

**HISTORY OF SUPPORTED EMPLOYMENT
AND VOCATIONAL REHABILITATION
MEASURES IN NORWAY**

By

**Michael J Evans
Employment Disability Unit Manager**

Employment Disability Unit
Dunsinane Avenue
Dundee DD2 3QN

**Tel: 013U2 828180
Fax: 01382 828 148**

E-mail: disability.unit@dundeecity.gov.uk

Minicom: 01382 828144



This report is based upon a 3 day visit to Norway to investigate the Norwegian Supported Employment Programme and Vocational Rehabilitation measures.

To assist in the understanding of the systems adopted in Norway, the following is a glossary of the main services and their Scottish equivalents where appropriate:

A M B (Labour Market Companies)	Time limited workshops for disabled people that operate a 3 phase system.
A S V O (Public Sector Employment Co-operatives)	Mainly for people with severe disabilities – not time limited, worker remaining on disability benefits.
A S V (Work Co-operatives)	Same as A S V O's but A S V's are situated in A M B's.
A F T (Work Preparation Training)	Are within A M B, A S V and A S V O and provide preparation for work, usually up to 9 months but flexible.
A B (Supported Employment)	Support Workers/Job Coaches who work within a range of public organisations or AMB/AFT/ASVO/ASV.

Background

During the 1950/60's, the majority of Labour Market Companies (AMB's) were owned and managed by a combination of private/voluntary organisations and local Councils. The wages of the workers were comprised of mixed funding by private sources, Government and insurance systems. In the 1970's, the Government took over the management of the AMB's but it was agreed that Councils would own at least 51% of the shares and, therefore, ownership would remain with the Councils. In reality, at present most Councils own 100% of each AMB's shares.

In 1974 the AMB's moved to an ordinary wage system with 85% of the employees wage being paid by the Directorate of Labour in the first 2 years and 65% thereafter. Additionally, the Directorate of Labour paid 85 000 NK (£6800) per person per year allowance to the AMB.

The aim of the programme in the 1970/80's was to progress people from AMB's to open employment. However, this approach was unsuccessful, as there were no incentives for AMB's and their employees to secure jobs in the open labour market. Moreover, the Directorate was receiving regular requests from AMB's for additional money to survive.

The system of low progression and high Directorate funding was acknowledged by politicians as one that had to change. In the late 1980's the Norwegian Labour Government led a drive to improve normalisation and integration for disabled people. They recognised that their system was unfair to many disabled people who could not access AMB's because they were full and that a progression rate of 5% was unacceptable.

The Directorate of Labour held meetings and discussion groups with AMB leaders and AMB's displaying good practice were held up as future models to be replicated. The AMB Managers realised that the programme was under threat as it was producing poor results and in 1989 a range of training courses for AMB Managers was initiated to prepare them for a revised AMB system.

AMB (Labour Market Companies)

The Norwegian government decreed that new rules and regulations would commence in 1993 and phases and targets would be applied to each AMB.

The current situation is that labour market companies are organised as share companies with rehabilitation as the primary field of work. The objective of rehabilitation work is to recruit and prepare people with vocational disabilities for open employment. The workshops can offer permanent employment to a percentage of disabled people.

Referrals to the AMB are made by the Employment Office and disabled people in AMB are in one of 3 phases:

AMB Phase 1 (Assessment) Assessment of the individual's skills, abilities, output and options for potential employment in Labour Market Companies phase 2 and 3 and other employment opportunities in the open labour market. This phase can last up to 6 months and, at present, each client is in phase 1, on average, for 2 months. During phase 1, clients remain on different types of welfare benefits.

AMB Phase 2 (Rehabilitation) This phase provides rehabilitation, training and qualifications to improve the individual's possibilities of securing employment in the open labour market. This phase can last up to 2 years although apprentices may stay in phase 2 until they have served their apprenticeship. During their time in phase 2, employees are paid a normal wage and employees may be placed in the open labour market by the AMB, the purpose of which is to develop an employment opportunity outwith the AMB.

At the end of phase 2 employees are expected to progress into open employment through the assistance of the Employment Office.

AMB Phase 3 If, following phase 2, a person is assessed as being unlikely to work in the open labour market then they may be retained in the AMB as a permanent employee. However, possibilities for future employment must be continually assessed.

AMB's have a rehabilitation committee to act as a counselling body in the planning and implementation of rehabilitation services and to monitor recruitment, training and placements of employees.

AMB's are profit-making organisations and are responsible for the delivery of quality rehabilitation services within stipulated guidelines. Employment offices must support AMB's in the recruitment and placement of employees and individual employees are expected to actively participate in the employment process.

The companies receive rehabilitation grants and wage subsidies at a fixed rate. During phase 1 the company receives only rehabilitation grants. This grant is higher in phase 1 than in phases 2 and 3. In phases 2 and 3 the AMB receives both rehabilitation grants and wage subsidies. The amount of wage subsidies is equal in phases 2 and 3, while the rehabilitation grants will be higher in phase 2 than in phase 3.

A summary of the Directorate of labour's contribution is as follows:

Phase 1	77000 NK (£6200) per person per year	Phase 1 can last up to 6 months
Phase 2	66000 NK (£5300) per person per year plus 11000 NK (£900) monthly contribution to person's wage	Time limit of Phase 2 is 2 years (exceptions for Apprenticeships)
Phase 3	22000 NK (£1800) per person per year plus 11000 NK (£900) monthly contribution to person's wage	No time limit but person is regularly assessed for open employment

Moreover to improve progression there are regulations on the permitted percentages, or quotas, of people in the various phases. Each AMB must have at least 50 % of its employees in phase 2. Employees in phase 1 are not included in this regulation.

A maximum of 50% of workers can remain in Phase 3. The Government does not fund any capital investments although they would pay 1/3 of any costs that improve, or meet, the employment needs of a disabled employee.

The current system is costing around the same as the previous programme but progression rates have risen from 5% to 30% with increased numbers of disabled people benefiting from these new measures.

To enable companies to transfer from the old system to the current system AMB's were permitted to transfer employees from phase 3 to phase 2 for 2 years to improve their employment prospects.

The county employment office is responsible for ensuring that the AMB adhere to the regulations and can impose sanctions if the legislation is violated.

There are currently 92 labour market companies with a total of 4138 approved places for vocationally disabled people.

Future developments with AMB regulations are to limit phase 1 to 2 months, to place 50% of phase 2 clients into employment and to have a special focus in phase 3 for clients over 50 years of age.

AFT (Work Preparation Training)

AFT is a programme designed to help the vocationally disabled secure employment, access education opportunities or to make use of other suitable measures. The programme is for people who are more severely disabled and who would not benefit from less supportive/intensive programmes.

A F T's services include initial assessment, job seeking/job ready skills, work site visits, job tasters, job coaching and work experience placements. At the end of the A F T it is intended that clients will move into open employment, onto phase 2 of an A M B or other vocational rehabilitation measure. Clients within A F T's also perform duties within the A M B and there is usually a ratio of 5 clients to one trainer.

People may remain in the programme for up to 9 months and in certain circumstances this can be extended to 18 months.

The AFT provider must be organised as a limited share company and can be conducted within separate divisions of labour market schemes (AMB, ASV and ASVO). AFT's must be organised as a separate identifiable entity both professionally and financially. As with AMB's all referrals to the programme are made by the employment office and AFT's must have a Rehabilitation Committee responsible for the participants progress within the programme.

The Client retains their benefits whilst on the programme and are not normally paid a wage in the ordinary sense. However, AFT provides a nominal wage in addition to the person's benefits.

The AFT providers receive a subsidy in the form of a fixed monthly rate per approved place. Profits generated must not provide shareholders with financial rewards but must remain in the AFT to develop the rehabilitation operation.

The current monthly subsidy per place is 9324 NK (£750).

There are currently 102 AFT's in operation with a total of 1473 approved places.

AB (Arbeid med Bistand – Supported Employment)

Arbeid med Bistand is the development of Supported Employment for people with disabilities through the use of Job Coaches/Support Workers to assist people with extensive vocational disabilities to find and retain employment. The Arbeid med Bistand project was piloted throughout Norway over the 3-year period 1992-1995 and employed around 40 Support Workers through 30 projects nation-wide. The project was organised and funded by the Directorate of Labour and in the 3 year period 384 people secured employment of which 258 remained in employment by the end of the Project in June 1995. As a result of this project Norway now has 260 Support Workers funded by the Directorate of Labour.

Support through Arbeid med Bistand is limited to a period of 3 years to encourage client independence as quickly as possible and to motivate the Job Coach to work effectively. All referrals to A B are through the employment office and time limited wage subsidies may be available for the employer (75 % for 6 months then 40 % for 18 months) or the disabled person may retain their disability benefits.

Job Coaches/Support Workers are expected to work with at least 5 disabled people at any given time.

The AB provider receives grants to cover the job coaches wages and operation expenses. The current fixed rate for the grant is 30000 NK (£2400) per month per support worker who would be dealing with 5 clients. The rate per client per year would be in the region of 72000 NK (£5760).

ASVO (Employment Co-operatives)

The purpose of ASVO is to establish permanent work places for people with severe disabilities who are unlikely to access the open labour market.

ASVO must be organised as a share company and as in the case of AMB's district and county councils must be the major shareholder.

People employed within ASVO will continue to receive disability benefits and in addition disabled workers can receive a limited salary of up to 48000 NK (£3800) per year depending upon the ASVO profitability.

The ASVO provider receives a fixed monthly subsidy per occupied place. The current annual subsidy is 82000 NK (£6560) per place per year. In addition the ASVO provider receives a further 20% from the local authority.

Employment is to be based on the production of goods and services for the ordinary labour market. Production and work tasks should be organised to develop the skills and knowledge of the disabled worker and to maximum occupational rehabilitation potential.

ASVO must have a Rehabilitation Committee who are responsible for advising the ASVO provider and the activities within the co-operative.

There are currently 277 ASVO's with 5637 allocated places.

Facts on Norway

<i>Population</i>	<i>4 445 460</i>
<i>Area</i>	<i>385 364 sq km</i>
<i>Capital</i>	<i>Oslo (pop 499 693)</i>
<i>Currency</i>	<i>Norwegian Kroner (12.5 NOK = £1)</i>
<i>Inflation Rate</i>	<i>2.3 %</i>
<i>Unemployment Rate</i>	<i>2.5 %</i>

Personal Comments and Summary

The approach in Norway applies to all people with disabilities because the employment of disabled people is based upon fundamental political welfare principles:

- Every person has the right to participate in working life to the best of his/her abilities.
- More opportunities must be made available to people with vocational disabilities.
- Open employment is preferable to sheltered employment.
- Work should be encouraged before benefits are considered.

There has been strong commitment from the Norwegian Government to change their system to one that actually achieves high levels of progression.

There is a national strategy in place that has a separate place for AMB, AB, AFT and ASVO. There are detailed regulations and guidelines for each of these activities and, whilst they may appear beaucocratic, they are in fact co-ordinated, flexible and consistent.

There was little doubt that, although their procedures are largely centralised, a great deal of autonomy is given to the Directorate of Labour staff and to providers of AMB, AB etc. This allows services to be more person centred whilst adapting to the needs of the local labour market.

The example of Norway is one that could be of benefit to employment services in Scotland/Great Britain. They have a time limited programme that focuses on both rehabilitation and production.

Their programmes apply to both disabled job seekers and people on incapacity benefit. The funding of a large group of Support Workers/Job Coaches enables Staff and Clients to have confidence in their system and displays real commitment to ensuring that all disabled people have access to some form of employment.

I have already used my '*Norwegian Experiences*' to fine tune the services of the Employment Disability Unit and I would suggest the a Support Worker can easily work with at least 12 Clients (compared to 5 in Norway). I would also question the length of time spent in AFT as 9-18 months appears a long period to attain job ready status.

I would also comment that, whilst some of their results are impressive (30% progression), others are disappointing especially employment outcomes of AB.

Overall, the Supported Employment and Rehabilitation Measure in Norway provide an excellent benchmark for future programmes in Scotland/Great Britain.

MICHAEL J EVANS
Unit Manager