ESPN Thematic Report on Social Investment Norway

2015

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EUROPEAN SOCIAL POLICY NETWORK (ESPN)

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The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

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Contents

Summary

- The discourse of social investment is practically non-existent in Norway – the concept is not used in political debate.
- Nevertheless, Norway has for many years implemented a number of policies that can be understood as "social investment" policies: active early childhood education and care (ECEC) policies, activation policies for adults at risk of marginalisation, introduction programmes for immigrants, and policies to ensure high rates of labour market participation among both men and women.
- Quite a few of these policies have been reinforced in the last decade.
- The coverage of early childhood education and care has been significantly expanded, so that high-quality, government subsidised care is now almost universally available for pre-school children.
- In addition to a massive expansion of the supply of childcare, new measures have been introduced to reduce parental payments.
- The parental leave scheme is generous in an international context. A section of the leave period is reserved for fathers, as a measure to promote gender equality both at home and in the workplace.
- Active labour market policies have been strengthened and the ideal of activation is being applied more generally to all categories of benefit recipients.
- A major administrative reform, merging the state employment service and the social security administration and integrating them with the municipal social service, was implemented between 2006 and 2011, creating a one-stop shop for people with problems to enter or re-enter the labour market. It is not entirely clear, however, whether the intended goal of increasing the effectiveness of labour market re-insertion has been realised.
- After eight years of a Labour centre-left coalition government), power was transferred in 2013 to a Conservative–Progress Party government, headed by Prime Minister Erna Solberg. The Solberg government has signalled certain policy changes that include the "social investment" area, including changes in the tax and benefit system and more targeting of benefits. The government is, however, a minority coalition, and has so far only partially succeeded in implementing its programme.
- In social investment policies, there is sometimes tension between "investing" in children through measures to decrease child poverty, and "investing" in parents through measures to promote employment. Benefit cuts to create work incentives for parents may harm children and their life chances. Recent developments in Norway suggest that the present government is inclined to give higher priority to "incentives" over "poverty reduction".

1 Assessment of overall approach to social investment

Norway is a country with a high level of investment in children through a combination of cash transfers and a wide variety of services to families with children and to the children and adolescents themselves. The bulk of these measures can be classified as universal, but they also contain a large number of targeted interventions.

The total level of public social expenditure on families and children currently amounts to 3.2% of GDP and 12.6% of total public social expenditure (NOSOSCO 2013). The relative amount of public spending on children has remained fairly constant over the last decade. These figures do not include expenditure on primary and secondary education and on healthcare for children.

Public support for families with children has been characterised by six partly interrelated trends:

- A significant expansion of parental leave rights with a growing component being reserved for the father.
- An increasing emphasis on services, and here in particular on the universal provision of early childhood education and care at the expense of cash transfers intended to support the income situation of families with children.
- A trend towards a stronger reliance on targeting in the provision of cash benefits to families with children, and a trend in the opposite direction when it comes to the distribution of indirect subsidies to families with children in early childhood education and care.
- A stronger emphasis on pre-school children in the total package of support to families with children at the expense of older children and adolescents and their families.
- A weakening of the previously very strong priority given to single parents in the overall public support given to families with children.
- A stronger emphasis on educational aspects of pre-school childcare.

Despite the gradual curtailment of the universal child allowance, the parallel expansion in the supply of subsidised early childhood care and education has ensured an overall strengthening of social investment in pre-school children. For older children and young adults, however, the net effect is clearly negative, as can be seen in increasing AROP rates – particularly among the children of single parents and immigrant families.

In the last decade, a number of activation policies to foster high employment and reduce rates of dependency on social security benefits have been maintained and strengthened. A huge administrative reform was finally implemented nationwide in 2010, involving the merger of two state agencies – the social security administration and the employment service – with municipal social services. The main goal of the reform has been to achieve a more coherent and effective apparatus geared towards labour market integration. Also new programmes have been introduced – most notably the so-called Qualification Programme, which offers intensive, tailor-made measures to qualify long-term social assistance recipients and other similar groups for labour market (re-)entry. Recent quantitative research has indicated that the reform does not appear to have been particularly successful. By exploiting variation in the timing of the establishment of the new one-stop shops across municipalities, it is shown that the probability of a rapid labour market re-entry has tended to go down in the first years of the merger (Fevang, Markussen and Røed 2014). It should be emphasised, however, that the design of these evaluations does not allow for any conclusions on the effect of those aspects of the reform that came into force simultaneously across municipalities.

After eight years of a government of the centre-left, a new government supported by the parties of the centre-right was formed following the general election of September 2013. So far, the change of government has not led to any dramatic changes in social policies. Those modest changes that have taken place or that have been announced

for the immediate future include a stronger emphasis on targeted measures to reach particularly vulnerable groups like psychiatric patients and drug addicts, a stronger emphasis on in-kind benefits for children growing up in income-poor families, and more emphasis on freedom of choice for families with pre-school age – whether to use publicly subsidised early learning and child care or find other private solutions for the youngest children. The result of these changes might be a slight reduction in the labour supply of mothers.

2 Assessment of specific policy areas and measures/instruments

2.1 Support for early childhood development

2.1.1 Early childhood education and care

Compared to the other Scandinavian countries, Norway used to be a laggard with respect to the public provision of childcare. A strong build-up of municipal day-care institutions started in the late 1970s, but even by the late 1990s there was a significant shortage of publicly regulated and subsidised childcare facilities – especially for the youngest children. From the early 2000s, however, a **rapid expansion in childcare** has taken place through a combination of municipal and privately owned day-care institutions. While there is near full coverage for 3–5-year-olds, there is still some unsatisfied demand for childcare among the parents of one-year-olds. This is because enrolment in the municipal system of intake only occurs once a year, and the guarantee of a place only applies to children who have turned one by August each year.

There has been a **maximum rate of parental payments** in publicly sponsored kindergartens since 2003. Since 1 January 2015, the ceiling has been 2,480 Norwegian kroners (NOK) (approx. €290). The government has signalled that the rate will be increased by NOK 100 from 1 May. These rates apply to the first child in each family; the rate of payment for younger siblings is lower (the rate for the second child is 70% of the rate for the first; and for the third child it is 50%). The government further signals that it will introduce a ceiling in terms of household income, to reduce the rate further for low-income households. Payments for the first child should not exceed 6% of household income, and payments for younger siblings should be discounted at the same rate as now.

The use of municipal childcare and of after-school clubs is subsidised by a tax allowance to the parents, currently fixed at 25,000 NOK (approx. €3,000) for the first child, which is automatically registered on the tax return of the parents. The credit value of this allowance is 7,000 NOK (approx. €820).

In selected areas, families with children aged 4 and 5 (sometimes 3) are offered **free core time** in kindergartens. This applies to "deprived" areas with many immigrant families. The scheme has recently been subject to some changes. In the circular accompanying the grant for autumn 2014, the government instructs Drammen, Bergen and the Oslo district of Gamle Oslo to target free core time at low-income families in the affected districts, and to link the measure more explicitly to activation for the parents. This is defined as a trial measure. The municipalities decide for themselves what the low-income threshold should be. The activation requirement is tailored to each parent's needs, but it is up to the municipalities to work out the details regarding the contents for the requirement, how encompassing it will be, and how strictly it will be monitored. The municipalities will report on how the requirement is being implemented. The new guideline implies a stricter targeting of the scheme, and a tightening-up of the principle that parents should be activated.

In connection with a major reform of the primary school system in 1997, all municipalities were obliged to offer **after-school clubs** (*Skolefritidsordning*) to primary schoolchildren up to the age of 11. While children in primary school only have ordinary classes for a limited number of hours each day (5–6), the service implies that

the children are catered for between 7 am and 5 pm. The service is run by dedicated personnel on the school premises. There is no maximum price for the use of this service (as is the case with childcare), and so the fees are decided by the municipality and often geared to cover the marginal cost of offering the service. This leads to a high degree of variation in rates between municipalities.

2.1.2 Family benefits

The universal **child allowance** has traditionally played a significant role in securing adequate income and living standards for families with children. The Norwegian child allowance used to be a significant component in the income package of low-income families in general, and of single parents in particular, as single parents are entitled to benefits for one more child than they actually have (i.e. for one child, a single parent claims for two). However, since 1996 the amount of benefits granted per child has remained frozen in nominal terms and hence neither price increases nor increases in real wages have been compensated for over the past two decades. Since 1996 the real value of the child allowance has declined by more than 30%, and relative to the median equivalised household income it has more than halved. Today the annual benefit for a couple with one child is 11,640 NOK (approx. €1,360), while the benefit for a single mother with one child is twice that amount.

The **cash-for-care allowance** was introduced in 1998, and at the time was payable for one- and two-year-olds. The Stoltenberg governments froze the rates for seven years, and then abolished the benefit for two-year-olds in 2012. Also in 2012, the rates were differentiated for one-year-olds: the benefit rates were NOK 5,000 (approx. €580) for children of 13–18 months, and NOK 3,303 for children of 19–23 months. One of the first actions of the Solberg government was to equalise and increase the rates for all one-year-olds, so that the benefit is currently payable at NOK 6,000 (approx. €700) per month for all eligible one-year-olds. The Solberg government has also signalled that it is thinking about reintroducing the benefit for two-year-olds, but this was not given priority in the 2015 budget.

Norway is one of very few countries that have a separate subsistence-level benefit for lone parents, known as the **transitional allowance**. The benefit was introduced in 1964 as a benefit for widows and unmarried mothers, but over time it has been extended to cover all lone parents. It is paid at a level that roughly corresponds to the minimum old age pension. In 1998, the period for which it was payable was considerably reduced, and in 2012 a work requirement was introduced for all recipients whose youngest child was older than one. The benefit could be paid to each family for a maximum of three years, provided the (loose) activity requirement was fulfilled. The Solberg government proposes to reduce the period for which the benefit is available to one year, but with the possibility of maintaining the three-year period for parents who undertake academic or vocational education. A study of the effects of the 1998 reform showed that it led to a significant increase in labour market participation and also in the average income of the single mothers targeted, although income poverty rates did increase for some subgroups (Mogstad and Pronzato 2012). However, a new study has indicated that the later school outcomes of the children of these single mothers were negatively affected – presumably due to lower income security and a decline in the quantity and quality of parenting (Løken, Lommerud and Reiso 2014). This is a concrete example of the potential for more general tension between investing in children and providing strong incentives for parents to increase their labour supply.

Some benefits, most importantly the **disability benefit**, are paid with generous supplements for children. Autumn 2014 saw a heated debate over these additions, when the government proposed to equalise the supplements for children in the work assessment allowance and the disability pension, which implied a cut in the additions in the disability pension. This was presented as an activation issue: for families with many children, particularly if the parents could only expect to command low wages, the full amount of the disability pension, including additions for children, might exceed the income the household could expect from employment. After a heated debate, a

compromise was reached, where a ceiling of 95% of a recipient's former earnings was introduced. Under this new rule, it is impossible for a disability pensioner to have a disposable income that exceeds what he or she had while in employment. The ministry has presented figures that estimate that 4,500 children will be worse off as a result of this cut, while 32,000 children would be worse off if the original proposal from the government had gone ahead.

The proposals to limit the transitional allowance for single parents and to decrease the additions for children in the disability benefit spurred a heated debate in the autumn of 2014. The government argued that these cuts would improve work incentives for the parents in question, and thus promote social inclusion through employment. Critics argued that the proposed cuts would lead to increased child poverty in families that were already highly vulnerable, and thus lead to more social exclusion. The debate illustrates how concerns about work incentives for parents can conflict with concerns about poverty among children. Actors who wanted to cut benefits argued that these cuts would prompt parents to take up employment, and thus increase household income. This argument obviously hinges on the strong assumption that non-employment is at least partially voluntary. If the parent cannot find a job, the main result of the strategy will be increased child poverty and thus more children at risk of social exclusion.

There are two **grant schemes designed to give financial support to projects conducted by municipalities and local non-governmental organisations to combat social exclusion among children and young people**:

- Projects for children and youth in larger urban areas
- Projects to prevent and reduce poverty among children, youth and families with children that are in contact with the social services in the Labour and Welfare Administration (NAV) offices.

Both schemes are geared towards activities for children and young people in poor families, and the second scheme can also be used to fund direct financial support for families and skills enhancement among social workers involved with low-income families (for more detail, see Grødem 2012).

2.2 Supporting parents' labour market participation

2.2.1 Parental leave

The expansion and improved affordability of public childcare (outlined above) obviously constitute an important part of the efforts to support parents' labour market participation. We will, however, not repeat the information here.

In addition to this, a number of policies help support parents' labour market participation, and clearly these policies are fairly successful, as employment rates among mothers are comparatively high in Norway (see Table 1).

The **parental leave scheme** secures all parents the right to full-time leave for a total of 49 weeks with 100% wage compensation, or 59 weeks with 80% compensation; ten weeks are reserved for the father and ten weeks for the mother, while the couple can distribute the remaining 29/39 weeks as they please. The mother is required to take three weeks before birth and six weeks immediately after, while the ten weeks reserved for fathers can be taken at any time. Parents cannot, however, take leave at the same time. Both parents have an inalienable right to take this leave, and employment security in this period is strongly protected. Access to the parental leave scheme, however, requires a work record: the recipient must have been in employment, and must have earned an income above a given level, for at least six out of the previous ten months. New parents who do not qualify are paid a lump-sum allowance (the "one-time benefit", *engangsstønad*), currently standing at NOK 44,190(approx. €5,160).

Table 1. Labour force participation rate among married and cohabiting mothers

	1990	1995	2000	2005	2010
Youngest child 0–2	69	72	76	76	83
Youngest child 3–6	74	80	84	85	89
Youngest child 7–10	82	83	86	88	88
Youngest child 11–15	86	85	89	88	90
Youngest child 0–15	77	79	83	84	87

Source: Kitterød and Rønsen (2012).

The present government has proposed reducing the fraction of the parental leave that is reserved for the father, but the proposal is highly controversial among the social partners (and not just the trade unions, but also the employers' associations).

Sick-leave rights include the **right to stay at home with sick children**. Each parent has the right to ten days of paid sick leave per year to cater for a sick child below the age of 13. For parents with more than two children, the maximum number of days is 15, and single parents are granted double the number of days. The parents of children with chronic illnesses are eligible for expanded rights to paid leave.

On the negative side, the cash-for-care allowance is suspected of reducing labour supply among mothers with children in the relevant age group (one-year-olds). The effects of the cash-for-care benefits on child poverty are contested. On the one hand, the benefit clearly increases incomes for some of the poorest families – those with only one or no parent in employment. On the other hand, the benefit is only available for one year per child, and it has been argued that it has contributed to keeping mothers out of employment for longer than necessary. As the benefit is disproportionately used by immigrants, it is also argued that it slows down integration efforts.

2.2.2 Long-term care

A highly developed system for providing long-term care to elderly citizens is an important precondition for allowing women to participate in the formal labour market.

Whereas up until the 1980s Norway was something of a laggard in the development of services for the elderly, compared to the other Scandinavian countries, this is no longer the case. Today Norway has a strongly developed system for providing both home help, nursing and institutional care for the elderly.

Traditionally, voluntary organisations have played a significant role in owning and running nursing homes for the elderly. However, while there still are quite a few privately owned nursing homes in Norway, most have been fully integrated into the public system and are completely dependent on public financing. The municipalities provide most of the funding for elder care within and outside institutions, but income-related user charges are levied on the recipients of the services – particularly on people in long-term care establishments.

Like ordinary healthcare, long-term care is provided as a universal right for all residents and is enshrined in the law. Long-term care is the responsibility of municipalities, and the right to receive care is stated in the Municipal Health Services Act. The right to receive care and the corresponding obligation on the part of the municipality is, however, discretionary: the municipality is obliged to provide a place in a nursing home to a frail elderly person, but only if this is deemed to be necessary, based on a concrete evaluation of the applicant's situation; and the final decision is made by the municipality.

It is estimated that in 2011 Norway spent an amount equivalent to 2% of GDP on services for the elderly (NOSOSCO 2013). In the same year, just under 9% of the population above 65 and 23% of the population above 80 lived in publicly financed nursing homes, while an additional 10% of the population aged 65+ received home-help services (NOSOSCO 2013).

The general impression is that the overall coverage rates of care services for given age intervals have stagnated over the last decade – despite a very strong political commitment to strengthening elder care. This does not necessarily imply that there is a constant or growing gap with respect to actual needs in line with improvements in life expectancy. According to a recent study (Moe and Hagen 2011), the increasing life expectancy appears to go hand in hand with decreasing morbidity and improvements in health and functionality. In other words, the elderly remain healthier at higher ages, and hence the demand for care services does not increase despite increasing longevity.

Wage earners who take on (unpaid) care obligations for frail elderly or disabled family members have a right to up to ten days of unpaid leave per year, and individuals who care for close relatives with a terminal condition can apply for sickness benefits for up to 60 days.

2.3 Policy measures to address social and labour market exclusion

2.3.1 Unemployment benefits and social assistance

Unemployment benefits are provided by a traditional social insurance scheme that replaces about 60% of the previous net wage – up to a ceiling fixed at just above the average full-time wage. Benefits are provided after a qualification period of one year in paid employment, and benefits can continue for a maximum of two years. Since unemployment rates have remained comparatively low in Norway, total expenditure on unemployment has remained low at about 0.5 per cent of GDP (Bjørnstad 2013).

The nationally recommended social assistance rates that were first introduced in 2001 have since, as a rule, been indexed to prices. Even though, on two occasions, the previous government implemented 5% increases in the real value, social assistance rates consistently lag behind the general trend in incomes and hence behind developments in the at-risk-of-poverty threshold. From 1 January 2014, the recommended monthly rate for a single person has been NOK 5,600 (approx. €650), which on a yearly basis corresponds to approximately one-third of the at-risk-of-poverty threshold. In addition to this, housing expenditure, including heating and electricity, will as a general rule be covered in full. For a family of five (children aged 3, 7 and 11), the recommended monthly benefit amounts to NOK 17,900 (approx. €2,090), which corresponds to approximately 50% of the at-risk-of-poverty threshold for this family type.

The new government has signalled that it intends to take steps to soften the means-testing of social assistance benefits against the earnings of children and youths belonging to the household. As the rules stand today, social caseworkers are expected to means-test social assistance benefits against all income brought in by household members, although there is much scope for discretion. According to the national guidelines, the means-testing of social assistance benefits should also take account of the universal child allowance. In some municipalities – like the municipality of Oslo – the universal child allowance is not included in the means-testing, but here the child supplements in the social assistance scheme are lower than recommended in the national guidelines, and so families with children come out with broadly similar total support as in municipalities that follow the national guidelines both in terms of means-testing and in the level of child supplements.

2.3.2 Active labour market policies

Reinforced by the so-called "workline" policy introduced in the early 1990s, the Norwegian social security system is characterised by a strong emphasis on labour market re-qualification and activation: in the unemployment branch of the system in terms of (Nordic-style) active labour market policies, and in the health/medicalised branch in terms of vocational and medical rehabilitation programmes. The menu of activation measures is very wide – ranging from qualification programmes, assessment of work capacity and on-the-job training, to protected employment,

temporary wage subsidies and (as an experimental scheme) permanent wage subsidies (NOU 2012: 6).

Table 2: The number of activation slots for unemployed and medically impaired jobseekers, 2010–2013

	2010	2011	2012	2013
Unemployed	18,500	15,900	16,850	16,000
Impaired jobseekers	49,800	48,400	46,400	45,800
Protected employment	8,500	8,800	9,000	9,200

Source: Prop. 1 S Arbeidsdepartementet, p. 106.

In 2013, an average of 46,000 impaired jobseekers and 16,000 ordinary jobseekers were participating in some form of activation measure (see Table 2). In addition, there were 9,000 protected employment slots. Taken together, the average number of activation participants corresponds to roughly 3% of the employed workforce in Norway.

Refugees with a permanent residence permit in Norway and their family members have a right and obligation to participate in the **introduction programme**. The programme was introduced in 2004, and offers two years of education in the Norwegian language and society. Each participant has an individual plan, which takes account of his or her needs for education and training. The programme mimics paid employment, in that it requires attendance for 37.5 hours a week (that is, a regular working week), and the participants are entitled to an annual holiday and have rights to leave (for instance after childbirth), just like employees. Participants do not receive social assistance, but are paid an "introductory allowance" at roughly the same level as the minimum old age pension. The ambition of the programme is to enable participants to function and integrate in Norwegian society, including – but not just – in the labour market.

The programme is not offered to labour migrants, who now make up the largest group of immigrants in Norway. While the programme gets good overall reviews, it is not possible to evaluate the effects of it, given the lack of a control group.

The **qualification programme** was introduced in 2007 as a targeted programme for long-term recipients of social assistance who had little or no work experience. Participants should be "of working age", and not have be entitled to any of the major social insurance benefits. The aim is to provide more targeting on the individual to improve employability. All measures are tailored to the individual, and the user participates actively in all phases of the programme. The programme *must* include work-related activities, and *can*, in addition, include other activities. As a rule, participation in the programme lasts for one year, but this can be extended to two years if this is deemed necessary. As in the introduction programme, participants no longer receive social assistance, but are paid a "qualification benefit" at a level that corresponds to the base-level old age pension.

In 2013, just over 6,000 persons participated in the qualification programme. The numbers have decreased slightly in recent years. In 2011, it was estimated that one participant in four went on to paid employment. While this may seem a disappointing outcome, it should be remembered that the programme targets some of the very "hardest cases" (Djuve and Grødem 2014).

2.3.3 Efforts to slow down or hinder health-related labour market exclusion

Unemployment rates in Norway are – still – very low in a comparative perspective, and the issue receives little attention in political debate. What is frequently debated is marginalisation due to social and health issues. Rates of sickness absence are high in Norway, compared to other OECD countries (OECD 2014), and so are rates of disability pensioning. The two are related: long sick leave can be a first step towards lasting disability pensioning. A number of measures have therefore been put in place

to reduce sickness absence and prevent sickness absence becoming a first step towards lasting marginalisation.

The qualification programme, discussed above, is one attempt to counteract such exclusion. This is, however, targeted only at the most vulnerable. Broader measures have been implemented, including a rigorous scheme for follow-up of employees on sick leave, and a scheme intended to guide people with long-term illnesses back towards employment.

Norway has perhaps the most generous sickness insurance in the EEA area: full wage compensation for one year, starting from the first day of illness. This system is continuously debated, but has proved very resistant to change. Efforts to reduce the rates of sick leave have therefore emphasised administrative measures. Since 2004, doctors have been required to assess whether partial sick leave is an option. This measure considerably increased the number of people on partial sick leave, and such leave now makes up about 22% of all sick[1]. Employees on sick leave are required to participate in a follow-up scheme that involves the employer, the doctor and NAV. The scheme includes the development of a plan for the employee's return to work, including any adjustments that the employer can make to facilitate a full return, regular meetings and reporting at certain intervals between employers, doctors and NAV. Rates of sickness absence have decreased somewhat in the period since the scheme was introduced, but are still high in an international context.

After one year on sickness benefit, either employees return to work or they apply for the work assessment allowance (*Arbeidsavklaringspenger*, AAP). All applicants for this benefit have to undergo a work assessment, which is a standardised procedure carried out at the NAV office. If working capacity is deemed to be 50% or lower, AAP can be awarded. Together with their NAV officer, all recipients develop an "activity plan" that determines which activities are relevant. In principle, AAP should not be a passive benefit, but rather a preliminary support which helps the recipient to take active steps to improve his/her health (i.e. necessary treatment) or qualifications in the labour market through training.

AAP was introduced in 2010 to replace a set of similar benefits covering persons who were assumed to be "between" employment and lasting disability. Compared to the previous benefits, AAP has a much stronger and more consistent work orientation. As the benefit is new, there is little evidence with regard to how successful it is in hindering marginalisation. A study from 2013 indicated that 22% of claimants who stopped claiming AAP were in employment six months later (Kann, Kristoffersen and Thune 2013). The study does not specify how many were in full-time work, and how many worked a few hours per week. Some 45% were claiming disability benefit, and 10% were back to claiming AAP six months after the end of their original benefit period; 23% were not found on any register, which could mean that they were provided for by the family, had emigrated, or were claiming social assistance. The AAP thus does not appear to be very successful in slowing down the transition to disability benefit.

2.3.4 Prevention of high-school drop-out and programmes for vulnerable youth

Rates of drop-out from secondary schooling are relatively high in Norway, and have been for some time. This is one of the most important concerns regarding youth unemployment, social exclusion among young people, and skills in the future workforce. Of the 2008 cohort, 65% of women and 50% of men completed secondary schooling within the expected three-year period. In addition, 11% of women and 16% of men completed it within an additional two years. This implies that by 2013, 24% of the women and 34% of the men who started secondary schooling in 2008 were still without qualifications from such schools. Some of those were still at school, but 18%

[1] Administrative data from NAV.

of the men and 15% of the women had dropped out. In addition, some had completed schooling but had failed the final exam.

Drop-out rates are higher among immigrants than among young people in general, particularly among immigrant men. The positive news is that young men and women who are born in Norway to immigrant parents do almost as well in upper secondary schooling as young people in Norway generally. This suggests that in the longer term, integration policies work, and that the problems of exclusion suffered by immigrants are not necessarily inherited by their children.

There is a variety of service plans and measures targeted especially at young people, to prevent drop-out and marginalisation. Three important such guarantees are:

- The Youth guarantee (*ungdomsgarantien*, introduced in 1979): young people under 20 who are unemployed or without a school place are offered education or training.
- The Follow-up guarantee (*oppfølgingsgarantien*, introduced in 2007): young people aged 20–24 who have been unemployed for more than three months receive individually tailored measures from NAV, with an emphasis on job search and activation.
- The Training guarantee (*tiltaksgarantien*, introduced in 2009): young people aged 20–24 who have been unemployed for six months or more are offered labour market training.

Beyond these guarantees, NAV has also placed great emphasis on developing a more extensive cooperation with schools to "catch" young people who are on the verge of marginalisation as early as possible. Examples include the "Ny GIV initiative" (New Start initiative), which focused on reducing the drop-out rate from high school. Ny GIV was launched in 2010 and continued until 2013; it aimed to establish a lasting partnership between the state, counties and municipalities. Another targeted project is the LOS project, which includes designated NAV employees working with students in compulsory schooling who appear to be on the road to marginalisation and school drop-out, as well as with older students who have dropped out of secondary schooling and are not in employment. The various schemes, guarantees and initiatives have established more formal cooperation between NAV, schools and municipal/county actors, but evaluations so far show modest results.

2.3.5 Lifelong learning and efforts to improve adult literacy

In Norway, adults who have not participated in, or have not completed, upper secondary education can apply for enrolment in adult education. Tuition is free and participants can apply for grants to cover living expenses on an equal footing with other students. In the OECD PIAAC study, Norway scores reasonably well over the three skill areas covered, but a significant minority of about 400,000 adults score at the lowest level in both literacy and numeracy. According to the study, Norway performs particularly well in terms of efforts to improve the skills of the most disadvantaged group, with a reported 50% of individuals in the lowest skills group receiving some form of adult education.

The present Solberg government has announced, however, that it intends to strengthen and improve coordination of the total efforts in this area, by preparing a Government White Paper on the topic of lifelong learning (see https://www.regjeringen.no/nb/aktuelt/gi-innspill-om-livslang-laring/id2398848/).

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