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When the Nordic open labour market ended overnight

Apr 29, 2024

# Theme: Change of tack in EU policy?



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# Where does the border between the EU and the Nordic region run?

Right now is a fascinating time in Nordic and European politics. Rarely have so many things that affect the Nordics and their relationship with Europe been happening simultaneously. Some forces link the Nordic countries closer to each other and the EU, while at the same time, the boundaries for cooperation have become clearer.

EDITORIAL

29.04.2024

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

The Nordic Labour Journal have a unique network of journalists to describe this. We have colleagues in all the Nordic countries and two of the three autonomous regions. We also have journalists who specialise in EU labour market and labour law.

In this edition, we write about the very local – like the debate about independence for the Faroe Islands. It has reignited after Jessika Roswall, Sweden's EU minister who is responsible for Nordic issues, told Faroese TV there was no way the Faroe Islands could become fully-fledged members of the Nordic Council.

We also write about international issues – the European parliamentary elections on 6 – 9 June, when 370 million Europeans can go to the ballot box and elect a new EU Parliament. There is great concern that the EU's ambitious environmental policy might suffer a setback and that populist parties make progress.

More than two years of all-out war between Russia and Ukraine have led to a spike in energy prices across nearly all of Europe. Many countries have tried to compensate citizens who have been hardest hit. But how do you define "energy poverty" and which measures are the most accurate? A Nordic report looks at this issue.

Russia's invasion of Ukraine also led to Nato membership for Finland and Sweden. When our colleague in Finland met Estonia's Prime Minister Kaja Kallas, she expressed satisfaction that her country, after 20 years as a Nato member, can be of help and a kind of big brother to Finland and Sweden.

The border between Norway and Sweden is one of the most peaceful in the world, write the authors of a new book, published by the Svinesund Committee, about what happened

in the border areas between Norway and Sweden during the pandemic. The border was closed overnight.

"At some stages, the border crossing with Sweden was guarded by soldiers and it is actually a bit embarrassing to look back on this," writes Preben Aavitsland from the Norwegian Institute of Public Health.

For Norway, one of the founding members of Nato, security policy has never been an issue in the country's relationship with Europe. As the only nation to reject EU membership twice, it has, however, been a paradox that Norway through the EEA agreement has had to accept thousands of pieces of EU legislation without having a say in how they were made.

30 years after the EEA agreement was signed, a new report has examined whether there are alternatives – and full EU membership is not one of them.

The Labour Party and Centre Party agreed to commission the report during their coalition government negotiations in 2021. The Centre Party wants to terminate the EEA agreement and therefore demanded that a looser form of agreement should be examined, like what Switzerland, the UK and Canada have. The report concludes that these agreements do not provide the same access to the internal market as the EEA agreement does.

Iceland too has a coalition government, including the far left and the conservatives. As Prime Minister, Katrín Jakobsdóttir has managed to keep the parties together since 2017, but on 5 April, she announced her resignation in order to run for president in June. Will the new Prime Minister Bjarne Benediktsson announce fresh elections when the presidential election is over?

There are also cross-party coalitions in the EU Parliament. Big, groundbreaking climate decisions have been reached thanks to the fact that the two major groups EPP and S&D could agree on them.

EPP is made up of conservative and Christian democratic parties, while S&D comprises social democratic parties. But now, for the first time ever, EPP has begun opening up for cooperation with the populist group, according to Swedish MEP Alice Bah Kuhnke.

“This is a major change. There used to be a red line for EPP against opening up to the extreme right,” she says.

For Denmark and Sweden, the EU’s ambitions to legislate in the labour market area have always been the most problematic part of EU membership. The Nordic model is based on negotiations on pay and working conditions between the social partners and not through legislation.

The European Pillar of Social Rights was, however, launched during a summit in Gothenburg in 2017, led by Swedish Prime Minister Stefan Löfven.

When a new declaration on the future of employment policies for 2024 until 2029 was signed in Belgian La Hulpe by the Belgian Presidency on behalf of 25 countries, Sweden and Austria were not among the signatories. The Swedish centre-right government did not even send a representative to the summit.

“What new labour legislation we can expect from the EU in the next five years? This depends as much on who becomes Commission President as on what the Parliament has on its wish list,” writes our labour law expert Kerstin Ahlberg.



## Swedish MEPs: Climate crucial in EU elections

In the EU it is often said that the green transition will bring future jobs, but now the EU's main climate actions are threatened. As June's European Parliamentary elections approach, far-right parties want to either change or tear up existing decisions in the EU Green Deal and Fit for 55. The conservative EPP group is also looking at putting the brakes on the climate transition.

THEME

29.04.2024

TEXT: BENGT ROLFER OCH GUNHILD WALLIN

The Nordic Labour Journal visited the EU Parliament in Strasbourg during its penultimate session before the election and asked Swedish MEPs what is at stake when it comes to the green transition.

We got a strong and immediate impression that the climate – the political one – has hardened and become more polarised. Both Social Democrat Heléne Fritzon and the Green Party's Alice Bah Kuhnke started their press conferences by talking about the big change they are experiencing.

The big, ground-breaking climate decisions made by the EU have had the support of the Parliament's two main party groups, the EPP and the S&D (the EPP is made up of conservative and Christian democratic parties and the S&D consists

of social democratic parties), but now, the EPP is beginning to waver.



*Alice Bah Kuhnke during a debate in the European Parliament. She is an MEP representing the Green Party.*

“This is a huge change. The EPP used to draw a red line against opening up for the extreme right. We have noticed this and gathered evidence for it. This is ‘head in the sand politics’. To retreat from already insufficient climate goals is to prepare for a catastrophe,” says Alice Bah Kuhnke.

### **A swing to the right**

Both she and Heléne Fritzon say that Sweden is now highlighted as a ‘role model’ for how traditional conservative parties collaborate with the extreme right.

Malin Björk from the Left Party has also registered that the field has been splintered and that there has been a “clear swing” to the right in the European Parliament’s Committee on Environment, Public Health and Food Safety (ENVI).

“But so far we have managed to secure the votes,” she says.

Out of all the Swedish MEPs, only Charlie Weimers from the Sweden Democrats openly calls for the abolition of Fit for 55 (the EU’s climate goals), which include phasing out fossil fuel vehicles by 2035. At home, his message has gained a lot of media attention, but how serious is the threat really?



*Johan Danielsson, Social Democrats, and Charlie Weimers, Sweden Democrats, are far from each other on the environmental issues that are currently dominating the European Parliament.*

### **Prepared to cooperate**

At the Swedish Moderates’ press conference, Tomas Tobé and Jessica Polfjärd admit that “impact assessments” will be conducted on the climate package and that the EPP group is prepared to collaborate with parties further to the right. The party also underlines that it has no plans to give up on its climate ambitions.

Later, we ask Jessica Polfjärd, who is also on the environment committee, to explain her party’s stance further.

“It is both the Parliament’s and the Commission’s ambition to take further steps towards climate neutrality. We see the need to do more and we want to play a constructive part. This is an excellent issue for cooperation, we know we can achieve more together. At the same time, the green and the econom-

ic transitions need to go hand in hand and also be anchored with citizens.”

### **What is your view on the phasing out of the combustion engine?**

“We have no problems with the fact that it will be phased out. It is an important symbol if businesses are to take the lead. You need clear and long-term rules. At the same time, a lot is happening right now. We see a conflict in the German government, which is a shame. It is not our habit to change our minds at a later stage. I believe the phase-out should remain.”

### **What is your overall view of the green transition? Does it threaten jobs or is it rather where future jobs lie?**

“It is where the jobs of the future are created. If we are to uphold Sweden’s and Europe’s competitiveness, we have to transition. We also see that many Swedish companies want to participate in this.”

The broad majority backing the climate legislation in the European Parliament also includes the liberal Renew group – in addition to the EPP and the S&D. The Swedish Centre Party is part of the group and their MEP Emma Wiesner is a keen proponent of the green transition. She points to the recent status report from the European Environment Agency EEA.

“We now live in a time when it is more expensive to continue emitting greenhouse gases than to change. This presents us with fantastic opportunities but also shows how expensive it would be to do nothing. Many talk as if we’re done with climate policy, but then you miss the opportunities to strengthen it even further,” she says.

### **How would you do that?**

Emma Wiesner rattles off a series of proposals: a substantial package to put an end to the fossil era, remove fossil projects from the EU budget, remove all fossil subsidies, ban fossil marketing, put an end-date for fossil energy production, impose climate locks on the EU budget, strengthen and expand emission trading, introduce carbon labelling on products...



*Emma Wiesner represents the Centre Party in the European Parliament. Photo: The Centre Party.*

“There is no lack of proposals, for sure. That is why it is sad that we’ve ended up with this narrative that tries to portray it as if Sweden can sit back because the EU has already solved everything. This is far from reality,” says Emma Wiesner.

### **Technology optimist**

She is a convinced technology optimist and can see many opportunities for jobs resulting from the green transition. But she wants to downplay the individual’s responsibility and calls for changes at the systemic level and policies that make the alternatives more competitive.

“People didn’t start using lightbulbs because they had run out of candles. It was smarter, sleeker, cheaper and better. This is what we have to do now also. If we find alternatives that are faster, sleeker, cheaper and better, people will change their lifestyles without thinking about it.”

### **The Centre Party wants climate lock**

***One concrete proposal which can be found in the Centre Party’s manifesto is the introduction of a climate lock. What is that?***

“We fought long for a democracy lock in countries like Hungary and Poland. Now we want something similar for the climate. If climate policy is to be effective, there must be consequences if you do not reach your climate goals.”

Both Jessica Polfjård and Emma Wiesner are running for re-election at this year’s European Parliamentary elections. Social Democrat Johan Danielsson hopes to make a comeback after retiring halfway through his period when he was called home to become Deputy Minister for Employment in Magdalena Andersson’s short-lived Social Democrat government in 2021.

### **Why do you want to return?**

“The EU Parliament is an important arena for influencing decisions, not least when it comes to labour market issues. I want to follow up on several things, for instance the vision zero for fatal workplace accidents,” he says.

Johan Danielsson also sees the climate transition as a crucial issue.

“This is about making our planet habitable after all, but our competitiveness will also benefit from having common rules. This is a prerequisite if companies are to invest in the way they are doing in Sweden right now, where tens of thousands of new industry jobs are emerging.

“If we abandon regulations like right-wing populists propose, you also pull the rug from underneath all these investments and new jobs. That would constitute a serious threat to Swedish industry and to growth and welfare,” he says.



## Claes-Mikael Ståhl: Money and solidarity needed for the green transition

Right-wing populists are gaining ground in Europe and if they get more power in the Parliament, ambitions for the green transition and for a social and just Europe risk being pushed back. "We worry about even more push-backs in the future," says Claes-Mikael Ståhl, the European Trade Union Congress Deputy General Secretary.

THEME

29.04.2024

TEXT: GUNHILD WALLIN AND BENGT ROLFER

There is a risk that the European Parliament no longer will be characterised by progressive and solidarity-based policies. Right-wing forces also want to pursue austerity policies and review the stability and growth pacts.

ETUC firmly backs the green transition. It sees it as necessary to save the climate but also as a major employment measure. New high-quality jobs can be created as a result of the transition and ETUC argues that this is something the EU can spearhead.

The green transition is dependent on money and solidarity. It is necessary to create structures for change so that the jour-

ney towards a climate-neutral Europe is safe and does not threaten either jobs or individuals' welfare. To achieve this, money must also be redirected, argues Claes-Mikael Ståhl.



*Claes-Mikael Ståhl, the European Trade Union Congress Deputy General Secretary. Photo: ETUC*

“Support and help for countries who have the furthest to go to transition their industry will have an impact on the EU budget, and this will also be a major challenge for individual member states.

“In the Nordic region, we have carried out some of the transition, but in large areas of Europe, this is not the case. As a result, the challenge and also reluctance is larger, which we can now see. The big question is whether the new Parliament will have the capacity to deal with this,” he says.

**“Unfortunate” Swedish no to the La Hulpe Declaration**

The more the EU decides on social issues, the stronger its influence grows in areas that traditionally have been entirely national. This inspires hope and confidence in many governments. Others, like the Swedish government, are sceptical of the EU social pillars and want to slow the trends towards supranationalism.

One result of this is the fact that Sweden, along with Austria, has not signed the so-called La Hulpe Declaration which was adopted during the Belgian presidency in mid-April. It provides guidelines for how the EU should address employment issues in Europe between 2024 and 2029. It is a voluntary agreement but was signed by all of the other member states.



*ETUC General Secretary Esther Lynch was in La Hulpe, a Belgian municipality. ETUC is positive to the La Hulpe Declaration. Photo: David Jacowbski*

“It is unfortunate that Sweden has not signed the La Hulpe Declaration. This text expresses the EU’s ambition to engage also in social issues. The fact that Sweden does not want to participate in cooperation on social issues is regrettable, especially since we have long traditions for a strong and well-developed welfare model.

“The social pillar has its challenges but expresses an intention for a social Europe. Sweden is increasingly taking the role of the UK, as a proponent for the EU to be mainly a free trade cooperation,” says Claes-Mikael Ståhl.

Since the dispute over the minimum wage, where part of the social pillar actually became a mandatory directive, and then the row over the working time directive, the Swedish government has firmly rejected the idea of the EU handling issues such as wage formation and welfare. These should be a national concern, it argues.

During a meeting of the Swedish parliament’s EU committee, Prime Minister Ulf Kristersson highlighted the EU’s long-term competitiveness and the importance of having fewer obstacles, not more.

Growth is synonymous with progress and if the important common market with its 450 million citizens is to operate as efficiently as possible, obstacles to trade and rules should be cut, goes the argument. Another priority for the Swedish government is that EU rules should not reduce the role of nuclear power in the green transition.

On the topic of supranationalism, Claes-Mikael Ståhl answers briefly and concisely.

“What’s the alternative? Can Sweden perform a green transition alone? The country is too small so sorting waste and other measures do not help. In the social sphere, there is a need for interaction between supranational and national competencies, which can lead to different outcomes depending on the issue at hand.”

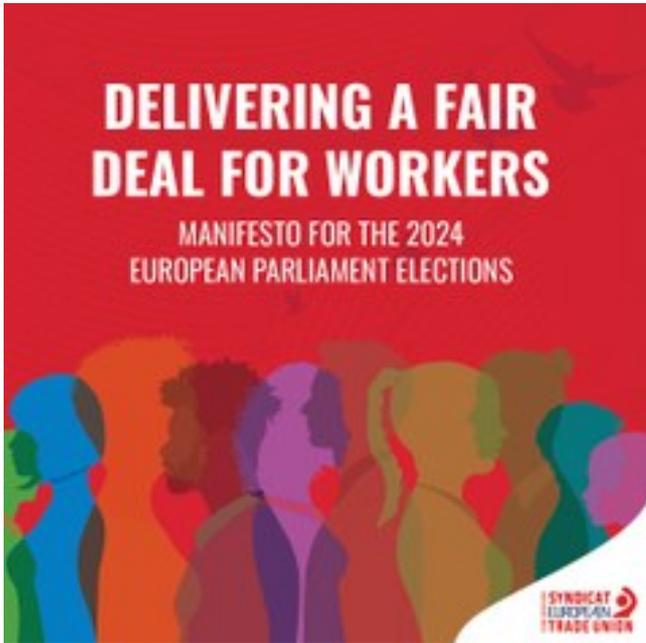
ETUC is positive to the La Hulpe Declaration and says it will give workers security and better working and living conditions. ETUC wants to the EU to commit to the full implementation of the social pillar and would like to see the declaration become part of the EU’s strategic agenda and for it to be at the core of the EU’s work in the coming years.

ETUC also sees it as positive that these ideas are linked to so-called “social conditionality” to secure EU funds, and that social requirements are imposed on member states’ public procurement systems, i.e. when they use EU funds.

“The proposal is an important and major step forward, but it is strange that it has taken this long. It goes without saying that member states must be required to justify their use of EU funds,” says Claes-Mikael Ståhl.

### A fair and more social Europe

ETUC has launched a manifesto ahead of the EU Parliament election, where it says that this upcoming election is the most important one for many years.



Only 40 per cent of Swedish Trade Union Confederation (LO) members vote in the EU elections, and 80 per cent of academics. Claes-Mikael Ståhl believes many more LO workers would vote if they knew how much is happening in the EU right now that will also have an impact on Swedish jobs.

“What happens in Europe might feel like a long way away for people in the Nordics, but it is important. What happens at my workplace? Are there further education opportunities? How do we become competitive? And can I move, see the world and learn new things?” says Claes-Mikael Ståhl.

The election has been described as a crossroads between the solidarity and progressive forces that emerged during the pandemic and as a result of austerity policies. ETUC is encouraging workers, students, pensioners and all Europeans to vote at the European Parliamentary elections, to make their voices heard for a just and more social Europe.

“There is a social justice emergency in Europe. Over the past year, working people have suffered record real-term pay cuts while unscrupulous employers continue to register record profits. Meanwhile, the EU institutions threaten to return to austerity and open the door to further deregulation, punishing workers,” reads the ETUC manifesto.



ETUC launched their manifesto ahead of the EU Parliamentary elections on 15 November last year.. Photo: ETUC

It lists 12 demands, including better jobs and incomes, an end to precarious work and improved working conditions, support for trade unions, collective bargaining and social dialogue, safe work, a rejection of austerity and support for an economy benefiting people and the planet, a strong industrial policy and public services, public money for social progress, and guaranteed just changes in climate and digital policies.

### A new tripartite agreement

At the end of January, the social partners met at the “Val Duchesse Social Partners Summit” which resulted in a tripartite agreement “for a thriving European social dialogue”. It underlined the importance of dialogue between workers and businesses and is considered to be a fundamental part of the EU’s social model.

“It is a way to revive the work style that relied more on negotiations and talk, and was common 20, 30 years ago. Right now, work continues with discussions about what a “European pact of social dialogue” should contain,” says Claes-Mikael Ståhl.

The dialogue should contribute to increased economic prosperity, improve working conditions, promote competition, and support expectations of managing changes as well as opportunities to do so, for example, within the green transition.

Right now, labour shortages are a main issue, and creating qualitative jobs and a labour force with the right skill set is top of the list of things that must be done – especially for small and medium-sized companies. The social dialogue within the EU will be strengthened and it is proposed that a social envoy be established to take care of that mission.

### BusinessEurope does not support the new social pillar

The European employers’ organisation BusinessEurope did not sign the La Hulpe Declaration either, unlike the other employer partners in SGI and SMEUnited. This is easier to understand than Sweden’s refusal to sign, believes Claes-Mikael Ståhl.

“Our understanding is that BusinessEurope primarily considers EU to be a union for free trade and they want to steer away from the more socially oriented EU of later years towards a more competitive model.”

BusinessEurope also has a Swede at its helm. His name is Fredrik Persson and he has been the organisation’s President since 2022. He was previously President of the Confederation of Swedish Enterprise.

The Nordic Labour Journal has repeatedly asked Fredrik Persson for his view on the development of the European labour market and the social partners’ role in the EU legislative process. He has declined our requests for an interview.

Persson did give this statement in the Commission’s press release after the social summit on 20 March:

“To make sure that the European Union decarbonises without deindustrialising, a European Industrial Deal needs to be developed with tailored measures to support small and medium-sized enterprises in their transition.”

# EU labour law after the parliamentary elections

What new labour legislation we can expect from the EU in the next five years? This depends as much on who becomes Commission President as on what the Parliament has on its wish list.

THEME

29.04.2024

TEXT: KERSTIN AHLBERG, EU & ARBETSRÄTT

We already know two things that will be on the agenda: strengthened influence for the European Works Councils and regulations on better working conditions for trainees. We can also expect a proposal for a directive on the right to disconnect.

Parliament may have its wish lists, and these tend to be long (see Bengt Rolfer's articles on this issue), but only the European Commission can initiate legislative procedures. It has no obligation to propose legislation just because Parliament wants it.

That is why it matters who will be Commission President this autumn. Every President has their own priorities. Some also seem more willing to listen to Parliament than others. The current Commission President, Ursula von der Leyen, is rumoured to be one of them.

The current Commission has already submitted a couple of proposals for new rules to Parliament. One concerns amendments to the European Works Councils Directive, which gives employees in multinational companies the right to information and consultation on cross-border issues.

The other is a proposal for a completely new directive on better working conditions for trainees. The purpose is to prevent people who work as regular employees from being called trainees in order for the employer to avoid providing them with the same employment conditions. The current Parliament will not have time to process any of these proposals.

It was also Ursula von der Leyen's Commission that adopted the EU's occupational safety and health strategy for 2021-2027. Some of the plans included in that are heavily delayed and are likely to be high on the list for the new period if she is re-elected. This includes updating both the so-called Framework Directive on Safety and Health at Work from 1989 and the Display Screen Equipment Directive from 1990. These are to be modernised because of digitalisation "by 2023 at the latest".

Another point in the occupational safety and health strategy where a proposal can be expected concerns rules on employees' right to not be constantly connected. Here, the Commission explicitly refers to requests from Parliament.

The reason these rules have been delayed is that the social partners committed to negotiating a European agreement that would then become an EU directive – but failed to do so. The agreement was not accepted by all employers' organisations, and the issue was returned to the Commission for it to develop a legislative proposal in the usual way.

So the European Commission plays an important role in this. On the other hand, the Commission is in turn dependent, of course, on the balance of power between different party groups in Parliament and prevailing political majorities in the member states. The Commission must have some sense of which proposals are even worth putting forward.

If Ursula von der Leyen is re-elected, she is likely to continue to propose measures to implement the EU's social pillar, which many employers and politicians on the right (especially in Sweden) strongly oppose.

It remains to be seen if the talk of "threats" to the labour market models in Sweden and Denmark picks up again after the summer. In any case, trainees' working conditions often fall under collective agreements in any case, which typically provoke defensive reactions in the Nordic countries.

EU working environment regulations rarely cause similar debate. This is because the protection of health and safety at work is regulated by legislation here as well. Thus, the EU's working environment regulations do not encroach on the social partners' turf.



## Mobilising for a strong social Europe

On 16 April, a new social declaration on the future of employment policy covering the years 2024 to 2019 was adopted in Belgian La Hulpe. The La Hulpe Declaration was signed by the Belgian Presidency on behalf of 25 countries. Sweden and Austria were the only EU states not to sign.

THEME

29.04.2024

TEXT: BENGT ROLFER OCH GUNHILD WALLIN

“The declaration shows the way for the labour market and social policy for the next five years. It provides hope through clear-cut rules for a just labour market and addresses social dumping, bad working conditions and low wages,” says Nikolaj Villumsen, an MEP from the Danish Red-Green Alliance, part of The Left in the European Parliament.



*Nikolaj Villumsen is happy the EU's employment policy for the next five years has reached such an advanced stage. Photo: The Left*

Nikolaj Villumsen has a seat on the Committee on Employment and Social Affairs and took part in the negotiations on the La Hulpe Declaration. He also participated in the high-level conference as part of the EU Parliament's official delegation.

Villumsen was elected to the European Parliament in 2019 but is not running for the next period due to his party's rotation principle. The day after the high-level conference, he was happy that the EU's employment policy for the next five years had reached such an advanced stage.

"The social summit will set a different agenda for Europe from the competitive mindset that currently dominates. This is about creating secure jobs and providing protection in the workplace. I would have liked to see an even more ambitious programme, but the conservative governments in some member states put a stop to that," says Nikolaj Villumsen.

### **Nearly everyone was in La Hulpe**

He returns to the high-level meeting in La Hulpe and concludes that "nearly everyone was there" – EU President Ursula von der Leyen, member states government ministers, MEPs, commissioners, the ETUC President and employers' representatives from BusinessEurope and SMEunited.



*"Everyone" was in Belgian La Hulpe to discuss the future of employment policy. Photo: Nicolas Lobet*

However, the Swedish government, which had been against the declaration from the beginning, was not represented, nor was the Danish government. Denmark is one of the 25 signatories, and Nikolaj Villumsen thinks it was unfathomable that the country chose not to send a representative. He also takes a swipe at the Swedish government which was not there and did not sign.

"Employers and the Swedish government want fewer laws and more competitiveness, but the market has not delivered social security and fair labour market rules, which is why we need a social EU. There is now global competition for green

industrial policy, so where should the green workplaces be? In China, the USA or in the EU? Through fair social transition we can get them here," says Nikolaj Villumsen.

He is worried about the far right gaining a majority after the EU parliamentary elections. Already the liberal-conservative EPP group has begun backing away from climate goals and is increasingly cooperating with parties on the right.

"A right-wing parliamentary majority would spell disaster for the climate and the green transition," says Nikolaj Villumsen.

### **Swedish scepticism**

So why did the Swedish government, as one of only two member states, choose not to sign the La Hulpe Declaration for the coming five years?



"We did not want to risk repeating the mistake made in 2017 with a social summit which had consequences that Sweden later had to row back on," Prime Minister Ulf Kristersson told the Swedish parliament's EU Committee on 16 April. He underlined that issues such as wage formation and welfare policy should remain a national concern.

The current Swedish government is critical to the former Prime Minister Stefan Löven who hosted the 2017 social summit in Gothenburg. It resulted in the European Pillar of Social Rights, where one of the EU's directives eventually became the controversial legislation on minimum wages. Denmark and Sweden protested vehemently, arguing this was an issue for the social partners, not the EU.

The minimum wage directive was considered a direct threat to the Swedish model and the same argument was made in Denmark. The social partners and governments in both countries agreed and put up significant resistance.

The working hours directive has also faced controversy in Sweden lately, especially among emergency workers who feel the directive forces them to work new and worse shift patterns.

## The economy and social security "should go hand in hand"

The La Hulpe Declaration is a voluntary agreement to stick to an action plan for employment in Europe for the coming five years.

"It shall serve as our compass for fostering a fair transition, ensuring that no one is left behind," reads the Declaration, alluding to the big changes ahead brought by the green transition and AI. Ursula von der Leyen pointed out in her speech the importance of Europe being both economically and socially strong, citing examples from the dramatic crises during the current parliamentary period.



*"Our union must deliver for both people and businesses," said Ursula von der Leyen, the EU Commission President. Photo: Nicolas Lobet*

The EU and the rest of the world was hit by the pandemic. The world had just begun to open up again when Russia invaded Ukraine with the resulting energy crisis. These crises of historic proportions could have turned into dramatic social crises, said von der Leyen.

"But they did not. This was because of Europe's great resilience but also because we put the right policies in place."

Many predicted mass unemployment in the wake of the pandemic lockdown. But things turned out differently.

"More than 75 per cent of Europeans are employed. Close to our goal of 78 per cent by 2030. And how is this possible? Because we have built sound economic policies, with a strong social heart. Our Union must deliver for people and for business," Ursula von der Leyen said in her speech.

## The social pillar a monument for great change

When the social pillar was adopted in Gothenburg in 2017 during a summit initiated by the Social Democrat Prime Minister Stefan Löfven, it was received with what might be called indulgent benevolence. "A very nice declaration" was a common comment, not least among researchers, says Sven Schreurs, a researcher at the European University Institute in Florence.

He is in his final year of writing a PhD in political science focussing on how the EU's social policy has developed over the past three decades. Together with David Bokhorst, a fellow researcher at the same institute, Schreurs has written the analysis "Europe's Social Revival: From Gothenburg to next Generation EU" on commission from the Swedish Institute for European Policy Studies.



*Sven Schreurs is a researcher at the Europeiska University Institute in Florence. Photo: Privat*

"Changes linked to the social pillar have been slow, but now the pillar of social rights has become a monument for big changes. Many countries see it as a useful guide when working with social and labour market issues," says Sven Schreurs.

The declaration following the Gothenburg conference has been criticised for presenting old ideas in a new wrapping.

"A lot was already in the pipeline. After the economic crisis in the 1990s and around the turn of the century, both a social and economic agenda emerged which was reflected in the Lisbon Treaty.

"However, the meeting in Gothenburg added something new and provided political support for the work on social issues. Sweden and Denmark have been sceptical to the minimum wage directive but Denmark has become more active after the platform directive showed how the EU can bring something to the table when it comes to 'new' social issues," says Sven Schreurs.

Summing up the past seven years, he and his colleague David Bokhorst conclude that the social pillar has been consolidated and is here to stay. There is, however, uncertainty around what will happen after the European parliamentary elections, depending on the results.

There is currently a lot of support for the social agenda in most member states and with the social partners – the employers' organisation BusinessEurope being the exception. Meanwhile, there is scepticism among most far-right parties which do not want an EU-level directive on social issues, but there are exceptions here too – for instance Italy.

The Swedish government has said a clear no to the La Hulte Declaration. The Belgian Presidency does, however, hope to be able to convince Austria to sign in time for the formal adaptation of the Declaration in June.



## EU's labour market wish list "could crash with the Nordic model"

The EU Parliament has drawn up a huge wish list for the labour market. Top social democrat candidate Johan Danielsson believes it contains reasonable demands. "The Nordic region has a lot to gain from improved working and living conditions in the rest of Europe, says Danielsson.

THEME

29.04.2024

TEXT: BENGT ROLFER OCH GUNHILD WALLIN

How much say should the EU have over labour market regulation? Many will remember the fight over the minimum wage directive when the EU Parliament joined with trade unions in Europe to pass legislation. Nordic politicians, unions and workers joined forces to defend the Nordic collective bargaining model but lost the fight.

So what could be expected during the coming term? The European Parliament has worked out a huge wish list concerning the labour market. We checked in with the Moderate Jessica Polfjärd, who sits on the Employment Committee (EMPL) and the Social Democrat top candidate Johan Danielsson, Sweden's former Deputy Minister for Employment.

During the pandemic, the EU introduced a temporary support measure aimed at mitigating unemployment risk (SURE). Now, some voices in the Parliament are calling for a permanent solution, a kind of European unemployment insurance.

Others propose giving more power to the European Labour Authority (ELA), more money for skills development, social conditionality for public procurement and for accessing EU funds, etc, etc.



*Jessica Polfjärd from the Moderates thinks a lot of the social dialogue should be a national concern. Photo: Sara Johannessén/Norden.org*

"We think this list is a bit long," says Jessica Polfjärd. But here we also have a very Swedish position. The minimum wage issue was one of the few that saw all the Swedish MEPs agree. We did support SURE as a way of preventing people from ending up unemployed during the pandemic. But that was an exceptional time.

#### **A huge list**

Johan Danielsson thinks the Parliament's huge wishlist mainly contains reasonable demands.

"I think, for instance, that it is a good idea to link our common tax money with the compliance with laws and agreements in the labour market (the "social conditionality" proposal). It would also be good if ELA got more resources to help Swedish authorities chase down cowboy employers after they have left the country."



*High on Johan Danielsson's "to-do list" in the EU Parliament is to fight labour market crime. Photo: The Social Democrats*

Johan Danielsson also underlines that the EU proposals must be compatible with the Swedish labour market model. He has an idea of how that issue can be solved and he will pursue this if he is elected.

"It's about making that kind of legislation discretionary, meaning that we are allowed to adapt it to our national industry agreements. The best thing would be to create a solution which can then be applied generally, if not you would have to solve things on a case-by-case basis," he says.

#### **"Social democrats to blame"**

Jessica Polfjärd partly blames the Swedish Social Democrats for the problems surrounding EU-level legislation vs national collective agreements, not least because former Prime Minister Stefan Löfven was instrumental in introducing the social pillar in the EU. But Johan Danielsson retorts:

"No, no, the conservatives have got stuck on that narrative. The social pillar is not the problem. The basic premise there is that society must become more equal to create stable democratic and economic development.

"The Nordics also have a lot to gain from improved working and living conditions in the rest of Europe. Workers who come to Sweden and are exploited do not arrive to live in the employer's garage for fun.

"They come because they have an even weaker position and are exploited in their home country. So we can gain a lot from making things better for them. That is why we must also find a way to make EU legislation compatible with our own labour market model."

#### **Fighting labour market crime**

Another issue high on Johan Danielsson's European Parliament to-do list is to get to grips with labour market crime.

"Organised crime in the labour market has become such a comprehensive problem that it is threatening society as a whole. I want to see a European strategy to combat this. We could look at banning long supply chains, clearer procurement rules, stricter penalties and banning certain types of posted work abuse," he says.

#### **The social dialogue on a national level**

The EU Commission President Ursula von der Leyen recently promised to appoint a special envoy within the Commission to promote social dialogue between the social partners.

"A positive step," thinks Johan Danielsson. Hopefully, this could help develop the negotiation model and strengthen trade union rights in many countries.

Jessica Polfjärd is less keen.

"These are not issues that we believe should be dealt with on an EU level to the same extent as others do. We would rather focus on other EU cooperation issues. We believe much of the social dialogue should be left to individual nations and do not see any benefits from the Commission having this as a stated area of responsibility," she says.



## EEA report reignites Norway's EU debate

It is nearly 30 years since Norwegians voted no to EU membership and also 30 years since Norway signed the EEA agreement. A new report on Norway in the EEA has reignited the debate about Norwegian EU membership.

THEME

29.04.2024

TEXT: LINE SCHEISTRØEN, PHOTO: BJÖRN LINDAHL

“The EEA agreement has served Norway well for 30 years,” said Minister of Foreign Affairs Espen Barth Eide (Labour) as he received the new EEA report from the committee leader Line Eldring.

In short, the EEA agreement gives Norway, Iceland and Lichtenstein access to the EU internal market, while it requires those countries to accept EU legislation and rules covered by the agreement.

### **Nordics sceptic of EU labour market regulation**

The EEA committee's mandate has been to assess Norway's experiences with the EEA agreement and other agreements the country has had with the EU over the past decades. The committee has also examined the experiences the UK,

Switzerland and Canada have had with their cooperation models with the EU.



*Minister for Foreign Affairs Espen Barth Eide received the EEA report from committee leader Line Eldring.*

Line Eldring, head of department at the United Federation of Trade Unions (Fellesforbundet), has led the committee. She has been a Fafo researcher for many years, specialising in among other things European labour markets.

One of the chapters in the committee's report deals with labour market issues. It points to the fact that the EU to an increasing extent is regulating issues that the Nordics traditionally have left to the social partners.

The committee argues that this has been an increasing challenge in the past ten years. It points out that the Nordic EU members, especially Denmark and Sweden, have been generally critical to EU regulations that impact the Nordic model.

"There is widespread scepticism although the rules generally lead to a strengthening of workers' rights and are therefore not seen as controversial per se. Typical examples are the new directive on equal pay and not least the minimum wage directive," the report says.

#### **EEA versus national law**

The committee believes there is little doubt that the clashes between national and EEA legislation have created challenges in the labour market and can continue to do so.

The committee has studied some of the more central regulations and issues from the past 12 years, with a special focus on areas where doubt and conflict have arisen around the national scope for labour market regulation.

Some of the issues the committee has delved deeper into include:

- The universal application of collective agreements.
- Taking pay and working conditions into account during public procurement processes
- Changes to the regulations for hiring and leasing from temporary work agencies.
- Transport sector regulation.

#### **Issues that create disputes**

The committee points out that certain EEA-related issues create significant division in the labour market. One current example includes the recent tightening of the Working Environment Act regarding the access to hiring labour from temping agencies – an issue previously covered in the Nordic Labour Journal.



*Minister of Foreign Affairs Espen Barth Eide believes the EEA agreement has served Norway well.*

The legislative changes, which are politically controversial, were passed by Norway's parliament in December 2022. Several temping agencies complained to the EFTA Surveillance Authority (ESA), which in January 2023 began looking into whether the new rules are in breach of the agency work directive and the freedom to provide services within the EEA. ESA followed up in the autumn of 2023 with a letter of formal notice, the first step in a treaty infringement case.

"This case demonstrates the challenges that emerge when EEA legislation questions a political decision which in this case was considered to be very important by some of the social partners and politicians, but strongly unwanted by others," the committee's report states.

#### **No to the EU: "Out of touch with reality"**

Not surprisingly, the EEA report has ignited the debate around Norway's relationship with the EEA agreement and Norwegian EU membership.

Leader of Norway's No to the EU, Einar Frogner, calls the EEA report from the Eldring committee out of touch with reality. He believes the report does not answer the central questions.



*Einar Frogner is the leader of No to the EU. He has stood in front of the Norwegian parliament many times to talk about opposition to the EEA and the EU. Photo: Nei til EU*

“The way in which the EEA agreement has led to dramatic changes in both the Norwegian labour and energy markets is dealt with only superficially. The report does not seriously address the insecurity so keenly experienced by many businesses with historically high energy prices,” says No to the EU leader Einar Frogner on the organisation’s website and in several media outlets.

The leader of the Norwegian parliament’s foreign affairs committee, Ine Eriksen Søreide from the Conservatives, sees it completely differently.

“This is quite a brutal wake-up call for the no side. The committee clearly concludes that the idea of an alternative to the EEA agreement beyond full EU membership has been completely abandoned,” Eriksen Søreide told the public broadcaster NRK. She had wished for a wider mandate for the committee so they could have assessed the consequences of full EU membership for Norway.

**The Liberal Party: Yes to EU membership**

Guri Melby, leader of the Liberal Party, thinks the EEA committee’s report shows it is high time a new report on EU membership was commissioned.

“Either we carry on with an increasing number of special agreements that voters and politicians from other countries draw up for us. Or else we could go for full Norwegian EU membership where Norwegians are actually able to influence EU policy that we end up adopting in any case,” says Melby in a statement on the Liberal Party’s website.



*Guri Melby is the leader of the Liberal Party. She is ready to take Norway into the EU. Photo: Arild Danielsen/The Liberal Party*

The Green Party also believe Norway should start membership negotiations with the EU. Both parties believe the Centre Party must walk away from the idea that a real alternative to the EEA agreement exists.

**The committee: The EEA agreement is the best option**

The Centre Party wants a different trade agreement with the EU. Switzerland, the UK and Canada have different connec-

tions to the EU – neither EEA agreements nor full-blown EU membership. The EEA committee has studied how these agreements work.



According to the committee, the EU’s agreements with those three countries cover fewer areas and secure less market access than the EEA agreement does.

“The EEA secures broader, deeper and more predictable cooperation,” the committee underlines.

**LO: No alternatives to the EEA**

In several of the unions organised under the Norwegian Confederation of Trade Unions LO, including the United Federation of Trade Unions which the EEA committee leader heads, discussions are ongoing about whether the EEA agreement is actually a good deal for Norway. Yet LO centrally still supports the EEA agreement.

“There are no realistic alternatives that secure Norwegian interests in a better or more predictable way,” says LO Deputy President Steinar Krogstad in a statement on behalf of the Confederation.

He expects the authorities to follow up the committee’s advice to fight labour market crime and social dumping through forceful measures.

“The government has delivered a lot of good things but there is room to do even more, also within the EEA agreement,” says Krogstad.

**NHO: Time to do something with the backlog**

The EEA committee points out that there has been a build-up over time of a considerable backlog of EU regulations that have yet to be implemented in Norway. The Norwegian Confederation of Business and Industry NHO points this out in their comment to the report.



*Ole Erik Almlid is the CEO of the NHO. Photo: Moment Studio*

“Late implementation weakens Norwegian businesses’ competitiveness in the face of competition from European businesses. It also creates a range of practical challenges,” says Ole Erik Almlid, the NHO CEO.

He believes the report shows how later years’ trends have made it more costly for Norway to remain on the outside.

### **Big gaps in opinion polls**

So what do most people think? An opinion poll commissioned by the NHO shows that six in ten Norwegians think Norway should still participate in the EEA collaboration. The results were presented on the same day as the publication of the EEA report.

But just a few days later, the newspapers Klassekampen and Nationen presented a poll showing that the EEA agreement is losing support, while more people are becoming positive to full EU membership.

The poll showed 48 per cent would have voted no to the EU, down from 54 per cent three years ago. Nearly 32 per cent would have voted yes, while 21 per cent said they did not know.



## EU and Nordics cooperate on energy poverty

New EU rules oblige the Nordic countries to ensure that energy crises do not lead to increased poverty. A new report recommends Nordic cooperation on the issue and a Danish MEP calls energy poverty “unsustainable”.

THEME

29.04.2024

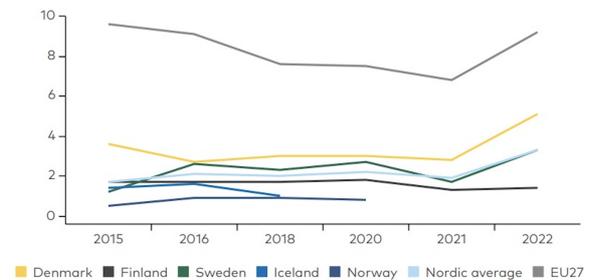
TEXT: MARIE PREISLER, PHOTO:

When the next energy crisis hits, the Nordic region should be better prepared to help vulnerable citizens so that nobody is cold in their own homes or ends up with severe economic challenges due to dramatic energy price rises.

These are the consequences of the EU’s energy rules, and the Nordic countries have a lot of catching up to do to meet these new demands, according to the new Nordic report “Energy poverty in the Nordic countries”.

“Energy poverty is a global challenge that the Nordics so far have not addressed properly,” the report concludes.

Figure 10. Proportion of individuals unable to keep home adequately warm, SILC, 2015-2022\* (%)



Source: The report "Energy poverty in the Nordic countries"

But this is about to change. A new EU directive on energy efficiency obliges the countries to introduce energy-saving

measures in houses. The directive also obliges the member states to introduce systems to secure economic support for people facing energy poverty.

It is a fact that energy efficiency measures benefit those who can afford to invest in solutions that for instance reduce energy use in houses, and as a result, reduce energy bills.

People with less money do not have the same access to energy-saving technology and their expenses increase while the wealth gap widens.

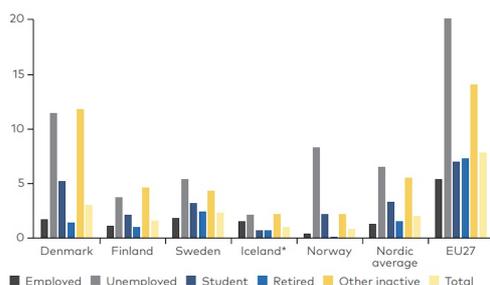
Now, the new EU directive obliges member states to limit that gap. Countries must introduce indicators that make sure energy-poor citizens can be identified, and some of the savings made through energy efficiency measures must be returned to people living in energy poverty – for instance during an energy crisis.

**Money to the wrong people**

These indicators will help ensure that support is given to those who need it the most, which was not always the case during the latest energy crisis in 2022, according to the report "Energy poverty in the Nordic countries", which was financed by the Nordic Council of Ministers and produced by Nordic Energy Research.

It is based on a detailed analysis of how the Nordic countries attempted to mitigate the consequences for the most vulnerable citizens when the Russian invasion of Ukraine triggered an energy crisis and dramatic price increases – including for the heating of homes.

Figure 22. Proportion of individuals unable to keep home adequately warm by economic activity status, SILC, 2018\* (%)



Source: The report "Energy poverty in the Nordic countries"

In Denmark, for instance, politicians decided to pay a so-called "heating cheque" to economically vulnerable citizens – a benefit to help them pay the extraordinarily high heating bill that came as a consequence of the war. However, the data used to identify the recipients of the heating cheque was not up-to-date, which meant some non-vulnerable people also benefited.

**A need for a definition**

The report also concludes that Denmark has not evaluated the support measures that were introduced, so it is not clear

whether or how they helped the vulnerable groups of people during the energy crisis. The report recommends countries to define energy poverty in a Nordic context clearly.

"Consequently, it is crucial to identify the purpose of a definition of energy poverty and how it should align with other vulnerabilities to guide appropriate subsidy schemes and communication strategies," the report says.

It also recommends that each of the Nordic countries make decisions that are relevant to them, because of differences in the countries' support systems. But the report also says the Nordics should collaborate on creating a set of Nordic indicators to identify citizens living in energy poverty.

The Nordic countries' welfare systems are different from the rest of the EU, and EU indicators are therefore not always optimal, the report concludes.

**A Nordic vision and the EU agenda**

Securing cheap energy and preventing energy poverty is necessary if the Nordic region is to realise its vision to become the world's most sustainable region, the report says.

"In the Nordics, it is important to address and reduce energy poverty to make the green transition more inclusive and socially sustainable. This increases public acceptance and support for the necessary policy changes to manage the green transition."

Energy poverty is also on the agenda ahead of the European elections. Danish MEP Kira Marie Peter-Hansen is running again for a seat in the European Parliament. She wants to work to reduce the number of energy-poor people in the EU, now at 11 per cent. One of the solutions is energy efficiency measures, she argues.



“It is unsustainable that so many people are affected by energy poverty and that is why energy renovation of the EU housing stock is crucial. We use millions every month on wasted energy because seven in ten buildings in Europe are not energy efficient,” she says.

Peter-Hansen is a member of the Danish Socialist People’s Party and deputy chair of the Greens/EFA group in the European Parliament. She believes energy efficiency is at the core of EU energy policies.

“The cheapest, greenest and most secure energy is the one that we don’t use. Our planet and our climate will not tolerate our continuing increasing demands.”



## Estonia welcomes Sweden and Finland into Nato

One year after Finland joined Nato, Sweden has also become part of the Nato family. This brings them together with Norway, Iceland and Denmark, members since the start in 1949.

NEWS

29.04.2024

TEXT: BENGT ÖSTLING, PHOTO: JÜRGEN RANDMA

Security policy is now a top issue in Nordic cooperation. Very few Nordic speeches fail to mention the fact that the Nordic family is now gathered in the same defence alliance. So too at the Nordic Council's theme session in the Faroe Islands in April. The theme was the Nordic countries' strong defence policy cooperation in the North Atlantic and the Arctic.

The three Baltic states of Estonia, Latvia and Lithuania hope that cooperation across the Baltic Sea will not be forgotten.

### **Estonia welcomes the rest of the Nordic region**

As Estonia's Prime Minister Kaja Kallas met a group of Finnish journalists recently, she expressed satisfaction that Estonia this time could be the big brother in its relationship with Sweden and Finland.



*Kaja Kallas, Estonia's Prime Minister, meets a group of Finnish journalists.*

Now, the Estonian Prime Minister could welcome the new member states. Estonia has been a Nato member for 20 years already and can be beneficial to Finland and Sweden, she pointed out.

It was also a kind of thank you for the last time. The Nordic countries invested a lot in the Baltic states which regained their independence from the Soviet Union in the early 1990s. That is when the different Nordic information offices opened in the Baltics, making major commitments in labour markets, on environmental issues and social politics.

### **Estonia no longer an isolated Nato peninsula**

Nato's centre of gravity is moving further north, a fact that is welcomed by Prime Minister Kaja Kallas. She explains how Estonia used to be an isolated Nato peninsula in the north, with Russia as its closest, threatening neighbour.

Her country has had different experiences with Russia than the Nordics have. Estonia lost its freedom, independence and one-fifth of its population during the Soviet occupation. That is why Kallas is keen to point out that every centimetre of Estonia must be defended by the entire defence alliance from the very start if there should be an attack on her country.

Estonia's defence strategy includes Nato exercises against attack. The experiences from Russia's war in Ukraine – the Prime Minister explicitly mentions the Butcha massacre – make it clear that they do not want to allow the enemy to settle on the Estonian side of the border not even for a moment. Then there would be nothing left.

### **“Estonia is not helpless”**

Kallas does not like the suggestion that Estonia will now need more help from new Nato member Finland's conscription army.

“We are not helpless. Estonia also has general conscription and a strong army,” she points out. The country spends 3 per cent of its GDP on defence, considerably more than Nato's minimum ask for national defence spending.

So what does Estonia expect from the new member states? Kaja Kallas points out that they have no expectations of individual member states but of the defence alliance as a whole. She hopes for good cooperation with the Nordics which can now be deepened with joint defence planning.

Kallas clearly expresses her hope that Finland will look south and not only north. The threat to the Arctic has been taking up a lot of space in Finnish discourse.

“I understand the need to look north as part of being Nordic. But if you think about defence and security, the threat against Finland is coming from the east and south. Cooperation with the Baltics is good for you too, as the threats from the Baltic Sea region and from the east is something we share,” says Kaja Kallas.

### **“Nato gives you big friends against bullies”**

Kaja Kallas explains how she presents Nato to school students: If someone is big and bullies you for being small, it is important to have big friends. Then the bully will not dare to bother you. That is how Nato works, explains Kallas.

This is about demonstrating your defensive strength and readiness to use it; it is not a provocation, according to Kaja Kallas.

She detects caution in the new Nato countries, for instance when it emerged that the gas and data cable between Finland and Estonia in the Gulf of Finland had been damaged.

Nato wanted military vessels to go there, but Finland was reluctant out of fear of provoking Russia, according to Estonia's Prime Minister Kaja Kallas. Her view is that showing weakness provokes Russia. Keeping quiet does not help.

Similar arguments can be found in the new report “The Newest Allies” from the International Centre for Defence and Security, headquartered in Tallinn.



*Tony Lawrence and Tomas Jermalavičius have written the Estonian report that warns against too much Nordic focus in the new Nato countries.*

Do not underestimate Russian naval strength. The researchers warn against referencing complacently to the Baltic Sea as Nato's inner sea. Russia still has a presence at the tip of the Gulf of Finland through the province of Kaliningrad.

A regionalisation of the Nato alliance might be inevitable. It could be beneficial to the Nordic-Baltic region. But there is also a risk that Nordic regional identity, amplified by the new Nato members, may leave the Baltic states somewhat excluded, according to the report.

Sweden in particular tends to fall back on Nordic solidarity and common solutions.

Geographically, Finland and Sweden are both Arctic and Baltic, situated in the Arctic and on the Baltic Sea. This has also been pointed out in official Swedish and Finnish documents.

Still, Nordic defence interests seem to focus more on the north than on the Baltic Sea region, according to the authors. Through Nordefco – the Nordic Defence Cooperation – the five Nordic countries talk a lot about defending their Arctic “cold areas”.

The tension regarding Finland's and Sweden's identity has already been seen in the discussion about Nato's military command structures, where the Nordic and Baltic countries do not fall under the same headquarters.

The authors point out that Sweden and Finland joining Nato means great leaps forward for the security situation in Northern Europe and the Baltic Sea region. The risk remains, however, that this cannot be fully exploited if the Nordic dimension remains dominating.

### “Nato not without problems for the Nordics”

The Nato membership will still not be problem-free. There might be practical issues, but mainly cultural ones in terms of mindset and strategic culture – from neutrality and non-alignment to collective membership in the Alliance, according to the two authors.

Finland's people and leadership have been used to managing their defence independently and must now adapt to collective defence models, which may require adjustments. Finland also needs to learn to articulate the threats to Nato's common security interests, where the threats explicitly come from Russia, it is pointed out by Estonia.

For Sweden, neutrality and non-alignment have not only been the practical security norm but also part of the country's identity and the precondition for a unique, thriving democracy.

As a result, it could be even more difficult and might take longer for Sweden than Finland to accept the new situation, according to the report. Sweden must get used to both having joined Nato and to its new status as an ally.

### A military and political alliance

The report from Estonia recommends subtle information campaigns to deal with existing Nordic reluctance against the USA and nuclear weapons (on the countries' own soil). The report points out that Nato is not only a military alliance but also a political one.

Finland has a long border to defend, while Sweden can be expected to contribute with help outside of its own borders – especially in terms of naval defence. Sometimes obligations to Nato take precedence over Nordic commitments, point out Tony Lawrence and Tomas Jermalavičius.

### Nordic-Baltic cooperation about more than defence

The Baltics hope for more security policy cooperation with the five Nordic countries. But there is more than security pol-

icy on the table. Estonia's Prime Minister Kaja Kallas sees many opportunities for cooperation beyond defence.

She refers to her time serving as an MEP when she saw big opportunities for innovation and development in AI, digitalisation, green technology and deep tech.



Estonia's view is that smaller nations need to cooperate both on defence and in other areas. A Nordic-Baltic collaboration could gain more heft and speed and economic success, believes Kallas.

She is advocating for a project to make reporting linked to EU regulation easier, an issue that mainly affects smaller companies.

"Let the employees who handle detailed reporting to the EU do something useful instead, and let AI take care of the routine reporting; it saves money," says Kaja Kallas.

"Our region has a lot to offer to make the European economy competitive so that no one is left behind. It is something the Nordic and Baltic countries could fight for and highlight after the EU election," says Estonian Prime Minister Kaja Kallas.



## When the Nordic open labour market ended overnight

This summer, the common Nordic labour market will be 70 years old. But have we really been able to work freely in a neighbouring Nordic country for that whole period of time? The border between Norway and Sweden was closed for 23 months during the Corona pandemic, a new book published by the Svinesund Committee points out.

NEWS

29.04.2024

TEXT: BJÖRN LINDAHL, PHOTO ADRIAN ØHRN JOAHANSEN

22 Norwegian and Swedish people who followed the pandemic closely in the border region have written about what happened when Norway closed the border on 16 March 2020.

“The pandemic split Norwegians and Swedes. It is not the first time this national border has become tangible, but it was a shock for people living near it who had taken the open border for granted. In no time at all, trust plummeted and accusations grew,” writes Cecilia Nilsson, CEO of the Svinesund Committee, in her introduction.

She continues:

“During 681 days, police guarded the border and car tyres blocked roads crossing it. Few of the daily 22,000 passengers who usually cross the Svinesund bridges remained. It was impossible to get to work or to go to ice hockey training.”

Norwegians who chose to cross the Swedish border, which was kept open, were forced to spend 14 days in quarantine when they returned to Norway.

“This meant Strömstad overnight turned from being a place full of life to a place in complete silence. Streets and squares were virtually empty,” writes Kent Hansson, chair of the Strömstad city executive board.

### One-third of border trade

The year before the pandemic, Norwegians had been shopping for 27 billion Swedish kronor (€2.3m) in Sweden. 9 billion – one-third – was spent in Strömstad.

“Big border trade companies and the tourism industry reported a decrease in turnover of over 95 per cent. Despite state support packages, nearly 1,500 people lost their jobs, which was almost 20 per cent of the workforce. Had this been in a big city like Göteborg, it would have corresponded to around 75,000 jobs,” writes Kent Hansson.

But there were problems on the other side of the Swedish border too.

“In Eidskog municipality, before the pandemic, around 100 out of 600 employees lived in Sweden. Then we had all those working in our local businesses. The municipality does not work without our doctors, nurses, preschool teachers, leaders, NAV employees and others who live ‘on the other side,’” writes Kamilla Thue, Mayor of Eidskog municipality on the border with Sweden.

When restrictions were eased, border trade picked up pace quickly. But it has taken longer to get over the way people were treated – Swedes who had to wear face masks, get tested more often or who had to sit in designated canteen areas in their Norwegian workplaces. On both sides, it was not possible to visit friends, play with grandchildren or say goodbye to a dying grandmother.

### Tegnell on infection

Did the minimal effect on the spread of infection stand in any reasonable proportion to the interventions in people's lives? It is not particularly surprising that Anders Tegnell, Sweden's state epidemiologist who led Sweden's efforts against the epidemic, is still critical to the closing of the borders.

“It is hard to believe that a few infected people would have an impact on transmission rates. We also know from experience that it is people who return back home who spread the infection, not visitors or tourists. Citizens of one country can never be banned from returning home, they might be forced to quarantine, but any spread will be hard to control,” writes Anders Tegnell.

His opposite in Norway, Preben Aavitsland at the Norwegian Institute of Public Health, is also critical.

“Norway had some of the strictest measures in Europe, the border to Norway remained practically shut for long periods of time. At some stages, the border crossing with Sweden was guarded by soldiers and it is actually a bit embarrassing to look back on this,” he writes.

Norwegian politicians made decisions in a near state of panic, according to Aavitsland. Closing the border created an im-

pression that the threat was coming from abroad and that it could actually be stopped.

“After a while, the term ‘imported infection’ was introduced, as if you were talking about a different and even worse virus,” he writes.

### The future

Much of the book looks to the future. What should be done the next time?

“It is only one year since the WHO declared the pandemic to be over. In another twelve months most might be forgotten. I don't want that to happen,” writes Linn Laupsa, Deputy Mayor of Halden municipality.

She sums up in 12 points what should be done differently in the future (we have abbreviated them somewhat):

1. Norway and Sweden should synchronise crisis plans
2. Prepare a model for how Norwegian and Swedish regions can cooperate during a cross-border crisis.
3. The Prime Ministers should draft a memorandum of understanding to avoid border closures.
4. Conduct crisis preparedness exercises in border areas.
5. Allocate funds for this purpose.
6. Adhere to the Schengen Agreement on open borders.
7. Determine which travel documents are valid in border areas.
8. Collaborate with the European Union Agency for Emergency Situations (HERA).
9. Continue debating pandemic management.
10. Hold more meetings with politicians in border regions.
11. Enhance civilian preparedness.
12. The Nordic Council of Ministers should increase its focus on preparedness and pandemic management.



## Iceland's Katrín Jakobsdóttir runs for president, triggering major changes

Prime Minister Katrín Jakobsdóttir's decision to step down in order to run for president of Iceland could create trouble for the government coalition she has been instrumental in keeping together.

NEWS

29.04.2024

TEXT: HALLGRÍMUR INDRÍÐASON, PHOTO: PHOTO: ERIK OTTOSSON, NEWS ØRESUND

The government of Iceland went through a dramatic change earlier in April when Prime Minister Katrín Jakobsdóttir announced that she would be running for president. Although this was not entirely unexpected, it created some uncertainty among the government parties.

They managed eventually to work through it and the Independence Party leader Bjarni Benediktsson took over as Prime Minister. There are, however, doubts that the government coalition will last until the end of this parliamentary term next year. Many issues have made the cooperation between the coalition parties difficult.

Katrín Jakobsdóttir, leader of the Left-Green Movement, took over as Prime Minister in 2017 and has led a coalition comprising her own party, the Independence Party and the Progressive Party.

This government has had to deal with two very challenging tasks – reactions to the pandemic and the evacuation of Grindavík. There have been major differences between the parties on many issues, perhaps not so surprising in a right-left coalition. But the last few months have in many ways been particularly challenging.

### **Was not going to run for parliament again**

When the current President Guðni Th. Jóhannesson announced in his New Year speech that he would not run again, Jakobsdóttir became a hotly-tipped candidate. When asked directly if she would run she always said that she had not given it any thought and there were still challenging tasks ahead in government.

But at the end of March, rumours grew stronger that she would run and on 5 April she announced her decision in a video message. She said that she had decided some time ago that she would not run for parliament in the next elections. Many had encouraged her to run. In media interviews that day she said that she did not think that this decision would affect the government.

This is the first time that a prime minister runs for president in Iceland and this decision is highly unusual in Icelandic politics. Politicians have run for president before, but never a government minister.

The new Prime Minister, leader of the Independence Party Bjarni Benediktsson, briefly served as Minister for Foreign Affairs after he resigned as Minister of Finance in October.



*The Independence Party's Bjarni Benediktsson is Iceland's new Prime Minister. But for how long? Photo: Government of Iceland*

His resignation came after the parliament ombudsman reported that the selling of shares in one of the state banks had not been performed according to standards. Benediktsson's

father was one of those who bought shares, without his son's knowledge.

### **Most turmoil among the Left-Greens**

Eiríkur Bergmann Einarsson, professor in political science at Bifröst University, says that from the start, this government was based on the Left-Greens leading it.

"It was the only way for the party to be in this government when it started. Now that this has changed, the government is less stable because there might now be turmoil on the Left-Green back benches. There is much more turmoil there than in the other parties."

Einarsson says that on top of this, there is fatigue in the cooperation between the coalition parties which has frequently been public.

"Of course, you always get a bit of a quiet start as a new prime minister but I would think this combination is more unstable than the previous one."

There have been a number of disputes between the government parties, but we will mention two of them. Last year, Svandís Svavarsdóttir, the Left-Green Minister of Fisheries, decided to ban whaling the day before it was supposed to begin in order to inspect further possible violations of animal welfare rules.

The other government parties protested with force. The parliamentary ombudsman considered the decision to be illegal and a vote of no confidence was imminent. But after Katrín Jakobsdóttir ran for president, Svavarsdóttir left the ministry to take over as Minister of Infrastructure,

Another dispute has been over immigration. New legislation introduced by Guðrún Hafsteinsdóttir, Minister of Justice from the Independence Party, has sparked controversy among the Left-Greens who are not certain they will support it.

### **Bad polls for the Left-Greens**

The Left-Greens have also performed very badly in recent polls, dropping below 5 per cent in some of them, which is less than the parliamentary threshold.

"In that situation, they don't want to rush elections. But on the other hand, it can be convenient for them to act tough and use differences with other government parties to highlight what makes them unique. Also, the Left-Greens still haven't selected their new leadership and they don't have the same space for drastic measures until they have," says Eiríkur Bergmann Einarsson.

When asked about Bjarni Benediktsson's position as Prime Minister, Einarsson says it is not strong.

"His popularity ratings have been very low. On the other hand, there is not much left of this term so this government is

really bridging the gap until the next elections, which will be no later than the autumn of 2025. So that comes into it too.”

Einarsson says it is impossible to say whether the government will last until the next election.

“It could well hold. But it will surely take less to blow it up than it would have before Katrín Jakobsdóttir left. It is usually unforeseen issues that decide how long governments last.”

The most recent polls put the Social Democrats in the lead. Some polls put them at over 30 per cent, which is more than they have had for 15 years. Einarsson says that the party is very likely to be part of the next government.

“The elections are too far away to be certain, but the Social Democrats definitely have a good chance to be a part of a government after the next election – and even leading it.”



## Faroese independence is suddenly back on the table

The Faroe Islands would like to become a full member of the Nordic Council. But since the Swedish Minister for Nordic Cooperation has dismissed that possibility, more Faroese politicians argue that the islands should review their role as part of the Danish realm and in the Nordic Council.

NEWS

29.04.2024

TEXT: RÓLANT WAAG DAM, PHOTO: GWENAEL AKIRA HELMSDAL CARRE/NORDEN.ORG

“It makes me angry to hear the Swedish minister talk like that. It is arrogant.” That was the blunt response from the Faroese Prime Minister Aksel V. Johannesen when asked to comment on Jessika Roswall’s statement that Faroese membership in the Nordic Council was not going to happen.

Roswall is the Minister for Nordic Cooperation at the Nordic Council and was very categorical in her rejection of the Faroese desire when interviewed by Faroese television, Kringvarp Føroya, in connection with the Nordic Council’s theme session in the Faroese capital on 8 and 9 April.



*Jessika Roswall, Minister for Nordic Cooperation at the Nordic Council, rejects full Faroese Nordic Council membership.*

This happened in the wake of a working group's proposals to amend the Helsinki Treaty, which would make the Faroe Islands, Greenland and Åland members of the Nordic Council on an equal footing with the other member countries.

Today, they are not, which means they do not have voting rights, among other things. And they will not get it either, according to Sweden and Finland. This should end the debate because such a change – an amendment to the Helsinki Treaty which sets the framework for the Nordic Council – presumes unilateral agreement from all member countries. And that does not exist.

### **Unusual independence rhetoric**

But if Sweden and Finland thought this was the end of the saga, they were sorely mistaken.

“Jessica Roswall has reignited the Faroese independence debate which has been on the backburner for 20 years,” wrote Rógvi Olavson, a PhD student at the University of the Faroe Islands, in an opinion piece in the Danish online publication *Alttinget* after the theme session in Thorshavn.



*Erling Eidesgaard from the independence Tjóðveld party during the Nordic Council.*

He could write that because after Roswall's statement something happened that is rarely seen in Faroese politics – the two parties Sambandsflokkurin (the conservative-liberal Union Party) and Tjóðveldi (the left-wing Republic Party) suddenly began to speak the same constitutional language.

Erling Eidesgaard, the Faroese member of the Nordic Council from the separatist party Tjóðveldi, was the first to address this when he wrote on social media that he saw a momentum:

"I have not yet met anyone who votes Sambandsflokkurin who does not support the idea of independence, if only in close cooperation with Denmark. And if that's what it takes to get the sceptics on board, let's try it."

This form of soft independence rhetoric is highly unusual. The timing is also extremely interesting because this outstretched hand from Tjóðveldi to Sambandsflokkurin came soon after the opposition party Sambandsflokkurin signed a rather remarkable agreement with the coalition parties Javnaðarflokkurin, Framsókn and Tjóðveldi which among other things addressed the taxation of the fish farming sector.

The content is irrelevant in this story, but the fact that it was entered into is a breach of the block politics that has been the norm in the Faroe Islands for many years – and that, it would seem – was an opportunity that Eidesgaard apparently did not want to miss.

It is important to remember that Tjóðveldi and Sambandsflokkurin are diametrically opposed. Tjóðveldi is a left-wing independence party working for Faroese independence, while Sambandsflokkurin is a conservative party that wants to maintain and strengthen relations with Denmark by being part of the Danish realm.

### **Denmark will not decide**

At first glance, what Eidesgaard is doing may seem quite unique. But in reality, he is simply seizing the opportunity presented by the Danish Prime Minister Mette Frederiksen during the opening of the Danish parliament in October 2023, when she spoke about how the realm should develop.

"Once upon a time, there was Denmark, and then there were two other countries in the realm. That's over now. It's not Denmark that should determine the future of either Greenland or the Faroe Islands. That decision belongs to Nuuk and Tórshavn.



*"The Danish government is absolutely open to dialogue," said Faroese Prime Minister Aksel V. Johannesen.*

"And as long as we have a realm – and personally I hope we will have it for many years to come – it should be an equal partnership between three countries, three peoples, three nations," said the Prime Minister in her speech on 3 October.

Roswall swept the desire for equal partnership in the Nordic Council off the table on the first day of the April session in the Faroe Islands. So it was perhaps not so surprising that the

usually calm Prime Minister raged on Faroese radio the same day – and here we are back at the start of this story; the day after, Eidesgaard joined in with his soft rhetoric of secession.

"The Danish government is absolutely open to dialogue. They want us to receive the resources we need to maintain the community that we have today between the Faroe Islands, Denmark, and Greenland," Aksel V. Johannesen said on Faroese television, among other things.

This statement aligned well with Prime Minister Frederiksen's message in October, which she reiterated during a debate about the realm in the Danish parliament on 19 April, when Anna Falkenberg, a Faroese member of the Danish parliament from Sambandsflokkurin, asked whether the Prime Minister and the Danish government were willing to consider the structure of the realm if asked by the Faroe Islands or Greenland.

"Yes, if there is a request from the two other countries in the realm to sit down and look at a different framework, we will enter into that dialogue in a positive and proper fashion," answered Frederiksen, meaning a request must come from the Faroe Islands or Greenland.

### **Exiting the Nordic Council**

So, discussions revolve around the development – not dissolution – of the realm. The countries seem to agree on this. The parties in the Nordic Council have different opinions, however. Iceland, Denmark and Norway recommend full membership for the Faroe Islands, Greenland, and Åland, while Sweden and Finland are against it.



*Johan Dahl, Faroese member of the Nordic Council from Sambandsflokkurin, during the Nordic Council.*

The final decision on this matter is set for 28 October, and according to Johan Dahl, a Faroese member of the Nordic Council from the Sambandsflokkurin, there are two options:

Either the Faroe Islands become full members, or the Faroe Islands should completely withdraw from Nordic cooperation. Greenland's Prime Minister, Múte B. Egede, has threatened the same.



## Leaders' lack of knowledge about the Norwegian model threatens competitiveness

Anyone who wants to lead a Norwegian business should understand the Norwegian model. But far from all leaders do, according to Ketil Vedøy, who has spent more than 20 years as a top leader within HR and management. He participated at the launch of this year's Medbestemmelsesbarometer (Joint decision-making barometer) at OsloMet/AFI.

NEWS

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TEXT: LINE SCHEISTRØEN, PHOTO: BJÖRN LINDAHL

Today, Vedøy is a senior lecturer at the Department of Leadership and Organisation at Kristiania University College in Oslo.

“For decades we have educated leaders without them having to learn anything about the Norwegian model. It is a long time since the Norwegian model, cooperation between the social partners and joint decision-making was on the leadership training curriculum,” says Vedøy.



*Kjetil Vedøy, senior lecturer at the Department of Leadership and Organisation at Kristiania University College in Oslo, was invited to talk about what students and leaders learn about the Norwegian model.*

He has worked as a top executive in HR and leadership for more than 20 years, including serving as HR manager at IKEA and director for the Work Environment Centre. Vedøy was one of the speakers and participated in the debate during the launch of this year's *Medbestemmelsesbarometer* (Joint decision-making barometer).

### **Need for adult education**

Kjetil Vedøy believes it is important to look beyond Norway and the Nordic region when talking about leadership and HR. After all, what good is a brilliant model if those chosen to lead or run HR do not know enough about it and have little respect for the agreement framework or know little about the rules of cooperation?



*Senior lecturer Kjetil Vedøy (left), Unn Alma Skatvold, President of the Norwegian Police Federation and researcher Inger Marie Hagen.*

Leaders from around the world work in Norway today, and Vedøy has held courses for some of them.

“I try to explain to foreign leaders how the Norwegian model works, but it is nearly impossible to make them understand,” said Vedøy.

He still thinks it is important not to let go of Norwegian values and to work towards making the Norwegian model work in an international labour market.

“There is a lot we can bring to the table, and joint decision-making is perhaps one of the best things,” argues Vedøy.

### **International owners and values**

Kåre Slåtten is an associate professor in organisation and management at the University of South-Eastern Norway and Kristiania University College. He too underlined the impact of an internationalised labour market. He pointed out that many of Norway's tradition-rich large companies today are not owned nor run from Norway.

Slåtten believes this could impact leadership and HR.

“People working with HR in Norway report to management somewhere else in the world. This could impact how people manage their HR work,” Slåtten said.

Like Tvedt, Slåtten is also worried about a lack of knowledge about the Norwegian model.

“We teach students about the Norwegian model, but they know little from before. We have a job to do to teach them how this works,” Slåtten said.

### **Going over familiar ground**

The *Medbestemmelsesbarometeret* head of project Inger Marie Hagen underlined that it is far from the first time that knowledge about the Norwegian model is put on the agenda.



*AFI researchers Inger Marie Hagen (left) and Elin Moen Dahl presented the results from this year's Medbestemmelsesbarometer.*

She pointed out that two official reports – the Norwegian Power Investigation of 2002 and the Joint Decision-making Report of 2010 – both underlined the importance of teaching about the Norwegian model.

“We are now in 2024, and are highlighting the exact same issue,” said Hagen.

### **Alarm bells**

Kjersti Barsok, President of the Norwegian Civil Service Union (NTL), believes the lack of knowledge of the Norwegian model should make alarm bells go off among leaders, elected representatives and employees in both the public and private sectors.



*Kjersti Barsok is the President of the Norwegian Civil Service Union (NTL). She thinks children, young people and adults should learn more about the Norwegian model.*

“It is very worrying if those who are meant to lead do not understand that which is our big competitive advantage, namely the Norwegian model,” said Barsok.

She also believes leaders and students alike need schooling in cooperation between the social partners and joint decision-making.

“Just like the Norwegian Confederation of Trade Unions LO’s summer patrols for youths, we might need a “summer patrol” for leaders that checks whether they have had the necessary training in the Norwegian model – because if they haven’t, it will be hard for them to do a good job,” said Barsok.

### **Should be on the curriculum**

When it comes to the younger generation, Barsok points out that a joint trade union movement wants the Nordic model to be included in school curriculums. This is not the case today.

“That is a shame. Many young school leavers have learned nothing about the Norwegian model. When they enter the labour market, elected representatives have to do that job. We teach both employees and leaders,” pointed out Barsok.