

A tool for job seekers

Annual report for Aetat (Norwegian
Public Employment Service) – 2002



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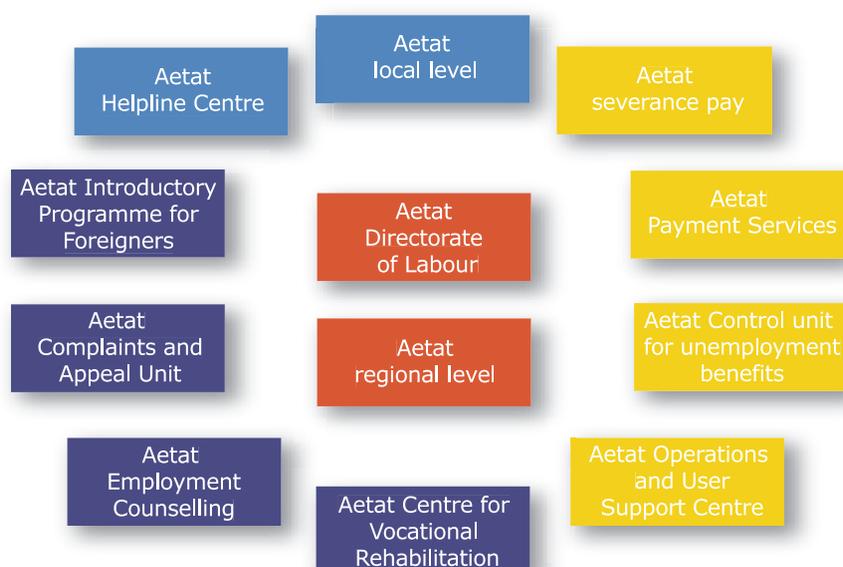
For more information on Aetat and our activities, visit us at: www.aetat.no.
Our web site also contains more key figures for 2002.

About Aetat

Aetat is the governmental body for implementation of policies related to the labour market. Aetat's main function is to assist job seekers to find a new job as quickly as possible. Aetat helps people look for work,

provides personal follow-up and guidance and a qualification service for those seeking employment. Aetat has extensive knowledge of the labour market and works closely with employers, authorities and organisations to

help prevent unemployment. Aetat compiles monthly statistics and analyses concerning the labour market, and is also responsible for payment of unemployment benefits, severance pay and rehabilitation benefits.



CENTRAL

Aetat Directorate of Labour is responsible for managing the activities of Aetat, monitoring developments on the labour market and providing information and advice to the Ministry of Labour and Government Administration.

INTERNAL UNITS

The Aetat severance pay section manages the severance pay scheme which is paid to civil servants who become unemployed. Aetat payment services manages salary payments for all employees in Aetat. Aetat Control unit for unemployment benefits works to detect and prevent abuse of the benefits paid to the unemployed. Aetat operation and user support centre manages internal systems such as IT infrastructure, standard applications and Aetat's executive processing system.

BY COUNTY

Aetat on the regional level has administrative responsibility within its county, and follows developments on the labour market within that region.

LOCAL FIRST LINE SERVICE:

Aetat Local is the department's first line service. Aetat Local provides services to job seekers by notifying vacant posts, answering questions on careers and education, providing and implementing relevant measures and managing the

unemployment benefit scheme. Aetat Local works closely together with regional employers to help them find manpower. Throughout Norway, there are a total of 153 local Aetat offices. There are around an additional 30 offices with limited opening hours. Aetat Helpline Centre provides a service to those seeking employment and education and to employers via the telephone, processes employment status form and registers vacant posts on the web site, www.aetat.no. The centre also provides user support for www.aetat.no.

SECOND LINE SERVICE

Aetat Intro provides supplementary assistance to people with an immigrant background seeking employment in Oslo, Bergen, Trondheim and Kristiansand, and also assists Aetat in relation to the spread of expertise. Aetat's complaints and appeal unit processes complaints regarding decisions on unemployment benefits, rehabilitation benefits and other allowances. Aetat employment counselling is represented in all counties and provides assistance to Aetat's local offices, with specialised expertise in helping job seekers who have specific problems and limitations regarding employment and education. Aetat centre for vocational rehabilitation provides a service to people with reduced functional abilities who are seeking employment, for example people who have concentration problems and sight and hearing impairment.

FACTS

THE MAIN FUNCTIONS OF AETAT

Aetat shall monitor developments in the labour market and implement the labour market policies stipulated by the political authorities. For 2002, the main aims were as follows:

- Active and qualified job seekers
- Good access to manpower
- Available knowledge of the labour market
- Efficient management of financial benefits

The following result requirements were established, in order to achieve the set goals:

- Provide guidance to, qualify and mediate an increased number of job seekers
- Provide quick and satisfactory recruitment support
- Satisfied users
- Quick and correct payment of financial benefits

KEY FIGURES

In 2002, Aetat administered funds totalling around NOK 21.5 billion:

- Approx. NOK 3.9 billion to labour market measures, of which NOK 1.1 billion to ordinary labour market measures and NOK 2.7 billion to labour market for the occupationally disabled
- Approx. NOK 7.6 billion to rehabilitation benefits
- Approx. NOK 8.3 billion to unemployment benefits
- Approx. NOK 1.7 billion to the administration of Aetat
- Aetat had the use of 3 023 man-labour-years in 2002



«We´re here to help»

Increased unemployment and new challenges on the labour market make it necessary for Aetat to adapt rapidly so that we can help each individual back into work as quickly as possible. With this in mind, Aetat introduced a comprehensive process of change in 2002.

LAST YEAR brought an increasingly high number of job seekers to Aetat. The weakened labour market initially hit the IT sector and other consultancy activities in the Oslo region. Subsequently, the increase in unemployment has spread to many other branches and professions in other parts of the country.

IN ORDER TO enhance the services we provide for our users, we introduced a new executive processing system which allows us to maintain an excellent overview of our users' skills, ambitions and requirements. This system allows us a greater capacity to find the right job for the individual job seeker as quickly as possible. It took time to train our employees in the new system, and this was not helped by the introduction of a new legislation regarding payment of rehabilitation benefits. During the initial phase, with the new system and new legislation, several users unfortunately received their benefit payments late, but all our users can now be ensured reliable and correct payments at the

More personal follow-up to the individual user

right time. Our investment in the new executive processing system has provided Aetat with an excellent tool for ensuring our users efficient assistance and follow-up.

DURING 2002, there were no less than three directors running Aetat at different times. This, in combination with other adaptation processes and significant pressure of work, led understandably to uncertainty and frustration within our organisation, and we witnessed a rise in sick leave. During this initial phase of my directorship, I have therefore tried to focus on creating a good working environment and delegating more authority to those parts of the organisation that meet our users face to face every day. And as a result of the increase in unemployment, Aetat has been appointed over 400 new posts which shall primarily be used to strengthen our local offices throughout the country. This will result in increased capacity for our first line service and will enhance our potential to provide more personal follow-up to the individual user.

UNEMPLOYMENT TODAY transcends all professional groups, levels of education and geography, and our users all have individual needs. Some only want to apply for unemployment benefits and seek employment on their own. Others need guidance regarding choice of profession and education, and advice on which branches need manpower. Some need assistance regarding qualifications or more thorough follow-up on their way back to work. Aetat shall provide assistance to all different types of job seekers, and we will dedicate most of our time to those who need most help.

WITH OUR EXPERTISE of the labour market and our close cooperation with employers, I am sure that we can meet the challenges of the current and future labour market. Aetat is a tool for job seekers. We´re here to help.

Inger-Johanne Stokke
Director General



The labour market in 2002:

Significant increase in unemployment

In 2002, the labour market witnessed an economic turnaround. Unemployment rose throughout the entire year, and you would have to go back to the start of the 1990s to find a stronger growth in unemployment. The average figure for the year ended up at 75 200 unemployed, an increase of 20% compared with the previous year.

In 2002, unemployment in Norway increased to 3.2% and we have to go back to the early 1990s to find a stronger increase in unemployment. The increase was highest among those with higher education in the age group 30-49 years, and especially within the IT branch and in public and private administration. Most job seekers found new employment quickly, but Norway still had a significant increase in the number of long-term unemployed. Throughout 2002, there was an average of 75 200 persons registered by Aetat as wholly unemployed. This represents an increase of 12 600 persons compared with last year. In total, we registered 297 000 persons as completely unemployed job seekers once or twice during the year. Most of these found work again quickly. The figures indicate a high flow of unemployed registered with Aetat. On average,

42 600 men and 32 600 women were registered as completely unemployed. Unemployment among women constituted 3.0% of the labour force, compared with 3.4% for men. Unemployment seen as a percentage of the labour force is higher among men than women for all age groups. The highest increase in unemployment in 2002 was registered in the age group 30-49.

UNEMPLOYMENT ON THE RISE NATIONWIDE

Unemployment started to increase in the summer of 2001, principally in the Oslo area and in connection with the decline in activities for the IT branch. The increase in unemployment spread to all counties in 2002, but has been strongest in Akershus, Oslo and Aust-Agder (see figure 1). The growth in unemployment was lowest in the four northernmost counties and in Rogaland. Unemployment

viewed as a percentage of the total labour force was at its highest in Finnmark, Aust-Agder and Oslo. Unemployment was lowest in Akershus, Sogn og Fjordane and Oppland (see figure 2).

UNEMPLOYMENT WORST FOR THOSE WITH HIGHER EDUCATION

In 2002, unemployment saw an increase in all groups of professions, with the exception of agriculture, forestry and fishing. Since the start of the present rise in unemployment, the increase has been at its strongest within those professions which require higher education. Those who have been particularly badly hit are people with professional backgrounds as middle managers within public and private administration and system developers and programmers within IT.

UNEMPLOYMENT ON THE INCREASE WITHIN INDUSTRY

Over the last months of 2002, the increase in unemployment intensified within industry and construction. Unemployment within industry was on the decline until the spring of 2002. The rise in unemployment within this group

was relatively low in 2002, but with the last quarter came the strong Norwegian kroner, resulting in reduced ability to compete and poor profitability – and this had a knock-on effect on industry-related unemployment. Unemployment saw a significant increase within building and construction during the fourth quarter of 2002, indicating that the lack of manpower was on the decline within this group.

MORE REDUNDANCIES

A large percentage of redundancies came from industry or building and construction. From 2001 to 2002, the number of permanent redundancies increased on average by 5%. The increase was highest in Oslo (see figure 3). And from August 2002, the number of redundancies was noticeably higher compared with 2001. This increase is mainly caused by the weakening in competitive ability within industry and low levels of activity for building and construction. Throughout the year, the number of men made redundant was considerably higher than the number of women.

SIGNIFICANT INCREASE IN LONG-TERM UNEMPLOYED

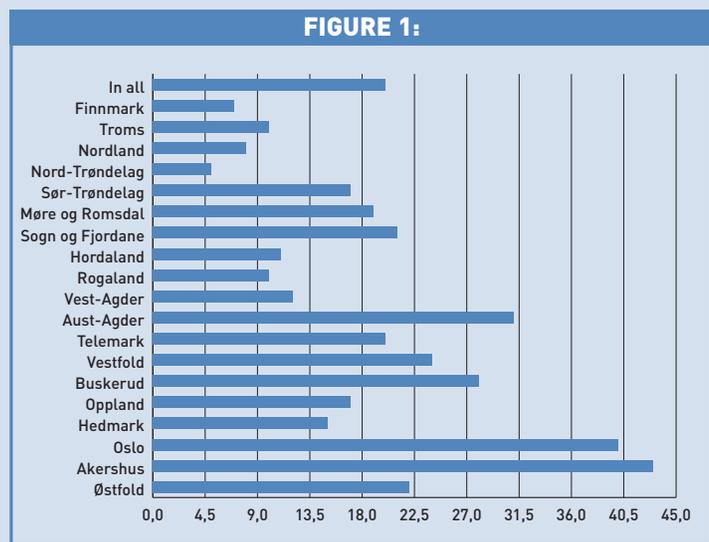
Job seekers who are in all completely unemployed for more than 26 weeks are considered as long-term unemployed. From 2001 to 2002, the number of long-term unemployed saw a considerable increase. In 2002, an average of 20 700 persons were long-term unemployed. This is an increase of 4 500 persons compared with last year, or an increase of 28%. The rise in the numbers of long-term unemployed is caused by a weak labour market and low demand for manpower making it difficult for job seekers to find new jobs.

MORE YOUNG PEOPLE UNEMPLOYED

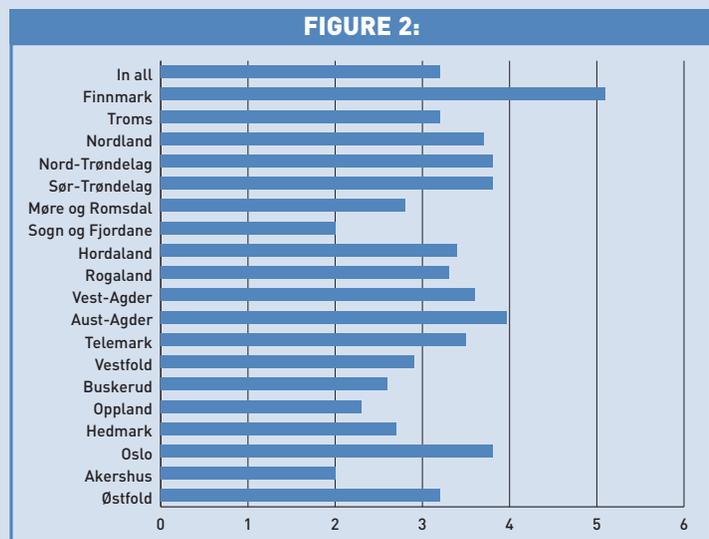
From 2001 to 2002, the registered unemployment in the age group 16-19 years increased by 7%. For people aged between 20-24, unemployment rose by 19%. On average, there were a total of 2 800 completely unemployed persons under the age of 20 in 2002, while the corresponding number for the age group 20-24 was 11 000. Seen as a percentage of the total labour force, unemployment is highest for the age group 20-29 years. Unemployed people under the age of 20 are a priority group for participation in labour market measures. On average, 1 700 persons under 20 took part in ordinary measures in 2002. This constituted 37% of the completely unemployed and measure participants under the age of 20, while the corresponding figure for all age groups was 11%.

IMMIGRANTS

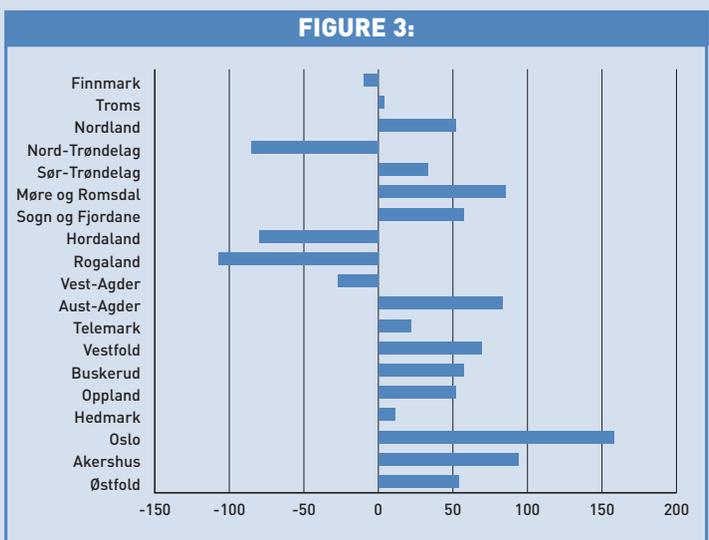
In 2002, Aetat registered an average of 13 000 completely unemployed job seekers with immigrant backgrounds. Of these, 9 000 came from countries outside the OECD. Unemployed immigrants are also a priority group for participation in labour market measures. On average, 2 800 immigrants took part in ordinary measures in 2002.



Percentage change in registered unemployment on average from 2001 to 2002. Distributed by county



Number of completely unemployed in percentage of labour force. Distributed by county. Annual average for 2002



Change in number of permanent redundancies from 2001 to 2002. By Distributed by county

Stagnation in employment

The labour force survey carried out by Statistics Norway (Statistisk sentralbyrå) indicates that employment of men decreased by 4 000 persons, while there was an increase of 12 000 women employed in 2002. From the third to the fourth quarter of 2002, employment figures showed signs of stagnation.

The largest definite increase in employment from 2001 to 2002 was within health and social services (+ 23 000 persons) and building and construction (+ 5 000 persons) (see figure 1).

The highest decline in employment in 2002 was seen within transport and communication (- 8 000) and public administration and defence (- 6 000).

LARGER LABOUR FORCE

The total increase in employed and unemployed totalled 17 000 persons (0.7%) (see figure 2). The greatest increase was in persons over the age of 50, while there was a decrease among women and men between the ages of 25 and 29.

The labour force survey also shows that 70% of the women and 77% of the men in the age group 16-74 participated in the labour force. Over the past four years, the number of employed men has gone down by 1%, while the number of employed women has risen by 1.5%. Towards the end of 2002, there was a slight decline in the figure for labour force participation for both women and men.

FEWER JOBS TO APPLY FOR

Normally, a turnaround on the labour market

will have an initial effect on demand for manpower, while the effect on employment figures comes somewhat later.

The availability of vacant posts fell by 104 000 (- 26%) from 2001 to 2002. This reduction is a clear signal of a reduced demand for manpower and a decreasing pressure on the labour market. A total of 301 000 vacant posts were advertised in 2002.

MORE PEOPLE WITH PART-TIME EMPLOYMENT

Part-time employment is when the job seeker is either partly redundant or works less than full-time, and wants to increase his/her working hours. In 2002, Aetat registered an average of 35 600 with part-time employment. This is an increase of 2 300 persons (7%) on the previous year. This increase can be considered in relation to the decrease in demand for manpower and the increase in redundancies in 2002 compared with 2001.

FEWER PEOPLE TAKING PART IN MEASURES

In 2002, an average of 9 300 persons took part in ordinary labour market measures. This represented a decrease of 800 participants from last year. Of the participants, 49% received training, 34% were given trainee

placements and 17% were employed by employers who received wage subsidies from Aetat.

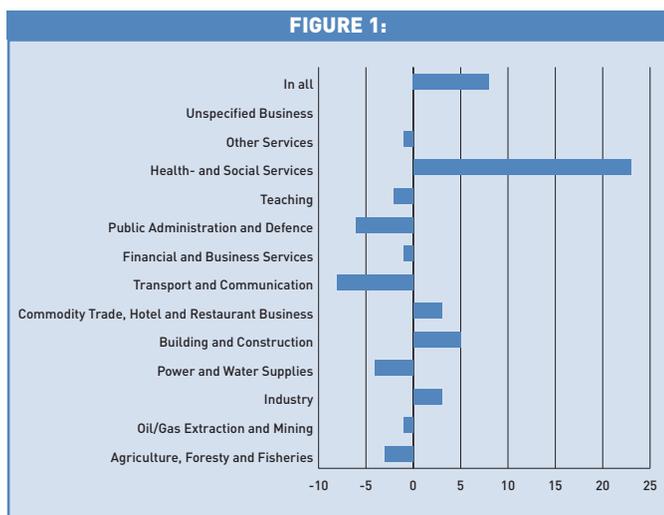
A total of 37 700 persons took part in ordinary labour market measures during 2002.

Towards the end of the year, the number of participants saw a slight increase, and by the end of December, there were 1 500 more participants than the year before.

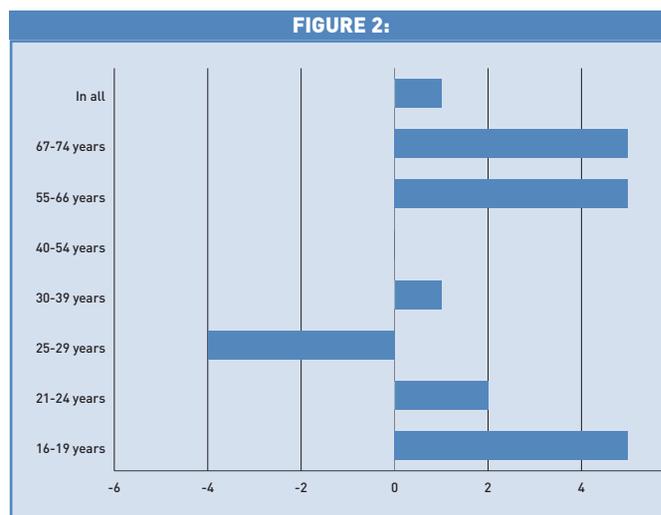
MORE OCCUPATIONALLY HANDICAPPED JOB SEEKERS

An occupationally handicapped job seeker is a person who, for a number of reasons (illness, injury etc.), is prevented from working within his/her original profession. In 2002, Aetat registered an average of 72 400 occupationally handicapped job seekers. This was 8 500 more than the previous year. In total, Aetat registered 102 700 occupationally handicapped during 2002. The increase in numbers was highest within the age group 30-59 years. And on average, 50 600 persons or 70% of all those registered as occupationally handicapped took part in measures.

Norway is among the countries in the OECD which have the highest levels of labour force participation. Aetat's rehabilitation activities are a central tool to help us retain our high numbers of participation in the labour force.



Change in employment by branch from 2001 to 2002. 1 000 persons



Percentage change in labour force by age from 2001 to 2002



Unemployment continuing to rise in 2003

According to prognoses prepared by Aetat, unemployment will increase from 75 000 persons on average in 2002 to 93 000 persons on average in 2003.

On the whole, the development trends indicate that the decline on the labour market will continue in 2003. Aetat expects to see the average unemployment figure increase to 93 000 persons this year. Aetat also expects to see a fall in employment figures of around 10 000 persons. A weakened labour market will in time cause a reduction in labour force participation. These knock-on effects are expected to intensify so that they are more noticeable in 2004 than in 2003.

There is normally a decrease in unemployment from February and up to the summer. This year, the decrease will probably be weaker than the previous year. During the summer months, unemployment rises again as a result of younger persons registering at Aetat as unemployed after they have finished their education. This year in August, we can expect to see a total of 100 000 unemployed, or 4.2% of the total labour force. Aetat estimates the total number of unemployed to be around 98 000 by the end of the year. The demand for manpower, seen as the number of vacant posts advertised in the media, is now under half the level it reached at its peak in the autumn of 1988.

MORE LONG-TERM UNEMPLOYED

Over the past year, the number of long-term unemployed has seen a greater increase than

unemployment figures on a whole. Aetat's prognoses indicate that this trend is set to continue (long-term unemployed is a job seeker without employment for 26 weeks or more). A weaker labour market makes it difficult for job seekers to find work. The increase in the duration of unemployment only serves to confirm the weakening of the labour market. Aetat estimates that the number of long-term unemployed will rise from 20 600 on average in 2002 to 28 000 in 2003.

MORE OCCUPATIONALLY HANDICAPPED

The number of occupationally handicapped persons has seen a rapid growth over the past 2-3 years, and this growth will continue into 2003. On average, occupational rehabilitation lasts between two to three years. There are therefore grounds to expect that the influx of occupationally handicapped over recent years will soon be reflected in increased employment. Aetat's statistics indicate that this effect has not yet materialised to any significant extent. The average rehabilitation period has increased slightly over the past months, and Aetat expects to see an increasing number completing occupational rehabilitation towards the end of 2003. Despite this, Aetat expects the number of occupationally handicapped to see a fall, giving an annual average of 79 000 for 2003.

3 500 new places on labour market measures

Aetat intends to establish 1000 new places on labour market measures for those on social welfare benefits. In addition, 300 posts shall be dedicated to helping immigrants find a place on the labour market. The new measure are one of the measures mentioned in the Norwegian government's white paper on poverty in Norway. Work is the most secure way to escape poverty, and efforts to get people into work are a central issue in the white paper. Aetat has received NOK 175 million to invest in these efforts, and 50 of Aetat's employees have been dedicated to the task.

The measure places and resources for implementing Aetat's efforts against poverty shall be utilised in a total of 22 project locations in 30 municipalities from north to south. Aetat already enjoys close cooperation with the social services in each municipality. This cooperation is to be further developed with respect to the selection and follow-up of participants. Aetat will not just be there to help find the best services on offer. The main aim for Aetat is for the persons taking part on the measures to find a place on the labour market.



The labour market in 2003:

Industry hit hard

Significant reductions in the labour force are expected in industry this year. Combined with a high increase in the number of redundancies, this will result in higher unemployment for this sector.

Many of the companies now introducing cuts in their labour force are located in the regional municipalities where it is often difficult to find new jobs. The problems faced by industry today will have a knock-on effect on commerce in general and will suppress future financial growth.

A boost in investments in oil field developments and fields in operation in 2003 can result in a certain drive for positive growth for offshore industries. Combined with the weakening of the Norwegian currency, this will have a positive effect on employment in industry and will counteract the growth in unemployment in the course of the year. High unemployment will play a part in the suppression of wage increases in 2003. This may also, in the long term, help strengthen competitive edge for Norwegian companies.

SIGNIFICANT INCREASE IN UNEMPLOYMENT WITHIN BUILDING AND CONSTRUCTION

A low level of investments in housing and an increase in the number of redundancies in the building trade are warning signs that the unemployment within building and construction will continue to rise quickly. Statistics Norway expects to see investments in housing continue to fall throughout 2003. The shortage of manpower within this profession has seen a

significant decline since the summer of 2002.

CAUTIOUS OPTIMISM FOR COMMERCE AND SERVICES

An increased growth in prices resulting from the high electricity prices has curbed consumer rates in Norway. The lowering of the interest rate by a total of 1.5% since December 2002 has not been sufficient to counteract the effect of the higher electricity prices. A further cut in the interest rate will contribute to higher levels of optimism and an increased spending power for consumers. This in turn will help retain a healthy growth in consumption.

The commerce and service sectors are most highly affected by the development of private consumption rates. Aetat expects to see a limited growth in unemployment within these professions in 2003.

INCREASING UNEMPLOYMENT WITHIN THE PUBLIC SECTOR

The state budget for 2003 is partly based on the assumption that there will be a relatively minor growth in public consumption and investments. Within the public sector, where employment has seen a significant increase over recent years, there is allowance for only a moderate increase in employment this year, from a budgetary perspective.

Increased unemployment in Europe

Unemployment varies considerably between the various European OECD countries. When viewed in total, unemployment within these countries was an average of 8.6% in 2002. This is 0.3% higher than the previous year. Slovakia and the Czech Republic were the only European OECD countries with a fall in unemployment in 2002. The larger countries, such as Germany and

France, saw an increase in unemployment in 2002. The rise in unemployment in Europe is due to the recession in the world economy. Norway has a low rate of unemployment compared with the rest of Europe. Only Luxembourg and Holland have lower unemployment than Norway. Poland and Slovakia have the highest rate of unemployment, at around 20%.



Working in Europe

5 000-6 000 vacant posts are advertised daily on the web site, www.eures-jobs.com. EURES (EUROpean Employment Services) is a network of around 500 consultants from the EEA and has been established to promote the movement of manpower over national borders. Aetat and other similar departments in the other EEA countries, together with employee and employer organisations, all take part in this project. EURES also provides advice on moving to a new country to work. This information service is of great advantage to both the employers and job seekers. Aetat's local offices provide assistance related to the mediation of work and manpower within the EEA area.

Education in Europe

Aetat is a member of the Euroguidance Network which comprises vocational counsellors from around 30 European countries. This network provides quick and easy access to information on education and on career and exchange opportunities in Europe. Aetat Education Europe is the Norwegian section of this network. For more information, go to www.aetat.no/utdanning_europa.

International collaboration

WAPES (World Association of Public Employment Services) is a membership organisation collaborating on issues of labour market policy. Membership is restricted to national public employment services worldwide, and each member country is represented by their Director General. Until May 2003, Norway and Aetat held the position of President of WAPES.

WAPES collaborates with other international organisations, such as ILO, EU and OECD.

WAPES' main functions are as follows:

- Enhance contact between member countries
- Exchange information and experience
- Promote cooperation between member countries with lengthy experience and member countries under establishment and development
- Provide services of mutual interest for the member organisations
- Organise conferences, meetings and seminars on subjects related to the labour market

Unemployment benefit

The unemployment benefit scheme is intended to provide partial replacement for the loss of working income for the unemployed. Aetat administers the scheme which is an allowance pursuant to the National Insurance Act.

- In 2002, payments of unemployment benefits totalled NOK 8.27 billion. This was NOK 1.62 billion higher than 2001.
- On average, 69 891 persons received unemployment benefits, 8 083 more than the previous year.
- Aetat processed 119 480 claims for unemployment benefits. 109 726 claims were approved while 9 754 were rejected.

Rehabilitation allowance

Allowances paid for occupational rehabilitation are intended to ensure income for persons undergoing occupational rehabilitation (rehabilitation pay), and to compensate for the extra expenses related to rehabilitation (rehabilitation support).

- In 2002, payments of rehabilitation allowance totalled NOK 7.63 billion. This was NOK 1.17 billion higher than 2001.
- On average, 48 555 persons received rehabilitation allowance, 6 678 more than the previous year.



Improved guidance to job seekers

The government's principal strategy for fighting the rise in unemployment in 2003 is a combination of active contributions by the job seekers and close, individual follow-up provided by Aetat.

Rather than introducing a huge escalation of labour market measures, the government is now focusing on encouraging the unemployed to become more active in searching for work, and on providing personal guidance via Aetat on looking for work and the opportunities available on the labour market. All job seekers will have more follow-up, but Aetat shall concentrate mainly on those job seekers who require extra help to find work. In addition, labour market measures shall, to a greater extent, target those who have problems finding work on their own.

JOB SEEKER AGREEMENTS

The government policy includes a clear requirement that the improved services on offer must be combined with efforts on the part of the job seeker, whether looking for work or qualification measures. During the initial meeting between the job seeker and his/her executive officer at the local Aetat office, the parties shall enter into an agreement regarding active job seeking. Aetat shall base their efforts on the requirements of the individual user, and the services offered will vary from person to person. However, the main rule is that the job seeker looks for work by his/herself during the first three months of unemployment and will be offered

services according to his/her individual requirements and needs. In the event that a job seeker is clearly encountering problems on the labour market, then Aetat shall start preparing an individual plan of action as soon as possible.

Job seekers who have not found employment within three months will have more intensive follow-up, for example assistance to continue looking for work or charting of educational requirements.

INCREASED REQUIREMENTS ON GUIDANCE

Aetat has been granted over 400 new man-years to provide the increased level of follow-up to job seekers. The manpower situation within Aetat has also improved in comparison with the last six months, as a number of major projects such as the development of a new executive processing system, have been concluded. The new system is operational and will be an important tool for the extended follow-up procedures.

If Aetat is to provide services which are tailor-made to the individual user, our executive officers need to have excellent and up-to-date knowledge of the labour market, and guidance skills. Aetat therefore intends to strengthen its employee's skills in these areas.

A tool for active job seekers

Aetat's web site, www.aetat.no has more than 400 000 page views per day, and is the busiest meeting place for job seekers and employers in the country.

Since its launch in 1996, www.aetat.no has developed into Norway's largest web site for employment services. The web site forms a service for both job seekers and employers, and Aetat's main aim is to provide both parties with an efficient tool with which to find work or fill vacant posts.

All posts advertised in Norwegian newspapers are recorded in the database for vacant posts on www.aetat.no. In addition, employers also have the opportunity to register vacant posts directly on the web site. Job seekers can send in their own CVs to the web site, so that employers looking for manpower can directly contact the candidates in which they are interested.

The web site is constantly being developed, and in April 2003, www.aetat.no was launched with a new design and structure. The purpose of the web site reorganisation was to allow users to look for work as independently as possible, and the web site development took place in close cooperation with a test panel of job seekers and employers.

The web site is also a channel for information and guidance. Many job seekers require specific information from Aetat – persons on social benefits, single parents, immigrants or persons on sick leave. These groups can find information specific to their needs on www.aetat.no.

Many job seekers are unsure of which career or education they should concentrate on, and they can make good use of one of several guidance programmes on www.aetat.no.

The individual counties all have their own web sites with material on the local labour market and an overview of vacant posts within the individual municipalities.

The web site is now also set for new self-service schemes, for example that the users can, in the long-term, register themselves as job seekers and apply for unemployment benefits via the Internet so that they no longer need to visit an Aetat office. New self-service schemes will start up in the course of 2003 and 2004.

New initiatives to combat unemployment

In a drive to get more people in employment at a quicker rate and more cost-effectively, the Ministry of Labour and Government Administration has requested that Aetat attempt to finance some of their services by providing result-based bonuses.

"Our initial aim is a more satisfied job seeker. We also want to see if we can make more efficient use of our resources by financing Aetat's work in new ways. This includes purchasing services from external parties," explains Helge Ommundsen, project manager for the new financing schemes in Aetat.

LONG-TERM UNEMPLOYED AND OCCUPATIONALLY HANDICAPPED JOB SEEKERS

In 2001, the Norwegian Parliament requested that the government initiate an experimental scheme over three years involving competition for placement to persons who require extra assistance and follow-up.

On this basis, Aetat has launched the project "Purchase of placement services for job seekers" in three test counties: Buskerud, Vest-Agder and Hordaland. The aim of the project is to find work for higher numbers of long-term unemployed and occupationally handicapped job seekers.

Private companies compete to offer their services to job seekers who need extra assistance to find work. It is expected that this will result in a more comprehensive service available to job seekers. By the end of the competition in March 2003, as many as 37 companies had come forward. 13 of these have signed agreements with Aetat, distributed within the three counties. They include both public and private parties; some are regional while others have nationwide coverage.

OCCUPATIONALLY HANDICAPPED JOB SEEKERS

In a drive to get more occupationally handi-

capped persons back in employment, Aetat will now receive a bonus for every occupationally handicapped person who receives a plan of action which details the course to follow in order to find work. The main aim is to increase the number of action plans and decrease the waiting time for each individual, getting job seekers started more quickly on vocational qualifications.

A total of NOK 175 million has been set aside for this project, the initial phase of which shall last to the end of 2003.

JOB SEEKERS WITH SEVERANCE PAY

The government wants to see more people on severance pay back at work. With this in mind, an experimental project has been launched which involves Aetat purchasing employment services for this group from external suppliers. The services shall be based on an individual plan of action approved by Aetat after an assessment of the individual's requirements. Those parties providing the services will receive a bonus for every person on severance pay for whom they find permanent or temporary employment. If employment lasts for more than six months, the payment of severance pay can be cancelled or reduced by 50% or more. It is expected that this project will bring a reduction in severance pay expenses. The project shall start during the second quarter of 2003 and shall initially run for one year.

BONUS FOR SHORTER PROCESSING TIMES

In order to encourage shorter processing times for unemployment benefits applications,



a bonus system has been introduced where bonus is paid for applications processed within two weeks. Processing time starts from the date of receipt of a complete unemployment benefit application by a local Aetat office until the date a resolution has been met on that case. A deduction will be made for applications which are not processed within 28 days. This project started on 31 March 2003 and shall initially run to the end of the year. The project is mainly financed via Aetat's operational budget. A budgetary limit has been established centrally within Aetat, and the funds are distributed every quarter to the Aetat offices in each county.

MORE EFFICIENT JOB CLUBS

New methods of financing shall be tested in order to ensure that the job clubs provide the best possible service to job seekers. Aetat



will now purchase services from external suppliers based on a unit price per participant, and will provide agreements regarding payment of a bonus for every course participant who finds work. The requirements for this bonus are that the participant finds permanent or temporary employment for three months or more, that the position is more than 50% and that the participant has to find work at the latest three months after completing the job club.

The aim of this project is to verify whether the numbers of people finding work after taking part in a job club increases when the payment to the job club organiser is based on results. The project starts in Østfold, Oslo, Hedmark and Telemark in May 2003. If the project proves successful, it will gradually be introduced nationwide during the second half of 2003.

DEFINITIONS

EMPLOYMENT SERVICES FOR JOB SEEKERS:

Activities/assistance intended to help job seekers find work quickly. This assistance may be provided by Aetat directly or via a private company.

PLACEMENT: Placement is when a job seeker with assistance from Aetat is notified of a vacant post and the job seeker is appointed to that post.

SEVERANCE PAY: Civil servants who are dismissed through no fault of their own can apply for severance pay (pursuant to the Act relating to Civil Servants, section 13 no. 6). In principal, severance pay has the same function as unemployment benefits for ordinary job seekers, and shall ensure a certain income for unemployed persons who have been dismissed from civil service through no fault of their own.

JOB CLUB: A service for job seekers who, for

various reasons, have difficulties finding work on their own. The job club concept has the following functions:

- Make the job seeker aware of his/her own abilities, skills and goals
- Provide realistic information to the job seeker regarding the compatibility between skills and the potential to find work
- Provide expertise on looking for work: analysis of posts, how to navigate on the labour market, writing applications, linguistic guidance, CVs, references, certificates, documentation of skills, interviews with the opportunity for video training, telephone contact with employers etc.
- Provide sufficient computer knowledge for job seekers: writing applications etc. and finding information on the Internet, including www.aetat.no
- Instruct job seekers how to look for work independently, provide individual guidance and follow-up of participants

A tool for job seekers

“Aetat is here to assist the individual job seeker based on his or her specific situation. To do this, we need to treat job seekers with respect, have sufficient expertise and be available to job seekers,” explains Inger-Johanne Stokke, Director General.

Over the past year, Aetat has focused on service. Subsequent to user surveys and internal discussions, Aetat has determined that their activities should be based on three core values: respect, expertise and availability. “Our task and the reason for our existence consist of providing a good tool for each and every job seeker. In the end, everything we do will be assessed with this in mind. We have to provide good services at the right time, we have to be available, treat people with respect and remain professional. We also have to make sure we provide clear and simple information on our services so people understand what we are all about,” emphasises Inger-Johanne Stokke.

RESPECT

During the survey, 70% of Aetat’s users replied that they were treated with respect. Our aim is for all job seekers to leave Aetat with this feeling. “Aetat meets people in a very difficult situation, so we have to be sensitive, understanding and take the individual’s wishes and views seriously,” says Inger-Johanne Stokke. Aetat’s six-monthly user survey is intended to indicate status and to help establish an itinerary for future service work. And regular feedback from the users will be an important tool to help us adjust our itinerary on route.

EXPERTISE

Service and expertise are closely interrelated. Aetat needs to have expertise on those areas of importance for finding work for the unemployed, such as the labour market, professions and education. And if we are to pass on this expertise in an understandable

manner, then guidance skills are essential. “We have to be able to communicate with the users, put ourselves in their place, answer their questions and ensure that we can find solutions together,” emphasises Inger-Johanne Stokke.

AVAILABILITY

The user survey carried out last year showed a high number of job seekers who required more availability among the executive officers in Aetat. “Meeting an executive officer face to face is an essential factor, and we have to take a look at our opening hours in order to provide the best service possible. We also plan to further develop our telephone and Internet systems,” explains Stokke.

In April of this year, Aetat’s new web site, www.aetat.no was launched with information tailor-made for various user groups. Users can send in their own CVs to the web site, search for vacant posts in the country’s largest database and make use of various guidance tools. Work is also under way to allow unemployed persons to register as job seekers and to apply for unemployment benefits via the Internet.

In Oslo, both extended opening hours and new telephone systems which direct the job seeker to the correct executive officer have brought positive results. “We are now working on introducing corresponding telephone systems in other counties,” informs Stokke.

EXPENDITURE OF FUNDS IN AETAT 2002

NOK million	1999	2000	2001	2002
Wage subsidies to employers	106	156	154	196
Qualification measures	891	1 163	995	880
Of which labour market training	720	977	796	662
Measures targeting companies	13	147	48	19
Benefits promoting mobility	14	16	13	11
Job creation projects	12	11	12	13
Evaluations, development measures	6	7	11	12
Sum, excluding rehabilitation measures	1 042	1 501	1 232	1 132
Rehabilitation measures	2 398	2 365	2 561	2 600
Of which AMB, AFT, PV/ASV/ASVO *	1 553	1 576	1 630	1 888
Sum, labour market measures	2 398	2 365	2 561	2 600
Allowances for occupational rehabilitation	4 666	5 345	6 463	7 631
Unemployment benefit during unemployment	5 415	6 189	6 646	8 268
Aetat’s administration **	1 811	1 960	1 872	1 925
Total	15 299	17 106	18 672	21 556

* Of which AMB, AFT, PV/ASV/ASVO contain figures for wage subsidies and rehabilitation subsidies for labour market companies, reorganisation support, placement officer posts and operations and investments for AFT, ASV, ASVO and PV.

** Expenditure includes costs for Aetat’s IT project.

jobs for people, people for the job



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