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Focusing on opportunities: Active ageing

In the next few years, population ageing will be faster in Finland than in most other countries. Consequently, Finland has invested in active ageing for a long time now. We have given a high priority to a number of legislative reforms and ageing programmes to improve health and functional ability and to remove barriers to employment of older workers.

We consider that the demographic challenge will not be solved only by focusing on the growing numbers of ageing people. Work needs to be done on several fronts. Characteristics of the Finnish active ageing strategies include a coherent and holistic approach to policymaking as well as co-operation in the preparation and enforcement of decisions with different sectors of administration, social partners and NGOs.

We find it important that the demographic challenges are tackled by raising the employment rate, by prolonging the working careers through a life cycle approach and by increasing productivity. We also find it important to modernise the pension systems and the local government and service structure in order to improve the availability, quality and productivity of social and health care services.

We can never emphasize too much the fact that extended life expectancy offers completely new opportunities. A longer life means more years of health and functional ability. This is of crucial importance when responding to the demographic challenge, and we should support this positive development through all phases of life.

First of all, better health and functional capacity improve the everyday quality of people's lives and support older persons' independent living.

Secondly, contented people enjoying good health provide the basis for economic success and competitiveness. Good health of people of working age creates the foundation for a longer working life, a higher employment rate and raising labour productivity. These, in turn, strengthen economic growth and thereby the financial base for welfare.

Thirdly, a considerable part of the problems and illnesses could be avoided through health-promotion and preventive measures. It is always less costly than disease treatment. Furthermore, if the health and functional ability of older people continues to improve, their need for care and services will be postponed until later in life. The result is that the increase in expenditure on social and health care will be restrained.

In Finland, we have made a large number of projections concerning the development of social protection expenditure in the long run. According to these calculations, people's health and functional capacity have a more decisive impact on the financial sustainability of social

protection than the increase in the number of aged people as such. Promoting health is an investment.

Work is of great significance for the health of the population and, vice versa, health affects work. When people's health, work ability and functional capacity improve, they feel able to stay longer in working life. At the end of the '90s, we in Finland launched the National Programme on Ageing Workers that paid special attention to improving the health and work ability of ageing workers. In particular, in occupational health and workplace health promotion efforts were increasingly put on prevention as well. The programme also strove to promote more favourable attitudes to ageing employees.

This Programme and many parallel working life programmes prepared the ground for a complete reform of the earnings-related pension scheme, which came into effect at the beginning of 2005. Its main aim is to delay the age of retirement and adjust the pension system to the increase in the average life expectancy. It is an extensive package that is a combination of sticks and carrots. Among other things, occupational rehabilitation became a statutory obligation, with the aim of ensuring that occupational rehabilitation is arranged for employees at an earlier stage.

The results of the reforms are encouraging. The increase in the employment rate for the oldest workers has been exceptionally fast in Finland in the last ten years. The employment rate among employees aged 58-63 has increased by more than 10 percentage points since 2000, which is more than two times higher than that of prime age workers. The average effective retirement age has been postponed by almost half a year since the pension reform that took effect on 1 January 2005.

This encouraging trend shows that it is possible to achieve a major change of direction as long as carefully planned work is done to reach the goal. The Finnish long-term work to improve ageing workers' employability was awarded the German Carl Bertelsmann Prize in 2006.

The widely accepted goal in Finland is to lengthen the average career in working life by 3 years in the long run. The present Government continues the process of active ageing strategies. The Government has appointed a high level committee to reform the social protection system. The central goal of the social protection reform is to offer more incentives for work. The social security systems must encourage people to stay longer in working life and to return to work after an absence.

The Finnish Government has also recently launched a 4-year policy programme for health promotion. The aim of the policy programme is to reinforce the on-going development efforts beyond conventional administrative boundaries. Long-term work to promote health and prevent diseases at all ages presupposes, not only the contribution of social and health policies, but also integration of health promotion into all policies since health is largely determined outside the health care services. This is the idea of the Health in All Policies that Finland launched last year.

In conclusion, a high standard of public health is central to economic, social and human advancement. Therefore, it is important to make societal policy as a whole support health and functional ability.