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Report to the Storting (white paper)

No one left out – A comprehensive policy to include more people in working life and society

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(The Solberg Government)*

1 A pathway out of social exclusion

The past year has underlined the importance of having a job to go to and the value of experiencing social connectedness and fellowship. There is a risk that the coronavirus pandemic and subsequent period of lockdowns, high unemployment and limited social contact will lead to more people becoming permanently excluded from working life and that more people will experience social problems. The Government attaches great importance to preventing the coronavirus pandemic from leading to the permanent or long-term exclusion of more people from working life and social participation.

The Government's goal is a society with opportunities for all, where everyone who can participates in working life. Norway has enjoyed a long period of high employment, low unemployment and a high level of education compared with other countries. An important anchor of the general welfare is the family, close social connections and what is often called civil society. Together with well-developed universal welfare schemes and solid institutions, this creates a welfare society that lays a sound foundation that enables most of us to have an opportunity to create a good life. Broad welfare schemes help most people experience economic security even during periods when they are not working. Good jointly funded health and welfare services contribute to evening out differences and to the inclusion of the vast majority of people in working and community life. Care and education services that reach all children and young people provide good opportunities, and can contribute to more equalisation of living conditions in step with the increasing quality of these opportunities. Compared with most other countries, the Norwegian welfare society contributes to less generational passing on of poor living conditions in Norway.

Children and young people in Norway shall have a nurturing childhood and upbringing. They shall have good opportunities and the freedom to create their own future. A good upbringing provides a foundation for developing an ability to tackle challenges later in life. Kindergarten and school shall contribute to good language development and learning throughout life. Safe and good living conditions and participation in social communities with peers are also of great importance for inclusion in working life and civil society as an adult.

Nevertheless, it is also the case in Norway that not everyone has the opportunity or the chance to participate. In this report, the Government presents a comprehensive policy to include more people in working life and society. The goal is for no one to be left out.

Social exclusion is not accidental, but neither is it predetermined. No two people have the same life story. Weak basic skills, health problems, adverse childhood circumstances and other issues can cause people to be left out of work and education. Substance abuse problems, debt and other social problems can make it difficult to land and hold down a job. Lack of connection to employment can cause financial problems and exacerbate other social problems.

When most people participate in working life, it can also make it even more difficult to be on the outside. Although basic material needs are met, it is difficult to have clearly worse finances than most people around them. Given that most people find meaning and a sense of belonging in paid work, it can be more challenging for those who have fallen outside the workforce to participate constructively in other arenas.

Everyone can experience difficult situations in life, such as illness or unemployment. The societal challenge is when these challenges follow structural patterns. If social problems grow – and especially if they are concentrated in specific population groups or geographical areas – they can potentially reinforce each other, become entrenched and in the worst case carry over to ever new generations. Poverty and social exclusion then become a vicious circle.

Even if a person's path to social exclusion is individual, it is still possible to see some recurring factors. Social exclusion as a societal challenge is the topic of this report.

When people do not enter or fall out of the workforce, it can mean that they lose opportunities to create a good life for themselves and their family. The Government will work to ensure that fewer people are outside education and work. We must break the vicious circle where poverty and social exclusion are passed down through the generations. This is a never-ending process. Over time, changes in working life and society create new challenges. Changes arising from digitalisation, globalisation and the green shift are affecting working life and requirements for competence and skills. Welfare schemes, welfare services and work-oriented assistance must be constantly developed to address the changes.

A systematic policy to combat social exclusion must primarily be aimed at counteracting the causes of how people become left out. While we need mitigating measures, a policy that only aims to mitigate will not be able to solve the underlying causes of social exclusion.

Important points for the Government's policy are therefore:

- An inclusive school that provides all children with the starting point they need to be able to participate in society, and good, high-quality kindergartens that give them a good start in life.
- A policy to stimulate value creation and jobs so that more people can get a job, and where more people are included in working life.
- A labour market that provides a secure framework for employees and responsible employers.
- A healthcare system that puts the patient first and that in particular puts an emphasis on treatment for substance abuse and psychiatric services.
- Increased integration so that immigrants participate to a greater extent in working life and society.
- Support and security for those who fall outside the system, with goals for participation and activity for all who can contribute.
- A policy that promotes equal status, gender equality and respect for the individual's free choice, and combats discrimination, oppression and injustice.

The Government has pursued an active policy to fight poverty and include more people in education and work. An important point in this report is that the policy against social exclusion must be broad. Measures in areas such as school and childhood, health and care services are therefore just as important in the long term as specific measures related to the administration of labour and welfare or income security benefits. Policies to stimulate value creation and more jobs and measures to lower the threshold in order to participate in working life are important elements.

At the same time, there is a recognition in the report that a wide range of public services can also have harmonisation and coordination-related problems. In short: The services exist, but they do not reach the right users at the right time. When that happens, a large public system can, in the worst case, lose sight of the individual user. Better coordination is therefore a key point in this report.

This report supports the national follow-up of the 2030 agenda and the sustainability goals of eradicating poverty, combating inequality and stopping climate change. A basic principle behind the 2030 agenda is that no one should be left out. The sustainability goals must be viewed in context. Good health and education provide a better basis for getting a job, and make it easier to fight poverty and reduce social exclusion. An inclusive society provides opportunities for more people. These are key topics both in this white paper and in the work of following up the sustainability goals.

1.1 Challenges in the efforts to prevent social exclusion

With its broad jointly funded services and a good social safety net, the Norwegian social model contributes to broad participation and inclusion in working life and society.

Nevertheless, we see danger signals that can lead to increased social exclusion in the long run:

- Too many are outside education and work. In 2019, almost 620,000 people aged 18–66 were without a job and not in school. They accounted for just over 18 per cent of everyone in this age group. The group that is not employed increasingly consists of people who have been out of the labour market for a long time or who have never had

a job. People with low education levels and a lack of skills are overrepresented among those outside the labour market.

- Being outside education and work will often also mean lower participation in other areas of society. Being out of work often means a stressful financial situation for the individual and can exacerbate other challenges.
- Although the employment rate increased from 2017 until the coronavirus crisis, growth in employment has been slower in Norway than in many of the countries around us since the turn of the millennium. Overall, employment is still relatively high. The sustainability of the welfare state is weakened when many people do not participate in working life.
- Children in families with a persistently low level of income are at greater risk than other children of being exposed to a number of stresses while growing up. The connection between growing up in low-income families and unfortunate labour market outcomes is weaker in Norway than in many other countries. However, there are signs that, over time, there has been a greater risk that children and young people who grow up in low-income families will remain in the same group when they become adults. Growing up in a low-income family is also associated with poorer educational outcomes and a higher risk of long-term unemployment.
- Immigration can reduce participation in the labour market, especially if immigrants have little or no previous education. If more people remain outside work, it can contribute to increased income differences and social problems. A large part of the increase in the number of children growing up in low-income families has occurred in families with an immigrant background, many of whom have a short period of residence in Norway.
- Differences persist between groups concerning, e.g., kindergarten participation and school participation.

Difficult conditions during childhood and adolescence can impede children's participation and development in various areas. It can contribute to poor school results, interrupted schooling and a lack of connection to working life. A number of assistance services and programmes are available. Nevertheless, a number of children, young people and families with complex challenges still experience that a lack of interaction and cooperation between the services results in the provision of services that are not very coordinated and comprehensive – or that the measures are implemented too late.

Norway has good income security schemes that provide economic security for people who temporarily or permanently cannot participate in working life. This is important in order to ensure that, among other things, people with major health challenges can participate in society, even if they are not able to work. At the same time, the schemes must be designed so that it pays to participate in working life. For some groups, there is little to be gained from entering working life. At the same time, there are some who cannot secure a job on ordinary terms no matter how hard they try, while others have major health or other challenges. Some are stopped primarily by the fact that no one is willing to hire them. If more people are to be included in the workforce, the entrance to working life must be easier for those who are on the outside. It is a demanding but very important process.

For many people, health problems and/or lack of skills constitute barriers to getting a job. The collaboration between the services in the education, work and health triangle is therefore crucial for labour force participation. At the same time, all sectors are individually responsible

for complex and extensive services. Differences in organisation and priorities, or inadequate cooperation between the sectors, result in some cases in a range of services that, in total, does not match the individual well enough. In order to be able to utilise, e.g., work-oriented services, other problems must also be addressed. Simultaneity or coordination between health follow-up, work inclusion and/or training schemes may be necessary. The importance of good cooperation between the labour and welfare administration, the education sector and the health services has also been emphasised by the Commission on Employment.¹

The social services are the final safety net in the welfare schemes and part of the municipality's responsibility for welfare services. Recipients of social services constitute a composite group. Over time, shortcomings in the quality of the municipal social services provided by the NAV offices (The local offices of the Norwegian Labour and Welfare Administration) have been uncovered, related in part to a lack of individual assessments and charting. There is also a need for more systematic knowledge about how the municipalities take responsibility for preventive efforts and how this can be further developed.

Serious debt problems can be difficult to get out of and exacerbate an already difficult life situation. There is a need to improve the public support services for people with debt problems.

The complexity of the challenges some face also makes the work of developing good services a demanding process. Many actors must contribute and work well together. A crucial actor in this work is the labour and welfare administration. The labour and welfare administration administers welfare benefits, offers welfare services and contributes work-oriented assistance. Many of the users face complex challenges and receive both state and municipal services. Many also need follow-up from other public agencies. These groups need comprehensive and individually tailored services. Giving the administration good conditions to offer these services entails, in part, efficient operations to free up resources to follow up those in need of personal assistance. In addition, the partnership between the municipality and the state in the local NAV office must be streamlined so that the interaction between the municipal and state instruments provides the individual user with the most comprehensive services.

Systematic and knowledge-based development of services can make an important contribution to this. The individual NAV offices have the opportunity to develop new ways of carrying out their tasks, and many are doing so. In order to make the best possible use of such experiences, it is necessary to have a better link between local initiatives and centrally initiated trials and test projects. Actors outside the public sector also play important roles in developing new or more targeted solutions for the challenges that certain groups of users face. How the procurement processes for labour market schemes are implemented is important for the degree of innovation in the schemes and the development of the market for labour and

¹Government appointed commission chaired by Steinar Holden that delivered Official Norwegian Report NOU 2019: 7 *Arbeid og inntektssikring. Tiltak for økt sysselsetting (Work and income security. Measures for increased employment)* and Official Norwegian Report NOU 2021: 2 *Kompetanse, aktivitet og inntektssikring – tiltak for økt sysselsetting (Competence, activities and income security – measures for increased employment)*.

welfare services. It can be challenging for start-ups or smaller actors to meet formal conditions and achieve success in competition with established actors. It is difficult to find good ways to fund and test new solutions. At the same time, it is important to ensure quality and equal treatment.

The coronavirus pandemic is exacerbating the challenges

The coronavirus pandemic and the subsequent lockdowns have caused the deepest economic downturn ever seen in the post-war period, heavily impacting the labour market. Although registered unemployment has declined from the historically high levels in the spring of 2020, it remains high in the first half of 2021. Long-term unemployment has increased. Deep economic downturns and periods of extensive restructuring in the labour market increase the risk of permanently falling out of the labour force. A continued weak labour market, with little demand and few job vacancies, makes it more difficult for new jobseekers to enter the employment market. As a result, young people can also miss out on the important learning arena that the labour market provides. Long-term unemployment at the beginning of a person's career can have consequences for the rest of their working life. Increased long-term unemployment and a decrease in labour force participation can per se reduce the probability of returning to work.

The crisis has had a disproportionate impact. The infection control measures have particularly affected person-oriented services in the private sector. These are industries with a high percentage of unskilled labour and relatively low wages. Persons with little education, lower previous income, immigrants and young people have consequently been the most exposed to unemployment and lay-offs. Even before the crisis, there were groups that had major problems finding or keeping jobs compared with other groups. If they do not return to work, the pandemic could exacerbate problems related to lack of integration in working life and lead to an increased transition to health-related benefits. It can also contribute to higher poverty and to more children growing up in low-income families.

Many children and young people have had to learn online from home and have been subjected to constant reorganisations of the educational provision. Written exams have been cancelled. A coordination group that has assessed the services offered to children and young people during the coronavirus pandemic points out that many children and young people who need facilitation and are entitled to special educational assistance and special education have not had their rights met for long periods. Mental illness in children and young people appears to have increased in scope and severity. There is also a concern that more children and young people may have been subjected to violence, abuse and negative social control during the pandemic, even though there is a lack of sufficient empirical evidence to document this.

This report mainly addresses challenges of a more structural nature. The scope of the long-term consequences of the coronavirus pandemic on education, health, employment, integration, participation in society and social mobility has yet to be determined. Experience and knowledge from previous crises may, however, indicate that the challenges highlighted in this report may deepen further without strengthened and renewed efforts.

1.2 Better prevention and more inclusion

Preventing people from being left outside of working life and society in general requires efforts in multiple areas. Firstly, cooperation on the prevention of social exclusion among children and young people must be reinforced with more coordinated and comprehensive services. Furthermore, the income security systems must provide both economic security and support for labour force participation. Comprehensive follow-up services from the labour and welfare administration, in collaboration with, among others, the health and education sector, will enhance opportunities to become self-sufficient for those who are more distant from the labour market. Innovative and potentially better solutions for work inclusion must be tested and scaled up where the outcomes are promising. Traditional labour market schemes are not suitable for some unemployed people. In order to prevent people from being unemployed for long periods, the labour and welfare administration should cooperate to a greater extent with private actors and use tools such as innovative procurements and social impact bonds to put more people to work.

More people must be ensured an upbringing that protects against future social exclusion. More people must be given a chance to show what they can do. As many people as possible must have an opportunity to participate in working life. Those who for various reasons cannot participate in working life, must nevertheless be able to otherwise participate in society.

In recent years, the Government has taken a number of initiatives to prevent and reduce social exclusion, including by targeting efforts to combat poverty, with particular emphasis on measures to promote participation and strengthen opportunities for children and young people in low-income families. Measures to reduce parental contributions for low-income families give more children the opportunity to go to kindergarten and SFO after-school programmes. The Government has presented a completion reform in upper secondary school. A number of changes have also been made to labour and welfare policy to prevent people from dropping out of working life and to foster labour market inclusion. The Government's boost for integration (integreringsløft) facilitates employment among immigrants and becoming active participants in society.

The Government has identified six areas where there is a particular need to continue to develop and strengthen efforts to prevent social exclusion and include more people in working life and society:

- Early and coordinated efforts towards children and young people
- Work-oriented income security and instruments for easier entry into working life
- Better coordination between education, work and health
- Better preventive social work, social services and social inclusion
- More comprehensive and individually adapted services in the labour and welfare administration
- More innovation in the labour and welfare administration's services and measures

The six areas are followed up in separate chapters in the report.

There are no easy solutions in this work. While there is a need for individual adaptation of services, equal treatment and fulfilling the rights of the individual are also required. Cross-disciplinary cooperation will in many cases be necessary to provide a good range of services

for the individual. Services from one sector often make important contributions that enable users to benefit from services from another sector. In order to move forward, there is a need to reduce the differences between fields of expertise and administrative levels. Better cooperation is needed between work-oriented and social services, and between these services and efforts in the education sector and the health sector. Cooperation and harmonisation must often take place in the front line. This means that latitude is important, at the same time as the framework conditions and the organisation of the services must facilitate cross-sectoral cooperation. A recurring theme in the report is therefore the development of comprehensive and enhanced coordination of services to prevent long-term social exclusion.

Early and coordinated efforts towards children and young people

Good childhood circumstances are crucial for children and young people's opportunities for learning and development. Succeeding at school and education is an important prerequisite for participation in working life and for creating a good life.

Most children in Norway grow up in a safe environment, with good living conditions and opportunities to develop in kindergarten, at school, in the neighbourhood and through leisure activities. Good and widely available services within health, kindergarten and school contribute to equal opportunities and to reduce differences in living conditions. However, for many children and young people, the home situation is a contributing factor in the problems they experience in adolescence or adulthood. Efforts to promote inclusion in working life and society must therefore start early.

Kindergartens and schools that lift children up regardless of their parents' backgrounds are among the most important contributions to creating equal opportunities for all. Not completing upper secondary education increases the risk of dropping out of further education and working life. Young people who drop out of school, or are at risk of doing so, must be ensured close follow-up. The Government emphasises early intervention and social inclusiveness in kindergarten, school and SFO after-school programmes. The Government has presented a completion reform to enable more people to complete and pass upper secondary education.

Participation in leisure activities and unorganised activities contributes to children and young people experiencing social fellowship, a sense of belonging, achievement and informal learning. The Government's cooperation strategy for children and young people in low-income families contains a number of measures to promote participation and inclusion.

Adverse childhood circumstances and living-conditions challenges in the family can have consequences for children's schooling and participation. Preventive efforts and services and measures to create safe families are important for reducing the risk of living-conditions challenges being passed on from generation to generation. The Government has strengthened its preventive efforts and the social safety net around vulnerable families. The efforts include child welfare, health centres and school health services, substance abuse and psychiatric treatment, follow-up of children whose parents have mental problems or abuse alcohol or drugs and efforts to combat violence and abuse.

Children and young people with health problems and challenges related to learning and achievement are often in contact with several services in the public support apparatus. Children, young people and families with complex challenges may experience that they do not receive a coordinated and comprehensive range of services. There is a need to strengthen cooperation and interaction between the services. The goal is for all children and young people to have a safe and good upbringing, which also lays the foundation for them to become independent and confident adults who contribute to society and the overall community.

In order for children, young people and families with complex challenges to have a coordinated and comprehensive range of services, the Government will:

- Harmonise and strengthen cooperation provisions and establish by law a clear duty for the municipality to coordinate the range of services, cf. Prop. 100 L (2020–2021) *Endringer i velferdstjenestelovgivningen (samordning, samarbeid og barnekoordinator (Changes in welfare service legislation (coordination, cooperation and child coordinator))*. The Government also proposes to harmonise the rules on individual plans, to introduce an obligation for the welfare services to participate in the work on individual plans and to introduce a joint regulation on individual plans.
- Continue the work that has been carried out within the framework of the 0–24 Partnership for better coordinated services and more comprehensive efforts for vulnerable children and young people and their families.
- Strengthen efforts to prevent young people in upper secondary education from dropping out and becoming inactive. In the white paper Meld. St. 21 (2020–2021) *Fullføringsreformen – med åpne dører til verden og fremtiden (The completion reform – with open doors to the world and the future)* the Government announces that it will assess whether the follow-up service should work preventively. The Directorate of Education and Training and the Directorate of Labour and Welfare are tasked with surveying areas of cooperation and any barriers related to this, as well as establishing a pilot that tests how the county authorities in the follow-up service can cooperate with the Norwegian Labour and Welfare Administration and other services, such as the school health service, on preventive work. The pilot must be evaluated and can lay the foundation for a model that can subsequently be scaled up. In light of this, an assessment will also be made of whether the Norwegian Labour and Welfare Administration shall be given a clearer assignment related to preventive efforts.

Work-oriented income security and instruments for easier entry into working life

Income security schemes are a feature of the Norwegian welfare system, and are intended to provide economic security for people who are temporarily or permanently unable to participate in working life. The intention of the schemes is to secure income and compensate for special expenses in connection with, e.g., illness, unemployment, temporary incapacity for work and permanent disability. The income security schemes shall also contribute to equalisation of income and living conditions. In addition, there are free or subsidised public services that also help to even out income disparities. The income and security that the welfare schemes provide to the individual facilitates their participation in society even if they are not able to participate in working life. This security is also important for the willingness to take risks and consequently for the adaptability of working life.

For many, work will provide intrinsic value and a sense of belonging, as well as better finances. At the same time, participation in the workforce is also important for the sustainability of public welfare schemes. With well-developed income security schemes and jointly financed welfare services, it is particularly important that it pays to work rather than receive benefits for those who are able to work, fully or in part. The income security schemes must support welfare-to-work measures and the goal of high employment.

A key dilemma in designing income security schemes is that they must both support the welfare-to-work measures by making it worthwhile to work, while providing sufficient benefits to provide economic security for those who cannot work. Income security schemes must balance these considerations. The schemes, and other instruments of importance to the welfare-to-work measures, must therefore be adapted and adjusted in line with experience and constant new knowledge.

The Government will work for income security schemes and instruments that contribute to the employment of as many people as possible, and that we avoid unnecessarily long periods of dependency on benefits. Young people are given particular priority in this effort, since early entry into the social security system can lead to a long life outside both work and community life. At the same time, those who need it must receive the necessary income security. The Employment Commission's reports² make important contributions to the work of further developing the schemes. The reports have been circulated for public consultation with a June deadline for comments, and the Government will assess the proposals after the consultation.

The development in absence due to illness is of great importance for the number of new recipients of the other health-related benefits, and the transition to more long-term health-related benefits is reduced when the number who use up their sickness benefit rights decreases. Measures and efforts to reduce long-term sick leave in particular are therefore important to prevent withdrawal from the workforce.

Very few stop receiving disability benefits and go back to work. In addition to measures that give people with health problems the opportunity to continue working, there is therefore a need to facilitate that as many recipients of disability benefits as possible can utilise their residual working capacity by combining work and social security benefits. In order to stimulate greater work effort among recipients of disability benefits, it must pay for them to work as much as they can. At the same time, disability benefits are essential for securing income and thus also opportunities for participation in other areas of society for those who, for health reasons, are unemployed for long periods of time.

The Government will foster more labour market inclusion and make it easier for employers to hire more diversely. There must be job opportunities for recipients of disability benefits and others with special challenges who want to work. The high percentage who receive a health-

²Official Norwegian Report NOU 2019: 7 *Work and benefits — Measures to increase employment* and Official Norwegian Report NOU 2021: 2 *Kompetanse, aktivitet og inntektssikring – Tiltak for økt sysselsetting (Competence, activity and income security - Measures to increase employment)*

related benefit may be an expression of the fact that people with health problems have difficulty entering the workforce. The Employment Commission believes this is a major challenge in the current disability system. High minimum wages make it relatively expensive for employers to hire people whose productivity is assumed to be lower. A solution to this can be increased use of instruments that reduce the real costs for the employer by hiring employees from vulnerable groups, as well as increasing these employees' opportunity to be in ordinary work through facilitation and follow-up.

On this basis, the Government will start a preparatory process related to some of the Employment Commission's proposals:

- Discuss the proposal for a new sickness benefit model, as proposed by the commission. The Government will initiate a process to study some of the issues that, according to the commission, are in need of more investigation.
- Assess a limited trial with work-oriented disability benefits, including the framework for a possible start-up of such a trial.
- Assess the reorganisation of the current reduction rules in the disability scheme and circulate various proposals about this for consultation.
- Obtain more knowledge about how technical aids and facilitation affect labour force participation among people with disabilities.
- Consider increased use of the wage subsidy scheme.

Better coordination between education, work and health

Many who are outside work and education have complex challenges that often require solutions that go beyond a single sector's area of responsibility. Education, work and health-oriented services must work together and be adapted in the best possible way to users with extensive and complex challenges.

Norway has a labour market characterised by high competence, high productivity and a high wage level, but also by restructuring where jobs change, disappear and new ones are created. Restructuring and changes in work tasks create a need to acquire new skills in order to stay in employment. People with low education levels have an increased risk of being excluded from working life and are also more at risk of falling out of the labour market due to restructuring. Norwegian working life is also characterised by a compressed wage structure, which can raise the threshold for hiring people with moderate or low skills and productivity.

People with weak qualifications and health problems will often have problems finding or keeping jobs, and will therefore need assistance from several sectors. Such cross-sectoral assistance will be an important contribution to preventing groups that have extensive and complex challenges related to getting or keeping jobs, lack of qualifications and/or health challenges from permanently falling out of the workforce. At the same time, we know that the collaboration between different sectors is not good enough and that there is potential for improvement. The Government will therefore facilitate better collaboration between the services within education, work and health.

Many of the Norwegian Labour and Welfare Administration's users lack the skills the labour market demands. The Norwegian Labour and Welfare Administration can, if necessary, offer training schemes, but the use of the training schemes has decreased over time. Going forward,

fewer jobs for unskilled persons and higher demand for people who have completed vocational education and training are expected. A strengthened, coordinated effort between the Norwegian Labour and Welfare Administration and the county authorities is needed to ensure that more users who need it are offered adapted upper secondary education – with an emphasis on vocational education and training.

Many of those who are outside the job market lack basic skills. Primary and lower secondary education is not well adapted to adults, and there may be challenges associated with financing living expenses while attending school. Primary and lower secondary school education is primarily the municipality's responsibility. The Norwegian Labour and Welfare Administration may nevertheless offer training in basic skills and Norwegian within the time limit that applies to training in the regulations concerning labour market schemes. There is a need to strengthen the collaboration between the municipality, the county authority and the Norwegian Labour and Welfare Administration to provide more basic skills, in order to enable more people to complete upper secondary education and find employment. Changes in the unemployment benefit regulations shall support and provide more opportunities for training and skills replenishment while people are unemployed and receive unemployment benefits.

Many people with health problems who are outside working life need simultaneous assistance from the labour and welfare administration and the health and care services in order to achieve the goal of increased workforce participation and better health. Work has often only become an issue once treatment is completed. Neither the Norwegian Labour and Welfare Administration's nor the health and care service's instruments alone are sufficient to assist persons with, e.g., mental/psychosocial problems, pain issues and/or complex health and life problems. This means that the health and care services and the Norwegian Labour and Welfare Administration must cooperate better in order to meet the users' needs for services and get more people into work faster.

The Government will implement the following measures to improve the interaction between education, work and health:

- Continue and strengthen the efforts in the inclusion initiative and advance the cooperation between the sectors for work, health and education. The mechanism will be assessed in more detail, with a view to making the investment more targeted and adapted to developments in the labour market, and will also build on experiences with the #Se muligheter (#See opportunities) campaign.
- Facilitate that education for adults is better adapted to adults' needs for flexible and compressed courses, in part by making modularly structured education the main model for all education for adults up to and including upper secondary education, cf. the white paper Meld. St. 21 (2020–2021) *Fullføringsreformen – med åpne dører til verden og fremtiden* (*The completion reform – with open doors to the world and the future*). The Government also proposes to give young people and adults a right to education until they have completed and passed upper secondary education, and a right to vocational requalification (craft certificate 2) for those who already have general university and college admission certification or vocational qualifications.
- Strengthen and further develop the collaboration between the Norwegian Labour and Welfare Administration and the county authority to offer more adults outside working

life adapted upper secondary education. This will be followed up in part through joint assignments to the Directorate of Labour and Welfare and Skills Norway concerning trials of adapted training and education measures, dissemination of good models for programmes and cooperation, more systematic assessment of prior learning, assessing conditions regarding sharing and collecting personal information across the labour and welfare sector and the education sector, etc. The cooperation between the Norwegian Labour and Welfare Administration and the county authority will also be strengthened through dedicated training coordinator positions in the Norwegian Labour and Welfare Administration, which will build bridges between the sectors, and increased investment in follow-up of groups with assistance needs who participate in training programmes.

- Consider initiating a trial project where adapted training programmes can be financed through joint grant funds. The funds will be able to contribute to cover the training programme, follow-up of the participants, necessary Norwegian language training, access to assessment of prior learning and work experience and dissemination of information about successful collaborative projects. The purpose of any such trial is to stimulate an expanded cross-sectoral collaboration on a training service that includes both the Norwegian Labour and Welfare Administration's and the county authority's instruments. This can lay the foundation for a future collaboration that is funded in the ordinary manner. A possible subsidy scheme must be searchable and subject to a common set of management and prioritisation signals from Skills Norway and the Directorate of Labour and Welfare, respectively.
- Establish a limited trial in the Norwegian Labour and Welfare Administration with training for people who have such weak basic skills that they need basic training of longer duration than the training programme currently provides access to.
- Enable more unemployed and laid-off workers to replenish their skills during the unemployment period through changes in the unemployment benefit regulations that will enable more people to complete primary and secondary education during the unemployment period, and contribute to more people qualifying for work.
- Obtain more knowledge about what it takes for more unemployed people to complete the necessary training courses and how to better facilitate this.
- Initiate a process to further develop and use the skills of young gamers who are outside working life, and connect this to companies that need digital skills. The establishment of pilots is being assessed at NAV offices in two counties with a view to further developing and strengthening the initiative.
- Strengthen Norwegian language training for adult immigrants by preparing tests for standardised charting of the participant's level of Norwegian, so that the training can be adapted to the individual's skills and facilitate the achievement of Norwegian goals.
- Facilitate closer and more systematic interaction between work-oriented services and the health and care services. The Directorate of Labour and Welfare and the Norwegian Directorate of Health will be given a joint assignment to investigate barriers and possible measures for closer and more systematic service collaboration. The assignment will also involve trying out new models for service collaboration.
- Work for a better and more efficient collaboration between the Norwegian Labour and Welfare Administration and general practitioners.
- Prioritise the work of putting in place common, national professional recommendations concerning work and health.
- Further develop the piloting of Flexible Assertive Community Treatment (FACT) teams for young people with the participation of education and job specialists with the

aim of providing young people with mental health and substance abuse problems with close individual follow-up aimed at work and school.

- Try out individual job support for young people under the age of 30 where the goal is for more young people with moderate to severe mental health problems and/or substance abuse problems to complete education/apprenticeships and transition to ordinary paid work.

Better preventive social work, social services and social inclusion

The Government has initiated several national cross-cutting strategies and action plans to contribute to better prevention of social problems and facilitate comprehensive local efforts. Voluntary organisations and social entrepreneurs are important partners in this work.

The Social Services Act shall promote the transition to work, social inclusion and active participation in society and contribute to improving the living conditions of the disadvantaged in order to achieve economic and social security. Social services and related follow-up work are important in a comprehensive range of services for people who experience social exclusion and social problems, but also in the municipality's work to prevent such problems from occurring. There are examples of individual initiatives to prevent social problems and social exclusion, but there is a need to gain more systematic knowledge about how the municipalities can discharge their general responsibility for prevention and identify good tools in this process. The Government will therefore take the initiative for a programme to gain more systematic knowledge about this, and which can at the same time strengthen and advance the municipalities' work on preventive and comprehensive social work.

Financial support and other individual services are intended to provide temporary assistance and income security, but which together with follow-up of social services and relevant measures will help make the individual self-sufficient. Lack of individual adaptation of measures can contribute to extending the benefit period, reducing the opportunities for becoming self-sufficient and increasing the risk of financial difficulties. Here, conditions concerning activity are an important tool, and the Government wants the contents of the activity requirement to be developed and adapted to the individual so that it helps increase their possibilities of securing employment.

The social services must be viewed in connection with and work together with other services in the NAV office and various health and education services. Good access to relevant government labour market schemes is important for enabling many of those who receive financial support to get a job. Labour market schemes must also be developed and designed with this in mind. Social services such as financial counselling may also be relevant for those who have a state benefit as their main income, and must be made available to anyone in need of this.

Today, NAV offices often deal with people with complex needs for assistance and services. For some, work will be a goal that can be achieved in a relatively short time, while for others it is a more long-term and uncertain goal. For them, inclusion in arenas of society other than ordinary working life can both have intrinsic value, and in some cases contribute to work gradually becoming a more realistic goal. For people with permanent state-provided income

security, the opportunity to participate in arenas other than ordinary working life will also be important.

The policy to include more people in work must therefore be seen in close connection with and work together with a policy for social inclusion. Permanent work adjustment (abbreviated VTA in Norwegian) is a programme for recipients of disability benefits who need special adaptation and close follow-up. The number of places has increased significantly in recent years, but the Government believes that there is a need for further strengthening in the years ahead. Through VTA, the participant is given the opportunity to contribute to society and participate in a social community in the workplace. Most work in a sheltered enterprise, but the Government wants to increase the use of ordinary enterprises as organisers of the programme by strengthening the follow-up of VTA participants in ordinary enterprises. The Ministry will assess how the VTA companies and other suppliers can contribute to such follow-up.

Public efforts are not sufficient to counteract social exclusion. A number of voluntary organisations and social entrepreneurs are important partners and make important contributions to give more people the opportunity to participate and be included in society. The Government will continue to facilitate this type of cooperation.

To strengthen and advance preventive social work, social services and measures for social inclusion, the Government will:

- Initiate a programme to strengthen and advance local preventive social work and comprehensive preventive efforts. The programme will better enable municipalities to prevent social exclusion and social problems so that fewer people become permanently excluded from working life and society.
- Implement measures to improve the programme and availability of financial counselling and debt counselling in the labour and welfare administration.
- Circulate a consultation document on the revision of the Debt Settlement Act before the summer of 2021.
- Strengthen the cooperation between the enforcement officers and financial advisers in the labour and welfare administration.
- Make the activity requirement for social assistance recipients under the age of 30 a better tool for getting more people into work and achieving self-sufficiency. This includes an assessment of how to stimulate the development of a wider range of measures for the recipients and how to cover the need for further competence-enhancing measures to ensure individual assessment and adaptation of measures.
- Strengthen measures to help ensure that everyone in the target group for the qualification programme is assessed for participation in the programme. This includes obtaining systematic knowledge of the characteristics of the target group and the NAV offices' practices.
- Increase the number of places in VTA and prioritise people with developmental disabilities in admissions to the programme. The strengthening of VTA will be assessed in connection with the ordinary budget process.
- Increase the number of VTA places that are arranged in ordinary working life, consider strengthening the follow-up of VTA in ordinary working life and make it easier for VTA employees in sheltered enterprises to do exchanges at ordinary enterprises.

More comprehensive and individually adapted services in the labour and welfare administration

By administering welfare benefits, offering welfare services and proactively helping those who need assistance to enable them to participate in working life, the labour and welfare administration is a key practitioner of labour and welfare policy.

The work of improving the administration of labour and welfare has been guided by the policy directions in the white paper Meld. St. 33 (2015–2016) *NAV i en ny tid – for arbeid og aktivitet (NAV in a new era – for work and activity)*. In this work, emphasis has been placed on the administration becoming more work-oriented with good contact with working life, that users shall receive simpler and better services adapted to their needs and that the local NAV office shall have more latitude to adapt the services to local conditions and needs. Recent evaluations conclude in part that this development work should continue and that policy directions and strategies yield results, while several challenges and the need for improvements have been pointed out.

Changing societal needs and users' expectations of ever better services mean that future public administration challenges will probably only increase. NAV's analysis of the world around us³ also confirms that the process put in motion to put the needs of users at the centre of the development of services should be reinforced. Users expect guidance, follow-up, programmes and digital services to be adapted to their specific situation and needs, regardless of how the public sector is organised.

Although a lot of good work has been done, there is a need to make the labour and welfare administration even better equipped to prevent and deter social exclusion. A key challenge is to follow up and provide coherent services to people who face several employment barriers or social problems that have been identified in the efforts to combat social exclusion. Users must meet an administration that has tools and opportunities to work comprehensively with users who have complex needs, both in dialogue with other local services and between the municipality and the state in the local NAV office. The labour and welfare administration must communicate clearly, distinctly and understandably on all platforms.

The partnership between the municipality and the state in the local NAV office must be developed so that it provides an opportunity to utilise the municipal and state instruments in the best possible way, adapted to local conditions and needs. In this way, it also facilitates comprehensive and individually adapted efforts. The opportunities for learning, innovation and collaboration with social entrepreneurs and the local voluntary sector must also be utilised in a sound manner.

In contact with and the assistance provided to vulnerable groups, the labour and welfare administration shall, as far as possible, adapt the services to the individual's needs. To achieve this, it is crucial that users participate and have ownership and influence in their own case.

³Directorate of Labour and Welfare (2021) *NAV's omverdensanalyse 2021 – Utvikling, trender og konsekvenser fram mot 2035 (NAV's analysis of the world around us 2021 - Development, trends and consequences forward to 2035)* (NAV-rapport 1).

The NAV offices are in contact with many disadvantaged families with children and assist many adults with provider and care responsibilities for children. Children and young people are particularly vulnerable in difficult situations, and it is important that their special needs are safeguarded in the family's meeting with the NAV office. The child and family perspective in the services must be strengthened.

The Government will continue the work on the simplification and improvement measures that have been initiated and are necessary to equip the labour and welfare administration to meet new needs and expectations from both society and the individual user. At the same time, it is important to strengthen efforts to counteract long-term social exclusion. Comprehensive, accessible and individually tailored services can help more people return to work, education or activity. In order to strengthen the labour and welfare administration's ability and opportunity to provide such comprehensive and adapted assistance to users in need of follow-up, the Government will:

- Contribute to utilising the opportunities in the partnership between the municipality and the state through increased local latitude and that the NAV office is involved to a greater extent in municipal and state planning work with the goal of stronger local political involvement in the operation and management of the NAV offices.
- Continue to develop and strengthen the partnership by supporting the work of developing a common position for management and a common understanding of the social mandate for the NAV office.
- Work to ensure that the services are comprehensive and coordinated through increased interaction and sharing of data/information in line with the Government's strategy for coherent services.
- Continue and strengthen the work of making the services accessible and user-friendly based on the users' different needs.
- Develop digital systems and tools that make it possible to adapt the services to individual needs and that provide good user participation and opportunities for closer follow-up of vulnerable user groups.
- Develop new services on new digital platforms to reach young people in a better way.
- Strengthen the work on clear writing to ensure correct, clear and user-adapted language in written and oral communication.
- Consider the introduction of clearer competence requirements in core areas for carrying out the tasks of the labour and welfare administration.
- Create further education programmes in core areas that contribute to supporting the labour and welfare administration's competence building goal and assess whether a master's degree can be an appropriate framework around them.
- Continue to develop the user councils as arenas for user participation, and facilitate better exchange of information between the user councils at the central, regional and local level.
- Continue to develop tools and caseworker support to ensure that the child and family perspective is safeguarded.

More innovation in the labour and welfare administration's services and measures

The Government will further develop and strengthen the knowledge-based development of services in the labour and welfare administration. In addition, the power of innovation found

in the public, voluntary and private sectors must be fully harnessed to provide better services and programmes to those who need assistance to get a job or be included in society.

Stimulating the development of new solutions, testing them and then using those that provide better results is a prerequisite for being able to provide better prevention and include more people in working life and society. Development of services in the labour and welfare administration takes place both through centrally initiated trials and development measures, and through various trials and test projects in the individual NAV office. Greater local latitude has stimulated local development of services and several NAV offices are developing new ways of carrying out their tasks. The trials that take place are a good starting point for development of services, but today do not provide sufficient learning between the NAV offices and knowledge building over time. A key challenge in the knowledge-based development of services is how the local scope for action can be combined with the systematics that are necessary to go from many promising local solutions to well-documented, effective solutions from which other offices can learn.

New technology and access to data provide new opportunities for innovation in the services. This can mean better quality and better coordination between services to the individual. Today's digital services are largely built on the basis of who owns the service, and not on the basis of user needs. Cross-sector collaboration on users depends on having legal authority for sharing information. There is a great need to continue work on the legal framework and legal basis for processing personal data in a way that both takes privacy into account and facilitates the development of services and systems that provide greater opportunities for comprehensive dialogue and follow-up, e.g. between the education system and the labour and welfare administration.

Social entrepreneurs can be important partners in the process of including more people in working life and society through the development and delivery of innovative solutions. These actors can offer other pathways into working life and contribute to social inclusion and participation in society. Much of the practical collaboration on development currently takes place with time-limited project funds from the municipal side in NAV offices. A challenge for many social entrepreneurs is related to scaling sound solutions after they have shown their usefulness on a smaller scale so that the activity can become financially sustainable over time.

The labour market schemes are key tools in the process of getting as many people as possible into work, and to prevent exclusion from working life. Today, it can be challenging for small actors or actors with new ideas and solutions to gain access to the initiative. This could mean that new solutions that potentially provide a better transition to work or education will not be tried out. To ensure further development and renewal of the instruments, the Government will permit new actors through several innovative procurements, renewing the Norwegian Labour and Welfare Administration's tendering policy.

The effect of labour market schemes varies between different types of measures and user groups. Having good knowledge of which measures work for whom, and which framework conditions must be present for the measure to have an effect, are key. At the same time, the NAV office must apply this knowledge when it allocates measures.

In order to facilitate better services and increased innovation in its work against social exclusion, the Government will:

- Strengthen collaboration on the development of services between the services and research environments. This will contribute to more systematic acquisition of knowledge about the effects of schemes and services.
- Continue to work on systems and methods for more ongoing results information and learning between NAV offices.
- Strengthen the work of developing good rules for information sharing and privacy in order to be able to utilise technological opportunities in innovation and the development of services in a safe and ethically sound manner.
- Assess changes in regulations and management of the grant schemes for social entrepreneurship and grants for activation and work training under the direction of voluntary organisations. The goal is to contribute to more innovative solutions and measures.
- Assess changes that contribute to collaboration with social entrepreneurs being incorporated to a greater extent into the development of the social services.
- Facilitate trials of new solutions that can prevent social problems and include more people in working life and society.
- Consider increasing the percentage of unemployed persons, people on sick leave and people with reduced working capacity who receive follow-up from and are enrolled in labour market schemes offered by the Norwegian Labour and Welfare Administration, in line with the Employment Commission's recommendations.
- Obtain more knowledge about the effects of different types of labour market schemes for jobseekers in different situations, cf. proposals from the Employment Commission.
- Facilitate collaboration with several different types of suppliers, both commercial and non-profit, including social entrepreneurs, within the labour market schemes.
- Assess other measures such as cooperation with social entrepreneurs towards people who have been out of work for a long period of time and who have tried several labour market schemes without getting an ordinary job.
- Increase the use of innovative methods in procurements of labour market schemes such as development contracts, framework agreements and smaller tenders with a view to greater diversity and better services to vulnerable groups to counteract social exclusion. In innovative procurements, the criteria for which groups the various measures must reach must be more open than today.
- During trials of innovative methods in procurements of labour market schemes, local needs and priorities for testing new solutions and approaches shall be emphasised, so that local NAV offices can to a greater extent find, collaborate with and follow up on smaller, local, innovative solutions.
- Develop a strategy for innovative procurements of labour market schemes.
- Develop a strategy that ensures the development of the non-profit sector's role and services in the field of work and welfare, cf. objectives in the Granavolden platform (The political platform of the Solberg-government).