



# NAV's Horizon Scan 2019

Societal trends and consequences for NAV up until 2030

March 2019 //



## Main conclusions



**People move and grow older – the welfare state is being challenged**



**Faster pace of change**



**New expectations and possibilities**

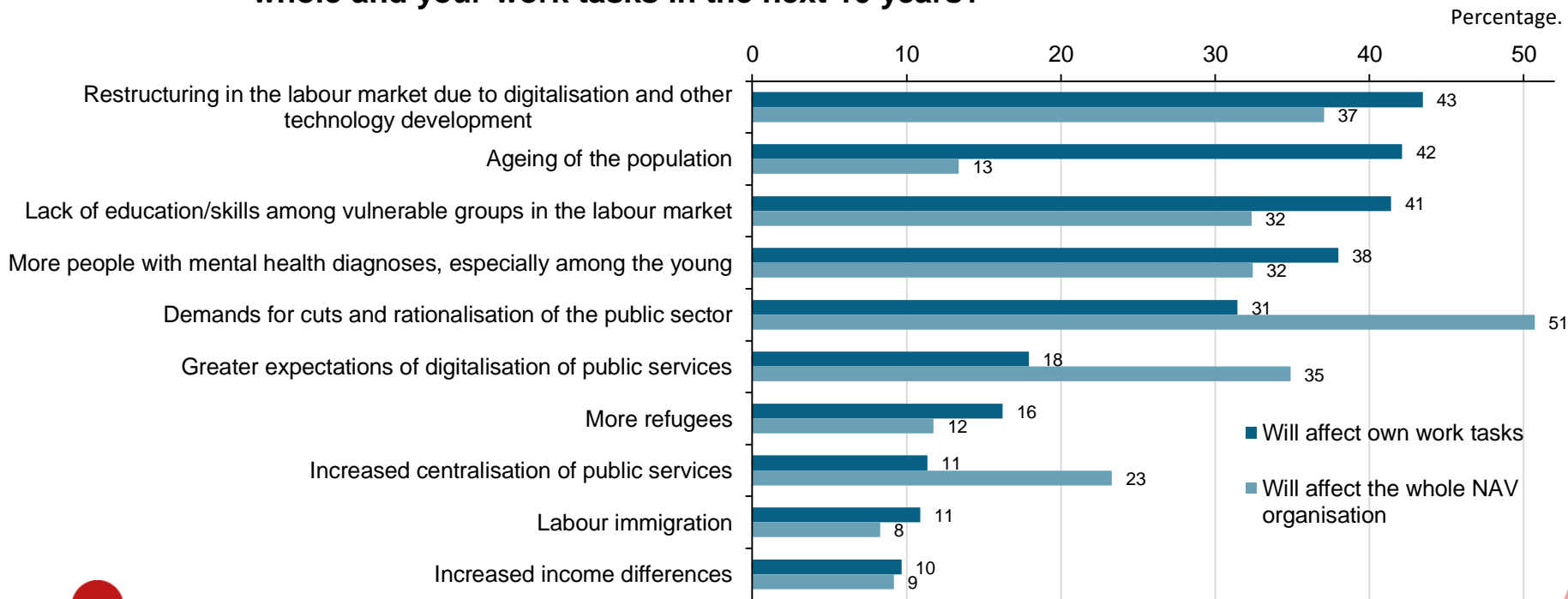
# Purpose of the Horizon Scan

- Society is changing quickly – NAV's services must reflect and respond to these developments
- Reflection and discussion of the opportunities and challenges leads to better strategies and plans
- NAV employees are the main target group, but also politicians, ministries, partners and the general public



# What do NAV employees think?

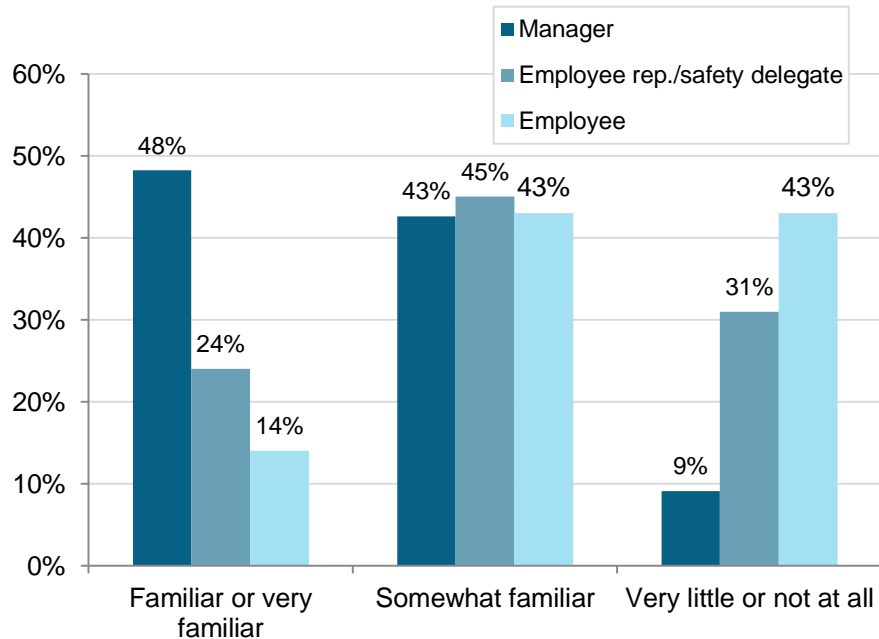
**Which of the following trends do you believe will most affect NAV as a whole and your work tasks in the next 10 years?**



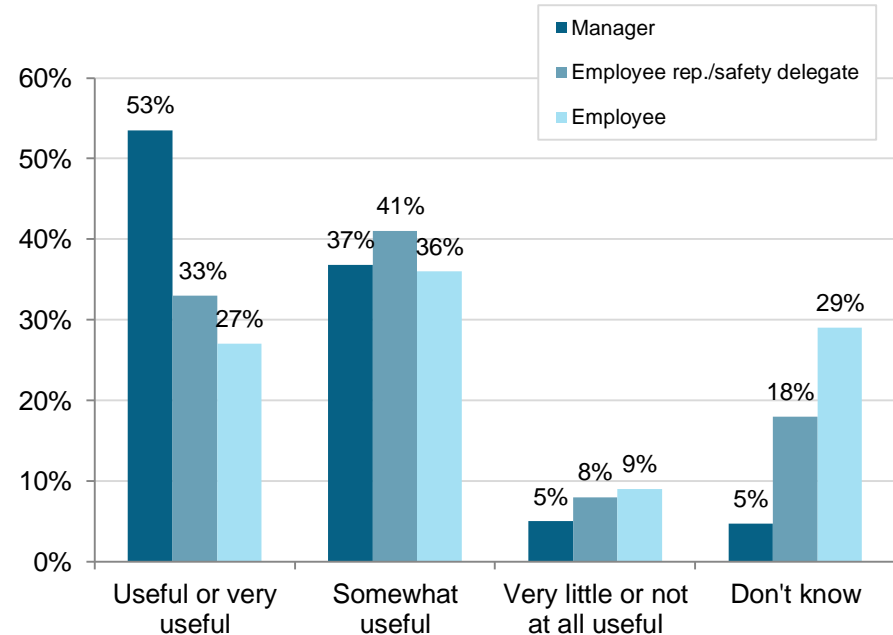
Choose up to 3 alternatives. (N=5,200 NAV employees)

# Familiarity and usefulness

How familiar are you with NAV's Horizon Scan?



How useful do you believe the Horizon Scan is for your place of work?



# Main findings



Demography

- Weaker growth than expected – ageing, immigration and centralisation
- Moderate growth for services/benefits for working age users, strongest for retirement pensions/assistive technology aids
- All else being equal, NAV will be run 15 per cent more efficiently in 2030



Labour market

- Faster pace of change – technology, globalisation, green transition
- One out of four do not complete upper secondary school
- NAV must facilitate restructuring – contribute to occupational and geographical mobility
- Closer cooperation with employers and across sectors



User expectations

- Expectations are increasing fast and in step with good/adapted services in other parts of society
- Users' influence is increasing and will drive developments
- Need for simple services accessible to everyone



Living conditions and health

- Increasing income differences, young adults and some immigrant groups are most vulnerable
- Higher life expectancy and better health, but threatened by risk factors such as alcohol/drugs and inactivity
- Fewer on health-related benefits, but the higher pace of change entails a risk



Technology

- Pervasive digitalisation, more rapid development
- Automation, data-driven decision support, life events automatically detected
- Requires coordinated development of the whole organisation



Political trends

- An evidence-based labour and welfare policy – restructuring and sustainability the main focus
- Continuous high expectations of rationalisation
- No sign of political polarisation, but a risk factor given international developments



**Demography: Weaker population growth going forward, great variation between user groups**



# Strongest growth among the elderly

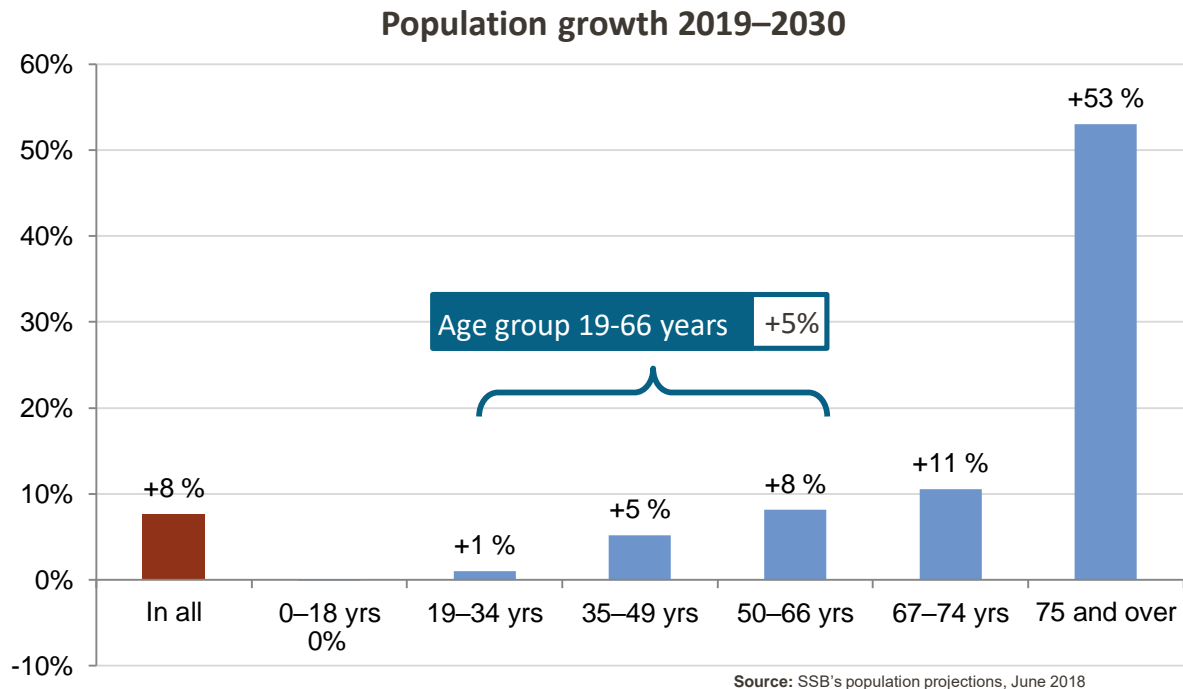
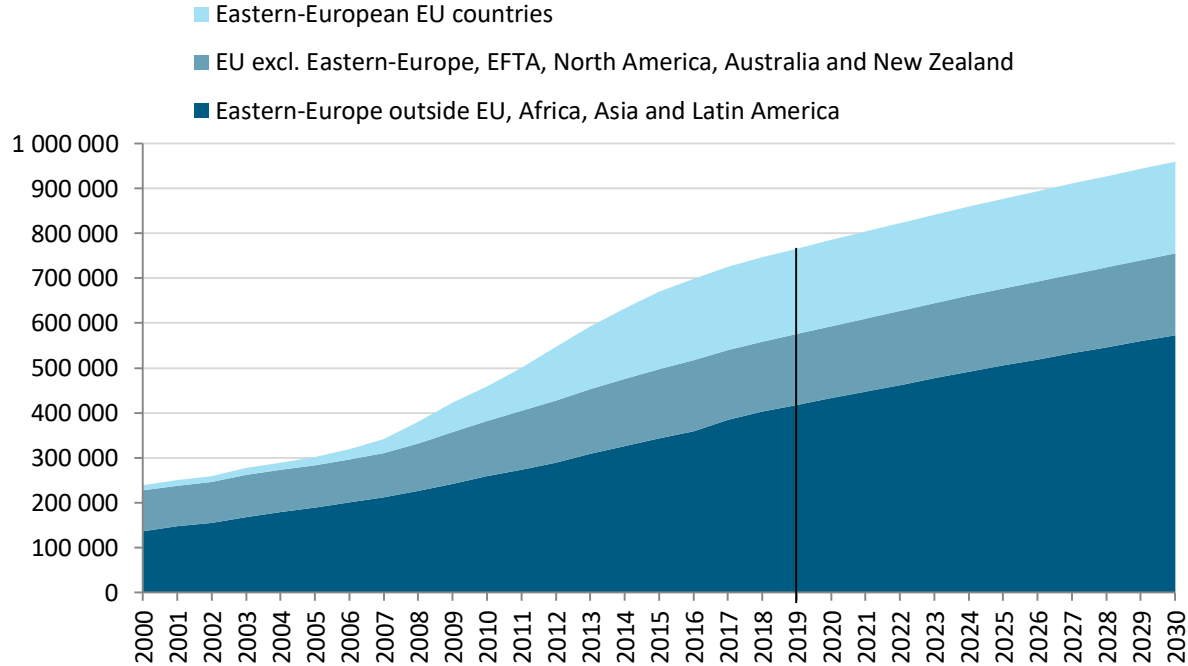


Foto: Rawpixel/Unsplash



# Growth in the immigrant population\*

\* Born abroad to foreign-born parents

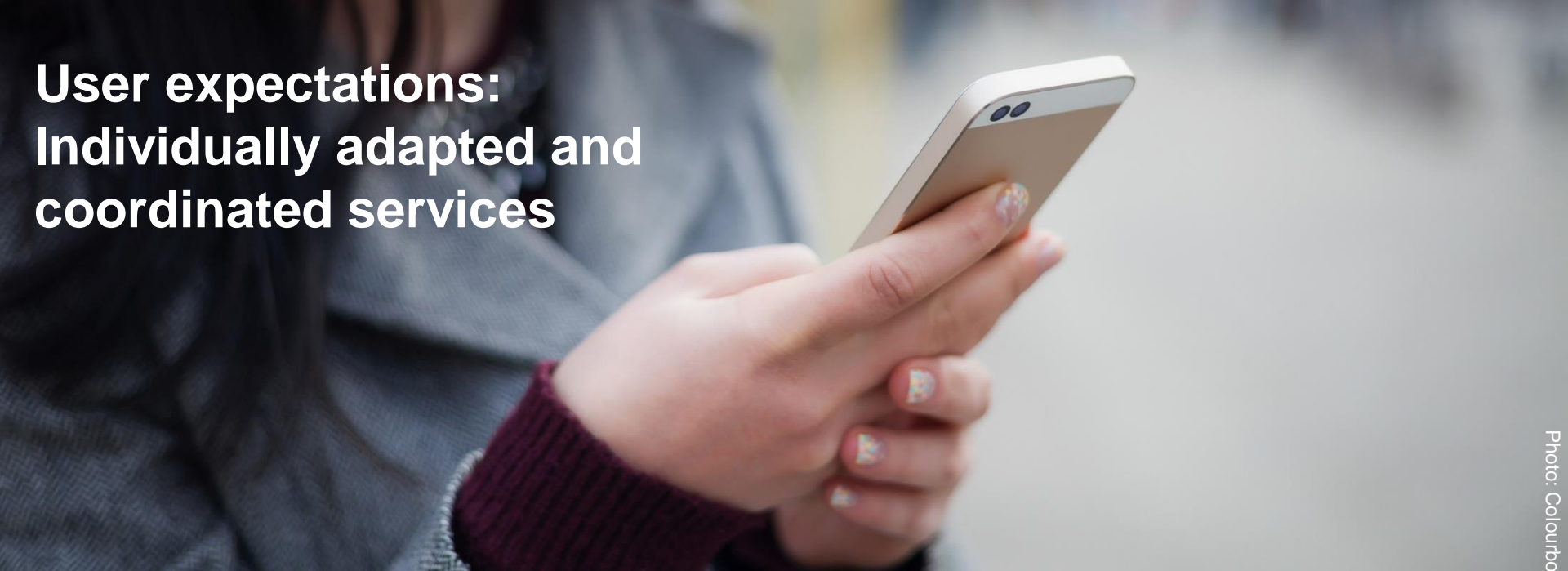


Source: SSB's population projections, June 2018





**User expectations:  
Individually adapted and  
coordinated services**



# NAV must live up to users' increased expectations

- Others shape users' expectations, not NAV
  - Expect coordinated services and individual service
  - NAV must use understandable language
  - The new General Data Protection Regulation means clearer rights
- Users will control development
  - Digitalisation and increased participation will give users more influence



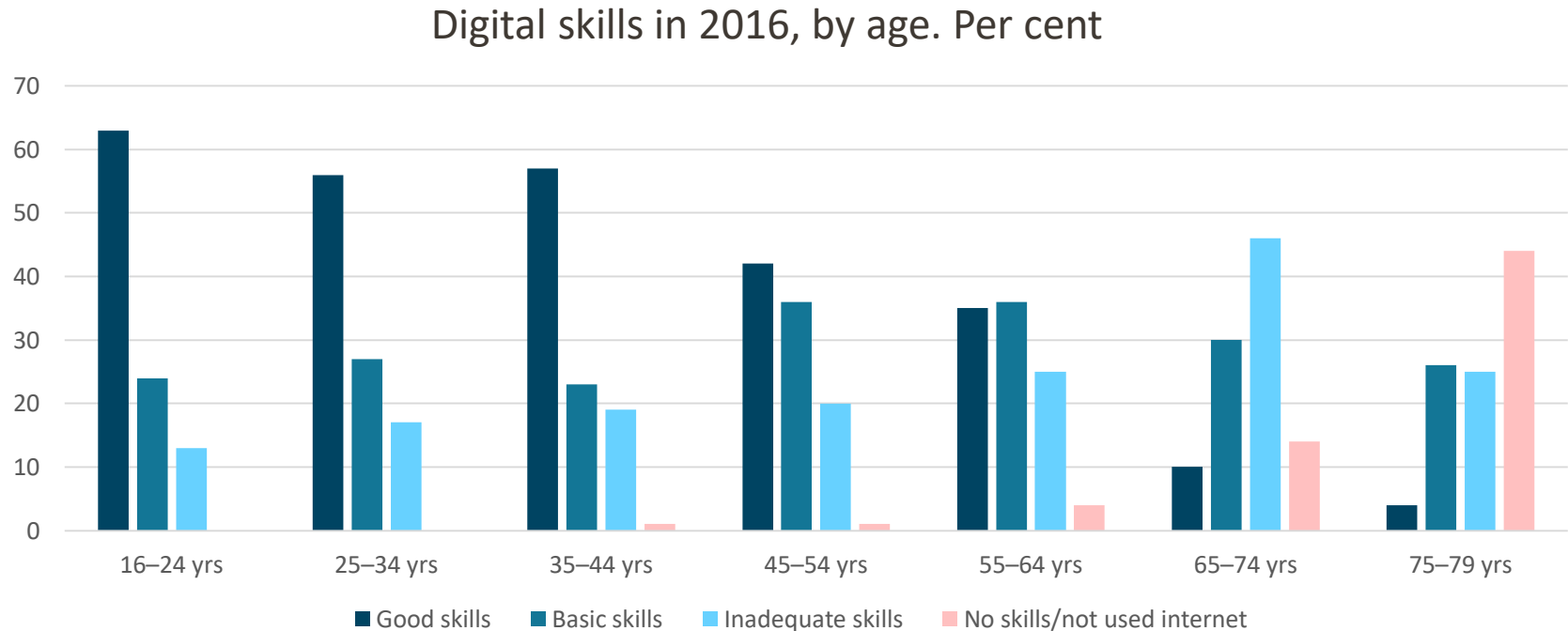
Photo: Colourbox

# Need for simple services accessible to everyone

- Demanding life situations
  - stress can affect the ability to absorb information
  - must be met with very simple and user-friendly services
- Varying competence
  - digital skills
  - experience of processes in the public sector
- Simplify services for users
  - use what we know
  - give users the benefits/services they are entitled to without having to apply?



# More people will master digital tools in future, but accessing public services requires skills that not everyone has



Source: SSB



**Technology:  
New possibilities for NAV**



# Technological trends



## Insight technologies

- Artificial intelligence
- Decision support
- Talking and translating machines



## Digital infrastructure

- Cloud services and platforms
- High-speed mobile network (5G)
- Blockchains



## Increased pace of change

- New business models
- User-driven
- Flexible development



## Ethics and protection of privacy

- Data sharing
- Security
- Protection of privacy

# Technology will modernise NAV



## New possibilities

Self-service

Automation

Datadriven decision support



## Increasing expectations

Technology is developing faster

Agile development

Innovation and interaction



## Digital change will affect the whole organisation

Parallel development

- Policy
- The organisation
- Culture
- Regulations
- Services
- Competence

User centric design

Insight  
technologies

Digital  
Infrastructure

Increased pace of  
change

Ethics of protection  
and privacy



# Labour market: Faster pace of change

Photo: Clyde Thomas/Unsplash



# Rapid changes in the workplace

Three trends lead to a faster pace change

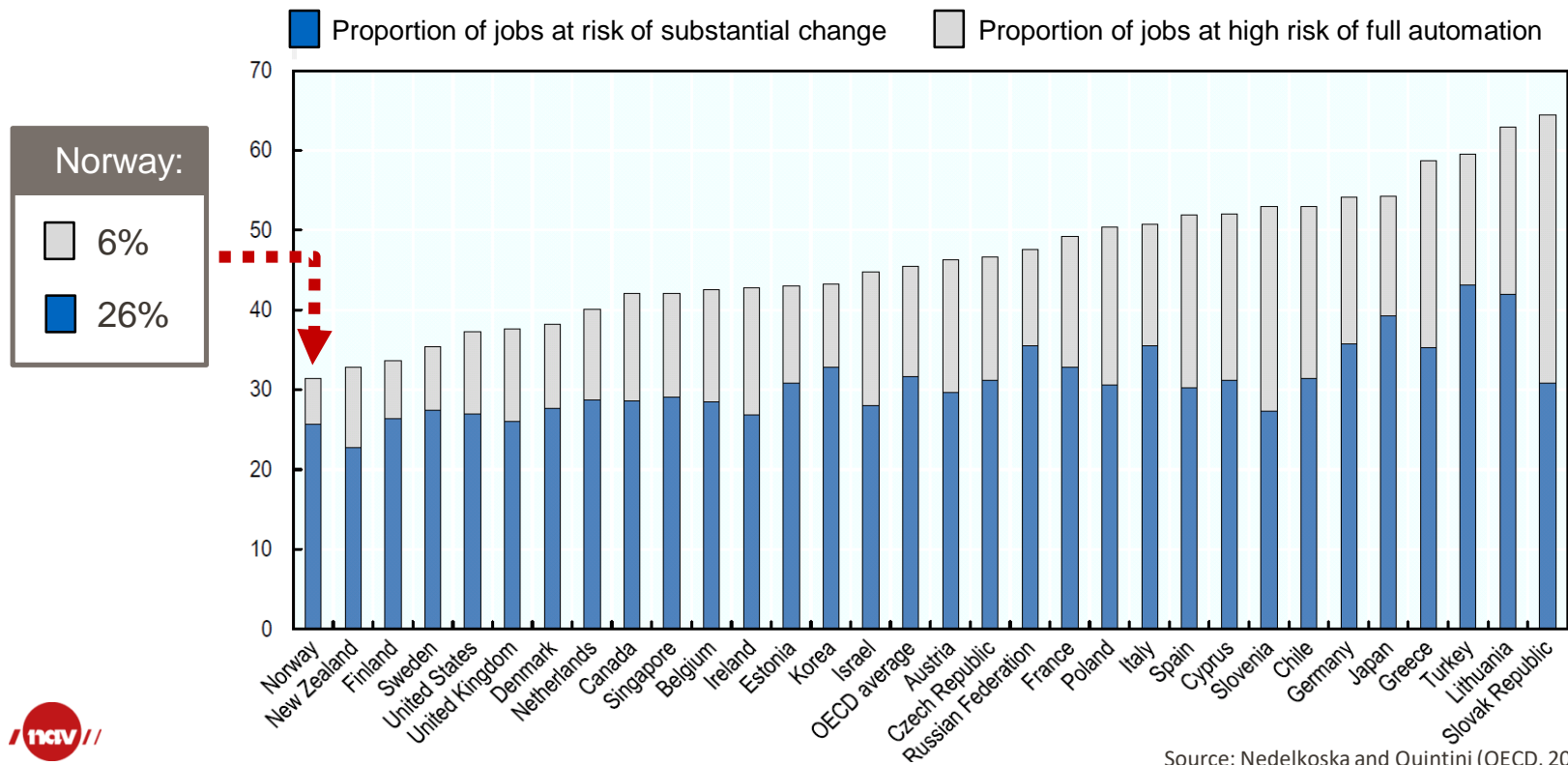
- Technological development
- Globalisation
- Downscaling of the oil and gas industry / green transition

Counter-trend: Risk of increased protectionism



Photo: Pixabay, Rawpaxe/Unsplash,  
Pexels

# Automation in the workplace



# Consequences of automation

- Possibility of periodic higher unemployment in particularly strongly affected industries and occupations
- New jobs will arise in other industries/occupations, and possibly in other parts of Norway:
  - Lifelong learning and restructuring
  - NAV must facilitate restructuring – contribute to occupational and geographical mobility



Photo:  
Pixabay



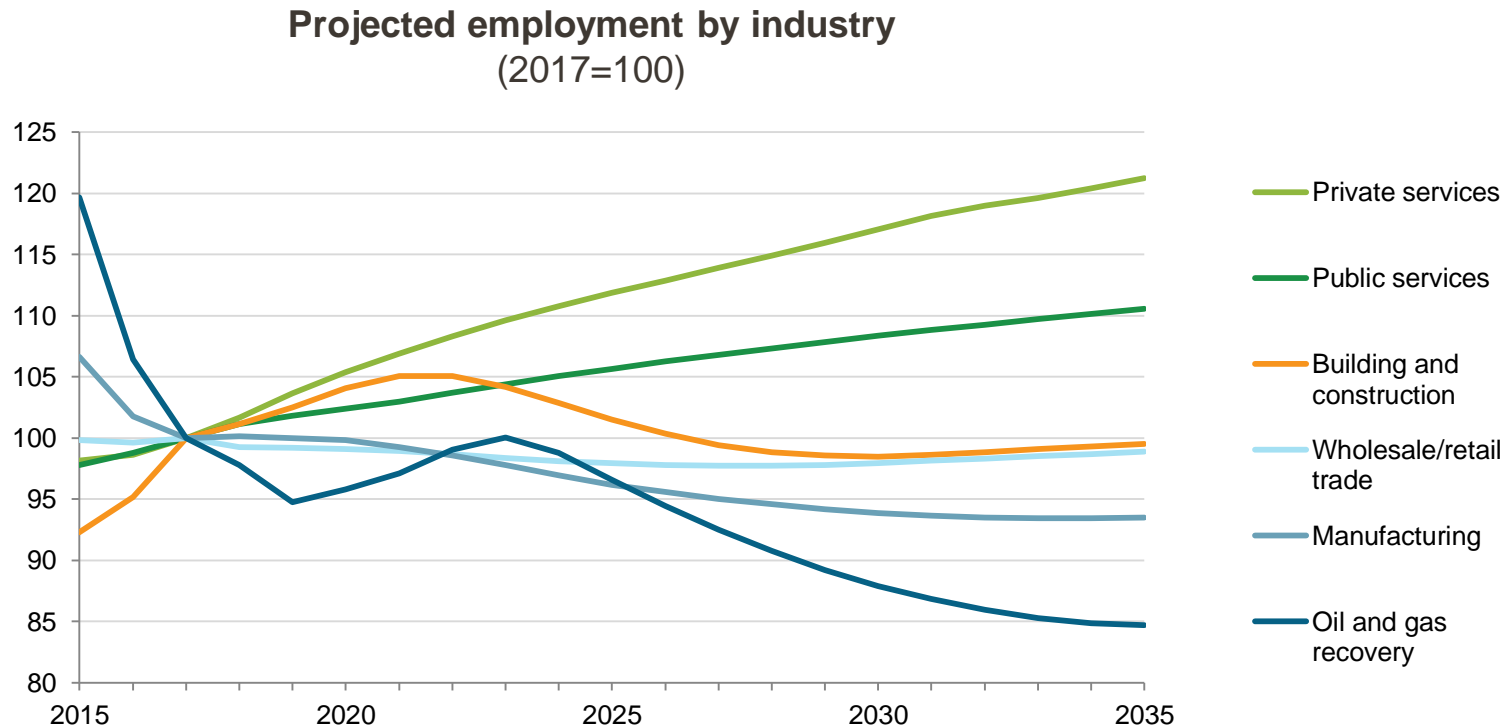
# More differentiated labour market

- 230,000 more employed in service industries
- Biggest reduction in the oil industry, ripple effects on industry
- Shortage of skilled workers – especially in the health sector and traditional trades



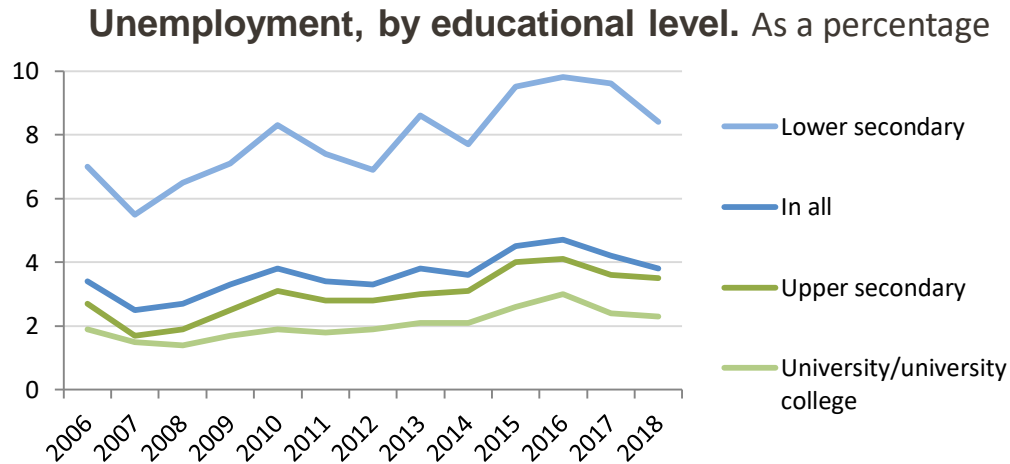
Photo: Rawpixel/Unsplash

# Weak growth in the wholesale and retail trade, downturn in the oil industry



# 1 out of 4 do not complete upper secondary school

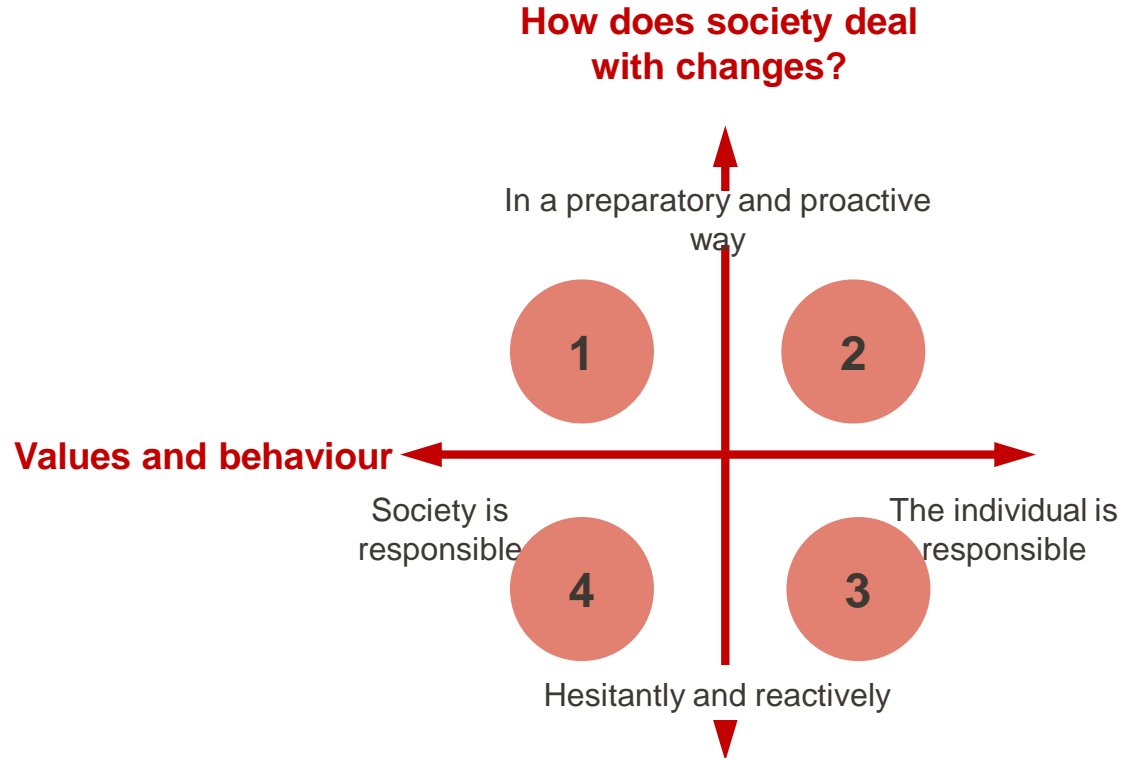
- There is nevertheless some improvement in the proportion who complete upper secondary education
- Unemployment is clearly highest among unskilled workers



Source: SSB



# Scenarios – future competence needs



## 1. The hands-on society

- Public services characterised by a high pace of change
- Public agencies offer enterprises opportunities to teach employees new skills, making it easier for them to invest in their own employees and the future.
- It is unusual to take a lengthy education and more common to update your education more often.
- Most people start working earlier, and they work longer. People expect to change occupations and learn new skills many times during their working lives.
- Educations that focus on learning, ethics and change are more common.

## 2. My employer educates me

- Individuals take responsibility for adapting, and employers have a key role in developing employees' skills.
- Enterprises are quick to invest in competence. There are many private providers of continuing education and adaptation programmes.
- Many people take out private insurance against unemployment, so that they have financial security in a transitional phase.
- The public sector contributes funding and support for employers
- Those who have an employer find that most things turn out well, including adapting to new competence requirements when necessary.

## 4. The welfare state that stagnated

- Mainly public agencies that are responsible for ensuring that people have the competence employers need.
- Many people need and expect to receive assistance from public agencies, but the provision of public services fails to meet demand.
- Employers are looking for people with new skills, but it takes a long time to re-educate labour.
- The courses, measures and education offered by public agencies are not very up to date
- Some of the competence needs are covered through labour immigration, but there is strong competition for the best qualified people.

## 3. Let things take their own course

- Many enterprises have problems adapting quickly enough because they lack the right competence. It takes time to educate people so that they have the right skills. This often results in periods of higher unemployment.
- There are private schemes for those who are unemployed or at risk of becoming unemployed, but not everyone can afford to buy such services.
- Increased labour emigration to countries that have tackled restructuring better
- The platform economy is widespread, with the result that more people have fewer rights when they become ill or unemployed.



**Living conditions: Young adults and immigrants most at risk of low income**

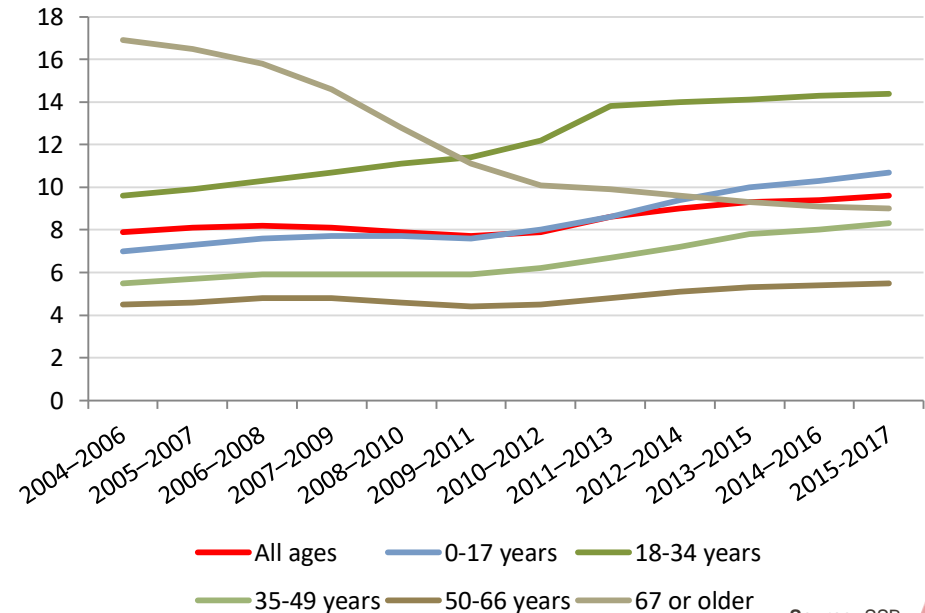




# Increased income differences in Norway

- The proportion of youth and young adults with low income is increasing
- The proportion of elderly with low income is decreasing
- Immigrants are overrepresented in the low-income group
- Increased competition in the labour market can lead to bigger income differences

**Proportion of persons with persistent low income based on the EU-60 definition.**  
Percentage.

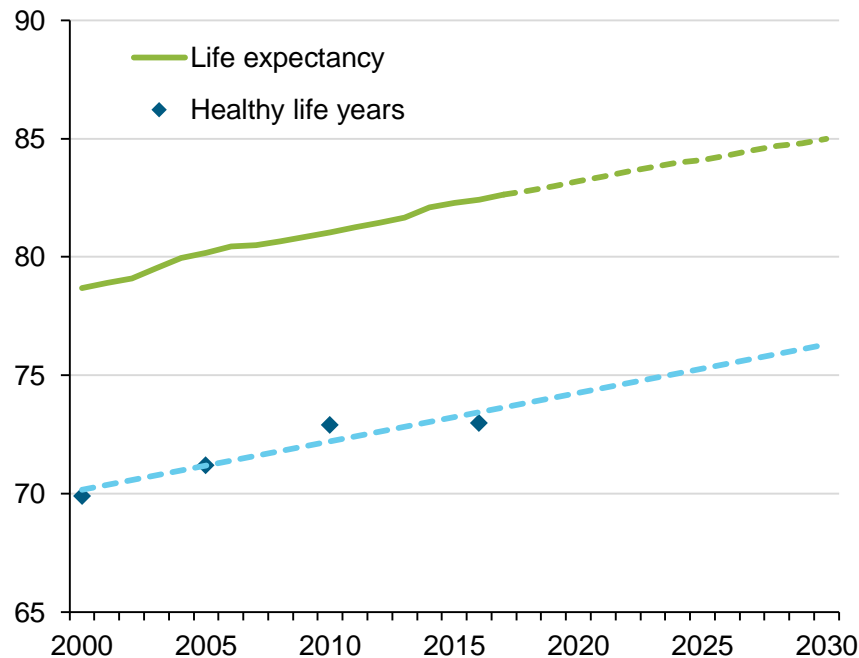


Source: SSB

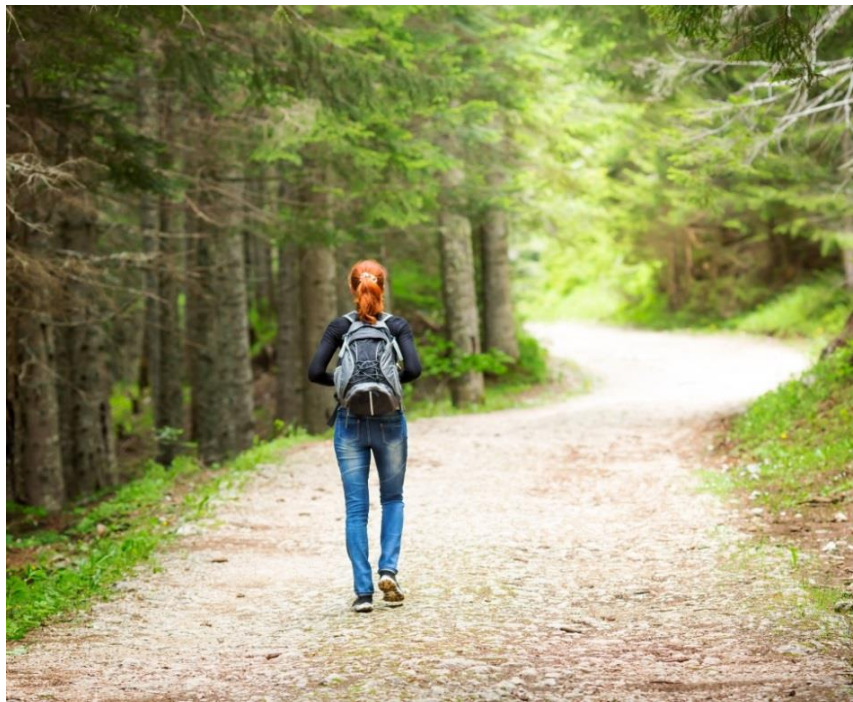


**Health: Longer and  
healthier lives**

# Norway among the countries with best public health, and we are getting healthier

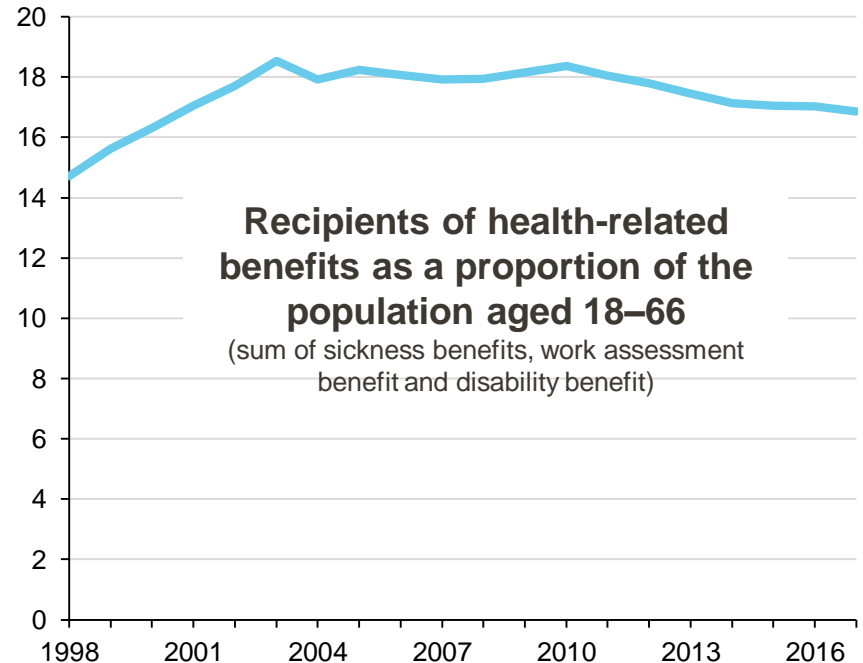


Source: SSB and the World Health Organization



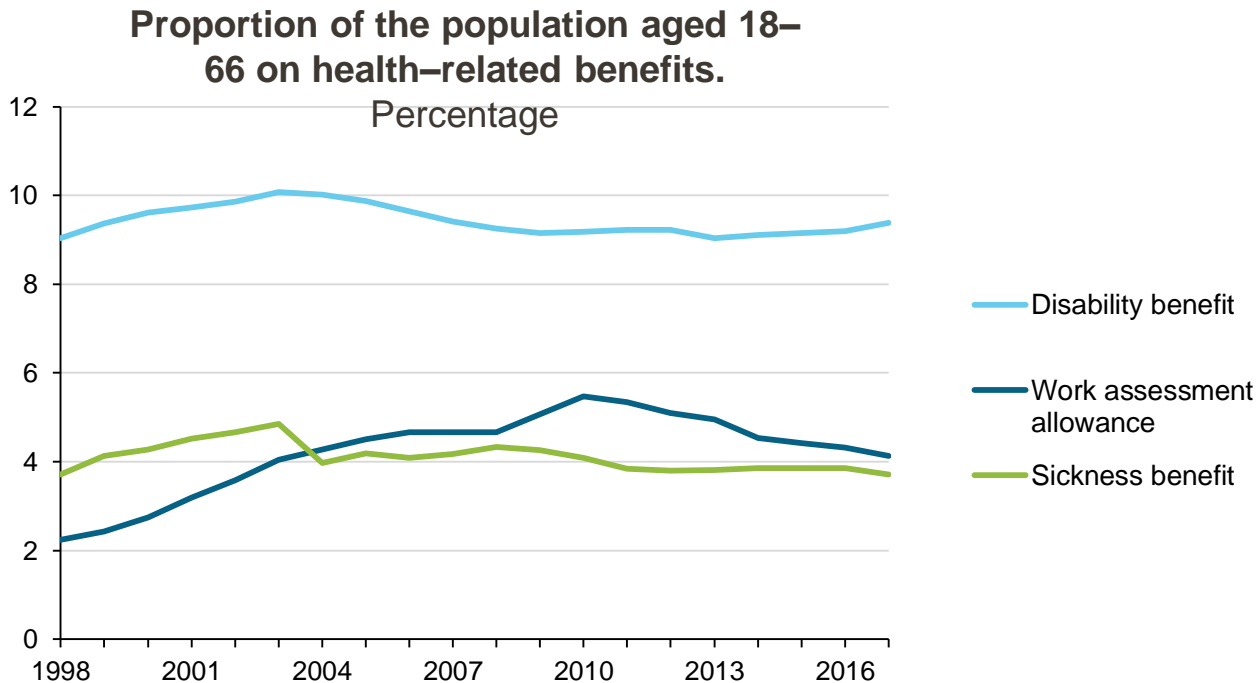
# Fewer on health-related benefits

- A downward trend in the use of health-related benefits since 2009
  - Biggest reduction among the oldest group
  - Weak increase in the under-30 age group
- Decreasing trend and more elderly in the 18–66 age group pull in opposite directions
  - Overall, therefore, the proportion on health-related benefits is expected to remain relatively stable up until 2030
  - Risk factors:
    - Pace of change in the labour market
    - Increased pressure on low-skill occupations
    - High drop-out rate in upper secondary education





# Fewer on work assessment benefit, disability benefit increasing



# Stable proportion of young people on health-related benefits

Young people aged 18–29 on health-related benefits  
Percentage

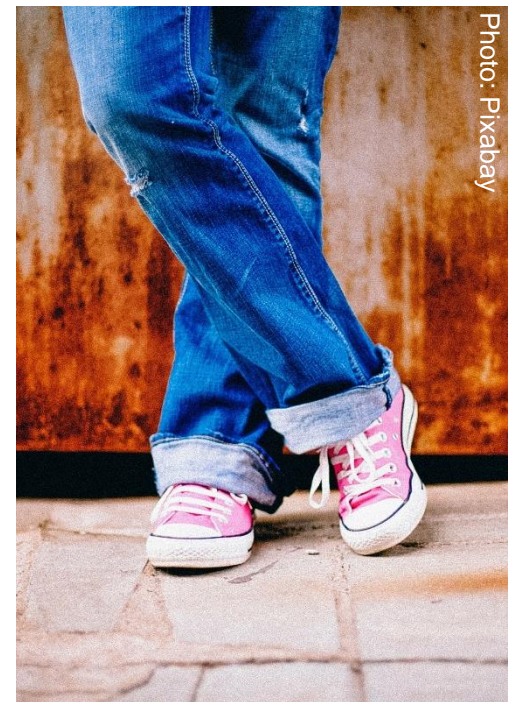
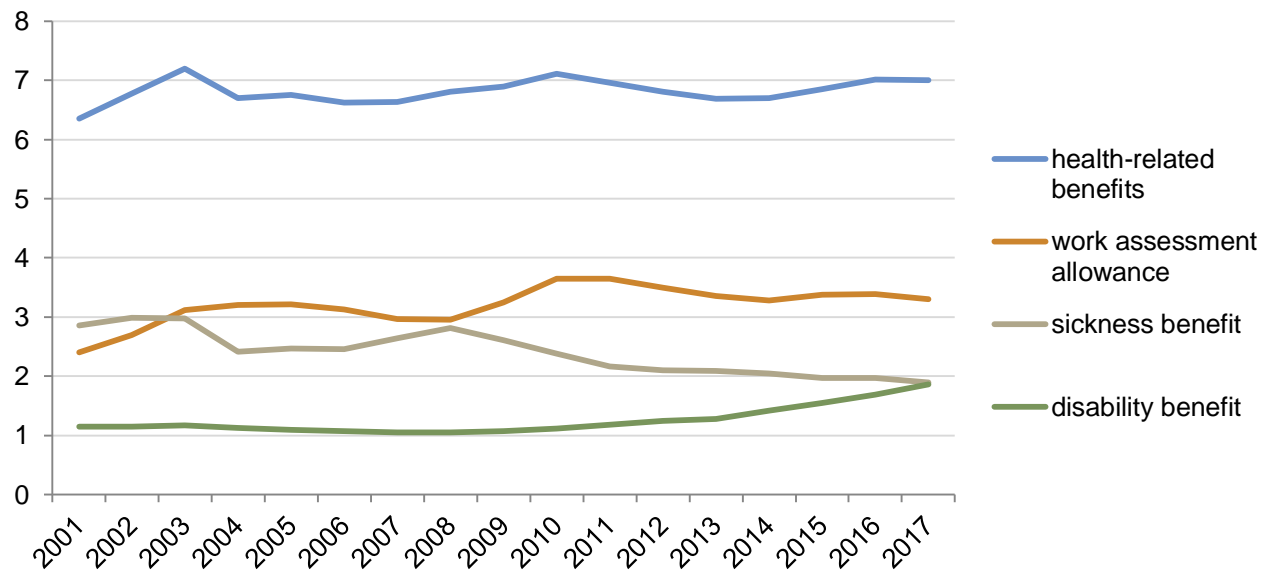


Photo: Pixabay





**Political trends:  
Labour market restructuring  
and sustainability of welfare  
schemes**



# High labour force participation is becoming more important

- Ensure that welfare schemes are sustainable
  - Ensure that there are incentives to work
  - Constant high demands for rationalisation and digitalisation in the public sector
- Underpin restructuring in the labour market:
  - Give particular priority to including vulnerable groups
  - See health, education and labour market policies in conjunction
  - The Employment Committee is an important basis for policy development
- More polarisation internationally





# Thank you for your kind attention

You will find more information at  
[nav.no/omverdensanalyse](https://nav.no/omverdensanalyse)