

3/85

Dag Wiese Schartum

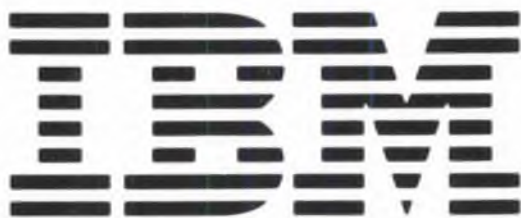
CODEX, CALCULATIONS AND COMPUTERS

TERESA (70 - II)

COMPLEX

NORWEGIAN RESEARCH CENTER FOR COMPUTERS AND LAW

UNIVERSITETSFORLAGET



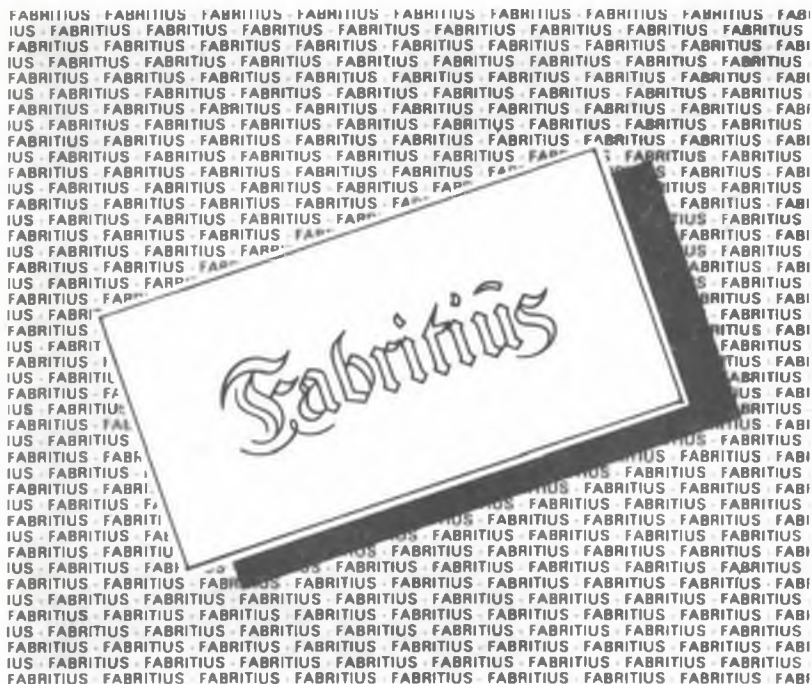
IBM Bergen: Dreggsalmenning 10/12, tlf (05) 31 55 00

IBM Stavanger: Auglendsdalen 81, tlf (04) 58 85 00

IBM Trondheim: Kongensgt. 60, tlf (07) 53 06 44

IBM Oslo: Dronning Maudsgt. 10-11, tlf (02) 20 54 50

FORLAG GRAFISK INDUSTRI



DATASATS ELEKTRONISK TRYKKING INFORMASJONSDISTRIBUSJON

FABRITIUS A.S
BROBEKKVN. 80
P.BOKS 1156 SENTRUM
0107 OSLO 1

TELEFON (02) 64 08 88
TELEX 18 137 fabr
TELEFAX (02) 64 32 83

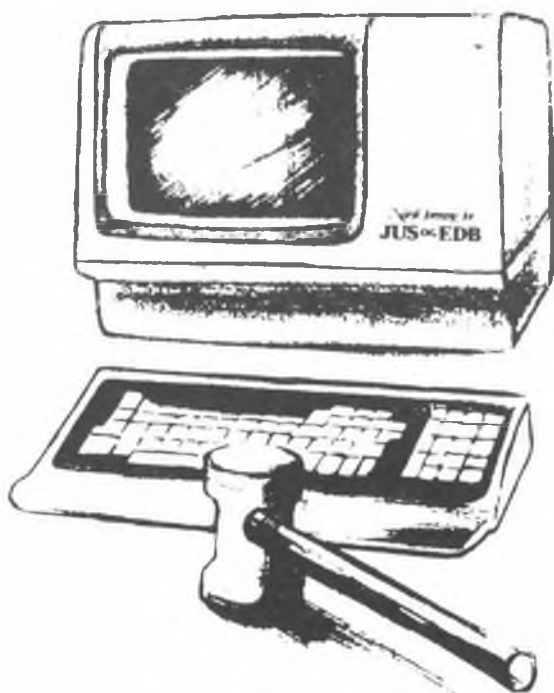


Norsk forening for
JUS OG EDB

Postboks 7557, Skillebekk, OSLO 2

Postgiro 5 13 96 54. Bankgiro: 8200.42.49727

Postgiro CompLex: 2 12 16 63



Norwegian association for
Computers and Law is among other
things selling the CompLex-
reports and take care of the
subscription for the series.



STATENS DATASENTRAL
FOR ADMINISTRATIV DATABEHANDLING
ULVENVN 89 B. 0581 OSLO 5
TELEFON (02) 64 51 00

SDS' TJENESTER

STATENS DATASENTRAL HAR SOM OPPGAVE Å LEVERE DATATJENESTER TIL FORVALTNINGEN. PR I DAG ER CA 100 STATLIGE INSTITUSJONER OG ETATER BRUKERE AV SDS' DATAKRAFT OG ULIKE SERVICETILBUD.

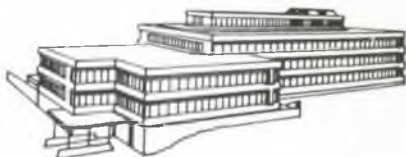
I TJENESTENE INNGÅR BL.A. DATABEHANDLING PÅ SENTRALE ANLEGG, RÅDGIVNING OG KONSULENTBISTAND VED EDB-ANSKAFFELSER, SYSTEMUTVIKLING OG PROGRAMMERING, SLUTTBRUKERSYSTEMER, DATABANKTJENESTER OG OPPLÆRING.

"LOVDATA" ER EN AV DATABANKTJENESTENE VED SDS. HER ER BL.A. GJELDENDE LOVER OG SENTRALE FORSKRIFTER TILGJENGELIGE I FULL TEKST FOR SØKING OVER TELENETTET, FRA DE FLESTE TERMINALTYPEN. OGSÅ PERSONLIGE DATAMASKINER KAN BRUKES SOM TERMINALER FOR SØKING I LOVDATAS BASER.

SDS-TILBUD: PERSONLIGE DATAMASKINER

STATENS DATASENTRAL HAR FUNNET AT APRICOT PC DEKKER EN REKKE AV DE KRAV SOM BØR STILLES TIL FLEKSIBILITET OG MULIGHETER FOR INTEGRERING I STØRRE SYSTEMER.

APRICOT PC LEVERES MED EN REKKE NYTTEPROGRAMMER SOM STANDARD. SDS KAN OGSÅ TILBY ET SPESIELT PROGRAM SOM MULIGGJØR BRUK AV APRICOT SOM NOTIS-TERMINAL MOT UTSTYR FRA NORSK DATA. BÅDE FOR TEKSTBEHANDLING OG DOKUMENTOVERFØRING. PROGRAMMET GIR DESSUTEN ANLEDNING TIL KOMMUNIKASJON MED HONEYWELL BULL MASKINER.



Norwegian Research Center for Computers and Law
University of Oslo, Niels Juels gate 16
0272 OSLO 2

under
are Olav fra
g (forfatter og forker),

Dag Wiese Schartum

CODEX, CALCULATIONS AND COMPUTERS

An investigation of some administrative
consequences of the introduction of new
calculation principles in the
Norwegian National Insurance Act of 1966

NORIS (70 - II)

Acknowledge is made to the Stiftung Volkswagenwerk
which has funded this project

© Universitetsforlaget AS, 1985

ISBN 82-00-07049-2

The Publication of the CompLex reports are supported by:

The Norwegian Bar Association

Norwegian Bankers' Association

Norwegian Employers' Confederation

Norwegian Telecommunication Authority

Association of Norwegian Insurance Companies

Orkla Industries

Norsk Hydro

Norwegian Government Computer Centre

Digital Equipment Corporation A/S

Federation of Norwegian Industries

Norwegian Center for Informatics

Printed in Norway

by GCS A/S, Oslo

Preface

In cooperation with the Wissenschaftszentrum Berlin and London School of Economics the Norwegian Research Centre for Computers and Law (NRCCL) has initiated the project "Work process, Information Technology and Service Quality in Social Welfare Institutions", NORIS (70).

This report is the second in a series of reports, all published as parts of the project. The first publication in the project, The National Social Insurance System of Norway (NORIS (70-1)) is published in CompLex 7/84. All publications in the project will be parts of NORIS (70).

Codex, Calculations and Computers is a result of a study based on a considerable quantity of written material made available through the assistance of helpful people in the National Insurance Administration (NIA) and the Record Office in the Ministry of Social Affairs. An Advisory Committee is appointed consisting of prof. dr. Jon Bing (NRCCL), senior consultant Mr. Ragnar Dag Blekeli, Information Systems International, head of division Mrs. Inger Lorange Figved, NIA Information Department, head of division Mrs. Elfride Børsum, NIA Sickness Allowance Department, prof. dr. Asbjørn Kjønstad, Department of Public Law, University of Oslo, head of division Mr. Sverre Salvesen, NIA Pension Department, senior lecture Mrs. Anne-Lise Seip, Department of History, University of Oslo and research assistant Mr. Ola Stafseng, Department of Sociology, University of Oslo. The Advisory Committee has contributed by reading and commenting on the draft report. However, the responsibility of the contents rests with the author.

Gunnar Bach and Jon Bing have guided and corrected my English, forming it into an assumed intelligible language.

I would like to express my gratitude to the persons mentioned, without whose help this report would hardly have been published.

Oslo, May 1985

Table of contents :

	page
1.0. Introduction	1
1.1. Sources	4
2.0. From flat rate pensions to graded pensions	6
3.0. Choice of calculation system and changes in the administrative tasks	10
4.0. The handling of administrative tasks	18
4.1. Political level	18
4.2. The computer department at the NIA	29
5.0. The influence of the computer department on the preparatory works of the Act	37
6.0. A discussion of the relations between political, administrative and technical elements of the study	41
6.1. Computer systems as a premise for the National Insurance Scheme	41
6.1.1. Computers as a contributing factor in the acceptance of individual calculations	42
6.1.2. The computer department at the NIA and its influence on the preparatory works of the Act	44
6.2. Administrative cost reductions	46
6.3. Centralization - decentralization	48
Footnotes	53
Literature	55
The quotes in Norwegian, consecutively	56

1.0. Introduction

The Norwegian National Insurance Act of 1966 represented major amendments in the existing social security scheme. First, the different benefits were co-ordinated and integrated into one general codex consisting of old age pension (1), disability pension, survivor's pension and rehabilitation assistance. At the same time grants were extended and distributed according to new terms of fairness and equality. This was the result of a long political process, and may be regarded as a political concord between almost all political parties and constellations of Norwegian politics. In the first part of the report, this political development will be sketched.

The Act of 1966 implied not only legal-substantive amendments. Even the administrative structure was basically changed. As a consequence, the administrative tasks were altered, leading to a need for new technical-administrative remedies. The resulting introduction of computers in the administration also had an influence on the administrative

structure and the division of work between the local insurance offices and the central administration. In the report this development is further investigated.

The technical-administrative developments brought forth the computer department in the National Insurance Administration (NIA) as a new party entitled to promote opinions on the formulation of the provisions of the National Insurance Act. In a section of this report we ask if, to what extent and in which way the computer department influenced the drafting of the Act.

An investigation of the National Insurance Act as a whole would be outside the scope of this project. Examples will therefore be selected from the old age pension scheme, i.e. chapter 7 of the Act. Important parts of the description will, however, be made on a general political and administrative level without focusing on any particular part of the reform. Consequently, our intentions are not to give a complete description of the administrative consequences of the legal amendments. By examining the administrative consequences of the amended old age pension provisions in a general political and administrative context, it is, however, possible to focus on important and typical aspects of this change. The calculation formulas in the old age pension scheme are in fact the basic calculation method in all computations of pensions. In many ways, the technical-administrative consequences of the old age pension system of 1966 must therefore be regarded as typical for the

long term benefits.

Some aspects cannot be made an object for detailed investigations in this report. It is presumed, however, that some of these issues will be discussed further in the following parts of the project.

1.1. Sources

This work is based on five types of written material:

- Books describing the historical development
- Parliament reports and papers, parliamentary gazette minutes book
- All relevant files in the Ministry of Social Affairs, i.e. letters, internal notes, etc
- A selected number of internal reports from the National Insurance Administration
- Letters etc. from the files of the Government Computer Council

With regard to the material of the Parliament, this is complete. Both the files of the Ministry and the files of the Government Computer Council are, however, obviously not complete on these issues, because important material has not been preserved. This is particularly relevant with respect to the file of the Ministry. The same is also due with respect to the NIA, where many of the internal notes and documents have not been preserved. Only published reports from the Institution have been available.

Due to insufficient documentation, fractions of this investigation are partly based on interviews with individuals employed by the computer department of the NIA. No such

verbal source are, however, referred to on matters of importance.



2.0. From flat rate pensions to graded pensions

The first old age pension system in Norway was means tested and financed by flat rate taxes. This implied that many of those who contributed did not get any pension benefits in return. Even though 70 - 80 per cent of the population at the age of 70 or more received old age pensions, one may still claim that the system had the stamp of poor relief.

In 1945, all Norwegian political parties agreed to strengthen the social security system. How, and especially what priority should be given to different aspects, was, however, a controversial issue. We shall not go into these disagreements in detail. Some important aspects should, however, be mentioned as they may explain why the old age inflexible pension system turned into a "modern" graded system.

Both the Labour/Communist and the Conservative/Liberal block wanted an old age pension scheme encompassing every citizen. This objective is often named the fulfilment of the principle of "universality" in the Norwegian socio-political debate.

The radical parties, however, wanted to give priority to the poorest by raising the pension level before introducing "universal" old age pensions. The conservative parties, on the other hand, claimed that it was necessary to exclude the means test as soon as possible in order to remove the stigma on the public old age pension system.

This difference proved to be bridgeable. Through the 50'ies the means test was gradually moderated by raising the income limit for receiving pension and raising the pension rates. In the old age pension act of 1957, an old age pension for every citizen was approved by the Parliament, introducing a scheme with equal benefits for all, and financed by differentiated premiums according to five income brackets.

This amendment introduced a minimum of relation between payments and pensions, because every contributing person had the right to pension benefits in return. In the following years the link between payment and pensions was further emphasized in the old age pension debate.

Two socio-political events may be seen as essential factors in the consecutive debate. In the negotiations between the Norwegian Federation of Trade Unions and the Norwegian Employers Confederation a graduated old age pension system (FTP) was agreed upon in 1960. The FTP calculations were based on a pension rate and the number of weeks of employment. Maximum pensions constituted the "pension rate" (NOK 2.400,-) if the employee had worked for 2000 weeks or

more (approximately 40 years). A period of employment less than 2000 weeks gave the right to a proportionally reduced pension. This calculation method may be called a "solidary" supplementary pension system. Income level had no influence on pension rights.

The FTP-arrangement between the Unions and the employer organisations resulted in supplementary pensions for industrial workers. A large scale of the working class - including farmers and fishermen - did not, however, have any supplementary pension benefits. This difference was used as an argument in favour of a national pension system comprising all citizens (2).

In Sweden, a hard political battle had been fought between the Social Democrats and the Liberals/Conservatives on the introduction of a compulsory supplement pension system (ATP). The Social Democrats won the "ATP-parliament elections" in 1958 and the Swedish ATP Act was passed by the Swedish Parliament in the spring of 1962. It may be reasonable to claim that the Swedish supplementary pension debate influenced the Norwegian debate in at least two ways: Firstly, there were close links between Norway and Sweden on the political level, in particular between the two social democratic parties, both parties forming the government at this time. Secondly, the Swedish ATP Act also strongly influenced the design of the Norwegian pension system. The ATP calculation scheme for supplementary pensions was later adapted and amended by the Norwegian legislators.

In the late 50'ies the Norwegian Conservative Party wanted a system with private supplements in addition to the basic public pensions. On the other hand, the Labour Party supported co-operative solutions similar to the FTP arrangement. The Liberal party was in favour of a national and compulsory supplementary pension system. In 1963, the process towards political consensus of a national system approached its solution. Important socio-political factors in this debate have been mentioned. In addition, it is reasonable to claim that the Cabinet crisis in the autumn of 1963 (the King's Bay disaster) represented an impetus to the reform. From the establishment of this basic concensus we will investigate the preparatory works of the resulting National Insurance Act, with special emphasize on the technical and administrative consequences.

The language is changing with social and political developments. The different quotes that are included in this report may therefore be difficult to understand fully without some explanations. The first old age insurance system was called old age security. This system gave basic grants according to means tests. "Security" carries a heritage from former days' poor relief, indicating a security from poverty in old age. To this security system was added a pension system closely connected with private insurance and pension arrangements. With the codex of 1966 and the intergration of different pensions, the old age "security" turned into a basic pension and the "pensions" into supplementary pensions. In the preparatory works of the Act this development is emphasized; the new scheme was a pension system with benefits according to payments, the old system was a security system with its roots in poor relief. This development is, among other things, the reason why the reform is named the "National Pension Scheme" in the quotes (and not "National Insurance Scheme").

3.0. Choice of calculation system and changes in administrative tasks

In 1962 the Labour Government appointed a Pension Committee with the mandate of proposing a pension system comprising the whole population. The report was presented to the Parliament in 1963, suggesting an old age pension system only, regarding this as the most important task, as well as a basis for further expansions in the direction of a national insurance scheme. The Pension Committee put forward a calculation system for supplementary pensions based on income brackets, i.e. pension premiums and grants were established according to income level (3).

This system was traditionally well known from the old age and disability pensions, and from the sickness allowances. To some extent the calculations reflected the income level and established a relationship between payments and pensions. On the other hand, no individual calculations were included. Payments and pensions increased stepwise, placing individuals on the same level even if the income differences were quite considerable. From an administrative point of view, however, the income brackets were profitable and rational.

In 1963, the Ministry of Social Affairs appointed an internal group with the mandate to prepare a White Paper to the Parliament introducing the design of a National Insurance Scheme. The White Paper (St. meld. nr. 75 1963 - 64) was presented to the Parliament in the spring of 1964. The Paper argues very strongly in favour of a supplementary pension system based on individual calculations of payments and pensions. The Swedish ATP pension system was obviously a model for the proposal. However, the group proposed an integration of the basic and supplementary pensions into one system. In addition, all pensions in the proposal were calculated on the basis of two defined quantities; "pension points" and a "basic amount". Moreover, all pension grants were integrated into one calculation system, creating a "universal" method of computing grants.

This individual calculation system was regarded as a guarantee for fairness and "equality" in the National Insurance System:

"The National Pension Scheme aims at giving a security for each single person's standard of living built up through their time of employment.

With the aim sketched in the National Pension System, it is obvious that the pensions will vary according to the income figures credited throughout each single person's time of employment."

(Quote from st.meld. nr. 75, principle views, p. 15 and 16)

In the general debate in the Parliament on the basis of this White Paper (spring 1964), no decisive disagreements on this point is found. On the contrary: The individual calculation

system may be claimed to be one important premise for the broad agreement. Both the Conservative and the Centre Party had previously argued in favour of private supplements with a close relation between payments and pensions as one important characteristic. The Labour Government's proposal in the White Paper to Parliament was therefore probably easier to accept than for example a system similar to the ("solidary") FTP supplements. By reading the minutes from the Parliamentary debate, one gets the picture of a general consensus on this point. In other words, the introduction of new principles for calculating pensions was brought forth without any open disagreements. (4)

The proposal agreed to by the Parliament introduced individual calculations. For our purpose, it is sufficient to emphasize that this new political consensus of what was a fair pension system, resulted in provisions indicating new and different administrative tasks. In the following, the administrative consequences will be illustrated by comparing the main tasks according to the 1965 version of the 1957 Old age Pension Act with the main tasks in the first (1966) version of the new old age pension system of the National Insurance Act.

The Old-age Pension Act of 1957:

*section 2

1. Spouses are entitled to married couple's pension if

both spouses have reached the age of 70 and at least one of them also satisfy the conditions in section 1." (insured person condition)

"2. Persons who are not entitled to married couple's pensions according to the provisions in paragraph 1, are entitled to a single person pension if they satisfy the conditions in section 1."

Municipalities, covering 54 per cent of the population, had old age supplementary benefit arrangements. Such supplements could be granted according to a flat rate, but means testing was the most usual distributing method. Such pensions made simple calculations necessary, thereby giving rise to certain administrative tasks.

The National Insurance Act of 1966:

(1966 version)

Basic pensions:

sect. 7-2

1. A person who has been insured for a total of at least three years after reaching the age of 16 and before reaching the age of 67, shall be entitled to a basic pension. Any calendar year in which he has been credited with pension points, shall for this purpose be regarded as a whole year.

2. A full basic pension should be equal to -

a. The basic amount, cf. sect. 6-2, if the pensioner is single or has a spouse who does not draw an old age pension or a disability pension.

b. 75 per cent of the basic amount if the pensioner has a spouse who is drawing an old age pension or a full disability pension. If the pensioner's spouse is drawing a disability pension which has been reduced in accordance with sect. 8-5, the basic pension shall be equal to the basic amount less an amount corresponding to 25 per cent of the basic amount multiplied by the ratio between the spouse's disability pension or rehabilitation allowance and the ungraded benefits.

3. A full basic pension shall be granted to a person who has been insured for at least 40 years. If he has been insured for less than 40 years, the basic pension shall be a proportionate fraction of the full basic pension. Notwithstanding the provisions of subsection 1, the period of insurance to be taken into account for a person as mentioned in subsection 2, *litra b*, shall be the insurance period of the spouse, if it is longer. This period of insurance shall be retained even after the spouse has died, unless the survivor remarries."

Supplementary pensions:

sect. 7-3

"1. A person who has been credited with pension points for at least three years shall be entitled to a supplementary pension.

2. A person who has been credited with pension points for at least 40 years shall be granted a supplementary pension at the rate of 45 per cent of the amount obtained by multiplying the basic amount by the final pension point figure, cf. the third paragraph.

A person who has been credited with pension points for less than 40 years, shall be granted a proportionately reduced supplementary pension.

The final pension point figure shall be the average figure of the highest twenty annual pension points credited the insured person. If less than twenty years, the final pension point figure shall be the average figure of all the annual pension points with which he has been credited.

3. If two spouses both are entitled to old age pension, supplementary pensions shall be calculated for each of the spouses according to the provisions in subsection 2, however, in such a way that the pension figures for the single years are increased by 1 for the spouse who is credited pension points for the smallest number of years. If both spouses are credited pension points for an equal number of years, each of the spouses figure shall be increased by 0,5.

The provisions in the previous subsection apply also if one of the spouses is entitled to old age pension and the other spouse is entitled to disability pension."

The drastic alteration of these central old age pension provisions are first of all caused by changes in legal-substantive content. Certain linguistic peculiarities

may, however, also be found. Aspects of legal information activity, public apprehension etc. will, however, not be discussed here. The most important administrative alterations may be summed up in three items:

a. Calculations

From a system with pension grants established to certain amounts, the new provisions introduced rules that require rather complex calculations. To illustrate this complexity some examples will be given.

Key to the symbols used:

B = basic amount

FPP = final pension point

PI = pensionable income

U = highest annual degree of disability

Y = years of pensionable employment

The annual pension point is calculated for every employed person.

Calculation for not disabled persons with pensionable income less than 8 x B:

$$\text{Annual pension point} = \frac{\text{PI} - \text{B}}{\text{B}}$$

Calculation for not disabled persons with pensionable income (PI) between 8 and 12 x B:

$$\text{Annual pension point} = \frac{8\text{B} + \frac{\text{PI} - 8\text{B}}{3} - \text{B}}{\text{B}}$$

Calculation for disabled persons with pensionable income between 8 and 12 x B:

$$\text{Annual pension point} = \frac{8\text{B} + \frac{\text{PI} - 8\text{B}}{3} - \text{B} \frac{100 - \text{D}}{100}}{\text{B}}$$

Final pension point figure is calculated on the basis of the 20 highest annual pension points. Supplementary pension is subsequently calculated according to the formula:

$$\text{Supplementary pension} = \text{B} \times \text{FPP} \times \frac{45}{100} \times \frac{\text{Y}}{100}$$

b. Number of persons in the system

Within the Old Age Pension Scheme of 1957, only pensioners were registered as belonging to the system. The supplementary pension system of 1966 required that income figures should be registered for the calculation of pension points for every employed citizen of the age between 16 and 70 years. In the income year of 1967, this resulted in 1,5 million individuals in the "pension point register". According to the Act of 1957 only (approximately) 305.000 individuals were registered. Although the old age pension provisions in the National Insurance Act did not entitle pension rights to a larger fraction of the population, the number of individuals registered in the files of the National Insurance Administration was therefore dramatically increased.

c. Number of different facts to be collected

To be eligible to pension rights according to the pension system of 1957, one had to satisfy certain conditions set up in the provisions. The number of facts to be collected was, however, not very extensive. With the provisions of 1966 a collection of additional categories of facts was required.

In other words, the National Insurance Act presupposed two dramatic changes in the administration: first, a need for collection and evaluation of a large number of facts, and second, a requirement for complex calculations. This

implied at least two questions: 1) how should the growing administrative tasks be solved - by an increased use of labour or/and by the utilization of technical remedies - and 2) how would the new tasks influence the administrative structure? This again gave rise to the question: To what extent were the administrative questions part of the political debate in the Parliament and the preparatory works in the Ministry of Social Affairs, and to what extent were this regarded as a pure administrative matter for the National Insurance Administration? In other words: who decided or laid down the conditions for the obtaining and the utilization of the computer facilities in the Norwegian insurance administration?

4.0. The handling of administrative tasks

4.1. Political level

The preparatory works of the National Insurance Act started with the appointment of the Pension Committee in 1962. The legal-substantive contents of their report were, however, not approved by the Ministry of Social Affairs. From this stage on the preparatory works adopted the following procedure:

- Letter stating the Ministry's preliminary points of view, sent to different organizations and authorities (07.12.63)
- White Paper to Parliament (St.meld. nr.75, 1963-1964) from the Ministry of Social Affairs with the Ministry's general views on the Scheme, also referring statements from the different organizations and authorities (17.04.64).
- Report (Innst.S. nr. 247 1964-1965) to Parliament from the Parliament's Committee of Social Affairs on the basis of White Paper to Parliament (25.05.65).
- General debate in the Parliament (02.06.65).
- Reports from 11 committees on different questions, two committees with administrative tasks; "The Administration Tax Committee" (February 1964) and The "Administration Codex Committee" (September 1965).
- Proposition from the Ministry of Social Affairs to First Chamber in Parliament (Ot.prp. nr.17, 1965-1966 of 04.02.66).
- Report to First Chamber in Parliament from the Parliaments Committee of Social Affairs (Innst.O. VIII, 1965-1966) on the basis of the Proposition to Parliament from the Ministry of Social Affairs (01.06.66).
- First Chamber debate (09.06.66).
- Second Chamber debate (15.06.66)

- Cabinet's approval of the Act, 17.06.66

The Act went into force by 1 January 1967.

The Pension Committee's administrative considerations concerned only which institution should be responsible for the implementation of the National Insurance Scheme. This discussion had its origin in the relations between "security" and "pensions" (insurance), and will therefore not be further commented on, see page 9.

The Ministry's letter of 7 December 1963 did not contain any administrative standpoints. The emphasis was (naturally) on the legal-substantive principles.

Among the statements from different organizations and authorities on the basis of the Ministry's letter, only the NIA dealt more detailed with administrative matters. Its opinions on the administrative consequences of the proposed calculation system were, however, formulated quite strongly and openly:

"It is obvious, that if the supplementary pensions in the National Pension Scheme shall be a function of income (premium) and time of pension point crediting, one is faced with a registration problem of, up till now, unknown dimensions. Here, the objective must be simplification as far as this may be accomplished, however, without violating the principles of justice and the overall ideas. It is claimed that the premium should be stipulated as a percentage of income. The NIA will strongly advice against this alternative.

An "exact" calculation of premiums and calculation of the basis for pensions, will in this context not be rational, valued in relation to the extra load of work and extremely complicated control that must be

established."

The National Insurance Administration argued instead in favour of an income bracket system similar to the method proposed by the Pension Committee. Their arguments had an administrative basis; a system with individual calculations would be too extensive to administrate.

A part of the statement from the National Insurance Administration is included in the paper presented to the Parliament. In this White Paper to Parliament the Ministry of Social Affairs argued, however, against the NIA's objections by claiming that groups in the income bracket system proposed by the NIA in any case must be made small in order to get a "fair" calculation system. Consequently, their conclusion was that there were no administrative advantages in an income bracket system.

In other words, the arguments of the Ministry of Social Affairs presumed either individual calculations or an income bracket system that resulted in approximately individual treatment (5). A dramatic increase in administrative work was therefore not excluded, though presumed, by the Ministry. The strong objections from the NIA were not further commented on in the context of the quotation from the institution. Neither were mentioned possible administrative solutions nor need for amended administrative procedures. However, in a short section on the administration, some technical

"The National Pension Scheme demands a continual working registration system of considerable dimensions. The Ministry will entrust the connected technical problems to the Insurance Administration without hesitation. The management of the Social Insurance benefits is demanding, even today, a large registration system, and the Insurance Administration has, to a considerable degree, brought modern technical equipment into use. A further expansion of this may ensure an adequate administration of the National Insurance System."

This statement contains firstly an admission of the grave administrative consequences of the reform. Secondly, the Ministry of Social Affairs claims that known technical remedies to a large extent could reduce the increasing load of administrative work. What was the basis of this argument? Why did the NIA make strong objections against the proposed system if they could solve the administrative problems by more intense utilization of known technical remedies?

In the Report from the Parliament's Committee of Social Affairs to Parliament, no comments are made on the statement from the NIA. In the section "Administration" the Committee agrees upon the (traditional) proposed administrative structure. The Ministry's points on modern technical facilities are not commented. It is, however, presumed that the Ministry would return with a more detailed discussion of the administrative propositions in the Ministry's Proposition to the legislature.

The scarce discussions in the two Parliament papers on administrative matters are also reflected in the Parliament's

general debate in which no statements on administrative issues were made. This debate was also characterized by a remarkable degree of consensus on the point of general calculation methods etc.

In 1964, a committee was appointed to consider a rational administration structure for the new National Insurance System. The task was to propose administrative provisions in the National Insurance Act. The Administration Codex Committee was constituted with 3 members from the NIA, 3 members from the Organization of Insurance Funds (local offices) and one member from the Ministry of Social Affairs.

The Committee's recommendations were presented in September 1965. The report's main conclusion was that the new administration structure should be based on the old structure, consisting of a central administration and local administrations in every municipality. In addition, the Committee argued in favour of strengthening the regional offices.

Prior to the National Insurance Act of 1966, the local insurance offices, or "Insurance Funds" as they were called, had a very independent position. Firstly, they were independent subjects of law with an independent economy. Secondly, the local Insurance Funds made, in most cases, decisions concerning long term pensions. The old age pension scheme of 1957 was, for example, almost totally in the hand of each Fund. In this way the 463 local agencies constituted

a decentralized organization, both speaking in terms of geography and discretion.

The question of centralization or decentralization of discretionary power is quite strongly emphasized in the Administration Codex Committee's report. On the one hand it is stressed that decentralized discretion is important in order to retain and improve the service with respect to the citizens. A quote from the Decentralization Committee's report in 1947 is included to strengthen these arguments. On the other hand, the Administration Codex Committee's comments the quotes, including a number of conditions that in fact modifies the point of view in favour of decentralized discretion. First of all it is underlined that the degree of diversification of discretionary power should depend on the size of the local administration and the nature of the administrative procedure. No conclusions were drawn in this discussion - the two sets of explicit arguments in favour of decentralization and the tacitly understood arguments in favour of centralization are presented side by side without further comments.

If one compares the stated conditions with the size of the local insurance offices and actual administrative procedures, one will find the arguments in favour of centralization quite strong: Of the 463 local insurance offices 172 (37%) had 3 employees or less. The number of individuals being the responsible for the local offices varied from 350.000 (in Oslo) to 160 in the smallest municipalities. Previously, the

altered administrative procedures were illustrated by examples from the changed procedures with respect to the old age pensions. With this knowledge, the formulated statements in favour of decentralization tend to appear more like a wish than as a realistic strategy.

The Committee also points out the possibility and desirability to strengthen the regional insurance offices. The stated reason for this alternative is the need for larger administrative units than the local municipality offices. The technical-administrative development is mentioned as one important reason for regional units. The Committee states that such administrative units are necessary in order to utilize computer routines in an economic and rational way. The Administration Codex Committee does not, however, express any opinion on how these computer routines should be organized. On this point is only referred to plans to be worked out by the NIA.

If one regards the constitution of the Administration Codex Committee, the lack of open discussion and conclusions in respect to these problems may not be very surprising. One should expect the 3 members from the local offices to have a rather strong interests in retaining the traditionally strong position of the local insurance administrations. On the other hand, the 3 members from the NIA probably saw the necessity to strengthen the central administration. However, in the final analysis it would be the NIA which, through its preparation of computer systems, laid down the important

conditions for, and to a large extent decided upon, the degree of decentralization of authority. In this situation, it may have been suitable for both parties not to push disagreements to extremes, but rather to state both views without really confronting them.

The different points of view may be traced in the Committee's proposals on administrative provisions. The majority, 3 members from the NIA and the one member from the Ministry of Social Affairs, proposed this formulation of the provision regulating the relations between the NIA and the local offices:

"The National Insurance Scheme according to this Act is administered by the National Insurance Institution with the local agencies mentioned in sections 13-3 and 13-4."

The minority, i.e. the members of the Organization of Insurance Funds, proposed this alternative, indicating a structure of more decentralized authority:

"The National Insurance Institution is administered centrally by the National Insurance Institution and locally by the Insurance Offices" (new designation of the Insurance Funds).

The Administration Tax Committee investigated the division of labour between the National Insurance Administration and the Central Tax Administration (CTA). The report was presented in February 1964. According to this recommendation the CTA should, among other things, undertake certain tasks with respect to establishment of income figures and recovery of premiums.

This Committee underlines the necessity of computer technology and refers to the preparation in the NIA. In number 11 in a survey of the Committee's conclusions, the investigations made by the computer department at the NIA are identified as a reason not to investigate these important questions:

"The Committee has not looked further into the question concerning establishment and disbursement of pensions (locally or centrally), as these questions are closely linked to considerations with respect to computer-systems, that is under investigation in the National Insurance Institution."

The Committee investigations and the continued work in the Ministry of Social Affairs resulted in a **Proposition to the First Chamber of Parliament**, containing draft provisions and preparatory works to a National Insurance Scheme. As to the administrative questions in the Administration Codex Committee report, many of these proposals were referred to in the Proposition. The administrative questions of substance were, however, hardly discussed, with the motivation that the administrative structure could not be defined until the sickness allowance had been incorporated into the scheme. The plan was to incorporate this allowance later, after the first step of the new codex was realized. Important parts of the Committee's report was therefore not further commented on.

The majority proposals on administrative provisions were,

however, included in the Proposition. This was strongly criticized in a letter from the Organization of Insurance Funds of 15.04.66, where it was stated that in the formulation of this provision

"lies the source to a strong administrative centralization that may turn the Insurance Funds into local general offices for the National Insurance Institution."

In the motivation to the administrative provisions the thrust towards a more centralized administration as reflected by the proposed provisions, is difficult to trace. On the contrary - a quote from the White Paper to Parliament is cited giving a rather contrary impression:

"With a view to the National Insurance Administration's locally well developed organization and the experiences obtained from management of the social insurances with tasks of the same character as the ones in the National pension Scheme, one may hardly, in other ways than through the National Insurance Administration and the Insurance Funds ensure, at the same time such a co-ordinated, efficient and inexpensive administration."

On the other hand, the Ministry's Proposition to the First Chamber of Parliament also emphasizes the need for strengthening of the NIA, while an increased workload and a subsequent need for more resources to the municipal offices are not mentioned.

On the point of centralization/decentralization, the immediate understanding of the formulations in the Proposition may therefore seem somewhat confusing. Relative to the approval of the majority's formulation of provision, and the neglecting of the objections from the

Organization of Insurance Funds, it may, however, be claimed that the Ministry of Social Affairs had accepted a more centralized administrative strategy.

The Report from the Committee of Social Affairs to First Chamber of Parliament does not object to the Ministry's proposals with respect to administrative questions.

In the following First Chamber Debate only the Minister of Social Affairs comments on the general administrative questions in some detail:

"The accomplishment of the National Insurance Scheme will require strongly increasing resources of the National Insurance Bodies, and specially (in) the first period when the income graduated National Pensions and graduated disability pensions shall be introduced, the pressure will be considerable."

He also assured the Parliament that the administrative questions could be solved:

"I will also refer to the purchase of computer systems lately undertaken by the NIA. It is those two (6) measures that, as far as I can understand, are the reason for the NIA's director when he in an interview with "Aftenposten" (newspaper) the 6th of this month (june 1966), states that in his opinion, at this point of time, the situation is under control with respect to the realization of the NIA's functions in relation to the National Pension Scheme."

As in the Proposition to First Chamber in Parliament decentralization of authority is stressed:

"An important part of the total national insurance administration is (however) the Insurance Fund. It is

the Insurance Fund which has the direct contact with the insured person, that knows his situation and has the best qualifications to handle his case. In the first time, it will only in a limited degree be possible to delegate discretionary authority to the local bodies, but one must, already from the start, work with the aim that decision power should be placed as close to the insured person as possible."

This last statement places an even stronger emphasis on the importance of decentralization. It may, however, be evident from this statement that a centralization was regarded as unavoidable in a change-over period. The reasons for this centralization were, however, not openly formulated. It is though indicated a need for a strong central administration in order to realize the ideal of equality for the whole country with respect to the decisions under the Scheme.

In the debate in the Second Chamber of Parliament no general administrative questions were discussed.

The National Insurance Act passed Parliament and was approved of by the Government (17 June 1966) with administrative questions (by large) passed in accordance with the Ministry's proposals.

4.2. The computer department at the NIA

Simple column card routines were employed in the National Insurance Administration since 1953, when certain calculation routines in the Industry Worker Insurance were automatized.

In 1964, when the White Paper to Parliament was drafted, the utilization of such remedies was, however, still rather limited. The system consisted of approximately 180.000 column cards with data on different groups of pensioners. The system was utilized at an expence of approximately NOK 130.000 a year. The column card tabulators had a limited capacity and small resources to execute computerizations of pensions and grants.

In 1964 the NIA's column card equipment consisted of rented IBM-machines: 1 tabulator 420, 1 reproducer 519, 1 collator 077, 1 interpreter 552, 1 sorter 083, 1 sorter 082, 3 punchers 026 and 2 verifiers 056.

The main use of these installations was for the production of statistics in order to improve det economic planning of the insurance system.

From 1960 on there was a slight growth in the column card sector at the NIA, with the employment of four people directly connected to the systems. In 1963 the NIA hired a person to stengthen their column card department. The initiative was taken as a result of the technical-administrative tasks of the FTP, undertaken by the NIA in agreement with the Central Trade Union and the Central Employers Organization. This pension scheme would comprise approximately 300.000 employees and made simple calculations of pensions necessary.

From letters and various documents it can be concluded that computer systems were known to the NIA from the middle of

1963. At the turn of 1963, an internal report from the punched card department was presented, discussing the possibilities of utilizing new and modern computer systems for recording and processing data on entitled persons and pension rights in the FTP. The aim was also to make preparations for purchase of such equipment. At this stage computers were something novel to the National Insurance Administration, and the possible aspects were not yet investigated.

The FTP-premium calculations had started in 1962 on a local basis. 65 per cent of these operations were executed by column card tabulators in regional centers or on private machines. This fact made it easier to propose an installation of a central computer system. A large number of local insurance offices were already administering registration routines that could be adapted to computer systems. These routines probably made the local offices acceptable as data suppliers to the central administration. In line with these possibilities, a centralized computer-unit was suggested for the FTP administration.

When the internal report was drafted, the contents of the White Paper to Parliament were known in the NIA, although it was not yet published. The NIA report comments the proposed National Insurance System in a small section:

"There are reasons to believe that the administration of the National Pension System, comprizing both employees and self-employed, will be based on a pension graduated relative to the pensionable income and his total period of time resulting in pensionable income.

If so, this period must be registered for each single member in the same way as mentioned in connection to the FTP. In addition, the income situation must be registered.

From a technical point of view this registration should on the whole be similar to the FTP registration, with the difference, however, that the National Pension System will be on a far greater scale. One must probably take into account about 1.2 mill. members.

It will be even more inconceivable to register this pension system based on manual registers than what previously have been stated concerning the FTP. With the current number of members, the registering could probably not be achieved done without the assistance of computer systems."

This internal report from December 1963 may present a picture of an administration which had realized the possibilities of utilizing computers, and the necessity to take these systems into use in order to overcome the comprehensive tasks indicated in the proposals in the White Paper to Parliament on a National Insurance Scheme. Special preparations for this reform had not started at this time. However, on the basis of the FTP arrangement in particular, and the socio-political and technical developments in general, steps were taken in order to purchase computers and bring them into operation in the long term benefits sector.

In the summer of 1965 the institution made an invitation for estimates on the purchase of computer systems to the NIA. In these estimate documents is also included a description of the planned computer system. This description shows rather limited plans, comprising only

- register of members of the National Insurance Scheme
- register of pensioners

- production of post giro cheques for pensions
- computerized accounting systems
- statistics

The calculation of pensions was, in other words, not included in the emissioned tasks for the computers at this stage. This, however, is not surprising. First of all, the provisions were not yet posed in its final form. For the NIA, it was therefore impossible to plan the programs for these calculations. Moreover, the Swedish ATP system was started without a computerized calculation of pensions, only utilizing manual routines. Even if the NIA regarded computer registers as a necessity for running the National Insurance Scheme (confr. the quote above), this does not imply that computerized calculations were regarded as an absolute condition at this stage.

In a report dated 4 April 1966 the NIA presents a draft computer system for the National Insurance Scheme. In this report the following procedures were planned to be executed by means of computers:

- calculations
- recording
- production of post giro cheques
- accounting
- statistics

From the report it appears that plans to include calculation procedures were not introduced until the winter/spring of

1966. With respect to the heavy administrative tasks which the calculations would have implied this may seem a somewhat surprising. What is important in this context is, however, to stress that the realization of possible computer utilizations was a stepwise process with no ready-made conclusions.

This draft computer system comprised (with unimportant exceptions) only long term benefits, first of all old age and disability pensions. In other words, only benefits in the new codex and calculated according to the new calculation system of which calculations of old age pensions was a basis were included. Benefits constituted on the terms of fixed amounts or on the basis of discretion were regarded as unsuited for the computer system.

The plan for utilization of computers in the administration of long term benefits was drawn up according to the same centralized principles as in the FTP-plan, turning the local Insurance Offices into "data-suppliers" in the administrative procedure. Therefore, emphasis was put on routines for data collection to ensure satisfactory data quality in the central computer system. One important proposal in this connection was a draft "basic form" in which all relevant and necessary information was contained in a structured way. Forms were nothing novel in the National Insurance Administration, but the amount of data and the way in which the basic forms were integrated into the computer system gave them a new and rather central position.

The dramatic change in the utilization of technical remedies caused by the proposed computer system may be illustrated with an extract of accounts, item for column cards and computers in the annual accounts of the NIA:

1964	NOK	127.298,-	
1965	NOK	113.569,-	(- 11 %)
1966	NOK	1.212.446,-	(+ 968 %)
1967	NOK	2.272.660,-	(+ 87 %)

In this context, the account figures for computers will not be discussed in detail. In 1966, preparations in the computer department resulted in a considerable increase in computer and column card expenses. This growth continues through 1967 when the National Insurance Scheme was established. In the same period, the number of employees in the administration shows these figures :

central administration (NIA) :

1964 : 276
1967 : 365 (+ 32 %)

local administration (7) :

1964: 3885
1967: 3975 (+ 2 %)

The figures show a growth in the number of employees both in the NIA and locally. This increase is, however, quite modest compared to the figures for the increased load of work in the administration. The computers and column card figure show

that technology carried most of the additional work caused by the new principles of benefits and calculations.

5.0. The influence of the computer department on the preparatory works of the Act

The documentation on this issue is modest. The sources available are first of all an appendix to the draft computer system, where a number of decision-tables are included. This document may show how the department analysed the different provisions. In addition, some letters and internal notes from the NIA and the Ministry of Social Affairs may contribute to the understanding of these questions. As a supplement, interviews with individuals involved in the preliminary works will be added (8). The sparse documentation prevents a comprehensive analysis of this issue. The interpretation must therefore be limited to partial conclusions.

The Proposition to the First Chamber of Parliament was presented on 4 February 1966, and the draft of the computer system from the computer department was available on 4 April 1966. This shows a parallel between the preliminary work in the Ministry and the drafting of the computer system in the NIA, and indicates that the computer department has influenced the Ministry.

According to interviews, the involvement of the computer

department started its more intensive phase in 1965. This may be confirmed by letters from the NIA to the Ministry. Recollections from both parties indicate also that most of the contact between the Department and the Ministry took the form of telephone conversations. This is also claimed to be the cause why the documentation on these matters is so sparse.

First of all, it seems obvious that the first and principal draft of the provision was formulated by the Ministry without consulting the NIA and with no computers in mind. When the drafts of the different provisions were edited in the form of more or less complete documents, for instance chapters, these were sent to the NIA for comments.

In a letter of 25 April 1966, the complete draft was commented in detail by the NIA. It is, however, impossible to say what role the computer department played in the drafting of this letter, and the criticism and suggestions made there. Some suggestions may, however, be made on the basis of an analysis by decision tables, letters, recollections and a general knowledge from other sources.

The analysis of the computer department in the form of decision tables represented a thorough study of the draft provisions. This method implies a fragmentation of each rule, thereby producing an easier overview of the contents of the rules. To reproduce the calculation rules as computer programs, it is necessary, in order to establish a

rational and reasonable efficient administration, to present every possible factual situation in the program. The fragmentation by virtue of decision tables, enabled the computer department to analyse the proposed provisions and thereby to reveal defects and "holes". In this way the programming may be regarded as a "quality control", focused on consistency of the rules.

This method also made it easier to study the interrelations between the rules. From the comments of the NIA on the proposed provisions, one may derive a tendency to demand a consistent scheme with benefits as far as possible constructed according to the same pattern as other benefits. This interest may simply be explained from the fact that the less variation, the simpler and cheaper the programs and computer procedures. One may also discover a thrust for stability in the provisions, because alterations in the program were regarded as quite a demanding job. This resulted, for one thing, in a demand of the basic amount to be altered only once a year:

"Every time the basic amount is altered, one must re-calculate most grants and warn the individual entitled person of the altered sum. The resulting comprehensive administrative work makes it required not to alter the basic amount too often."

The computer programming is in several cases put forward as an argument to rush the preparatory works. Programming could be done only after the provisions were posed. This implied that it was necessary to complete the preliminary work well in advance of the provisions coming into force. From letters

from the NIA to the Ministry of Social Affairs, it is made clear that these demands imposed time pressure on the Ministry. In a letter dated 21 September 1966 from the NIA (approximately three months before the Act came into force) concerning the interpretation of one central provision in the chapter on old age pension, the final phrases may be representative for the situation:

"The program-schedule and the computer facilities is dependent on the result of this inquiry, and one is therefore grateful for an immediate answer".

6.0 Discussion of the relations between political, administrative and technical elements in the study

In this section some interpretations of the findings in the study will be discussed. The expositions will address the relations between the National Insurance Scheme in general, but with a special focus on questions concerning centralization/decentralization of authority and computers as a strategy for administrative cost reduction.

A consideration of the development of the National Insurance Scheme and the development of computer facilities may lead to the impression that the political and technical dynamics seem to run parallel. From this point of view, it is likely to question the relation between the two branches of development. This brief investigation may illustrate this point.

6.1. Computer systems as a premise for the National Insurance Scheme

Computer facilities were developed and became a part of the Norwegian commercial market in the early 60'ies. At the same time, the individual calculations of supplementary pensions were qualified as the "fair" computation method in the Norwegian social debate. The new computer facilities had the potential to realize these new socio-political ideas; fast manipulations of comprehensive volumes of data. This leads us to ask: Did these technical and administrative

possibilities have an impact on the socio-political debate in a way which may justify them to be qualified as contributing factors on a substantive legal level?

First, it must be emphasized that it is not likely that the idea of individual computations is promoted in any direct way by the technical development. The ATP-debate in Sweden started as early as in 1955, in other words, at a stage where computers were still in its infancy and therefore probably represented no direct influencing factor. The fact that the ATP started out on a manual basis, may also make this point of departure reasonable. Our question here is therefore only whether it is likely that the existence of computers was a factor influencing the Norwegian debate. This approach may again be split into two questions: Firstly, did these systems have an impact on the acceptance of individual calculations in the first phase of the political debate? And secondly: did computers have an impact on the contents and formulation of provisions after the main principles were laid down?

6.1.1. Computers as a contributing factor in the acceptance of individual calculations

The investigation of relevant written sources on the political level shows that computer remedies are not mentioned, neither in the preliminary works of the National Insurance Act nor in the general debate in the Parliament.

The first mention of computers on political level is found in a statement from the Minister of Social Affairs in the First Chamber debate, June 1966, i.e. 1 1/2 years after the principles were laid down.

The Minister's statement on "modern technical equipment" already utilized by the NIA, (see page 21) cannot be regarded as a reference to computer facilities. The NIA's internal report of 1963 shows that computers were something new to the institution at the time of the statement, and consequently not in use so far. What may be concluded from the statement, is that the Ministry regarded intensified utilization of column card tabulators as an administrative presupposition for the reform.

In the cited report, the NIA declares that the Insurance Scheme could not be administered with the use of column card tabulators, and that computers were an absolute necessity. This is certainly not a definite truth. One may claim that the National Insurance Scheme probably would have become a reality even without computer facilities. Both the Norwegian political and economical situation in the 60'ies makes this probable. On the other hand, high administrative costs may have created a pressure on the Scheme, with an impact on the speed and extent of development of the social insurances.

The fact that no reference to computer technology is made in the written material from the preliminary works of the Act, or mentioned in Parliament as late as June 1966, makes it

probable that the introduction of the individual calculation system in itself not was justified by knowledge of these possibilities. Interviews with central persons in the preliminary works, consolidate this hypothesis. In addition, internal reports from the NIA show that the Institution gained knowledge of these new facilities through a small group's investigations. These findings were presented in a report in December 1963, i.e. at a time when the Ministry of Social Affairs already had presented their basic points of view.

On the basis of the sources available, one should not completely exclude the possibility that computers represented factors contributing to the political motivation in the choice of insurance system. The interpretation that computers did not have such influence may, however, be claimed to be the most likely conclusion.

Quite another question is if the computer facilities had an influence on the drafting of provisions after the choice was made and principles determined.

6.1.2. The computer department at the NIA and its influence on the preparatory works of the Act

Although the written sources on this point are sparse, it may be concluded that the computer department of the NIA had an influence on the preliminary work. First, it must be

stressed that this influence did not occur until the last phase of the work. Also, the written sources do not indicate any decisive impact on any main issue - amendments brought forth by the department in the form of suggestions seem to be on a detailed level. As for inquiries into the detailed interpretation of provisions, they may have initiated important changes. The available written material does not, however, give a basis for assumptions on the strength of this influence.

One general point may be deduced from the available sources that probably are relevant to all preliminary works to acts that is presumed to be administered by a computerassisted system: - The programming itself will often reveal "holes" and inconsistencies in the proposed provisions before the provisions are put into force. If this is true, it will improve the preparations.

On the other hand, the decision tables may be regarded as necessary procedures in order to make the computerized system acceptable. - The detailed preparatory work may be claimed to be a necessary step for accepting the rigidity with respect to amendments in such systems.

Another point not studied as such here, but with close links to the material, is the relation between the professional authorities of the Ministry of Social Affairs and the NIA. The computer facilities are a powerful tool when contents and consequences of proposed rules are to be investigated. This

is especially true in very complex insurance schemes like the Norwegian. It may therefore be suggested that the introduction of new calculation principles and the resulting introduction of computers in the NIA (accessed only by the institution itself), shifted the professional authority in favour of the NIA with respect to subsequent legal and substantive preliminary work of social insurance bills. The investigated material may lead to this hypothesis.

6.2. Administrative cost reductions

On the political level, our investigation may also show the absence of efficiency arguments in terms of cost reduction. In the 50'ies, administrative cost reduction was a common element in the socio-political debate. In 1954, this argument, among others, represented one important objection against the means test in the Old Age Pension Scheme of 1936. It may therefore seem surprising that no such objections were made when a new and extremely comprehensive socio-political task was put forward in 1962/63.

To illustrate this point it is important to be aware of the altered economical situation. In the early 1960'ies, the national economic growth was increasing and the national reconstruction of industries after the war had been accomplished. In the preparatory works of the National Insurance Act, a steady increasing standard of living was therefore presupposed. In this situation, arguments in

favour of administrative cost reductions were hardly compelling. In addition, the National Insurance Scheme had become a national secured task identical with the realization of "welfare society", guarded by a broad consensus between almost all political parties. In this situation, serious objections based on administrative cost reductions may not have been politically feasible.

On the institutional level within the NIA, rationalization was mentioned in December 1963 as a result of utilization of computer technology, though this was not emphasized. From the internal reports one may get the impression that the reasoning within the NIA started with the realization that computers were a necessity for carrying out the new administrative procedures, and second, subsequently realizing that these computers in the long term would also lead to rationalization and cost reductions. Later on, in 1965, when the plans for the computer system were presented, possible cost reductions were emphasized in a much more open and direct way. So there emerges an impression of a change of attitude to the issue.

Two probable explanations may be suggested. Firstly, it is probable that the NIA had gained a broader knowledge of and insight into the possibility of computer utilizations during the 18 months of study in the computer department. It is therefore only reasonable that chances of cost reduction is more strongly focused in 1965 than in December 1963. Secondly, in the summer of 1965 the decision to purchase a

computer system was not yet made. Parts of the central authorities argued against such a purchase to the NIA, and suggested instead that spare capacity in the Central Bureau of Statistics should be utilized. It is possible that this situation may have brought about a stronger awareness in the NIA of the rationalization possibilities in order to strengthen their arguments in favour of purchasing computers to the institution.

6.3. Centralization/decentralization

Both the Ministry of Social Affairs and the Parliament realized the necessity to strengthen the National Insurance Administration. Central Authorities did not, however, interfere with the way through which the NIA met the new administrative challenge. Traditionally, the administrative structures of the insurance administration were an issue of discussion in preliminary works of different social insurance bills. Previously, a special emphasis was placed on the questions of concentration/deconcentration. In line with this, the qualities of a decentralized insurance administration were accentuated in the White Paper to Parliament in the spring of 1964.

The administrative tasks given to the NIA, and the resulting introduction of computer facilities, could be solved only by a more or less centralized administration. Roughly speaking, the stage of technical development made it

necessary to make large central facilities for the data processing and register maintenance in an integrated and controllable way. A decentralized local or regional administrative procedure with respect to long term benefits using computer systems should therefore probably be regarded as almost unthinkable at this time.

In the administrative procedure for long term benefit, one may (roughly) split the operations into four categories: Interpretation of provisions, collection of relevant facts according to the interpretation of the provisions, assessment and subsumption of the collected facts according to provisions; and calculation of benefits in accordance with the interpreted provisions. Before the National Insurance Act came into power, all these operations generally took place at the local Insurance Offices. With the National Insurance Scheme and the computerassisted administration of the Scheme, most tasks were moved centrally to the NIA.

Firstly, all interpretations of provisions with regard to relevant factual information took place exclusively in the NIA. The "basic forms" must in this connection be regarded as a formularized way of instructing the local administration in order to make them comply with the factual part of these interpretations. The structuring of facts in the "basic forms" may, however, also be regarded as a means to restrict the freedom of the local authorities in the assessment and subsumption of facts. The final decision on the basis of the information collected locally is made centrally by "feeding"

the facts into the programs in the computer system.

These changes in discretionary power were made because it was regarded as the only rational way of organizing the administrative work. It may be claimed that the qualities of the administrative tool adopted by the NIA dictated this centralization of authority.

From the preliminary works of the Act one gets the impression that the general political desirability of decentralized authority retreats in favour of the administrative necessity of centralization. In other words: The political level defined the organization of administrative procedure as a pure technical question, solved within the existing organizational framework. The way these administrative requirements were met - with the utilization of one central computer system - did not, however, organize only administrative procedures within the known organizational frames, but reorganized this work and introduced a complete new division of labour between central and local authorities.

Centralization of authority was probably a hot political issue. This could at least be claimed if one regards the statements in the preparatory works. However, even if these questions were accentuated through the Administration Codex Committee's report, centralization/decentralization did not become a political issue in the last rounds of the preparatory works. On the background of distinct disagreements between the central authorities (the NIA and the Ministry of

Social Affairs) and the local insurance authorities, represented by members from the Organization of Insurance Funds, the form of the section "Administration" in the Proposition to the First Chamber of Parliament in 1966 is worth noticing. Here, decentralization is quite strongly emphasized, leaving the impression that no basic change in the administration structure was envisaged. In the report by the Minister of Social Affairs to the First Chamber of Parliament, the possibility of centralization effect is quite openly admitted, but in combination with a strong emphasis of the importance and the long term objective of decentralization. In this way, a transient period of centralization was identified as necessary to realize the National Insurance Scheme. Summing up, one may maintain that the resulting centralization of the Norwegian insurance administration was achieved without political debate.

To give a true picture of the situation, one should remember that the 60'ies were in many ways a decade of centralization and trends towards larger administrative units. On this background one may therefore question whether the centralization of the National Insurance Administration was a critical political issue. On the other hand, although there were important political tendencies in favour of centralization, there were still strong political groups in Parliament being in favour of decentralization. These questions must therefore probably be appraised on the background of a strong desire for a political consensus and a calm atmosphere on the legal substantive level in the

National Insurance Scheme debate. (9) Especially in the last phase of the preparatory works of the Act, one may trace nervousness in the Ministry of Social Affairs because of the objections and expressed wishes of different institutions conflicting with the plans of the Ministry. (10) In that context, it was wise to avoid direct confrontations in the matter of centralization.

This investigation has first of all addressed the questions concerning computers and administrative consequences. Nevertheless, in the context of centralization/decentralization it is important to identify other reasons for the centralization of the National Insurance Administration. It may be claimed that the centralization process would have been started independently of computer remedies.

In the change of the very principles of social insurance lies, probably, the seeds to larger administrative units. The reasons for this hypothesis is the introduction of completely new principles and the complexity in the provisions of the Act. If one regards the 37 per cent of the local offices with less than 3 employees, these offices would most likely be confronted with grave problems as to the administration of such tasks. These conditions would therefore probably give rise to strong arguments in favour of regional centralization and efficient central control through instructions and guidelines. This would at least be the result if one presumes that the ideal of equality in every part of the country represents the overall priority.

Footnotes :

1)

There are cultural and political differences between Norway and other countries that may be reflected in the handling of the language. In Britain, old age pensioners have become "senior citizens" entitled to "senior citizens allowance" and are in this way "relieved" from being addressed "old age pensioner" which some people regards to be derogatory. In Norway, no negative associations have been connected to this phrase. From this reason, and because this report deals with historical material were some words have their own special significations, we will use the "old age pensions" designation and let the "senior citizens" rest.

2)

Mr. Skogly, the Labour Party's principle spokesman in the Parliament's general debate, 21.06.65 :

"While we have gradually removed many class distinctions in this country and created a greater sense of equality, we do still in this area have an economic class distinction, a manifest distinction between two groups - on the one hand they, who, by virtue of better economy or as members of pension funds, have pension arrangements enabling them to keep their standard of living also after reaching the pension age, and, on the other hand, the by far larger group, existing on a lower level and a strong reduction of their standard of living as pensioners. By the National Pension Scheme we also remove this class distinction."

3)

Illustration of the income bracket system suggested by the Pension Committee:

Income group	Income NOK	Pension rate	Supplementary pensions, NOK 2000 weeks	2600 weeks
2	6001-8000	0,60	1200	1560
3	8001-11000	1,20	2400	3120
4	11001-14000	1,80	3600	4680
5	14001-18000	2,40	4800	6240
6	18001-22000	3,00	6000	7800
7	22001-26000	3,60	7200	9360
8	26001-	4,20	8400	10920

Income less than N.kr. 6001,- did not entitle supplementary pension rights. Pension calculations were suggested executed on the basis of the best half of the premium payment period.

4)

Except the Communist Party, which was in favour of flat rate pensions. The party lost, however, their last Member of Parliament in the 1961 Parliament elections.

5)

This point of view was clearly expressed by the Minister of Social Affairs, Mr. Aarvik in the First Chamber debate in June 1966:

"It has been a part of the objective for this proposal, here submitted for consideration, that one should avoid making so called thresholds which always will be discriminating for the ones that do not come on the right side of the threshold."

6)

The other measure mentioned in this quote was temporary extra employment.

7)

With regard to the figures for employees in the local administration, about 25 per cent of the employees were occupied with recovery of premiums etc. A part of these tasks were taken over by the Central Tax Administration, but the remaining recovery work for the local insurance offices were still so comprehensive that only a minor part of the employees could be moved over to other sectors.

8)

Mr. Gunnar Aas, the Computer Department, NII
Mr. Sverre Salvesen, the Computer Department, NII
Mr. Mangne Langholm, Ministry of Social Affairs
Mr. Per Ramholt, Ministry of Social Affairs

9)

In the mass media and on a more rethoric level, the confrontations were, however, often strong with regard to which political party should have the honour of the National Insurance Scheme. In the 1965 Parliament elections, for example, Labour's Minister of Social Affairs stated that if the Conservatives/Liberals won the elections, there would be no Insurance Scheme (the conservatives/liberals won the elections).

10)

In 1965 the demand for a pension age of 65 years put the Insurance Scheme proposals in hazard at the eleventh hour. Internal notes from the Ministry of Social Affairs indicate that the Ministry feared such a development and therefore tried to moderate or even stop proposals with this thrust.

Literature :

Books:

Kjønstad, Asbjørn (editor); Folketrygden i støpeskjeen, Universitetsforlaget 1984
Kuhnle, Stein; Velferdsstatens utvikling, Universitetsforlaget, 1983
Pettersen, Per Arnt; Linjer i norsk sosialpolitikk, Universitetsforlaget 1982
Seip, Anne-Lise; Om velferdsstatens framvekts, Universitetsforlaget 1981

Parliamentary papers etc.:

Report from the Pension Committee of 1962
Letter of 07.12.63. with the Governments general points of view
Kgl.res. of 26.01.62
St.meld. nb.21, 1960-1961
St.meld. nb.54, 1960-1961
St.meld. nb.60, 1960-1961
St.meld. nb.75, 1963-1964
Ot.prp. nb.17, 1965-1966
Ot.prp. nb.39, 1965-1966
Innst. S. nb. 247, 1964-1965
Innst. O. nb. VIII, 1965-1966
Tidende S. 1964-1965, 21.06.65
Tidende O. 1965-1966, 09.06.66
Tidende L. 1965-1966, 15.06.66

Papers from the NIA and different committees:

- "Computer facilities in the National Insurance Administration, report in connection with purchase of such facilities", NIA 05.12.63.
- Report from the Tax Administration Committee, Oslo 05.02.64.
- Report from the Administration Codex Committee, Oslo, september 1965
- Report in connection with tenders for computer systems, NIA 1965
- Draft of the computer system at the NIA, NIA 04.04.66

The quotes in Norwegian, consecutively :

1)

"Mens vi etterhvert på mange områder har fjernet mange klasseskiller her i landet og skapt større likhet, har vi her på dette området fortsatt et økonomisk klasseskille, et klart skille mellom to grupper - på den ene side de som i kraft av sin bedre økonomi eller som medlem av en pensjonskasse har pensjonsordninger som gjør at de stort sett kan bibeholde sin levestandard også etter oppnådd pensjonsalder, og på den annen side den lagte større gruppen som er henvist til et lavere nivå og en sterk senkning av levestandarden som pensjonist.

Med folkepensjonen fjerner vi også dette klasseskillet."

2)

"Ved folkepensjonen tar en sikte på å sikre trygghet for den standard den enkelte har bygd opp i sitt yrkesaktive liv.

Med den målsetting som er skissert for folkepensionsordningen gir det seg selv at at pensjonene vil variere med den inntekt den enkelte har i sin yrkesaktive periode."

3)

"§2

1. Ektefeller tilkommer ektefellepensjon dersom begge ektefeller har fylt 70 år og minst en av dem også ellers fyller vilkårene i §1." (insured person conditions)

.....

"2. Personer som ikke får ekteparpensjon etter reglene i nr.1, tilkommer pensjon for enkeltperson når de fyller vilkårene i §1."

4)

§7-2

1. Rett til grunnpensjon har den som har vært trygdet sammenlagt i minst tre år etter fylte 16 år og før fylte 70 år. Kalenderår hvori vedkommende er blitt godskrevet pensjonspoeng, regnes i denne forbindelse som et helt år.

2. Full grunnpensjon utgjør

a. grunnbeløpet, jfr. §6-2, dersom pensjonisten er ugift eller har ektefelle som ikke oppbeholder alderspensjon eller uførespensjon,

b. 75 prosent av grunnbeløpet, dersom pensjonisten har ektefelle som oppbeholder alderspensjon eller full uførespensjon. Oppbeholder pensjonistens ektefelle uførespensjon som er nedsatt etter reglene i §8-5, skal grunnpensjonen være lik grunnbeløpet med fradrag av et beløp som skal utgjøre 25 prosent av grunnbeløpet multiplisert med graden av nedsettelse i ektefellens ervervsevne.

3. Full grunnpensjon ytes til den som har vært trygdet i minst 40 år. Har vedkommende vært trygdet i mindre enn 40 år, utgjør grunnpensjonen en forholdsmessig del av full grunnpensjon. Uten hensyn til bestemmelsene i nr. 1 legges for person som nevnt i nr. 2 bokstav b ektefellens trygdetid til grunn hvis den er lengst. Denne trygdetid beholdes etter ektefellens død, med mindre vedkommende inngår nytt ekteskap.

5)

§7-3

1. Rett til tilleggspensjon har den som er blitt godskrevet pensjonspoeng for minst tre år.

2. Til den som er blitt godskrevet pensjonspoeng for minst 40 år, ytes tilleggspensjon med 45% av det beløp som framkommer ved at grunnbeløpet multipliseres med sluttpoengtallet, jfr. tredje ledd.

Til den som er blitt godskrevet pensjonspoeng for færre enn 40 år, ytes forholdsmessig redusert tilleggspensjon.

Sluttpoengtallet er gjennomsnittet av de 20 høyeste poengttall som er godskrevet den trygdede. Er vedkommende godskrevet pensjonspoeng for færre enn 20 år, er sluttpoengtallet gjennomsnittet av samtlige poengttall som er godskrevet vedkommende.

3. Hvis to ektefeller begge har rett til alderspensjon, skal hver ektefelles tilleggspensjon beregnes etter bestemmelsene i nr.2, dog slik at poengtallet for de enkelte år økes med 1 for den av ektefellene som er godskrevet pensjonspoeng for færrest antall år. Det regnes likevel ikke med høyere poengttall enn 7 for noe enkelt år. Er begge ektefeller blitt godskrevet pensjonspoeng for samme antall år, økes hver av ektefellenes poengttall med 0,5.

Bestemmelsene i foregående ledd gjelder tilsvarende hvis den ene ektefelle har rett til alderspensjon og den annen ektefelle har rett til uførepensjon."

6)

"Det er uten videre klart at dersom folkepensjonen (tilleggspensjon til alderstrygden) skal være en funksjon av inntekt (premie) og opptjeningstid, så står man overfor et registreringsproblem av hittil ukjente dimensjoner. Her må man ta sikte på forenkling så langt den kan gjennomføres, dog uten å gjøre brudd på rettferdighetsprinsippet og målsetting. Det har vært hevdet at premien bør fastsettes som prosent av inntekt. Rikstrygdeverket vil sterkt advare mot at dette alternativet blir brukt.

.....

En "nøyaktig" premieberegning og beregning av pensjonsgrunnlag vil i denne sammenheng være lite rasjonell sett i relasjon til det merarbeid og uhyre kompliserte kontrollarbeid som ellers må etableres."

(26.02.64)

7)

Fra sosialminister Aarviks innlegg i Odeltings-debatten,

09.06.66, side 259:

"Det har vært noe av målsettingen for det forslaget departementet fremmer, at man skulle unngå å få såkalte "terskler", som alltid vil være diskriminerende overfor dem som ikke alltid kommer på den rette siden av terskelen."

8)

"Folkepensjoneringen vil kreve et kontinuerlig arbeidende registreringsapparat av meget store dimensjoner. Departementet har ingen betenkeligheter ved at løsningen av de hermed sammenhengende tekniske problemer blir overlatt trygdeadministrasjonen. Allerede idag krever forvaltningen av de sosiale trygder et stort registreringsapparat, og trygdeadministrasjonen har i betydelig utstrekning måttet ta i bruk moderne maskinelt utstyr. En videre utbygging av dette vil kunne sikre en forsvarlig administrasjon av folkepensjoneringen".

(side 54, under avsnitt VIII Administrasjon)

9)

"Folketrygden etter denne lov administreres av Rikstrygdeverket med de i §§13-3 og 13-4 nevnte lokale organer".

10)

"Folketrygden administreres sentralt av Rikstrygdeverket og lokalt av trygdekontorene.
..... I hvert fylke skal det være en trygdenemd, jfr. §....."

11)

"Utvalget har ikke kommet nærmere inn på spørsmålet om fastsetting og utbetaling av pensjoner (lokalt eller sentralt), da disse spørsmål er nøye knyttet til overlegninger vedrørende EDB-system som er under utredning i RTU."

12)

"Med tanke på det lokalt godt utbygde apparat som trygdeadministrasjonen har og den erfaring som den har ervervet gjennom forvaltningen av sosiale trygder med oppgaver av samme art som folkepensjoneringen vil by, kan man neppe på annen måte enn gjennom RTU og trygdekassene sikre seg en samtidig så samordnet, effektiv og billig administrasjon."

13)

(side 264)

"Gjennomføringen av den nye folketrygden vil stille sterkt økte krav til trygdeorganene, og især den første tiden framover når den inntektsgraderte folkepensjon og dens

graderte uførespensjon skal innføres, vil jo belastningen bli meget stor."

14)

(side 260)

Først ble administrative problemer p.g.a. 25% uføresgrense kommentert.

"Jeg viser også til den anskaffelse av databehandlingsmaskiner som er foretatt i Rikstrygdeverket i den senere tid. Det er disse to foranstaltninger som så vidt jeg forstår, er bakgrunnen for at Rikstrygdeverkets direktør i en samtale med "Aftenposten" den 6 ds. uttaler at han mener å ha situasjonen under kontroll når det gjelder gjennomføringen av Rikstrygdeverkets oppgaver i forbindelse med folkepensjoneringen."

15)

"Et vesentlig ledd i trygdeforvaltningen er imidlertid trygdekassen. Det er trygdekassen som har den nære kontakt med den trygdede, som kjenner hans forhold og har de beste forutsetninger for å tilrettelegge hans sak. I den første tid vil man bare i begrenset utstrekning kunne delegerer avgjørelsesmyndighet til de lokale organer, men man må allerede fra starten arbeide med det for øyet at avgjørelsesmyndigheten skal ligge så nær de trygdede som mulig."

16)

"Det er grunn til å tro at den folkepensjoneringen det arbeides med og som skal omfatte både arbeidstakere og ikke-arbeidstakere, vil bli basert på at pensjonen blir gradert etter inntekt og tjenestetid. For det enkelte medlem må da tjenestetiden registreres tilsvarende som ble nevnt foran for FTP. I tillegg må også inntektsforholdene registreres.

Teknisk skulle registreringen her bli stort sett den samme som for FTP, dog med den forskjell at folkepensjonsordningen vil ha et vesentlig større omfang. Antakelig må en regne med omkring 1.2 mill. medlemmer.

En registrering i manuelt register vil for denne pensjonsordningen være enda mere utenkelig enn som foran nevnt for FTP's vedkommende. Med en medlemsmasse av det omfang det her er tale om, kan registreringen neppe løses uten ved hjelp av EDB-maskiner."

17)

"Hver gang grunnbeløpet endres må man regne om de fleste ytelser og varsle den enkelte stønadsmottager om det nye beløp. Det store administrative arbeid som følger, gjør det ønskelig at grunnbeløpet ikke endres for ofte."

18)

"Systemopplegget for EDB-anlegget er avhengig av resultatet

av denne henvendelse, og en er derfor takknemlig for et hurtig svar."

Tidligere utgitt i skriftserier CompLex

CompLex 1/81

Johs Hanser

Et EDB-system for analyse av rettslige avgjørelser

CompLex 2/81

Johs Hanser (red)

Notater om deotiske systemer

CompLex 3/81

Vidar Sørensen

Informasjonssystem mm for Norges Geotekniske Institutt

CompLex 4/81

Kjetil Johnsen

Systemtekniske konsekvenser av persordatalovgivninger.

CompLex 6/81

Marit Thorvaldser

Teledata og rettsinformasjon

CompLex 6/81

Anne Kirsti Brække

Postmonopolet

CompLex 7/81

Knut S Selmer (ed)

The LAWDATA Papers

CompLex 1/82

Norsk forening for jus og edb & Sverksa foererirger foer adb ocl juridik

Nordiske personregisterlover, Council of Europe Convention and OECD guidelines

CompLex 2/82

Harald Brønd og Vidar Sørensen

Oljevern: Brukerbehov og kildemateriale

CompLex 3/82

Jor Birg og Dag Frøytad

Rettskildebruk

CompLex 4/82

Thomas Prebenser Steer

Post- og televerkets regulerte ansvar

CompLex 5/82

Datatilsynet

Årsmelding 1981

CompLex 6/82
Birger Eckhoff
i samarbeid med Jon Bing, Dag Frøystad og Arja Oskamp
CATTS: Computerized program for teaching text retrieval systems

CompLex 7/82
Jon Bing
Informasjonssystemer for Trygderettens kjennelser

CompLex 8/82
de Mulder, Oskamp, van der Heyden og Gubby
Sentencing by computer: An experiment

CompLex 9/82
Colin Tapper
An experiment in the use of citation vectors in the area of legal data

CompLex 1/83
Arve Føyer
Utredning om endringer i personregisterlover.

CompLex 2/83
Stein Schjølberg
Computers and penal legislation

CompLex 3/83
John S Gulbrandsen og Terje Hoffmann
Rettigheter i idrettsarrangementer

CompLex 4/83
Sally Moor and Arja Oskamp
The Law of Legal Information Systems: Two essays

CompLex 5/83
Datatilsynet
Årsmelding 1982

CompLex 6/83
Olav Torvund
Betalingsformidling

CompLex 7/83
Else Rye
Lov og lovmottaker

CompLex 8/83
Daniel Stripiris
Probability theory and circumstantial evidence

CompLex 9/83
Frede Cappelen
Edb/basert informasjonssystem for forvaltringens praksis

CompLex 10/83
NORDIPRO
Legal acceptance of international trade data

Complex 11/83

Jørgen Hafstad og Thomas Prebensen Steer
Teleksrett og merverdiavgift på programvare

Complex 12/83

Kristin Kjelland-Mørdre
Om forenkling av regler

Complex 13/83

Jor Bing
Edb: Muligheter og problem ved forenkling av regelverk

Complex 14/83

Tarjei Steresaasen (red)
Utvalgte emner i jus og edb (3. utg)

Complex 15/83

Arette Klafstad og Ulf Alex. Samer
Plan for et forsikringsrettslig informasjonssystem

Complex 1/84

Jor Erling Skjørshammer
Kabelnett: Bygnings- og ekspropriasjonslov

Complex 2/84

Tore Andreas Hauglie og Dag Wiese Schartum
Forslag til et helserettslig informasjonssystem

Complex 3/84

Justisdepartementet
Der elektroniske grunnbok

Complex 4/84

Datatilsynet
Ærsmelding 1983

Complex 5/84

Tove Fjeldvig
Tekstsøking: Teori, metoder og systemer

Complex 6/84

Jor Bing
Offentlighetsloven og edb

Complex 7/84

Gunnar Bach, Beate Jacobson and Vidar Stensland
The National Social Insurance System of Norway

Complex 8/84

Dag Frøystad
Data Protection in Practice I
Identifying and Matching Elements

Complex 9/84

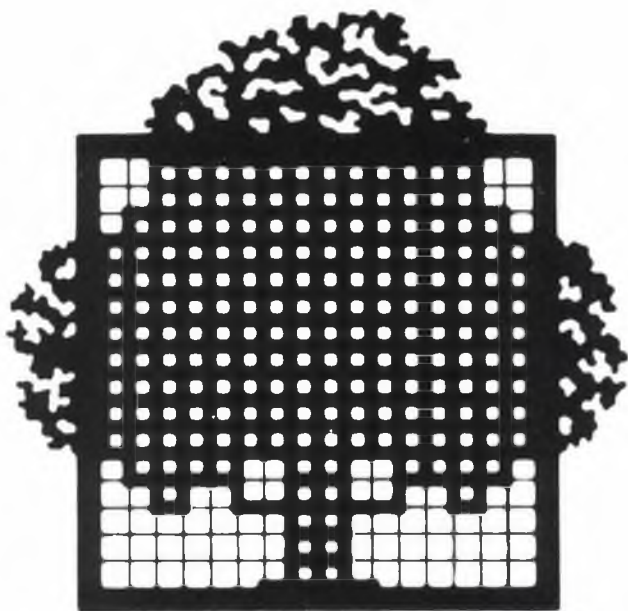
Tove Fjeldvig og Anne Golder
Automatisk rotlematisering - et lingvistisk hjelpemiddel for
tekstsøking

Complex 10/84
Elling Syenaug Use
Retstiderde som informasjonssystem

Complex 1/85
Jon Birg
Data protection in practice
INTERNATIONAL SERVICE BUREAUX AND TRANSNATIONAL DATA FLOWS

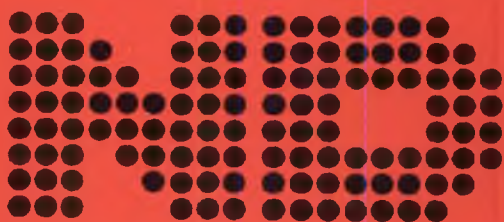
Complex 2/85
Jon Birg
Opphavsrett og edb

DSA – nettverksarkitektur for fremtiden



Honeywell Bull

Tollbugt 32 – Oslo 1. Tlf (02) 41 80 30
Avd kontor Sandnes – Bergen – Ålesund – Trondheim – Harstad – Tromsø



Norsk Data

ISBN 82-00-07049-2

GCS, Oslo