

**Reduction in the Long-Term Unemployment of the Elderly:  
A Story of Success from Finland**

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In Finland the elderly unemployed are allowed to collect unemployment insurance benefits up to the age of 60, when they can retire via a particular unemployment pension. In 1997 the eligibility age of this scheme was raised from 53 to 55. We consider changes in the risk of unemployment, unemployment durations, and the exit states before and after the reform. In the duration analysis a flexible treatment design is adopted by allowing for quantile treatment effects. We apply three different non- and semiparametric methods, which all indicate that the treatment effect is not constant over the duration time. After the reform the treatment group has a lower risk of unemployment, shorter unemployment durations, and higher exit rates to employment. We account for possible anticipation effects and provide calculations of the change of unemployment insurance transfers due to the reform.

Keywords: Unemployment insurance reform, Quantile treatment effects, Non- and semiparametric methods, Finnish register data.

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