

Summary

Official Norwegian Reports NOU 2019: 7

Work and benefits

Measures to increase employment

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Translation of chapter 1 - Perspectives and
summary - from Norwegian. For information only.

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Chapter 1

Perspectives and summary

There is a broad consensus that high employment is one of the main objectives of economic policy. Norway was among the countries with the highest employment rates at the turn of the millennium. Since then, however, a decline of two percentage points in Norway combined with favourable developments in several other countries has lowered our position in the rankings. As high as 17 per cent of the prime-aged population (25-54 years) is not employed, four percentage points higher than in Sweden in 2017. Compared with other countries, a large portion of our population is on health-related benefits; 17 per cent in the 18-66 age group.

Weaker employment developments compared with neighbouring countries such as Sweden suggests that there is potential room for increased employment in Norway. Higher employment fosters economic growth and makes it easier for the social security system to meet challenges from structural change in the labour market and increasing life expectancy. Participation in working life helps people support themselves and realise their potential, and it is also a key instrument for reducing poverty.

Broad-based policies are needed to increase employment.

A favourable economic climate is crucial for improving employment. A well-functioning private sector and economic policies that focus on achieving and maintaining a high level of demand in the economy are essential ingredients.

Relevant and up-to-date skills are becoming increasingly important in the labour market. More people must complete upper secondary education, and better paths for entering the labour market must be developed for people who struggle in secondary school. We need to find ways to meet the learning needs of adults with weak basic skills.

A well-functioning system of social security benefits play a key role in providing economic security and prosperity. However, the social security system needs to be more oriented towards work, so that it promotes gainful employment rather than dependency on benefits. Both research and experience