

# The Effects of Employment on the Health and Quality of Life of the Elderly



Hótel Nordica  
Reykjavík, Iceland  
Monday November 9th



## **Address by the Hon. Árni Páll Árnason, Minister of Social Affairs and Social Security**

Conference delegates, ladies and gentlemen:

Nordic countries share many aspects of their history and culture in common, and their traditional connections are manifest not least in the similarity of their social structures. Attitudes to social welfare in a broad sense are a case in point.

Not least for this reason, we as nations have much to learn from one another and it is important that we continue to share our knowledge and experiences, as we have done in the past, through Nordic co-operation.

This conference on labour market participation of senior citizens, and the impact this has on their health and quality of life, is a significant forum for exchange of opinion among nations on a very pressing issue. The demographic structure of our populations is changing, with the proportion of seniors growing rapidly. This fact calls for a review of general social attitudes towards the elderly and to our perspectives on ageing.

Active involvement in society is important for people of all ages and our society needs the contribution which each citizen has to make. This means that we must ensure that all persons who have plenty to offer and wish to make a positive contribution are, in fact, able to do so – whether they are elderly, handicapped or a member of any other special social group. Social involvement is a key aspect of quality of life, as well as a premise for physical and mental health.

We need to appreciate and respect the knowledge and experience gained as people grow older. Experience is a valuable resource which should never be underestimated. We want to live in a society which has room for people of all ages, with diverse views, backgrounds and attitudes. Partly for this reason it is important to ensure the energy of the older generation can be used to advantage and that their voices are heard, whatever social issues are being discussed.

There have been examples where countries have responded to unemployment by pressuring older workers to exit the labour market in favour of younger ones. In my estimation this is a doubtful practice at best, which could undermine the social structure in the longer term. Workplace diversity is a strength which opens up opportunities. We do not create jobs by excluding specific groups from the labour market; on the contrary, this leaves a gap which it can prove difficult to fill.

Icelanders have traditionally been proud of the high employment participation rate of older citizens and have enjoyed the respect of other countries in this regard. We want to build on this in the future and create a society of diversity, where everyone can utilise their potential for their own benefit and that of the community.



Árni Páll Árnason,  
Minister of Social Affairs and Social Security

# Programme

- 9:00**     **Welcome**  
*Árni Páll Árnason, Minister of Social Affairs and Social Security*
- 9:15**     **Getting Older in a New Era**  
*Bernharður Guðmundsson, Vice President of the National Council on Aging*
- 9:40**     **The Active Icelanders: How and Why the Elderly in Iceland Retire So Late?**  
*Professor Stefán Ólafsson, University of Iceland*
- 10:00**    **The Aging Process from a Quality of Life Perspective**  
*Professor Ingalill Rahm Halleberg, Director of the Swedish Institute for Health Science*
- 10:30**    **Pause**
- 10:50**    **Health Promotion and Maintenance of Workability – National and Local Opportunities in Ensuring Employability of an Aging Workforce**  
*Professor Matti Ylikoski, Chief Adviser, Finnish Institute of Occupational Health (FIOH)*
- 11:20**    **The Role of Elderly Labor-market Participation in a World of Scarcity**  
*Tinna Laufey Ásgeirsdóttir, Assistant Professor of Economics at the University of Iceland and Director of Graduate Studies in Health Economics*
- 11:45**    **Panel Discussions**
- 12:10**    **Lunch**
- 13:10**    **Do the Pension Systems Encourage the Elderly To Be Active in the Labour Market?**  
*Kristinn Karlsson, statistic analyst at Statistics Iceland and a member at the Nordic Social-Statistical Committee (NOSOSCO)*
- 13:40**    **Employment of Elderly – Policy and Attitude from Employers’ Standpoints**  
*Tor Bjarne Tofte, Advisor, HR Department at Aker Stord AS, Norway*
- 14:10**    **Smart Experienced People – The Rock We Build On**  
*Eggert Benedikt Guðmundsson, CEO at HB Grandi*
- 14:30**    **Older People, an Invaluable Resource in Society**  
*Barbro Westerholm, Norden public health prize winner (folkehelseprisen)*
- 15:00**    **Panel discussion**
- 15:30**    **End**
- 19:30**    **Reception, jointly with participants from the conference**  
***The Capacity to Avoid Incapacity.***

## 9:15 Getting Older in a New Era

**Bernharður Guðmundsson** has been involved in the process of getting older for 72 years. He is a member of the National Council on Aging and holds university degrees in Theology and in Mass Communication, where he focused on “Media and Aging”. He has been active in the field of adult education locally as Director of Education and Human Services for the Church of Iceland and internationally as the Director of Communication Consultancy for the Lutheran World Federation.

### Summary

In 2009, the average life expectancy for a man in Iceland is around 82 years. Women live a bit longer. We have been given an even longer time to get older!

The number of four-generation families is growing fast. Many older workers belong to the “sandwich generation”: they have old parents to take care of as well as assisting their grandchildren, which can strain the relations at work. Rapid social changes have resulted in better health care, better education and wider experiences of older people compared with their parents, making them capable of being active both in personal life and in the labour market.

However, the attitudes of society towards older workers have not changed accordingly. Therefore they often feel subject to benign discrimination and lack of respect for their experience, skills and resources. The training and education at work is seldom designed for the abilities of older workers, resulting in their failure.

Consequently, the image of the older worker, as it is often presented in the media, is not encouraging either to the young who will certainly get older or the older people themselves who often fight a limited self-image.

Strangely enough, the present financial crisis in Iceland has brought us back to reason. The oldest member of parliament, a gray-haired woman at retirement age, was called to lead us out of the economic darkness as a prime minister, and the rich human resources of older workers are increasingly in demand—at least for the time being!

## **9:40 The Active Icelanders: How and Why the Elderly in Iceland Retire So Late?**

**Stefán Ólafsson** is Professor of Sociology at the University of Iceland. He was educated at Edinburgh University and Oxford University, specializing in welfare and labour market studies. He has written six books and numerous articles and reports. Recently he chaired a task force on public pension reform for the Ministry of Social Affairs and Social Security.

### **Summary**

This talk will survey the work experiences of the elderly in Iceland and their exit pattern into retirement, with a comparison to other nations. The leading question is, why have the elderly for decades retired late in Iceland compared to other Western nationals?

In explaining the prevailing retirement pattern of Icelanders, questions of culture, opportunities, money, pension system characteristics and politics are pondered. The data suggest that many factors have jointly contributed to the specific outcome of retirement patterns in Iceland, including a strong work ethic, ample opportunities for work for the elderly, incentives in the pension system for late retirement, acquisitiveness and prevailing emphasis on participation.

## 10:00 The Aging Process from a Quality of Life Perspective

**Ingalill Rahm Hallberg** is Professor in Health Care Science and is currently the head of the Vårdalinstitute, the Swedish Institute for Health Sciences. The Institute carries out research with regard to the elderly and their health care and social service, people with long-term mental health problems, and people with other long-term diseases. About forty researchers at the senior and junior levels and forty-five doctoral students are involved in this research. In addition, Professor Hallberg is currently the Deputy Vice Chancellor of Lund University. She has been involved in research related to the elderly for more than twenty years. Her research has mainly been with regard to the oldest old, their health, health complaints, health care and social service. She has published more than 180 international scientific publications, has received several grants and has supervised twenty-five doctoral students, mainly within the area of aging and health. From 2010 she will be the PI for the Swedish part of an EU-funded study on the care of people with dementia in Europe.

### Summary

This presentation concerns the aging process from a quality-of-life perspective and as related to older people's health and functional capacity. The presentation also covers factors determining older people's quality of life and in relation to the aging process. It is well known that most world countries are moving towards a demographic transition not previously experienced. This process is extremely rapid in some countries and slower in others, mainly in the Western countries, which provides time for adaptation to the new demographic structure of their populations. The survival curve has also changed dramatically towards being more rectangular. Hence, death and dying have been moved up to where they naturally belong, among the oldest old.

General health has improved over time, and functional limitations have also been delayed as compared to earlier times. This contributes to the fact that most people around the age of 65–75 years are healthy and have few, if any, functional limitations. This development may be due to lifestyle but also to the fact that medical interventions can be carried out also on older people, thus improving survival. The flip side may be that people live longer with chronic diseases. Factors determining quality of life in old age are, however, only partly related to health and functional capacity. Other factors as well play a role in determining quality of life. These other factors are social resources, material security, life activities and cognitive efficacy. Material security seems to be the strongest predictor in explaining quality of life in older people. It is, however, dependent on the personal work-life history and the pension system. The gap between retirement age and health has increased although the variation is large. The variation may best be explained by socioeconomic conditions and the demands of the specific profession or working life conditions. This is also reflected in people's views with regard to retirement age. Socioeconomic conditions and personal work-life history determines if positive or negative to retirement age. In general, people's improved health means an underused resource for society. Due to variation in health and functional capacity and the demands in working life, flexibility may be warranted.

## **10:50 Health Promotion and Maintenance of Workability – National and Local Opportunities in Ensuring Employability of an Aging Workforce**

**Matti Ylikoski** (62 years) is Professor and Chief Adviser at the Finnish Institute of Occupational Health (FIOH) since 1 May 2009. His task in this new job is to mobilize the specialist resources and knowledge of the FIOH in supporting the recently launched goal of the Finnish Government concerning extending of the work careers of the work force by two to three years by 2025. He also has a duty to compile FIOH resources in regard to the support activities for employees and employers in the present economic depression in Finland.

Before taking this position, Prof. Dr. Ylikoski served as Director of the Training Centre since 2002 and Head of the Work Ability Centre in the FIOH since 1998. He is also an Associated Professor (docent) in Occupational Health in the Technical University of Lappeenranta, Finland. He served as Project Leader of the EU Finnish Presidency period project (2006) regarding the “Health in the World of Work and Ageing Workforce” from 2005 to 2007, as well as Programme Leader in the Finnish ministerial programme for extending careers and work ability (“KESTO – Sustainable Work Careers”) from 2003 to 2008. From 2000 to 2002 he was the Pre-Accession Adviser in Estonia in EU Phare Twinning Project on Occupational Health. Prior to this he served as Head of the Lappeenranta Regional Institute at FIOH. Dr. Ylikoski received his M.D. in 1972 and his Ph.D. in 1994. He has published over forty scientific articles.

### **Summary**

In the European Union, the work force is predicted to be at its oldest in history in 2015. In Finland, Germany and Belgium, workers over the age of 50 will be the largest work-age group until 2015. In Finland the dependency ratio (ratio of 0–14 and over-65 age groups to total work force) will rise between 1995 and 2025, most sharply among the EUR 15 countries. The greatest changes in the retirement ratio in the EU will also take place in Finland from 1990 to 2030.

The ageing of the work force in the EU and relatively high levels of work disability have led to increased disability payments and retirement pensions. Furthermore, changes in the production, work and work life have led to increasing demands of qualified workers and have directed the focus on maintaining the health of the work force. According to Finnish surveys on working conditions, work load and work pressure have increased during the last decade.

Additionally, many studies and experience have revealed possibilities to prevent and even hinder the development and progress of disabilities and handicaps at an individual level. Recent studies have also demonstrated the great importance of a psycho-social work environment and leadership orientation to the well-being and health of workers. Thus, maintaining the ability to work and preventing work-related disability through relevant occupational health measures and by general health promotion are high on the list of priorities.

Promotion and maintenance of work ability (PMWA), the Finnish concept of workplace health promotion (WHP), has been designed and introduced as a policy and practical response to problems of poor health in the workplace and to reverse the trend of early retirement and the high incidence of disability. Systematic research on ageing workers

and work ability was started by the FIOH already at the beginning of 1980s. The health and disability problems are not seen to be functions solely of the individual, but are due to the interaction of the work environment and work tasks in which the individual operates, and to the status (e.g., health and competence) of the worker. The main challenge is to promote and support employees, work groups and organisations to ensure health and well-being of their human resources as well as to control work load and stress, in maintaining efficiency and competitiveness, and in encouraging companies to be innovative and flexible in order to keep all workers motivated and productive. Framing the problem in this way leads to a balanced and multi-stranded strategy of intervention. In Finland, the concept of work ability has been defined both theoretically and practically in relation to the issue of decreasing ability concerning the management and coping with duties at work and in the work environment, independently of what is the ultimate reason for the decrease of work ability.

## 11:20 The Role of Elderly Labor-market Participation in a World of Scarcity

**Tinna Laufey Ásgeirsdóttir** (Ph.D.) is Assistant Professor of Economics and Director of the masters program in Health Economics at the University of Iceland. Her professional experience involves, among other things, research and teaching at multiple universities, as well as chairing and serving on committees and executive and advisory boards. Her recent writings include “Alcohol Problems and Labor-Supply Choices in Iceland” (with McGeary), in *The European Journal of Health Economics* (2009); “The Icelandic Health-care System”, in *The Nordic Health Systems* (McGraw Hill, 2009); *Lifestyle Economics* (VDM Verlag, 2008); and *Holdafar – hagfræðileg greining (Physique: An Economic Analysis, Lýðheilsustöð, 2007)*.

### Summary

Life expectancy in the Nordic countries continues to rise. Along with falling birth rates, this results in a dramatically altered age profile. The age group involved in market production of goods and services constitutes a shrinking share of the total population. At the same time, an increasing portion of the population is in an age group that has traditionally been on the receiving end of government transfers. This phenomenon poses numerous challenges for the design of public pension programs and labour-market policies. Many solutions have been proposed. One of them involves increased labour-market participation of the elderly. The costs and benefits of this in a world of scarcity have been debated. Some have argued that the resources available for transfer between individuals through the welfare system must have an upper limit and thus the contribution of the elderly is crucial. Others maintain that elderly labour market participation is problematic and that it is wiser to make room for young people in labour markets where many are currently unemployed. To better understand how public policy should be designed in response to an aging workforce, it is imperative to make an assessment of the implications for aggregate labour-market activity, and in particular unemployment. In my talk I will consider the effects that participation of the elderly in the labour market has on that group of people, as well as on the labour market itself and younger generations.

## **13:10 Do the Pension Systems Encourage the Elderly To Be Active in the Labour Market?**

**Kristinn Karlsson** is a sociologist with degrees from the University of Iceland in Reykjavik and Lund's University, Sweden. Since 1983, he has been employed at Statistics Iceland and is responsible for the compiling and analysing of statistics on social protection. He has been a member of the Icelandic committee to the Nordic Social-Statistical Committee (NOSOSCO) since 1986 and thereby an active member of the main committee, which is responsible for the yearly production of comparative Nordic social protection statistics. Since 1996, he has been the representative of Statistics Iceland to the Eurostats working party on "Social protection", ESSPROS.

### **Summary**

In this lecture, a general account will be given of the Nordic countries' cooperation in the field of social statistics (dating back to the fifties), which consists of coordinating of statistics, comparative analyses and descriptions of the scope and contents of social welfare measures. Results have been published in a regular publication of social protection in the Nordic countries.

In addition to the regular publication, NOSOSCO also publishes various other, more comprehensive reports, the so-called theme reports. In 2008 the report "Old-age Pension Systems in the Nordic Countries" was published, and forthcoming this year is the report "Do the Nordic old-age pensions systems encourage people 60–74 years of age to work?" In the lecture, a short overview will be given of the results of these two reports.

## **13:40 Employment of Elderly – Policy and Attitude from Employers’ Standpoints**

**Tor Bjarne Tofte**, Cand. Mag., Social Science Universitetet I Bergen, is Advisor in the HR Department at Aker Stord AS since 2006. From 2005 to 2006, he served as Administrative Manager at the gas plant Ormen Lange; prior to that, he was Resource Coordinator at Aker Stord AS from 1998 to 2005, Personnel Manager from 1996 to 1998, and Consultant from 1995 to 1996.

### **Policy for phases in life, with a focus on the senior phase**

Aker Solutions Senior Policy is based on the recognition that the closing phase of an employee’s professional career is to a large degree reflective of what happens during the course of that person’s employment. Aker Solutions Senior Policy is therefore a personnel policy with a perspective on all phases of life. It provides for adjustments to suit employees throughout the course of their entire working life.

### **Premises for senior policy work**

Overview of the company’s current and projected age profile

Knowledge of and insight into the situations of middle-aged and older workers

Competence concerning motivation and learning issues that affect older people

### **What are their terms for working beyond the age of 62?**

- to know that you are wanted
- to be appreciated/valued
- to be invested in by the employer
- to be in demand
- to have interesting and challenging jobs
- to establish own forums and meetings for seniors
- to feel that this is “my” company
- to feel that one is useful, that the company is interested in the employee

### **Activities and Measures**

- The right to partial AFP (formerly specific leaders)
- Entitlement to ten extra holiday days for all personnel over 62 years
- “80/90” option
- A special interview concept (MAS) for seniors
- Special meetings for leaders
- Motivation meetings for senior employees
- Systematic competence transfer of knowledge
- The company has a cooperation agreement with the University of Stavanger
- Senior Policy is an integral part of the company’s IA work in a life phase perspective with focus on the development and maintenance of competence.

## 14:10 Smart Experienced People – The Rock We Build On

**Eggert Benedikt Guðmundsson** joined HB Grandi as Marketing Manager in June 2004 and became CEO in February 2005. Before joining HB Grandi, he worked for Philips Electronics in marketing and business development in the computer industry in California and Belgium for seven years. He has also worked as Chief Engineer of R&D in Icelandic Alloys at Grundartangi, Iceland. Mr Guðmundsson holds a Master's Degree in Electrical Engineering from Karlsruhe, Germany, and an MBA from IESE, Barcelona, Spain.

### Summary

Other presentations in this conference address the value of employment to elderly people. But what about the value of elderly people to employment? Do they create the value that the working environment requires and thus stay in demand? Or are they redundant in the times of crises and subject to the mercy of the employers?

HB Grandi employs a large number of people who have been with us on sea and land for decades and who form an invaluable pool of experience. The knowledge in the fishing industry changes more slowly than in many other industries. It is therefore likely that people can stay active in our sector longer than in other faster-changing fields.

In modern knowledge-based companies, an effort is made to formalize knowledge and to harness it in databases and systems. This is considered important, e.g., to safeguard the knowledge within a company when key employees leave. The thought is intriguing, however, that the real value of companies lies in the knowledge that one cannot or should not formalize. This applies especially when people rarely change jobs and remain for a long time within one company.

The fishing industry is probably a case in point. We therefore appreciate dearly the contribution of elderly employees. They are smart, they are experienced, they are the rock we build on.

## 14:30 Older People, an Invaluable Resource in Society

**Barbro Westerholm**, M.D., is Professor Emerita of Drug epidemiology at the Karolinska Institute, Stockholm.

Her former positions include that of Director General, Swedish National Board of Health and Welfare; Vice President, Executive Board, World Health Organisation; Medical Director, Swedish National Corporation of Pharmacies; President, Swedish Association of Senior Citizens; Vice President, AGE (Older People's Platform). Currently, she is a Member of the Swedish Parliament, as well as a Member of the Swedish National Council on Medical Ethics, Member of the National Board of Forensic Medicine, and Chairperson of the Health Expert Group, AGE.

### Summary

During the last century we have added twenty-five years to our lives, and we continue increasing our average age of life. The percentage of people 65 years and older will increase by 50 % during the next forty years. However, retirement age has not been changed. The pension systems were introduced a hundred years ago with a retirement age of 65 or 67 years. In some professions it is 70 years. These retirement ages were not chosen because we were too old to work, but because society thought it could afford to have people leave paid work at those ages.

However, it is now obvious that in the future we have to promote working longer in order to be able to afford the welfare we have become used to and want to develop further. We also have to open up the labour market for people who want to and can go on working. One of the most important things for the preservation of health is the feeling of being needed, a part of society. Here work comes in as an important factor.

Obstacles preventing older people from continuing to work have to be identified and removed. Ageism and its consequence, age discrimination, are a reality. Their causes also have to be identified and combated. Here we need more research in order to show the value not only in human but also in economic terms.

Today, voluntary work by older people plays big role and will do so even more in the future. We also need more research here in order to show the value of these contributions. Voluntary work, especially the care provided by spouses, relatives and friends, should be facilitated and supported.

And finally, older people are role models, and as such they can contribute to a positive picture of becoming old.

## Memo



