

## **Longer careers?**

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# 'VETO' PROGRAMME INDICATORS



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## Summary

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The development of worklife as a whole has progressed in keeping with the objectives outlined in the 'Veto' programme, i.e. the national programme for increasing the attraction of worklife. The aware-ness of them has increased, people have a favourable attitude towards worklife and retire on a pension later than before. The key objective has been to extend working careers by means of social and health care services.

The programme has provided a forum for examining problems of worklife and the reasons behind them. It has enabled a large-scale discussion with stakeholders, NGOs and research institutes. Also, a great number of development projects were funded through the programme.

The implementation of reforms presupposes that attitudes are changed in a direction that is favourable to them. This was seen, not only as an independent objective but also as a means of supporting other objectives. During the programme, attitudes were altered in a more favourable direction towards work, and worklife issues, problems and solutions were taken up for discussion as important themes.

The monitoring group for the 'Veto' Programme drew up its first follow-up report in 2006. This report is a continuation of it. The relevant statistics and indicators have been updated and changes have also been evaluated on the basis of surveys and studies. A further aim has been to develop the indicators making use of the experiences gained.

**Key words:** employment rate, industrial accidents, length of working careers, 'pull' indicators, reconciliation of work and family life, retirement age expectancy, sickness absence



## Foreword

The objective of the Veto Programme (2003-2007) was to make work attractive both in the immediate and long term. This is one of the four main strategies of the Ministry of Social Affairs and Health in the development of social welfare and health policy.

The cross-administrative Veto Programme can also partly be seen as a continuation of the objectives of three large-scale programmes and the means of implanting their results. The five-year National Programme for Ageing Workers ended in spring 2002. The National Well-being at Work Research and Action Programme and the Workplace Development Programme (Tyke) ended in 2003.

The Veto Programme has been run in partnership simultaneously with other programmes, such as Tykes (2004-2007), Noste (2003-2009) and the Kaiku Project (2003-2007). There has also been cooperation in projects to improve working life with the labour organisations, Research Institutes and insurance companies.

The Ministry of Social Affairs and Health set up a monitoring group for the Veto Programme to cover the period 24.6.2004–31.12.2007. Its objective was to discover how the aims of the Programme were progressing. The monitoring group's Chairman was Rolf Myhrman, Deputy Director-General, Min. Soc. Affairs & Health. Its members were Hannu Jokiluoma, Development Manager, Min. Soc. Affairs & Health, Ritva Partinen, Senior Officer, Min. Soc. Affairs & Health, Päivi Yli-Pietilä, Senior Research Officer, Min. Soc. Affairs & Health, Heikki Palm, Ministerial Advisor, Min. Soc. Affairs & Health, Ismo Suksi, Project Manager, Min. Soc. Affairs & Health, Ilkka Nio, Senior Planning Officer, Ministry of Labour, Reijo Aholainen, Counsellor of Education, Ministry of Education, Hannu Lipponen, Senior Research Officer, Timo Kauppinen, Team Leader, Finnish Institute of Occupational Health, Timo Sinervo, Senior Researcher, National Research and Development Centre for Welfare and Health (Stakes), and Anna-Maija Lehto, Development manager, Statistics Finland. The work group's secretaries were Kari Gröhn, Senior Research Officer, Min. Soc. Affairs & Health, Olavi Parvikko, Senior Officer, Min. Soc. Affairs & Health, and Riitta Sääntti, Ministerial Advisor, Min. Soc. Affairs & Health.

The first follow-up report was out on 29.5.2006 (Reports of the Ministry of Social Affairs and Health 2006:24). This report is its sequel. The statistics and indicators have been updated and the changes have been assessed with reference to reports and studies. The indicators have been developed on the basis of experiences acquired.

Helsinki, December 2007

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# Sisällys

Introduction .....	15
2 The veto Programme's objectives .....	17
3 Career extension .....	19
3.1 Career extension supports Government Programme .....	20
3.2. Career extension depends on improved work ability .....	22
3.3. Extending the end of work careers .....	25
3.4. Problems at the start of careers.....	28
4 Reduced absence from work due to sickness .....	33
4.1 Differing definitions of work ability .....	33
4.2. Work ability problems and absence.....	35
4.3 No decrease in absence from work due to sickness .....	36
4.4. Partial daily sickness allowance .....	39
4.5. Incapacity for work.....	40
5 Safeguarding and sustaining work ability .....	45
5.1. Occupational healthcare still not completely comprehensive .....	46
5.2 Developing the content of occupational healthcare services.....	47
5.3. Occupational healthcare and rehabilitation .....	48
5.4. The development of safety in the workplace .....	50
5.5. Incidence of accidents at work and occupational disease.....	51
5.6. Frequency of serious accidents .....	54
6 Promoting a healthy lifestyle .....	57
6.1. Reducing smoking.....	57
6.2. Alcohol consumption among those of working age .....	60
6.3. Alcohol-related illness and death.....	64
7 Reconciling work and family life .....	67
7.1. Developments through legislation and on the basis of collective agreements.....	69
7.2. Childbirth and paternity leave.....	70
7.3. Work, employment and equality .....	72
8 Incentives, remaining at work and returning to work .....	75
8.1. Employment of the potential reserve workforce .....	75
8.2. Shortage of labour and unemployment as concurrent phenomena.....	77
8.4. Universal incentives for employment.....	78
8.3. Structural unemployment is down.....	78
8.5. Influence of pension scheme incentives .....	81
9 General climate and changing attitudes.....	83
9.1. Work still has value .....	83
9.2. Areas of dissatisfaction seen in working conditions.....	86
9.3. Continuing at work .....	88
9.4 Communications have supported the Programme and altered attitudes.....	90
9.5. A host of communications channels and campaigns.....	91
References/sources .....	94



## To the reader

The developments which have been witnessed in working life have in many respects reflected the objectives of the Veto Programme. These have become familiar, attitudes to work are more positive and people are retiring later. The core aim has been to help extend work careers generally and in particular by means of the remedies afforded under social welfare and health policy. Pension, occupational healthcare, health and safety reforms and developments in rehabilitation have had crucial importance in this work. Following the enactment of laws there is the need to apply and interpret them, as well as for the development, spread and implantation of best practices. Of vital importance too are the interfaces between different systems, such as occupational healthcare and rehabilitation.

An important start to the debate has been the compatibility of work and family life from the broad perspective. Work, employment, equality, productivity, childbirth, family leave, absence from work due to family circumstances, flexitime and family welfare together make up a whole, where every ordinary event is in the long term linked to economic and social development. A workable balance is being evolved between family welfare, company prosperity and social objectives, in such a way that everyone benefits.

The Veto Programme has provided a forum for examining problems in the workplace and the reasons that lie behind them. The debate has succeeded in being a broad one, involving stakeholders, organisations and research institutes. The Programme also helped finance numerous research and development projects.

Many of the aims of Veto remained unachieved, however. Absence from work through sickness has not fallen, the number of accidents at work has risen, alcohol consumption overall has not gone down and the age at which people start work has not been brought forward.

Work ability is linked to healthy lifestyles and health behaviour. So crucial factors here are smoking and reduced alcohol consumption amongst those of working age. Practices connected with absence from work through sickness and addressing these problems early on need to be developed further and safety culture and safety management need improving. Better well-being at work is also important from the point of view of productivity.

For the reforms to be accomplished the attitudes to them need to be more positive. This was seen not only as an independent goal but also as a way of supporting other objectives. Communications have had a huge part to play in the implementation of the Veto Programme's objectives. Communications made unbiased use of different channels and lobbies. The target groups were

various administrative sectors, experts and actors, and the general public. Reports on the research and development projects financed under Veto were produced after they were over.

At the start of the Programme period communications focused on the Programme's content and aims. At the end there was more focus on reporting the changes and results. A lot of work went into improving the general climate and people's attitudes throughout the entire Programme period.

There now follows a description of the Veto Programme in table format where the objectives are rated according to their importance, mainly on the basis of timeliness of implementation. There is also an evaluation of the direction the main indicators are going in – successful or otherwise – and additional clarifying remarks.

+ = important

☺ = trend mainly positive

++ = highly significant

☹ = no change or contradictory developments

+++ = very important indeed

☹ = trend mainly negative

## Veto Programme objectives: monitoring

Objective	Rating	Trend	Indicator	Remarks
Time at work to be extended by 2-3 years (2002-2010)	+++	☺	<ul style="list-style-type: none"> <li>Retrurenent age</li> <li>Age at which disability pension is taken</li> </ul>	<p>People are retiring later and the employment rate has risen. The expected age at which employees retire is now later, thus: 1996-2001-2006: 58.8-58.9-59.5.</p> <p>The expected time in being part of the workforce for those in work among 50 year olds in particular has been extended considerably, thus: 1996-2001-2006: 57.2- 58.4-59.4.</p> <p>The age-adjusted starting point for disability pensions rose until the start of the 2000s, but since then it has declined. The decline for men actually only began after 2003.</p>
Absences due to illness down by 15% (2002- 2007)	++	☹	<ul style="list-style-type: none"> <li>Absences due to illness (Statistics Finland)</li> <li>Absences due to (KELA)</li> </ul>	<p>Absences due to illness (self-reported), according to a workforce survey carried out by Statistics Finland, and the number of days for which a sickness allowance was paid, according to KELA (Social Insurance Institution of Finland) statistics, have increased.</p> <p>The proportion of days people were off sick from work compared to the number of days worked is higher in women than in men. Over the long term, the number of days taken off for illness per employee and the number of days people were off sick have both risen. In very recent years, however, there seems to have been a slight fall in the trend for women, although with men there is a rise.</p>
Frequency of accidents at work and the trend in new occupational diseases to fall by 40% and both to be less serious (2002-2010)	++	☹	<ul style="list-style-type: none"> <li>Accidents at work (work-related)</li> <li>Serious accidents</li> <li>Fatal accidents</li> <li>Occupational diseases</li> </ul>	<p>In recent years the number of occupational diseases among employees and accidents and deaths in the workplace has remained more or less the same, though very recently there has been a slight rise.</p> <p>The number of accidents at work fell during the recession of the 1990s. The frequency of accidents remained more or less at the same level for a long time. In recent years there has been a rise.</p> <p>The trend in the frequency of serious accidents is roughly the same as for all accidents at work.</p>
Tobacco and alcohol consumption among people of working age to fall (2002-)	++	☹	<ul style="list-style-type: none"> <li>Number of smokers</li> <li>Alcohol consumption</li> </ul>	<p>Just under a quarter of men and a little less than a fifth of women smoke. Over the long term, however, there has been a drop in the number of men who smoke in all age groups. With women the situation seems to have stabilised at the current level.</p> <p>Average alcohol consumption per head of population has gone up dramatically over the long term. Consumption in the 2000s now seems to have stabilised at a little over 10 litres.</p>
The quality and availability of occupational health services to improve and cooperation with rehabilitative services to be stepped up	++	☹	<ul style="list-style-type: none"> <li>Coverage</li> <li>Content</li> <li>Partnership arrangements</li> </ul>	<p>Employers had organised occupational healthcare for 92% of employees in 2006. Coverage improved until 2000, but since then it has remained at the same level or even fallen slightly.</p> <p>The content of occupational healthcare has seen a favourable trend. The extent to which employees have been in receipt of occupational healthcare services has grown steadily and the trend in occupational healthcare has moved more in the direction of preventive care.</p>

Objective	Rating	Trend	Indicator	Remarks
Greater subsistence security (minimum income) and incentives for pension schemes	++		<ul style="list-style-type: none"> <li>Financial incentive for subsistence security, pensions and earnings</li> </ul>	<p>According to a survey in 2004, Occupational Healthcare in Finland, around half of the occupational healthcare units (54%) made arrangements for rehabilitation with an employer every month and 41% less frequently than every month. 37% cooperated with KELA every month and 56% less frequently than every month.</p> <p>Pension reform incentives have had the desired effect.</p> <p>The threshold salary for someone on an unemployment allowance has gone down and so the incentive to find work has improved at all income levels.</p> <p>The pension reform also includes incentives which acknowledge the importance of study and the compatibility of work and family.</p>
Establishment and implementation of a comprehensive family policy programme	+		<ul style="list-style-type: none"> <li>Programme which support families</li> <li>Family policy measures</li> </ul>	<p>A new policy programme of the second Vanhanen term is the Children's, Young People's and Families' Welfare Policy Programme.</p> <p>The use of the paternity allowance has increased.</p> <p>The average age of first-time mothers has risen steadily.</p> <p>The trend in gender equality has been positive, although that favourable development appears to have slowed down.</p>
General climate and attitudes to support the Programme's objectives	+++		<ul style="list-style-type: none"> <li>Public debate</li> <li>Gauging attitude and opinion</li> <li>Feedback received on Veto</li> </ul>	<p>58% of employees thought that work was an essential element in their life. The opinions of men and women and those with differing professional status are very similar. Over the long term (1984-2003) the status of work appears stable. But there has also been an increase in appreciation of family life and leisure time.</p> <p>The debate on the attraction of work, working conditions and well-being at work has livened up and there are more angles to examine these issues from, which also gives strength to positive views of work and working conditions. It has been found that work is of enormous importance as a factor which promotes and maintains health.</p>

Many different channels were employed in communications about the Veto Programme. The following table is a summary of them and numbers of visitors, viewers, etc.

Media	2003	2004	2005	2006	2007
Fairs		13	15	17	9
Attended by		191 401	284175	207 759	
Events	1	8	9	12	8
Attended by	276	1 249	1 732	1 433	
Publications					7
Ministry of Social Affairs and Health	4		6	10	13
project publications					30 000
Stickers					
Campaigns	Autumn: Don't be a Masochist	Spring: Don't be a Masochist	Partial Sickness Allowance cam- paign	Happily Married to Work Talk about it Advisory referendum	
Television - numbers of viewers		Veto series (10 five-minute pro- grammes; 500,000)	Duuniblues (‘Work Blues’; 10 30-minute pro- grammes; 48,000)	Veto help for well-being at work (five five-minute programmes)	
Radio		Sävelradio		Information session ▪ 62 stations 1,611.000 listeners Työelämän luontoilta (Pro- gramme about work) ▪ 25.11.2007 400,000 listeners	
www.klinikka.fi	19.11.2004 website launch			Total of 500,000 hits/visitors by 24,8,2007	



## Introduction

The objective of the Veto Programme (2003-2007) is to make work attractive both in the immediate and long term. The Programme incorporates a range of targets, measures and development projects connected with the general aim to improve working life and with other programmes of the administrative sectors. The measures under the Veto Programme are targeted at work and jobs and the organisations which are extremely important to sustain and promote an individual's work ability, to prevent premature incapacity for work, and for rehabilitation.

In Finland the group reaching working age (15 to 24 year olds) has been smaller in size than that retiring (55 to 64 year olds) since 2003. People over the age of 50 now account for three-tenths of the entire workforce.

Problems of availability of the workforce have reached crisis point. A particular challenge is the balancing act to ensure that different sectors are provided with a supply of skilled labour. Our own challenge is to discover how this can be achieved both in the growth centres and in areas which are seeing their populations decline. A general rise in the employment rate is immensely important, given these circumstances.

The sustainable financing of social security relies on lengthy work careers. Careers will need to be extended both at their start and their end. In the next few years the large age groups will be retiring. In 2005 the over 65 year olds accounted for 16% of the population. According to demographic forecasts that figure will rise to 23% by the year 2020. If there is to be balanced population development, the birth rate will need to be kept high. For this there needs to be compatibility between the functions of work and the family.

If they are to succeed, the reforms in employment and social security made in the 2000s will require the effective implementation of laws and best practices. The most important reforms are pension legislation (2005), the Occupational Healthcare Act (2001), the Occupational Safety and Health Act (2002), the Work Safety Supervision Act (2006) and the reform in the rehabilitation services (2004).



## 2 The Veto Programme's objectives

The Veto Programme has nine objectives in all. They are partly universal and partly specific. They are also partly 'genuine' objectives and partly more in the nature of remedies or target-oriented policies. The aim was to accomplish the Programme objectives through 'programme policy remedies'. This was necessary because of the sheer scope of the objectives. With a programme-type operational strategy it is possible to garner the efforts and expertise of the different administrative sectors, stakeholders, interest groups, and research organisations over the years to achieve a target. The Veto objectives form an integrated whole, although the time taken for them to be accomplished has varied.

The Programme's objective are:

1. Working life to be extended, lasting 2-3 years longer than currently (years 2002/2010 as a comparison)
2. Absences due to illness to fall by 15% (years 2002/2007 as a comparison)
3. The frequency of accidents at work and the incidence of occupational diseases to decrease by 40%, becoming less serious (years 2002/2010 as a comparison)
4. Tobacco and alcohol consumption among people of working age to decrease considerably (from 2002)
5. The age at which people start work to be brought forward (the change being visible from 2004)
6. To establish and implement a comprehensive family policy programme
7. The quality and availability of occupational health services to improve and cooperation with rehabilitative services to be stepped up
8. Greater incentive of subsistence security and pension schemes; more people to remain at, or return to, work (throughout the Programme period)
9. The general climate and attitudes to change in a way which encourages approval and attainment of the Programme's objectives (2004-)

It is customary for programmes to set their targets in such a way that they transcend not only the boundaries between administrative sectors but also the sectoral boundaries for laying down policy. The idea is to achieve an effectively influential and manageable package by bringing together strategically important individual aims. That has also been the case with the Veto Programme.

Viewed separately, the Veto objectives are housed in several sectors of social policy. They are concerned with policy on pensions, the labour market, the workforce and education and training. They are furthermore concerned with aspects of public health, and health and safety at work.

There are problems connected with the achievement of programme objectives and their evaluation. Programmes are not just instruments used for aspiring to objectives. Policy on pensions, the labour market, the workforce and education and training has also and will also be laid down outside the Veto Programme and regardless of it. The same is true for promoting public and occupational health. Employment and the employment rate are affected by global and domestic economic developments, so a programme's results and impact are hard to isolate and analyse separately.

What makes it more difficult to conduct an evaluation is that the objectives of programmes – and that includes Veto – are often in the nature of a process. Their implementation relies not only on laws to be enacted but also barriers to be broken down, multilevel organisation, training and implantation. All this takes time, coordination, administration and cooperation on many forms.

The process-like nature of the objectives means that the entire undertaking is made up of direct and indirect effects. The end result is the sum of very many factors. The greater the scope of the objective, the more important it is to give attention to how its realisation is organised and executed. Several of the targets are set for the year 2010, i.e. over rather a long time frame, so impact is as yet not very clear.

### 3 Career extension

The Programme's general objective is to promote people's full engagement with professional life and enhance the attraction of work as an alternative prospect to simply retiring. The main aim was career extension. This was given shape in the form of two objectives:

- *Working life to be extended, lasting 2-3 years longer than currently (years 2002/2010 as a comparison)*
- *The age at which people start work to be brought forward (the change being visible from 2004)*

If the aim is to extend people's work careers and achieve a 75% employment rate over the long term, people need to start work earlier on and leave work later in their lives. The first aim can be achieved if people transfer to study courses promptly after leaving school and matriculation and if qualifications are gained within the standard time frame. It is also important to try and avoid successive courses at the same level and cut the incidence of dropping out of studies.

The huge pension reform of 2005 contains key remedies that take the form of regulations on leaving work later on in life. The fixed pension age was replaced with a more flexible option and individual early retirement and the unemployment pension were done away with entirely within the context of certain transitional periods. .

Developments in professional life over the long term have been favourable. Health and safety in the working environment have undeniably improved over the three last decades. Huge efforts have been made to improve occupational healthcare and reduce the number of accidents. The structural changes that have occurred in working life have aided this positive trend. The professional structure has become predominantly white-collar, and working practices and technologies have been modernised. At present around 70% of the workforce do what is essentially white-collar work and just under a third do manual work.

The physical aspect of work has declined and has become conceptualised. With technical developments and structural change a considerable number of former professions and occupations have gone, new ones have emerged and the content of the job has been changing in more and more fields. The proportion of highly educated/trained employees has grown and the number of poorly educated/trained employees has obviously dropped. Of course, these changes are also continuing because modern-day forms of production and services require research, product development, effective supervision of production and diverse marketing strategies. It is also worth noting that professionals who only made very occasional use of technology before now use new technology. It is vital

to emphasise the role of skills and the importance of keeping them up. Some studies suggest that the value of investments in human resources has trebled in the last 50-60 years compared to material investments. The importance of human resources has grown steadily (Työ ja Terveys Suomessa 2003).

Professional life appears to be a sort of 'mosaic'. The working environment in some places has improved, but partly deteriorated; the work community has mainly got better, as have opportunities for study and the management of work. On the other hand, the trend in health and work ability has not been favourable in every respect. The situation varies, however, from one sector to another (Työ ja terveys Suomessa 2003).

As with many other areas of life, work is breaking its bonds in terms of time and place. We have progressed towards a 24/7 'always open' society, where services are produced globally.

With improvements in working conditions traditional problems are becoming fewer, but they are not vanishing completely. The number of old professions which are risk-prone is declining, but they are not predicted to die out altogether. Estimates suggest that a third to a fifth of the workforce is also exposed to traditional dangers in the work environment, as well as occupational disease, accident, and physical, chemical and biological risks, even in the most advanced societies.

In place of the old risks, or to add to them, have come new ones. The European Commission's new health and safety at work strategy for 2007-2012 highlights the importance of preventing psychological problems and promoting good mental health in the workplace. Special 'risk probes' have been developed to survey the range of new risks (Työ ja terveys Suomessa 2006).

### ***3.1 Career extension supports Government Programme***

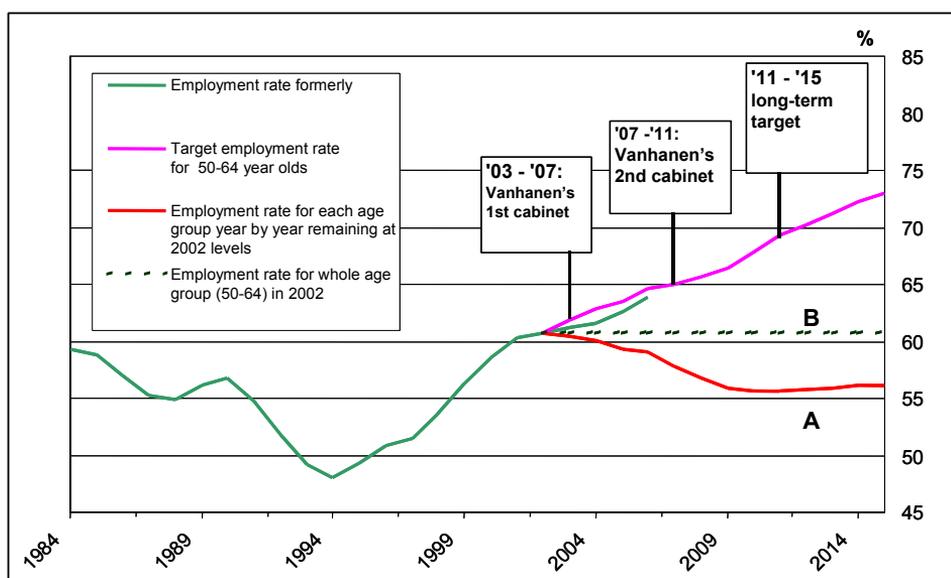
The Veto Programme's objective to extend the period for which people go to work in their lives by 2 – 3 years is consistent with the employment targets in Matti Vanhanen's first and second cabinet. In the first Government Programme the main target for economic and employment policy was to increase employment by at least 100,000 during the electoral term 2003-2007. This would mean a rise in the average employment rate to 70%.

The target of Vanhanen's second cabinet is to boost the employment rate to 72%, which would mean the creation of 80,000 – 100,000 new jobs. The long-term aim is for the employment rate to be raised to 75%. For these targets to be reached the age at which people in the oldest age groups leave work will need to go up. This would mean that, while the expectation now is for 50 year olds to stay at work now until they are about 60, that should be raised by one to two years in four years' time.

If the unemployment rate for the over 50s for each age group year by year were to remain at 2002 levels, expectations of the age at which they leave work would also remain constant. In this case the employment rate for 50-64 year olds would have gone down.

This is shown in Figure 1 as the difference between curves A and B. It is due to the change in the age structure in the years to come. The over 60s will account for a greater share of the workforce and the 50-60 year olds a smaller share. Thus, the employment rate needs to rise in the 55-59 and 60-64 age groups in particular for the targets for employment to be achieved.

Figure 1. The employment rate for 50–64 year olds 1984–2006 and predictions for 2002–2015 based on various assumptions.

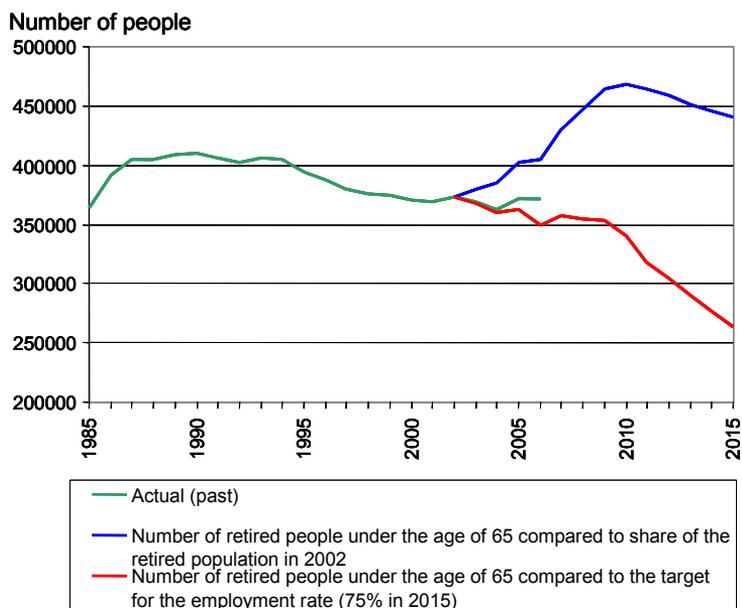


The former employment rate is slightly below target, but the trend is up. There is a strong link between the age at which people leave work and the employment rate. Over the next few years the increase in one year in the age at which the over 50s leave work corresponds roughly to a 3-5% change in the employment rate for those between 50 and 64. Similarly, the growth in one year in the age at which people leave work increases the number of employed people by around 30,000–50,000, depending on the changes in the age structure.

The number of retired people is increasing dramatically, as the large age groups are reaching retirement age. If the large age groups and ageing people stay at work longer, the growth in the number of people retiring will be slower. It must also be possible to reduce the incidence of early retirement. Even if the early retirement rate annually is not so great, the numbers are critical when

looked at cumulatively. Figure 2 shows the possible trend, given differing assumptions. If the long-term aim for a 75% employment rate is to be achieved there will have to be a reduction in early retirement. At the same time it means that the cumulative number of those retiring under the age of 65 will fall sharply.

Figure 2. Number of 65 year olds on a pension (own arrangements)1985-2006 and projections for 2015



Situation at the end of each year. Those in receipt of a survivors' pension or part-time pension are not included. Only those on retirement pensions resident in Finland are considered.

Sources: Min. Soc. Affairs & Health, Finnish Centre for Pensions, KELA (statistics on Finnish pensioners), Statistics Finland (population forecasts), ITC

### 3.2. Career extension depends on improved work ability

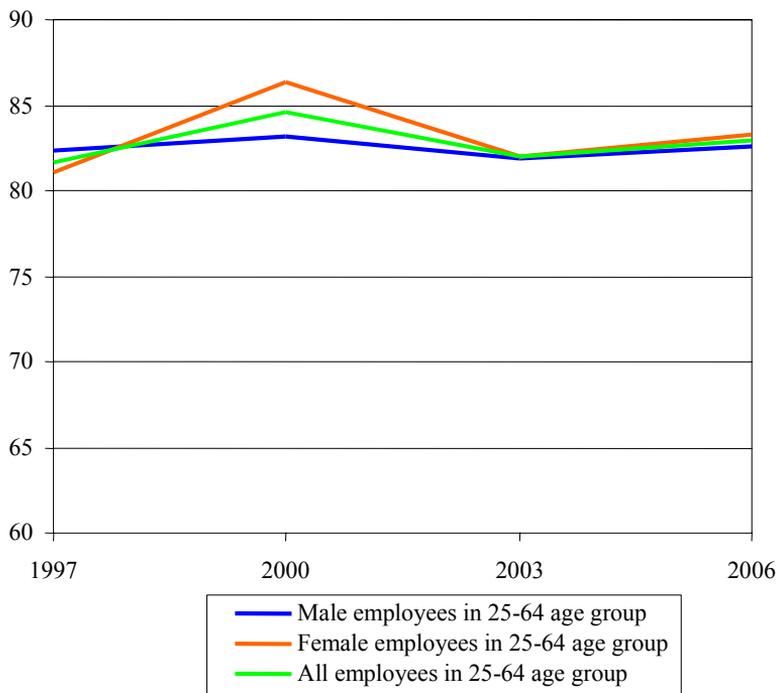
Career extension depends on a lot of things. First of all, economic developments must be favourable. Lengthy careers depend on levels of employment, and periods when there is unemployment should not be too long. In addition, the work ability of employees needs to be improved in order for them to be able to cope at work for as long as possible. In these respects the trend has been good in recent years.

Good work ability and the ability to function in conjunction with low levels of retirement are the key prerequisites for long careers. They would appear to

establish a basis for the supply of labour, without which favourable economic growth is not possible.

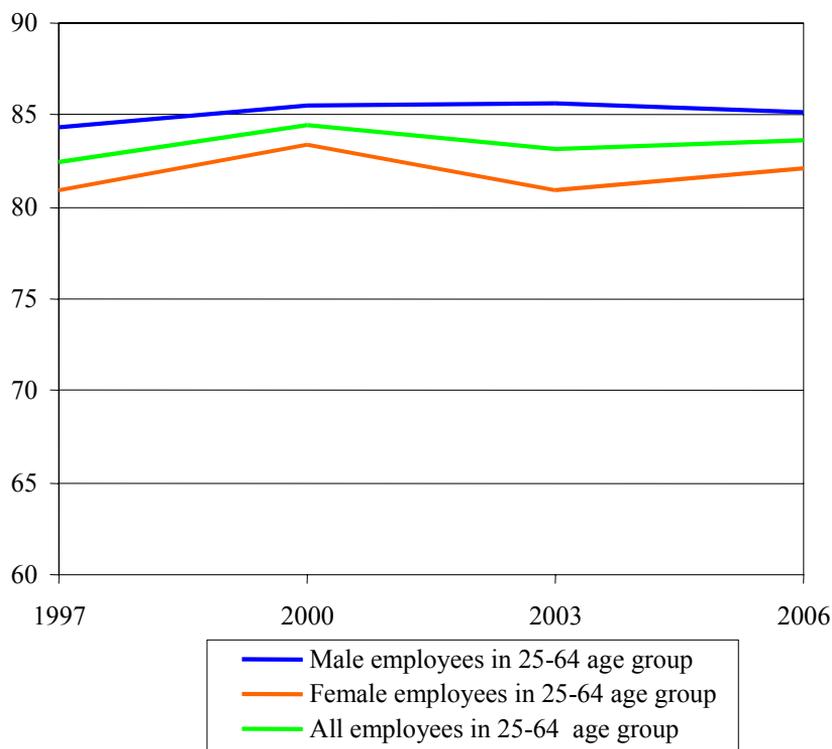
In the area of physical ability to function things have got better, But the situation regarding mental ability to function has remained as before for a longer time, although, in the case of women, there seems to have been an improvement (Figures 3 and 4)

Figure 3. Share of employees of 25–64 years of age with excellent or fairly good manual work ability 1997-2006



Source: Finnish Institute of Occupational Health (Työ- ja terveys Suomessa; studies from different years)

Figure 4. Share of employees of 25–64 years of age with excellent or fairly good mental work ability 1997-2006

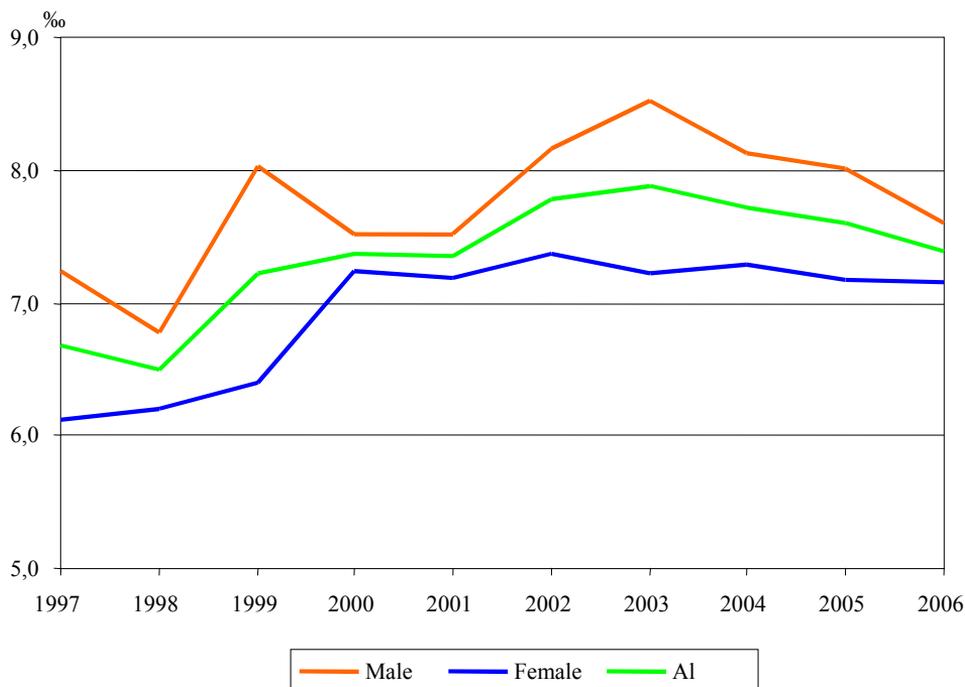


Source: Finnish Institute of Occupational Health (Työ- ja terveys Suomessa; studies from different years)

Obviously, the earlier on people take a disability pension the shorter the career is. Some of the age groups reaching the age when people start work retire on a disability pension without embarking on any type of career – because they are ill or disabled. Among the older age groups the various conditions which get worse with age impair work ability. The problem is a common one all over Europe. The OECD has started to pay a lot more attention to the employment of the disabled.

There has been a link between the number of disability pensions and the age structure of the population. The age-adjusted starting point for disability pensions rose until the beginning of the 2000s, but thereafter fell again. With men the starting point actually began to take off in 2001, but it seems to have fallen again since 2003 (Figure 5). There will need to be fewer applications for a pension than at present among those in mid-career – the 35 to 54 year olds - for the employment rate targets to be reached.

Figure 5. The age-adjusted starting point for disability pensions granted in the 35-54 age group 1996-2005; figures per mil.



Source: Finnish Centre for Pensions

Constant population = those in 2005 not on a pension but insured under an employment pension

### 3.3. Extending the end of work careers

Different indicators clearly show a positive trend in career lengths. The average age for retiring was 58.4 in 2006, which is an increase of 0.8 compared to 2002 (the reference year in the Veto objectives). The median age for taking a pension was 60.1 (Finnish Centre for Pensions statistics report 5/2007).

Poor levels of employment and the onset of disability/incapacity for work are usually processes that take years. What therefore happens in terms of health, work ability and employment after the age of 50 is decisive for the end of a working career. Potentially, there is still a lot of time left at the end for staying on at work.

The trend has been a positive one. Life expectancy and expectations regarding being part of the workforce and the period of time people are actually employed have all increased (Table 1). The increase in life expectancy appears to have 'moved' to expectations regarding being part of the workforce and the period of time people are actually employed.

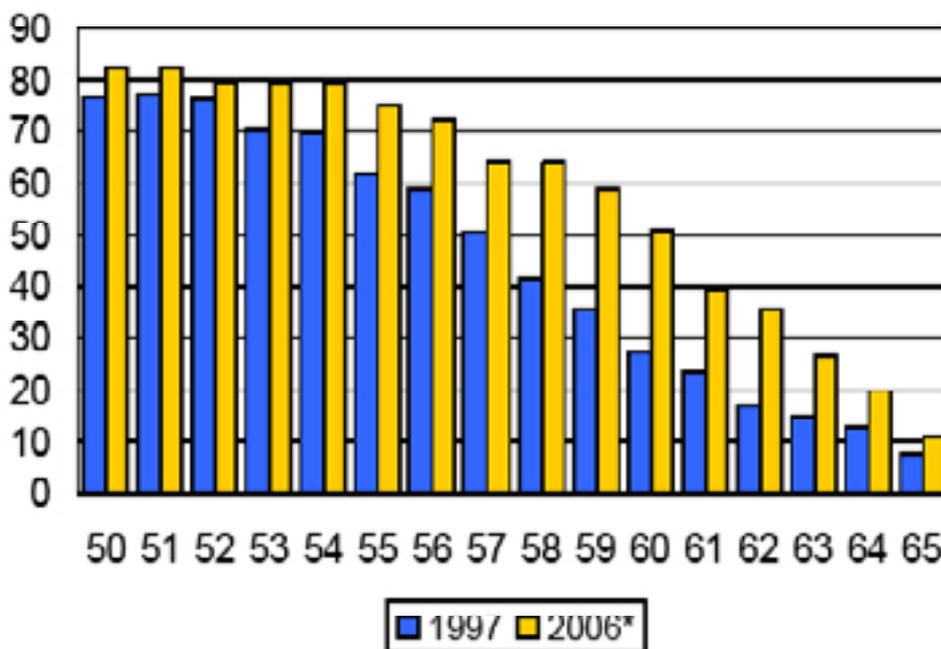
Table 1. Life expectancy and expectations regarding being part of the workforce and the period of time people are actually employed at the age of 50 in the period 2000-2006 (MS all, M males, F females)

Year	Life expectancy			Part of workforce			Time employed		
	Total	M	F	Total	M	F	Total	M	F
2000	30.2	27.3	32.7	8.8	9.0	8.7	8.1	8.3	8.0
2003	30.7	28.0	33.3	9.3	9.5	9.1	8.7	8.8	8.5
2006	31.5	28.6	34.2	10.0	9.9	10.0	9.4	9.3	9.4
Increase									
2000-2006	1.3	1.3	1.5	1.2	0.9	1.3	1.3	1.0	1.4

Data: Min. Lab./Stats Finland, lifetime tables and workforce survey

The growth in expectations is also visible in employment rates, which have improved particularly in the older age groups, i.e. the 55-64 year olds (Figure 6). What appear to be just slight delays in retirement are reflected dramatically in employment rates.

Figure 6. Employment rates among 50 –65 year olds in 1997 and 2006



Source: Workforce survey 1997 and 2006, Statistics Finland

From the viewpoint of pension policy too, there has been clear progress made in the Veto objectives. With the pensions reform in 2005 it became possible for everyone to retire at the age of 63 instead of 65. During the first year some 11,000 63-64 year olds took advantage of the change. But for these, the expectations for the retirement age in 2005 would have been 0.2 years higher. In 2006, however, the incidence of retirement in the 63-64 year old age group decreased and the number of people who worked increased, and so the expectations for the retirement age rose again substantially. Moreover, expectations by age group have also risen (Figures 7 and 8). The expectations for men and women are virtually identical.

Figure 7. Expectations for the retirement age by age group (all on an employment pension)

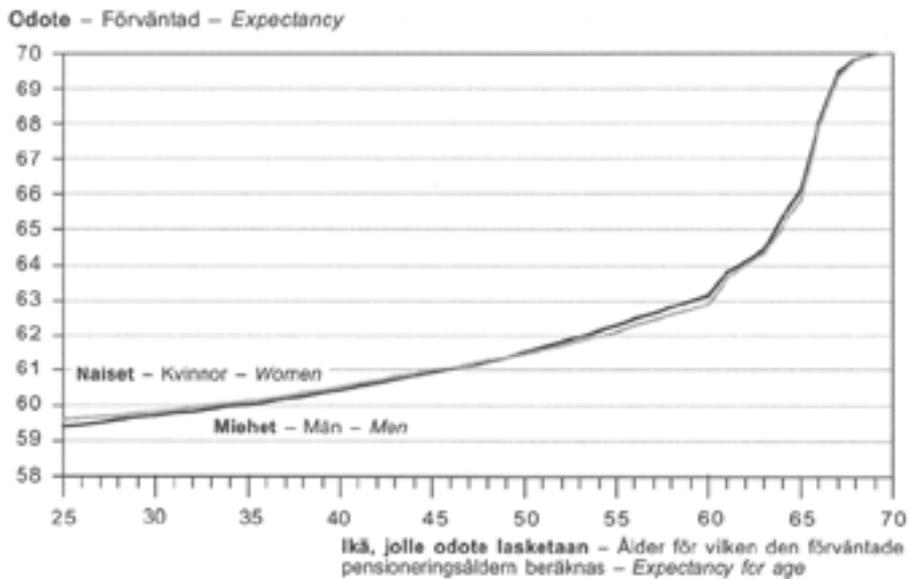
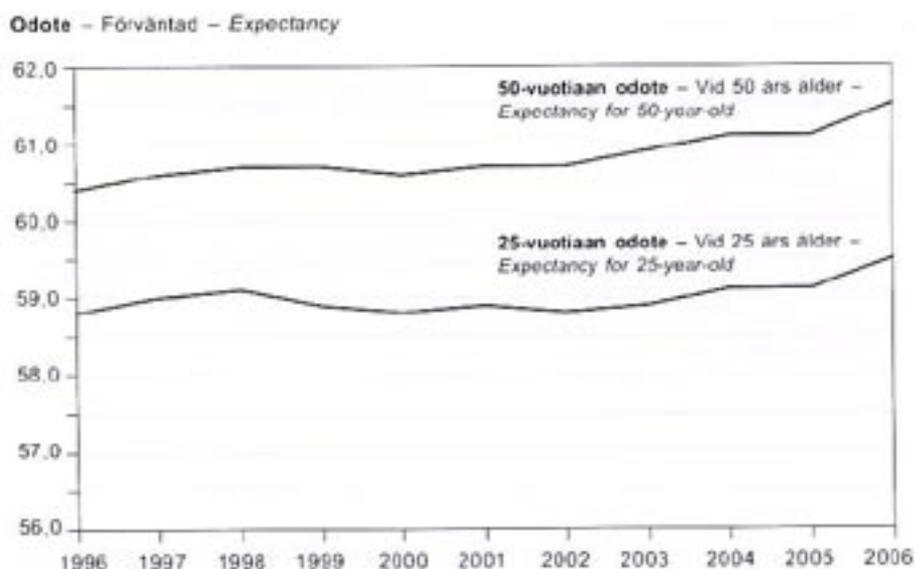


Figure 8. Expectations for retirement age for 50 and 25 year olds 1996-2006



Source: Statistics report by Finnish Centre for Pensions 5/2007

### 3.4. Problems at the start of careers

Most young people continue their studies immediately they obtain their school leaving certificate. Only around 3,500 young people do not receive upper secondary school education or go to work. Of them, around 1,500 do an 'additional' class at school.

Approximately one quarter of those with a vocational upper secondary school qualification continue their studies no longer than a year afterwards. Less than half of those who have received an upper secondary school leaving certificate enrol for further study the same year. 80% find a place in college within two years. Military service delays the continuation of study among men.

The number of those continuing their education after basic school studies has steadily grown. The age at which qualifications are gained is nevertheless high. The period of time young people spend doing courses leading to qualifications from universities of applied science (formerly polytechnics) is on average 4.2 years and it is 3.2 years for those in adult education and training. The employment situation to some extent affects the gaining of qualifications. When it is poor students tend to graduate later.

The median age for men who graduate from universities of applied science is around a year later than for women (Table 2). The age at which both men and women graduate has risen. The median age for all graduates has gone up from 24.7 to 25.2 in the 2000s.

Table 2. Median age of graduates from universities of applied science (education of young people) 2000-2006

	Median age		
	Total	Males	Females
2000	24,7	25,2	24,2
2001	24,8	25,3	24,3
2002	24,9	25,5	24,4
2003	25,0	25,5	24,5
2004	25,1	25,6	24,7
2005	25,1	25,6	24,7
2006	25,2	25,7	24,8

Source: Stats Finland, educational statistics

Furthermore, the median age for those with higher degrees from university has risen in the 2000s. The median age at which both men and women graduate is almost the same (Table 3).

Table 3. Median age for those with higher degrees from university 2000-2006

	Median age		
	Total	Males	Females
2000	27,1	27,3	27,0
2001	27,0	27,2	27,0
2002	27,1	27,1	27,1
2003	27,3	27,3	27,3
2004	27,3	27,3	27,3
2005	27,3	27,4	27,3
2006	27,4	27,5	27,4

Source: Stats Finland, educational statistics

One good reason for the increase in median ages in these figures is probably the rise in the number of students going out to work during term time in the 2000s. On the other hand, universities of applied science have only just established their position and their student numbers. The higher median ages for male graduates are partly explained by their compulsory military or non-military service.

Working while studying can slow down the gaining of qualifications. But it may encourage or speed up engagement with professional life. With pension reform, people start accumulating a pension when they work from the age of 18.

The most prevalent trend is for students to work who are in vocational education and training. More than 56% of them were employed during their studies in 2005. A part of such courses, however, involves study in the context of employment. The number of students in universities of applied science who work has also increased: 54% go to work in addition to studying. But the same figures for university and upper secondary school students have remained constant throughout the 2000s. Approximately 57% of university students and 30% of upper secondary students have been going to work.

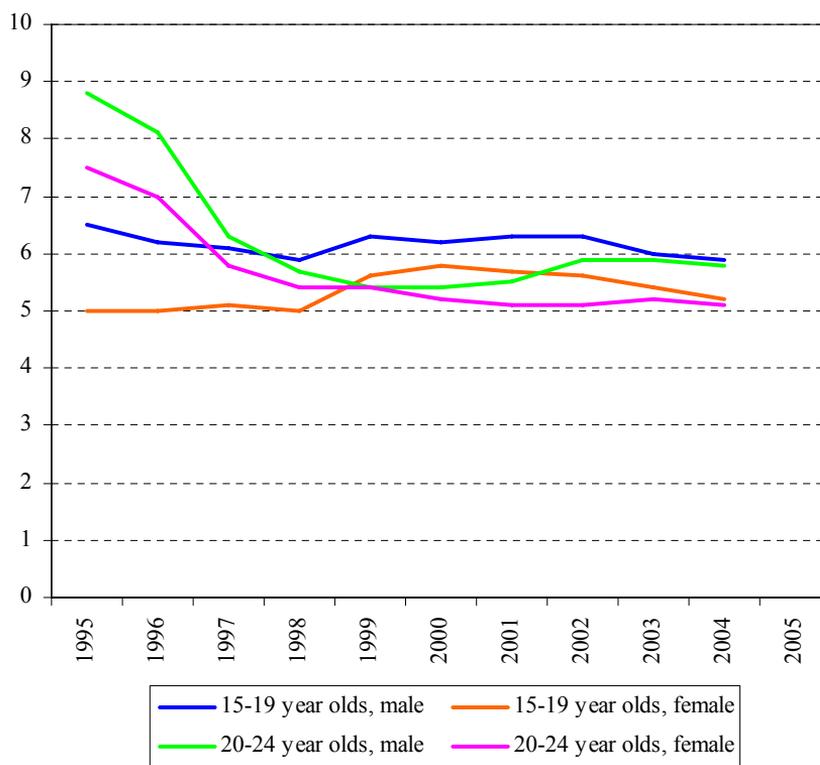
A Government report on education policy (Min. Ed. publications 2006:24) states that the goal is for all young people to start work when they graduate from vocational college/upper secondary school or university. For this to happen there need to be functional improvements to the transition point between comprehensive and upper secondary education. The aim was that by 2007 97% and by 2009 97.5% of those leaving basic education would start upper secondary education or an extra class at basic education level that same year.

The Government has tried to speed up the rate at which university/college students graduate so that those who do so within a given time may claim part of their study loan against tax. The reform entered into force in 2005.

Around 35,000 students drop out every year. 80% of these continue their studies elsewhere or try to gain a qualification in another educational establishment. Some continue their studies at a later date. Those in the age group 25–59 may apply to take their interrupted study courses under the Noste Programme.

The number of those not educated above comprehensive school level seems to have stabilised at just under 6%. The majority of them are men (Figure 9).

Figure 9. Young people with no education beyond lower secondary basic level and who are not in training, or doing military or non-military service, or on a pension, as a percentage of the age group



Source: Stats Finland

According to the Ministry of Labour stencils, there are some 56,000 16-24 year olds in Finland who are not part of the workforce. Most of them are doing military or non-military service or are on maternity leave. According to Ministry of Labour estimates, there is a total of between 15,000 and 18,000 young people not in work or education/training.

Generally speaking, the trend has been positive. The educational level of Finns has steadily risen. At the end of 2004 63% of young people who had reached the age of 15 had gained a post-comprehensive qualification. Intermediate (vocational or matriculation) qualifications had been gained by 38% and higher (post-secondary, higher vocational, university of applied science or university level) by 25%. The Ministry of Education predicts that the number of those without upper secondary school qualifications will fall fast and that by 2012 there will be no more than 470,000 (in 2002 there were 650,000).

Unemployment can cause difficulties not just for extending study but also engaging with professional life. Youth unemployment means unemployment

amongst the under 20 or 24 year olds. It is hard to interpret the signs of youth unemployment because young people are more mobile in the labour market than those more mature in years.

Ending study and choosing a career mean that people look for work and change jobs. A lot of young people move away from home. Meanwhile, there might be a several short periods of unemployment.

Despite the rise in employment, youth unemployment has remained high (Table 6). In the very youngest age groups the seasonal variation is dramatic, because summer jobseekers are included in the figures.

Table 6. Youth unemployment rates according to a workforce survey (%)

Year	Females	Males	All	Females	Males	All	Females	Males	All
2000	30.3	30.7	30.5	16.8	16,9	16.8	21.6	21.1	21.4
2006	26.4	28.9	27.6	14.7	15.1	14.9	18.4	19.0	18.7

Source: Stats Finland

Youth unemployment is not always just a negative phenomenon. Short-term unemployment may be the consequence of typical youth mobility in the labour market. It gets serious when a young person cannot start work at all because he or she is poorly educated or lacks work experience. The uncertain start of a career can influence that whole career for a long time. People who are slow to engage with work also tend to take longer to start a family, so the impact is also felt more broadly in society, in terms, for example, of population growth.

Most young people study hard and make an effort to find work afterwards. Young people think it is important that work should be interesting rather more than older employees do. Generally speaking, the attitudes to work among Finnish young people are positive and comparable with those of the population as a whole. The gloomy employment situation and piecework do not seem to have lessened the value of work in the eyes of the young. The problems lie with those young people who drop out of their studies and who take an unreasonably long time to enter the labour market. With them the threat of exclusion is a real one.

## 4 Reduced absence from work due to sickness

Absence due to sickness on a large scale is a prediction of early retirement and even death. The objective to reduce absence from work through sickness was given quantitative shape as follows:

- *Absences due to illness to fall by 15% (years 2002/2007 as a comparison)*

The reforms to the employment pension also embraced the rehabilitation reforms which came into effect in 2004. The aim is to identify work ability problems and the threat of incapacity for work earlier on. Achieving this goal is part of the improvement to be made in occupational healthcare. It is especially important to step up cooperation with the rehabilitation services. The purpose is also to make the work of the institutions that deliver rehabilitation services more efficient, to develop new approaches and methods and to assess the impact of rehabilitation.

Statistics on absence from work due to sickness and the methods for calculating it vary in Finland. This has to be realised when the figures are being interpreted. Statistics on absence from work due to sickness in a workforce survey conducted by Statistics Finland are based on interviews, but contain no data on the reason for absences. The data in KELA's registry calculates the period of time exceeding the qualifying period for compensation for loss of earnings owing to illness. Thus, short periods of absence are not recorded. Differences between the ways the statistics are produced and estimates made mean that the figures can differ. Neither are the statistics necessarily able to give clear answers regarding how absences due to sickness are linked to work ability and working conditions and stress factors at work or outside the workplace. The situation is further complicated by the concept of work ability, which can be defined differently depending on point of view.

### 4.1 Differing definitions of work ability

There are at least three basic concepts of work ability (Figure 10). The medical definition sees work ability as an individual characteristic which relates to one's state of health. Accordingly, a healthy person is completely able to work and sickness always impairs that ability. The concept is based on biomedical and psychophysical illness theories.

Figure 10. Three concepts of work ability

	<b>Medical concept of work ability: 'health'</b>	<b>Work ability balance approach: 'the ability to function in relation to the demands of the job'</b>	<b>Integrated concept of work ability: 'system'</b>
Basis	Clinically determined state of someone's psychophysical system	Someone's internal characteristics in relation to the external demands of the job	A system comprising the individual, the community and the working environment
Keyword	Sickness/health	Ability to function	Function
Assessment of work ability	Diagnosis	Performance tests, measuring the level of the demands of the job	Systematic and developmental analyses of functional disruptions
Remedy	Treatment (corrective)	Ability to function training, or lowering the demands of the job (adaptive)	Trials to take forward functional development (developmental)

Source: Occupational Health Service 2006

With the work ability balance approach the ability to work depends on someone's ability to function sufficiently given the demands of a certain job. The concept is a broader one than the medical one. Instead of state of health determined on the basis of illness, or in addition to it, it is the individual's ability to function which is examined. There is a move away from examination of someone's prerequisites for work in absolute terms to an evaluation of them in relation to an external yardstick, which is the level of demands of the job. The balance approach is based on various stress theories concerning the interaction of people with their environment.

The 'integrated' concept of work ability takes an even broader view. It looks at work as something that occurs in a community, with the focus on work culture and the facilities there are at work. There is no more mention merely of work ability and ways of sustaining it, but well-being at work and its promotion.

The different definitions of work ability tend to result in confusion. There are explanations for all of them and they have triggered fruitful discussions. However, there are situations where the medical concept of work ability has to be employed. That is the case when work ability is being assessed in legislation on health insurance and pensions. It is also likely that legal decisions are made with reference in the main to the medical definition of work ability. New kinds of occupational health problems caused by changes at work have nevertheless boosted interest in the broader viewpoints.

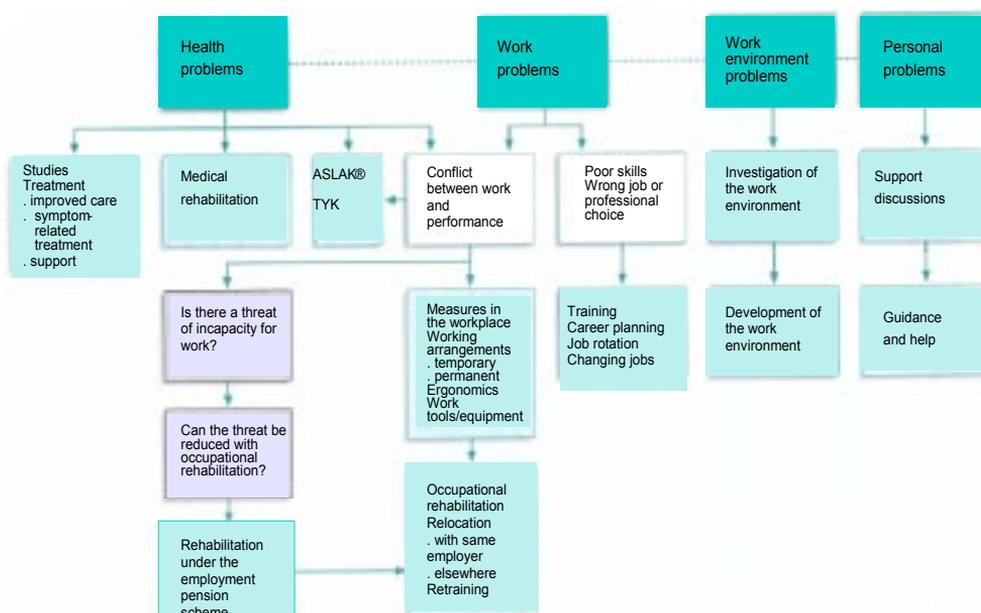
The broader views are justified when considering the causes of absence due to sickness and other absences, the factors that lie behind absence from work, and ways to reduce it. The broader concepts of work ability allow policy to enter the debate: how can we have an impact on the trend we want to see and how can we improve work ability in the medical sense?

## 4.2. Work ability problems and absence

Work ability can be threatened even when there is no clear evidence of illness, i.e. when the employee feels he/she cannot cope at work. So, for example, musculoskeletal changes that come with ageing can cause physical symptoms in physically demanding work and a poorly assessed workload can have the same effect when the work is 'light'. Badly organised work can cause undue exhaustion. Furthermore, inadequate skills levels, difficulties in coming to terms with change, the wrong choice of occupation or individual life crises can also pose a threat to well-being at work. All of these may be associated with health problems, although as a rule they should first be treated in ways other than those that occupational healthcare provides. If untreated they may easily develop into health problems (Occupational Healthcare 2006).

Work ability problems in the workplace may therefore not be necessarily health-related (Figure 11). Similarly, absence from work caused by reduced work ability may be linked to non-health-related factors, and should be treated with remedies other than those provided by occupational healthcare. It is then that staff policy and measures to improve the working environment enter the picture.

Figure 11. Work ability problems in the workplace and their treatment



Source: Occupational Healthcare 2006

Occupational healthcare plays an essential part in the prevention and treatment of absence due to sickness. Improved working conditions can help prevent serious symptoms, worsening illness and reduced work ability. There is also a focus on absence directly due to sickness.

Working practices vary depending on whether the aim is to control the amount of sick leave that is taken, prevent the unnecessary prolongation of absence by aiding a return to work, or both.

If the desire is to cut the number of days taken off sick it is most effective actively to encourage a return to work. If that succeeds it also tends to prevent a repeat of absence. If the aim is to try and cut the actual number of absences there is greater focus on influencing the factors which contribute to the increase in sick leave and short periods of absence. It is important to do much about short periods of absence because they may be due to more serious work ability problems connected with the employee him/herself, or his/her working conditions or working environment (Sairauspoissaolokäytäntö, STM:n julkaisuja 2007)

On the global scale, absence from work due to sickness in Finland is at a moderate level. The problem is mainly that of the prolongation of absence due to sickness when a return to work might prove difficult.

### ***4.3 No decrease in absence from work due to sickness***

Illness usually causes some loss of function. How much this affects work ability depends on the demands of the job. There are also occupations where employees suffering from a slight illness need to take time off owing to the nature of the work itself, e.g. in food production, healthcare, etc.

But in the context of the Veto objectives absence from work due to sickness has not gone down as hoped. Employees took an average of 8.6 days off sick in 2005. For women that worked out as 10.0 days and for men 7.3 days. Absences due to sickness among women steadily went up from 8.6 days to 10.00 days in the period 2001-2005. The increase was greatest in the local authority sector. The fewest absences were in the private service sector (Työ ja terveys Suomessa 2006).

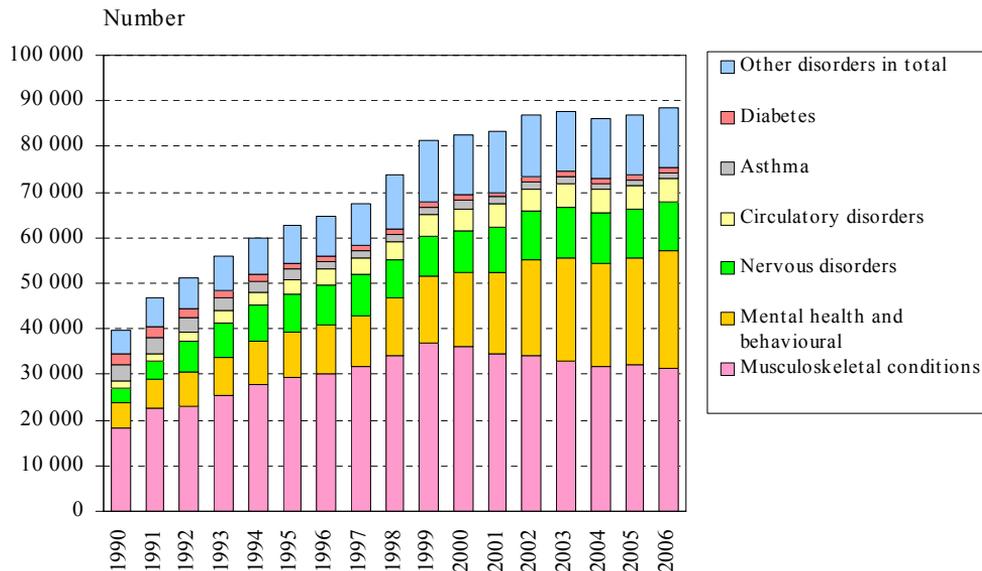
Both short and long periods of illness have increased since 1998. Both the number of absences (self-reported) in the workforce survey by Statistics Finland and the number of days for which a sickness allowance was paid according to KELA's records have increased (Figure 12).

The medical reasons for short and long periods of absence due to sickness vary. Short absences most often are the result of respiratory infections, musculoskeletal pain, slight accidents, headache and other temporary conditions. The most common reasons for longer periods when a daily sickness allowance

is paid (more than 9 days) are, according to KELA statistics, musculoskeletal conditions, but also mental health disorders. (Sairauspoissaolokäytäntö, STM:n julkaisu 2007)

In the light of current information, it is the number of long periods of absence which is held to be the best measure of the health of the staff obtainable from statistics on absence due to illness. Prolonged periods of sick leave are a prediction both of a risk of incapacity for work and death. Short absences might in part reflect certain factors in the working atmosphere.

Figure 12. Number of absences from work due to sickness and accident 1990-2006 and target for 2012 (1,000 days)



Source: Statistics produced by Finnish Health Centre, KELA, VAKES Insurance Centre and FAII (Federation of Accident Insurance Institutions)

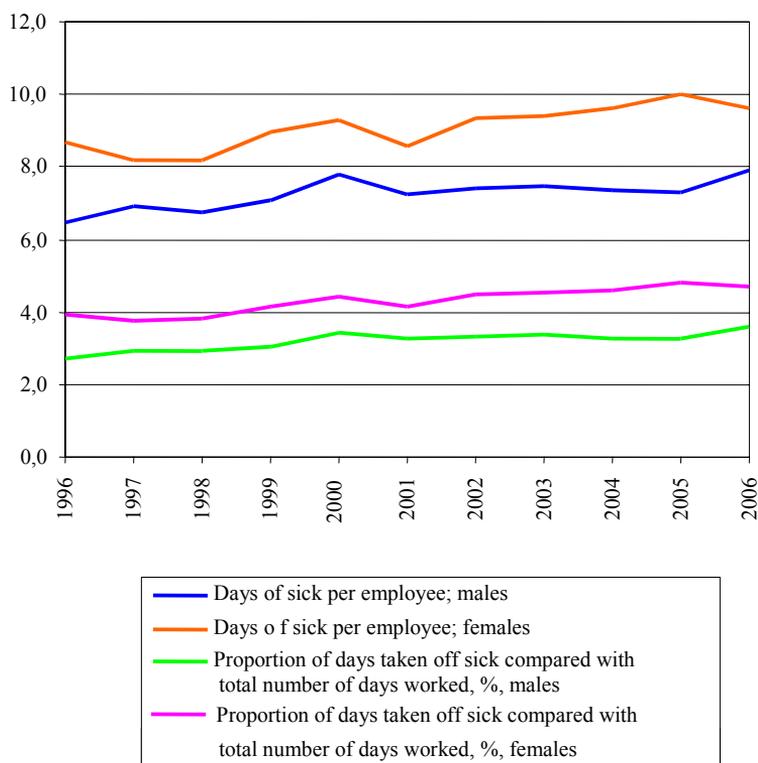
The incidence of absence due to sickness varies depending on professional sector and age. In 2005 most days per employee were lost in social welfare and healthcare (11), traffic and transport (10.8), industry and construction (10.6) and services (10.3). The fewest number of absences were in administration and office work, commerce and education. The periods of absence are longer in the oldest age groups. Absences of one day are more common among the young (Työ ja terveys Suomessa 2006).

Absence seems to be prevalent with certain people. About a third of employees do not take one day off sick a year. Around 5-7% of employees account for half of the sickness leave taken. This group also tends to vary, and it is not always the same workers who account for absences every year (Työ ja terveys Suomessa 2006).

The total number of absences from work due to sickness is linked to economic growth. During recessions they are understandably fewer, and when the employment rate recovers and the number of hours worked increases they rise again.

The proportion of days people are off sick from work compared with the number of hours worked is higher in women than in men. Over the long term, the number of days taken off for illness per employee and the proportion of days people are off sick from work compared with the number of hours worked have both risen. In very recent years, however, there seems to have been a slight fall in the trend for women, and with men there is a rise (Figure 13).

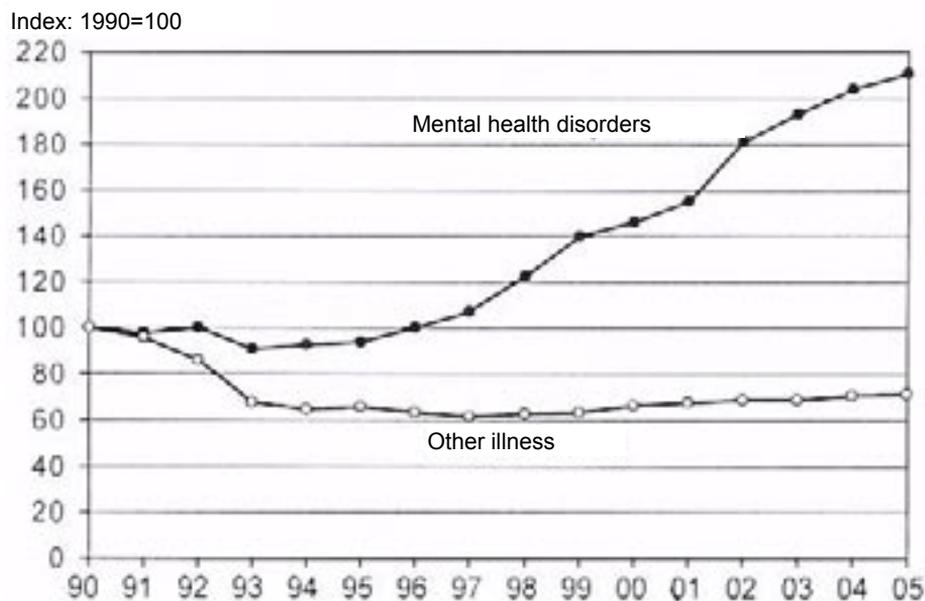
Figure 13. Days off sick per employee and the number of days taken off sick



Source: Stats Finland (Since 2000 data collected for all weeks; prior to that just for one week a month. The new method takes better account of holidays/leave and other absences)

Mental health disorders as a cause of lengthy periods of absence from work have increased tremendously. The number of daily sickness allowance periods for these doubled in the period 1996–2005. Nearly half were due to depression (Figure 14).

Figure 14. Periods of sickness allowances paid for mental health disorders and other illness 1990-2005



Source: KELA (Gould et al 2007)

According to statistics compiled by KELA, the average length of periods of sickness allowances paid on the basis of depression in the period 1993-2004 varied between 57 and 71 working days. There is no systematic change in the length discernible, however. When the qualifying period (the day on which one falls ill and the next nine working days) is added to the number of days for which the sickness allowance is paid, the average length of a period of depression is around three months.

It is an awkward task to compile statistics on depression. The 'Current Care' recommendations produced by the Finnish Psychiatric Association describes depression as a syndrome. The ICD-10 classification of diseases distinguishes between depressive episode (F32) and recurrent depressive disorder (F33). In both cases the criteria are similar. It is important to arrange therapy for it that is so diverse and long-lasting that recurrent depression can be avoided.

#### 4.4. *Partial daily sickness allowance*

The purpose of the amendment to the Sickness Insurance Act which entered into force on 1.1.2007 was that the partial daily sickness allowance should make possible a partial return to work after a fairly prolonged period of incapacity for work. The Act did not previously allow payment of a sickness allowance for part of a day. The aim of a partial return to work is to aid restoration of work

ability and the ability to function, and lower the threshold at which people can go back to work after a lengthy absence (HE 227/2005).

The purpose of the reform was that people could work part-time and in addition receive a partial daily sickness allowance. This type of allowance can be paid for 12-72 working days, and is half the amount of the full allowance paid immediately before. Incapacity for work must continue for the entire sickness allowance period, and the return to work should not result in harm to health. This is what is seen as a 'gentle' return to work. A total of 2,194 applications were received in the period January-September 2007. In all, 1,372 were granted.

#### *4.5. Incapacity for work*

In the laws on pensions, incapacity for work is mainly medically assessed incapacity caused by illness, disease, or injury/disability. Decisions taken by pension institutions have legal status and are based on existing legislation and the established way in which it is interpreted.

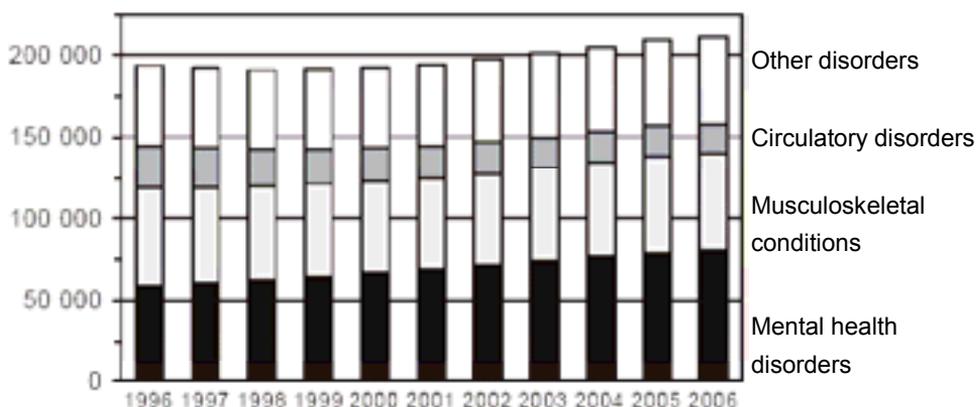
In general, incapacity for work is preceded by a number of periods of sick leave of varying lengths and also possibly rehabilitation. In the Sickness Insurance Act incapacity for work means any state due to illness during which the insured is unable to do his or her normal work or any work which is closely comparable. Under the Act, the work ability of someone who has fallen ill is assessed in relation to the previous job they did.

When the period for receiving the sickness allowance has ended, further pensions payments are made with reference to the broader definition of incapacity for work as stated in the Finnish Employees' Pensions Act, thus: employees whose work ability can be predicted to be reduced by at least two-fifths for a continuous period of one year, owing to illness, disease, injury or disability, have the right to a disability pension. Any assessment of a reduction in work capacity takes account of the employee's remaining ability to earn an income through available work which he may be reasonably required to do given his levels of education and training, former occupation, age, residential status and comparable factors.

The main criteria for taking a disability pension have remained broadly the same over the years. The main reasons are musculoskeletal conditions, circulatory disorders or mental health disorders (Figure 15). Receipt of the pension is normally preceded by long periods of sick leave.

Figure 15. Numbers of those receiving a disability grouped according to type of disorder 1996-2006 (end), based on employment pensions.

Number of those in receipt of a pension



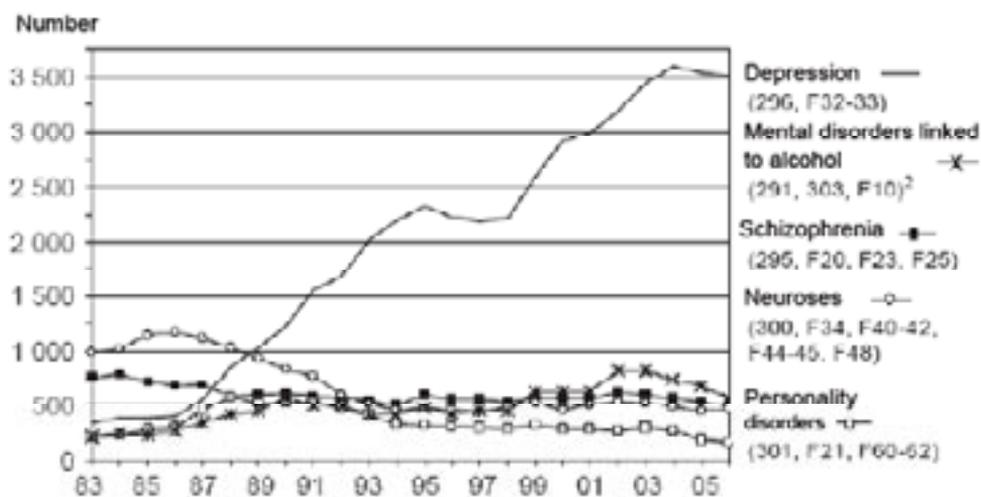
Source: Centre for Pensions

Mental health disorders are the commonest reason for receiving a disability pension. At the end of 2006 a total of 216,600 people were receiving a disability pension. That year 24,400 people were granted one. Most received a disability pension for musculoskeletal disorders (34%), but mental health disorders claimed second place (30%).

The number of those who received a disability pension for musculoskeletal disorders and mental health problems including depression has begun to drop in the last couple of years, however.

Depression is the commonest diagnosis amongst those in receipt of a disability pension for reasons of mental health (Figure 16). That is true even if the incidence of depression as an illness does not appear to have increased according to the results of a study (Gould et al 2007).

Figure 16. Disability pensions taken 1983-2006 shown according to mental disorder type

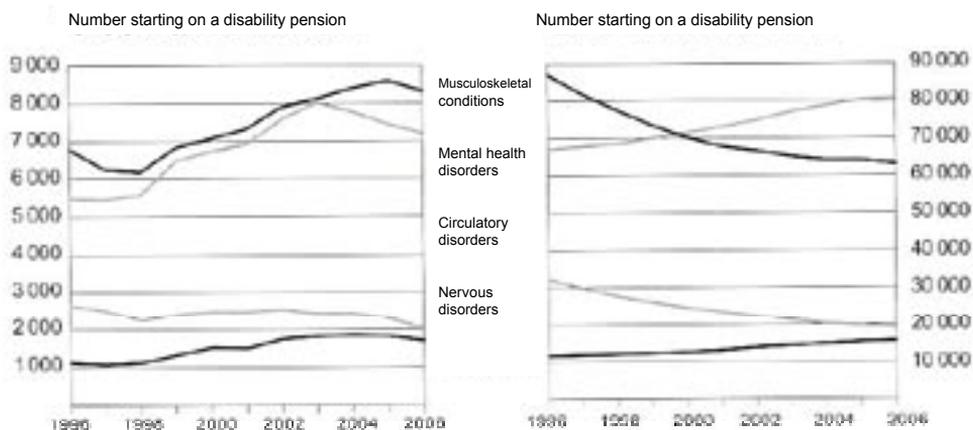


Source: Centre for Pensions

The number of cases of depression as a basis for incapacity for work has risen sharply in the last 20 years. In 2006 almost 4,000 people took a disability pension under the employment pension scheme because of depression. That is one and a half times the number in the mid-1990s. At the same time the number of other mental health disorders as a basis for incapacity for work has remained more or less constant or even fallen.

Pensions for mental disorders tend to be granted to younger people than those with musculoskeletal complaints. These types of pension are therefore paid for longer periods of time than the others. For this reason they are in the majority when the total number of those on a disability pension is examined. In 2006 45% of those who started receiving a pension for metal health disorders were under 50, while people of the same age with musculoskeletal disorders accounted for 18% (Figure 17).

Figure 17. Number of those starting on a disability pension during the year and number of those on a disability pension at the end of the year grouped according to the cause of the disability 1996-2006; main groups

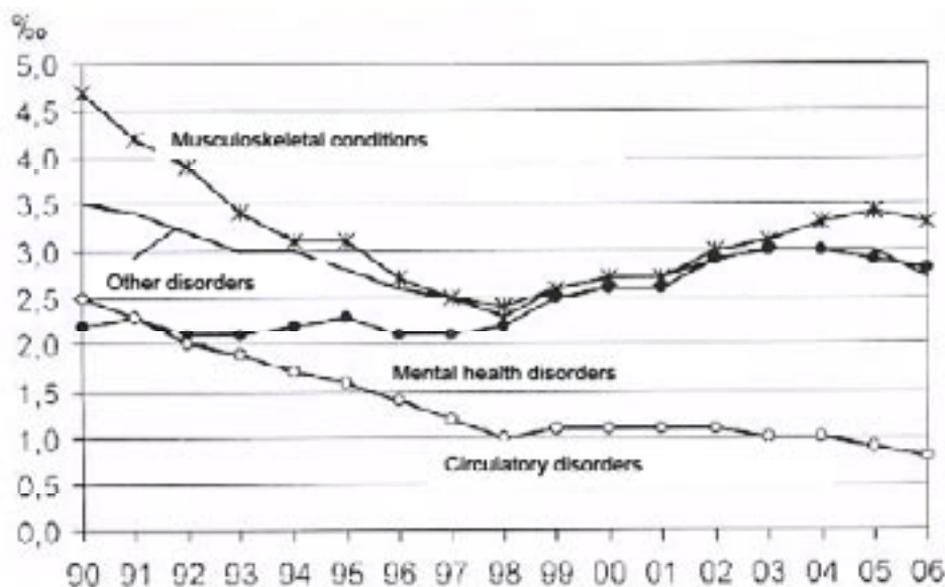


Source: Centre for Pensions

The quantitative risk-based data is important when planning and organising prevention and care. When these endeavours are being evaluated in terms of how successful they are, more age-standardised data is needed. Any impression of the same phenomenon based on different statistics may vary, depending on the point of view taken.

Figure 18 shows how the starting point for disability pensions (share of those not on a pension but insured under one who took a pension) went down virtually throughout the 1990s, but rose again at the end of that decade. Now, however, it seems to have levelled off. The starting point for pensions for reasons of mental health did not go down in the early 1990s, but remained fairly steady. Since the end of the 1990s the starting point for both pensions for mental disorders and musculoskeletal illnesses has been more or less identical.

Figure 18. Age-standardised starting point for disability pensions 1990- 2006 according to disorder; private sector



Source: Gould et al 2007

No one really knows why the starting point for receipt of disability pensions according to disorder group has altered. It is also worth noting that the number of application rejections has grown. This suggests that the increase in the number of pension applications has been greater than the rise in the starting point. During the 2000s the number of rejections has mainly increased in the mental health disorder group.

The changes in the starting points are assumed to be linked to such phenomena as diagnostic and care practices, changes in the nature of illness and sickness behaviour, changes in working life and employment, wider cultures and social factors (e.g. Gould et al 2007).

In 2007 the Ministry of Social Affairs and Health launched its MASTO project, which aims to tackle depression as cause of incapacity for work. The project focuses on support for well-being at work and good mental health, the prevention of depression, treatment and its improved efficacy, rehabilitation and the development of best practices in the area of absence from work due to sickness.

## 5 Safeguarding and sustaining work ability

If people are to leave work later there need to be measures in place to promote their work ability. For that reason the Programme contained objectives relating to the promotion of occupational health and safety. They were:

- *The quality and availability of occupational health services to improve and cooperation with rehabilitative services to be stepped up (entire programme period).*
- *The frequency of accidents at work and the incidence of occupational diseases to decrease by 40%, becoming less serious (years 2002/2010 as a comparison)*

The main aim is to improve the content of occupational healthcare services and support for multiprofessionalism with reference to the latest information on professional life. The purpose is to increase the number of workplace surveys, risk assessments and the measuring of stress. This will require the training of occupational healthcare staff and the introduction of new procedures, methods and practices. Both private and state occupational healthcare service systems need to be developed to make high-quality, comparable services available to employers and staff. Improving services will entail cooperation with primary and specialised healthcare services, the health and safety authorities and the social insurance services. Health monitoring is a crucial part of sustaining work ability. There will be a more diverse approach to ensuring that places of work, the occupational healthcare services, the rehabilitation services and other sectors have the right facilities and are properly prepared to prevent work-related musculoskeletal disorders. In addition, new ergonomically acceptable working practices and tools will be developed for occupations involving heavy lifting and repetitive, restricted movements. The basic aim of the organisations responsible for safety in the workplace is to examine and assess dangers, problems and risks. If necessary there will be cooperation with the occupational healthcare service and other expert agencies.

Occupational healthcare is vitally important in sustaining work ability, predicting its possible deterioration, and overseeing rehabilitation. Accidents at work and occupational disease are still major health problems. The new Occupational Healthcare Act (2002) and Occupational Safety and Health Act (2002) mean that new practices are being implanted.

Occupational healthcare can be organised in many ways and the services on offer can vary in scope. What is essential for the working population as a whole is that there is an adequate range of services available and that they are comprehensive. Together these make up a crucial instrument or infrastructure which can have an impact on the health of employees. It is particularly important to improve the extent to which the services cover small and medium-sized enterprises.

Under the Occupational Health Act, an employer must organise preventive occupational healthcare services for his employees. Occupational healthcare can support the work ability of employees and help them stay on at work in many ways. These include the treatment of illness, the prevention of work-related health problems and the promotion of healthy lifestyles. Well organised occupational healthcare can also be seen as a benefit which helps support older employees and encourages them to stay on at work. Similarly, good occupational healthcare tends to make the workplace a more attractive prospect for young people and a more interesting option than other places of work.

Occupational healthcare has an important role in getting people involved in rehabilitation in good time and fostering a successful return to work after lengthy periods of sick leave and rehabilitation. It is also a requirement under the Act that conditions of health and hygiene are examined in the workplace, with, for example, on-site visits being arranged, and that the services then make proposals to the employer for improving conditions.

A sound occupational safety culture is a broad concept. It manifests itself in the shape of established best practices at places of work and in other contexts which affect health and safety. It tends to involve the content of laws and statutes and compliance with them, health and safety management and organisation at places of work, training, the safety of machines and equipment used at work, working practices and attitude.

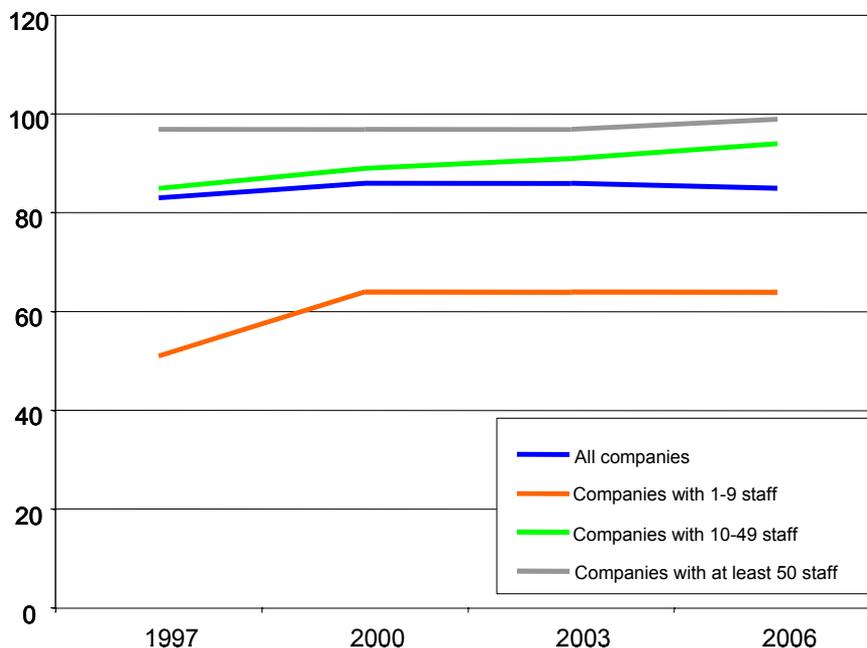
The number of accidents at work depends on the number of hours worked. Generally speaking, when the economy is vibrant there are more and their frequency increases. The reason for this is partly because the sectors in which these accidents happen most tend to be busier (construction) and because of rushed jobs and overtime. Moreover, during economic booms inexperienced workers also get hired, heightening the risk of accident.

### ***5.1. Occupational healthcare still not completely comprehensive***

According to the Työ ja terveysterveys Suomessa interview (2006), employers had organised occupational healthcare for 92% of employees in 2006. 63% of agricultural entrepreneurs and 37% of other entrepreneurs were covered by occupational healthcare services. For these, arranging for occupational healthcare services is optional.

Occupational healthcare in Finland is very comprehensive. But it varies from one industry to another and according to the size of the workplace. Coverage for employees is almost 100% in public utilities, the financial sector and organisations where there are at least 50 staff employed. Coverage was lowest among private employers (87%), in the agriculture and forestry sector (83%) and in the construction industry (80%). It is greatest in large places of work with at least 50 staff and lowest in small companies (Figure 19).

Figure 19. Coverage of occupational healthcare by size of workplace 1997-2006; % of businesses



Source: Institute of Occupational Health, work and health interview surveys

Coverage improved up until the year 2000, but since then it has remained the same or even fallen slightly. Less coverage can be the result of many factors. During a period of robust economic growth small companies start up and vanish quickly. Recent years have witnessed the establishment of a lot of microbusinesses, whose sole employee is the entrepreneur him/herself. In such cases the provision of occupational healthcare services is optional. (Työ ja terveys Suomessa 2006).

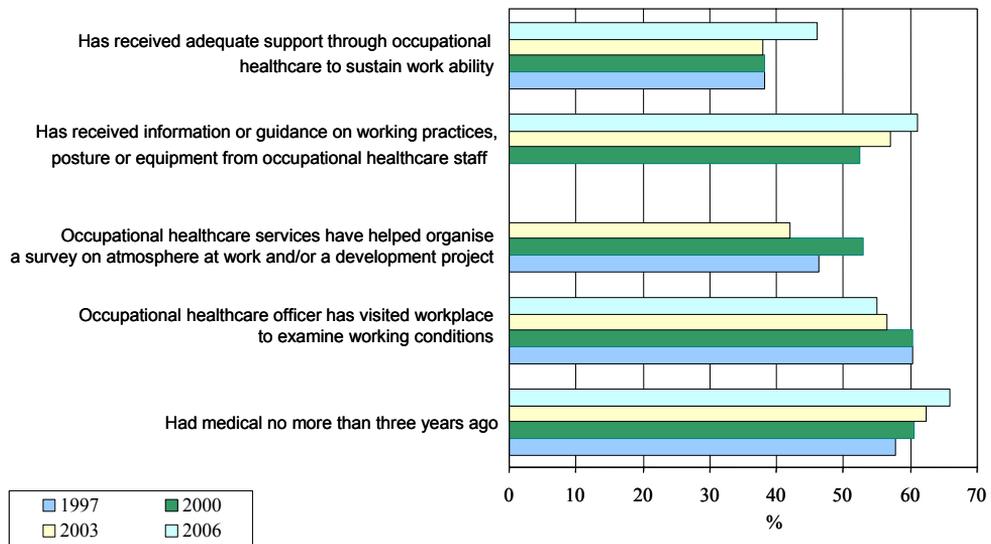
## 5.2 Developing the content of occupational healthcare services

Occupational healthcare normally also extends to the treatment of illness. Employees for whom general healthcare services have been arranged as part of the occupational healthcare service use these more frequently than they do those provided by health centres. In all, 1.86 million people were covered under occupational healthcare services in 2004. Of them, 1.78 million were employees and 46,000 entrepreneurs/self-employed. The entrepreneurs included 37,000 in agriculture. (Työ ja terveys Suomessa 2006)

According to the Työ- ja terveys Suomessa interview survey, the trend in the development of the content of occupational healthcare has been positive. The extent to which employees have been in receipt of occupational healthcare

services has grown steadily and the trend in occupational healthcare has moved more in the direction of preventive care (Figure 20).

Figure 20. Occupational healthcare indicators 1997-2006; % of employees receiving occupational healthcare services



Source: Institute of Occupational Health, work and health interview surveys

The number of medicals has risen this decade. The number of visits to workplaces has fallen, however, compared to the period 1997-2000. There has been slightly more information, advice and guidance in the 2000s. The amount of occupational healthcare action provided has risen in all personnel groups since 1995. Treatment by psychologists and doctors in particular has risen considerably more than that by other types of personnel.

### 5.3. Occupational healthcare and rehabilitation

According to the Occupational Healthcare in Finland 2004 survey, about half the occupational healthcare units made arrangements for rehabilitation with employers every month and two fifths less frequently than every month. 37% worked with KELA every month and 56% less often. Over a quarter worked with rehabilitation institutions every month, two-thirds less often and just under a tenth not at all.

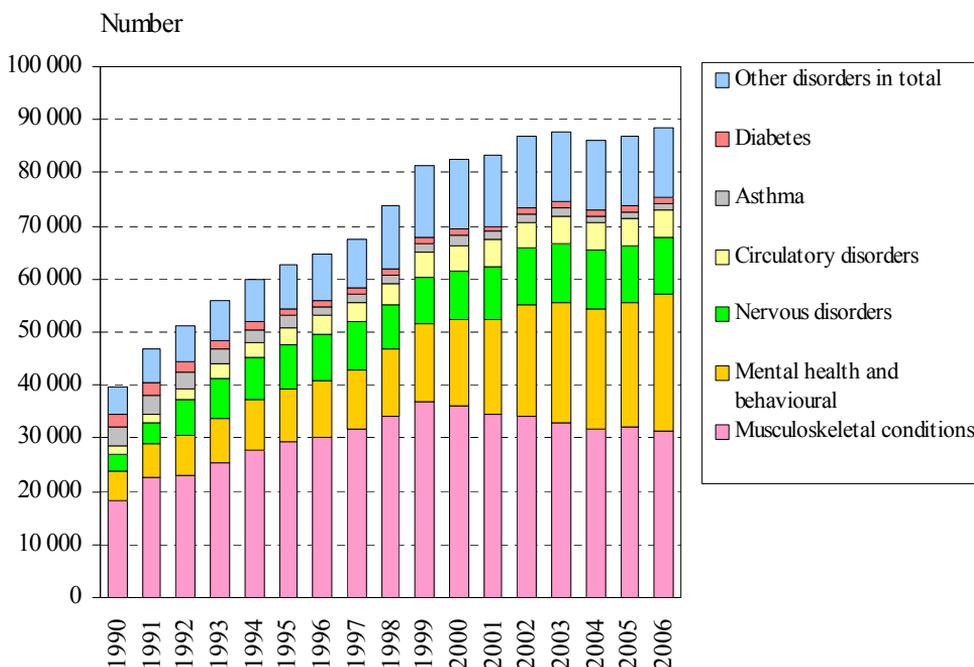
Around half the units had a jointly agreed arrangement whereby they could determine the need for medical or occupational rehabilitation and refer patients accordingly. Since 2004 this sort of information has not been available as yet, but it is assumed that the situation has not essentially changed in any way.

The median age for those receiving rehabilitation treatment from KELA was 47. From 1990 to 2006 the median age fell by three years. Quite a lot of rehabilitation is discretionary (medical) rehabilitation. In 2006 at total of 52,500 people received it, half of all rehabilitees. The occupational rehabilitation of disabled people was organised for 16,400 people (KELA rehabilitation statistics 2006).

The commonest form of occupational rehabilitation treatment for the disabled was sustaining work ability and improved preparation for work (TYK). A total of 6,300 people took part. Vocational training was organised for 3,900 people. A rehabilitation study was carried out with 1,800 disabled people. The commonest form of discretionary rehabilitation treatment was the ASLAK course (medical rehabilitation with an occupational focus). 12,000 people took part (KELA rehabilitation statistics 2006).

Musculoskeletal complaints are still the most common reason for receiving rehabilitation treatment (Figure 21). In 2006, 31,500 received treatment for these. In recent years their number has declined, however, while the number of rehabilitees suffering mental disorders has gone up.

Figure 21. KELA rehabilitation services received, grouped by disorder 1990-2006



Source: KELA rehabilitation statistics 2006

Mental health and behavioural disorders are the fastest growing reason for rehabilitation. Other major disorder groups are nervous illness and circulatory problems.

The aim of rehabilitation under the employment pension scheme is to encourage people to remain at work or return to it and reduce the need for a disability pension. The increase in the number of people taking part in the rehabilitation scheme and the rehabilitation and pension reforms in recent years have highlighted the significance of rehabilitation under the employment pension scheme. The number of participants has grown many times over since the 1990s. In 1992 it was 541; in 2006 more than 7,400. (Gould et al 2007)

Rehabilitation under the employment pension scheme is occupational rehabilitation. The purpose of the rehabilitation services reform in 2004 was to get people to start this sort of rehabilitation earlier and so try to make it more effective. The law makes rehabilitation a priority over a disability pension. The criterion is the threat of incapacity for work caused by illness, disease, injury or disability. This means a situation where an employee would probably be put on a disability pension within around five years' time if he/she did not receive occupational rehabilitation. Another criterion is how appropriate rehabilitation is. It is justified if it helps to delay or prevent the threat of incapacity for work, and if it has the effect of saving the costs of paying a pension. Another requirement is that the applicant is established as an employee and has not severed ties with working life.

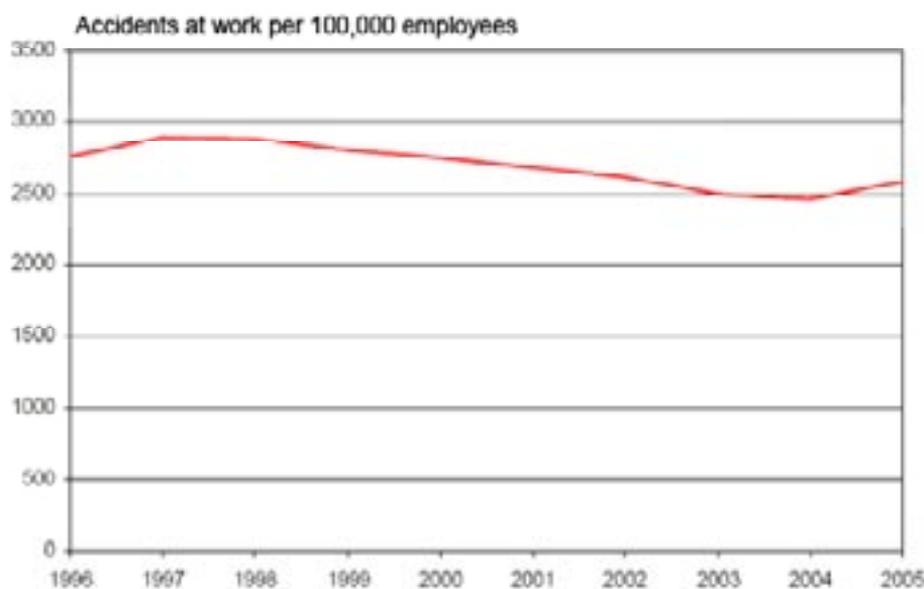
The long-term unemployed, those who have been in work for only a short while, or those who have never worked at all, are not covered for rehabilitation under the employment pension scheme. Their occupational rehabilitation is mainly the responsibility of the Finnish labour administration and KELA.

Under the new regulations of 2004, someone with an employment pension scheme is entitled to rehabilitation if the criteria are met and has the right of appeal against a decision on rehabilitation. Since the beginning of 2007, the right of appeal has been extended to cover the content of the rehabilitation service itself. The reforms are meant to make early rehabilitation more effective in sustaining and improving work ability.

#### ***5.4. The development of safety in the workplace***

Since the 1990s the risk of employees having an accident at work in Finland has diminished (Figure 21). This is evident when the number of accidents at work per 100,000 is considered. Between 1998 and 2004 the accident ratio fell by about 14%. In 2005 it went up slightly. Then there were 2, 581 accidents at work per 100,000 employees, which is around 5% more than in the year before.

Figure 22. Accidents at work leading to at least a four-day period of incapacity per 100,000 employees 1996-2005



Source: Stats Finland, Accidents at Work 2005

In the national statistics the changes are quite slow. It is nevertheless essential for improved safety at work that companies and organisations are able to make improvements fast. Companies have managed to bring the frequency of accidents down to just a fraction of what they were before in just a few years when safety in the workplace has been managed with targets in sight, for example, with a 'zero accidents' approach. At organisational level the Veto target to reduce accidents by 40% is a realistic one, but nationally that is still a huge challenge.

### ***5.5. Incidence of accidents at work and occupational disease***

In 2005 insurance companies paid compensation for more than 111,000 accidents occurring in the workplace (Table 7). Of these, more than 54,000 led to a period of incapacity lasting at least four days, and 51 resulted in death. The number of accidents at work for which compensation was paid was considerably higher than in the year previous, when employees were the victims of a total of 96,000 accidents, resulting in at least four days' incapacity in the case of 51,000 of them. The number of deaths at work had also increased: in 2004, 43 employees lost their lives as a result of an accident in the workplace.

The growth in the number of accidents at work is mainly due to the 'full cost liability scheme' for medical treatment introduced in early 2005. Now

hospitals and clinics always have to notify the insurance company regarding the treatment of a patient who has had an accident at work. The change in the law has mainly increased the number of slight accidents at work leading to incapacity lasting less than four days, some of which would not have been reported to the insurance company formerly. This particularly concerns accidents at work treated in public healthcare institutions. If the insurance company decides that the accident has happened at work, the hospital/clinic is paid the real costs of treating the patient suffering the accident. Because of the change, the data for previous years is not fully comparable with that for 2005 generally.

Table 7. Accidents at work among employees in Finland by gender in 2005

**Accidents at work**

	All		At least 4 day's disability				Deaths
	N	%	N	%	Accidents ratio per million)	Accident frequency per working hours)	N
Males	80,459	72.4	40,001	73.6	3,844	22.8	46
Females	30,670	27.6	14,351	26,4	1,344	9.0	5
Total	111,129	100	54,352	100	2,581	16.1	51

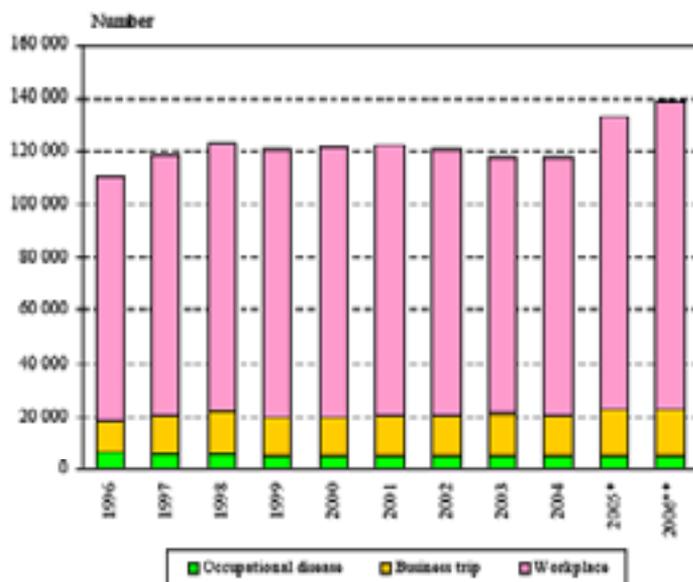
The accident ratio and frequency estimated for accidents at work leading to at least four days' incapacity, less deaths and accidents at work among schoolchildren, students and institutional workers.

Source: Stats Finland, Accidents at Work 2005

The risk of having an accident at work among men has normally been far higher than with women. Men tend to work more in industries and jobs where the risk is higher. Men are the victims of three out of four accidents at work. The risk is 2.5 times that for women. In terms of frequency of accidents in the workplace, the risk among men is also much greater than with women. In 2005 male employees were the victims of 22.3 accidents in the workplace resulting in at least four days' incapacity per million working hours.

The change in compensation practice partly explains the increase in accidents in the workplace, but perhaps only for around a tenth of that rise. The new system makes it clear that slight accidents used to be underreported.

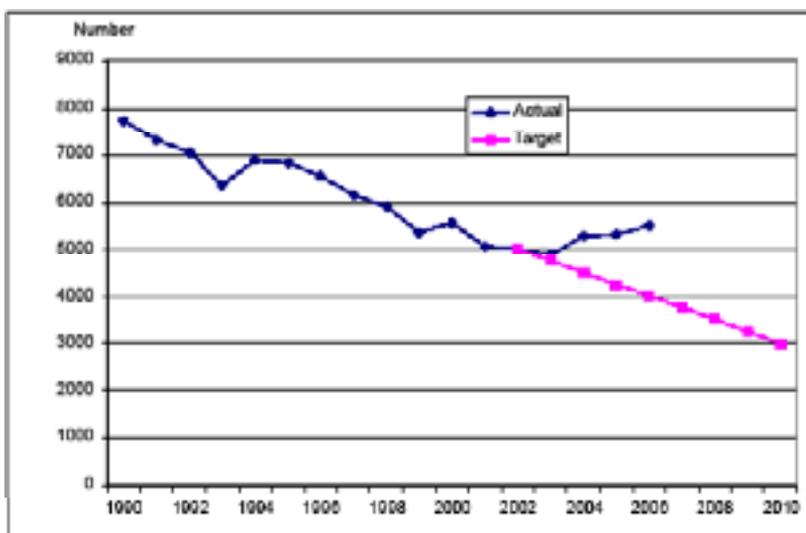
Figure 23. Trend in occupational diseases, accidents in the workplace and accidents on business trips among employees 1996-2006



Source: FAII (Federation of Accident Insurance Institutions)

The number of occupational diseases has slightly risen in recent years (Figure 24), although over the long term the trend is downward.

Figure 24. Trend in occupational diseases, accidents in the workplace and accidents on business trips among employees 1996-2006



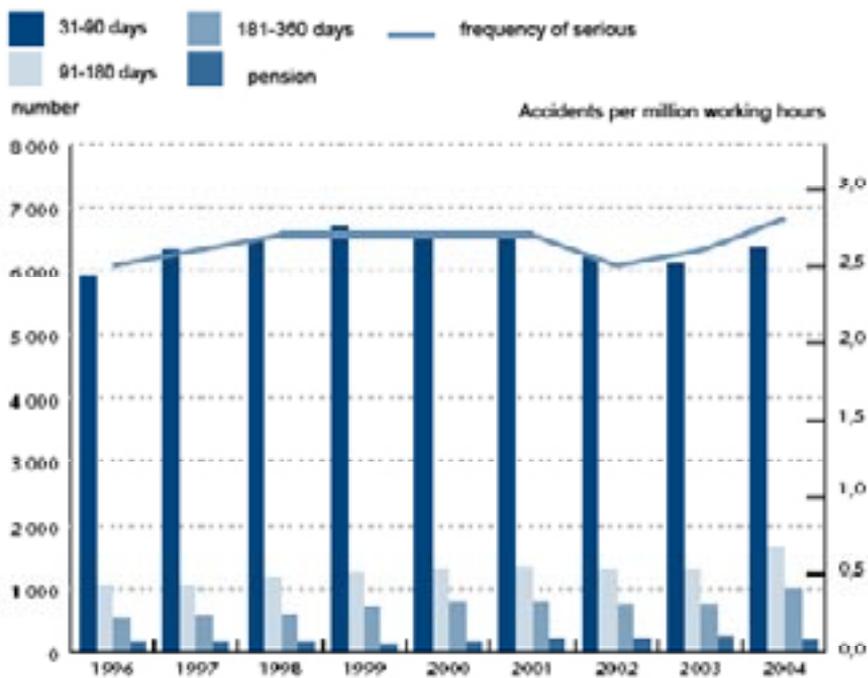
Source: FAII (Federation of Accident Insurance Institutions) and Min. Soc. Affairs a& Health

If the Veto Programme's targets for accidents at work and occupational diseases are to be achieved there would have to be more of a 'zero accident' approach. It would have to recognise the effect of rushed work and pressure and pay adequate attention to guidance for new employee groups (young people, foreigners) in the workplace.

### 5.6. Frequency of serious accidents

In 2004 in Finland there were more than 11,000 serious accidents at work (at least 31 days' incapacity) suffered by employees, entrepreneurs and agricultural entrepreneurs. That worked out at 2.8 per million working hours (Figure 25)

Figure 25. Serious accidents at work and their frequency (per million working hours) in all sectors (agriculture excluded) 1996-2004

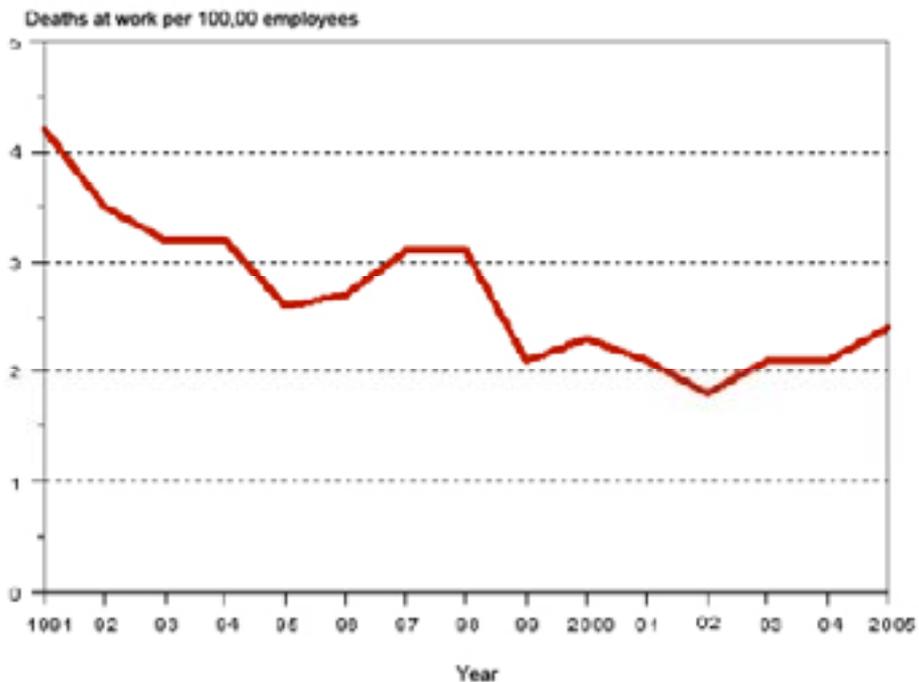


Source: Työ ja terveys 2006

Accident frequencies declined in the period 1996-2004, especially in industry and construction. They rose in transport and storage/warehouses. The highest number of serious accidents happen in the construction industry – 7% of all serious accidents in the workplace (Työ ja terveys Suomessa 2006).

In terms of the accident ratio, the risk of an employee dying at work has gone down by a fifth when the five-year periods 1996-2000 and 2001-2005 are compared (Figure 26). In the period 1996-2000 there were 268 accidents at work resulting in the death of the employee, which means an average of 2.6 deaths per 100,000 employees a year. In the period 2001-2005, 217 employees lost their lives in accidents at work, which is an average of 2.1 deaths per 100,000 employees a year (Figure 26).

Figure 26. Accidents at work resulting in the death of the employee per 100,000 employees 1991-2005



Source: Stats Finland, Accidents at Work 2005

In 2005 there were 51 accidents in the workplace leading to the death of the employees concerned, five of which were female. This is 2.4 deaths per 100,000 employees. That was a rise on the previous year, 2004, when 43 employees lost their lives in accidents at work, which is 2.1 deaths per 100,000. The figure for 2005 includes the six dead in the helicopter accident in the Gulf of Finland in August 2005.



## 6 Promoting a healthy lifestyle

Lifestyle affects health and work ability. A healthy diet, adequate exercise and avoidance of risks to health are essential ingredients in a healthy lifestyle. The Programme therefore contained objectives in this area.

- *Tobacco and alcohol consumption among people of working age to decrease considerably (from 2002)*

Tobacco and alcohol-related illnesses are a major problem in public health. They increase the risk of contracting many diseases. Smoking and alcohol-related illnesses can be the cause of long periods of absence from work and premature incapacity. They also clearly reduce life expectancy. The gradually accruing cost of these problems to the economy is massive.

The side effects of smoking are major. Estimates suggest that someone who starts smoking as an adult has their life expectancy reduced by 7-10 years. It is more like 20 years for those who start below the age of 18. Half of smokers die of a disease before normal retirement age (65). It is estimated there are around 5,000 deaths where smoking is a contributory factor every year.

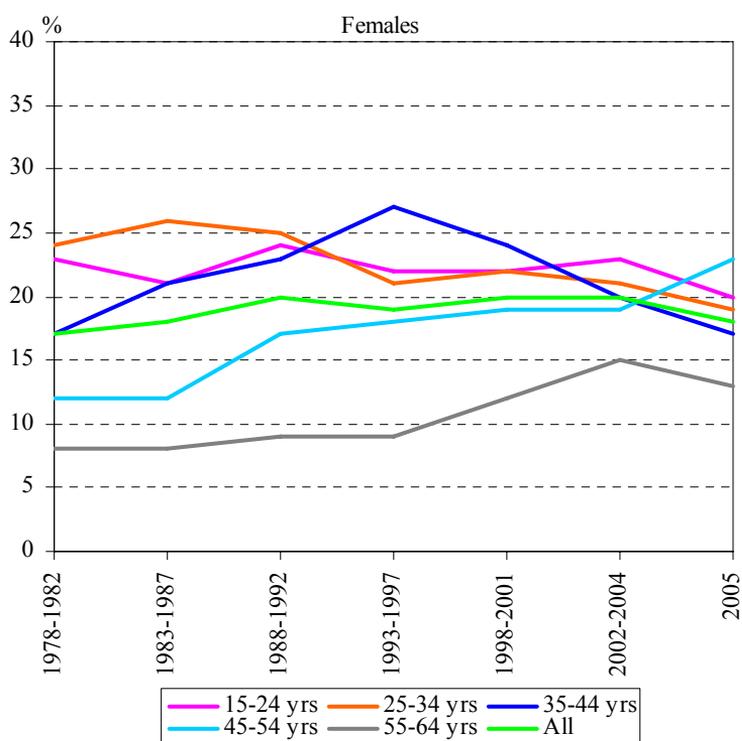
Tobacco plays a major part in the onset of illness and resulting absence from work, suffering from illness and premature retirement. A long-term survey in the UK found that 15% of heart disease and 26-97% of lung disease is tobacco-related (European strategy to promote health and non-smoking 1997).

A more recent view is that alcohol is a bigger factor as a cause of cancer than was previously thought. In Finland some 5,000 people develop cancer because of alcohol every year. According to a report being produced by the Finnish National Public Health Institute (FINRISKI and Health Data 2000), alcohol causes over 10% of the deaths of the over 30s. If the biggest alcohol users reduced their drinking to the level of the third of the population who drink least, around 5,000 deaths a year would be avoided.

### 6.1. Reducing smoking

Just under a quarter of men and slightly less than a fifth of women smoke every day. About 6% of adults smoke occasionally. Smoking amongst men has seen a decrease in the long term in all age groups. With women the situation seems to have stabilised at current levels (Figure 27).

Figure 27. Women who smoke each day by age group 1978-2006

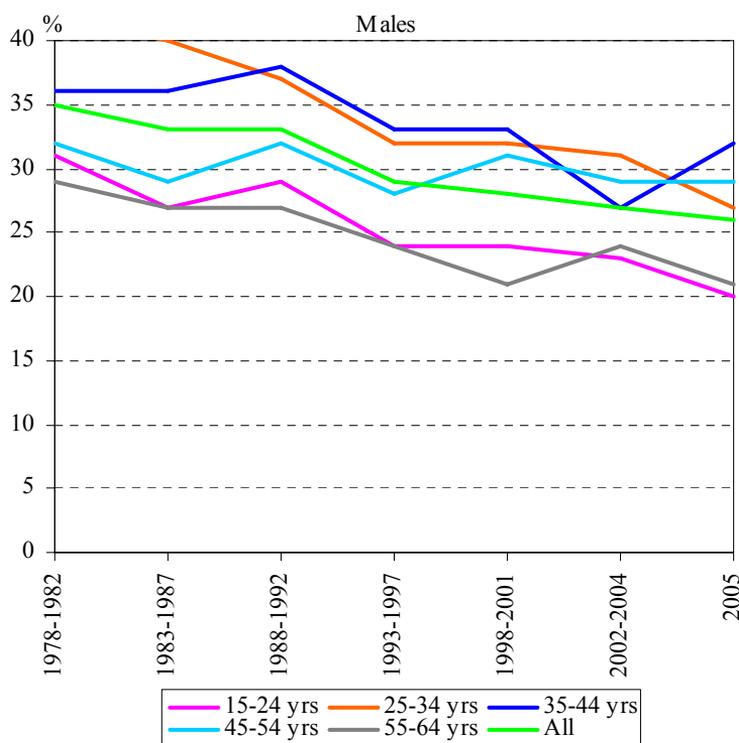


Source: National Public Health Institute, Min. Soc. Affairs & Health

With women the 'cohort' phenomenon is plainly visible. Smoking among older people is less frequent than among the young. But the gap has narrowed. In the older age groups smoking has increased, and in the younger ones it has gone down.

Smoking among men also varies with age. It has gone down over the long term, but has risen in recent years in the oldest and youngest age groups (Figure 28).

Figure 28. Men who smoke each day by age group 1978-2006



Source: National Public Health Institute, Min. Soc. Affairs & Health

According to statistics produced by the National Public Health Institute, the extent to which smoking varies between groups with different educational backgrounds has become more obvious. The greatest reduction has been seen among the best educated. Currently around 17% of highly educated men smoke, while the figure is 37% for the least educated group. There are big differences between women of varying educational backgrounds too: in the least educated group 29% and among the highest educated 11% smoke (Helakorpi et al 2007)

A statutory ban on smoking in the workplace came into force on 1.3.1995. The ban on smoking in restaurants/pubs came in on 1.7.2007. Bans on smoking aim to reduce smoking and passive smoking. The ban in restaurants/pubs was also seen as an important way of improving health and safety at work. A proposal to change the size of cigarette packets is being considered. The purpose is to try and reduce smoking among the young in particular.

The consequence on the smoking ban at work is that consumption of tobacco products has fallen dramatically. First it dropped by 20%, but the trend has continued downward and consumption is around 30% lower than before.

People do not smoke during working hours, but they do not try and catch up outside working hours either.

According to the statistics by the National Public Health Institute, exposure to tobacco smoke at work has at the same time remained at lower levels than before since the Finnish Smoking Ban Act of 1995.

In 2006, 24% of working men and 10% of working women who smoked daily said they were exposed to tobacco smoke on work premises for at least an hour a day. 5% of men and 2% of women other than those who smoked daily worked in areas where there was tobacco smoke for at least an hour a day. Recent years have seen no dramatic changes, though the trend is downward.

The increase in the number of smoke-free workplaces has been significant. A completely smoke-free workplace means that people do not smoke during working hours except in statutory break times. The move also involves action to provide an incentive for a smoke-free environment, such as support for getting off smoking and active communications on the subject.

There is no register of smoke-free workplaces, but all hospital districts, and others, have declared themselves smoke-free. Local authorities which meet the smoke-free conditions, at least partly, are Helsinki, Mäntsälä, Nakkila, Lohja, Pello, Ii, Rovaniemi, Ilomantsi, Simo, Tervola, and other places of work include the National Public Health Institute, Sokotel (Sokos hotels), the insurance company Pohjola, the Sampo Group, the insurance company Tapiola, Ingman Foods, Pekka Niska, the Cancer Society of Finland, the Balloon Centre and the Regional Council of Päijät-Häme.

## ***6.2. Alcohol consumption among those of working age***

The overall consumption of alcohol per head of population has risen dramatically over the long term. Now in the 2000s it seems to have stabilised at a little over 10 litres per annum (Figure 29 and Table 8).

Figure 29. Consumption of alcoholic drinks 1990-2006

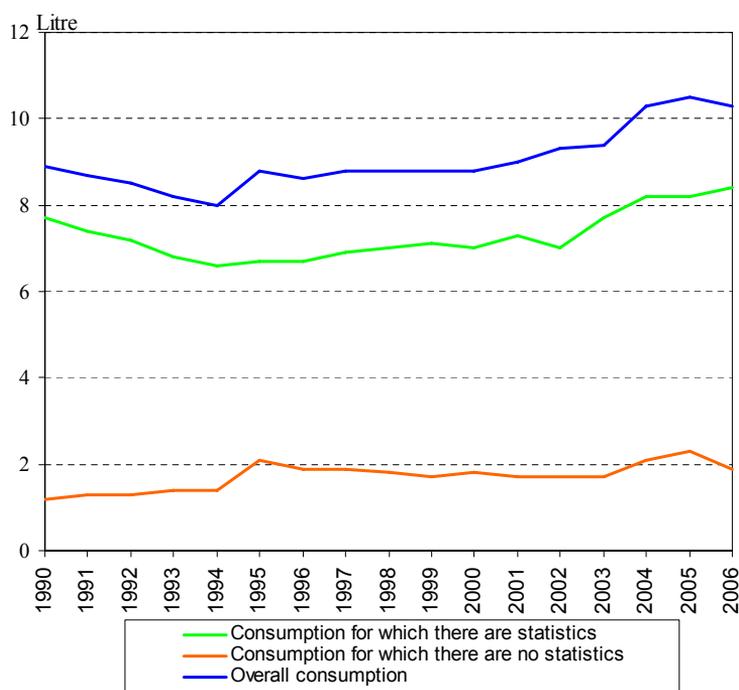


Table 8. Overall consumption per head of population, 100 alcohol

	1955	2003	2004	2005	2006
Consumption based on statistics	6.7	7.7	8.2	8.2	8.4
Consumption not based on statistics	2.1	1.7	2.1	2.3	1.9
Overall consumption	8.8	9.4	10.3	10.5	10.3

Alcohol consumption is unevenly spread amongst the population, with a small number drinking most of the alcohol. The distribution of the quantities of alcohol consumed by men in recent years has evened out slightly. Since the start of the 1990s, however, the evening out phenomenon seems to have ended. In 1992 the tenth of the male population who drank most consumed about 40% of all the alcohol consumed by men. And the situation has barely changed since then. The cut in alcohol prices in 2004 has been responsible for an increase in consumption, especially among middle-aged men and women.

The distribution of consumption amongst women has remained fairly steady over the past 15 years. In the 1990s the tenth of the female population who drank most consumed about 50% of all the alcohol consumed by women.

That figure has since dropped slightly. Women account for more or less the same share of the population that consumes alcohol. On the basis of a study for the year 2004 it has been estimated that women consume almost a third of all alcohol (Alcohol in the EU: Finland 2006).

Drinking habits normally change very slowly. If there are any clear-cut trends visible they seem to be linked to the drinking habits of women and men. The proportion of teetotallers (not had alcohol in the last 12 months) has fallen. That is particularly true for women. While 17% of all 15-68 year olds were teetotal in 1992, since 2000 that figure has gone down to 10%. The share of teetotal men for the same period has remained more or less at the 10% mark. The frequency of alcohol consumption has remained fairly much the same. The gap between men and women has nevertheless narrowed. In 2004 a full third of men and a fifth of women drank alcohol at least twice a week (Alcohol in the EU: Finland 2006).

There are fewer teetotallers and greater alcohol consumption among people of all educational backgrounds. Any differences between these groups have all but vanished. 44% of men in the poorest educated group said they drank at least eight units a week in the survey period 2004-2006, and the same was true for 46% in the best educated group. Women in the poorest educated group said they drank at least five units a week, i.e. slightly less frequently than the more highly educated (Helakorpi et al 2007)

The risk barrier for alcohol consumption in men is thought to be 25 units of alcohol a week. For women it is 16. (One unit = a small bottle of beer or 12 cl of ordinary wine or 4 cl of strong liquor). The amount of alcohol drunk at any one time should not, however, lead to a state of one pro mill intoxication. Men reach this point after about seven units; women after five (Kiianmaa 2004).

Risk drinking in both men and women increased in the 1990s. In 2004, one in four men drank at least six units at least once a week. The figure for women was one in eight drinking at least four units at least once a week (Alcohol in the EU: Finland 2006).

The risk factor varies not only by sex but by age. Risk drinking among women has gone up slightly this decade. The most dramatic rise has been in the 25-44 age group. Risk drinking in the youngest (15-24) and oldest (55-64) age groups seems to have fallen slightly (Figure 30).

Alcohol consumption in men has gone up slightly in the 2000s, although it appears to have dropped in very recent years. The trend is a downward one in all age groups except the 45-54 year olds, which has seen consumption continuing to rise. The extent to which the change is dramatic also varies from one age group to another (Figure 30).

Figure 30. Risk drinking in women by age group 1998-2006 (Proportion of women who consume six units or more of alcohol in one go at least once a week)

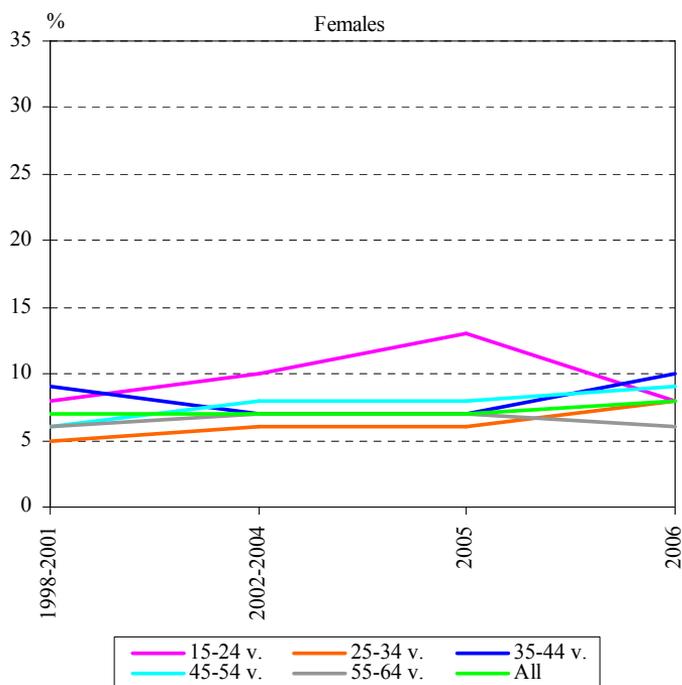
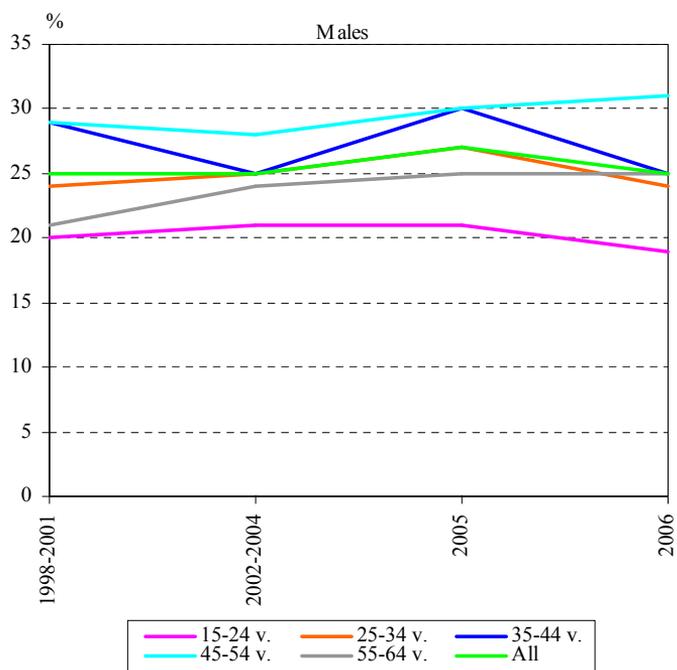


Figure 31. Risk drinking in men by age group 1998-2006 (Proportion of men who consume six units or more of alcohol in one go at least once a week)



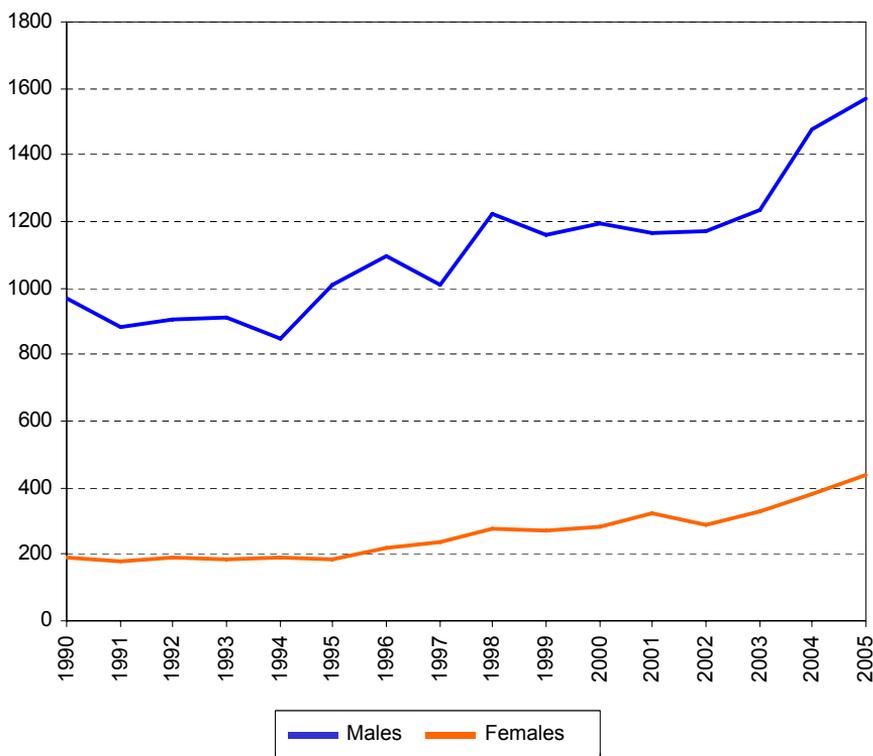
### 6.3. Alcohol-related illness and death

Exceeding the risk barrier raises the chances of developing such diseases as cirrhosis of the liver or hypertension. Other possible forms of harm to health include damage to the brain and pancreas, myocarditis, hormonal disturbances, and mental illness. Besides the medical harm, there may be social problems in such areas as work, finances and human relations. In addition, there tend to be more immediate problems such as accidents (Kiiänmaa 2004).

The acute problems caused by alcohol manifest themselves in the shape of a temporary deterioration in work ability and short-lived absences from work due to illness. Chronic problems derive from long-term drinking. They can result in long periods of sick leave and ultimately lead to loss of work ability and premature retirement, or in the worst case scenario, death.

In both men and women there has been an increase in the number of cases where the underlying cause of death is alcohol-related illness or poisoning. The increase in this in men over the last two years has been particularly great (Figure 32).

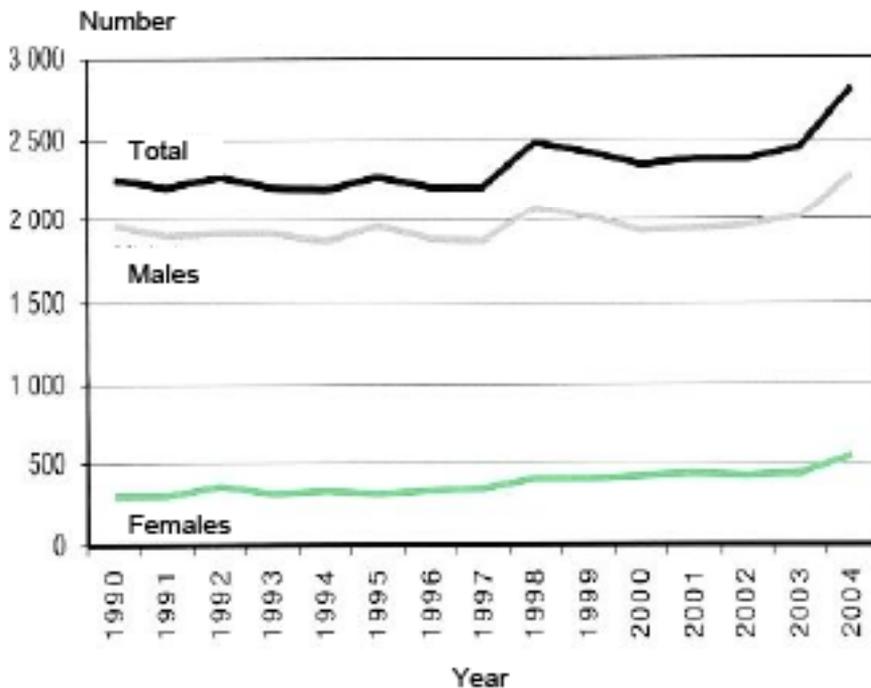
Figure 32. Alcohol-related illness or poisoning as the underlying cause of death



Source: Stats Finland

The number of deaths where the main diagnosis is alcohol-related illness or alcoholic poisoning appears to follow the sort of fluctuations associated with alcohol consumption (Figure 33). If violent deaths and accidents linked to drunkenness are included, the number of deaths every year on average has been in the region of 3,000 (Alcohol in the EU: Finland 2006).

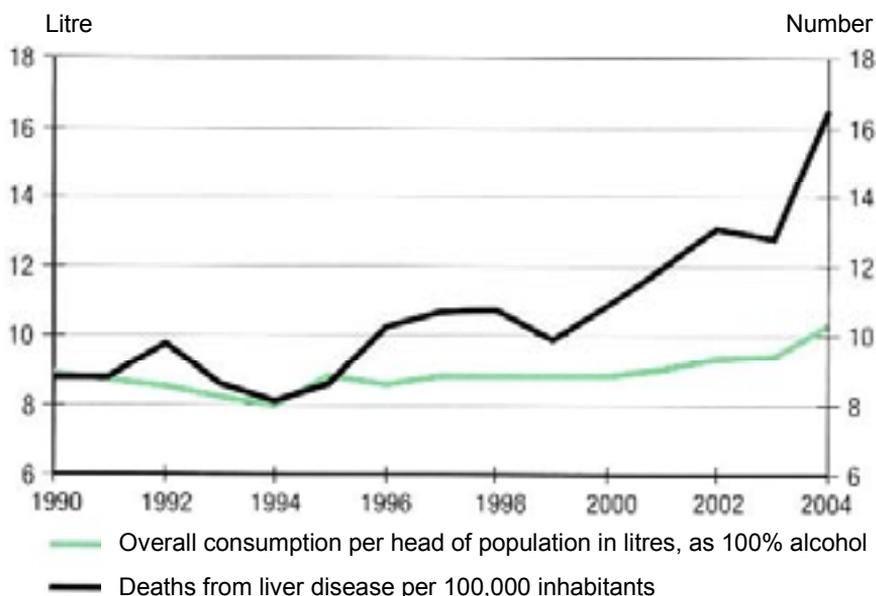
Figure 33. Number of deaths from alcohol-related illness or alcoholic poisoning (main diagnosis) and accidental and violent deaths due to drunkenness by sex 1990- 2004



Source: Stats Finland

In the alcohol programme the target for overall consumption was set to come down and problems were to be prevented on many fronts. Just a small increase in overall consumption has a huge impact on the number of alcohol-related illnesses. In 2004 the number of deaths from liver disease was almost twice what it had been in 1990, although the overall consumption of alcohol had only gone up by 16% (Figure 34).

Figure 34. Overall consumption of alcoholic drinks, as 100 % alcohol and deaths from liver disease 1990-2004



Source: National Research and Development Centre for Welfare and Health (Stakes)

In 2004 consumption was up by 10%. The number of deaths from alcohol-related illness or alcoholic poisoning rose by 20% among men and by 17% among women. In the younger age groups (25-44) there are fewer cases, but the relative increase is still greater at 35% (Alcohol in the EU: Finland 2006).

In 2005, 3,050 people died as a result of alcohol consumption. That was 203 up on the previous year. The number of people dying from alcohol-related illness and poisoning rose by 9.1%. The number of people dying from liver disease rose by 17% and was up by more than 50% compared to 2003. The number of deaths from accidents or violence due to intoxication went up by 2.9% between 2004 and 2005.

The periods of treatment of alcohol-related illness remained at virtually the same level. The hospitals recorded 26,677 periods of treatment where the main diagnosis was an alcohol-induced disorder (Stakes 16.2. 2007).

In 2000 there were in all 8,900 people on a disability pension because of alcohol-related illness. In 3,500 of these the main problem was an alcohol-induced disorder (National Public Health Institute statistics).

The 'Current Care' recommendations (Duodecim & Finnish Society of Addiction Medicine 2005) is a document on the treatment of alcohol-related problems. The aim is to improve, clarify and standardise the treatment of early alcohol-related problems and alcohol dependence. The recommendation focuses on three forms of care: mini-intervention, psychosocial therapies and medical treatment.

## 7 Reconciling work and family life

Career extension requires looking at work as a part of a greater whole. Work and the workplace are their own environment, and in principle the employer buys labour and input and nothing more. The supply of labour is nevertheless tied to how employees can reconcile work and the needs of the family. Family policy, therefore, also has an impact on labour market policy. Narrowing the wage gap between women and men, support for women's career development, and balancing the obligations of work and family are thus vitally important. A steady and higher birth rate also depends on the development of family policy support and services. All these form a whole, so one of the objectives was to draft the following programme:

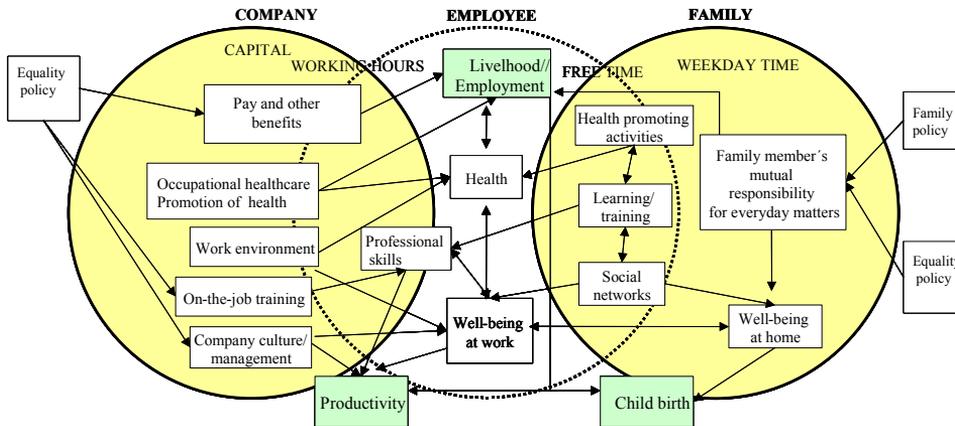
- *To establish and implement a comprehensive family policy programme*

The idea to launch an actual programme within the context of Veto was abandoned, however, and the focus switched to developing family policy law. Matti Vanhanen's second Government Programme includes a welfare policy programme for children, young people and families. Family policy has extensive and complex links to employment, productivity and child birth. Over the long term there is an effect on the development of society as a whole.

The balanced development of society depends on the coordination of work, family and the other areas of life. A successful family policy has a very broad and long-lasting impact on working life, employment and business conditions. Two-thirds of the economic growth witnessed in recent decades is explained by the increase in productivity. Many factors influencing productivity, such as health, professional/vocational skills, and well-being in the workplace are not determined exclusively within the realm of working life. Family and equality policy also have a major impact in these areas (Figure 34).

The family is an important factor affecting work ability. The effect is felt via three dimensions of human capital: the physical, the mental and the social. One's family situation generally, with its various duties of care and protection, affects the approach which a father and mother adopts to work (supply of labour).

Figure 35. Reconciliation of work and family life



Family policy, with its support and day care services, creates an opportunity for men and women to find employment on a gender-equality basis. A family's economic and social welfare and the equal opportunities for going to work that support this, make child birth, its timing and family planning a possibility and promote the sustainable well-being of society.

There are two main ways that can combine looking after small children and parents, and especially mothers, entering the labour market. These are the successive approach and the simultaneous approach. In the successive approach a child is looked after firstly all day long, with the parent then returning to full-time work. In the simultaneous approach the parent works part-time and looks after the child at the same time (Piekola and Ruuskanen 2006).

International studies suggest that high levels of education, age and previous jobs are factors which speed up a mother's return to work. They have a positive effect in all countries, despite differences in social security systems. The positive effect of education seems to diminish, however, when people are away from work for a long time. Having children permanently alters the way mothers spend their time, their approach to housework and their social intercourse (Piekola and Ruuskanen 2006).

A study on the use of time suggests that total working hours for both men and women are alarmingly long in families with children. The term 'double burden' could apply equally to both sexes. Women do an average of nine hours more housework. This difference does not narrow with age either (Piekola and Ruuskanen 2006).

## *7.1. Developments through legislation and on the basis of collective agreements*

It is the Government's aim generally to improve the reconciliation of work and family life and equality, make temporary employment contracts permanent, try for a better balance of family leave between women and men, promote equal pay over the long term, and help the costs to employers of family leave to level out. Vanhanen's second Government Programme includes a new welfare policy programme for children, young people and families. The family policy's links with other areas of policy have strengthened. It is largely to do with families with children, but it also concerns equality, education and training, employment, and industrial, housing and economic policy.

Some of the arrangements for supporting the compatibility of work and family life come from national level, such as legislation on employment and family leave. Some come from collective agreements, employment contracts and workplace practices. The system of services is partly statutory (day care) and partly a voluntary system (services to families provided by organisations). An additional aid might come from the immediate community (grandparents and neighbours).

Provisions on a parent's entitlement to family leave are laid down in the Finnish Employment Contracts Act and parents' right to allowances in the Sickness Insurance Act. Under the former, family leave refers to maternity, special maternity, paternity and parental leave, childcare leave, partial childcare leave, temporary childcare leave and leave granted for pressing family reasons. Maternity, special maternity, paternity and parental allowances are in proportion to the recipient's income from work.

The provisions on family leave in the Employment Contracts Act were amended in 2006 to make it easier for the parents of children of split families or parents not living in the home, or a disabled or chronically ill child, to coordinate work and family life. The amendment also improved the status of an employee in a temporary job prior to taking family leave.

Reforms in the laws on parental allowances and compensation for employers entered into force at the start of 2007. The maternity allowance went up from 70% to 90% of pay for the first 56 days. The compensation paid to employers increased. When the costs to an employer whilst paid maternity leave is being taken come down, they have better potential for employing staff in female dominant industries which pay the salary for the period of the maternity allowance. The rise in the allowance, on the other hand, also improves the financial position of those mothers who have no entitlement to a salary paid by the employer during the maternity leave period.

The partial care allowance will go up from the start of 2010, to improve compensation for the loss of salary due to shorter working hours.

Legislation on the activities of schoolchildren in the morning and afternoon and guidance on their content took effect in 2004. The purpose is to support education in the home and at school, promote equality and improve the coordination of work and family.

Numerous families have care arrangements extending over several generations. Working adults often have to help and look after their aged relatives and their growing children or grandchildren at the same time. Around 40% of employees look after or care for their parents or parents-in-law, and the number is rising (Lampinen 2007).

## ***7.2. Childbirth and paternity leave***

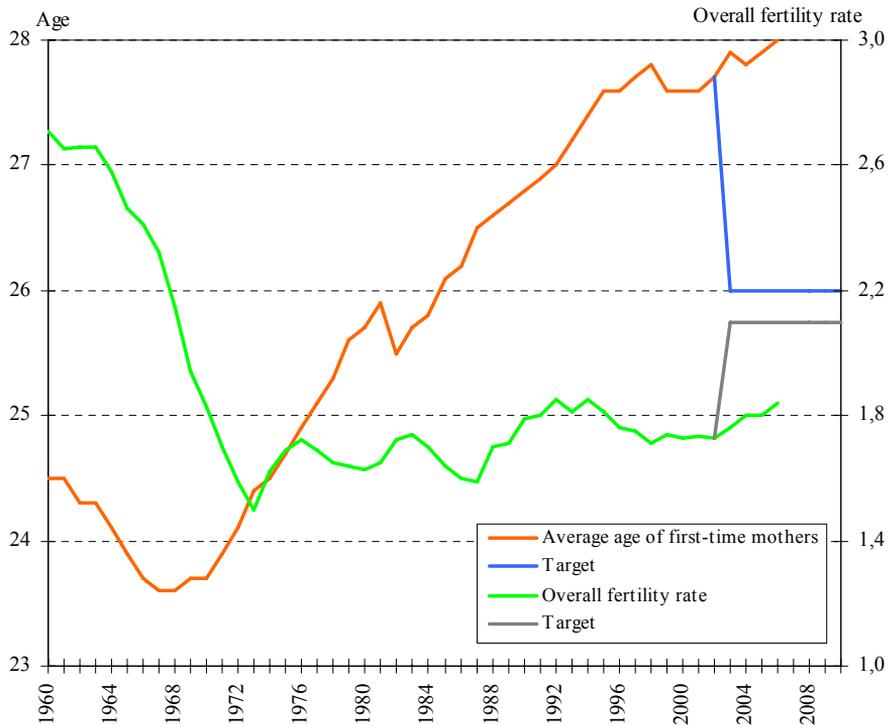
Population growth is a huge challenge in Finnish society in the 2000s. The population is ageing and at the same time the birth rate is too low. People are starting a family later on in life and putting off having children. It gets harder to have children if it is put off for a long time. Furthermore, there are more partners who want children but who cannot have them. The number of childless marriages and people living alone has increased.

The overall fertility rate, which has remained steady in recent years, is fairly probably due to families having second and third children. It also seems to be rising slightly. However, people are now having their first child later. This is assumed to be because of long study periods and problems finding employment (piecework).

The average age for first-time mothers has risen steadily (Figure 36). In 2006 it was 28. The average age is highest among highly educated women and childlessness is also commonest in this group. Approximately 15% of women in the 50-54 age group have no children. In the future that number is predicted to rise to 20%.

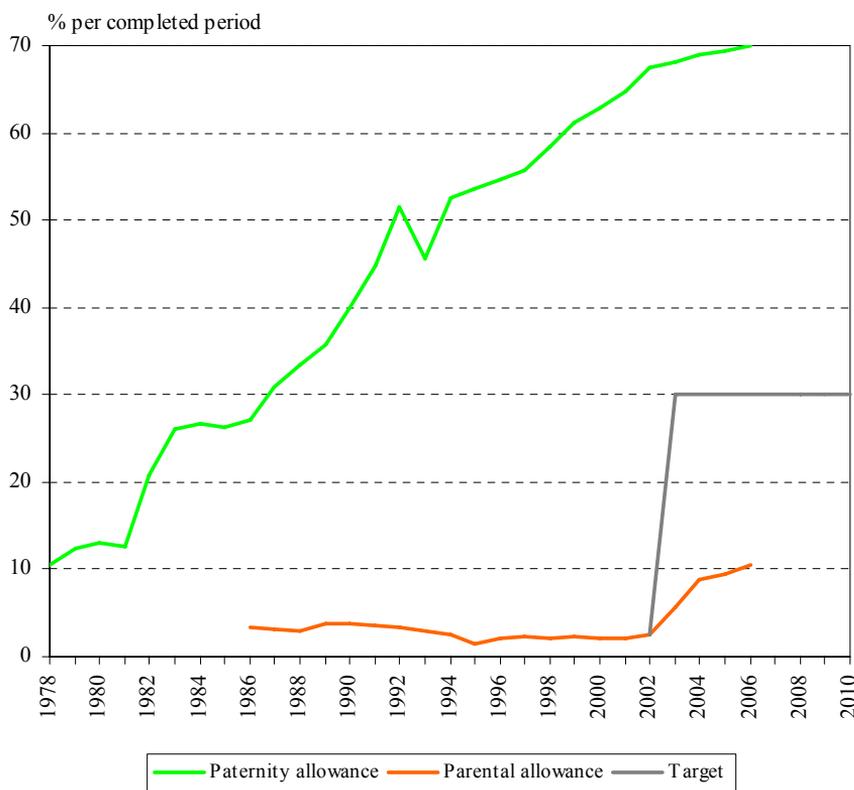
The taking of paternity leave has grown steadily. However, the use of fathers' parental leave has been minimal, although it too has clearly risen in recent years (Figure 37). From the start of 2007 the parental allowance rose to 75% of one's salary for the first 30 working days. If both parents take parental leave, they both get the increased allowance. The aim is to encourage fathers to use parental leave more. There have been campaigns to increase the extent to which this sort of leave is taken.

Figure 36. Average age of first-time mothers and the overall fertility rate 1960-2005, and the target for 2003-2010



Source: Stats Finland and Min. Soc. Affairs & Health

Figure 37. Fathers receiving a paternity or parental allowance 1978 –2006 and target 2003- 2010



Source: Social Insurance Institution of Finland (KELA) and Min Soc. Affairs & Health

### 7.3. Work, employment and equality

The parents of children under the age of three have the right to choose between a local authority day care centre, a children’s home care allowance and a children’s private care allowance. The home care allowance and the private care allowance are paid to organise care other than that provided by the local authority. Both may include a care allowance and an income-related care supplement. The parents of children under 3 who work a shortened working day may also receive a partial care allowance. The right to choose local authority day care or a children’s private care allowance covers all children below school age.

When children under the age of 3 suddenly fall sick, the employee has the right to temporary care leave. Unpaid care leave under the Employment Contracts Act can last a maximum of four working days, and it is meant as a period of time to look after the child or arrange care. Just one of the parents has

entitlement to leave. There are collective agreements in some industries where paid child care leave has been agreed.

Looking after your own children at home has accumulated pension cover since 1.1.2005. For the period a maternity, special maternity, paternity or parental allowance is paid, 1.5% of the pension accrues a year. Pension also accumulates for the time home care leave is taken for a child under 3.

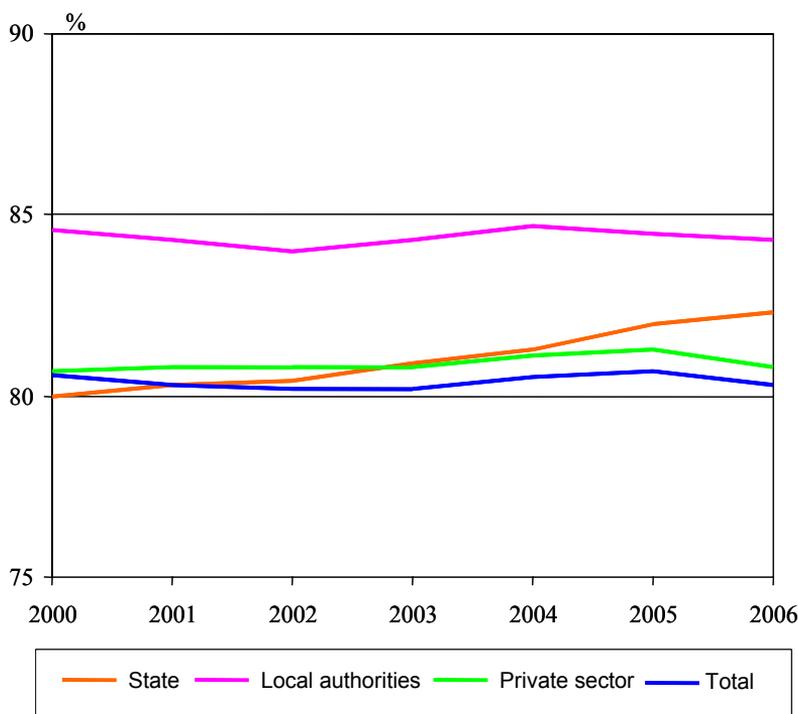
Amendments to the Annual Holidays Act in 2005 improved the status of part-time employees. Absence due to illness and days which employees are laid off no longer diminish part-time worker's entitlement to holiday. Holiday benefits for employees on successive temporary contracts may also be transferred to the following period of employment.

The increase in the employment rate has been rapid since late 2004. The relative number of women in work has gone up. Jobs have been created in the mainly female-dominant services and retail industries. Part-time work in these sectors has increased. The employment rate amongst men, however, is still rather higher (around 69%) than with women (67%). The unemployment rate is around the same for both (Government's Final Report on the Equal Programme 2007).

The growth in the number of untypical employment contracts seems to have levelled off. However, around half of new employment contracts are temporary. Temporary contracts are more common for women than for men. According to the Finnish Working Life Barometer, there has been a positive trend in gender equality, although it appears to have slowed down (Government's Final Report on the Equal Programme 2007).

The gender pay gap has been 18-20% since 1990. In 2005 it was 19%, based on average monthly earnings for regular working hours (Figure 38).

Figure 38. Monthly earnings by sector; women's earnings as a percentage of men's



Source: Stats Finland

The pay differences are due to the fact that the work of women and men is valued differently and the fact that women and men tend to work in different sectors and occupations. Having children might also have an adverse impact on women's career development and employment/pay. Segregation in the labour market has only diminished very slowly. It starts when young people are choosing their fields of vocational education and training (Government's Final Report on the Equal Programme 2007).

Pay differences affect a good deal of things. They may be regarded as an ethical problem, but they are not just that. They guide educational and training course selection and so impact on the professional structure long-term. From the point of view of the sustainable development of society, the professional structure needs to be balanced. Pay differences act like a signal in the allocation of (human) resources and thus significantly affect the potential for economic development. The workforce will become smaller in the future, so greater attention has to be paid to its allocation. This will also be important to ensure a growth in productivity.

## 8 Incentives, remaining at work and returning to work

Incentives are needed to encourage people to work and continue at work for as long as possible. Incentives are particularly important when people go back to work after long absences, unemployment or lengthy periods or sick leave. Social security has long been based on the notion that work must be a more inspiring alternative than any other form of subsistence security. The following objective was therefore set:

- *Greater incentive of subsistence security and pension schemes; more people to remain at, or return to, work (throughout the programme period)*

To achieve these goals there needs to be a viable package of various incentives. Broadly speaking, the incentives would include those which speed up the study process, taxation, the viability of the labour market, factors affecting mobility of the workforce, recruitment policy, family policy and pensions policy.

The incentives form a large whole. The aim is for them to work alongside one another and for short- and long-term incentives to form a logical and transparent chain throughout their entire lifecycle. In practice this is a demanding goal, as the problems eliminating incentive traps have shown.

The impact of financial incentives is based on the assumption that people work out what the most attractive option is for them financially at any one time. This at least is what happens in the short term. Over the long term the calculations involve a lot of uncertain factors. Alongside financial incentives there is a need for social ones. Values and attitudes need to support financial incentives, so that they affect people's choices and behaviour. This is especially important when reforms are being implanted in practice.

The effects of incentives on behaviour are linked to many factors, such as education and health. There is a high correlation between education and health, so that the better educated generally have a better chance of continuing to work and benefiting from a bigger pension at the end of their career.

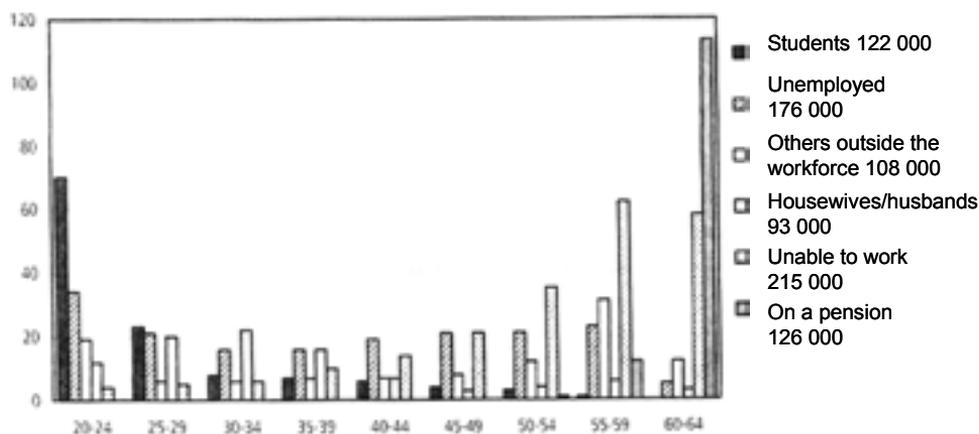
### **8.1. Employment of the potential reserve workforce**

There is a considerable number of people outside the workforce who, at least in principle, could return to work, if their work ability, professional skills, motivation and incentives are at adequate levels. According to studies and reports on the population's work ability, the majority of the under 65s who are unemployed or on a pension (retired) and others outside the workforce are able to work, and only a small minority are completely unable to work.

Furthermore, around half of 50-64 year olds on a disability pension it is thought are partly able to work (Finnish Government Office publications 5/2007)

In 2006 there were some 840,000 people outside the workforce aged between 20 and 64 (Figure 39.). The under 20 year olds are mainly in education. People doing military service are not included in the reserve workforce in the diagram.

Figure 39. The 20-64 year old population (grouped over a five-year age span) outside the workforce by main activity in 2006



Source: Stats Finland (Finnish Government Office publications 5/2007)

Quantitatively the largest group of 24-64 year olds outside the workforce were those on a disability pension. In 2006 there were more than 200,000 of these. According to a workforce survey, in these age groups there were more than 175,000 people unemployed. The number of those registered as unemployed by the Ministry of Labour was just under 240,000 people in the corresponding age groups.

In 2006 there were more than 125,000 under 65 year olds on a pension other than a disability pension. It is mostly the more mature age groups which account for most of those unable to work or on a pension. Half of those on a disability or some other sort of pension were under 60.

The majority of those not in the labour market owing to study were under 30. There were more than 120,000 students who had reached the age of 20. Most young people outside the workforce for reasons other than study or because they are in receipt of a pension were in the 20-35 age groups. This may well be due to the fact they were starting a family or doing military service. There were around another 200,000 of working age outside the workforce besides those on a pension and students. Almost half of them were housewives/househusbands.

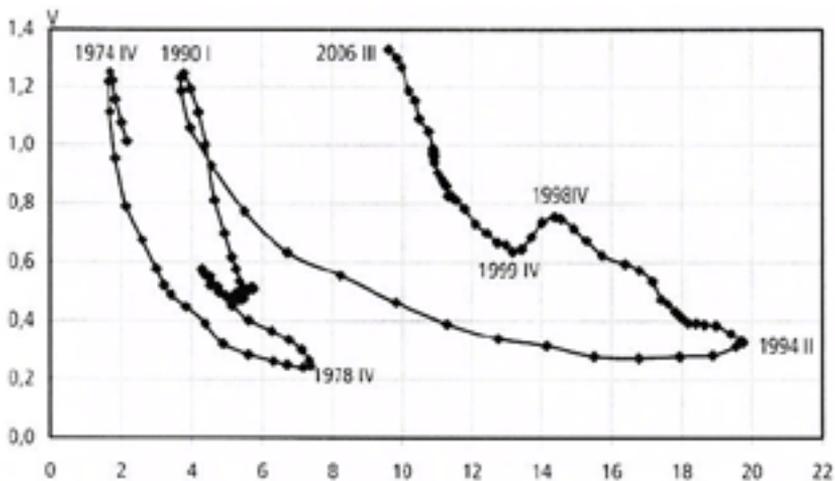
A workforce survey revealed that in 2006 there were an average of 99,000 people outside the workforce who could have accepted work but had not looked for it, in addition to the unemployed. A large number of these 'hidden unemployed' are prevented from seeking work by such factors as state of health, study or child care.

## 8.2. Shortage of labour and unemployment as concurrent phenomena

The number of vacant jobs in relation to the size of the workforce has seen a slight rise since the start of 2005. Although the number of vacancies has grown, unemployment has fallen relatively slowly. At the end of 2006 there 27,000 or so vacancies on the books in employment offices. More than 245,000 unemployed people were registered with employment agencies as defined by the Ministry of Labour for the same period. However, unemployment in recent years has clearly dropped and the target set by Vanhanen's first cabinet to create 100,000 new jobs was almost reached. All in all, it would seem that there are a lot of factors explaining the trends and which are hampering the aim to balance labour supply and demand.

Structural activity in the labour market and the changes happening in it can be depicted using the Beveridge curve (Figure 40).

Figure 40. Employment agency job vacancy rate ( $v$ ) and unemployment rate ( $u$ ) quarterly IV/1973-III/2006



Source: Ministry of Labour, employment agency statistics (Finnish Government Office publications 5/2007)

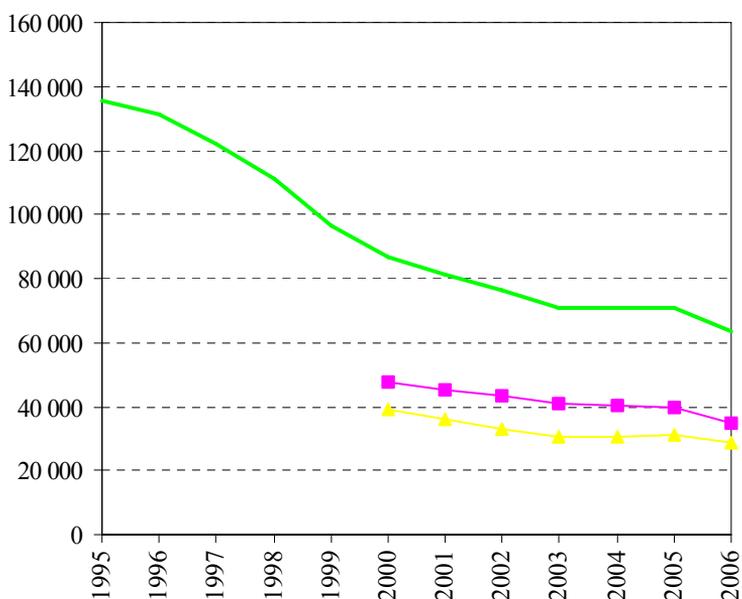
The detection points for the period after the recession in the 1990s are clearly farther away from the zero point than the earlier ones. By the end of the 1990s they have moved closer to the zero point once again. There is nevertheless a big

difference compared with the period prior to the recession. When the Beveridge curve moves away from the zero point this may be interpreted simply in such a way that the incidence of demand and supply has weakened in comparison with the time before the recession.

### 8.3. Structural unemployment is down

In 2006, almost 13%, some 335,000 people, were classified as unemployed jobseekers or those whom labour policy measures were being targeted at. Seen over the long term, levels of long-term unemployment have been brought down. The fall in the 2000s has nonetheless been slower than expected. Structural unemployment has likewise fallen very slowly, and is more common in men than women (Figure 41).

Figure 41. Long-term unemployment (upper curve) 1995-2006 and structural unemployment by gender 2000-2006 (lower curves)

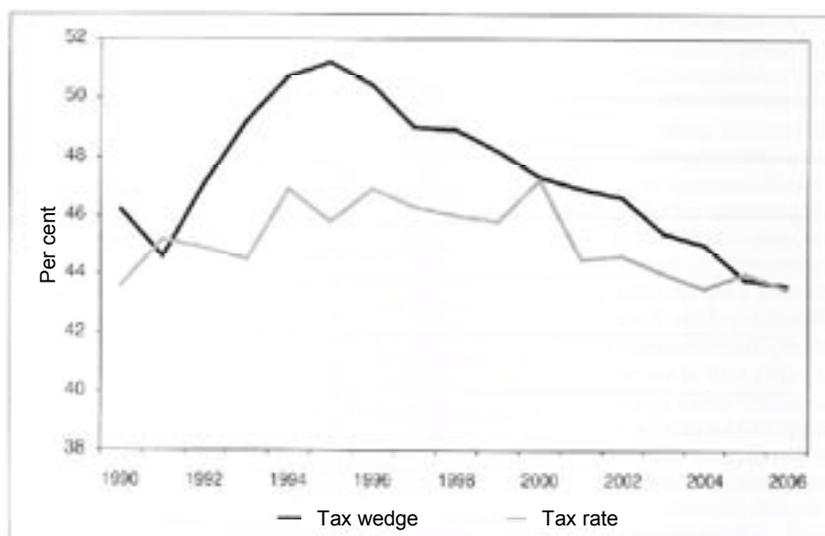


Source: Finnish Labour Review

### 8.4. Universal incentives for employment

Reductions in the taxation of labour improve incentives to work and increases the labour supply. At least up till 2007, tax relief did not result in wage inflation or the job market becoming over-heated, because there was unutilised production potential in the economy. The tax wedge for labour costs (total tax on labour) has continuously fallen since 1995 (Figure 42).

Figure 42. Tax wedge and overall tax rate



Source: Kiander 2007

There have been tax cuts for both marginal and average tax rates and they have been relatively the same in all income brackets. In addition, social insurance contributions for both employees and employers have been reduced.

The Government's employment targets can only be reached if there is more labour in the job market which is employable. Consequently, there should be robust incentives for careers aimed at the unemployed. The disincentives obviously should not be strong.

Reports suggest that 'income traps' appear to focus on the unemployed. The minimum level of security of an unemployed person is made up of basic unemployment security (basic allowance and labour market support), housing support and subsistence security, which are linked to one another as regards the criteria used for determining them. They are rare in the households of the employed.

Threshold salary describes the gross level of pay where the income available is the same as being unemployed. The following diagrams set out the threshold salary for someone living alone in rented accommodation who receives an earnings-related unemployment allowance at different income levels prior to unemployment. The benefits and tax criteria are for years 1998 and 2007 (Figure 43) and for years 2002 and 2007 (Figure 44). In addition, the calculation takes account of changes to earnings and rents between the years mentioned. The diagrams show that the threshold salary for someone on an unemployment allowance has decreased, therefore boosting the incentive to work at all income levels.

Figure 43. Threshold salaries with built-in tax and benefit criteria for 1998 and 2007 in euros per month at 2007 income levels



Source: Government Institute for Economic Research

Figure 44. Threshold salaries with built-in tax and benefit criteria for 2002 and 2007 in euros per month at 2007 income levels



Source: Government Institute for Economic Research

There is inevitable conflict between the level of subsistence security and the incentive to work. The incentive becomes greater if the former - and benefits - come down. However, the goal is to try and boost incentive without having to compromise on levels of security.

### **8.5. Influence of pension scheme incentives**

A little over 10% of those who retire are under 50. Illness and disability in this group are often such that it is no longer possible to continue at work. On the other hand, pension policy incentives can be used to influence those who have reached the age of 50 as to whether they want to apply for a pension. Such financial incentives include accelerated accruals. The annual rate for accruing a pension at work is 1.5%. Accelerated accruals raise this to 1.9% in the case of a 53 year old, and 4.5% in the case of a 63 year old, continuing until he or she has reached the age of 68.

In 2004 it was estimated that the expected age at which someone would retire would rise by 0.7 a year up till the year 2010, and by 1.2 years by 2015. Now it seems that expectations are rising even faster than anticipated. Employment and economic growth are, however, crucially important for this trend to continue (Finnish Centre for Pensions statistical report 5/2007).

With the pension reform the unemployment pension as its own form of pension will end after a transitional period. It has long been an important route for taking a pension. It is thought its abolition will result in people taking their pension later.

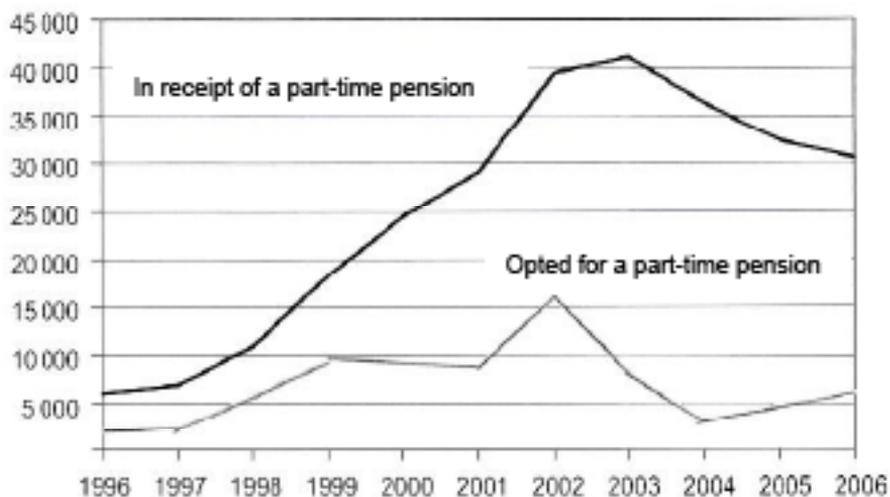
The pension reform also includes incentives which take account of the importance of study and reconciling work and family life. Under the new legislation, a pension can also be accrued while someone is on child care leave or studying. Unpaid periods were registered for a total of 950,000 people for the year 2005. At the end of 2006 almost 14,000 pensions were being paid, and that included a part of a pension which had accumulated for unpaid time (Finnish Centre for Pensions statistical report 6/2007).

The effects of the pension reform may be partly contradictory as far as career extension is concerned. Changes to age limits and pension accrual have an impact on the average age people leave work in different ways. Restricting the unemployment pensions process and raising the lower limit for taking an old-age pension both delay the time people stop working. On the other hand, some of the changes to the accrual percentages, increases for postponement, and early reductions bring it forward. Overall, though, the reform has the effect of increasing the average age at which employees leave the labour market. On the basis of the results of a simulation, the effect would be a good eight months (Hakola & Määttänen 2007).

A part-time pension may be granted for a 58 year old who has been in work for a long time and who changes from full-time to part-time work. For some people who take a part-time pension there is the possibility of staying on at work longer than would have been the case otherwise (cf. Figure 54). In such a case the part-time pension thus acts as an incentive to work longer.

There were some 30,600 people on a part-time pension at the end of 2006 (Figure 45). Those who take a part-time pension are not regarded as retired and so their work raises the expected retirement age.

Figure 45. People who opted for a part-time pension during the year and in receipt of a part-time pension at the end of the year 1996-2006



Source: Statistics report by Finnish Centre for Pensions 6/2007

It is mainly the changes to age limits that have affected the number of those who have opted to take a part-time pension each year. When the age limit was temporarily lowered in 1998 by eight years, there was a clear increase in the number of part-time pensions taken. The highest number was taken in 2002, however, when the decision was taken to bring the age limit back up to 58.

## 9 General climate and changing attitudes

It was felt important for the implementation of the Veto Programme to have an influence on attitudes. Reform readily meets with resistance to change, even if the motives are thought to be sound. As a result, events and campaigns have an important role in influencing attitude and making the Programme and its objectives known. One of these objectives was:

- *The general climate and attitudes to change in a way which encourages approval and attainment of the Programme's objectives*

General climate and attitudes have a significant impact on the practical implementation of the reforms. Many reforms are very difficult to understand in terms of their content, and when they are being applied they need to be interpreted appropriately. People may have to make far-reaching decisions without being able to base them on earlier experiences. Both the service machinery which implements the laws and its clients will need to embrace the new.

The value put on work and attitudes to it change very slowly in general. It is better to examine the changes and any trends in changes over the long term. On the other hand, there is a swift response to changes in working conditions and this is reflected in the barometer (poll) results. Values and attitudes are largely culture-linked and actually quite abstract, while the way people experience their working environment is a matter of everyday reality. Both affect motivation.

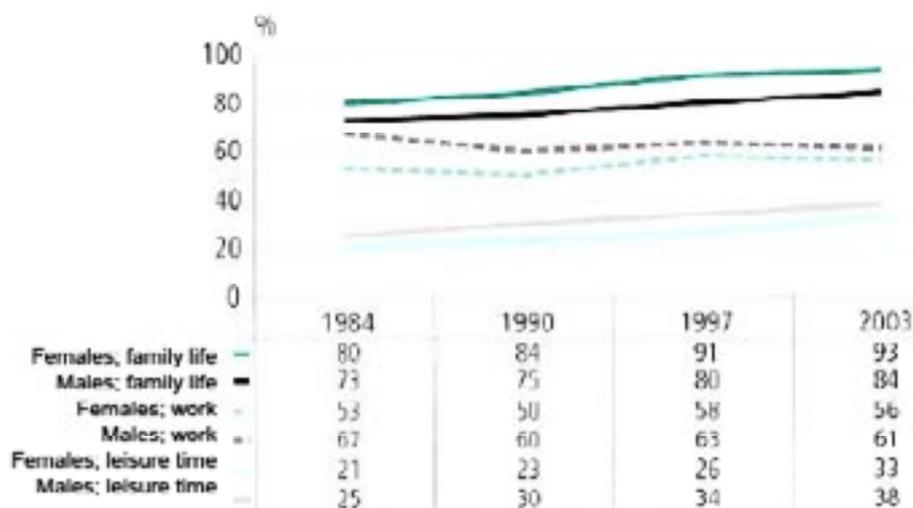
During the Veto Programme period the general climate for discussion was favourable as regards work issues. The Veto themes became the subject of broad public debate. The debate managed to move from a position of feeling bad at work to well-being at work and to the factors which support well-being and remaining at work.

Once the measures were made specific, the Ministry of Social Affairs and Health produced a detailed plan for communications on the Programme and its impact. Various channels were utilised and the message was customised according to target group. The Programme's actors engaged in cooperation on communications and the work of stakeholders.

### 9.1. Work still has value

According to a survey about working conditions conducted by Statistics Finland, 58% of employees considered work to be a very important area of their lives. The values expressed by men and women or in different professional positions are very similar. Seen over the long term (1984-2003), the status of work seems fixed. There does not seem to have been any dramatic reduction in that status, although appreciation of family life and leisure time has grown (Figure 46).

Figure 46. Importance of different areas of life (considers very important)

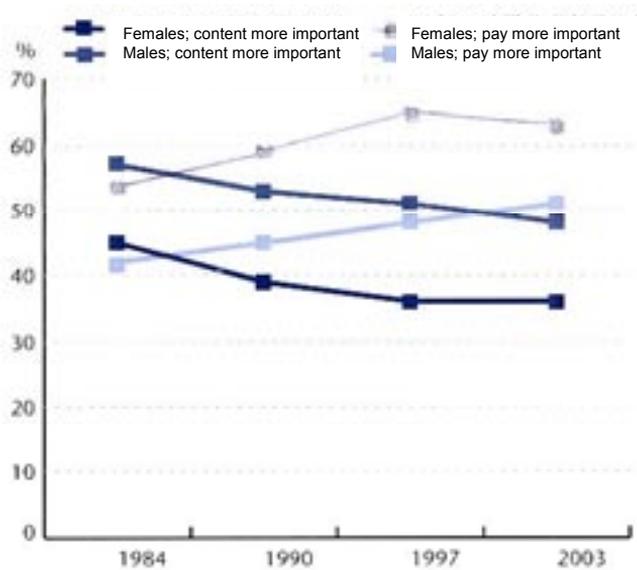


Source: Surveys on working conditions 1984, 1990, 1997 and 2003 (Lehto & Sutela 2004)

The fact that certain areas of life are considered important does not exclude others. Work creates a material basis for other pursuits.

The basic function of work is to safeguard one's livelihood thanks to the income earned from it. Consequently, work can be viewed as a means to an end. Some employees, however, stress the content of work as the overwhelmingly motivating factor. Surveys on working conditions reveal that the number of people who take this view has increased over the long term, whilst those who stress the importance of pay have diminished in number (Figure 47).

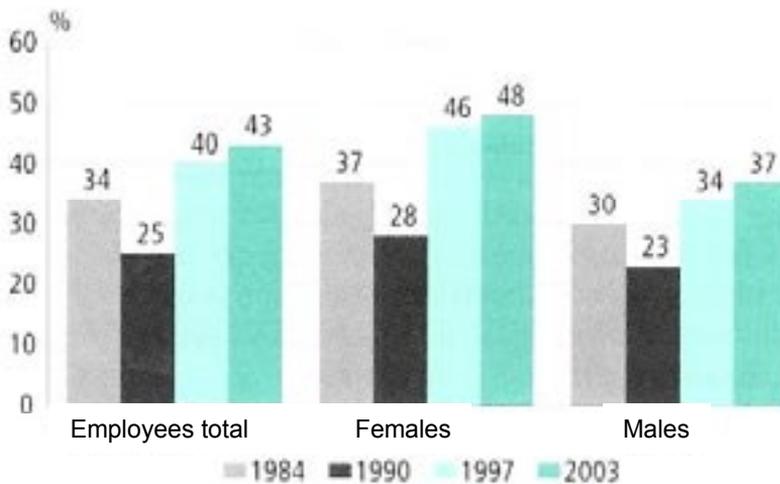
Figure 47. Pay or the prime importance of work itself among Finnish employees 1984-2003



Source: Lehto & Sutela 2004

The emphasis on the content of work can be interpreted as an increase in the value people put on it. People expect more than just an income from work. The number of people who think their work is important and significant has risen (Figure 48).

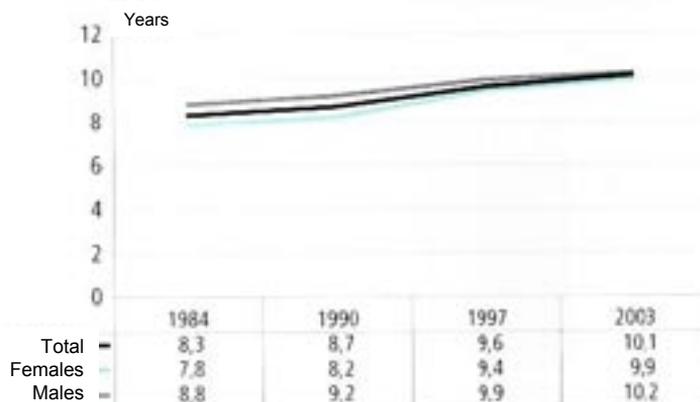
Figure 48. Considers their work very important and significant



Source: Surveys on working conditions 1984, 1990, 1997 and 2003 (Lehto & Sutela 2004)

Engagement with work also appears to have increased when examined from the viewpoint of length of employment contract, though uncertainty and piecework of various kinds has also increased. There are fewer who have changed jobs and there is less mobility than prior to the recession: the average time someone stays in the same job has risen to more than 10 years (Figure 49).

Figure 49. Time spent in the same job (Surveys on working conditions 1984, 1990, 1997 and 2003)



Source: Lehto & Sutela 2004

Generally speaking, the length of time people stay in a job becomes greater with age, so as the workforce ages there will be a lot of long employment relationships. The increase in piecework in the past ten years, however, provides another trend. People who have kept their job amid all the changes apparently still have a strong allegiance to work. Neither are there any major differences between the sexes, levels of education, sectors or professions/occupations when it comes to the age-adjusted average durations of employment relationships (Lehto & Sutela 2004).

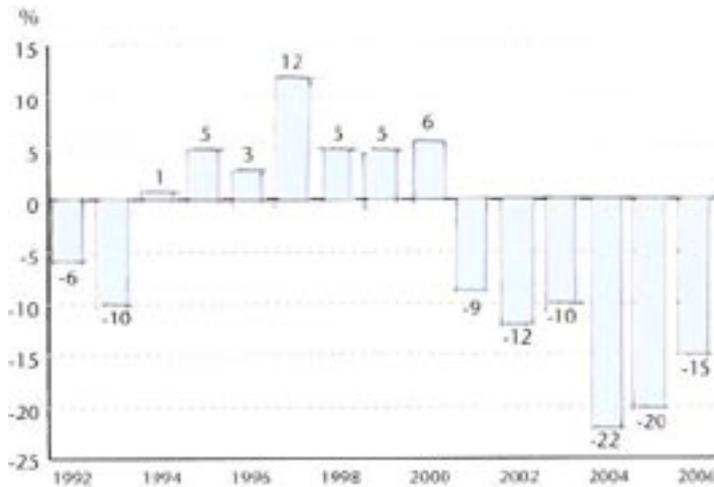
## 9.2. Areas of dissatisfaction seen in working conditions

The different aspects of the work they do influence the motivation of employees in addition to general values and attitudes. There are normally negative factors as well as positive. These together affect the job meaningfulness balance. If there are more negative changes than positive, the balance is negative.

The Ministry of Labour's annual working conditions barometer has been monitoring changes in the balance since 1992 (Figure 50). In the 2000s there seems to have been quite a drop in the extent to which people see their work as meaningful. Since 2001 there have been clearly more of those who have thought the meaningfulness of their work has changed for the worse than those who think it has changed for the better. Job meaningfulness has declined among

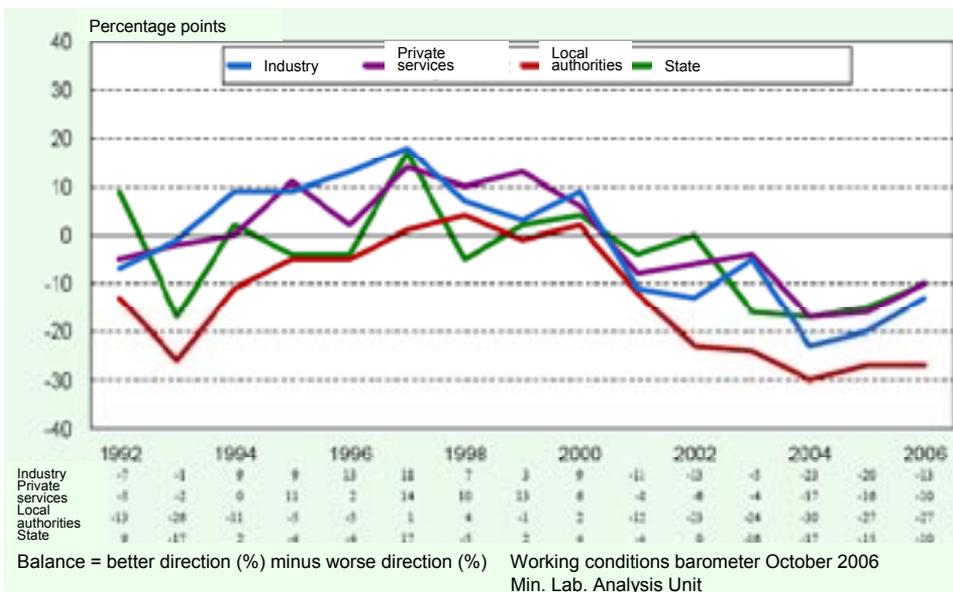
workers more dramatically than among others and the change has been slighter among more senior white-collar workers. The change among men is slightly more obvious than among women (Työ ja terveys Suomessa 2006).

Figure 50. The balance in the change of direction of job meaningfulness according to working conditions barometers 1992-2005



Source: Työ ja terveys 2006

Figure 51. The balance in the change of direction of job meaningfulness in different sectors 1992-2005



Source: Working conditions barometer 2006

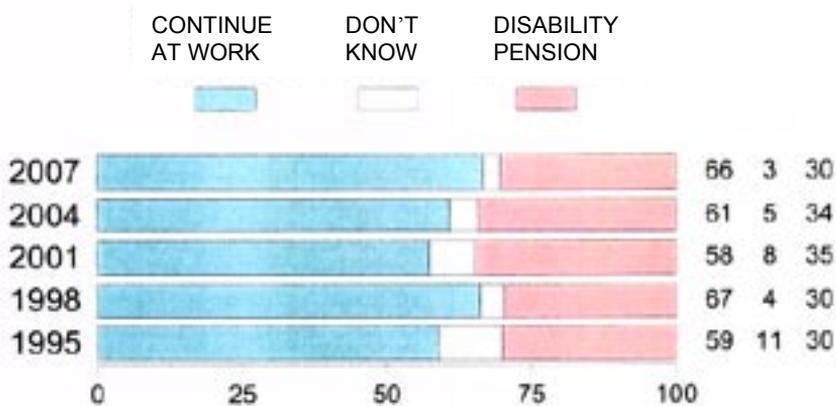
At the start of the 2000s there seems to have been a qualitative change in working conditions manifesting itself as a general feeling of uncertainty, a lack of confidence and doubts about job meaningfulness. Since 2004 the number of sceptics has begun to fall, though only to a small degree in the local authority sector.

### 9.3. Continuing at work

Whether or not to continue at work is influenced by abstract factors like values and attitudes, as well as employment legislation, pension laws, the prevailing employment situation, and actual working conditions. Of course, work ability, skills and motivation also play a part. Ultimately, however, the decision to continue is that of the employee him/herself within the boundaries imposed by the law. Withdrawal from working life is usually a process that lasts years. As a result, society and employers have the ability to affect this decision over a long time and provide options for continuing at work. Legislation defines the routes for leaving work, but also opens up channels for a return to work.

A lot of special attention has been paid in recent years to rehabilitation as a means to return to work. Attitudes in this area have also got a lot more positive it appears: now two out of three would be willing to continue at work via rehabilitation (Figure 52).

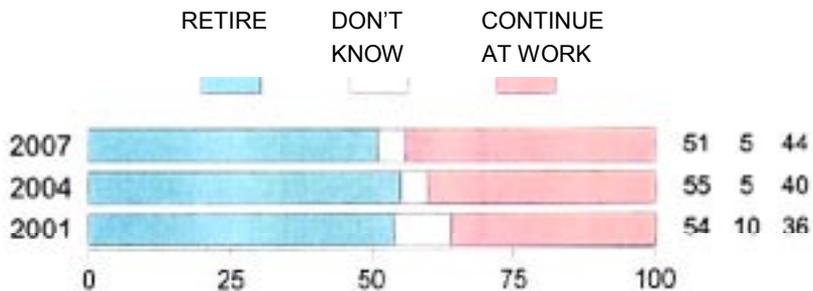
Figure 52. Who would choose what, if they fell ill: transferring to a new job with rehabilitation or simply taking a disability pension (%)



Source: Employment pension attitudes 2007/ TNS Gallup Oy 2007 PGraphic

With the new pension legislation, leaving work has been made flexible. There are, however, incentives to remain at work for long periods by means of bigger (accelerated) pension accruals. Attitudes also appear to have altered in the way it was hoped for: more and more think that they could carry on working having reached the age of 63 (Figure 53)

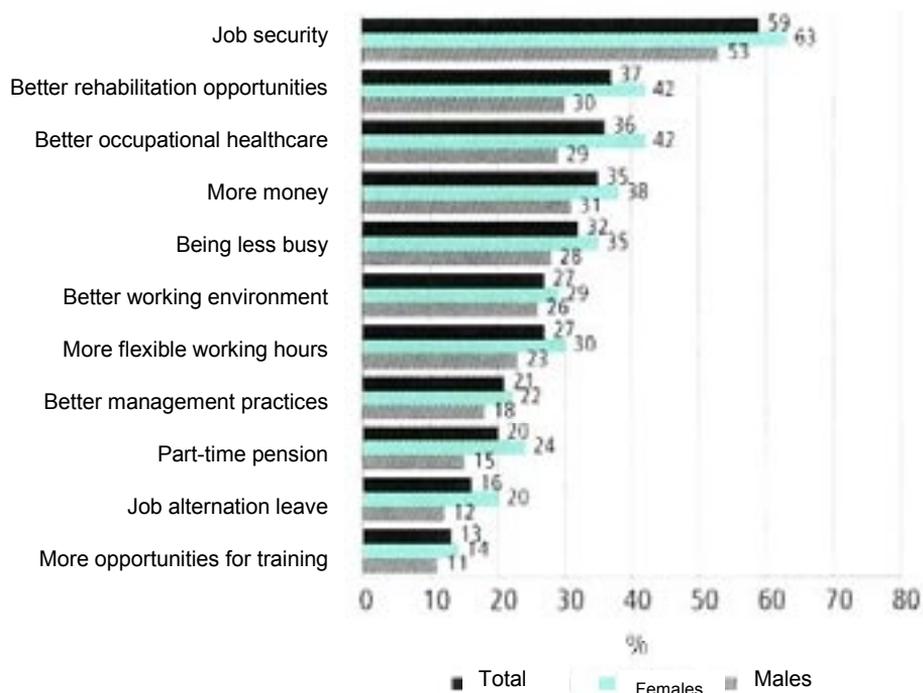
Figure 53. If you were 63 years old would you retire or continue at work? (%)



Source: Employment pension attitudes 2007/ TNS Gallup Oy 2007 PGraphic

Attitudes and information together make a complex whole. It is possible to conceive of a model where the numerous 'push and pull' factors influencing a single employee can, using weighting coefficients, result in a kind of 'stay-at-work/leave work' index. Alongside attitude is the immediate reality of every day working conditions and uncertainty about the future. In such situations people's needs with regard to security and continuity make themselves strongly felt. It is therefore no surprise that job security is highly rated: almost 60% consider this to be very important (Figure 54).

Figure 54. How to cope at work as long as possible: what the over 45 year olds consider very important



Source: Survey on working conditions (Lehto & Sutela 2004)

Women think the next most important factors are better opportunities for rehabilitation and better occupational healthcare services. There was a fairly big difference compared with men. Men thought better pay was the second most important factor. Women would like to see more rehabilitation services in transport, services and healthcare, in particular, and men mainly in construction.

The desire to see an improved working environment is fairly evenly spread among professional areas and the two sexes. Flexible working hours are popular mainly with women. Part-time pensions and job alternation leave are important ways to make it easier to stay at work longer for one in five employees.

#### 9.4 Communications have supported the Programme and altered attitudes

One indicator of the success of communications and the work of stakeholders is probably the reduction in applications for pensions. Finnish people decided to stay at work longer than when the Veto Programme was first launched. The surveys suggest that there is a more positive attitude at work to older

colleagues, and the important message that a healthy and productive workplace has employees of all ages has got across.

Communications have been highly important in the implementation of the Veto objectives. Communications and education/training were integrated with the Programme's measures and projects. There were a lot of stakeholders involved in the Programme as well as a good number of target groups, who were approached in many different ways. The target groups were actors in administrative sectors, the labour market, workplaces and their management, experts, the media and the general public. The individuals in the target groups are over the age of 35.

A communications group was appointed for the Veto Programme. It consisted of those responsible for communications in the organisations represented in the Programme's management group. Apart from the work of the communications group the stakeholders' input included fairs and exhibitions.

At the beginning of the Programme period communications were mainly about providing information on content and aims, and, in particular, changing the general climate and attitudes. At the end they were focusing on information on change and results.

There were a host of factors influencing changes in attitude. They included the employment pension reform, the public debate in the media, the debate in the workplace on ageing, and support for well-being at work. A visible and persuasive campaign and a large-scale programme of communications were planned and put into practice in collaboration with labour organisations.

### ***9.5. A host of communications channels and campaigns***

The Veto Programme's website at [www.vetoatyoelamaan.fi](http://www.vetoatyoelamaan.fi) has been up and running since the start of the Programme period. By December 2007 there had been almost half a million hits. The campaign website at [www.klinikka.fi](http://www.klinikka.fi) started up from January 2005. By December 2007 it had had more than 600,000 visitors.

The Veto Programme has been presented and materials distributed at the Health and Safety Exhibition since January 2004. In 2004 Veto was involved in 11 fair events. There were 18 such events in 2005, with more than 284,000 visitors. In 2006 Veto was presented at 15 fairs getting around 208,000 visitors. In 2007 the Health and Safety Exhibition and the Veto Programme were together involved in 18 different events.

Veto has had three national communications campaigns: Don't be a Masochist, Talk about it, and Happily Married to Work. There was also something in the nature of a campaign called the Advisory Referendum, which was used to highlight the Programme's important messages and collect information on people's opinions.

The Don't be a Masochist campaign was launched in autumn 2004. It was conspicuous on the underground, on buses, in newspapers and magazines and at the campaign website at [www.klinikka.fi](http://www.klinikka.fi). The campaign resumed in spring 2005. Company directors and managers were invited to take action to encourage well-being at work. In the campaign with Sävelradio, listeners were asked what they enjoyed about work. The best answers were rewarded and read out on Sävelradio.

The Talk about it campaign began in autumn 2005. The campaign used newspaper/magazine, internet and radio advertising. In the campaign workplaces were encouraged to talk about difficult issues. The campaign's aim was to trigger a debate and collect and spread best practices. [Klinikka.fi](http://Klinikka.fi) gave guidance on how difficult subjects could be dealt with. There was also a working life chat forum on the site and where people could ask a work psychologist questions. The radio ads urged listeners to log on to [klinikka.fi](http://klinikka.fi) and tell their own story about how things were dealt with where they work. There was also a work atmosphere meter on an illuminated scoreboard on buses in the Helsinki area.

Information on the partial sickness allowance was provided at the end of 2006 by means of a small-scale advertising campaign. It mentioned that that the allowance had been brought in at the start of 2007. The reforms were described on the [iltasanomat.fi](http://iltasanomat.fi) and [suomi24.fi](http://suomi24.fi) websites and directly by email. The Veto campaign website at [www.klinikka.fi](http://www.klinikka.fi) also had its own section on the partial sickness allowance scheme.

The Happily Married to Work campaign was launched in January 2007. The partners involved were the newspapers *Ilta-lehti* and *Metro-lehti*. Ten or so *Ilta-lehti* newsletters were sent out in the early part of the year. The campaign's final announcement *Write your own Chapter in a Viable Employment Relationship* was published in *Ilta-lehti* on 28.3., 29.3., 2.4. and 4.4.2007.

The Advisory Referendum – the Programme's final campaign – began in autumn 2007. It reiterated the Programme's key priorities. In the referendum, decision-makers, employers and employees were able to express their views on professional life. The referendum was carried out on the internet as a multiple choice task. The questions were on factors which increased job satisfaction and more complex decisions on families, such as the use of family leave. Respondents could also send their informal greetings to the decision-makers.

The campaign media chosen were newspapers (week 38), advertising on the internet (weeks 38–46), and state commercial radio channels. *Metro-lehti* magazine carried a campaign message on 19.9.2007. The campaign was helped along with a period of email communications lasting around three weeks.

Almost 32,000 gave their opinions on improvements to working life. Opinions were delivered in the form of a petition to Parliament on December 4th, and were received by Sauli Niinistö, Speaker of the Parliament of Finland.

This was reported on Yleisradio's morning TV channel and there was a lively debate on the subject in Helsingin Sanomat's online version with reference to a communication by the Ministry of Social Affairs and Health.

There has been collaboration with Yleisradio on three programme series productions. In autumn 2005 there was the 10-part Veto series on TV 1, which was watched by about 600,000 people. Its episodes can still be seen on the Programme's campaign website at [www.klinikka.fi](http://www.klinikka.fi). In 2006 Yle Teema (a Finnish TV station) put on the Duuniblues ('work blues') series. The series was repeated on TV 1 and in Yle Teema's programme library. In autumn 2007 Yleisradio's morning TV channel showed a 5-programme series about best practices in the Veto Programme. In 2008 Yleisradio will be putting on an 8-part series focusing on management called Wanted! A Better Boss ('Palvelukseen halutaan parempi pomo').

Radio Finland broadcast the contact programme Työelämän luontoilta (a programme about the nature of work) on 25.11.2007. There were an estimated 400,000 listeners. At Yleisradio's headquarters a seminar called Onnistuuko pidempi työura ('Does a longer career work out?') was held on 28.11.2007. The lectures could be viewed on-line at Yleisradio offices in different parts of Finland.



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