

**News**

OECD: health sector Finland's problem

**Comments**

Editorial: The good life as a centenarian

**Portrait**

Trine Lise Sundnes: Nordic workers' voice at the ILO

**Theme**

Active old age and solidarity between generations

Feb 10, 2012

# Newsletter from the Nordic Labour Journal 1/2012

Newsletter from the Nordic Labour Journal 1/2012

**Theme: Age is no barrier**



Financed by  
Nordic Council of  
Ministers

## **NORDIC LABOUR JOURNAL**

Work Research Institute

OsloMet – Oslo Metropolitan University,  
Postboks 4 St. Olavs plass, NO-0130  
Oslo

## **PUBLISHER**

Work Research Institute, OsloMet  
commissioned by the Nordic Council of  
Ministers.  
The Nordic Council of Ministers is not  
responsible for the content

## **EDITOR-IN-CHIEF**

Björn Lindahl

## **EMAIL**

[nljeditor@gmail.com](mailto:nljeditor@gmail.com)

## **WEB**

[www.nordiclabourjournal.org](http://www.nordiclabourjournal.org)

An email edition of the newsletter can  
be ordered free of charge from  
[www.nordiclabourjournal.org](http://www.nordiclabourjournal.org)

ISSN 1504-9019 tildelt: Nordic labour  
journal (online)



## **Contents**

Editorial: The good life as a centenarian .....	3
Active old age and solidarity between generations	4
Older people to be encouraged to work for longer .	7
Myths dominate attitudes to older people in the workplace .....	10
Flexitime key to a longer working life .....	12
Half of older Icelanders are still working.....	14
Young, middle-aged or old? .....	16
Just how many older workers are there? And do they want to work more? .....	18
OECD: health sector Finland's problem .....	20
Trine Lise Sundnes: Nordic workers' voice at the ILO .....	21

# Editorial: The good life as a centenarian

The good life as a centenarian is so far reserved for the very few, but this year the first post war generation turns 67. This is a watershed. Already in 2017 there will be fewer people in work than outside of work. Active ageing has never been more relevant.

## COMMENTS

09.02.2012

BERIT KVAM

When Denmark staged the opening conference for 'The European year for active ageing and solidarity between generations', the Danes gathered two EU commissioners, several government ministers and representatives from authorities, NGOs, the social partners, researchers and journalists from across Europe. The conference encompassed the entire spectre of issues emerging from an ageing society - not least the challenges associated with the fact that older people become older and stay young and healthy for longer. If more and more people live until they are a hundred they could be enjoying 30 years of retirement. But this could also mean a burden on society, the older people themselves and not least on younger generations when fewer people of employable age contribute to the welfare society. This is why active ageing is being made a top priority in Europe.

When Sweden organised the Northern Future Forum in Stockholm in February, the conference gathered nine leaders from the UK, the Baltic and Nordic countries, researchers and business leaders. One of two main themes was how to get more people to work into older age. Sweden's Prime Minister Fredrik Reinfeldt himself created a debate on the eve of the conference when suggesting that we might have to work until we turn 75.

When Norway's Minister for Labour, Hanne Bjurstrøm, opened the Norwegian year for active ageing, she promoted the idea of a flexible retirement age, yet she maintained she was not sure that abandoning the 70 year limit would be the best senior policy initiative.

In Iceland it is not unusual for people to work until the age of

75, and Icelanders work for longer than anyone else in Europe. Icelanders like to work, our correspondent writes. Why? And have employers used the crisis to get rid of older workers?

The quality of working life is crucial to getting people to stay in work for longer. Many employers used to do all they could to get rid of older employees. This mentality appears to have

changed. Yet there seems to be few leaders who make a conscious decision to do something in order to hold on to older workers. We highlight two good examples: the Sahalahti model in Finland and Vattenfall in Sweden.

The demographic development, debated for years, has for many remained a distant future issue. Now the future has arrived. The Nordic Labour Journal's theme will highlight some of the debates and consequences linked to this.

When the World War II baby boomers leave the labour market, we are at the beginning of something Europe has never seen the like of. That's when the debates about the future become interesting. In five years there might be fewer people working than people who aren't. In not too long we might well be debating how the good life as a centenarian should be.



Jens-Ole Petersen and Casper Albricksen from "Enemærke og Petersen". Jens-Ole has been with the firm for 31 years and works in a team with three younger colleagues

## Active old age and solidarity between generations

Never before has so many lived for so long and been so healthy into such old age. In a few years there will be far more centenarians and people who will live for 20 to 30 years past their retirement age. Is Europe ready?

THEME

09.02.2012

TEXT: BERIT KVAM

"It's a reason to celebrate but it also has its challenges," said Denmark's Minister for Employment, Mette Fredriksen, during the launch of the 'European year for active ageing and solidarity between generations 2012'.

"In 2017 there will be fewer young people in working life than people who are outside of the labour market, and the number of over-65s is rising."

She painted a true but for many worrying picture of Europe's demographic development.

Denmark holds the EU presidency and staged its opening conference on the theme in Copenhagen in January with two EU commissioners and three ministers present. Since then the European year has been launched in several countries.

In Copenhagen the ageing society was presented in terms of the impact it will have on health, welfare and work. Active ageing means different things, like the importance of physical activity for health and wellbeing in older age and new ways of helping those in need of care. If older people stay healthy and independent for longer, it will benefit the younger generations who must finance the welfare society. In a time of labour shortages this will also be important in terms of how much labour will be needed in the health and welfare sectors in future. The Minister for Employment also focused on the opportunities which arise from teams with workers of different ages.

### **Young and old together**

“When older and younger people work together they complement each other. Young people have physical strength and older ones have experience which they can share with the young,” said Mette Frederiksen, and used the Danish construction firm ‘Enemærke og Petersen’ as an example of someone who, according to her:

“makes the most out of their employees of all ages.”

Mette Frederiksen pointed to politicians’ responsibilities to make it possible and attractive for older people to stay in work for a bit longer, and to make sure older people’s skills remain sought after. She also underlined the importance of making people look after their own health and be an active part of society.

The Minister for Employment put special emphasis on the need to improve working environments in companies where the danger of burn-out is great.

“The working environment must be adapted to make it possible for older workers to work for longer.

“It would be a shame if we didn’t appreciate that seniors represent a resourceful group and that they have a lot of experience.”

She was also keen to debunk the myth that by securing that older people keep working you put obstacles in the way for younger workers.

### **Youth unemployment must come down**

“Of course we need to put measures in place to combat youth unemployment. Young people need training and they need to enter the labour market. But this is not an either/or situation. We must keep hold of the older workers at the same time, because in not too long we’ll need more people in the labour market because of the demographical development,” said Mette Frederiksen.

The European year and demographic developments have been highlighted in different arenas in the Nordic region. Norway’s Minister of Labour, Hanne Bjurstrøm, also focused on youth unemployment when she opened the national conference on active ageing, organised by Oslo’s Centre for Senior Policy.



“Youth unemployment is the greatest threat to succeeding with an active senior policy, because it can influence attitudes to older people in the labour market.”

She went on to say that Norway is relatively lucky because the country has for many decades had a higher birth rate and higher employment rates among older workers than countries in the EU. This she puts down to Norway’s active policies on gender equality and families.

“But,” she said, “this demands solidarity between generations when fewer numbers of young people must produce wealth for larger numbers of older people.

“The demographic development puts the generational contract to the test. To strengthen that contract we need both parties on board - older people must not take too many short term retirements and young people must accept that the tasks in their working lives will be tailored to fit an entire lifetime.”

### **70 a good limit**

Hanne Bjurstrøm also spoke about the consequences of pensions and retirement.

“We must tailor the pension system to allow for choices.”

Norway has initiated a pension reform with a flexible retirement age from 2011. This means people can draw on their old age pensions when they turn 62, while combining this with work. Today six in ten pensioners under 67 work while drawing on their pension. The pension is adjusted according to life expectancy. That means when it goes up, future pensioners must work a bit longer for the same pension which today's pensioners draw. The retirement age for certain occupations, like police, prison guards and defence jobs, stays at 60.

Hanne Bjurstrøm raised questions about such special age limits and to which degree old age pensions should still be allowed to be combined with various forms of short-term pensions - for instance sick pay. She remained sceptical to changing the standard retirement age of 70.

“It's not certain that the best senior political initiative is to get rid of the 70 years age barrier.”

### **No one size fits all**

The need for a pension reform, the importance of pensions adjusted to living age and the possibility for a flexible withdrawal from working life were also themes brought to the fore by the EU Commissioner for employment, social affairs and inclusion, László Andor, during the opening of the 'European year for active ageing and solidarity between generations 2012' in Copenhagen. He was challenged by trade unions who were worried about a labour market mis-match when the retirement age goes up and jobs run out.



László Andor's main message was "no one size fits all", and that there is more to active ageing than pensions.

“Active ageing is about creating better opportunities in the labour market, but it is also about education and learning, about health and social services and about housing and public infrastructure. And it is about attitudes,” he added and talked about his impressions from Denmark:

“The way in which 60 and 70 year olds in Denmark dress, behave, cycle around and simply get on with life is so different from the stereotypical image of an older person.

“But it is more than the bike and the clothes, 58 percent of people between 55 and 64 are in work, while the average for the same age group in the EU is below 50 percent. And youth unemployment in Denmark is also lower than the EU average.

“This clearly shows that older people are not taking jobs from the young,” said László Andor.

The differences in Europe are enormous, however. This is clearly demonstrated by the desperation found in parts of Europe where the economic crisis, unemployment and poverty remain focus points, and where people take to the streets to protest against governments' cuts to the public sector.

“How can I go back home and report that people need to be more active?” a Romanian journalist asked EU Commissioner László Andor.



Prime Minister Fredrik Reinfeldt receives Danish Prime Minister Helle Thorning-Schmidt

## Older people to be encouraged to work for longer

More people must be encouraged to work into older age and we should also be prepared to retrain or change professions or careers during our working lives. That was the message from Swedish Prime Minister Fredrik Reinfeldt a few days before the ‘Northern Future Forum’ gathered nine European leaders in Stockholm.

THEME

09.02.2012

TEXT: GUNHILD WALLIN PHOTO: SCANPIX

Persuading older people to work for longer is a hot topic in Sweden these days, not least because it was one of two main themes when nine European prime ministers met in Stockholm for the Northern Future Forum on 8 and 9 February. The conference’s aim is to create a meeting place for politicians, researchers and business to talk about important future issues.

“This kind of conversation happens too rarely. We are often stuck in short-term crisis management, but here we have the opportunity to discuss the long-term prerequisites for growth. It is a rewarding format and does not necessarily need to result in a written document,” Swedish Prime Minister Fredrik Reinfeldt told a press briefing a few days before the meeting.

### **A new career mid-life**

As the host of the Northern Future Forum Sweden was allowed to set the agenda. They focused on two themes; one was female entrepreneurs and how to get more women into leading positions. The other was demographic challenges. The post-war baby boomers are about to retire and are expecting a lot from the welfare society, according to Prime Minister Reinfeldt. We also live in a world with ever increasing global competition, which means we are competing with countries with less developed welfare systems than ours. That means lower taxes and excise and cheaper products as a result. If Sweden is to maintain its present welfare standards it is important to get people to agree to work for longer. After the press briefing the national newspaper Dagens Nyheter carried a piece in which the Prime Minister mentioned the possibility of people having to work until the age of 75. This created a lot of debate and many protests.

Critics called his suggestion hopeless for those in physically demanding jobs who are often worn out long before the current retirement age of 65. But Fredrik Reinfeldt said his centre-right coalition would never agree to people being sentenced to a shorter working life because their job is tough. Rather than forcing the exhausted nurse in Norrland into early retirement the government wants to identify which abilities she still has and open up possibilities for retraining and a new career. A current parliamentary inquiry into the retirement age also looks at the importance of the working environment to people's will and energy to work into older age. Fredrik Reinfeldt also stressed the importance of motivating people to work longer rather than applying more forceful incentives.

"We want to encourage people to work for a larger part of their life, but our main focus will remain on the carrot rather than the stick in order to get people to work for longer. We also want to change people's perceptions of the phases of working life," said Prime Minister Fredrik Reinfeldt.

### **The economy is important**

So how will we be persuaded to work for longer? There are several aspects to this, which emerged during the conference 'Beyond 65: new life chances in the labour market'. It was organised by the government-appointed 'Commission on the Future' to run alongside the Northern Future Forum. It looked at the need for more people to work longer and also discussed which incitements and structures are needed to make this happen. The pension age inquiry which will run until April 2013 will look at this, but will also study why people don't want to work beyond the age of 65. The results are yet to be published, but Ingemar Eriksson who heads the inquiry thinks economic incitements do have an effect. Since Sweden's pension system changed in the 1990s, each year in work now means more money when you retire. Since the change the number of older people still in work has increased. Other important issues include how work is adapted to suit older people, and the attitudes of employees and employers.

The EU is currently running the research project 'Best Ager' which covers eight countries around the Baltic Sea, looking at demography and labour markets, attitudes to age and ways of getting older people to stay in work. These issues are highlighted from three points of view; that of the individuals, businesses or organisations and that of the nation. The project runs until the end of 2012 and this year its results will be compiled and experiences and knowledge spread. Anders Östebo at the University of Gothenburg is one of the project workers. It is a complex and many-faceted area of research, he says. Sweden is doing relatively well with many older people staying in work, but there are major demographic challenges in certain parts of the country where it is already clear there will soon not be enough young people to perform public sector services.

### **Age-tailored leadership**

Getting people to work into older age means mobilising all levels. "Being employable is partly the responsibility of the individual, and people should start around the age of 25 to look at how they can develop skills and how they'll prepare physically for a long working life. At the same time it is important not to put all blame on individuals. Not everybody has the same possibility to influence their working lives and there are gender and class perspectives to this," says Anders Östebo.

On a national level there is a growing awareness of these issues, but older people who want to keep working still meet many obstacles. One is the fact that people have no right to work part time after the age of 65. So far those who seem to have done the least to change things are the employers.

"They are fully focused on tomorrow's closing of the books, but we need a more age conscious leadership. Each age demands different conditions and you need a leadership which is tailored to this. For older people this could be the opportunity to work more part time and with flexible working hours. Working environments are also very important," says Anders Östebo.

There are still not many good examples of companies that do these things, but the state owned energy company Vattenfall is one. Their efforts to get older people to stay in work show it is possible to change attitudes. Nils Friberg has for many years headed the company's 'Ageing Workforce Management'. He is now retired from that job, but keeps working at the University of Växjö and at the KTH Royal Institute of Technology in Stockholm.

### **Support from company management**

It all started when he returned to work in Sweden in the early 2000s after being stationed in South America. Around that time a new CEO came in who wanted to do something about what he saw as people retiring far too early. The challenge was to motivate people to work for longer and to create conditions which would make them want to and manage to do it. This inspired Nils Friberg who began working with finding a way to make more people work further into old age.

"I saw that skills in a technical company like Vattenfall were to a large extent based on experiences which are not necessarily easy to describe. If we could get older people to stay in work it would be easier to pass these skills on to younger workers. The meeting between younger and older labour is important," says Nils Friberg.

The company management gave its support to the development of a programme called 80/90/100, and which means any Vattenfall employee who turns 58 can apply to work 80 percent at 90 percent pay and with 100 percent pension cover. When the programme was being developed it was decided that it should not have to be linked to ill health - workers were simply to be given the right to apply. The closest line

manager would make the decision, and it would be reviewed every six months. Before launching the programme the company organised one-day seminars for all employees over 57 where questions on pensions, economy, lifestyle and the value of work were discussed.

“We worked with a representative from company management, which was important because in that way we could show that the project had support from the very top. It also meant many of the older workers felt the company saw the value of their work and that it mattered. The company signalled ‘it is valuable to us that you stay’,” says Nils Friberg.

### **Making money**

He ran the 80/90/100 programme for seven years and when he stopped the company’s average retirement age was 63.5 - up from 60 when he started. “What we did shows that it is possible to create new values in a company and that it is also possible to break the expectations people have of an early retirement,” he says.

Nils Friberg has interviewed many colleagues at Vattenfall over the years, both those who have taken part in the programme and also those who have left. “In our society we tend to think of retirement as arriving at a long-promised blue lagoon. But if I painted the most beautiful of watercolours and nobody saw it, what is it worth? The value of life and work is activities and engagement which mean something to other people. The loss of work is for many the loss of colleagues. That’s why so many were grateful that we could find a solution,” says Nils Friberg.

When the programme was launched some feared it would mean a loss of revenues. But avoiding early retirements has in fact saved the company millions of kronor. “It turned out output was equally good during the time the people on the programme were at work. What’s more, we got colleagues who were happier and more interested,” says Nils Friberg.



Brian Hansen and Claus Jørgensen work together in a team at Danish construction firm 'Enemærke og Petersen'

## Myths dominate attitudes to older people in the workplace

The notion that older people take jobs from the young simply isn't true. Axel Börsch-Supan, a director at the German Max Planck Institute, debunks the myths surrounding older people in work.

THEME

09.02.2012

TEXT AND PHOTO: BERIT KVAM

There is no reason to believe that productivity falls as people grow older, and the best results are achieved through the use of mixed-age teams, he says. That is also the experience of Danish construction firm 'Enemærke og Petersen'. Joiners Brian Hansen and Claus Jørgensen (above) are happy with this.

Professor Axel Börsch-Supan refers to a comprehensive international survey of 80,000 over 50s from 20 European countries when addressing the opening conference of the European year for active ageing and solidarity between generations in 2012.

Axel Börsch-Supan's main focus has been people between 60 and 69, as many in this group have the opportunity to retire.

Among the myths he is debunking are: that older workers retire early due to bad health, that older workers are less productive than their younger colleagues and that being retired is the pinnacle of happiness.

“Early retirement has nothing to do with bad health,” says Axel Börsch-Supan.

He says over 50s are generally in good health. There is a certain deterioration in health among 60 to 69 year olds, but the difference is less than the differences within each cohort or age group. The survey also shows older workers don't primarily retire due to poor health.

“Don't fire older workers,” he goes on to warn.

Not only is it a myth that older workers are less productive than younger ones, it is actually incorrect, says professor Axel Börsch-Supan. The survey he is referring to is based on 100,000 observations of the manufacturing of the same type of product over a standardised period of time. The results show older workers made no mistakes. If experience is kept as a constant and you study only the age difference, there is no major difference between the age groups.

If you study the effect of experience alone, results show older workers are no less productive when performing routine tasks. But a combination of age and experience gives the best results. This means that if you continue in the same job that you have been doing before, productivity will remain high. If older workers change jobs it can be difficult to keep productivity up. Learning then becomes a necessity.

A third myth which engages professor Axel Börsch-Supan is the one that says older workers look forward to retiring and that they don't want to be active. Yet results show the joy of their new-won freedom soon fades. The survey shows people who retired early have less social contacts compared to when they were in work.

It also shows retirement leads to lower cognitive stimulation. Many end up in front of their telly. Activities help you stay alert for longer. Could this have consequences for our retirement age? asks Axel Börsch-Supan.

A fourth myth he wants to get rid of is the one that says active older people ruin things for the young.

“Older workers do not take jobs from the young. This myth is the largest obstacle to increasing employment among the over 50s. The opposite is in fact true. Early retirement is expensive. It is also clear that countries with the lowest unemployment also see the lowest number of 60 to 64 year olds taking early retirement. It looks like activity breeds activity,” says Axel Börsch-Supan.



Leena Savolainen is one of the older employees at the factory in Sahalahti.

## Flexitime key to a longer working life

People are interested in working for longer as long as they are allowed to adapt their jobs to fit their abilities. A new survey shows flexible work solutions increases interest in working for longer. In Finland the research is supported by real life experience.

THEME

09.02.2012

TEXT: CARL-GUSTAV LINDÉN

In 2004 Finnish food manufacturer Saarioinen initiated a trial at their Sahalahti factory to support older employees. The experiment proved a success and has later been expanded across the food group. The employer worked with the trade union and occupational health to draw up a plan aimed at increasing the retirement age and reduce sick leave.

New research shows the interest in working longer has increased and that one way of achieving this is flexible working hours. Saarioinen has introduced a voluntary yet very popular system which makes life easier for older employees. They are given tasks which are not physically demanding, they don't need to work in three shifts and do not have to circulate

between different tasks like other employees. They are even allowed to see a physiotherapist at the company's cost.

### **Annual leave**

They are also allowed to swap the so-called the holiday bonus with annual leave which means they get 15 days more holiday than younger workers. Those who have been working for a long time for the company can also collect a bonus which can be exchanged into annual leave. On top of this they are first in the queue when the quota for job alternating leave is given out. And they still keep their usual salary. Anyone who has been with the company for at least five years and is over 55 can apply.

“Nearly everyone applies to join the programme,” says company director Ritva Tuohimaa.

Right now the programme comprises 80 people, or one in ten employees. She considers the result to be good. The number of employees over 60 has grown from 3.5 to 6.3 percent since the programme was introduced, and the retirement age has risen to 61.5 years, which is more than one year higher than average.

### **Focus on bosses**

The challenges of implementing the system mostly fall on bosses, whose workload increases when they must adapt working tasks to suit the individual worker.

“This demands quite a lot from them.”

The senior programme was originally introduced to prepare for the imminent shortfall of workers. That is why the retirement age needed to go up.

“But right now we have no problem finding workers.”

Other companies have shown such great interest in the factory’s experience that many are now talking about a ‘Sahalahti model’ to tempt people to work for longer.

### **Supports survey**

The Saarioinen experience is reflected in a fresh survey from the Finnish Institute of Occupational Health in Helsinki. Flexible working hours and good health are prerequisites for getting blue-collar workers to work for longer. But few blue-collar workers - 19 percent in 2009 - get the chance to do flexi-work, compared to 37 percent of white-collar workers.

The potential for a prolonged career increases: the survey shows a full 73 percent of higher educated white-collar workers in 2009 would consider working beyond the age of 63. Three years earlier the percentage was 63. The number for white-collar workers with lesser education was 64 percent compared to 55 percent in 2006, and for manual workers it was 53 percent, up from 48 percent. There are many issues to take into account before making a decision on whether to work for longer.

“Employees need an incentive in the shape of flexible working hours and workplace solutions, a healthy and positive work environment, a balanced work load, good management, good working climate and support from occupational health,” says specialised research scientist Merja Perkiö-Mäkelä from the Institute of Occupational Health.

So this is about a whole where the focus is on work capacity and wellbeing at work.

“Our survey shows how important it is that employees - especially those in manual labour - get help to stay in work. The latest Eurobarometer survey results also point in the same direction,” says Perkiö-Mäkelä.

### **Better analysis**

Just like Tuohimaa points out, bosses are important because their efforts play a crucial role when it comes to time pressure, bullying in the work place, personnel conflicts and lack of support from management.

Senior researcher Maarit Vartia says everyone should help identify psycho-social risks at work and prevent conflicts.

“A decent amount of work, the chance to make changes in your own work and good cooperation in the working community will increase people’s interest in working for longer,” she says.



Older people in Iceland are very active, partly as a result of their culture

## Half of older Icelanders are still working

Older Icelanders enjoy working and do so for longer than other older people in the Nordic region, the Baltics and the UK. Being active in the labour market is highly valued among the Icelandic.

THEME

09.02.2012

TEXT: GUÐRÚN HELGA SIGURÐARDÓTTIR

More than half of people between 60 and 65 in Iceland are still in work. Only one in four Estonians and Lithuanians in the same age group work, and among older Norwegians the number is even lower.

The Icelanders' activity has fallen considerably among 70 to 74 year olds. Yet Icelanders still work more than both their Nordic neighbours, people in the Baltics and Brits. Just under one in five Icelanders keep on working past 70. This trend is reflected in the other countries too, and Finland, Norway, Sweden and Lithuania have the lowest numbers of working 70 year olds.

In Iceland most people can retire at 67. Public sector workers can retire at 65 but are allowed to work until they are 70. Women usually retire earlier than men because of health issues. The average early retirement age for women is just above 65 while the average retirement age for men is 70.

All Icelanders pay part of their salary into private pension funds. At 65 people can begin to draw money from their retirement fund. Professor Stefán Ólafsson at the University of Iceland says this might be a reason why women feel they can take early retirement.

### **Valuing active older people**

In Iceland it is considered important to keep working into old age. There was a huge demand for labour before the banking crash of 2008, and older people had no problem finding jobs. They wanted to improve their living conditions by earning some extra cash.

The managing director at the Confederation of Icelandic Employers, Vilhjálmur Egilsson, says older people's position in the labour market has not been influenced by the banking crisis and that older people have not lost their jobs at a greater rate than people from other age groups. He says the Confederation encourages employers to hold on to their workers for as long as possible, no matter their age. He thinks older workers are much appreciated and highly valued by Icelandic employers.

In recent years older Icelanders have generally concluded they cannot live off their pension alone. This is one of the reasons older people have continued to work for as long as possible. So far it has paid off.

But the chairwoman at the Icelandic pensioners' association, Jóna Valgerður Kristjánsdóttir, points out that the labour market has changed in recent years. The older population has been well received in the labour market and as a result they have stayed in work for longer. Yet she predicts a change in attitudes and that more people of pensionable age no longer will want to work. Not least because it no longer pays as much as it used to.

One of the reasons, says Kristjánsdóttir, is new rules in Iceland which mean extra income leads to cuts of up to 60 per cent in pension payments and state benefits. Retired people who work will therefore receive less than before. Some recent tax increases have also hit pensioners hard.

### **Impact on earnings**

Kristjánsdóttir is also critical of the government. She reckons its aim is for older people to retire earlier in order to create jobs for younger people.

"People are healthier than they were 20 years ago. I am convinced most of the older people would work for as long as they could manage if their pay did not impact on their pensions and the various state benefits," says Kristjánsdóttir. She also wonders:

"Why should you work if it affects your income in such a dramatic fashion?"

But professor Stefán Ólafsson at the University of Iceland says surveys show there are many reasons for why employers value older workers' efforts in the labour market.

"One survey from 2004-2005 shows that employers consider older employees to be both more responsible and conscien-

scious and that their professional experience is a great advantage," says professor Ólafsson.

### **A different tradition for in-service training**

Iceland has a different and shorter tradition for in-service training compared to the rest of the Nordic region. Not until 2010 did a new law result in the organisation of a system for in-service training aimed at people in work. Publicly funded in-service training only exists for people with lower education, who represent a third of Iceland's labour force.

Iceland now has several centres for in-service training which operate according to the new legislation. Courses are held in accordance with guidelines from the Ministry of Education and offer study advice, employment guidance and evaluation of skills for individual workers. There are no courses specifically aimed at older workers, says Stefán Stefánsson, head of division at Iceland's Ministry of Education.

"Older people have visited us at the ministry to request specially targeted in-service training, but this has yet to happen," says Stefánsson.

Despite this, there is a lot of focus on in-service training in Iceland, according to Vilhjálmur Egilsson from the Confederation of Icelandic Employers.

"We have understood the importance of in-service training now," he says.

Yet there has not been as much interest for courses and seminars among older workers compared to the younger ones, notes Professor Stefán Ólafsson at the University of Iceland.

"For some reason older people participate less in in-service training than younger ones," he says.



Oldies & Goldies during the launch of the European year for active ageing

## Young, middle-aged or old?

How old do you have to be to be considered old? What constitutes as old varies a lot between different European countries. That is also true for how countries react to the demographic development: Generally very few people think it is necessary to increase the retirement age during the coming two decades, according to the 'Special Eurobarometer 378 Active Ageing'.

THEME

09.02.2012

TEXT: BERIT KVAM

How old can you be and still be called young? Or how old do you have to be to be called old? In Malta, Portugal and Sweden you are considered young until you turn 37. In Iceland the cut off-age is nearer 40, while in Cyprus and Greece peo-

ple are called young until they reach 50 according to Eurobarometer.

The average European considers people to be young as long as they're below 42, and that people are old when they reach

64. In Denmark, Finland, Iceland and Norway people are considered to be old when they are around 65, while in Sweden you need to be nearly 67 before you are considered old.

How we view age also varies according to our own age. The older people get, the older others need to be in order to be called old, and very few consider themselves to be old - people think they're young or middle aged, not old.

### **Retirement**

There are also marked differences between European countries when it comes to people's views on whether the retirement age needs to go up. Just one in three Europeans agree that the retirement age should be increased before 2030, while six in ten feel this is absolutely unnecessary.

58 percent of Danes agree that the retirement age should be increased. In Sweden only 38 percent say the same while 33 percent of Icelanders and 32 percent of Finns and Norwegians agree that there is a need to increase the retirement age before 2030.

Not all are equally enthused about the idea of a flexible withdrawal from the labour market by combining work and retirement: 90 percent of Swedes are positive to working part time while receiving parts of their pension. 87 percent of Danes are positive to this combination and 86 percent of Icelanders say the same. In Finland and Norway people are less but still pretty enthusiastic. Those who would consider combining a part time job with part time retirement make up 80 percent in Finland and 72 percent in Norway.

Norwegians are the least positive to the idea of part time retirement. 18 percent say they would not consider the idea at all. 11 percent of Finns are against it, compared to 3 percent of Danes and only 2 percent of Swedes and 1 percent of Icelanders.

People in the Nordic region also stand out in their view of an obligatory age limit for work. Eurobarometer asks: 'Regardless of the official retirement age in your country, should there be an age when it is compulsory for people to stop working?'

Just over half of all European respondents say they are against a compulsory age limit. In the Nordic region the opposition to this is particularly strong:

In Denmark 84 percent of respondents say they are against a compulsory age limit, while 15 percent are in favour. 83 percent of Icelanders are against, and 16 percent for. There is less resistance in Norway and Finland: 68 percent of Norwegians are against and 21 percent are for, and in Finland 63 percent are against the idea while 33 percent support a compulsory age limit.

The European survey shows people with lower education, people in manual work and the unemployed are generally more positive to a compulsory age limit.

If there was to be a compulsory age limit most respondents in the Nordic region feel 70 to be a good limit, except for Swedes who feel it could be just under 69.

Source: Eurobarometer Active Ageing

(The Eurobarometer is published by the European Commission as part of the launch of the European year for active ageing and solidarity between generations 2012)

# Just how many older workers are there? And do they want to work more?

When the EU made 2012 the year for active ageing and solidarity between generations, Eurostat was tasked with producing relevant statistics. “It could become commonplace for people to move into retirement while still having one or both of their parents alive”, is one of the thought-provoking conclusions.

THEME

09.02.2012

TEXT: BJÖRN LINDAHL

Eurostat figures show there were slightly more than 87 million persons aged 65 and over on 1 January 2010 in the EU's 27 member states, some 17.4 percent of the total population. 25 years earlier, on 1 January 1985, the same countries had 59 million persons aged 65 and over, which made up 12.8 percent of the total population.

Statistics often talk about average life expectancy. We are proud that all the Nordic countries figure high in international statistics, with 78.6 years for men and 83.3 years for women in Sweden - the country with the highest number for both genders. But these figures don't say much about society.

## **Iceland has lowest Nordic median age**

By dividing the age distribution of the whole population into two equal parts - one old and one young - you get the median age; with half of persons below and half of persons above the median age. In 1960 the Nordic median age was lowest in Iceland (25.6 years) and highest in Sweden (36 years). The Swedish number was also Europe's highest.

Today Germany has Europe's highest median age at 44.2 years, while the Nordic countries' figure is between 34 and 42 years. Iceland still has the lowest number while Finland has the highest.

Compared to China the difference is major. In the 27 EU countries with a total population of half a billion people, 23 million persons are over 80. In China, with 1.3 billion people, only 18 million are that old. In India, population 1.2 billion, there are even fewer - only eight million persons are over 80.

A common explanation for an ageing population is that the post-WWI baby boomers are about to retire.

“It is natural for many people to presume an ageing population comes from people living longer. Of course this is partly

right, but the age of a country's population depends at least as much on birth-rates. Today's ageing population in Europe is to a large extent a result of low birth-rates, writes Thomas Lindh, researcher at the Institute for Future Studies in his report ‘Sweden in an ageing world’, which was commissioned by the Swedish Globalisation Council.

## **Continuing ageing population**

The median age is expected to rise across the EU and stabilize no earlier than 2060, when it will have reached 47.6 years. Five percent of the total population will be over 80.

In order to avoid care for the elderly becoming too much of a burden, it will be important that those who are not the oldest can help looking after those who are really old. That is what the slogan active ageing means. The post-war baby boomers who are about to retire must somehow be persuaded to keep working and not take early retirement like earlier generations have done.

‘Active ageing recognises that if people are to work for a longer period of time, then they will need to be in good physical and mental health, with access to more flexible working arrangements, healthy workplaces, lifelong learning and retirement schemes,’ writes Eurostat.

It is not at all certain the solidarity between the generations which the EU desires will emerge voluntarily. And here the Nordic countries are not in the lead - on the contrary.

## **Five percent of Danes over 50 want to work for longer**

If you ask over 50s how many hours a week they're willing to work, 49.7 percent of Swedes say they want to reduce their working hours. 46.5 percent of Irish over 50s want to work less, while 45.7 percent of Danes say the same. The number for Finland is 31.5 percent while in Norway - despite

major oil revenues - the number is 31.6 percent. (The Icelandic have not answered this question). 9 percent of Norwegian over-50s would consider working more. That is approximately the same figure as in Finland. 6.9 percent of Swedish over-50s want to work more while only 5 percent of Danes say the same.

In comparison, 16 percent of French and Dutch over 50s say they want to work for longer.

# OECD: health sector Finland's problem

The Organisation for Economic Co-operation and Development's economic survey of Finland shows the country has done well during the debt crisis which has hit many Eurozone members. The country is not facing any imminent crisis, but needs a comprehensive reform of the state health sector.

NEWS

09.02.2012

TEXT: CARL-GUSTAV LINDÉN

"We don't see any fiscal problems or budgetary problems. But there are long-term structural problems. The question is what can be done to fix them," says Henric Braconier, one of the authors of the OECD's survey of Finland.

Finland has taken longer than others to get out of the financial crisis and Nokia's transformation has grave consequences for the social economy. Unemployment may be down, but the OECD predicts the trend could turn.

## **A lot to do**

Braconier finds it worrying that Finland's labour authorities take so much longer than other countries to target activation measures at the unemployed. This takes twice as long in Finland as in Denmark.

"More can be done here."

OECD's experts are waiting for the government to execute the planned restructuring of local authorities which will mean the number of municipalities will be reduced by one third or more from today's 336. While the government says 70 to 100 municipalities will remain, the OECD suggests 30 to 50 municipalities would suffice.

The municipal restructuring should make the health sector more efficient, which in turn should reduce government spending. The level of care should be improved across the board to reduce regional health inequalities between socio-economic groups and regions, which are high by OECD standards. Finland's health sector is not up to speed with the rest of the rich world, neither when it comes to productivity nor the ability to maintain a healthy population.

## **Work for longer**

Braconier hopes the government will be able to deliver what it has promised. He also points out that Finland has greater problems with an ageing population than the rest of Europe, and therefore there is a need to increase the retirement age

to 65 soon. The current retirement age is flexible, between 63 and 68.

In conclusion the OECD encourages the Finnish government to cut public spending further and to increase taxes in the face of a too rapidly growing public deficit. This is a serious threat in the long term in view of the country's demographic ageing.

The OECD's views will not come as a surprise to the Ministry of Finance in Helsinki since these suggestions have already been presented to the innermost circle and the problem are all well-known and well-discussed. Yet there is still a considerable way to go before all this results in concrete decisions.



Trine Lise Sundnes in her office at the top of Folkets Hus in Oslo. "I do play football, but the poster behind me is from a campaign against racism: 'The only colour that counts is the one on the shirt'."

## Trine Lise Sundnes: Nordic workers' voice at the ILO

The most important labour-regulating conventions were first introduced in Europe before being exported to countries elsewhere. Yet these same rights are now under threat from European countries looking for more ways to cut costs in the face of the economic crisis, says Trine Lise Sundnes, who represents Nordic workers on the ILO's governing body.

PORTRAIT

31.01.2012

TEXT AND PHOTO: BJÖRN LINDAHL

The ILO is the UN agency for labour issues. The organisation is unique in that it is tripartite: Workers and employers make up one half of the governing body and governments make up the other.

"The Nordic region's seat on the governing body enjoys a long tradition. We have had a representative nearly non-stop since 1919. I represent all the Nordic labour organisa-

tions, not only LO [the Norwegian Trade Union Confederation] where I come from.”

Trine Lise Sundnes is part of the Norwegian Trade Union Confederation's leadership. One of her areas of responsibility is the work environment. She has had a seat on the ILO governing body for three years and last year she signed up to a further three.

### **Nordic spirit**

“The ILO is very much an organisation with a Nordic spirit. Both sides of our working life is highly organised and we have comprehensive collective agreements. This is the ILO's backbone.

“We meet three times a year, but each meeting lasts for two to three weeks - so each year I live in Geneva, where ILO's headquarters are, for two months.

“I head the workers' group on finance, programme and administration. I am also a member of a small committee known as the CFA, the Committee for Freedom of Association. It deals with the right to organise and to hold collective negotiations.

“It's a committee which allows you to get very close to individuals' lives because we sometimes deal with persecuted trade union leaders who've received death threats or who are in prison. Or a union might be denied their right to industrial action. We deal with the kinds of things which really matter to people's lives,” says Trine Lise Sundnes.

She climbed the career ladder quickly herself. Her CV states she worked as an au pair in Chicago, in a cafe at Oslo's Aker Brygge and on the switchboard of building entrepreneur US-BL before working for several years as administration secretary. She then became a full-time union representative. She has been on LO's executive board since 2001.

The conventions represent the core of the organisations' work, i.e. the rules which secure certain rights for workers in all of the ILO's membership countries. The rules' universal nature means countries at least to a certain extent are prevented from competing to have the worst possible conditions for workers.

### **Regulating domestic work**

“The latest convention covering domestic work has been called the final nail in the coffin of slavery. It covers people working in other people's homes where it is very hard to control terms and conditions. It has taken 20 years to finish this convention.”

It can be frustrating that things take so long, says Trine Lise Sundnes:

“But when we talk to the other UN agencies they still think things move quicker at the ILO, especially when it comes to implementing things. That's because the three parties al-

ready talk together. When other UN agencies make changes they often face protests from the countries and other national groups.”

The most important question facing the ILO right now is how the member countries should handle the economic crisis.

“The ILO goes the furthest in talking about employment, while others mostly talk about cuts. We are very clear on the fact that you cannot overcome the crisis through cuts alone. We need to balance the economy, welfare, growth and employment while keeping an eye on workers' rights and making sure working environments don't deteriorate.

“A good balance between these factors will result in a well-functioning society.”

### **"Paying off debts with a credit card"**

During her interview with the Nordic Labour Journal, Trine Lise Sundnes repeatedly returns to how important she thinks it is that the crisis is met with active measures and that it doesn't turn into an excuse for making conditions worse for workers.

“When economists talk about the finance crisis it almost sounds like an ideology - deregulation has become the new mantra. In reality the opposite is often true, that well-regulated countries are also better at creating growth.

“Certain European countries try to rebalance their economy though cuts alone, but that won't work. It's like paying off debts with a credit card, where you end up paying even higher interest. Furthermore, the parties must be included. I asked the Greek labour minister why the parties had not been involved when deciding on cuts.

“The answer was ‘we didn't have time’. That attitude has cost them dearly.”

She uses Brazil and the USA as examples of just how different strategies can be. ILO's contact with other UN agencies and other organisations like the World Bank and the International Monetary Fund is also important.

One of the ILO's great successes was the joint meeting between the ILO and the IMF in Oslo in September 2010.

“It was crucial because it was a breakthrough for the ILO's way of thinking. Through our Decent Work agenda we focus on four areas which must work well in order to create a sustainable society: The improvement of workers' rights, the strengthening of the social safety net, the social dialogue and creating new jobs. The ILO has developed tools which work.”

### **IMF stretched the furthest**

The ILO did, however, acknowledge that a healthy economy needs a balanced budget.

“But the fact that the IMF in the joint strategy document acknowledged that Decent Work is the right track to be on was perhaps more startling to IMF’s economists than to those at the ILO. They stretched further than us.”

Among the participants at the Oslo meeting was ILO’s Director-General Juan Somavía, the then head of the IMF Dominique Strauss-Kahn, the then French Minister for Finance Christine Lagarde, the previous Greek Prime Minister George Papandreou and Liberia’s President Ellen Sirleaf Johnson.

Anyone looking for signs that 2011 was a turbulent year need only consider the fact that only Liberia’s President - awarded the Nobel Peace Prize in December last year - and Juan Somavía are still in their jobs. The Greek Prime Minister stepped down in November to clear the way for a coalition government. Strauss-Kahn was forced to resign in May over allegations of him sexually harassing an employee at the hotel where he stayed in New York. Christine Lagarde replaced him.

*“How has this affected the contact between the IMF and the ILO?”*

“It is so firmly established now that it just keeps going. They meet regularly, every second time in New York or Geneva.

Yet the IMF was of course not entirely unaffected.

“When the news broke it would have been extraordinary if the organisation had not been paralysed for a short while. But there are no signals from the IMF that they wish to abandon the joint strategy document.”

There is still little that indicates the crisis is over.

“We don’t look at it as a financial crisis but rather as an employment crisis. The ILO’s annual report shows there are now 900 million “Working Poor”, people living on less than two dollars a day. That is 55 million more than when the crisis began in 2008.

“The Decent Work agenda must also be looked at in the Nordic countries. In Norway, for instance, we have changed the makeup of our national ILO committee allowing more government ministries to be involved and not just the ministry of labour. It’s important to involve the ministry of trade, the ministry of finance and the foreign ministry in order to change the various policy areas in a coordinated way.”

### **Youth unemployment most important**

“We focus closely on youth unemployment. You just have to look at the extremely high youth unemployment figures to understand that we risk losing a whole generation. High unemployment also leads to social unrest, as there are always some groups willing to exploit the situation.”

That’s why Trine Lise Sundnes finds it a little strange for the EU to call 2012 the year of Active Ageing.

“In the governing body we have also debated whether employment in a demographic perspective should be a theme at the annual ILO conference. But we chose to let the matter lie and to focus on youth unemployment instead. This shows we are able to change faster than the EU.”

### **The Nordic region is unique**

Her work at the ILO also reminds Trine Lise Sundnes of the fact that the Nordic countries are in a unique situation compared to large parts of the world.

“Take the work environment; in northern Norway we just had a situation where a cleaning firm wanted to improve their customer service. Many called to ask when the rubbish would be collected, so the company installed GPS transmitters on all their rubbish trucks.

“But then the employer could see exactly where the drivers went, and discovered one of them had taken a longer break than the others. He was fired, even though he had done all his duties within the set time, and nobody had complained.”

According to Trine Lise Sundnes, this is an example of how trade unions need to be on top of technological developments.

“But the same technology is being used in many countries to trace and kill trade union leaders. When we met union representatives recently from Guinea in Africa they were forced to use untraceable mobile telephones, and they took them apart when they weren’t using them as a safety precaution.”