

News

More social enterprises on the horizon in Denmark

Theme

Labour market education: a pathway to work? More knowledge is needed

Portrait

Christina Colclough is fascinated by the Nordic cooperation model

Comments

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Contents

Editorial: Can we afford not to invest in young people?	3
Labour market education: a pathway to work? More knowledge is needed	4
Successful vocational training for long-term unemployed in the Arctic	7
More companies take responsibility in fight against youth unemployment	10
Finland: Adults with jobs seek out apprenticeships	12
Occupational rehabilitation – organised anarchy?	14
One in five construction workers in Sweden are posted.....	16
Christina Colclough is fascinated by the Nordic cooperation model	18
More social enterprises on the horizon in Denmark	21

Editorial: Can we afford not to invest in young people?

What can get more young people into work? Where are the successful experiences that shows it pays to give young people a chance in working life? Everyone shares the same goal: getting people into work while maintaining an efficient use of taxpayers' money, says Sweden's Minister for Labour Hillevi Engström in this month's theme.

COMMENTS

13.09.2013

BY BERIT KVAM

In Europe nearly six million under 25s do not have jobs. Sweden's youth unemployment is higher than the European average according to Statistics Sweden. In July 140,000 under 25s were unemployed, or 17.2 percent.

The Swedish Presidency of the Nordic Council of Ministers has good reasons for putting youth unemployment on the agenda. They want to talk to their Nordic neighbours and the social partners about which measures can get more young people into work. On 16 May Nordic prime ministers and labour ministers met to look for good solutions and to identify what the authorities can do together with businesses. The Nordic Labour Journal can now present the results of the consultancy agency Damvad's mapping of what makes a good youth project. It provides some good advice: set up permanent contact persons for both parties, agree on goals and how to achieve them.

In July the EU Commission launched the campaign 'The European Alliance for Apprenticeships', based on the knowledge that vocational training often leads to jobs. The EU campaign highlights positive experiences from Germany. Finland have so-called training agreements, but the apprentices are adults already in employment.

And at the end of August Sweden's Minister for Labour Hillevi Engström invited her Nordic colleagues, employers and workers to Övertorneå to discuss Nordic experiences with labour market education offered by the labour market authorities, and to explore whether this is a good way to spend money. "It is in this group we can learn the most from each other," she says. It proved to be a tricky thing to do; the thinking in the Nordic countries is often similar, but systems and measures are different. In the end the meeting agreed to investigate the different countries' systems on a deeper level.

The training The Arctic Vocational Foundation provided the inspiration and was the real reason for arranging the meeting in Övertorneå. "People who have fallen outside of the system hate the formal school, but they are very keen to learn," says the school's head Sture Troli. Utdanning Nord focuses on internships, all students get tailored courses and are set individual goals. A board of trade safeguards that the vocational training is following regulations and that people find work. "I think this is a fantastic project," said Christina Colclough from the Council of Nordic Trade Unions.

Building on the experiences made by The Arctic Vocational Foundation may be a way to move forward? Vocational training is expensive. The question is whether we can afford not to give more people the chance.



Labour market education: a pathway to work? More knowledge is needed

Labour market education was the hot topic for the discussion between employment ministers and the social partners at the Nordic Minister meeting in Övertorneå on 27. august. The debate unveiled large differences between the Nordic countries, and a lack of knowledge about the efficiency of such measures. A new Nordic initiative aims to give a nuanced insight into systems and the way they operate.

THEME

13.09.2013

TEXT AND PHOTO: BERIT KVAM

“A deeper, comparative discussion demands a major investigation. So we have decided to perform a follow-up study of the Nordic labour market educations,” Sweden’s Hillevi Engström told the Nordic Labour Journal, on her way back to Stockholm.

As President of the Nordic Council of Ministers for Labour during 2013, she had put the efficiency of labour market education on the agenda for the Nordic conversation.

“Everyone shares the same goal: an efficient use of taxpayers’ money is what should get people into work. We share the same problems: young dropouts, people born abroad who don’t get access to the labour market. We think in slightly different ways and do slightly different things, but in this group we have a lot to learn from each other.”

A researcher's eye

Ahead of the ministers' meeting the Swedish presidency asked Professor Anders Forslund at the Swedish research institution IFAU, the Institute for Evaluation of Labour market and Education Policy, to provide a thought paper on 'labour market education – a path to get into/to stay in the labour market'.

Based on Swedish experiences he concluded that although the spread, content and effectivity of the measures has varied with the economic ups and downs over the past decades, new research indicates that Sweden's labour market education is effective and more often leads to jobs than internship schemes do. But since labour market education is a far more expensive solution than internships, the return on the investment differs less.

Anders Forslund's advice to Minister for Labour Hillevi Engström was that if the government wants to focus on labour market education, aiming for fewer clients per advisor could give better results. It will allow advisors to get to know the employers better and it will give them a better overview over which opportunities exist in the job market, while job seekers get better coaching into working life.

Denmark calls for better research

Denmark's Peter Stensgaard Mørch, Head of Division at the Ministry of Employment, called for more detailed knowledge around what actually helps people find jobs:

"We spend billions of kroner on further education of the workforce. So it is important to get returns on our investments. The question is not whether we should invest, but how we invest to achieve the best results. The question is how we become more refined in the way we do this. The problem is that the studies I know of don't have the necessary level of detail to probe into the individual target groups and the individual types of education. I would like to see a more nuanced picture."

In Denmark's case the studies show the average effect across all types of educations and target groups. This means little, argued Peter Stensgaard Mørch. The Ministry of Employment has therefore launched an investigation to gain more knowledge. The aim is to be able to differentiate between different types of education, who might benefit from the offer and whether skilled and unskilled people should receive the same offer.

"We will use this to move on in the debate on whether it makes sense to put more money into this measure of our employment policy," said Denmark's Peter Stensgaard Mørch.

Education and education not the same thing

Norway has fewer unemployed people and fewer on labour market measures. Labour market training (AMO courses) represent only a small part of active measures, but education is still important in the labour market policy, said Rune Sol-

berg, Director General at the Ministry of Labour. He wanted to define the term labour market education and to separate education from education. In his opinion, what Anders Forslund has been looking at is what each country's employment agency has defined as labour market education.

"In Norway many unemployed people can get a formal education within the ordinary education system. The responsibility rests with the education authorities and not with the labour market authorities. To us this is an important division. Unemployed people with reduced work ability can for instance get support to help them take a three year university college education."

According to Rune Solberg the effect of the employment agency's labour market training in Norway is positive and in many ways similar to the Swedish one described by Anders Forslund. The measure's reach has varied with economic cycles, but today labour market training is first and foremost a measure aimed at those with the weakest basic skills and the lowest language skills.

Finland focuses on regular education

The regular education system is important in Finland's labour market policies too. Unemployed Finns can choose for themselves what or where they want to study, be it vocational training or taking a degree at a university college or university. Unemployment benefits can be used to attend school or to study for two years, including for a master's degree. The important thing is to have a plan which can be approved by the labour market authorities, explained head of development Heikki Ravantti.

Employers want a greater say

"Studies have often focused on whether the education leads to jobs. But the aim of labour market education must also be to make it easier for employers to recruit labour. From an employer's point of view the most important thing is that labour market education is tailored to demand," said Karin Ekanger from the Confederation of Swedish Enterprise. She would also want to see employers involved in designing the education and preferably also be involved in recruiting the candidates.

"If society invests so much in this kind of education, you do want it to succeed.

"What's interesting is that even though there are common denominators, there are also major differences between the Nordic systems. But the goal remains the same: to get more people into work."

She also felt it was important to promote and spread knowledge of how the different systems work.

"There are, of course, important lessons to be learnt from the different approaches. These are also measures that have been put into practice, which allows you to better understand

what actually does work,” said labour market expert Karin Ekenger.

Expensive solutions – but worth it?

The General Secretary at the Council of Nordic Trade Unions, Christina Colclough, pointed out that costs should not get in the way of the goal of getting more people into jobs:

“We think it is important to ask yourselves what labour market education costs, but it is also important to ask what the cost would be if we abandoned the idea. We risk creating an even larger group of people who remain outside of the labour market. We need to make sure there is room for all in the labour market,” she said.

Iceland relies on the social partners

“We see that internships represent the most efficient way of getting people into jobs. 60-70 percent of people who get a job offer don’t go back on unemployment benefits. The effect is not as pronounced when it comes to labour market education,” said Gissur Pétursson, General Director of Iceland’s Directorate of Labour.

They have given the main responsibility for labour market education to the social partners. The system is state funded, and managed by the partners.

“We have made a system in Iceland where the social partners cannot come to the state to complain the labour market education doesn’t satisfy the needs of the labour market, because they are managing the education themselves,” said Gissur Pétursson.

A project benefitting all?

“Can we generate deeper knowledge and can we share it?” summed up Dagfinn Høybråten, Secretary General of the Nordic Council of Ministers.

His task, as he put it himself, was to distil something out of the debate between the countries and the social partners which could be of common benefit to the Nordic countries. The question is whether this debate can be turned into a project which can be taken further, as a contribution to the debate in the individual countries.

“Should we, and can we and do we need all the kinds of deeper knowledge which is more nuanced when it comes to target groups and measures, and thereby more suited to a larger degree of tailoring of the respective countries’ portfolios? It strikes me that if you see this as being of common interest it should be possible to go down this track. In that case you need to note what is already happening in Denmark, so that we avoid going down the same path but rather complement what Denmark is doing.”

Follow-up study

Iceland’s 2014 Presidency of the Nordic Council of Ministers wants to follow up this particular debate, and wants to organ-

ise a major conference on the cooperation between education and the needs of businesses.

As Sweden’s Minister for Employment told the Nordic Labour Journal:

“A deeper comparative debate demands a bigger investigation. So we have decided to perform a follow-up study of Nordic labour market educations.”



Daniel Tervonen and Andreas Östensson are training to work with sheet metal and ventilation systems at Utdanning Nord.

Successful vocational training for long-term unemployed in the Arctic

The Arctic Vocational Foundation is a joint Nordic institution providing individualised training within more than 30 vocations to unemployed Finns, Swedes and Norwegians. This, is where Sweden's Minister for Employment Hillevi Engström invited her Nordic colleagues and working life representatives to consultations. What makes this training so special?

THEME

13.09.2013

TEXT AND PHOTO: BERIT KVAM

Why did you want to invite your colleagues to just this place?

"I have been fascinated by the way they educate people in four different languages in so many vocations. New students are enrolled as soon as someone has completed his studies. Every student is given a completely individual study plan which takes into account each individual's qualification, so that one person might stay for six months while another needs a year to learn the same thing. This flexibility is particularly interesting I think," Hillevi Engström told the Nordic Labour Journal.

The students we met before the ministers' visit shared that sentiment:

"What's good with studying here is that I can follow my own tempo," said a young Norwegian man who had dropped out of upper secondary school and now wanted to finish his education.

"What's so good is that I can follow my own study plan and sit exams as I learn new things," a young Finn said.

“Here you need to use your own initiative and study a lot if you want to understand and learn things, so you need both motivation and self discipline,” said a slightly older Swede who was sat reading a large IT manual in English. The course’s flexibility meant he could commute between the school and his hometown where he was looking after his poorly mother.

Every year 500 students go through this school. Everyone of them gets an individually tailored study plan and gain skills in line with Finnish, Norwegian and Swedish educational systems. They are young school leavers, long-term unemployed who need retraining because of ill health and injury, or because of changes to their industry, and there are unemployed people with higher education. The average age is 37, with people ranging in age from 20 to 60 plus. Last year an unemployed 62 year old took a course in programming. He now has a permanent job in Sundsvall, one of the teachers says.

Popular IT course

Dan Robin Einvik from Honningsvåg in Norwegian Lofoten was a fisherman and worked on a fishing boat when he damaged his back. He was on sick leave for a year and received work assessment allowance the following year. He had not finished his upper secondary education which made it harder to enter the labour market. Then his local job centre offered him a space at the Arctic Vocational Foundation. Here he can finish his upper secondary education and train in computers.

“I have always been interested in computers, he says and smiles contentedly.

He is exercising, has gained good friends in a very social environment and he meets a lot of different people from different backgrounds, he says. The school is also part of the EU’s Leonardo da Vinci programme and exchanges students with vocational schools in five countries.

“I finish my course on 2 December, and will move to wherever I get a job. Away from the coast is totally OK with me,” says Dan Robin, the man from Norway’s beautiful Lofoten coastline. He thinks change is a good thing.

“You can’t find what this place offers anywhere else”, another student pointed out. This is what we call tailored education, says Sture Troli, head of the Arctic Vocational Foundation:

“It means we take into account the baggage each individual student carries with them.”

Since 2011 the school has developed its own skills validation system. It builds on the teachers’ own experiences after working for many years at the Arctic Vocational Foundation.

Validation is a system for measuring skills

“Based on the teachers’ experiences we have developed a comprehensive system which all teachers now use to map

and document each individual student’s skills and background. That creates the basis for an individually tailored teaching plan for each individual pupil.

By the end of the year Sture Troli believes the Arctic Vocational Foundation will have a fully developed model. They will then be able to map and document each individual person’s skills, regardless of background, where they come from or whether they speak Norwegian, Swedish or Finnish. This is a service they can then offer labour market authorities, businesses and others, and at a lower cost than existing services on the market.

Economy is a challenge. Vocational training costs more than other educations. Today the different countries’ labour market authorities purchase a set number of places. Sweden has ordered 145, Norway 60 and Finland 80 places, but the school would like to have even more students.

“It goes without saying. We run courses in four different languages, three Nordic ones and English. We run three different curriculums. We run training in our localities and at the same time we oversee internships. We work closely with local businesses so it is relatively simple for the students to find internships. When they do, the teachers maintain contact with both the students and the businesses in order to secure good cooperation.

“And unlike other schools, we have a running intake of new students. As soon as one student has finished his or her training, a new one comes in to take up that space. In this way we are running things on different levels all the time.”

Focus on youth

“We now see a greater focus on unemployed youths in Nordic countries. It is something quite different than working with older workers who have been outside of the labour market for a long time. I guess you could say we have to teach students how to get up in the morning. We need to teach them social skills so that they understand what it means to function in a workplace. We spend eight weeks to get each student to adapt to the reality in a workplace.”

How do you manage to engage the students who left school because they were bored?

“We teach learning by doing,” says Sture Troli.

“People who have fallen outside of the system hate the formal school, but they are very keen to learn. They want to learn. When students come to us they have to work. After a while they realise that if they want to understand more of this they have to start reading. So we start with practical learning first. When students come into the workplace they begin to understand that if they want to be part of it they need to study on their own.”

Sture Troli is disappointed over how hard it is to get understanding for how much providing vocational education costs.

“The education authorities have always found it hard to understand that it is much more expensive to run vocational training compared to traditional education. It is very popular to make cuts to vocational educations because they are expensive, but it affects quality. You won’t get students who are good enough when they go into internships, and they end up unemployed.”

More information about vocational educations needed

Karin Ekanger from the Confederation of Swedish Enterprise wants to see more information on the specialised skills that the Arctic Vocational Foundation deliver.

“What I see as a potential for improvement is to spread knowledge about which courses lead to very good results. I believe the main thing to learn from this example is that we need a general system in each country which demonstrates which types of education providers offer training which leads to work.”

Christina Colclough, the General Secretary at the Council of Nordic Trade Unions, is impressed with the broad level of skills coming out of the school.

“I think this is a fantastic place. Not only does it provide skills tailored to the individual. It also gives cross-cultural understanding. People travel from far away to train here. That means they also learn to move around to where the jobs are, and they have the courage to do it. So this is about more than the skills they officially gain from the school, it is about everything surrounding it.

“It is great to see Norwegian, Swedish and Finnish people working together and with people from different cultures who you also find here. Very inspiring. Something which can be developed. The director, Sture Troli, said they would like to grow, but they have limited resources. It is a shame when what they are doing is so successful.”

So would Hillevi Engström follow up the school’s challenging economic situation on a Nordic level?

“We have regular follow ups. Each country has its representatives on the board, so we take that debate at home in the individual countries. That is important.

“We need money, the director said. What do you tell him?”

“We have just signed a new agreement and I have no intention for this training to disappear,” says Sweden’s Minister for Labour Hillevi Engström.



The Danish company Øens Murerfirma with its 200 workers has long experience with working with youths and providing apprenticeships

More companies take responsibility in fight against youth unemployment

What does a successful anti youth unemployment project look like? The Nordic labour ministers have asked Danish consultancy agency Damvad to map Nordic youth projects that are based on cooperation between authorities and companies.

THEME

13.09.2013

TEXT: BJÖRN LINDAHL, PHOTO: ØENS MURERFIRMA

Damvad has focused on summer jobs, internships and apprenticeships. There are many models tailored to everything from Danish construction companies to Swedish banking jobs. Sometimes contradictory advice is given, but success factors are also identified in nearly all of the 24 companies. Damvad has divided the advice into three groups; what companies can do, what the authorities should think about and what makes the cooperation between the authorities and the companies work (see side story).

Much is self-evident, like making sure both sides have permanent contact persons. If people need to put a lot of effort into finding a person who can take responsibility every time there is an issue, the projects are soon washed away.

It is equally important to find a common understanding among authorities for the project's goal and to plan for how to reach it, and to have backing from top management along with a positive attitude from existing workers to allow young people to have a go.

Striking the strict/soft balance

“The young person’s contact person needs to strike the right balance between a strict and a soft approach – both in order to manage some of the problems which might arise and to be able to show understanding and empathy,” writes Damvad.

Several of the projects aim to reach groups of youths with major problems. The Danish company Øens Murerfirma, a construction firm with 200 employees, has been working with young people for a long time and take on 50 trainees every year.

The target group mainly consists of unemployed 18-25 year olds. They are almost exclusively men who have never had any connection with the labour market. The youths usually grew up in socially challenged areas, have low education and many of them have not finished elementary school. They lack experience of how to behave in a workplace and many have a substance abuse problem.

The focus of the first four weeks of the trainee period is therefore to teach the youths how to behave.

The importance of community

“It is then gradually expanded to include various tasks. Morning meetings are also introduced, increasing the demand put on the youths. The introductory phase focuses a lot on making the young people part of the community, and on praising them so that they see that they can manage to achieve things. The youths have not had much praise so far in life,” writes Damvad.

Then follows the actual trainee period of 13 weeks on a construction site. If the youths are successful there, they could be offered a job or an apprenticeship.

Øens Murerfirma cooperates with four different municipal job centres, each with their own permanent contact person. The construction firm has one person who coordinates the programme and five people work as mentors. The job centre contacts visit the building sites every second week to show the youths someone is looking out for them and to cement the good cooperation with the construction firm.

Several businesses highlight the goodwill effect coming out of the projects. One of them, Swedish retailing group ICA, welcomes trainees for periods of up to six months in their grocery stores.

“One important success factor which the traders themselves highlight is that this is done from a clear business perspective. The internships aren’t offered just to demonstrate social responsibility but to help run a profitable business,” one of the traders points out.

Finland’s own apprentice scheme

The apprentice system is most widespread in Denmark. Finland has its own apprenticeship model mixing theoretical

training with practical work, where schools and workplaces cooperate closely. The students study 20 percent of the time, spending the rest of the time doing paid work in a workplace. The businesses receive support to cover the wages paid to the students during their apprenticeship period. The support is means tested with an upper monthly cap of €1,000. The companies supply mentors and coaches.

Damvad describes one Norwegian project from the city of Haugesund where the local football club works alongside the Norwegian Labour and Welfare Service (NAV). The project uses an interest in football and sports as a gateway to working life. Through its contact with sponsors, the football club works as a link between the youths and working life.

“The youths have gone from being negative with low self-esteem to being positive and feeling they can manage the challenges,” says Asle Skjærstad from the football club.

Finland: Adults with jobs seek out apprenticeships

In later years the EU Commission has been very interested in using apprenticeships to create more opportunities in the labour market for young people. Youth unemployment is lower in countries where young people can be trained in the workplace and get a job that way. The best examples are found in Germany, Austria and Switzerland, while vocational training has had good results in Denmark and the Netherlands too.

THEME

13.09.2013

TEXT: CARL-GUSTAV LINDÉN/HELSINKI

In recent months the EU debate has accelerated as more and more young people struggle to find jobs. Nearly six million people below 25 are now unemployed. In the first quarter of 2013 youth unemployment stood at 23.5 percent, and in some countries more than half of young people do not have jobs.

A new alliance

That's why the Commission launched 'The European Alliance for Apprenticeships' in June this year, which takes a cue from the German experience (read the press release [here](#)). The purpose is to improve the quality of existing apprenticeships within the EU. There is no overarching model for the training, which differs between countries – even between German states. Among the signatories to the Commission's declaration are representatives from trade unions and employers. The Commission also hopes for support and economic contribution from authorities, businesses, trade unions, chambers of commerce, institutes for apprenticeships, youth representatives and job centres.

"We need to get together and act now to make sure young people get the skills they need in order to succeed in life," EU Commissioner Androulla Vassiliou said at the alliance launch.

Studies show that apprenticeships and practical placements often lead to permanent jobs. Job specific degrees also increase the chance of getting a job compared to an open degree. In Germany nearly 200,000 youths start out as apprentices every year, and there is great demand for labour.

Popular in Finland – for adults

So vocational training differs greatly throughout the EU.

"Generally speaking, every country has its own education system with its own characteristics," says Seppo Hyppönen, head of adult education at the Helsinki based Finnish National Board of Education.

What is called an apprenticeship contract within the EU is known as a training agreement in Finland. It hardly includes any youths at all, despite economic state support. Employers taking on a young person receive a monthly state grant of up to €800 in the first year, €500 for the second and €300 for the third. Despite this, interest is low. The situation is the total opposite to the one in Germany.

In Sweden too the state support has just been increased in the hope that more companies will offer jobs. The aim is to get half of vocational students into apprenticeship schemes within seven years. A new form of employment called 'gymnasial lärlingsanställning' (upper secondary education apprenticeship) is also due to be introduced.

Last spring the EU Commission asked Sweden to introduce a more comprehensive apprenticeship scheme in order to support young people with low education as well as immigrants.

Although the Minister for Education Jan Björklund (Liberal People's Party) has been talking about a 'regime change', the support might not do much to change the situation as Swedish businesses, just like Finnish employers, are tailored to welcome people from theoretical educational institutions. One in five Finns in vocational training are getting it through apprenticeships. In 2011 nearly 57,000 people were in apprenticeships, down from more than 70,000 people in 2008. This reflects cuts to the public sector and reduced business activity. But nearly all those in apprenticeships are also adults. They are already in working life but lack the formal

skills for their job and need to get a diploma. They are, for obvious reasons, very motivated. As a result, a higher number of diplomas go to people who have been apprentices rather than to people who have attended vocational training. Employment rates are also higher for those who studied.

Seppo Hyppönen says 99 percent of all those who study within an apprenticeship scheme are adults.

“And it is a very flexible system.”

The government has now promised to develop training for youths, including apprenticeships, but details are still hidden within next year’s budget, which has still not been published.

Social and health care

Jeanette Harf, education coordinator at the Swedish language upper secondary vocational education institution Praktikum in Helsinki, says 110-120 of their 1,100 students are on apprenticeships. They are also all adults.

“Most are training for the social and health care sector, where there is a great demand for people,” says Harf. Many want to gain qualifications for a job they are already in, for instance as enrolled nurses. It is often the employer who takes the initiative as they face a shortage of skilled workers. It is usually easy to find placements for the students, because they will often be doing the same job as before and get paid a salary while they finish their training.

It is also common for adult students to acquire skills in order to become school assistants.

Praktikum

Praktikum also trains hairdressers via apprenticeships, but it is harder for them to find suitable workplaces because the employers demand some previous knowledge of the trade.

“We also have apprenticeships for entrepreneurs and eco hairdressers who study while being ordinary employees or self employed. They have coaches who work within the trade or a mentoring company.”

The training is 70-80 percent practical work, while the rest is theory. Coaches in the workplace plan the education and assess the progress three times a year.

In Finland there is apprenticeship training for more than 300 different occupations, but three sectors cover 85 percent of the students. The apprenticeships last from four months to four years depending on the subject and previous knowledge.

For some youths only

Praktikum’s headmaster Harriet Ahlnäs reckons apprenticeships are suitable for some young people who fail to study in a normal school setting and risk becoming marginalised.

“But in that case you need to find a workplace, and that is not easy for a 16 or 17 year old.”

She feels an ordinary vocational education is the best alternative for most young people, when this includes a period of practical work which covers one sixth of the course period.

So despite the good intentions it seems the EU Commission will be facing an uphill battle in Finland and Sweden.

Occupational rehabilitation – organised anarchy?

Everyone struggles to increase the labour participation rate among people with reduced work ability. Could the actual support system be the greatest obstacle?

RESEARCH

12.09.2013

TEXT: KNUT FOSSESTØL, RESEARCH DIRECTOR, NORWEGIAN WORK RESEARCH INSTITUTE

When trying to explain low labour participation rates, the focus is often on the individual job seeker's skills or motivation or on employers' drive for profitability and productivity. But could it be that the actual system which should be supporting the individual by offering occupational rehabilitation in itself represents an obstacle to this goal?

Proper management means a clear link between stated aims and the tools needed to reach them. If the aim is to increase the users' labour participation rate, and the authorities and the social support system are the tools needed to reach this goal, there has to be a link between what happens here and what you want to achieve. Based on this model you would think there was a clear division of roles and responsibilities between the different players who take part in the assignment chain, based on knowledge about what works for whom, and which could be controlled and measured after the event.

That's not the case, however.

Firstly, the rules for measures and income security have to cover several different issues simultaneously. The reasons behind providing occupational measures must focus on the individual's opportunities and resources, while the reasons behind providing income security must be linked to the sickness criteria. Assessing whether someone can work and assessing whether they have a right to income security represent two very different tasks. As people need something to live off, it is easy to focus more on the money than on work opportunities, especially if the advisor has a lot on his or her plate.

Secondly, the division of labour between the commissioner and the service provider can be unclear. Assessing and following up the users is usually the main responsibility of the Norwegian Labour and Welfare Administration (NAV) offices. But due to heavy workloads the offices have to a large degree taken the opportunity to purchase these services from

elsewhere. One result of this has been that those who deliver the measures often end up knowing more about the user than the NAV office in question does. The service providers end up being the ones that often have the competence to order services.

Thirdly, there is the question of the quality of the work delivered by both NAV offices and the service providers. For the service providers it might look as if advisors at NAV offices assess someone's ability to work without having mapped that ability, and that the needs assessment is poorly documented – which results in poor quality referrals and commissions. Due to heavy workloads the advisors will carry out referrals in order to “be rid of users for a period of time”, and poor quality referrals “makes where the user ends up a lottery”, as knowledgeable players put it. For the service providers this means a lot of invisible extra work, especially because they will be measured by how long the applicants remain in the system, and by the number of referrals. For NAV, on the other hand, it might look like the service providers are “stretching the measures' duration”, they run them to the maximum limit which can lead to lock-ins and a loss of focus. This is amplified by the fact that the measures should both provide long-term sheltered work, they should include work training and they should get people into work.

Finally, there is no agreement between professionals in the field or politicians on what type of organisation is best suited to organise relations between the state authorities and the service providers. Should you increase competition or should you increase cooperation and network control, or should the NAV offices themselves deliver these services? Today all these strategies are pursued at once. Clarification measures and follow-up services are put out to tender, while already approved companies are given the chance to deliver these services at the same time as trials are taking place for the insourcing of the same services.

Thus what happens in the real world differs from the model for efficient management illustrated in the introduction: there are multiple and contradictory goals. There is no clear division of labour between commissioner and service provider. The quality of work varies, and many other conditions than quality – for instance the need to get cases out of the system – form the basis for the decisions that are made. There are also several and contradictory management models at work; the public sector is producing services itself, services are put out to tender or they are bought from the sheltered sector. There is no clear, targeted thinking, with close connections between the different players within this system. It is more organised anarchy than a clear, formalised structure. There is uncertainty over who takes part in the decision-making processes, what is considered the most important challenges and what is considered to be good solutions. The result is increased complexity and a diffuse, ambiguous and unpredictable situation where those who should be managing, advising and using the system understand only a fragment of what is going on, where the self-interests of the different players become prominent.

In this way the support system itself can become an obstacle to achieving its own goals. The question is how it is possible to design a system which is a tool for problem solution more than a tool for arbitrariness and self-interest? And while we consider this, it can be of comfort, or deeply unsettling depending on where you stand, that almost regardless of the economic cycle and organisation, four in ten people end up on support without a job, four end up in jobs while two disappear out of the registers.

The comment is based on the report ‘Necessary differentiation or overlapping measures?’

Evaluation of clarification and follow-up measures in NAV by Knut Fossestøl, Pål Børing and Ingebjørg Skarpaas. AFI report 13/2012

One in five construction workers in Sweden are posted

Over 18,000 workers were this spring posted by companies from other countries to work in Sweden, most of them in the construction industry. The number of posted workers in that industry was nearly as high as one fifth of all the working members of the Byggnads union – Sweden's main union for construction workers. These are figures from the first comprehensive attempt at mapping the posted workers in Sweden.

INSIGHT

12.09.2013

TEXT: KERSTIN AHLBERG, EDITOR EU & ARBETSRÄTT

It was only on 1 July this year that Sweden made it mandatory for companies which posted workers to the country to report this fact to Swedish authorities. Since then, foreign employers have been obliged to register with the Swedish Work Environment Agency and leave information about the posting, the posted workers and the employer's contact in Sweden. Thus, so far there are no official statistics to show how many workers have been sent to work in Sweden.

How does Lex Laval work?

This has been a problem for the parliamentary committee responsible for investigating how the so-called lex Laval really works. The committee therefore asked the social partners to help gather the facts. They have no proper statistics either and can only offer estimations, while the Swedish Trade Union Confederation (LO) now considers it has good enough information to publish the report 'Guest in reality – on posted workers in practice' (only in Swedish).

The report is based on a survey of all divisions and regions among all member unions apart from one. 80 percent responded, representing around 90 percent LO affiliate members. The report also includes interviews. Still, the authors underline that the result is only based on estimations and that no union has a full overview over the scale of the posting of workers.

Construction and forestry biggest on posting

With that in mind, the authors conclude that more than 18,000 workers from around 800 foreign companies were posted in the LO area when the survey took place. The majority, around 15,000, were working in the construction industry. This means the number of posted workers in that industry was nearly as high as one fifth of all the working members

of Byggnads – Sweden's main union for construction workers.

Forestry came second, with around 1,200 posted workers, which represents just over 10 percent of the industry's total workforce. In all other areas the posted workers made up less than one percent of the total workforce.

The length of a posting varies from industry to industry and depends on the type of posting. The average period varies between one month and one year. Construction projects can run over long periods of time, of course, but it appears to be common to change the workforce every six months. If the workers leave Sweden at the end of that period, they do not have to pay income tax here. But in the construction industry it is hard to control whether the workers or their employers actually do go home, or whether they move on to another project elsewhere in the country. There are suspicions that employers exploit this in order to avoid Swedish tax.

3,700 self-employed

Most of the workers came to Sweden to work for the company they were employed by. Only one in five were hired out by temporary work agencies, and these were mainly found in certain industries like agriculture and forestry and the food industry. The unions also said there were 3,700 foreign workers who act as self-employed. It is very difficult for the unions to know whether these really were self-employed or should be counted as employees and be subject to collective agreements and other employment regulation.

LO's survey also included questions regarding trade union activities when it comes to the posting of workers. Mapping the extent of postings is just the beginning of the parliamentary inquiry. The main task is to examine whether the social

partners can safeguard the rights of workers in light of the law changes that came into effect as a result of the EU Court of Justice ruling in the Laval case. The law on posted workers is still dependent on having trade unions police the situation – there is no control from the authorities – but after the law was changed the unions have no right to force foreign companies to sign up to ordinary Swedish collective agreements. They can only take industrial action on the basis of demanding that the employer pays the minimum wage as stipulated in the collective agreement along with certain other minimum terms. Also: if the company can show that the employees already enjoy ‘essentially’ the same benefits as stipulated in the collective agreement, it can refuse to sign any agreement with the Swedish trade union.

Many sign collective agreements

Despite this, relatively many of the foreign companies are ready to sign agreements. Just four in ten LO affiliates say companies have refused to sign collective agreements. What is more, the agreements that are signed are usually so-called application agreements, where the employer undertakes to apply the sectoral agreement in full not ‘posted workers agreements’ with minimum terms. One explanation is that many domestic companies that engage foreign contractors or temporary work agencies demand that these must adhere to Swedish collective agreements.

When the foreign companies refuse to sign agreements, their most common argument is that their employees already receive wages and other benefits which are similar to the Swedish ones. It is often difficult for the trade union to check whether this is true. In many cases the employer has not provided any documentation at all. In other cases trade unions have suspected employment contracts and other information presented to them have been false. They suspect there are two sets of documents – one to show in Sweden and one, with worse conditions, which really counts. But because the act on the posting of workers does not include clear rules on which proof the employer must present, it is risky for the trade union to call for industrial action in order to force an agreement. After the Laval conflict this has not happened at all, the authors of the report note.

The fact that quite a few companies still sign up to collective agreements in Sweden does not mean everything is as it should be. The main problem is that it is very difficult to check whether the employer is really sticking to the agreement when the posted workers are not members of a Swedish trade union. In the Byggnads union they believe companies are aware of this, and that they have learned how to ‘fix a licence’ to access the Swedish labour market by signing agreements which they do not adhere to.

LO proposes law changes

LO’s report concludes with a range of suggested changes to the law. Top of the list is to make the main contractor responsible for making sure all subcontractors involved in a project

is following existing legislation and agreements. The Byggnads union, which represents the industry where most of the posted workers end up, is not content with simply waiting for (highly uncertain) changes to the law. One of the union’s demands in this year’s bargaining round with the employer organisation the Swedish Construction Federation was that the new collective agreement should include provisions on extended responsibilities for main contractors. The employers did not agree to this, but the parties agreed to establish a working group which will come up with new rules “in order to get to grips with irregularities in the trade”. The group will study systems and solutions in other countries, “for instance the Norwegian model covering contract work”. The final report must be finished no later than on 15 February 2014.



Christina Colclough is fascinated by the Nordic cooperation model

After living in the Nordic countries for nearly 30 years, British-Danish Christina Colclough, the new Secretary General at the Council of Nordic Trade Unions, NFS, is still fascinated by the Nordic welfare and labour market model. It fuels innovation, competitiveness and productivity, she says.

PORTRAIT

09.09.2013

TEXT AND PHOTO: GUNHILD WALLIN

“The welfare state’s universalism is the ultimate, biggest and most beautiful. It creates equal opportunities and cohesion which also has an impact on working life,” says Christina Colclough.

The fact that all children get free education regardless of their parents’ earnings, that universities are in principle open to anyone, that everyone has equal rights to healthcare - all this has contributed to make the Nordic countries among the most competitive in the world, says Christina Colclough. Our Nordic welfare state creates equal opportunities to all

regardless of education or how much money you have in the bank. This system is also reflected in the workplace. In Nordic countries workers dare to take part in the workplace’s development. Even the newly hired worker or the one without further education feel they can make their voices heard, suggest ways of improving things and they expect to be listened to. The gap between top bosses and people on the floor has traditionally never been very large. This is the strength of the Nordic countries, she feels.

“Nordic trade union representatives say ‘us’ about their companies, while in most other countries they say ‘it’ or ‘they’. The ‘us’ is a sign of a culture of cooperation and consensus which is deeply central to innovative thinking,” says Christina Colclough.

Treasuring the moment

Her claim has scientific backing. Last December she gained a PhD from the University of Copenhagen looking at the importance of social capital for innovation and learning. The fact that her thesis was finished is a story in itself. Some years back Christina Colclough became seriously ill. She had a brain tumour removed followed by a long and difficult convalescence. Her academic work was put on the back burner. But when the tumour showed signs of returning in 2011, she made her mind up – she would finish her thesis. She spent the summer of 2012 at the University of Copenhagen, putting in 16 hour days. She finished her thesis and the signs of the tumour returning turned out to be wrong – today she is healthy.

“The illness changed me. Today I don’t take anything for granted. I believe you should live your life and do what you can and not postpone doing things you want to do. The danger of being ideological is that you live and work for the future. I have learned to appreciate the here and now, and that is a fantastic feeling,” says Christina Colclough.

The red thread

Participation, justice, social safety and opportunities for all regardless of background and parents’ income – these are all issues that become clearer during our conversation about the red thread in Christina Colclough’s life.

As she vividly describes her background it is as if the pieces in a jigsaw fall into place. Each experience made her believe even more strongly in the welfare state and the Nordic consensus model.

Her childhood years in England is one of those jigsaw pieces. She has a Danish mother and English father. Both were teachers and shared a deep social conscience. Evening meals were sacred; conversation time. That’s when the family gathered, and Christina and her brother were encouraged and challenged to have views on most things. Her father was the headmaster of a school in a poor area. He set up a ‘community centre’ to give the children more fun and better alternatives. But then came Thatcher. Public spending was cut and the school was threatened with closure. Her parents disliked the way things were going, to put it mildly, and decided to leave England for Denmark.

“We use to say we became political refugees, as we didn’t want to live in Thatcher’s Britain,” says Christina Colclough..

She laughs as she says it, but there is a seriousness behind her smile. Under the Conservative Thatcher regime, her country of birth, Great Britain, developed in a way which she

dislikes to this day and which went contrary to her family’s values.

“If anyone believes in the benefits of a class society I would very much like to take that person by the hand and organise a move to one of London’s poorer areas,” she says.

A different kind of school

Age eleven, speaking not a word of Danish, she came from a school built on discipline and elitist ideas to a completely different kind of school in Svendborg on Fyn.

“The Danish school was a fairytale and completely different from the English one. In Denmark pupils and teachers were on first name terms, the school days were short and conversation and dialogue was appreciated. The teacher could suddenly ask ‘what do you think?’ I was really not used to that, she says.

Becoming Danish went incredibly fast and she stayed in Denmark until she finished upper secondary education. Then the world was waiting, and she travelled and worked her way around the world for several years. The travel created a new piece to the jigsaw puzzle – insight into people’s different circumstances and how unequally wealth is divided. Why is it like this? That’s the question Christina Colclough brought with her to the University of Copenhagen. What should she study in order to find an answer? In the end it was cultural geography and a growing interest in Europe. One year at Lancaster University in England led to a master of political economy and a reward trip to Cuba. She stayed several months in Havana, danced the salsa and sold cigars. It became a journey of change, an insight into what freedom means and led to the revelation that she as a tourist could never share the circumstances of the people she learned to know and became friends with.

“We couldn’t be completely equal because I could of course leave the place and they could not. This also meant that they wanted something from me. I was idealistic and this hurt. When I returned home I had very mixed feelings,” says Christina Colclough.

Once back home – after quite a lot of ups and downs – she began researching unions and the Nordic model. When she was encouraged to apply for the position as General Secretary at the Nordic Financial Unions (NFU) in 2007 she was in the middle of her PhD. She got the job and moved to Stockholm with an urge to professionalise the unions. The thesis could wait.

“It was wonderful. I could combine my knowledge of the labour market and allow my ideology to enter into things. I was free from the researcher’s objectivity and could let myself be driven by what felt to be the right thing,” she says.

Devil's advocate

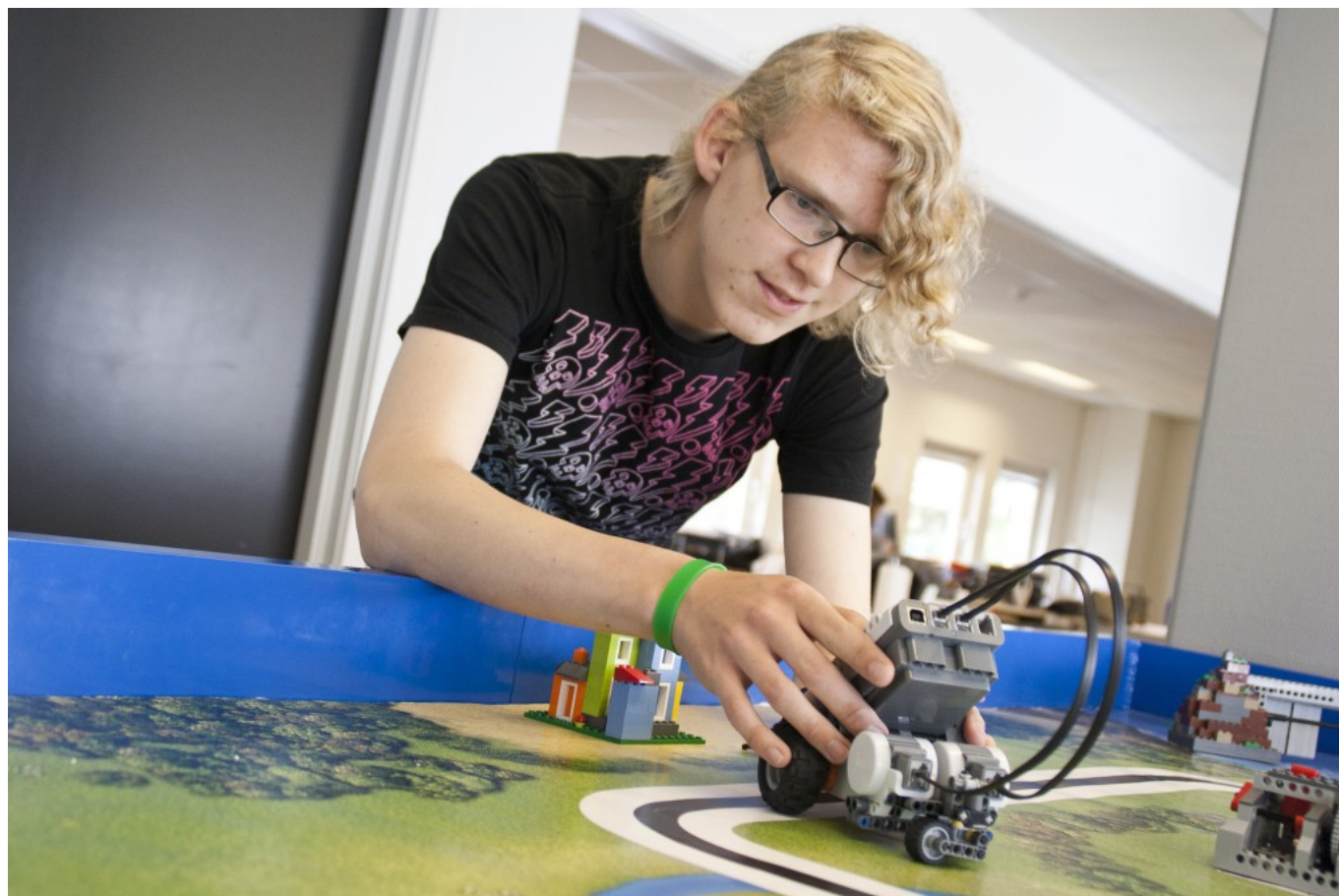
After five years with the NFU she wanted to move on and the position at the NFS presented a new challenge. She has many ideas but is somewhat careful to put them into action. First she will travel around the Nordic region to meet all the organisations and listen to what it is they want. Yet she believes with nine million members the NFS does have a future where it will be seen as a centre of expertise for Nordic trade unions, an organisation which works hard for a sustainable and competitive Nordic labour market. This is where people can come if they want to find out about or get reports on the Nordic model and the Nordic labour market.

“We need to start with how we want the outside world to see us. That will guide what we need to do. Today the NFS has a grand vision and because I often take on the role as the Devil's advocate I would like to ask – what is the NFS not doing? Is it possible to try to change the entire world? Perhaps we should focus on fewer issues and become known as the organisation which knows a lot about fewer things. So what the board wants us to be will determine what we will be doing,” says Christina Colclough.

She points out that work which doesn't show doesn't exist. What works is to talk to the Nordic ministers of labour, to remind them about the workplace's important 'us'. What works is for instance to also publish an opinion piece, even if it only changes the point of view of one single person. It is crucial, she says, to always be aware whatever the NFS does, it should create value.

She is concerned that there is a kind of crisis of self confidence in the Nordic region. In the wake of the economic downturn many companies make sure they get rid of many employees, despite doing well financially. This creates uncertainty in the workplaces and it is a threat to the 'us' which Christina Colclough believes to be so central to innovation, competitiveness and progress.

“We have to hold on to what is unique to the Nordic labour market; the cooperation model and the social partners' central role. This has proven to be so successful,” says Christina Colclough. The Nordic region will no longer have some of the most competitive countries in the world if we begin to mimic what other countries do. We must dare to hold on to and develop our Nordic model.



Specialisterne is perhaps Denmark's best known social enterprise. Its central idea is to turn autism from being a disadvantage into an advantage. The LEGO Mindstorm robot is being used to test the candidate's logical thinking

More social enterprises on the horizon in Denmark

Social enterprises are being promoted both by the Nordic region and the EU. Denmark's government has launched a new strategy.

NEWS

06.09.2013

TEXT: MARIE PREISLER, PHOTO: SPECIALISTERNE, HELLE MOOS, BJÖRN LINDAHL

More enterprises must run and spend their surplus on promoting social goals. That is the aim both within the EU and in the Nordic countries. Denmark's government now wants to give social enterprises concrete help.



Minister for Social Affairs, Children and Integration Annette Vilhelmsen promised to increase help to enterprises with social goals on 4 September 2013 when she presented a range of proposals developed by a committee on social enterprises which she had established:

“Social enterprises are increasingly appreciated for the new ways in which they use their business to introduce more people with social challenges to the labour market. I want to spread knowledge about social enterprises,” the minister said.

The committee’s proposals include a public register of social enterprises, an information campaign, better guidance and finance opportunities for the companies and a strengthening of skills initiatives. Annette Vilhelmsen is now going to discuss these recommendations with the rest of the government. She has set up a cross-party coordination group, and there is already money set aside in this year’s budget for some of the coming initiatives.

A strong growth sector

Experience from both Denmark and internationally shows that social enterprises can help solve some of our major social challenges. Their aim is not to create a profit for their shareholders, but apart from that they operate as normal businesses which should be able to create value. This gives them a unique potential to upgrade the skills of vulnerable

people and find jobs for them, which in turn will be a first step into the ordinary labour market and a better life.

That’s why the minister’s committee recommends that social enterprises should solve more important social challenges and that a large and diverse sector of social enterprises should be created in Denmark. This doesn’t come from just anybody: until recently the committee was headed by one of the leading names in Danish business, former head of Novo Nordisk Mads Øvlisen.

The committee has presented a range of visions for how social enterprises can succeed:

- Appropriate legislation and cooperation with authorities
- Solid knowledge of the social economy sector
- A high level of competence within the social economy sector
- Good finance opportunities. Investors should be willing to accept risk and provide long-term capital
- Social considerations should be a parameter in public tenders, and there should be many public-private business partnerships

So far the gap between vision and reality is wide: there are not many social enterprises out there, and the ones that do exist are generally small. But the number is rising fast according to the committee’s mapping of Denmark’s social economy sector. It says a long-term push to increase that number along with a national strategy is needed.

A world-wide issue

Decision-makers across Europe are looking at how social enterprises can benefit the social economy and get vulnerable people into work. In 2012 the EU Commission published ‘The social business initiative’ in which the Commission President José Manuel Barroso describes social enterprises as ‘a potentially very powerful agenda for change. Europe must not only be part of these changes. Europe should be in the lead’. The Vice-President of the European Commission and Commissioner for Industry and Entrepreneurship, Antonio Tajani, calls social enterprises “a good example of an approach to business that is both responsible and contributes to growth and jobs.”

The UK has a long tradition of stimulating social enterprises. Today there are more than 70,000 social enterprises contributing nearly £20bn to the British economy and employing nearly one million people. One of the best known is TV chef Jamie Oliver’s restaurant chain Fifteen.

The Nordic Council of Ministers recently established a pan-Nordic working group on social entrepreneurship which will map initiatives which can stimulate social entrepreneurship and social innovation in the Nordic region as part of a drive to include vulnerable groups of people into working and social life. This is part of the Sustainable Nordic Welfare pro-

gramme. One of the programme's main aims is to promote research and to develop knowledge and models which can help contribute welfare for all.



Muhammad Yunus is one of the international promoters of social enterprises. The Nobel Peace Prize laureate and founder of the Grameen Bank works with the multi-national Danone group on a social business in Bangladesh and has written a book on how social enterprises can represent innovative development aid and create new social solutions in western welfare states. He was the key speaker during a conference on the subject in Denmark in January 2013, hosted by the Danish Ministry of Foreign Affairs.

A better and cheaper employment policy

Senior researcher at the Danish National Centre of Social Research Frederik Thuesen has been mapping Danish social enterprises. He says the current booming interest in social economic enterprises makes sense:

“There is massive interest among politicians both in the EU and here [in Denmark]. They hope to get better value for their labour market policy money. Today many billions are wasted on activation projects which don't lead to jobs. When a socially vulnerable person gets a job in a social enterprise, the chances for developing permanent ties to the labour market are considerably higher, because those kinds of businesses are geared towards taking the necessary considerations,” he says.

Anders Lynge Madsen, Deputy Permanent Secretary at the Danish Ministry of Social Affairs, Children and Integration, sees three reasons for the large political interest in social enterprises both in the Nordic countries and in the rest of the world:

“The area is experiencing strong growth, for which there are several explanations. One is the general desire to create innovation within businesses. Another is the fact that all countries are keen to find new ways of getting vulnerable groups integrated into the labour market. Many larger businesses and foundations are also interested in showing corporate responsibility and can obtain concrete results by investing in social enterprises,” he says.