



**NORTHERN FUTURE FORUM**  
**8–9 FEBRUARY 2012 STOCKHOLM**

Nine countries' perspectives on women  
entrepreneurs and leaders and senior citizens  
in the labour force



## Introduction

On 8–9 February 2012 the Prime Ministers of the Nordic and Baltic countries as well as United Kingdom meet in Stockholm to discuss future challenges of our societies with representatives of the business community and public life. The focus of the summit is on how to achieve sustainable growth and make our economies more competitive in the longer term. Ahead of this year's meeting two areas have been identified as especially important for broadening Europe's growth base for the future: *“how to get more women to start their own businesses and take on leading positions in companies,”* and *“how to make older people stay longer in the working force.”*

In this leaflet each participating government has been given the possibility to elaborate on some of the challenges they are facing in the two areas to be discussed and what measures they are currently applying to improve conditions.

The following is a compilation of all these backgrounds and thus constitutes a common platform ahead of the discussions on 8–9 February.



# How to get more women as entrepreneurs and in leading positions?

## **DENMARK**

In 2010, women accounted for just below 12 per cent of the board members in the largest publicly listed companies in Denmark. Between 2003 and 2010, the share of women in board rooms increased just three percentage points. And in 2009 women accounted for only 6,5 per cent of management executive positions.

Denmark has launched two voluntary main initiatives to address the current gender imbalance: “Charter for more women in management” and “Operation Chain Reaction - Recommendations for more women on supervisory boards”. Denmark will in 2012 continue to set focus on the problem and find new measures on how to increase the number of women in management and boards

### **Charter for more women in management**

The charter was established in 2008. It has been drawn up jointly with public and private sector companies as part of the government’s efforts to encourage companies to inspire more women to take up management positions. The aim of the charter is to ensure that women and men have equal opportunities to pursue management careers to launch specific, measurable initiatives in companies and organisations to increase the proportion of women at all levels of management to make sure that public and private sector enterprises deploy all talents. In endorsing this charter companies undertake to make concrete efforts to bring more women into management positions. Efforts will be adapted to the particular company’s circumstances – sector conditions, for example – and current percentage of women managers.

### **Operation Chain Reaction**

In 2010 the Danish minister for gender equality in close cooperation with representatives of Danish trade and industry and the Confederation of Danish Industry prepared a document with recommendations. The minister gathered the entire recruitment chain for boards – and furthermore aimed at starting a “chain reaction” of more women on the boards of the listed Danish companies.

The recommendations are meant to help all the best talents come into play for the benefit of company bottom lines and Denmark’s competitiveness. The recommendations fully respect companies’ right of management. As co-signatories of “Recommendation for

more women on supervisory boards”, the companies undertake, over the coming years, to work consistently to develop and recruit more female managers to the supervisory boards of Danish limited liability companies.

### **A new “Danish model”**

The development shows a very slow increase for women in boards and executive positions. Therefore the Danish Minister for Gender Equality will evaluate the two voluntary initiatives. The minister will also intensify the dialogue and find inspiration from other countries regarding experiences and knowledge about measures – both legislative and non-legislative. The aim of the evaluations and the dialogue is to develop “a Danish model” drawing on both national and European best practices.

Furthermore the Danish Presidency of the Council of EU during the first half of 2012 will encourage the European ministers to actively take part in the debate at the February EPSCO council meeting. By putting the debate on the agenda, the Danish Presidency wishes to gather European experiences to determine the roots of the courses of women’s underrepresentation and to discuss what can be done to combat this problem at Union and Members State levels.

### **Women entrepreneurs in Denmark**

Denmark is witnessing an increase in the share of women entrepreneurs. While the total number of new businesses fell from 2007 to 2008, the percentage of women entrepreneurs slightly rose from 27 to 28 per cent.

One of the main reasons that more men than women become entrepreneurs in Denmark is that women are more likely to be employed in the public sector than men and it is the private sector that typically produces new entrepreneurs.

Denmark follows an action plan with the aim of increasing the share of women entrepreneurs and women growth entrepreneurs. The following seven initiatives are all dedicated that aim:

1. A website, [www.virksomhedskvinder.dk](http://www.virksomhedskvinder.dk), offering relevant information on gender statistics, role models, cases and events.
2. Mentor and network events for women entrepreneurs in every Danish region.
3. Special campaigns for girls and young women during their school and university education with the objective to raise awareness and make more women interested in entrepreneurship.
4. Economic support to carry out entrepreneurship education at educational institutions with an overweight of female students.

5. Successful women entrepreneurs act as role models. Various events and initiatives are arranged to promote role models – e.g. during the annual Global Entrepreneurship Week.
6. A continued focus on women entrepreneurs through publication of annual gender-segregated statistics.
7. Special training curricula for women entrepreneurs.

## **ESTONIA**

In Estonia, a number of measures have been taken to promote women's participation in the labour force. Concerning motivation of business activities the government's main objective is to create a transparent and favourable business environment stimulating entrepreneurship and creativity, which supports activities of both men and women.

For example, there are a number of business start-up support measures provided by the Government. All counselling measures and financial support schemes are available equally for both, men and women. Young women are very active to exploit the opportunities provided through numerous stimulating programs and taking part in various business ideas competitions. For example, a women entrepreneur won young entrepreneurs' competition „Brainhunt 2011“ with the idea of Virtual Garden and currently runs a successful company.

Special programmes are implemented for unemployed women. One successful example is the programme targeted at women living in the countryside and interested in handicraft. The programme provided the participants with entrepreneurial skills to enable them to start their own handicraft business.

In order to support in particular women to be entrepreneurs Government main priority is to improve childcare services and support combining family and working life. The result of the stated policy has been a high preschool coverage of children (approximately 95 per cent) and high employment of women.

## **FINLAND**

Along with other Nordic countries Finland is known for gender equality and high participation of women in the workforce. Finnish women were the first in Europe to receive voting rights and representatives of their gender in the parliament in 1907. By this day, women have reached even the highest political positions in the country as the President and the Prime Minister. Female labour market participation rate at 74 per cent of working age population in

2008 is high by international standards and relative to male participation the highest within OECD (at 95 per cent).

Despite the long traditions, full equality has not been achieved and differences between the average positions of genders in the labour market remain. The most obvious one that constantly pops up in public discussion is the gender pay gap: the average monthly earnings of female workers are 81 per cent of the average earnings of male workers. The pay gap is partly linked to segregation in the occupational choice which results in the persistence of typical female and male professions. The fact that the pay gap for young workers is considerably narrower, 11 per cent for the age group 25-29, suggests that differences in career profiles also play an important role.

The cornerstone of policies promoting women's participation and equality in the labour market is the public provision of a widely available and affordable day-care for children. Despite good day-care facilities the labour market participation rate of women at typical birth-giving age of 25-35 years is somewhat lower in Finland than in other Nordic countries on average. The prolonged absence from work of young mothers is identified as a potential hinder for reaching leading positions later in the career.

Given their higher educational attainment (30 per cent of women have tertiary degree against 25 per cent of men) women clearly lag behind men in leading positions. In spite of a positive trend, the leadership gap is particularly evident in the private business. In 2011 the share of women in the boards of all listed companies was 19 per cent on average and 27 per cent in the larger companies. In promoting women's share in the leading positions in the private sector companies the government has adopted a consultative approach with no mandatory quotas. In the public sector and government owned companies an explicit minimum target of 40 per cent has been in place since 1995 and is largely achieved.

The roughly 83 000 women entrepreneurs account for over 30 per cent of the total number of entrepreneurs in Finland. The share is high by international standards, although it is clearly less than women's contribution to the labour force. A great majority of female entrepreneurs are self-employed persons with only limited growth orientation in their business. The identified obstacles for a more wide spread female entrepreneurship include lack of entrepreneurial and business skills, problems with getting finance and utilising new technology as well as shortage of business networks.

The Central Association of Women Entrepreneurs founded in 1947 is active in promoting female entrepreneurship in the society and provides a variety of support functions to those wanting to start and run their own business. The Women's Enterprise Agency, financed by the Ministry of Employment and the Economy, is known for its successful and acknowledged mentoring programme for entrepre-

neurs. Ladies' Business School by Fintra has provided tailored training for female managers and owners for 25 years. The state owned financing company Finnvera has granted special loans for women entrepreneurs since 1997. Since 2006 Enterprise Finland hosts an internet portal catering various sources of information relevant for women planning to start own business. Recent advances in the field include initiatives to improve female entrepreneurs' well-being at work and availability of temporary substitutes.

## ICELAND

In spite of its high ranking in the Gender Gap Index published annually by the World Economic Forum, the representation of women in Iceland in leading positions in economic life has been low compared to the overall performance of Iceland with regard to gender equality issues. In 2011 19,3 per cent of CEOs in private enterprises were female, the ratio increased only by 1,8 per cent from 2005. In 2011 60 per cent of boards in the private sector consisted only of men, and the overall representation of women was only 20 per cent. There has been an extensive renewal on the boards of companies since the onset of the financial crisis, resulting in a female ratio of 38 per cent among those recruited in the last two years.

In May 2009, the Icelandic Chamber of Commerce, the Confederation of Icelandic Employers and the Icelandic Association of Women Entrepreneurs agreed that over the next four years they will place significant emphasis on increasing the number of women in leadership in the Icelandic economy to ensure that the female representation will not be lower than 40 per cent at the end of 2013.

In March 2010, Althingi (The Icelandic Parliament) passed a law aimed at promoting gender quotas on boards of limited liability companies. According to this new legislation, the board of directors of public limited companies with more than 50 employees are required to represent each gender when it consists only of three persons, and when board members are four or more the gender ratio shall not be lower than 40 per cent. The same applies to private limited companies and for all pension funds. These rules will enter into force on September 1st 2013.

Various practices have been in place since the nineties in order to educate, counsel and financially support women's entrepreneurship, both through governmental initiatives and NGOs.

"Brautargengi" is a 15 week course specifically aimed at women who want to develop a business idea and start a business. The main goal of this course is to provide women with practical knowledge about running a business and writing a business plan, and to increase their confidence. Around 900 women have successfully finished this course, and our surveys show that around 55 per cent of the participants are currently running a business. The impact on the economy

and employment of this support action is very significant. Additionally, a number of universities offer short or longer education aimed at educating and empowering women to start their own businesses.

In the last two decades, various studies have indicated, that the general or mainstream financial support system, including the banks, are biased when it comes to rendering financial resources to female entrepreneurs and evaluating their business ideas. These findings resulted in programmes designated exclusively to financially support female entrepreneurs. Among them is a grant scheme established in 1991, available to innovative projects/companies in at least 50 per cent female ownership, awarded for the development of business plans, marketing, product development and wage grants in a start-up phase. Another scheme is Svanni, a loan guarantee fund, which operated in 1998-2003, but has been reactivated in 2012. The fund is owned by the Ministry of Welfare, the Ministry of Industry and the City of Reykjavík and provides loans to innovation and job creation by female entrepreneurs.

Under the realm of an extensive and on-going Gender Budgeting Project, the Ministry of Industry has decided to analyse the whole system of public financial support to innovation, new businesses and job creation with the aim of eradicating barriers and bias towards female entrepreneurship if detected.

## **LATVIA**

There were 36 per cent of women among high level decision-makers in small size companies in Latvia in 2010, which is among the best performance indicators in the EU. The latest statistics on the gender balance in the highest decision making bodies of the boards of the top listed companies across Europe shows that Latvia ranks 4th (23 per cent women from board members), followed by Norway (40 per cent), Sweden and Finland. Men outnumber women as employers – there were 23 900 male employers compared to 13 000 women employers in 2010.

A positive tendency can be observed, as in 2002 there were three times more male employers than female employers, whereby since 2005 numbers of female employers have increased – men are only twice as many as women. Despite the increasing numbers there are still fewer female business start-ups than male.

The situation regarding women in leading positions in Latvia is a positive example, but at the same time this is more a cultural (gender) phenomenon than a result of a targeted national policy. Several successful measures for supporting new enterprises and female start-up entrepreneurship were launched with the help of a bank (Hipotēku banka), the so called microcredit line for rural women. Several measures to encourage women to start up business have been carried out

by Mentoring programmes. For example, the women NGO »Lidere« in cooperation with the Ministry of Economy has implemented two Mentoring programmes and seminars in 2007 and 2010. Also, there has been some contribution from the State Employment Agency (SEA), as measures to support the unemployed to enter self-employment or entrepreneurship are being implemented since 2007. Financial support is provided for development and implementation of a business plan – 2 846 EUR for the implementation and a minimum monthly wage subsidy. The involvement of women is higher.

## LITHUANIA

In accordance with the Law of the Republic of Lithuania on Equal Opportunities of Women and Men, Article 3 point 2, national and municipal institutions and agencies, according to their competence, must prepare and implement programmes and measures aimed at ensuring equal opportunities for women and men. The implementation of measures for the promotion of entrepreneurship of urban women is the responsibility of the Ministry of Economy while the implementation of respective measures with regard to rural women is the responsibility of the Ministry of Agriculture. In part, the Lithuanian Labour Exchange, which operates under the Ministry of Social Security and Labour, also contributes to the implementation of the said measures by carrying out measures intended for the promotion of female employment.

The 2010-2014 National Programme for Equal Opportunities of Women and Men provides that an important factor in increasing female employment is their participation in business. The Programme raises an issue that women who are willing to start and develop a business face specific obstacles, namely, women are usually responsible for the care for and raising of children and lack motivation, self-confidence, entrepreneurship skills and information. The range of activities in which employed rural women are involved is much lower in comparison with the range of activities of employed men or urban women, and the share of rural women involved in private business is lower than that of urban women. There is also a lack of initiatives for re-qualification of urban population and (or) capabilities' development programmes, measures for re-orientation of labour or simply workshops or programmes which would encourage rural residents, especially women which are long-term unemployed, to take up new activities or start a family business.

The 2010-2014 National Programme for Equal Opportunities of Women and Men provides for the following objectives with regard to the promotion of women's entrepreneurship:

- Increasing possibilities for women, especially rural women, of starting and developing a business and promoting economic activity of rural residents, both women and men;
- Creating more favourable conditions for rural residents, both women and men, to improve their professional skills.

For the implementation of the said objectives, the Ministry of Economy has planned the following measures:

- Organising entrepreneurship-promoting events through the initiative Versli Lietuva (Entrepreneurial Lithuania) in regions by focusing on problems and possibilities of different regions of Lithuania.

The Ministry of Agriculture has planned the following measures:

- Supporting projects for the development of small business in rural locations which promote alternative business initiatives of women and men involved in agriculture and are aimed at transferring to non-agricultural activity;
- Supporting projects which promote the establishment and development of women's and men's alternative – non-agricultural – business in rural locations.

The Lithuanian Labour Exchange under the Ministry of Social Security and Labour carries out the following measures provided for in the plan of measures for the implementation of the 2010-2014 National Programme for Equal Opportunities of Women and Men:

- Implementing measures aimed at acquisition of lacking work skills at the workplace by women and men which are returning to the labour market after a longer break and by older women and men;
- Providing information to women and men which are seeking independent employment about the conditions for starting and developing a business, recruitment of employees, possibilities of work under business licences and running business introduction training;
- Organising information events on questions of local employment initiatives as well as preparation and implementation of projects for the establishment of social enterprises thus promoting economic activity and independent employment of women and men.

Regardless of an increasing rate of female employment and women's role in the country's economy, women are still insufficiently involved in the private business. In Lithuania, businesswomen make up only one third of all business people. Women in Lithuania also start businesses in areas which are not so traditional for women. Even though construction and transport, traditionally, are considered almost exclusively male businesses, in these areas, a number of successful businesswomen is gradually increasing. The majority of businesswomen used to be involved in such areas as human health care and social work, financial mediation, accommodation, catering and other services.

## **NORWAY**

Women are still under-represented amongst entrepreneurs in Norway. Simultaneously women constitute three out of five students at universities. Women's motivation for entrepreneurship and general attitudes towards female entrepreneurs need to be strengthened.

The Norwegian Government will give priority to work on promoting

entrepreneurship among women throughout the country, thereby creating more equitable and diverse business and industry. A greater proportion of female entrepreneurs will promote greater wealth creation, greater flexibility, increased innovation and greater adaptability in the economy.

Norwegian women have a high rate of labour force participation – two out of three women are in employment – and more of them take higher education – three out of five students at universities and colleges are women. As early as 1980, almost half of students were women. There is therefore no reason why women should not, to a greater extent than today, meet the needs of various markets if better provisions are made.

*The Norwegian government has the following objectives:*

- The government will give priority to entrepreneurship among women. We aim to enable more women to become entrepreneurs, and to increase the proportion of women among new entrepreneurs to at least 40 per cent by 2013.
- The government will provide for increased entrepreneurship among women through various measures and policies. The government has emphasised that women of minority background and women with disabilities are also target groups for this plan.

### **Measures**

The government presents 12 new measures in the Action Plan (of 2008):

1. The right to maternity and parental benefits with 100 per cent coverage for self-employed persons up to six times the basic amount of the National Insurance Scheme.
2. New support scheme for small newly established growth enterprises in the sphere of rural development policy (Nyvekst [New Growth]).
3. Strengthened priority of women in the policy instrument system – joint text in the letter of allocation and the target for the percentage of women.
4. Strengthened focus on network credit under the auspices of Innovation Norway.
5. Strengthened focus on women in Innovation Norway (Ministry of Local Government and Regional Development).
6. New focus on women in the Programme for Regional R&D and Innovation (VRI) of the Research Council of Norway.
7. New focus on women in the R&D Incubator Programme of SIVA (the Industrial Development Corporation of Norway).

8. Increased emphasis on the target groups women and youth in the administration of regional development funds.
9. New mentor scheme for youth to be established under the auspices of Innovation Norway.
10. Strengthened focus on a first line service for industrial development in the municipalities.
11. Efforts to encourage more men to take out more than the father's quota of the parental benefit period.
12. New research programme on entrepreneurship and women as entrepreneurs.

## **SWEDEN**

To support women in their entrepreneurship, the Swedish government has launched different general initiatives. For example, we have abolished wealth tax; we are opening the health care and nursing sector to more private competition; we have introduced tax incentives to strengthen the demand for household services; we have increased the maximum level of our micro-loans to SEK 250 000; we have strengthened the incentives to employ; we will improve the social security system for entrepreneurs; we investigate the possibility to introduce a new form of limited liability and company with simpler regulation and lower equity requirements.

The Swedish government has also taken measures specifically targeting women. Since 2007 the Swedish Agency for Economic and Regional Growth, Tillväxtverket, has the task of coordinating and implementing a number of initiatives throughout Sweden to promote women's entrepreneurship. The Promoting Women's Entrepreneurship programme at Tillväxtverket has an annual budget of SEK 65 million for the period 2011-2014. In addition, the government has instructed Almi Företagspartner AB to coordinate and implement initiatives in the amount of SEK 30 million per year to strengthen women as entrepreneurs through mentoring programmes, innovation funding and the Board Power programme. In 2007-2011 SEK 500 million in total was targeted on promoting women's entrepreneurship.

### **Some examples:**

#### *Ambassadors for Women's entrepreneurship*

880 ambassadors for Women's enterprise share their stories and act as role models, making it more possible for girls and women to identify themselves with choosing the path of entrepreneurship – if she can, so can I. The ambassadors have met with 107 000 people.

### *Business and Innovation Development Programmes*

The programmes enable women to develop their business and network together with other women entrepreneurs. So far, 27 000 women entrepreneurs have taken part in the 700 programmes.

### *Entrepreneurship at Universities*

This programme is focusing on training, advice and coaching to raise interest in entrepreneurship at universities, so that running a business becomes a natural career choice for more women already during the time of study. 31 000 women students have started more than 540 new companies.

### *“Start-Up Days”*

A number of agencies and authorities provide information during one day on what is important to know and do when setting up a business. “Start-up Days” are being held all over Sweden.

### *Mentoring Programme*

Almi is funding initiatives for mentoring for both existing and prospective entrepreneurs. The objective is to reach and recruit more women (mentees) who would like to have a mentor, and recruit more mentors who are women.

### *“Board Power”*

The aim of the programme, coordinated by Almi, is to increase the percentage of women in management positions and on boards, in state-owned companies and government agencies, as well as in private companies. About 76 per cent of the participants in the programme of 2009-2010 are on at least one board today (two boards on an average).

### *Funding for Innovation*

Many innovations made by women are in the areas of trade, services and health care. Funding by Almi to women innovators is strengthened to increase the opportunities for women to commercialize their products or services.

### *National Resource Centre for Women*

The government has supported Resource Centres for Women since the 1990s. Resource Centres (national, local and regional centres) work with various activities in a number of areas to increase women's influence in regional growth initiatives. A total budget of SEK 108 million has been allocated to the centres' activities for 2009-2012.

## **UNITED KINGDOM**

Enterprise growth is central to this Government's plans to build a stronger economy, through giving SMEs access to finance, reducing some of the red tape and generally changing the culture around enterprise in the UK so that more people feel emboldened to strike out on their own.

We are working to support more businesses to start up and employ more people. That is why we have set up the work programme, announced 24 new enterprise zones, and introduced the regional growth fund to bring investment to every part of Britain.

We want to put women at the heart of Britain's economic future. That's not just because of fairness, it is because of economic strength. We know that if women's entrepreneurship reached the same levels as the US, there would be 600,000 extra women-owned businesses, contributing an extra £42 billion to the economy. That's why as part of our enterprise policies the Government has announced:

- £2m over the next 3 years to support rural women's enterprise;
- 15,000 new mentors to support those setting up and growing their business, 5000 of which will be specifically targeted to women.
- A Women's Business Council made up of around 10 high calibre people with an independent Chair to inform public policies that affect women in business and seek to improve the business environment for women to maximise profit and success.

We know how important it is to work with girls whilst they are still in school, to give them an experience of business and inspire them to be the entrepreneurs of the future. The UK Government is supporting a range of activities to growing enterprise ambition and transform business support including:

- "Enterprise Village" ([www.enterprisevillage.org.uk](http://www.enterprisevillage.org.uk)) enables teachers to access a free online resource to assist them in developing school businesses.
- Inspiring the Future website ([www.inspiringfutures.org.uk](http://www.inspiringfutures.org.uk)) enables schools to access at least 2,500 local enterprise champions and role models.
- The Premier League Enterprise Academy ([www.premierleague.com/page/EnterpriseAcademy](http://www.premierleague.com/page/EnterpriseAcademy)) is developing a sustainable Premier League Enterprise Academy model, enabling Premier League football clubs to foster enterprise amongst young people and principally in deprived areas.
- The National Association of College and University Entrepreneurs is building a sustainable national infrastructure to develop and drive forward student enterprise societies across Higher and Further Education institutions, enabling students to access enterprise support. Enterprise societies will be expanded into over 90 English universities and at least 160 FE Colleges by 2015.

We are also working with business to implement Lord Davies' recommendations to increase the number of women on company

boards. Key actions, as a result of his recommendations, include:

- Encouraging all FTSE 350 companies to set out the percentage of women they aim to have on their boards in 2013 and 2015. FTSE 100 boards should aim for a minimum of 25% female representation by 2015.

- In October a new provision in the UK corporate governance code will come into force requiring companies to report on their policy, delivery and progress on boardroom diversity. That sits alongside a new code of conduct for executive head-hunters and good practice guidance from the Association of British Insurers on the importance of board diversity, board evaluation and succession planning.

- Women now make up nearly 15% of FTSE 100 Directors – up from 12.5% last year. 27% of all board appointments since the report's publication have been female – up from 13% last year. And there are now only 10 all male boards within the FTSE 100 – down from 21 last year.

# How to get older persons to stay in the work force?

## **DENMARK**

Under the heading of “senior policy” a number of special initiatives by the Ministry of Employment have been targeted at achieving a better integration of older workers on the labour market.

### **Promotion of flexible working practices**

Between 2010 and 2012 a total of DKK 12 million (around EUR 1.6 million) is given to different projects aimed at increasing job security for older workers. These projects all aim at influencing the maintenance practices of older workers in Danish companies by giving advice about senior policies at the firm level.

### **Special web-site for senior workers and employees of senior workers**

A web site presenting information and advice about senior policies at the firm level was established by the Ministry of Employment in 2004, and has continuously been updated throughout the years ([seniorpraksis.dk](http://seniorpraksis.dk)). During the European Year of Active Ageing and Solidarity between Generations in 2012, the Ministry of Employment has also launched a new website called [aktivaldring2012.dk](http://aktivaldring2012.dk). The website contains news about activities during the year, and has among other things; focus on how to maintain older workers longer in the labour market.

### **General information campaigns**

Campaigns disseminating examples of best practices and influencing the attitude and approach to older workers at the job market have been carried out by the Ministry of Employment over the last years. The campaign “One year extra makes a difference” highlighted the gains for older workers and their employers, when the older worker decides to postpone retirement. In the campaign “Senior Talents” focus where put on how to increase the dialogue between older workers and their employer on how the last part of the work life should be.

### **Self-activation of unemployed older workers**

During the last 10 years, financial assistance has been given to the self-activation of unemployed older workers in their creation of networks and activities to develop new areas of employment. In January 2012, there were 23 networks located all over Denmark with a total of around 1 600 members.

Survey to identify drivers and barriers to integration and maintenance of older workers

In August 2011, the Ministry of Employment received the results of a large survey with more than 5 000 respondents. The aim of the survey was to identify drivers and barriers to integration and maintenance of older workers. The results of the survey will be used in future planning of strategies to improve labour market participation among elderly.

### **Active labour market policies for unemployed elderly**

In principle, unemployed elderly have the same rights and obligations as other unemployed individuals. Thus they have the right to unemployment benefits or social assistance and to receive job-training and other offers according to the active labour market policy. A few exceptions are:

1. Unemployed members of an unemployment insurance fund aged 60 years and more have the right and duty to activation already after six months of unemployment. For other unemployed over 30 years this will be after nine months of unemployment.
2. Long-term unemployed over 55 years of age have the right to become employed with a particularly high wage subsidy. The duration can be up to six months.
3. Older unemployed with benefits, who have used up their right to unemployment benefits, have the right to be employed in a senior job at the municipality until they can leave for Voluntary Early Retirement Pay.

## **ESTONIA**

Estonia has a favourable pension system supporting the active employment of elderly people. People receiving the old age pension and working at the same time are entitled to receive the full pension. This system has motivated many older people to continue their working life also after the pensionable age has passed resulting with one of the highest employment rate for elderly in the region.

A special programme has been initiated for unemployed people over 55 years of age. The aim of the programme is to increase the employability of older workers with individualised support and trainings.

Currently, the active ageing strategy is under preparation by the government. The objective of the strategy is to support the active lifestyle of elderly people in general, including lifelong learning in older age longer working life.

Several educational programs have been launched in order to support active ageing.

- The Tallinn Folk University of Seniors has been launched. The initiative of the University of Seniors involves the people aged 60+ who are keen on to be updated with modern technologies, languages, medicine and with modern lifestyle in general. The university with more than 700 elderly listeners to the lectures is very popular among the older people.

- University of Tartu has launched similar project of the University of Dignified targeting as well 60+ people interested in additional training in order to be ready to react flexibly to changing need of the society. The University is active in several bigger Estonian cities, namely Tallinn, Tartu and Pärnu.

- The government has put strong emphasis to provide ICT skills for elderly in order to increase their competitiveness in the labour market and enable longer employment. Two high scale projects worthwhile to highlight are:

- An IT skills training project for 105 000 people carried out by Look@World Foundation in 2002-2004;

- Nearly 100 000 people have undergone e-services and ID-card/digital signature skills training in 2009-2010.

## **FINLAND**

Finland will be one of the fastest ageing nations in Europe during the next two decades or so. The prospect of a declining work force has put longer work careers in the spotlight of social and economic policy. The labour force participation rate of the elderly is above the EU average but lags behind the best performing Nordic countries, especially for men. The development since 1990's has been remarkably positive. The employment rate at the age group of 55-59 years is currently at 72,5 per cent, which is an increase from 50 per cent in 1997. For the age group of 60-64 years, employment rate has doubled from 20 to 40 per cent during the same period. The positive development is a result of long time trend of a rising educational attainment as well as several policy reforms taken to promote both supply and demand for the labour force of the aged workers.

The policy reforms have focused on financial incentives to carry on working while pathways to early retirement have been restricted. In the pension reform of 2005 the retirement age was made flexible so that the old-age pension is now granted between the ages of 63 and 68. The individual early retirement pension was abolished. Since the beginning of 2011 the minimum age for a part-time pension was raised from 58 to 60. The age-limit for extra days of unemployment benefit for older unemployed has been raised from 57 to 60 years. In order to promote a return to work from a disability pension, a temporary Act was introduced in 2010. This allows the disability pension to be left dormant when participating to work.

The employment barriers on the side of employers have been tackled

to improve employers' incentives to both hire and retain older workers. For this purpose, the age-related component of social security contributions has been moderated. There have been several adjustments to the rules for calculating pension contributions. However, the large-scale employers are still at least partly themselves responsible for the costs of disability pensions.

Low wage subsidy to employers, implemented between 2006 and 2010, supported the employment of older workers over 54 years of age, whose labour costs in relation to productivity is high. It also encouraged employers to hire persons in high risk of long-term unemployment. Low-wage subsidy was subject to the conditions of the employee's monthly salary being between 900 and 2 000 euro.

The older workers have been given appropriate help and encouragement to improve their employability. The Noste Programme was implemented in 2003–2009 to raise the education level among adults. The programme increased the number of study places in vocational education and training. State granted a total of EUR 124.5 million in for implementation, and over 25 000 students participated in the programme

The education and training possibilities of the unemployed job seekers have been enhanced by supporting the self-motivated training by the unemployment benefit from 2010 onwards. The number of participants in education and training by unemployment benefit has been increased close to 19 000 persons. The government has decided to investigate the possibilities to launch the individual learning accounts to encourage upgrading of education levels and participation in lifelong learning.

Finally, a major shift in attitudes has been backed up on the part of both employers and older workers to keep on working at an older age. The government agencies have promoted age-management training and information campaigns. Several programmes have supported developing working life and workplace development, e.g. TYKES programme (2004-2009), Veto Programme (2003-2007) and the Forum for Wellbeing at Work (2008-2011). These programmes have financed development and dissemination of good practices to improve productivity and well-being at workplace.

According to the new Government Programme the government takes an active role in the development of issues related to working life. A common understanding must be reached regarding a long-term solution to extended work careers, solid funding of the earnings-related pension scheme and sufficient pension provision, including index protection. The labour market organisations have agreed to negotiate and carry out the necessary measures to achieve this goal. Special attention will be paid to combating the causes of incapacity for work and developing skills throughout people's careers.

## ICELAND

The legal retirement age in Iceland is 67 years, but people may continue to work until the age of 72. Public employees have to stop working at the age of 70. Entitlement to occupational pension starts at the age of 65 but workers have the option to postpone the effective retirement until age of 70.

Participation rates in employment are high in all age groups in Iceland. In the midst of the recession in 2010, 79.8 per cent of people in the 55–64 age group were in employment. According to figures from Statistics Iceland, the proportion of unemployed in 2010 was at its lowest in the 55–75 age group (5.5 per cent). During the same period, unemployment was at 7.5 per cent in the 25–55 age group and at 9.5 per cent in the 16–24 age group.

The reasons for high participation rates in employment when people are past middle age are both cultural, social, institutional and economic in nature. There is a very strong work ethic in Iceland which has a historical background.

In recent years increased flexibility in the right to take up old age pension has been debated. Some have even argued that age should become irrelevant in the labour market; individuals' value to employers should be based on their skills and competences and not on their chronological age. In 2008 significant changes were made to the social benefits system with the aim of making it more economical for people at pensionable age to continue working part-time or even full time.

A survey made at the request of the Confederation of Icelandic Employers in 2004 revealed that, among its members, older people were not considered to be inferior as workers to younger persons. They are less frequently absent from work due to illness, and have a more positive attitude to their work than do many younger people. Overseas surveys show the same findings.

In 2004, the Minister of Social Affairs appointed a committee to examine this position of middle-aged and elderly people on the labour market. One of the things it was set to examine was how to counteract the tendency for people to be placed at a disadvantage in the workplace because of their age. The committee initiated a survey of attitudes and the status of middle-aged people on the labour market; this was carried out by the market-survey company IMG-Gallup. After this, the committee proposed that the government begin a five-year campaign to enhance the position of middle-aged and elderly people on the labour market. The committee's efforts were particularly directed towards ways of influencing attitudes by awareness-raising measures, advertisements and meetings. It also stressed the importance of education.

## LATVIA

In Latvia, the main legal provisions allowing older persons to remain longer in the labour market are as follows: The Labour Law stipulates that everyone has an equal right to work, to fair, safe and healthy working conditions, and to fair remuneration. The rights shall be ensured without any direct or indirect discrimination – irrespective of a person's age or other circumstances. It also prohibits differential treatment based on age. In case of a reduction in the number of employees, preference to continue employment relations is given to those employees who have higher performance results and qualifications. If this does not substantially differ, preference is for those for whom less than five years remain until reaching the retirement age.

A discussion has been initiated in Latvia regarding a further gradual increase in the statutory retirement age, starting already in 2014, and bringing it up to 65 (62 currently). It is expected that active aging and staying longer in the labour market would reduce demographic burden and pressure on social security system.

Latvia's action plan for the European year for active ageing and solidarity between generations (2012) among others includes activities addressing stereotypes. It is also envisaged that the Ministry of Welfare together with the Employers' Confederation and Ombudsman's office will identify best practices by awarding a title 'Senior friendly enterprise'. Current active labour market policy measures addressing older workers include free life-long learning vouchers, support to long-term unemployed.

## LITHUANIA

Due to unfavourable demographic tendencies and a major scale of emigration of the population, Lithuania is witnessing a decrease in the share of the population of employable age in the overall number of the population. According to experts, at the beginning of 2020 there will be two persons of employable age per one elderly person. Aging of the society and reduction of labour resources have an adverse effect on the macroeconomic indicators, possibilities of economic growth and the performance of the national social obligations.

One of the main obstacles for increasing of the share of older persons in the labour market is insufficient conformity of their qualifications to the needs of the market. Possibilities of integration of older persons and persons of pre-retirement age into the labour market have been aggravated by their low professional mobility and lack of ability of adapting to the changes due to limited possibilities of life-long learning.

Qualitative changes in the systems of education, vocational training

and improvement of qualifications, as provided for in the National Reform Agenda, will be particularly important factors for increasing employment of older persons in the long-term. Ensuring possibilities for comprehensive life-long learning, by using national as well as private personal and business investments, will increase professional mobility of labour. Organisation of re-qualification of the older unemployed will allow keeping more labour resources within the labour market.

In order to keep older persons in the labour market until retirement, the National Reform Agenda provides for:

- Ensuring that the increase of the retirement age, which started in 2012, in 2026 would reach 65 years by, every year, adding 4 months to the female retirement age and 2 months to the male retirement age;
- Encouraging persons of retirement age to stay in the labour market longer by introducing a bonus system which would ensure a higher pension for pensioners who work longer and by reforming early retirement systems.

In Lithuania, as of 2006, upon entry into force of the Law on the Support to Employment, persons of employable age who are older than 50 and are capable of working are considered additionally supported in the labour market. Lithuania implements the National Strategy for Coping with Effects of Aging of the Population whereby employment of older persons is regarded as one of the main goals of the Strategy.

Currently, older persons receive the services of labour market information, advice, mediation for hire or planning of individual employment activity; older persons may also avail of active labour market policy measures and employment support programs. The active labour market policy measures to be mentioned here are: preferential business licenses, special programs of vocational training and advice intended for older persons, possibilities to acquire generic competencies, participate in vocational training and avail of interactive distance-learning services as well as encouragement of local communities to prepare projects aimed at increasing of employment capabilities of older people.

In order to improve, in Lithuania, the consolidation of older persons in the labour market or help them to find employment, these persons receive such additional support as subsidised employment, work rotation or public works. Older persons are also encouraged to start independent employment by subsidising certain expenses related thereto. Besides, older people have an opportunity to receive vocational training which would develop their qualification or help them acquire additional competence.

## **NORWAY**

In 2007, the Governmental White Paper no 6 to the Norwegian

Storting (Parliament) presented a broad and holistic approach to senior policies in Norway. The main issues were inclusion, participation and active ageing in all important arenas in the society. Labour market inclusion and participation policies through an adequate designed pension system were especially focused on.

### **Old Age Pension Reform**

In a White Paper forwarded to the Storting (Parliament) in February 2009 (Ot.prp. no. 37 (2008–2009)), the Government proposed a comprehensive Old Age Pension Reform within the National Insurance System (NIS). The act was passed in May 2009, and gradually implemented from 2011.

The NIS old age pensions will be based on lifelong pension earning and offer flexible retirement from 62 years of age – a flexibility based on cost-neutral principles, through the introduction of a life expectancy based adjustment ratio to the calculation of pensions. The system of pension earning in the new old age pension scheme is designed in such a way that the individual person's pension capital is built up through income from work between the ages of 13 and 75. The pension may also be increased as a result of unpaid care for children and old family members, service as a conscript or receipt of NIS unemployment or sickness absence allowances etc. The individual persons will each year increase their pension capital corresponding to 18 per cent of their pensionable income, up to a ceiling of approximately 1.5 times the median wage income level. A person may draw his/her pension from the age of 62, either fully or partially. He/she may also have (continued) income from work at the same time, without deductions in his/her pensions.

Supplementary public and private pensions are also being adjusted to the principles of this NIS old age pension reform.

### **Inclusive Workplaces – a tripartite Agreement (IWA)**

In 2001, the government and the social partners signed an agreement to cooperate on developing a more socially inclusive labour market policy at the workplaces (Inclusive Workplace Agreement – IWA) for the period of 2001–2005. The agreement was renewed in 2006 and 2010. The specific objectives of this agreement is to reduce sickness absence by at least 20 per cent, increase the employment of persons with disabilities and raise the real (average) retirement age

The Centre for Senior Policy (SSP) is a national information, coordination and cooperation centre for senior policies in Norway. It is now financed by the Ministry of Labour. Representatives from the social partners constitute the board of SSP. SSP contributes to coordination and cooperation on senior policy issues between governmental agencies, the social partners, enterprises and human relation- and educational institutions. SSP can also initiate and support research on senior issues, and serves as an “information bank” on such issues and on best practices.

## SWEDEN

The Swedish government conducts an active policy to get more people into employment. The labour force supply should increase and the working life be prolonged. Favourable developments in the labour supply create the conditions for economic growth. Development of the labour supply is also key for financing the public welfare systems. In order to manage the demographic change in society, measures for older workers will provide incentives and make it possible to work longer. Below are some examples of Swedish policies:

- The aim of new start jobs, which were introduced on 1 January 2007, is to make it easier for people with a weak position in the labour market to get a job. To motivate employers to employ people who have not had a job for more than one year, financial support equivalent to twice the employers' social security contribution is available. New start jobs are more advantageous for people aged 55 and over since they have a right to support for twice as long as they have been absent from the labour market, though at most 10 years. In addition, the qualifying time for a new start job has during 2010 and 2013 been shortened from 12 to 6 months for people who have turned 55 in order to improve older unemployed people's chances of remaining in the labour market.

- On 1 July 2007, the government abolished older employees' right to count the time of employment twice in connection with dismissals. The aim is to eliminate the risk that employers would find it less attractive to employ older workers and to improve older workers' labour market mobility.

- The Swedish pension system was introduced 10 years ago and is based on the lifetime earnings principle which means that all earnings throughout a person's career are taken into account in the accrual of pensions entitlements. Disbursed pension and work can be fully combined. This provides incentives for more work throughout a person's life.

- To make it more worthwhile to work and to improve the financial situation of the worst-off pensioners, the rules governing the housing supplement for pensioners was changed 1 January 2008. The change meant that everyone who is gainfully employed and eligible for the housing supplement will be allowed to keep a larger share of this supplement when earned income rises.

- In 2007 Sweden introduced an in work tax credit to increase labour supply. The tax credit was larger for those older than 65 in order to encourage older workers to stay in the labour force longer.

- In 2007 and in 2008 the 16,16 per cent pay roll tax for those older than 65 and born 1938 or later and the 24,26 per cent pay roll tax

for those born 1937 or earlier was abolished in order to increase the demand for older workers. Since then the only social security contribution employers pay for employed older than 65 is the 10,21 % pension fee (full SSC 31,42 per cent) for employees born in 1938 or later.

- In light of increasing life expectancy, the government appointed a commission in 2011, to conduct a review of age limits in the pension system and to propose measures to improve the possibilities for a longer working life. The overall objective of the investigation is to increase the number of hours worked.

## **UNITED KINGDOM**

The number of people aged 65 and over in the UK is projected to increase from 16% of the population in 2008 to 23% in 2033, and the state pension age is increasing. Older people will therefore provide a growing share of demand in the UK which will create clear growth opportunities. In May 2010, the UK Government launched a discussion paper on the theme of 'Is business ready for an ageing nation? Economic opportunities and challenges of ageing discussed with stakeholders at Ministerial level. Two clear themes emerged from the response. One was that a successful UK economy will in future depend on the skills and contributions of older people in the workforce; the other that older consumers offer a significant and growing market for goods and services.

### **The UK Government actions to overcome barriers to working longer**

- Default Retirement Age Regulations came into force on 6 April 2011 which removed a provision which had restricted people's ability to remain in the labour market

- Flexible working makes a big difference to older people for a variety of reasons such as an increased likelihood of caring responsibilities, or physical impairment. The Coalition agreement committed the Government to extend right to request flexible working to all. The Government has consulted on this, and will announce decisions this year.

- The Government Skills Strategy supports fairness, bringing people into work, providing opportunities for progression, and increasing social cohesion. The skills system will provide advice and retraining needed for older workers where skills either no longer needed or where can no longer use because of age related issues (e.g. physically demanding work); offering every adult a Lifelong Learning Account bringing together information about learning opportunities; and establishing an all-age careers service providing high quality, professional careers guidance to young people and adults.

– Higher Education remains an option for people throughout their lives. Student Loans for tuition fees have no age limit – although the element for living costs has age limit of 60 when starting course

– There are also a wide range of policies to help older people get back into work including:

- financial incentives for working beyond State Pension age;
- specialist back to work support for older people;
- initiatives aimed at helping employers to support older worker employment and flexible working; and
- retirement practices and legislation that seek to protect people from age discrimination.

– The ‘Age Positive’ campaign was also launched. The campaign gathered evidence to disprove some of the negative stereotypes of older workers and are working with business groups to embed that knowledge.



