to provide for scarcity of labour due to demographic changes, to lengthen the time spent by individuals in the labour market, to increase the productivity of labour and to improve the organization of work and job satisfaction.

The Employment Programme is realized as four sub-projects:

- Reforming the service structure of public employment services
- Activating labour market support
- Active labour-policy measures and competence development
- Prolonging work careers

Considering labour market and employment policy, the policies and measures behind the success of active ageing policy in Finland can be categorised both on “sticks and carrots”:

1. National Ageing Programme (1998 – 2002), a joint target of active ageing. This cross-sectional, cooperative programme involving several ministries and organisations was drawn up to deal with the demographic change facing our labour force within the next few years: the share of the labour force aged 24 - 49 years, that is in the greatest demand on the labour market, will reduce by 150,000 persons during the latter half of this decade, while the number of those aged 50 - 60 will grow by 170,000. The programme included a reform package of working life structures and legislation as well as various survey, training and experiment projects. The programme gave rise to an active debate on the issue of ageing and was followed by three extension programmes (TYKES, VETO, NOSTE, see below). More information on the programme: <http://pre20031103.stm.fi/english/current/ageprog/index.htm>

In the following link you will find a press release of *the Bertelsmann Foundation*: the Finnish National Ageing Programme was awarded by the foundation in 2006. The background of the programme and the contributory factors to its success are described in detail in the award justifications. <http://www.stm.fi/Resource.phx/publishing/documents/8121/index.htm>

2. Since late 90's **early retirement schemes have been closed down** (unemployment pension and individual early retirement scheme) or the criteria have been tightened (higher age-limit, 58 years, for a part-time pension).

3. A comprehensive **Pension Reform in 2005**: a flexible retirement age between 63-68 instead of the fixed system of retirement at 65, including incentives for later retirement (higher accrual rate for

elderly employees).

More information on the reform:

<http://www.statetresury.fi/Public/default.aspx?contentid=11355&nodeid=15837>

4. To boost the employment of older workers in low-paid jobs, a new act on a **temporary low-wage subsidy** payable to employers was introduced from the beginning of 2006. The employer is entitled to the subsidy when employing a 54-year-old worker, whose wage for full-time work (at least 140 hours in a calendar month) is 900-2000 € per month.

5. Impact of cohort must not be undervalued: cohorts born later are healthier and better educated than the earlier ones and this will raise the activity rate of older workers.

In the following there are links to the special development programmes which followed the National Ageing Programme and have played a significant role in promoting the employment of ageing workers in Finland.

TYKES (Work Place Development Programme)

http://www.mol.fi/mol/en/01_ministry/05_tykes/index.jsp

VETO (well-being at work and extending working life)

<https://rtstm.teamware.com/Resource.phx/veto/index.htx?eng>

NOSTE (education and training of adult population)

<http://www.noste-ohjelma.fi/fin/sivusto.asp?T=1&R=471>

Good Practice

TYKES –programme supports projects which develop the modes of operation at workplaces, aiming at simultaneous improvements in performance and the quality of working life. Performance improvement may comprise, for instance, improvements in the productivity of work, the quality of products and services, the quality of operations, customer services or smoothness of operations in general. Improvement of the quality of working life may comprise, for instance, improvements in employees' opportunities for development and exerting an influence over their work, wellbeing at work, and cooperation and trust within the work community. The management and staff of the workplace concerned must commit themselves to the project goals and to implementing the project together. The programme maintains a database on the development of the modes of operation at Finnish workplaces. The database is freely accessible to the public.

Case study

A good example of successful development project at a workplace is the Ageing Workers Programme of HKR-Tekniikka, PWD Technical Services, which is a division of the Helsinki City Public Works Department.

The middle age of the employees in the division was 48 years in January 2006. The main goal of the project is to prolong the work careers of the employees and to reduce their part-time pension rate. There are five development objectives in the project: monitoring the work load, age-focused individual career development plans, age-focused individual development discussions, health security (at least one

health inspection per year for workers over 56 years), cooperation and interaction of the employees, supervisors and the occupational health care in eHR- system, a special internet-based monitoring system developed for the project.

More information about the project will be available in January 2007, when a publication on the project comes out (includes an abstract in English).