The Nordic Welfare Model and Policies
With a special focus on labour market inclusion

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What I think I`ll talk about together with you

• "The Nordic Model"
• Economy, Crisis and Employment
• Inclusion of Young people into school and work
• Inclusion of Disabled people into Work
• Mental Health and Work
• Seniors and "Active Ageing"
• Any Other Issues?
"The Nordic Way"

Regulated Market Economies
Well organised Working Life
Active Labour Market Policy
Universal Social Security
Comprehensive Public Services
Taxation and Redistribution
Good Achievements

• Healthy & Sustainable Economies

• High labour force participation and low unemployment

• Equality and an egalitarian societies

• Effectiveness and Competitiveness

• Stability and Predictability

• Transparency & Confidence
Davos blickar mot Sverige

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In short

"The Nordic countries did not get these social schemes due to being rich.

They became rich due to these social schemes."

Karl Ove Moene,
Professor
University of Oslo
Department of Economics
High labour force participation in the nordic countries
Per cent of all inhabitants 15/16- 64 year old

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>76 %</td>
<td>79,5 %</td>
</tr>
<tr>
<td>Finland</td>
<td>67 %</td>
<td>74,6 %</td>
</tr>
<tr>
<td>Iceland</td>
<td>85 %</td>
<td>85,5 %</td>
</tr>
<tr>
<td>Norway</td>
<td>76 %</td>
<td>78,2 %</td>
</tr>
<tr>
<td>Sweden</td>
<td>75 %</td>
<td>79,5 %</td>
</tr>
<tr>
<td>Netherlands</td>
<td>73 %</td>
<td>78,2 %</td>
</tr>
<tr>
<td>France</td>
<td>68 %</td>
<td>70,6 %</td>
</tr>
<tr>
<td>Germany</td>
<td>65 %</td>
<td>76,6 %</td>
</tr>
<tr>
<td>Spain</td>
<td>app. 65</td>
<td>74,4 %</td>
</tr>
<tr>
<td>Portugal</td>
<td>65 %</td>
<td>74,0 %</td>
</tr>
<tr>
<td>UK</td>
<td>70 %</td>
<td>76,3 %</td>
</tr>
<tr>
<td>EU-15</td>
<td>63 ½ %</td>
<td>67,5 %</td>
</tr>
<tr>
<td>OECD</td>
<td>64 ½ %</td>
<td>70,5 %</td>
</tr>
</tbody>
</table>

Recessions not only hurt lots of people, but also take a long time to restore.

Unemployment rates in Finland 1970-2005
Main Strategies in the Nordic Countries:
"Jobs for everybody is the Government`s job number 1"
Norwegian Prime Minister Jens Stoltenberg

Economic Policy
aimed at balanced development in the short and long run
Monetary Policies. Fiscal Policies. Tripartite Cooperation

Active Labour Market Policy
Income security. A wide range of Measures.
Quick and substantial expansions and reductions

Universal Social Security
In case of unemployment, sickness, pregnancy and child care, disability,
old age, death / survivors

Targeted and tailored Inclusion Policies
Aimed at vulnerable groups:
Youngsters. Disabled. Seniors. Refugees/Immigrants

20-03-2012
Bjørn Halvorsen NVC
Vulnerable groups at the labour market

Youth at risk during transition from school to work

"School dropouts" Young Disabled Immigrant Youngsters

Disabled persons (physically and mentally)
Low labour force participation. BUT:
Many of them for sure want to work – and they can!

Seniors at risk for unintended early retirement
How to stimulate – socially acceptable – to higher participation and higher retirement age – for those who prefer so?

Immigrants & refugees
First and second generation (two immigrant parents)
Africa Pakistan Iran Iraq etc
The Nordic Countries are also hit by the Global Crisis - but recovering.  
Source: OECD Economic Outlook 2011

<table>
<thead>
<tr>
<th></th>
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<th>Iceland</th>
<th>Norway</th>
<th>Sweden</th>
<th>OECD</th>
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<tbody>
<tr>
<td><strong>GDP Growth 1)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>-1.1</td>
<td>1.0</td>
<td>1.4</td>
<td>2.9</td>
<td>-0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>2010</td>
<td>2.1</td>
<td>3.1</td>
<td>-3.5</td>
<td>0.3</td>
<td>5.3</td>
<td>2.9</td>
</tr>
<tr>
<td>2012</td>
<td>2.1</td>
<td>2.8</td>
<td>2.9</td>
<td>2.5</td>
<td>3.1</td>
<td>2.8</td>
</tr>
</tbody>
</table>

| **Public Fiscal Balance 2)** |         |         |         |        |        |      |
| 2008           | 3.3     | 4.2     | -13.5   | 19.1   | 2.2    | -3.3 |
| 2010           | -2.9    | -2.8    | -7.8    | 10.5   | -0.3   | -7.7 |
| 2012           | -3.0    | -0.6    | -1.5    | 11.9   | 1.4    | -5.6 |

| **Unemployment 3)** |         |         |         |        |        |      |
| 2008           | 3.2     | 6.4     | 3.0     | 2.6    | 6.2    | 6.0  |
| 2010           | 7.2     | 8.4     | 7.5     | 3.6    | 8.4    | 8.3  |
| 2012           | 6.4     | 7.4     | 5.8     | 3.2    | 7.0    | 7.4  |

1) Per cent real growth from previous year.  
2) Revenues – Expenditure as a per cent of GDP  
3) Per cent of the Labour Force 15-74 years old.  
   * Mainland Economy (minus oil)
Unemployment differs substantially across countries
Source: OECD Employment Outlook 2009/2010
High Youth Unemployment
15-24 years old in the Nordic countries and EU-15
2000-2010 (% of the labour force)
1 of 3 nordic youths drops out of secondary school
- but almost everyone are getting enrolled -
"Youngsters at the Margin" in the Nordic Countries 2008/2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Danmark</th>
<th>Finland</th>
<th>Island</th>
<th>Norge</th>
<th>Sverige</th>
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</thead>
<tbody>
<tr>
<td>Langtids ledige 15-24 år gamle i prosent av arbeidsløse 15-24 år</td>
<td>4%</td>
<td>4½%</td>
<td>3¼%</td>
<td>2%</td>
<td>4¼%</td>
</tr>
<tr>
<td>Unge 20-24 år som er falt ut av videregående skole /gymnasiet</td>
<td>16%</td>
<td>9¼%</td>
<td>26%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Unge 15-24 år hverken i utdanning, arbeid eller opptrening (NEET)</td>
<td>5¼%</td>
<td>8½%</td>
<td>3%</td>
<td>5½%</td>
<td>8½%</td>
</tr>
<tr>
<td>Unge 18-24 år som mottar økonomisk sosialhjelp/försörjningsstöd</td>
<td>10%</td>
<td>11%</td>
<td>6%</td>
<td>5½%</td>
<td>9%</td>
</tr>
<tr>
<td>Unge 20-34 år på førtidspensjon</td>
<td>1,8%</td>
<td>1,8%</td>
<td>3,3%</td>
<td>2,0%</td>
<td>2,6%</td>
</tr>
</tbody>
</table>

Sources:
NVC Conclusions and Recommendations aimed at inclusion Vulnerable Youngsters

• Avoid and prevent *a lost generation*!

• Do`nt let youngsters *at the margin* of school and working life remain there!

• Improve the fullfillment and avoid drop-out in *secondary school*!

• Systematic pojects and development of *measures and methods* in order to improve services and competence among *service providers*

• Improve the concern and measures aimed at *enterprises and empoyers*!

• Improve the knowledge and information about *results and effects of programmes*

• *Listen to the youngsters!* Encourage hope and (self)confidence. Help making dreams be realistic!
Low employment rates among disabled persons

Employment rates by disability status in the late-2000s (left axis) and trends in relative employment rates since the mid-1990s (right axis)

Source: OECD Sickness, Disability and Work – Synthesis Report 2010
A lot of Disability Beneficiaries in the Nordic Countries

Disability benefit recipients as per cent of the population aged 20-64 in 28 OECD countries, mid-1990s and latest year available. Source: OECD 2010 SD&WR
Nordic Labour Market Inclusion Strategies aimed at **Persons with Disabilities**

- **Mainstream policies**
  anti-discrimination, sector responsibility, universal services & equal opportunities

- **Facilitation and Qualification**
  through universal education-, labour market-, communication-, & social policies etc

- **Rehabilitation** *(educational, vocational and medical)*
  to a great extent by vocational enterprises and sheltered enterprises

- **Coordination efforts**
  between different service providers, institutions, programmes and stakeholders

- **Additional Targeted Strategies and Programmes**
  aimed at labour market inclusion of disabled persons
Labour Market Inclusion **Strategy Programmes** for **Disabled Persons** in the Nordic countries

**Denmark**
Action Plan for Psychiatry 2010-2013

**Finland**
Finland`s Handicap Policy Programme 2010-2015

**Norway**
National Strategy for Mental Health and Work 2007-2012
New Job Strategy for Young Disabled Persons 2012-2015

**Sweden**
"From patient to citizen 2001-2010"
New Strategies for Labour Market Inclusion of Disabled are needed!

NCHP`s recommendations to nordic Governments:

- Demand for **evidence based knowledge**
- Improved methods for adequate **education** and transition from **education to work**
- Extend the tripartite cooperation to also include **disabled`s organisations**
- More focus on strategies and measures aimed at **employers**
OECD Mental Health and Work Review 2011

Main Issues

I  Workplace Issues

II  The transition from Education into the Labour Market

III  Assessment, identification and profiling in the Benefit System

IV  The employment responsibility of the Mental Health System
1 of 5 persons have mental disorders, and 2 of 5 during the life span

Mental Disorders are not increasing

Highest prevalence and incidence of MD among young people, women and people with low education

Mental Disorders start often early
- median age 15 years old for discovery
- ca ¾ within 25 years of age

Increasing number of persons with MD that receives social insurance benefits

Most often they receives sickness benefits and disability benefits

The strongest increases are found among young persons

There are also many persons with MD receiving unemployment benefits, rehabilitation benefits and social cash benefits

A lot of this is not discovered nor followed up
Most people with Mental Disorders Work, - but a lot of them do not!

**Employment rates, late 2000s**

- Mental disorder (↘)
- No disorder

**Unemployment rates, late 2000s**
Increasing incidents of Disability Beneficiaries Due to Mental Disorders

Newly granted disability benefits with a mental health condition as a proportion of all disability benefit grants, selected OECD countries, mid-1990s and latest available year

OECD Conclusions: Policy Matters!

Policy can and must respond more effectively to the challenges for better labour market inclusion of people with mental illness

- Prevent, identify and intervene at various stages of the lifecycle
- Pay more attention to common mental disorders of employed and unemployed persons
- Integrate various health, employment and (sometimes) social services
- Inform, train and empower actors outside the mental health sphere
- Improve the evidence base
Active Ageing Policies

- **Active ageing at the labour market**
  Labour environment, management and colleagues
  Old Age Pension Reforms. Unemployment-, sickness and disability exit routes
  Information. Examples. Role Models. ”Future winners” etc

- Non-discrimination and participation in the civil society

- Environments of Old Age Dignity, Independence and Health
# High Fertility and Longevity in Several European Countries

<table>
<thead>
<tr>
<th>2009</th>
<th>Fertility</th>
<th>Longevity M</th>
<th>Longevity W</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>1,84</td>
<td>76,9</td>
<td>81,1</td>
</tr>
<tr>
<td>Finland</td>
<td>1,86</td>
<td>76,6</td>
<td>83,5</td>
</tr>
<tr>
<td>Norway</td>
<td>1,98</td>
<td>78,7</td>
<td>83,3</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,94</td>
<td>79,4</td>
<td>83,5</td>
</tr>
<tr>
<td>France</td>
<td>2,00</td>
<td>78,0</td>
<td>85,0</td>
</tr>
<tr>
<td>UK</td>
<td>1,94</td>
<td>77,8</td>
<td>81,9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1,79</td>
<td>78,7</td>
<td>82,9</td>
</tr>
<tr>
<td>Germany</td>
<td>1,36</td>
<td>77,8</td>
<td>82,8</td>
</tr>
<tr>
<td>Italy</td>
<td>1,42</td>
<td>79,3</td>
<td>84,7</td>
</tr>
<tr>
<td>Spain</td>
<td>1,40</td>
<td>78,7</td>
<td>84,9</td>
</tr>
<tr>
<td>Polen</td>
<td>1,40</td>
<td>71,5</td>
<td>80,1</td>
</tr>
</tbody>
</table>
Old Age dependency Rates in The Nordic Countries 2010-2050
Persons aged 65 + / Persons aged 20-64 years (%)
2010 (blue) 2030 (red) 2050 (green)
Quite high and slightly increasing senior employment rates in the Nordic countries.

Sysselsettingsrater 55-64 år. 2000-2010

- Danmark
- Finland
- Island
- Norge
- Sverige
- EU27
Quite high and slightly increasing retirement age in the nordic countries
What about Programme Achievements?

Evaluations of Nordic Active Labour Market & Inclusion Programmes seem to conclude that there are:

Positive, but modest effects on employment at general

Best effects of Tailored Programs for Vulnerable groups
   Immigrants/refugees. Persons with reduced work capacity. Disabled. Etc

Types of Programmes with good “Job Effect”:
   - Introduction Programme (new immigrants)
   - “New Chance” (experienced, vulnerable immigrants
   - On-the-Job Training and practice
   - Wage Subsidies & other employer supports
   - Mutual obligations and close following-up
   - Chaining of Measures

But we know too little about such things!
Thank You!

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