

Piekkola, Hannu

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ELINKEINOELÄMÄN TUTKIMUSLAITOS

THE RESEARCH INSTITUTE OF THE FINNISH ECONOMY
Lönnrotinkatu 4 B 00120 Helsinki Finland Tel. 358-9-609 900
Telefax 358-9-601 753 World Wide Web: <http://www.etla.fi/>

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Hannu Piekkola*

ACTIVE AGEING POLICIES IN FINLAND

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ABSTRACT: Ageing takes place in Finland some 15 years earlier than in other European countries. The central actors in implementing active ageing policies are ministries that have been co-operating with each other. Active ageing policy in Finland has some of the advantages of networking in a small country, and also in the anticipation of the decrease in the share of the active population. *First*, all three central ministries, the Ministry of Social Affairs and Health, the Ministry of Labour and the Ministry of Education co-operate with each other. The success of various ageing programmes is largely based on this. In other countries, ministries usually have independent policies. *Second*, social partners include representatives of employers' and employees' organisations, as the tradition of tripartite thinking is strong in Finland. *Third*, research organisations support the research. For example, in the Finnish Institute of Occupational Health ageing studies began as early as 1981. *Fourth*, active ageing policies also focus on firm-level issues in addition to measures implemented at the individual and society levels. Firms have a clear incentive to prevent pensioners on disability emerging, since firms themselves have to pay a large part of the eventual pension expenses.

There are, however, also major setbacks. Active ageing programmes such as the Ageing Programme and the Well-Being at Work Programme have been implemented in Finland for a fixed time period. There is a threat that much of the networking is lost after the programmes terminate. The co-operation between ministries may also diminish in the future programmes. The major problem in Finland that is not solved by any well being programmes is that the routes to exit from work are too generous. A new work life reform to renew the values of work is also called for. Finally, the integration of worklife and family life is considered an important issue, but issues related to active non-work time are seldom considered. An example of active time use that is ignored is household work. Household work is on average one third of the labour income for men and two-thirds of the labour income for women at age 50-64. Finally, the state of senior citizen policy is not very good in Finland. Private organisations of pensioners are relatively inactive.

JEL-codes: J26, J14, J11

Keywords: Retirement, Ageing Policy, Demographic Trends

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TIIVISTELMÄ: Väestön ikääntyminen alkaa Suomessa noin 15 vuotta aikaisemmin kuin muissa Euroopan maissa. Keskeiset toimijat ikääntymisohjelmissa ovat ministeriöt, jotka ovat toimineet yhteistyössä. Yhteistyötä on edesauttanut verkostojen luominen, mikä voi olla helpompaa pienessä maassa. Yksi esimerkki tästä on sosiaali- ja terveysministeriön, työministeriön ja opetusministeriön yhteistyö, johon eri aktiiviseen ikääntymiseen liittyvien ohjelmien onnistuminen on perustunut. Eri työmarkkinaosapuolet ovat myös osallistuneet aktiivisesti toimintaan, joka on siten perustunut pitkälle kolmikanta-ajatteluun. Tutkimuslaitokset ovat myös tukeneet tutkimusta. Esimerkkinä tästä on Työterveyslaitoksen ikääntymistutkimus, joka on saanut alkunsa jo vuonna 1981. Viimeinen tärkeä tekijä aktiiviseen ikääntymiseen tähtäävien ohjelmien onnistumiselle on yritystason toiminta. Muista maista poiketen yrityksillä on selvä kannustin välttää työkyvyttömyyttä, koska yritykset kantavat suuren osan työttömyyseläkkeiden kustannuksista.

Aktiivisen ikääntymisen toimenpiteissä on kuitenkin myös omat puutteensa. Ensinäkin ikääntymisohjelma ja työssä jaksamisen ohjelma on asetettu määrärajoiksi. Uhkana on, että verkosto ei jatka toimintaansa ohjelmakauden loputtua. On myös mahdollista, että ministeriöiden välinen yhteistyö ei ole riittävää tai vähenee tulevaisuudessa. Aktiivisen ikääntymisen tavoitteiden toteuttaminen edellyttää myös työmaailmaan liittyvän arvomaailman uudistamista, missä ei olla edistytty riittävästi. Yksi ongelma on myös se, että työn ja perhe-elämän yhteensovittaminen koetaan kyllä tärkeäksi, mutta kuitenkin toiminta rajoittuu yleensä työssä jaksamiseen eikä aktiivisuuteen myös työajan ulkopuolella. Yksi esimerkki ajankäytöstä, johon ei panna paljoakaan painoa, on kotitaloustyö. Kuitenkin esimerkiksi 50-64 -vuotiailla kotitaloustyön arvon on noin kolmasosa palkkatyön arvosta miehillä ja kaksi kolmasosaa palkkatyön arvosta naisilla. Voidaan myös todeta, että eläkeläisjärjestöjen aktiivisuus on varsin vähäistä.

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1 Introduction

Europe is undergoing a change in the structure of its population: its population is ageing rapidly. The three important demographic-related changes that affect demographic prospects are the retirement of the baby-boom generation, the longer life expectancy and the low birth rate. In most countries, the life expectancy of workers is increasing. By the year 2050, demographic projections suggest that Europeans will live at least four to five years longer than was expected in 2000 (European Commission 2002). At the same time, Europeans retire earlier than inhabitants in other developed countries. Less than 40% of the male workers in the age group 55–64 are still in working life in the European Union member countries (European Commission 2002). Table 1 includes estimates of the average ages of withdrawal from the labour force (Scherer, 2002). With a few exceptions they are well below the pensionable ages.

Table 1. Average ages of withdrawal from the labour force in 1994-1999

	Men	Women
Belgium*	59.0	58.9
Denmark	62.4	61.5
Finland	59.8	60.0
France	59.3	58.4
Germany **	60.5	59.8
Italy	59.3	58.4
Netherlands **	61.6	60.1
Norway	64.2	64.7
Portugal	65.3	66.5
Spain	61.1	61.1
Sweden	63.3	61.8
United Kingdom	62.0	61.2
United States	65.1	64.2

* 1971-1976

** 1993-1998

According to Kotowska (2003) the total working age population begins to decline after 2010. In Finland, the transition is most rapid, and it can be said the ageing takes place 15 years earlier than in many other European countries (see Piekkola, 2004b). In the western countries the population stays at the level of 260 million in the years 2000-2010 and declines by 4 million thereafter in 2010-2015. In transition countries after the slight increase (by around 1%) the labour supply is supposed to drop by 2.3 million (by 3.2%) in 2010-2015. However, some countries such as Norway and the UK have demographic projections that show an increase in populations throughout the period. The UK is expected to be of the size of 66 million people by 2050, which is not far from the population

of Germany. These differences in population size must have a big influence on the acuteness of the ageing problem.

A natural policy response to the social security financing problems that arise because people are living longer and retire too early is a change in public policy aiming at the raising of the retirement age. In fact, the European Community member states are committed to raising the retirement age (European Commission 2002). The central tool is financial incentives. These are crucial because the baby-boom generation is wealthier than the former generations, which may itself raise demand for early retirement (OECD 2000). However, the baby-boom generation may also have different preferences for leisure: work life is no longer considered as a value in itself or as a necessary constituent of active ageing. In Finland those who choose voluntary early retirement generally enjoy financial, mental and physical wellbeing (Gould and Saurama 2003, 30). The objective of the longer stay in working life requires active ageing strategies. As the population is ageing, it has become a major concern as to how to keep the ageing population active and participatory in society economically, socially and politically.

The aim of this report is to outline the Finnish actors and policies concerning active ageing. The report will also provide an overview of how these policies are implemented and what the views of the different actors are on these policies.

The Description of the Study

Section 2 examines in greater detail the definition of active ageing. This is not a new concept to Finnish policymakers, as ageing issues have been studied intensively since the beginning of the 1980s. It also presents some tools to analyse active aging. Section 3 considers the most relevant policy actors; many of them are central ministries or institutes under their supervision. In this section their views on policies are also presented. Section 4 considers the implementation of ageing policies. These programmes are headed by several ministries. Section 4.2 gives a detailed description of the policies. Section 5 summarizes the main results in terms of actors, policies and remaining tasks in active ageing policies.

2 Active Ageing as a Concept

2.1 Definitions

Active ageing or productive ageing terminology has already been used for 20 years in gerontology, see Masaharu (1978) and Heikkinen, Kuusinen and Ruopila (1995). This stems from activity theory: activity in physical, psychical and social action produces the best possible quality of ageing. It is best for us to be active in many respects.

The World Health Organization defines Active Ageing as (WHO 2002:12): 'the process of optimising opportunities for health, participation and security in order to enhance quality of life as people age'.

The Organisation for Economic Co-operation and Development (OECD) emphasises the productive dimension stating that (OECD 2000:126): 'Active Ageing refers to the capacity of people, as they grow older, to lead productive lives in society and the economy'.

In the EU project we have formulated Active Ageing as

"Active ageing, both as a general idea and a concrete policy programme, aims at preserving autonomy, self-determination and choices as we grow older. Active ageing policies, whether they are formulated and implemented by the public, private or voluntary sectors, help preserve our individual autonomy in the context of changing capacities as we age. These policies, reforms, or strategies help us maximise our social, economic, and political involvement in society at each stage of the ageing process."

Next, we move to the more detailed discussion about well-being at work and provide some tools to analyse it.

The Finnish Work and Ability –programme of the Finnish Institute of Occupational Health uses a "Work Ability House" to illustrate the different areas of ability and well-being at work. I here enlarge the concept to be more general and not just work-contingent:

Figure 1. Work Ability House



The house has four floors, where the lowest three relate to individual resources and the top floor shows the operating environment, such as the workplace. The floors are *the first floor of health, the second floor of occupational ability, the third floor of values and the fourth floor of organisation*. The three crucial perspectives are

1) Individual

At the individual level the promotion of work and individual ability as workers age is important. Individual resources such as health, human capital, values and attitudes are keys to achieving this.

2) Firm

Work life and organisation of labour to promote the staying of aged workers at work is the major issue in the 4th floor of the Work Ability house. This requires active organisation of leisure time together with domestic work. It is evident that in time use domestic and paid work are considered as a whole in time use and, hence, activity in unpaid work cannot be ignored.

3) Society

Society sets the rules of the game in active ageing policies. An important part of societal thinking is legislation. A part of this is the actual implementation of legislation on workplaces. Much new legislation aims to wide co-operation between employers and employees in workplaces. This is also an opportunity to develop values in workplaces that should move in the direction of avoiding age discrimination.

Coming back to the Work Ability House, the first floor of health builds the foundation for work ability. Physical, mental and social capabilities are crucial in maintaining work ability.

The second floor of know-how and competence includes issues related to proficiency, know-how and skills. It has become very significant in a continuously changing working environment. If the employee's skills are insufficient to meet the changed requirements, his/her motivation will quickly disappear.

On the third floor of motivation meaningful work requires that workers believe in what they are doing. Often there is reluctance to adopt new working methods. The most successful solutions will be those where the whole working community desires the changes and is able to help in bringing them about. The organisation has to provide an environment where employees feel that they have a useful role to play in the working community and are thus keen to develop their skills further. Management of the workplace also has an important influence on the well-being of employees and their ability to maintain a healthy attitude and outlook. It always pays to promote interaction, staff participation and the flow of information, as this will produce dividends in the longer run for both the employer and employees.

The fourth floor is the social environment whether we face this in the workplace, at home, or in our active leisure. Typically at the workplace, leadership and the organisation of work are important elements. Active ageing also means a suitable social organisation and network to operate, even after retirement. The fourth floor is subject to the most rapid changes during the lifetime. Unbalanced organisational change leads to the deterioration of individual opportunities on the three first floors. The fourth floor also includes working hours and working

arrangements. The latter deals with job rotation, on-the-job training or separate training courses. Often pressure can be removed and stress reduced by reorganising the work. The changes in working life have also created new jobs and new occupations, where working methods are only now being defined. Those over 45 years of age, in particular, find that their working capacity is poor in relation to the physical or mental demands of their job, and the experience is directly related to the length of the working days. In Finland workers provide the longest working days at age 45-54, just prior to the rush into early retirement. This lends support to the argument that pressure by the employers does not diminish over time. Workers over 44 years face a challenge of ever increasing utilisation of their working potential together with increasing urge for active leisure.

Active ageing is also about developing all four floors at the individual, firm and society level simultaneously with the needs of individual and work life. Individuals are responsible for their own resources, but, for example, at workplaces employers essentially contribute to the environment. Out of work, active ageing is about possessing the ability to choose a new social environment for fulfilling one's objectives.

Creativity and wellbeing are best achieved when 'soft' values in the house produce 'solid' results. Creativity is clearly also a non-work time issue, particularly when activating ageing individuals focuses on those with less creative work. The issues of well-being at work are often grouped amongst 'soft' values, somewhat removed from the traditionally important 'hard' quantifiable business values. Active ageing can be considered as well-being and 'soft' values bringing solid results. Employers may also gain the benefits of reduced sick leave, lower staff turnover and reduced early retirement. Many of these have public good characteristics and are important factors concerning national resources and society at large. This is the motivation /reasoning for social intervention at the work-place level.

2.2 **Evidence on Well-Being**

The recent evidence on the changes in job satisfaction provide contradictory results. According to work life barometers job satisfaction is something that fewer and fewer employees get to experience. Instead, they feel tired and exhausted, and many feel that their knowledge is insufficient to cope with the rapidly changing environment. Barometers on working life have indicated that an increasing workload often has to be handled by a decreasing number of staff, and the interaction at the workplace is not always what it should be. On the other hand, according to studies by the Finnish Institute of Occupational Health, 80 percent of workers consider themselves well able to cope with their

job requirements and 85 percent of workers are satisfied with their current job. Job satisfaction has also increased from 1997 to 2000. Job satisfaction also clearly increases with age. In the future, greater flexibility will need to be shown towards employees to enable them to manage their work better.

It is clear that the concept of well-being at work also aims at linking general well-being and health, which is a field deserving further study. One publication worth mentioning is the analysis of work stress and risk of cardiovascular mortality by Kivimäki et al. (2002). They find that the probability of heart attacks increases by 220% under work stress as well as under effort-reward imbalance (low salary, lack of social approval and few career opportunities relative to efforts required at work). This shows the clear interaction between all the house floors.

According to the Well-Being at Work Programme working hours and working arrangements are one of the six essential factors that affect well-being at work. The other important factors are similar to those presented above: mental well-being, workplace development, working environment and working conditions, proficiency, know-how and skills and working hours and working arrangements. It is evident that considerable amounts of overtime are done in many workplaces in order to meet production and service demands. Besides the pressures at work, the need to reconcile work and family commitments produces a further strain on women in particular. It is clear that employees need sufficient time for themselves — time for their family and friends, time to regenerate their physical and mental resources and time for hobbies. A person who is rested and refreshed is ready to learn new things and to cope with changes.

Having discussed the concepts of active aging and well-being at work and some empirical evidence we can move to the description of the actors and their views on these issues.

3 Policy Actors and Networks

3.1 Ministries

The Ministry of Social Affairs and Health (MHS) and the Ministry of Labour (ML) jointly run a project for the well-being of the ageing population. This includes research institutions such as SITRA (the Finnish National Fund for Research and Development). Otherwise, the labour market administration is primarily concerned with unemployment and job matching. The third important ministry in

active ageing issues is the Ministry of Education. Currently the Labour Market Administration does not have programmes especially designed for older workers after the National Ageing Programme ended in 2002. However, there are some recent plans to participate in firm-level education with older workers as the special target group.

3.1.1 Ministry of Labour

The Ministry of Labour has dealt with issues pertaining to employment relationship, such as the division of work and flexible working life, and co-operation within companies (acts on study leave, family leave and on the representation of personnel in the administration of workplace reforms). The Ministry of Labour also participates in the national working place development programmes: the National Productivity Programme 2000 – 2003 and Well-being at Work Programme 1999-2003 (See www.mol.fi)

3.1.2 Ministry of Social Affairs and Health Occupational Health Unit

The Occupational Health Unit operates within the Department of Health in the Ministry of Social Affairs and Health (MSH). It is a tripartite organ for collaboration, which deals with development tasks of occupational health issues. Authorities are represented on a wide basis, the leadership responsibilities carried by the Ministry of Social Affairs and Health. The Ministry of Finance, the Ministry of Labour, labour organisations, and occupational health authorities are also involved. Legislation, development, and public funding of occupational health care are the main tasks of the unit.

The organisations involved in the council of the Occupational Health Unit (neuvottelukunta) are the main contacts, while universities and polytechnics are involved in the educational objectives. Sector research institutions, such as the Social Insurance Institution of Finland (KELA), The Finnish Institute of Occupational Health (TTL), and the Radiation and Nuclear Safety Authority (STUK) are important partners.

The views of the Occupational Health Unit on policies¹

From the occupational health perspective active ageing is viewed as enabling the ageing worker and his/her workplace and employer to take advantage of the positive aspects of ageing, coping with the negative aspects, and maintaining

¹ The Director of the unit, Matti Lamberg, is interviewed. He is a doctor in general medicine with specialisation in occupational health. He has practised medicine actively in hospitals and health care centres, while also participating in occupational health care.

health and work ability. The Ministry views the field of policy actors as unanimous and co-operative in ageing issues; no conflicts of interest exist in the joint effort of enabling people to have longer working lives. Taking the urgent challenge from the decreasing and ageing labour force seriously, and acting upon it in workplaces are among the potential obstacles.

Looking at the challenges from the occupational health perspective, the provision of health care services and maintenance of the working ability of the ageing workforce are the most crucial issues. First, the quantity of health care services demands increases with ageing. Second, the contents of the services will have to change in order to supply the kind of care that the ageing population needs. Third, the working environments have to adapt to the ageing population, so that the ageing workers will be able to continue to work even with some disability and deficiency.

In Finland, activity for maintaining work ability has been developed further. In international co-operation, the initiative has often come from Finnish partners. The Occupational Health Unit is of the opinion that the actors in the labour markets are the main actors in the ageing issues as well. Finland is considered “the promised land of associations and grass root level organisations”. It is also thought that active citizen participation has influenced the policies and measures. The ideological approach of the labour organisations, instead of their having a strict negotiator role, has made them more committed.

International contacts are important in formulating and testing the broad lines of policy, and collaboration at the Nordic and European level. Nationally, the traditional methods of conducting policy have created the network. Internationally, the common goals and needs are more influential in the formation of contacts, the co-operation having the nature of “benchmarking” the national systems and policies against each other. The reason for this is, ironically, because ageing has become an “acute” issue in almost all European countries.

Public debate is considered as a neutral dialogue between the participants, while 7-8 years ago the discussion was emotionally biased because the contradicting economic interests of the parties were seen to influence the attitude towards the ageing workers. The main participants are the social security organisations, service providers, and the labour organisations. The public and expert debates create the wide acceptability of the ageing issues as relevant topics in society. The head of the Occupation Health Unit, Matti Lamberg, also believes that the authorities are utilising the public debate in policy design, and sees it as a way to extract the best ideas from the pool of ideas in society.

In addition to the changes in the attitudes of the participants, the contents of the discourse have also changed. Ten years ago, “the wasteful labour markets

policy” resulted in tossing the ageing workers out of workplaces. Along with the economic downturn, public debate, which has adopted new tones supporting the ageing workers, has also influenced the reformulation of employment practices and policies. The potentials and advantages of experienced workers have become partly accepted through the debate.

3.2 Other Public Institutes

3.2.1 The Social Insurance Institution of Finland

The Social Insurance Institution of Finland KELA (Kansaneläkelaitos), established in 1937, provides basic security for all persons resident in Finland, covering the different stages of their lives. The organisation administers the pension plans, national health insurance, sickness allowances, and reimbursements of medical expenses, and occupational health care. (See www.kela.fi).

3.2.2 The Finnish Centre for Pensions

The Finnish Centre for Pensions (ETK) (*Eläketurvakeskus*) is the central body of the private-sector pension institutions. Private pension institutions, operating according to common principles, handle the implementation of the statutory earnings-related pension provision. The earnings-related pension coverage for the insured is always protected against possible insolvency of the pension institutions. Most employers and self-employed persons may choose their own pension institution. The pension institution may be a pension insurance company, an industry-wide pension fund, or a company pension fund. In addition, there are also some pension institutions for special branches of industry. The research activities at the Finnish Centre for Pensions strive to assess the earnings-related pension scheme, follow up on the need for development or predict the consequences of reforms also in view of the changing work environment. (See www.etk.fi).

3.2.3 The Finnish Institute of Occupational Health

The Finnish Institute of Occupational Health (TTL) with a total of 850 employees is a research and advisory institute whose main tasks are research, training of occupational health and safety professionals, provision of advisory services,

and dissemination of information. The Institute covers altogether 10 disciplines related to occupational health and safety. Reports on the working conditions and the well-being of the personnel working within the sphere of social welfare and health were presented at an advisory meeting of the Ministry of Social Affairs and Health in spring 2001, and at a seminar on staff well-being and turnover in the autumn. (See www.occuphealth.fi).

Department for Research and Development of Occupational Health

An important part of the research is the collection of information of wellbeing at workplaces. The department conducts three surveys:

- 1) Work ability barometer 1998, 2002, and 2005.
- 2) Occupational health service in Finland, 2000, 2005
- 3) Work and health 2000, 2003

Respondents in the work ability barometer are employer and employee representatives and health care experts in 1000 workplaces. The response rate in telephone interviews is very high with 2400 personal interviews. The work and health survey is conducted every three years with 3000 telephone interviews. The aim of these periodical interviews is to analyse changes in work ability and work-related health issues over time. Two doctoral theses in sociology are being written by Minna Janhunen on the concept of well-being at work and Päivi Peltomäki on work ability (työkykyä ylläpitävä toiminta)

Some views of the Department for Research and Development of Occupational Health²

One of the major achievements in the field of FIO is the study of work ability on a broad level, and not just concentration on rehabilitation issues. In the European network for workplace health promotion the main focus is on rehabilitation. In addition, the Finnish discussion also deals greatly with well-being at work, which is an even broader concept. A new idea is the promotion of work ability and not just its maintenance. New legislation also gives the right to the assessment of ability at work for workers (e.g. before the disability pension). The purpose is to evaluate work ability well before problems cumulate, i.e. five years before the onset of actual physical disease. The three most important causes for disability are cardio-vascular diseases, muscular-skeletal diseases and mental stress. Rehabilitation (varhaiskuntoutus) is crucial in future planning and has to be enlarged to cover the mental causes, too.

² Kaj Husman was interviewed in FIO (Finnish Institute of Occupational Health). Kaj Husman is a director and professor of occupational medicine and director of department for research and development of occupational health services.

One contradiction in the work ability barometer and working life barometer (by the Ministry of Labour) is that well-being at work seems to have somewhat deteriorated over time, while work ability has improved and age discrimination decreased. One explanation is that physical demands are lower but output per hour has increased.

Department of Physiology

In gerontology, active ageing or productive ageing terminology has already been used for 20 years, see Masaharu (1978) and Heikkinen, Kuusinen and Ruoppila (1995). This stems from activity theory: activity in physical, psychical and social action produces the best possible quality of ageing.

The views of the Finnish Institute of Occupational Health on policies³

The Finnish Institute of Occupational health (FIO) is also a relatively large unit; in other countries occupational health issues are more dispersed into several universities. This can explain why co-operation has succeeded relatively well with other bodies engaged in active ageing. Much emphasis is also placed on the fact that all social partners on the part of employers and employees should be active and participate. One feature of the Finnish route is also to practice age management in firm-level action. Leadership is very important. As part of the national ageing programme FIO has trained 100 experts. Of course the training based on these short courses is not adequate.

FIO carries out many regular surveys, where information on well-being at the workplace is available. The most pressing social, political and economic challenges resulting from demographic ageing facing are considered from the work ability-house perspective introduced in Section 1. Age management is considered especially important. There are alternative ways to retain older workers at work. In Sweden a seniority arrangement prevails at workplaces with the "first in last out" principle. Hence, employment of older workers is much more secured. This also relates to the fact that the unions have relatively more negotiation power in Sweden compared with Finland. In Sweden there are 1 1/2 times more workers than in Finland in firms of the same size. It is true that workers at age 50+ and particularly at 55+ face difficulties in being recruited if displaced. Sweden finished part-time work/pension models in 2000, since wrong people chose that route. The majority of them are white-collar workers who are not necessarily exhausted from work. In Sweden the age limit was 60. In Finland there is a similar trend. One obvious reason is that firms are reluctant to reorganise work. It is possible that even in Finland part-time retirement

³ Juhani Ilmarinen was interviewed. He is the director of the Department of Physiology in FIO, which is a centre for ageing studies in Finland. Juhani Ilmarinen has been head of department since 1992, but even in 1981 was among the initiators of ageing research.

regulations will be tightened, although OECD favours part-time work. There are also countries where part-time work runs well, e.g. the Netherlands.

3.3 Labour market organisations

Active ageing programmes are a joint effort between ministries, trade union confederations and employer organisations. Many issues are dealt with in connection to the centralised wage setting TUPO, which usually takes place every two years. In the interim, the employer and employee organisations have usually launched joint work groups to deal with work conditions in workplaces.

In Finland the centralised wage negotiations have continued to some degree since 1945 and especially since 1968. The initial aim in 1968 was to restrain excessive wage rises as a follow-up of the continuing devaluation-inflation spiral. The participation rate in trade unions has risen throughout the period from below 50 percent to the current over 80 percent. The new centralised wage negotiation since 1992 can be said to follow the general trend of more industry-level or local-level wage bargaining to some degree. Formerly, wage drifts were considered as a cause of inflation and deteriorating productivity. Since the 1990s wage drifts have allowed more industry-level variation in wage formation.

The preceding TUPO wage agreement for the years 2001-2002 included many general outlines about how to develop well-being at work. One example is the aim to develop methods to assess job strain and internet-based methods for a mutual action plan. The campaign Time for the Family (Aikalisä perheelle) aims to promote work leaves for the benefit of the family. The campaign arranged six different afternoon seminars.

The views of the employee and employer organisations on the policies

Just over ten years ago active ageing was considered as part of a self-interest policy. Unions reflected the issues on the perspective how to protect a worker's interest best and to ensure the highest possible pensions in case of early retirement. Things have changed from the past, since now from the macroeconomic perspective the public finance problems are widely recognised. Now both employees and employer actively participate. Both perceive the risk of ageing. This is also the reason why commitment is very good, which is also shown in the wide range of publications.

The TUPO wage agreement of 2002-2003 has many features in relation to the quality of work life, professional ability, working abilities and the compatibility between work and family life:

- Assessment of fixed-term contracts in specific fields.
- Employee's and employer's joint action on work protection: the methods to maintain work ability
- Special assessment of methods aimed for the ageing worker
- Health care for part-time and fixed-term workers
- Implementation of minimum uninterrupted work time of 4 hours, to be decided in June 2003.
- Time bank for balancing working hours over a longer time
- Advancement of personnel balance sheet or personnel capital evaluation in general
- Allocation of work and family time: partial work leave for childcare, information change, time bank, afternoon care for children in the first and second classes of elementary school

Tripartite joint effort to promote work life by unions, employers and government has progressed in all these fields. Wellbeing at work and work time flexibility have been included in TUPO since the 1990s. Furthermore, legislation concerning well-being and safety at work is undergoing a remodelling. In both cases, however, it is the responsibility of individual employers to meet the requirements.

3.3.1 The Central Organisation of Finnish Trade Unions SAK

Goals and values of the organisation:

SAK is the central organisation for labour unions in Finland (www.sak.fi). It is also the largest labour organisation in the country. Its members include unions from both the public and private sector. The largest member unions are KTV (the labour union for municipal sector employees) and PAM (the union for private services). The member unions have about one million members, about a half of whom are women despite the masculine public image of the organisation. This image will change because, currently, women head the two largest member unions and the service sector is increasing in numbers of employees and importance.

SAK is responsible for overseeing the interests of employees. SAK is very influential in Finnish discussion regarding the labour market. The organisation negotiates framework agreements with the central employers' confederations

concerning wages, hours of work, the status of shop stewards and other matters broadly pertaining to working life. SAK influences political decision-making at both national and regional level. The aim of SAK is to ensure that the point of view of employees is accommodated as effectively as possible in legislation and in other social decision-making.

Some views on SAK to the active age policies⁴

The recession in the 1990s was very traumatic to companies and labour organisations. Well-being at work was ignored when companies fought for their survival. Attitudes became permanently geared towards the bottom line. It can be claimed that co-operation with employer federations have improved over the years regarding active ageing issues. Even though the new system aims at longer working lives, legislation alone is not enough. SAK also states that attention should be paid to the practice in workplaces. No definition for active ageing exists in SAK, but being a labour organisation they view active ageing as the ability and the possibility to stay actively involved in the labour market for as long as possible and as long as one wishes to. Also, the active last years of one's working life contribute to the activity of an individual when retired; there is continuity in the activity across labour market status. People will stay in the labour force if

- They possess the skills and knowledge required in the job
- They feel that they and their experience are respected
- They are in relatively good health

Labour market issues are definitely the biggest challenge, stemming from the fact that within the next 5 to 10 years about 700 000 persons will exit the labour force. This constitutes the quantitative challenge from ageing. At the same time, the relatively low level of education of the ageing workers creates a qualitative challenge in terms of developing work cultures in a direction that allows for ageing workers to cope with the changing nature of work and to "keep up with the younger workers".

Financing the pensions of the increasing number and share of retired workers will become a pressing issue. Since in Finland the pension system is connected to contribution from work, financing the pension depends on the development of the labour market and employment.

In health care, the increasing number of retired people, both in absolute and relative terms, means that providing the services they need, especially health

⁴ Kajja Kallinen was interviewed. She is social policy secretary in SAK; her special fields include pension scheme.

care services, will be essential and very challenging. However, the increase in the demand for health care services might not be perfectly proportional to the increase in number of the aged, as a large part of the increase in life expectancy will be healthy life expectancy.

Crises in global politics and the economy could present the Finnish ageing policies with obstacles in the form of a recession, such as the one experienced in the 1990s. Company-level functions of the labour market remain a challenge. The current strong consensus on the importance of lengthening the working lives across the actors is an advantage, and the main resource to draw from in trying to meet the challenges mentioned above.

3.4 Pension institutes

Private insurance institutes play an important role in Finland, since work pension funds are handled by them. Ilmarinen and Varma-Sampo, the two biggest insurance institutes with work pension funds, have carried out joint co-operation dealing with well-being.

All large pension institutions are active and have launched programmes such as Ilmarinen Corporation MOTIVO and Varma-Sampo Corporation EVITA. The ideas of lifelong learning have been adopted in insurance companies. The MOTIVO service of Ilmarinen provides a method for controlling work ability and arranges regional seminars targeted at SMEs. MOTIVO also arranges tailored firm-specific events for large firms. The idea is to provide firms with an age strategy. The aim is that the disability pension risk will go down. One motivation for this is that firms have to pay a large share of the costs and have an incentive to avoid worker withdrawals to the disability pension. The larger the firm, the greater the costs are. They can be up to one half of all disability pension costs.

In the EVITA mentorisation programme (mentorintiohjelma) by Varma-Sampo work pairs discuss well-being at work based on questions issued in advance and, at the end, distribute the ideas on how to develop work-place relations to the benefit of the whole organisation.

One can also mention the Insurance Institute for Work Pension TELA. It has arranged four seminars in different regions dealing with rehabilitation programmes targeted at labour market organisations. Separate information interchange on the pension system was distributed to 10,000 entrepreneurs and workers in 192 seminars dealing with rehabilitation and work ability. In 2000-2002 TELA implemented the programme for network for rehabilitation and work ability. The purpose is to promote professional rehabilitation.

3.5 Non-Profit Institutes and Foundations

Age Institute

The Age Institute is maintained by the Kuntokallio Foundation. The main interest of the Foundation is to promote favourable conditions of ageing by education, research and development work. Gerontological research at the Age Institute includes the production of new basic knowledge about ageing and the application of that knowledge to practice within the care of the elderly. The main emphasis is on applied social gerontology. The basic principle of gerontological research at the Age Institute is multidisciplinary research, which considers ageing as one part of the processes of the lifespan. The central aspect of research focuses on social and behavioural questions in the areas of sociology, social psychology, social policy, psychology and pedagogy. The main areas of research include the study of the resources and limitations of ageing, the compensation of the limitations of old age, the individual experience of old age, and the development of methodology. (See www.kuntokallio.fi)

An example of studies related to Experiencing Ageing and the Lifespan

3.1. Ageing Between Two Cultures

3.2. Self-Rated Quality of Life

3.3. Professionals in old-age care and the Emotional Strain of Work

3.4. Reminiscence - An Unforgettable Day

3.5. Meeting at Saturn - Discussion Group for the Third Age

3.6. Male Health Cultures in Finland and Russia

3.7. A Comparison Study of Older Adults in Tampere and St. Petersburg

The Central Union for the Welfare of the Aged

The Central Union for the Welfare of the Aged, founded in 1949, works to improve the welfare and social security of the aged. The Central Union has a membership consisting of associations and foundations active in care work and other activities for the aged. The Finnish Slot Machine Association funds many activities of the Central Union. The most important function of the Central Union is to support the operation of its member organisations. It has a membership consisting of 350 associations. The Union carries out this function by offering counselling and guidance in order to develop the operation of the member organisations and by providing information to the organisations on current issues concerning the welfare of the aged (see www.vanhustyonkeskusliitto.fi).

3.6 Educational/Consultative Bodies

Local Government Training

Local Government Training provides its clients with training services, which aim to maintain and improve the knowledge, skills and competence levels of their employees. The emphasis is on new information and skills. The basic principle of Local Government Training's approach is a belief in people's ability to learn new things and also the conviction that a skilled, creative and competent workforce is better able to provide improved and more cost-effective services. There are around 20 000 managers employed by the municipalities in demanding managerial roles and institute that provide appropriate training in supervision and leadership. Regional training events accounted for 38% all participants whilst tailor-made training events took a 29% share. Local Government Training had a turnover 8,15 million in 2001 (see www.kuntakoulutus.fi).

FEMDI Group

FEMDI Group (Finnish Employers' Management Development Institute) is a versatile institute for organizational development and training programmes as well as for giving consultancy services. In the FEMDI Group enterprises have the possibility to strengthen the flexibility, quality and productivity of the organisation. The FEMDI Group is the largest developer of management and leadership skills and working life in Finland. Customers annually are over 1700 organisations representing industry, private and public services. There are annually approx. 30 000 participants attending various development programmes. The participants represent all levels of organisations. (See www.jto.fi).

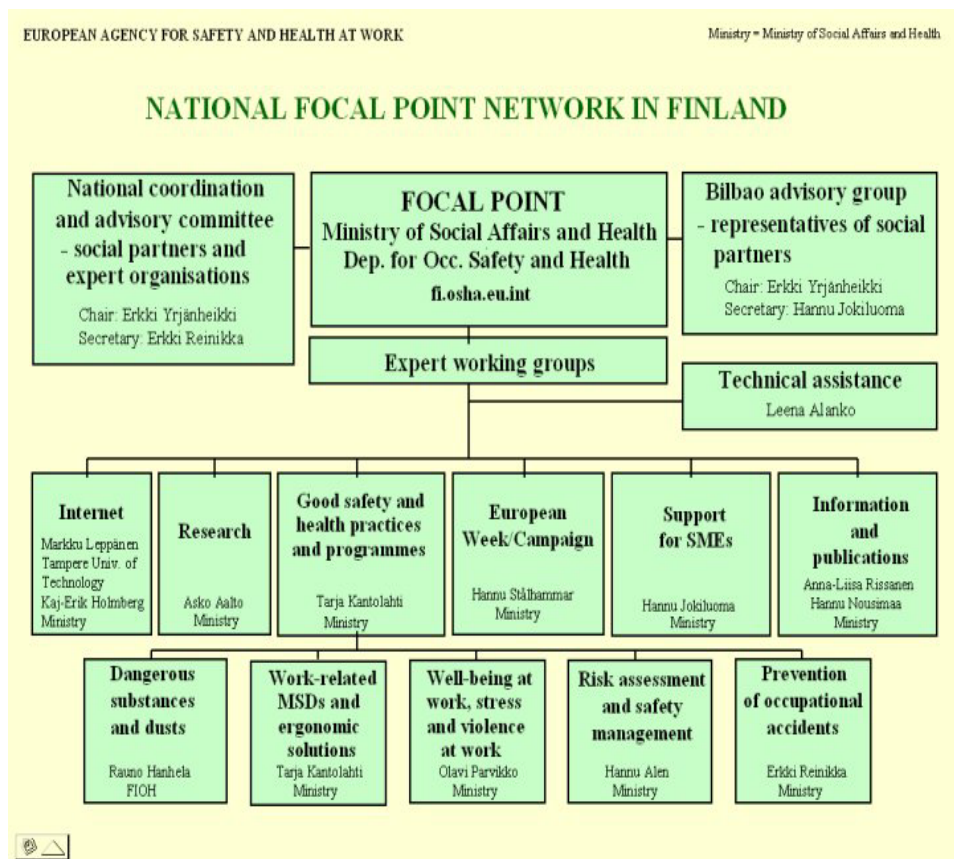
POHTO

POHTO is one of the leading institutes in Finland in the fields of business management and leadership, management of technology and organisational development. The Foundation of POHTO was established in 1972 and consists of the most influential international Finnish industrial companies in the electronics, metal and forest industries such as Kemira, Metsä-Botnia, Nokia, Outokumpu, Rautaruukki, Stora Enso and the UPM-Kymmene Corporation. The City of Oulu, the Development Organisation of Electricity Suppliers and the most significant labour organisations and the Confederation of Finnish Industry are also members of the foundation. The primary task of POHTO is to support and increase the competitive ability of its clients and to develop the skills of their personnel to enable those organisations to be leaders in their own field. (See www.pohto.fi).

3.7 Other networks

The European Agency for Safety and Health at Work provides an Internet site. The aim of the network is to collect and disseminate information throughout the European Union in order to encourage improvements in the working environment. This site provides information about occupational safety and health in Finland. The Finnish network for safety and health at work has been established as part of the European safety and health information network comprising of national Focal Points in each EU Member State. The Focal Points are responsible for the organisation and co-ordination of the national networks of information. A list of Focal Points is available at the Internet site of the Agency. In Finland the national Focal Point is the Department for Occupational Safety and Health at the Ministry of Social Affairs and Health. The structure of the network is presented in the following figure.

Figure 2. Safety and Health at Work Network



4 Active Ageing Policies and National Programmes

The actors described above implement the active aging programmes. In this section we introduce the programmes and discuss their implementation.

4.1 Policies Implemented in National Programmes

Finland has implemented programmes that have overlapped between the ministries. To some extent these exhibit an independent role as policy actors, but are always integrated to function in the facilities of policy actors described above. National programmes have also implemented their own policies part of which are carried out by Ministries after the National programme terminates. Support for workplace development in Finland consists of five programmes:

- National Programme on Ageing Workers 1998-2002
- The National Well-being at Work Programme 2000-2003
- Workplace Development Programme 1996-99 and 2000-03
- The National Productivity Programme

The new programme launched since the spring 2003 election is the VETO programme by the Ministry of Social Affairs and Health. The new government is continuing the National Ageing Programme in the Ministry of Labour through the Improving Work Relations project. So far there is no new large programme that will be a joint effort between ministries.

4.1.1 The National Programme on Ageing Workers 1998-2002.

The Finnish Ageing Programme (1998-2002) was supported mainly by the Ministry of Social Affairs and Health and also by the Ministry of Labour and Ministry of Education and other ministries. It also collaborated with most of the representative labour market organisations, the Association of Finnish Local Authorities, the Social Insurance Institution, the Institute of Occupational Health, and pension companies. The reason why the National Programme on Ageing Workers has been drawn up is that there will be a considerable change in the structure of the labour force in the next few years in Finland. The structural change in the labour force will increase the risk of exclusion of older people, and may entail considerable costs, unless the problems are tackled in time and ageing is viewed as a strength in working life. The Programme on Ageing Workers includes a reform of working life structures and legislation as well as

various survey, training and experiment projects. The programme is boosted by communication in order to give rise to an active debate on the issue of ageing. Currently, Age and Work Programme continues the work of the Finnish Ageing Programme (See www.ikatyo.fi). The programme is keenly integrated with other activities in the Ministry of Labour. In this respect it can be considered to be less persuasive as the National Programme that is described here.

The National Programme of Ageing Workers lasted 5 years and its budget was 4 million euros for 1997-2002. The purpose was to coordinate projects dealing with ageing. 0.33 million euros were also used to finance research. These include the ETLA project dealing with determinants of retirement and the time use of the aged (Time is Right? Early Retirement and Use of Time by Aged Finns, ETLA B-Series 189). The project leader, Pertti Linkola, was involved in the design of the National Ageing Programme and, consequently, appointed in 1996, the project started in 1997 and ended in 2002. The programme had a close affinity to the Ministry of Labour, since Pertti Linkola was recruited from there.

Aims of the programme

Within the framework of the Programme on Ageing Workers the special topics include the following (See www.ikatyo.fi, before www.ikaohjelma.net)

- Extensive research and development activities
- Barometer describing the maintaining of the working capacity (1998) part-time pension
- Use of the disability pension as an early retirement route
- Flexible working time arrangements and measures to develop work communities
- Campaigns especially directed to employers for the purpose of making their attitudes towards ageing job seekers and employees more favourable.
- Lifelong learning and adult education

The Issue of Ageing

The problem is that the motivation to work is lost over time, see Antila and Ylöstalo (2002). In proactive firms this has not happened. The working life barometer (työolobarometri) also shows that the motivation to work worsens with age. However, this does not necessarily mean less well-being. The results of the Institution for Occupational Health show that older workers are more satisfied with the current job. Hence, the difference between motivation and job

satisfaction should be made clear. It can be true that older workers also have more of their own demands that make motivation relatively more important.

Issues by fields

Labour markets

Owing to labour shortage in certain industries, unemployment has already decreased in certain fields and regions precisely due to ageing. New technology orientation is also needed in the export sector. It is important that capabilities and abilities in certain fields are maintained.

Pension systems

Regional problems exist, since the wealth of aged workers differs by regions. This is especially true for small declining towns. Pensioners also move potentially to such places and not to Helsinki, which accentuates the problem. Health and other old-age care services are difficult to supply where older people live. It is also necessary that private services be used to a larger extent to satisfy demand.

Health care systems

Improvement in intensity of the use of services is required. Health care services should be more efficient and people should have better information on services (studies on the city of Joensuu).

Political systems

The mean age of the recently elected parliamentary member is higher than that of the previous MPs. However, pensioners are rarely elected. In legislation, the Act on Co-operation in Workplaces (yhteistoimintalaki) is important in integrating workplaces with the objectives. This is included in government program. Nowadays joint action is not only to remove "democratic deficiency in firms" as was formerly justified by labour unions. Motivation is more important than education. It should be remembered that an aged person will remain with greater probability in the workplace than new workers are after 7 years. The pension pipeline also discriminates against older workers. The work administration should build new ways to maintain motivation.

Views on the public debate on active ageing

Too little is discussed on work life in the public and municipal sector compared with immigration issues, for instance. There are regions where the average age in the municipal sector is very high and have had no recruitment for the past 20 years. The problem is how to attract labour to these country sites. Immigrants also stay mainly in the urban regions.

Similarly to the general findings, Pertti Linkola also sees a total change in the past 10 years. Early retirement is seen less and less advantageous to society. Now labour unions including SAK also agree on the education of the retired. Earlier retirement at age 55 has decreased substantially in the paper and pulp industry where active ageing issues have been taken seriously into account. In the paper and pulp industry, UPM Kymmene Corporation has implemented many programmes. The National Ageing Programme started with a paper and pulp industry seminar, which was attended by 350 people.

4.1.2 The National Well-being at Work Programme

This is a government-sponsored project that ends in 2003. The Ministry of Labour, the Ministry of Social Affairs and Health and the Ministry of Education have implemented the programme with the trade unions and the employers' associations. Also involved in the programme are representatives of entrepreneurs, agricultural producers, sports organisations and the Church. The programme aims at promoting people's well-being at work and their quality of life (See www.mol.fi/jaksamisohjelma). The Well-being at Work Programme operates on four different levels:

- Provision of information and promotion of good practice
- Utilisation of research results and commissioning new research
- Implementation of practical development projects and provision of funding support
- Development of legislation

The government that was formed after the 1999 elections launched a Finnish Government National Programme "Well-being at Work" in 2000. The organisation consisted of two persons that operate with the help of 15 officials primarily from the Ministry of Labour and the Ministry of Health and Social Affairs. The programme's duration is 2000-2003. One primary aim of the project is to follow legislation and to encourage new work legislation. New acts relating closely to the project encompass the Work Relations Act, the Adult Learning Act, and the Pensions Act. An important constituent of the project was the Annual Report (Seurantaraaportti). The Well-being at Work Programme aimed to improve workplace relations and well-being at work. Unlike the TYKY-programme the object is less individual physical well-being than the activity and well-being of the whole organisation. The new government will continue the programme in the Ministry of Labour through the project 'Improving Work Relations'.

Representatives on the board are normally experts in work life (the psychologist Raili Perimäki from SAK, the labour trade union, and doctor Kari Kaukinen from TT, the Confederation of Finnish Industries). The budget is 7.5 million euros for four years. Of this practical development projects (kehittämishanke) constitute the main part with 5 million euros, 1.5 million euros is allocated to information (printing, ten television series, information delivery) 500 000 euros to research and 0.5 million euros to administration (two persons). Assistance from 13 officials and facilities is financed by industries. In practical development projects there have been 500 applications of which one third (173) were approved. Of these 40% are in the public sector (municipals) and 60% in the private sector. Evaluation of the success of practical development projects was done by the end of September 2003.

Aims of the programme

The central problems considered are

- Too early retirement
- Low education level of the aged
- Work exhaustion as the working life barometer indicates

For the ageing population the central issues concern *too early retirement, currently at the age of 59*. There is some evidence that the average retirement age has increased by a year or two since 2000. The employment rate of those aged 54-59 has improved considerably since 2000. One reason is that early retirement is more expensive for employers under the new legislation. The unemployment pension pipeline, i.e. the age at which unemployed pension is received after a certain period of unemployment, used to start at 53 years but has been raised to 55 years and then subsequently to the current 57 years. Another problem is *the low education level of aged*. Age cohorts especially those preceding baby-boom generation were relatively low educated. The recession in the beginning of the 1990s led to noticeable job destruction among the older workers. The problems of low education are still evident among workers over 50 years. The third problem is *work exhaustion in the labour market* according to the barometers made. One issue is also rapid changes in the labour market and the work conditions of older workers. Learning also requires practise; it is important to mix experience and new education in an appropriate way especially in the learning process of older workers. At the beginning of the 1990s employees were considered solely responsible for well-being at work and for the maintenance of work abilities. In the 2000s greater emphasis is given to the leadership by the employer and to the work environment. This can be seen from the six criteria for wellbeing at work:

According to the well-being at work programme six essential factors affect well-being at work

- Mental wellbeing
- Workplace development
- Working environment and working conditions
- Proficiency, know-how and skill
- Working hours and working arrangements
- Physical and mental health

Wellbeing at the workplace requires learning at older ages, too. In the programme experts go to workplaces. Firms choose the consultants themselves. Experts are supervisors of work, not only in the purpose of lecturing. Typically experts have work psychology as educational background. Practical development projects take place at firm level. In publicity, the programme provides information and also participates in seminars. Project director Petäjämäki gives over 100 speeches every year, where average number of participants is around 200.

The new Health at Work Act also gives responsibility for the well-being of workers to the employer. Health at Work Act gives the right to evaluate the workload when the work burden is considered excessive. The employer has to act. Work conditions can also be evaluated regularly, e.g. through workplace visits of experts. An important background is the increase in the mental overload, also shown as the increase in the share of disability pensioners who have retired owing to mental health. In the Well-being at Work programme the purpose is to implement wellbeing policy and not burnout policy

One Nordic seminar has been arranged by Nordic Council on wellbeing at work. One acute problem considered is that in Finland the average number of days spent on sick leave has increased to 16.3 days from 12.1 days in 2002 in the municipal sector. The working life barometer (työolobarometri) from 2002 also shows an increase in work exhaustion. Ageing explains this.

In other European countries, it has been shown that over half the workers participate in personnel training. Much of this is passive in the form of general lecturing, which is probably not sufficient for changes at the workplace. Learning at a multidimensional level in co-operation with adult education institutions is needed (ch. 3.2.2 in the 2002 annual report). Learning has to be updated continuously and 70-80% of workers prefer firm-level education to that carried out in institutions. It is also perhaps easier at workplaces to use Internet facilities for education.

The Publications of Active Ageing Policies

The project has published three general reports in the years 2000, 2001 and 2002. The annual report for 2002, p. 60, lists other participants that deal with active ageing. In connection with the joint work in Active Ageing with educational institutes can be mentioned the FEMDI group, the Organisational Development Institute (hallinnon kehittämiskeskus), POHTO and Local Government Training. The programme also funded and published a study on Wellbeing at work done by ETLA: Wellbeing at work under the pressures from a busy lifestyle and active leisure (in Finnish only).

The Well-being at Work Programme has received 300 development project applications in 2002, and 100 in the years 2000 and 2001. The aim is also to deal with small firms. The focus has been on the plant level in large firms. In small firms networking is important in the applications. An example of this is 12 small firms having a joint project in the southern part of Finland (Uusimaa). Large firms have the advantage of having an educated personnel department and personnel director. Hence, it is a challenge to have small firms to participate. Networking between small firms is required, and network should apply as a joint effort. The approved applications originate too seldom from firms with a staff of 40 or less. On the other hand, we have an example of personnel accounting for SMEs.

Future Outlook

Economic values should be fully perceived, since firms do not contribute without productivity effects. More research is needed. Macroeconomic evidence is not sufficiently considered. Work inability and its relation to sick leave issues are not taken into account enough. However, these issues are not always discussed enough in public. In the municipal sector, half of the workers will be retired in three years, since the average age of the workers is 50 years. The integration of different organisations is also important such as organisation at the political level, different expertise in different ministries, the Veto programme by the Ministry of Social Affairs and Health, development of work life programmes by the Ministry of Labour.

Four fields are important

1. Knowledge motivation
2. Responsibility
3. Right allocation of work
4. Work development and improvement of the workplace

The Well-Being at Work Programme has funded personnel accounting studies by Guy Ahonen. He has edited a book on personnel accounting that reports some interesting results in the best practice studies (Ahonen 2002 Personnel reporting, leadership and well-being at work (Henkilöstöraportointi, johtaminen ja työssä jaksaminen, Well-being at Work Programme 2002). The best practise Co data base from 1997-2000 is based on studies on 48-54 organisations, see Ahonen 2002, p. 10. The data bank reveals the following correlations:

Table 2. Job Satisfaction and Productivity

Subjects	Correlation coefficient
Personnel satisfaction and customer satisfaction	+0.455
Leadership satisfaction and personnel satisfaction	+0.696
Learning satisfaction and personnel satisfaction	+0.813
Productivity (value added/personnel expenses) and personnel satisfaction	+0.884

Results suggest that productivity and personnel satisfaction are strongly positively correlated. The correlation is very high up to +0.884. One possible explanation is that highly educated workers are more satisfied with their job and are also more productive.

4.1.3 The Workplace Development Programme 1996-99 and 2000-03

The programme aims to promote effectiveness and the quality of working life by promoting modes of operation supporting innovation and employee skills at Finnish workplaces. The overall budget is 7.7 euros. The organisation consists of a tripartite expert group and a management group and a project team at the Ministry of Labour.

- Financial support and other support and expertise for development projects at Finnish workplaces
- Dissemination of information
- Co-operation in workplace development (see www.mol.fi/tyke).

Examples of the fields are the restaurant, trade, teaching education, health care superior, and social field. Other research is taking advantage of this, such as that related to work and family, personnel strategy.

4.1.4 The National Productivity Programme

Productivity for The Future 1993-1995, 1996-1999 and 2000-2003. 4 FIM million

- To better functioning of work communities
- To speed up productivity development in companies and public bodies
- To improve the competitiveness of Finnish companies
- To improve overall employment and prosperity (See www.tuottavuus.net)

4.1.5 Other Programmes

TYKY programme

The Ministry of Social Affairs and Health and FIO (Finnish Institute of Occupational Health) jointly run a Work and Ability (TYKY) program. This entails activities whereby employer and employee and the organisations attached to work units jointly aim at advancing the wellbeing of workers. It originated in the centralised wage negotiations in 1989, where it was agreed that new approaches should be implemented to prevent disability and to improve general wellbeing at work. In the 1990s it has also been incorporated work legislation and as part of the objectives of FIO. One background issue was the increasing share of disability pensioners and threats of the overload of demands set for work. A TYKY house has described work and ability relation, which is adapted to the description of active ageing in the introductory section (see also <http://www.tyky.fi>).

Wellbeing at work gives more emphasis to the functioning of the organisation. Wellbeing at work does not only depend on one's own health. The aim is to give the constant ability to meet challenges at the workplace.

The National Health Programme

The National Health Programme (The Government Resolution on Health 2015) outlines the targets for Finland's national health policy for the next fifteen years. The main focus of the strategy is on health promotion, not so much on developing the health service system. The foundation for the strategy is provided by the Health for All programme of the WHO, which was revised in

1998. The strategy is a continuation of the Finnish national HFA 2000 programme. Health 2015 is a co-operation programme that provides a broad framework for health promotion in various component areas of society. It reaches across different sectors of administration, since public health is largely determined by factors outside health care: lifestyles, living environment, quality of products, and factors promoting and factors endangering community health. The concepts of 'settings of everyday life' and 'course of life' play a key role in the programme. The strategy presents eight targets for public health, which focus on important problems requiring concerted action by various bodies. They indicate the outcome aimed at in different phases of life. In addition, there are 36 statements concerning the lines of action underlined by the Government, incorporating challenges and guidelines related to citizens' everyday environments and various actors in society. The National Health Programme has the following objective for the year 2015: 1) The Finnish population can be expected to have 2 years longer healthy life, 2) Satisfaction with health services will be maintained at the current level, 3) Inequality in the provision of services will be mitigated and differences in mortality rates between education groups will be lowered by one fifth. (See www.terveys2015.fi).

Programmes supported by the European Social Fund 2000-2006

Employment and lifelong learning are used as keywords. Active labour policy aims at combating unemployment and social exclusion. The budget is 3 billion euros, of which 0.9 billion euros is from the European Social Fund (see www.mol.fi/esr). The fourth area of emphasis that supports workplace development are

- new forms of entrepreneurship
- improvement in staff skills and well-being at work and general workplace development
- personnel development in support of business operations and technological expertise
- new technologies in the workplace

European Social Fund (ESF) efforts dealing with wellbeing at work consist of 50 projects that are increasing in numbers. The aim of these projects is to promote leadership and mutual exchange of information at workplaces and professional ability. The methods are closely similar to those used elsewhere: working in groups, trainee exchange, leadership training and systematic evaluation of abilities.

4.2 Overview of policies implemented in national programmes

Adequacy of objectives

The biggest challenge in active ageing is the reform of work life. It can be stated that general orientation has moved towards the right direction, but not enough. Finnish individuals can be motivated and national programmes and legislation improved to meet the targets. There is also a relatively large consensus in society about the need for reforming work life to follow the demands of the ageing population. The values at the firm level are, on the other hand, an open question, although good experience is gained and good practice developed in many instances. In foreign-owned firms new practice is also sometimes first operated in the Finnish location, and possibly exported to other countries. Large firms are also easier to handle, while small- and medium-sized firms with less than 50 employees are a big challenge. Emphasis should thus be placed on smaller firms, since in small firms there are, in general, no resources to take care of these issues.

Ownership can also cause a problem, when it is difficult to join the same table with foreign owners. A faceless ownership structure can hinder the emphasis on the organisation of labour (instead of dismissals). Lay-offs are considered positive signal and these values have to change. So far social capital has lost to economic capital in the competition.

Co-operation

The previous programmes have built on the co-operation between ministries. This co-operation should be maintained. Lack of co-operation between different network and support systems in the health care system is seen as a major problem by occupation health institutes. An umbrella should also be built over the national programmes in the future. Otherwise there might be too much dispersion of ideas and too much weight given to independent profiles. It is also clearly a problem that networks tend to collapse after the financing ends. The new programmes should thereby have more long-term planning. The new VETO programme (Ministry of Social Affairs and Health) and the new NOSTO programme (Ministry of Education) do their own independent research.

One example of an area where more co-operation is needed is rehabilitation in Finland. Values and attitudes have to change in attitudes towards early retirement, but this is difficult without enough co-operation. This is true both in legislation, networks and in services offered to the ageing population.

Co-operation should include the active participants in the labour market, including the employers that have the best knowledge of market demand. The work ability barometer approach may also be unsuitable when uncertainty at the workplace is a major issue. At 55 years of age it is difficult to postpone

retirement if there is some uncertainty at the workplace. Individual work requirements may not also match with the change in age. Nor has part-time retirement been a practical solution when no new worker is recruited and a reduced work effort leads to a greater work burden for others. This also causes problems because partial sick leave is not allowed. It is also likely that part-time retirement is not suitable instrument for employers. Despite this, part-time retirement is particularly popular among the highly educated workers.

Unions in Finland also believe that a strong consensus regarding the importance of being able to stay in the labour force for longer is important in order to meet the challenges. The actors only disagree on the practical measures, not the goals. Compared with other countries, Finland's advantages in dealing with ageing include a competitive educational system. Maintaining the high standard and not being satisfied with high rankings in various international comparisons is essential.

Basic/elementary education is vital: life-long learning is not possible without a solid basis. This may have been overlooked in the strong emphasis on adult-education schemes. However, materialisation of the policies depends on the private sector actors, individual companies that implement the legislation. In SAK, Kallinen thinks that there still remain work culture characteristics that hinder the adoption of ageing-related policies.

Academic Research

Academic research on ageing has not reached policymakers very well. Research organisations are also considered distant, and the communication between them and the field actors is among the things that need improvement. The Finnish Work Environment Fund supports research that is relevant and interesting, but the practical benefits are often small because the connection to the day-to-day labour market is weak. Many of the ageing issues, however, require academic research on future prospects of population growth etc. It is hard for labour market actors to work efficiently enough on ageing issues that have no immediate relevance to daily policy.

Both the National Ageing Programme and the Well-being at Work Programme have funded academic research, but the research has not been always well integrated to other research, such as is done in the Institute of Occupational Health. The programmes have also competed and overlapped. National Ageing Programmes to some extent amended the existing interests in the Ministry of Labour and in the Ministry of Health and Social Affairs. The Well-being at Work Programme does not have enough academic staff with long experience in active ageing issues. It should also be emphasized that the programmes are temporary and some of the network is faded out when the programme terminates. (National Ageing Programme ended in 2002 and Well-being at Work programme terminated at the end of 2003.)

Age Management as a Tool

Pertti Linkola perceives three strategic dimensions in age management (Age management (Ikäjohtamista oppimaan, Ministry of Labour p. 17)

Table 3. Age Management Strategies

Three strategies	Position	Resources	Renewal
Emphasis	Position (salary, pension, work time, fringe benefits)	Employability, available resources	Lifetime learning and processes
Means	Maintenance of achieved benefits and rights	Lifetime learning work ability	Values and motives for leadership by age
Core Issue	Roles and work duties	Age programmes?	Allocation and knowledge of responsibilities
Failures	Promises cannot be fulfilled	Demands and target are set at too high a level	Too imaginative, does not capture true discrimination

Traditionally, the position strategy is followed. The aim is a good salary and position. In a new and changing firm environment this is not sustainable. Linkola prefers the renewal strategy including a value discussion of age discrimination and how to identify responsibility. The danger is hopes and expectations that are too great. Typically, there is no strategic discussion in firms or it is based on pension laws and other issues.

The National Ageing Programme takes employability throughout the working life as important, following the age management approach (so called “leadership by age”). The action is taken to promote work life so that employability continues during the whole work career (<http://www.ikaohjelma.net/ikajohtaminen/ikajoht.htm>). Joint operation at workplaces is considered important. Age management and joint effort at the workplace have various dimensions:

- Networking, vertical integration increasing productivity, customer service: use of knowledge of the aged workers.

- Industrial standards and design. An ageing worker can have technological know how to develop practical solutions that also take ergonomical issues into account.
- Rules of work life. Accumulating human capital and motivating solutions in work life require joint work effort.
- Ethical norms relating to conflicts between age groups.

Age management (leadership by age) or good leadership is not only leadership but also individual action dependent upon:

- education, maintenance of ability
- possibility to influence one's work

New Legislation

Legislative measures are also considered important starting from the Act on Participation dating from 1978. New legislation should be based more on partnership in workplaces. The original act was initially intended to promote discussion about workplace issues and not only to be used in redundancies. In order to achieve the initial aim, a new act should be proposed.

Wellbeing at Work

In the National Ageing Programme active ageing also means being productive and having an economic contribution to make. According to the data for 2000, the working capacity of older people had clearly decreased compared with the previous year (National Programme on Ageing Workers follow-up report 2001, only in Finnish). This may be explained by the fact that problems with working capacity and staying at work will inevitably become more widespread as older people stay on in working life longer than before, despite their frail state of health.

On the other hand, follow-up data for the same period show that in 2000 older workers were more likely than middle-aged workers to feel that working life was changing for the better (management styles, work satisfaction, worker participation, National Programme on Ageing Workers follow-up report 2001, only in Finnish). However, preliminary data from the working life barometer now seem to indicate that uncertainty is increasing in the workplace. For the first time in ten years, employees are rating the direction of change in working life as more negative than the previous year (Ministry of Labour 2001). In any case, the Finnish experience shows that the development of the relation between staying on at work and wellbeing at work will require close observation.

Best Practice Models

The National Programme of Well-Being at Work has presented new best practice models. One key idea is a new learning practice called multilearning as a background for the theory of the workplace and personnel education. Ageing is an important issue, since the average age of the workforce is high in many workplaces. It is considered important to acknowledge that teaching older workers is different than teaching younger workers, since work experience plays an important issue in learning. Despite this, the purpose is not to develop different leadership objectives for age management (leadership by age). In many workplaces, there actually exist two peaks in the age structure: young and old. This requires teaching at two different sectors.

The model has been applied in twelve models of best practice, where good experience is applied in different fields. These best practices include wellbeing in hotel and restaurant industry, wellbeing in trade, wellbeing for entrepreneurs, wellbeing in the health services, and wellbeing in social affairs. For example, in the municipal sector, good personnel leadership is considered the key to a successful municipality (*Hyvä henkilöstöjohtaminen kuntasi menestystekijä*). In the book for the municipal sector the idea is to have good networking. This book is distributed to all 453 municipalities and with a total print of 28,000 copies. The idea is to develop a personnel strategy using and interpreting results from research. This is done jointly with the municipal federation and labour unions. According to the publication, an active workplace project has been launched in two-thirds of municipals. Thus, the municipal sector was in the forefront at the beginning of the 1990s. In spring 2000 a recommendation was made to apply the Balanced Scorecard model, whose key elements are the effectiveness of services and personnel ability related to wellbeing.

Daily leadership, nearest superior information

Work and work-time arrangement should take into account i) the flexibility to increase competitiveness and ii) the flexibility to increase the well-being of individuals. Individuals should be motivated in this way. New wage incentives have to be applied and new information about it distributed in a way that people consider justified. This is also very important owing to the trend of substituting incentive-based schemes for seniority payments. In these new pay schemes, individual evaluation of performance is important. However, it should be remembered that the content of work has even more importance than the wage level. Career opportunities are important especially for young workers. Work also has absolute value in monotonous work. Work can be part of daily time use and habits. Thus there are three constituents for wellbeing

- Remuneration, also individual performance
- The content of the work
- Work as an absolute value in relation to daily routines in life

5 Conclusions

Active ageing is about preserving one's autonomy, self-determination and choices as one grows. The active ageing policies aim at maximising social, economic and political involvement in society during the whole life time.

Actors and Networks

The central actors in implementing active ageing policies are ministries and other public institutes. The ministries involved are the Ministry of Social Affairs and Health, the Ministry of Labour and, to some extent, the Ministry of Education. In addition to its involvement in running active ageing programmes the Ministry of Labour conducts a working life barometer. Within the Ministry of Social Affairs and Health the Occupational Health Unit is an important actor. The main public institutes are the Finnish Centre for Pensions and the Finnish Institute of Occupational Health (FIO). FIO has been relatively active in conducting surveys on occupational-health-related issues. As a result, the work ability barometer has been developed that is intended to give, in the future, an index of general work ability and changes in it over time.

The networks between the actors are important. The active ageing policy in Finland has some of the advantages of networking in a small country. *First*, all three central ministries, the Ministry of Social Affairs and Health, the Ministry of Labour and the Ministry of Education co-operate with each other. Their success is largely based on this. In other countries, ministries usually have independent policies. *Second*, social partners include representatives of employers' and employees' organisations. *Third*, research organisations support the research. For example, in FIO ageing studies began as early as 1981. *Fourth*, active ageing policies also focus on firm-level issues and workplaces in addition to measures implemented at the individual and society level.

All these four factors – *co-operation between ministries, inclusion of all relevant social partners, research on ageing and firm-level actions* – are required. On the other hand, national programmes in other countries have not succeeded. An obvious explanation is the lack of some of the four elements, usually relating to administrative problems such as not having enough co-operation between ministries. Finland has also continued with the tri-party thinking, i.e. employee, employer and state co-operation. This has been desirable in active ageing policies. Therefore there has been acceptance by all labour market representatives for the need of reforms. A new pension scheme to be launched in 2005 was also implemented co-operatively, and can be said to represent a major reform in pension policy although the actual effects on the postponement of retirement can be disputed. One final difference in Finland compared with other countries for successful active ageing projects is that active ageing problems can be less acute in other countries.

Policies

Three important active ageing programmes have been implemented in Finland: the National Ageing Programme, the Well-Being at Work Programme and the Work Ability Programme. Projects are usually positioned in the Ministry of Labour or in the Ministry of Social Affairs and Health but in co-operation with all the ministries. Bureaucracy has been kept to a minimum with few full-time workers and the ministry staff assisting in the services required. It can be said that tri-party thinking is also shown so that the representatives of labour unions and employer confederations are represented on the boards. The further integration of different organisations will also be important in the future, to make use of different expertise in the ministries. National programmes have usually been non-permanent and end before elections that take place every four years. Since the latest parliamentary election of spring 2003, the Ministry of Social Affairs and Health has applied a new Veto programme (Back to Work program). The Ministry of Labour is planning implementation of programmes related to work life. The Ministry of Education is applying the NOSTO program. There is a threat that co-operation between ministries will be diminished if these programmes do not interact sufficiently

All programmes also intend to have firm-level policies. One line of route is personnel evaluation in connection to the firm's interim reports, where ageing issues are also dealt with. One advantage is that Finnish pension institutes are private. Pension institutes work as intermediaries and can compete with rivals by advising firms on pensions issues. Firms have a clear incentive to prevent disability pensioners emerging, since firms themselves have to pay a large part of the eventual pension expenses. The costs are increasing with firm size and large firms have the greatest incentive to avoid disability. Therefore, pension institutes have also developed active ageing programmes and services for firms.

Finnish pensioner associations are not very active. There is also no clear Internet network in pension issues on the part of pensioners. The only ones existing are the services for senior citizens maintained by the largest cities. The Finnish experience is by and large that networks exist as long as there are funds allocated for their maintenance. For example, the National Ageing Programme can be said to have created a very large network of mutual contacts that was partly terminated together with the ending of the programme in 2002.

Public debate

It can be said that the active ageing debate has become a neutral dialogue between the participants, while 7-8 years ago the discussion was emotionally biased. Economic interests of the parties were seen as influential in the attitude towards the ageing workers. The main participants are the social security

organisations, service providers, and the labour organisations and the discussion in connection to national ageing programs. It is believed that the authorities are utilising the public debate in policy design, and can be a way to extract the best ideas from the pool of ideas in the society. Public debate is also a form of feedback from the public, and affects the further development of policy.

The Finnish recession with a drop in GDP of altogether 16 percent in the early 1990s also prompted new thinking about wellbeing at work. The shock experience shifted the discussion from the individual to the workplace level, since it became apparent that macroeconomic shock and what happened in firms (and not individual laziness) was the main reason for mass unemployment. In addition to the changes in the attitudes of the participants, also the contents of the discourse have changed since the recession. At the beginning of the 90s "the wasteful labour markets policy" resulted in tossing the ageing workers out of workplaces. Along with the economic downturn, the public debate, which has adopted new tones supporting the ageing workers, has also influenced reformulation of employment practices and policies. The potentials and advantages of experienced workers have become accepted partly through the debate.

However, much of the public discussion also deals with the severe budget constraints in the public sector that has led to the levelling off of some of the social benefits. Public opinion is also in favour of further tax cuts. Recent discussion stems from Raimo Saira's report published by the Ministry of Finance after the new parliamentary elections that took place in spring 2003. Budget austerity and tax cuts are proposed as answers to the public finance problems in the near future. Public sector finance and welfare state maintenance is therefore an important part of public debate.

There might also have been some value changes that have decreased age discrimination. Firms give weight to productivity, image, and competitiveness but acknowledge the sincere fact that they will have to cope with an ageing population in the future. In Finland, immigration issues are also discussed actively. Despite this, it can be claimed that firms are not well aware about what to do in the future. It is clear that the trend in the decreasing importance of manufacturing will continue, while the service sector stays in Finland. The acute issue is that there is not enough personnel in health service. By 2010 the health sector will be the biggest industry, and problems with labour shortages will be not solved by mere privatisation. Public debate on these lines is likely to change, since currently there is still some unemployment in the health sector in specific regions, which will hide the apparent labour shortage in the very near future.

The remaining research tasks

Finland has implemented a new pension scheme to come into force in 2005 with the prospect of postponing retirement. The aim is to postpone retirement by three years, largely in line with the equal expected increase in life expectancy. Finnish pension institutes have done a lot of the research on the financing outcomes. But fairly substantial uncertainty about the eventual effects exists. Pension accrual is increased when retirement is postponed, but at the same time pension levels are not cut, rather the reverse. It appears that attitudes have to change to a large extent for postponement to occur. Ageing programmes and other schemes have been very important in achieving the new climate of thinking, but not enough is done.

There are some doubts about the success of active ageing in Finland without a new work life reform. The major problem in Finland is that the routes to exit from work are too generous. An example of a different kind of values is Japan, where the retirement age is 60 but few retire. Usually wages are renegotiated at a lower level but still exceeding the pension level, which is usually 60% of the pre-retirement wages.

A new act on labour is being planned that takes even better account of the workplace conditions and general well-being. It can be almost claimed that this benevolent planning and legislation is carried out to some extent by ignoring the hard facts of business life. As long as there is uncertainty in preserving one's job, no measure can hinder the individual from thinking of an economically affordable early retirement as an attractive alternative. The change in environment where the firms operate has thus been taken into account enough.

Economic values should also be fully perceived, since firms do not contribute without productivity effects. Macroeconomic evidence is not sufficiently considered. Labour force participation and shortage of labour in the near future will be important and the Federation of Employers has collected information on this recently. However, this is not always discussed enough in public. In the municipal sector half of the workers will have retired in three years, since the average age of the workers is 50 years.

Most of the discussion on active ageing deals with active ageing at work. However, active leisure will take on an increasing role in the future. Domestic work is also increasing with age before retirement. Domestic work is, on average, one third of the labour income for men and two-thirds of the labour income for women at age 50-64, when the wage rates applied are either those of a household helper (see Piekkola and Harmoinen, 2003). Currently, only 20% percent of the Finnish population aged 60-64 is in the labour market. At age 60, the expected life expectancy is 23.4 years for women and 18.6 years for men. These are expected to grow 0.8 year every five-year period taking post 1973 development as the basis or 0.5 years at every five-year period taking post

1948 development as the basis. So at 2030, an individual at age 60 can expect to live 3-5 years longer than today.

It is unlikely that the upward shift in the pensionable age will rapid enough to follow this fast track of longer lives. So it is clear that active ageing not only requires active motivation to continue to work but also the motivation to be active in non-work time and after retirement. Moreover, domestic work is also worth considerable economic value.

It can be said that the state of senior citizen policy is not very good. To begin with, voluntary work and activities are much less popular than, say, in the US. Senior citizen organisations have no strong tradition to take care of other elderly in a poor physical state. Given that the share of retired citizens will increase strongly in 15 years, the theory that much work has to be done to activate retired people to be active citizens is well founded. By now, retired people do not either have a very powerful private organisation to defend their interest. The second reason for relatively little activity is tri-partite thinking that, by and large, concentrates on labour market issues. The simple reason is that employer and employee organisations are really labour market representatives. Finally, most of the senior citizen activity that there exists is concentrated in big cities, where municipalities provide service houses. This encompasses, by and large, active leisure activities.

Finland as a benchmark for other countries?

The Finnish ageing programmes are sometimes considered as a success story. The debate about ageing and the national ageing programmes have brought about a change in perceptions. First, Finns have understood the necessity of the changes to the welfare state. Second, national programmes have helped reduce age discrimination in the labour market.

Finland can thus be claimed to be at the forefront in the implementation of ageing schemes. A natural explanation for this, besides the deep recession in the early 1990s, is that ageing of population takes place about 15 years before the average in European countries. The programmes are usually implemented for three or four years. Hence, one acute problem is the loss in network interaction when the programme is seized. The Finnish Institute of Occupation Health represents continuity in this respect. The board also includes members from the main labour institute organisations so the interaction and networks in the tri-party thinking work reasonably well.

One could argue that firms and the private sector have a considerable interest in the programmes and have widely participated in the activities arranged. In this respect, there should also be a clear continuity in the programmes in the future. On the other hand, both representatives from the labour unions and ageing programmes (Kajja Kallinen from SAK and Juhani Ilmarinen from FIO)

are of the opinion that there still remain many work culture characteristics in workplaces that hinder the adoption of ageing-related policies.

There does not seem to be much criticism of the ageing programmes. One reason for this is the acute problem of demographic change. Ageing takes place 15 years earlier than in many other countries and is inevitable. There is no uncertainty related to fertility in the future that could change the immediate effects of ageing in the coming 20 years. Further, immigration has traditionally been low and any major immigration is unlikely to occur. In other countries, ageing is a more postponed issue. Furthermore, the population forecasts in Eurostat predict an increase in the population of about 10% owing to immigration in many countries in 50 years. It is clear that with this prognosis the ageing problem can be more easily considered to be less acute. However, the fertility rate in the Nordic countries of 1.7-1.9 is considerably higher than in many continental European countries, 1.2 in Italy, for example.

Another reason for the lack of criticism is also that no conflict of interest exists in the joint effort of enabling individuals to have longer working lives. The impression is that things would have proceeded worse, if programmes had been launched separately within ministries or within specific departments in Ministries. The positive attitude must be due to the ability to refrain from being too bureaucratic in approach. One reason for the lack of criticism is that programmes are primarily channels for information and opportunities for networking. It is hard to criticize the spread of information. In tri-partite thinking one problem can indeed be that all the hard decisions are to be made behind the scenes and not brought out enough to public discussion. The objective of the programmes has not been to create very detailed recommendations or to produce direct legislation that binds workplaces.

The programmes have also been criticised for not being interdisciplinary enough in academic fields. The Finnish Institute of Occupation Health represents some continuity in research but the connections to other branches such as economics are too weak. The main problem in this respect is the concentration on medical issues or work ability, but perhaps even more so in many other countries. Future work will need more interdisciplinary measures, in which all research institutes participate.

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Kaija Kallinen SAK social policy secretary, special fields include pension schemes, 358-9-7721 444, 358-40-5002417 (kaija.kallinen@sak.fi).

Matti Lamberg, Ministry of Social Affairs and Health, Occupational Health Unit (Työterveyshuollon neuvottelukunta)

Pertti Linkola, Ministry of Labour, National Ageing Program

Tuulikki Petäjaniemi, Project director, National Well-being at Work Program

Kaj Husman, Director, Department of research and development of occupational health services OHS in FIO (Finnish Institute of Occupational Health)

Juhani Ilmarinen, Director Department of physiology in FIO (Finnish Institute of Occupational Health).

ELINKEINOELÄMÄN TUTKIMUSLAITOS (ETLA)
THE RESEARCH INSTITUTE OF THE FINNISH ECONOMY
LÖNNROTINKATU 4 B, FIN-00120 HELSINKI

Puh./Tel. (09) 609 900
Int. 358-9-609 900
<http://www.etla.fi>

Telefax (09) 601753
Int. 358-9-601 753

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