

**Portrait**

Carola Lemne: Optimist on behalf of  
Swedish businesses

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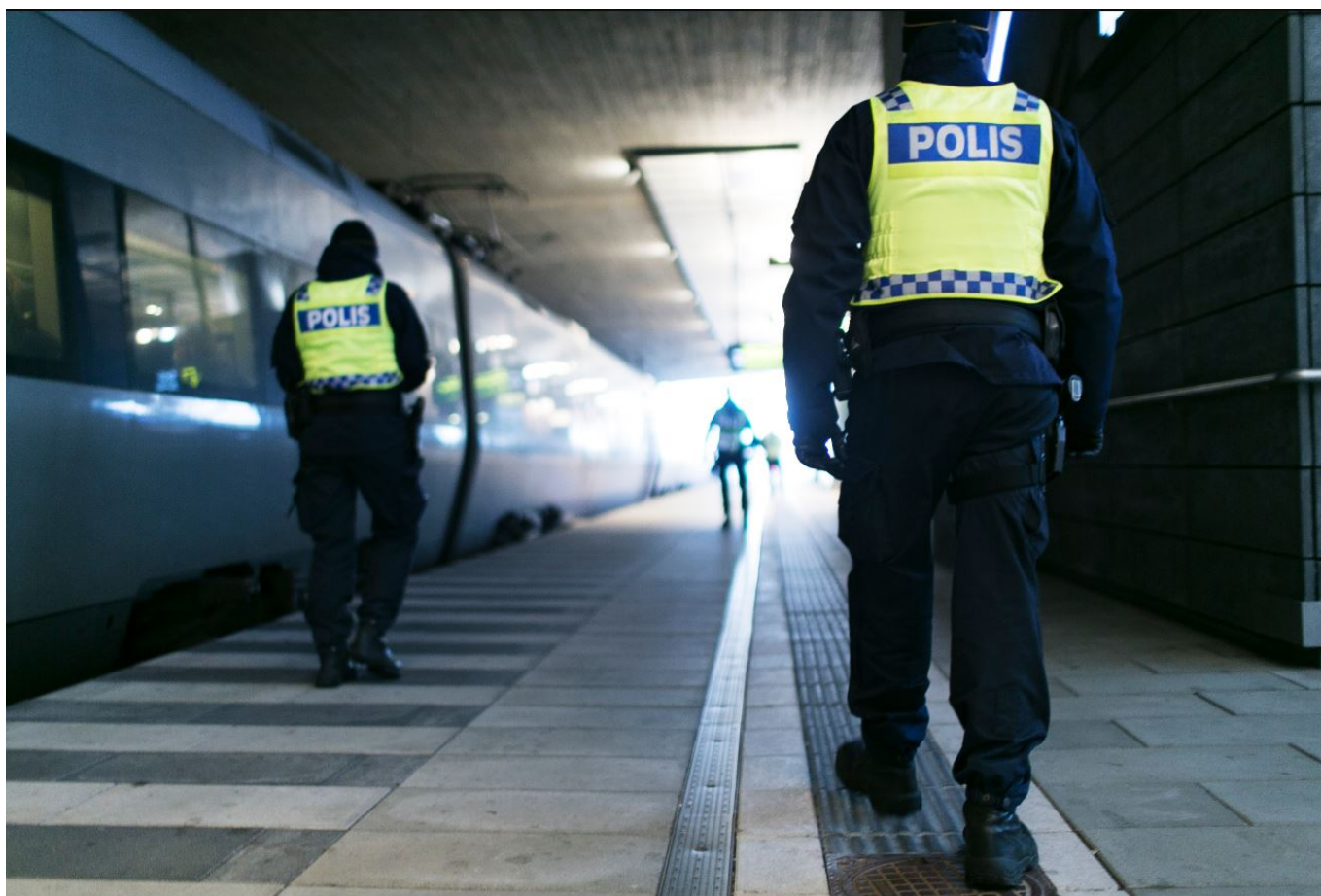
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attracts interest

Apr 20, 2016

# Newsletter from the Nordic Labour Journal 3/2016



Theme: The threat to Nordic freedom of movement



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# Dear readers

We are very pleased to be able to present a completely redesigned Nordic Labour Journal, presenting the content in a new way and in new colours. You can now easily enjoy the Nordic Labour Journal on any size screen, whether you prefer to read it on your mobile, tablet or computer.

ABOUT US

19.04.2016

TEXT: EDITOR-IN-CHIEF BERIT KVAM

Our readership keeps rising sharply and subscriptions are steadily increasing too. The most interesting trend is the rising number of readers using mobiles and tablets. In order to offer a better service and attract new readers, we have changed our design to make it work well across all platforms.

On your smartphone you can read individual articles one at a time, and search for whatever you need. You can access all content published since the turn of the millennium, and it is still free to subscribe to our newsletter.

More than half of you read the NLJ on a computer, where the new design provides the most comprehensive and easy to navigate information about working life in the Nordic countries.

The Nordic Labour Journal has become more accessible. We have also become a member in the Norwegian Specialised Press Association (Fagpressen), and we are members of professional organisations at home and internationally.

We are living in important times with a rapidly changing media reality. The growth of social media, content marketing and cuts in the media sector sometimes makes it difficult to know who is behind stories and messages. The Nordic Labour Journal is based on free and independent journalism. The publication is under editorial control, we are financed by the Committee of Senior Officials for Labour at the Nordic Council of Ministers and our publisher is the Norwegian Work Research Institute which is part of the Oslo University College.

There are two ways of finding out more about us: Click on either MENU or CONTENTS. Here you will find profiles of all of our regular contributors – staff and freelancers. We work closely with the most experienced journalists covering Nordic working life.

Under CONTENTS you can choose IN FOCUS where our latest theme is easily accessible. The top challenge to Nordic co-operation right now is the influx of refugees and immigrants. The Nordic Labour Journal looks at what consequences this has for the Nordic countries and their cooperation. Who would have thought when we celebrated the 60 year anniversary for free movement between the countries in 2014 that the Nordic passport union could come under threat, or that the Schengen agreement could collapse? The Nordic Labour Journal covers what is currently going on in the Nordic countries and debates the consequences.

Under PORTRAIT you will quickly find a tidy selection of all the portraits we have published since the start in 2000. This is where the name of the month gets heard, be it government ministers, trade union leaders, employers' representatives or other decision makers. When the Norwegian Labour and Welfare Administration appoints a new leader, it is important to convey what she stands for to a wider audience outside of Norway too. The number of people reading these portraits shows that this is material of great interest.

Some of our most searched for articles are not necessarily those published in the latest month or year. They can be stories or even NEWS stories which are several years old, but with content which stays relevant. "The Nordic Model" is a frequent search term, and it ought to be our strength to convey the Nordic countries' different labour and welfare models in a good way.

This is the third time we change in order to reach our readers in new a better ways. We started out as a print publication in 2000. With readers in many countries we were early adapters of a digital design, and in 2009 we distributed our first newsletter via email in order to reach readers faster and more efficiently. Now we have become even more easily accessible.

DEAR READERS

Enjoy and read what interests you. We hope you have a good and enlightening experience. Good luck!

# Where to now, Nordic Region?

During the Nordic Council's Session in Oslo on 19 April new border obstacles are being debated. Border controls for travellers from Denmark to Sweden could be introduced for those travelling in the opposite direction. The Nordic Labour Journal follows the debate, and takes a look at the basic challenge: What is being done to integrate refugees and immigrants into the labour market?

EDITORIAL

19.04.2016

BY BERIT KVAM

"The aim must be to normalise the situation and remove border controls when the refugee situation comes under control," says Bente Stein Mathisen, chair of the welfare committee at the Nordic Council.

That could take time. Sweden has announced that border controls will stay in place for a bit longer than planned, even though work to get "the situation under control" is well under way.

"A solution for the future need for labour". "A growth engine". These are expressions used by Swedish municipalities to describe refugees who have arrived in Sweden. Carola Lemne, Director General at The Confederation of Swedish Enterprise, says the same in this month's Portrait. But there are no simple solutions, and the debate rages; should starting salaries be introduced for newly arrived people, and what would the consequences of that be?

The Confederation of Swedish Enterprise wants starting salaries. The Swedish government does not. But with 180,000 asylum seekers out of whom 35,400 are unaccompanied minors, extraordinary measures are needed. That is why the Swedish Prime Minister has launched a national initiative: "Sweden Together".

"We would not have been able to manage the situation without the help of voluntary organisations," says the Governor of Stockholm in this month's theme.

Things are different in Denmark, where the government has agreed with the social partners on an integration package which according to the Danish Minister for Employment means a comprehensive shift in the Danish integration drive:

"We are addressing decades of failed measures," says Jørn Neergaard Larsen.

The most controversial point in the agreement is a new two year integration training programme, allowing refugees and immigrants to be employed as students in Danish workplaces on student salaries.

The number of refugees coming to the Nordic countries, and first and foremost to Sweden, means that what we have taken for granted since the passport union was introduced in the 1950s is now under threat. If you travel from Copenhagen to Malmö, which I recently did to take part in a Nordic conference on social entrepreneurship, you need to present your ID twice if you take the train from the airport. Before you board the train Danish security guards will check your ID, and as the train reaches the Swedish border you need to show it again. This is precisely the kind of obstacle to mobility and free movement between Nordic countries which Nordic governments have worked so hard for many years to get rid of.

Finland's minister for cooperation Anne Berner, who was our February Portrait, is adamant the border controls must be removed. They are costly and a hindrance to trade and mobility. She will be debating this during the meeting of cooperation ministers on 19 April and later in the Nordic Council. The results, in the short term, are probably given.

But where to now, Nordic region? In the longer term?

Also read:

**Can Nordic refugee policies be coordinated?**



## Refugees can become an engine of growth

Many types of voluntary organisations played an important role when Sweden received a record number of refugees last autumn. There are many challenges, but with successful integration many municipalities consider refugees to be the solution to the future need of labour.

THEME

19.04.2016

TEXT AND PHOTO: GUNHILD WALLIN

“We would not have been able to manage the situation last autumn without the voluntary organisations,” said the governor of Stockholm, Chris Heister, as she introduces the sixth regional “Sweden Together” conference.

Her bottom line, supported by the conference in general, is that the large number of asylum seekers coming to Sweden is a positive thing. The refugees will be needed, not least for demographic reasons.

“We need them and they need us,” says Chris Heister.

### Cultural walks and football tournaments

It is Gotland’s turn, and the island is explaining how they have been working with the newly arrived refugees. Over a few months last year 900 refugees and 300 unaccompanied children arrived on the island, population 58,000.

“We received as many people in one month as we usually receive in one year,” says governor Peter Molin.

He points out that unlike other municipalities like for instance Malmö, Gotland has enjoyed the advantage of knowing how many would be coming, allowing them to plan accordingly. That does not mean that all of society mustn’t



make huge contributions, however - the traditional division into 92 church parishes has played a role, for instance.

“We have a society where cooperation between the municipality, businesses and voluntary organisations is close. There is also strong involvement built on the old parish structures - you come together in your home village to help,” says Peter Molin.

There are many stories about barbecues on some of Gotland’s many beautiful beaches, coffee gatherings where locals and refugees can meet, football shoe collections, football tournaments, cultural walks in the world heritage town of Visby and much more. The general attitude to refugees in Gotland is positive. Gotland wants to grow and aims to increase its population from 58,000 to 65,000.

“Integration is a growth issue,” says governor Peter Molin.

### **17 regions exchanging experiences**

Prime Minister Stefan Löfven was behind the Sweden Together initiative, and the launch was held in Stockholm on 12 October. The aim of the conferences, which are organised by the respective counties’ administrative boards, is to highlight challenges, but also to share positive and negative experiences. The conferences are also attended by state authorities which in different ways are responsible for offering advice and support to municipalities and county councils.

Erik Nilsson, State Secretary at the Swedish Ministry of Labour, told the Gotland conference that the situation from last September to December was exceptional and a great strain on many municipalities. Not least did social services in some municipalities have to work exceptionally hard in order to take care of the many unaccompanied children, who are in need of a completely different level of support than adults. Since 70,000 of the new arrivals are under 18, municipalities are also facing major challenges when it comes to schooling, in the face of a lack of teachers and interpreters.

“At the same time it is important to remember that today’s Sweden is a result of centuries of migration,” he says, and talks about how the city of Stockholm in the 1400s introduced a quota system in the city council to avoid German traders gaining a majority.

### **A large and important part of the labour market**

Today 25 percent of Sweden’s doctors are foreign born, and 800,000 of the total Swedish labour force were born abroad.



If we didn’t have immigrants the number of people in employment would fall and we would have had an unsustainable dependency ratio because of our ageing population. Many things would not work without the foreign born, who are also enriching our culture,” says Erik Nilsson.

The participating authorities also mirror the areas facing the greatest challenges right now. They are without doubt plentiful. The Swedish Migration Authority is struggling

to find emergency accommodation and to improve the facilities which are not good enough. The authority also wants to speed up the process, to organise support and to help those waiting in today’s large reception system spend their time in a more meaningful way.

They could be taught Swedish, get information about Swedish society, learn how to cater for themselves or they could be offered internships and organised meeting places while waiting for their asylum applications to be processed.

“It is crucial to avoid asylum seekers ending up in a vacuum while they are waiting,” says Erik Nilsson.

Sweden’s National Board of Housing, Building and Planning also says the need for accommodation is acute, and an estimated 700,000 new homes are needed between 2015 and 2025. Where accommodation can be found, for instance in industrial communities, the labour market is often struggling.

The number of refugees received by different municipalities has varied a lot. Shrinking municipalities, for instance Ljusnarsberg and Hultsfred, have received far more refugees per capita than larger cities and university cities. Norberg, an old industrial town in the mining district of Bergslagen, population 5,000, has received 1,000 asylum seekers.

At the same time, the Swedish labour market is strong right now, and there is a rising demand for both skilled and unskilled labour.

“I have been surprised that even sparsely populated areas have had a big need for labour. They often want educated

workers like teachers and social workers, and for smaller municipalities it is a challenge to keep hold of those who have an education,” says Erik Nilsson.

### Outreach health checks

There has been increased pressure on health care services too. All asylum seekers are to be offered a health check, which has proven hard to do. So far around 40 percent of asylum seekers have been through a health check.

But Erik Nilsson has been listening to good examples and creative solutions during all of the regional conferences, and he has an example for how this can be solved. In Kalmar a doctor packed the necessary equipment in a large, red bag and through his outreach work has managed to provide health checks to 90 percent of all asylum seekers.

At the end of 16 regional conferences, Erik Nilsson has a pretty good idea of how regions and municipalities view and are working with the recently arrived asylum seekers. One of his conclusions is that there is more optimism around the reception of asylum seekers across Sweden than what the media implies, and that it has improved since the first conference.

“The media debate is a problem. During the conferences you get a far more nuanced impression. Municipalities describe a situation where there is a lot of hard work, but there is also a will to keep the refugees in the municipality. Many view refugees as an asset and an answer to a growing need for labour, both in the service and care sectors,” says Erik Nilsson.

The exceptional situation means that new solutions keep being found, for instance digital remote native language support when no interpreters can be found, or remote student support. Erik Nilsson has found many good examples during his tour of the country.

The Östersund municipality is for instance working very creatively with accommodation and in Nässjö Swedish is being taught in cooperation with the foundry industry. New partnerships are being born like never before.

“We see types of cooperation between municipalities, businesses and civic society which we have never seen before. Rotary clubs are activating their business networks to look after the newly arrived. Grumpy old men in Hälsingland who have been sceptical to both culture and refugees suddenly find themselves driving newly arrived to cultural events and are happy with that,” he says.

The next step for Sweden Together is to learn more about the regions’ needs and present this to the government and parliament. Erik Nilsson also points to the importance of regional cooperation, the types of which have never been seen before. It is important to make sure such cooperation is long term and sustainable.

“Swedish competitiveness will be strengthened through new languages and different cultures, but first we have to do some hard work,” says Erik Nilsson.



### 11,000 internships for youths

“If employers are to get involved with helping newly arrived refugees get workplace experience, it is important the CEO says yes and that the HR department develops a plan. It is also smart to work together with the employment service,” says Patricia Kempff, newly appointed head of public affairs at ABB.

After working for six years with labour market initiatives, she knows what she is talking about. Over six years Swedbank created nearly 11,000 internships for youths aged 18 to 24 in its network of companies. 1,500 of them worked for the bank. The experiences gained from that will now be used to match newly arrived Swedes with the needs ABB and other businesses have for new skills. The key is to match the right person to the right internship – that is when people get the contacts and learn the language. For employers it is easier to use internships to invest in people they “might” employ, she says.

“What is cool with Sweden is that we are so closely linked. We carry the Swedish model inside us. But rules and regulations can throw spanners in the wheels,” she says. That is when you need visionary and brave leadership – politically and within business.



# Can Nordic refugee policies be coordinated?

The large number of refugees arriving in the Nordic countries is having consequences for Nordic cooperation. This is the theme for the Nordic Council's session in Oslo. New border obstacles have emerged, and if the refugee situation is handled very differently in the different Nordic countries it could have grave consequences.

THEME

18.04.2016

TEXT AND GRAPHICS: BJÖRN LINDAHL, PHOTO: CONSERVATIVE PARTY, DSB



"The aim must be to normalise the situation and to remove borders obstacles when the situation comes back under control," says Bente Stein Mathisen. She chairs the welfare committee at the Nordic Council and is an MP from Norway's Conservative Party.

It has been just over three months since border controls were introduced, after the flow of refugees peaked towards the end of 2015. Sweden's decision on 4 January 2016 to introduce border controls for people arriving from Denmark was historic. Nordic citizens travelling between Denmark and Sweden had not needed to show ID since the Nordic Passport Union came into force in 1954. Border controls were also introduced on the Danish border with Germany, and Finland introduced visa requirements to passengers on ferries from Germany. Norway increased its internal border controls.

## Large social losses

According to a new report from the Chamber of Commerce and Industry of Southern Sweden, the border controls meant annual social losses of 1.5 billion Swedish kronor (€163m). The Chamber of Commerce believes this will be the cost when commuters are delayed and the Øresund Region's mar-

ket potential falls, while others believe the effect will be less severe.

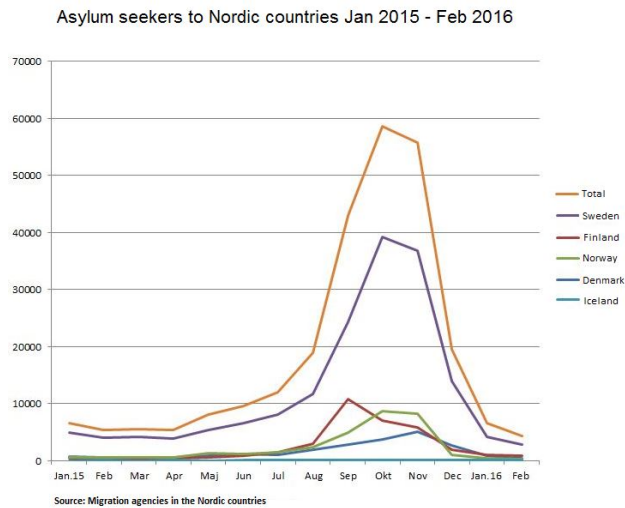
Although these figures pale in comparison with the total cost facing each country as a result of the refugee situation, which of course is much higher, the Nordic ministers for cooperation worry about what these border controls signify for Nordic cooperation as a whole.

Finland's Minister of Transport Anne Berner, who is also minister for cooperation while Finland holds the Nordic Council of Ministers presidency, has said that border obstacles are damaging to Nordic cooperation. She is the first speaker during the Oslo session. Meanwhile, the Danish Conservative People's Party will propose further border controls for people travelling from Sweden to Denmark.

The party's arguments are based on information that Sweden houses 40,000 unregistered refugees, has radical areas like Rosengård in Malmö – and one Swedish suspected terrorist.

"Introducing border controls was one step back for Nordic cooperation. At the same time we faced an extreme situation last year with all the refugees flowing in from Europe. It was necessary to tighten up and regain control over the situation. That is why border controls became a necessary measure," says Bente Stein Mathisen.

Mixed with the EU's agreement with Turkey in March, which means refugees leaving from there to Greece will be sent back to Turkey, the border controls have had a dramatic effect on the flow of refugee to the Nordic region.



In October and November 2015 the Nordic region saw a total of 114,435 asylum applications. In January and February the figure had fallen to less than ten percent of that; 10,905 asylum applications. The question now is whether the flow of refugees has been permanently dampened, or whether new, large flows will come later this year. Libya is one of the new countries people are now fleeing. In just two days, on 11 and 12 April, the Italian coast guard rescued 4,000 refugees in the waters between Libya and Sicilia.

### A great challenge

“The consequences for Nordic cooperation could become challenging and difficult in the long run if different Nordic countries handle the refugee situation very differently,” says Bente Stein Mathisen.

“Norway and Denmark have had stricter refugee policies than Sweden. Only people needing protection according to the refugee convention’s rules are granted residency. Refugees who flee in order to create a better economic future for themselves and their families are not granted permission to stay.

“When Sweden accepts so many more, open borders become a challenge because all of the refugees accepted by Sweden can then move on to the other Nordic countries. That is why it is more important than ever that the Nordic countries co-operate, agree, share experiences and help each other to handle the situation we find ourselves in,” says Bente Stein Mathisen.

“These are issues which we will be debating when the Nordic Council meet in the Norwegian parliament on 19 April. How do we normalise the situation? And what are the problems which border controls have led to?”



Danish railways DSB have lost 30 million Danish kroner (€4m) as a result of ID controls, according to an analysis from the Øresund Institute. One in five commuters have chosen not to travel by train. Photo: René Strandbygaard, DSB

# Danish businesses to train refugees for jobs

Less than one in three refugees in Denmark finds work after three years. Now the government and the social partners want to change this by introducing a two year integration education programme in the workplace.

THEME

18.04.2016

TEXT: MARIE PREISLER

More refugees are going to access the Danish labour market at a faster pace, even if they cannot carry out a normal job paid according to collective agreements from day one. That is the starting point for a new framework for the integration of refugees into the labour market agreed by the Danish government and the social partners.

The aim is to get far more refugees into work, allowing them to provide for themselves. Today only a small number of refugees manage to get a foothold in the Danish labour market. In 2014, just 28 percent of refugees and members of their family arriving on family reunion aged 25 to 64 were working after spending three years in the Danish integration programme.

The government aims to nearly double the number of refugees in work, and expects the new tripartite workplace integration agreement will play a crucial role in achieving this.

The agreement is designed to speed up integration, and for it to happen in closer cooperation with businesses than what has been the case so far. Out of the agreement's 32 measures, the most important and controversial is a new two year integration training programme, IGU. It allows for refugees and people on family reunion to be employed as students in Danish workplaces, being paid student salaries. This would allow them to gain the skills necessary to manage in the Danish labour market, while they are also taught Danish.

The new training is inspired by an existing two year basic vocational education, EGU. The refugees will be paid the same salary as students attending EGU, which is based on collective agreements.

## **A comprehensive shift in integration**

The social partners, the Danish Confederation of Trade Unions (LO) and the Confederation of Danish Employers (DA), jointly designed the new integration education, and the centre-right Danish government supported it right away. The

plan is to have it passed by the Danish parliament before the summer recess, to be able to roll out a three year trial of the education programme already from 1 July 2016.

The Minister for Employment, Jørn Neergaard Larsen (the Liberal Party), consider the integration agreement to be a comprehensive shift in the Danish integration drive:

“We are addressing decades of failed measures. We will now be helping refugees get out into Danish workplaces and contribute rather than getting stuck in passive programmes,” he said when the agreement was presented just before Easter. The Minister for Immigration, Integration and Housing, Inger Støjberg (the Liberal Party), is also pleased that the agreement will make Denmark's integration programme for newly arrived refugees considerably more work-related. So far the focus has mainly been on offering refugees Danish language classes.

During the negotiations, DA had to abandon their wish to bring in an introduction income for refugees, as this was unacceptable to trade unions. Nevertheless, DA is happy and calls the agreement “a non-bureaucratic way” of making it easier for businesses and refugees to agree on employment.

The agreement secures refugees an education which leads to a salary in line with collective agreements. Businesses which hire a refugee as a student are given a bonus worth up to 40,000 Danish kroner (€5,370) – half after six months, the rest after two years.

## **A victory for the collective bargaining system**

The President of LO, Lizette Risgaard, is keen to highlight that the agreement has been shaped by the social partners. It is not a political diktat and does not change anything in terms of the collective bargaining system.

“The Danish tripartite model has been declared dead and buried several times. But we have proven that it is very much alive, and we have shown willing to find solutions to major

challenges facing the Danish social system,” the LO President said as the agreement was presented.

The agreement does not please everyone in the trade union movement, however. The Danish Trade Union of Public Employees (FOA) opposes the integration education. FOA's members largely come from the public sector, and they do not want to contribute to the introduction of IGU. Yet they cannot stop it from happening.

FOA's chairman, Dennis Kristensen, is particularly opposed to the student salary which refugees will receive during the new education programme. A refugee IGU student will earn around 120 Danish kroner (€16) an hour in a private workplace, but in a public workplace the IGU student salary is only around 50 kroner (€6.70) an hour. That is far too little to live off and will also tempt employers to fire permanent staff in order to hire far cheaper refugees, argues the FOA chairman.

FOA is also unhappy with the fact that employee representatives and trade unions are not allowed a say in when a business can hire a refugee on an IGU student salary, and FOA fears municipalities will want to save money elsewhere in order to be able to afford the extra expense of having refugees on student salaries.

# Finland's basic income experiment attracts interest

Finland's planned empirical experiment with a universal basic income has attracted a lot of international interest before it has even started. An expert group has now presented its first preliminary report of how some social benefits could be replaced by a universal basic income. It will present a more comprehensive report towards the end of the year.

NEWS

17.04.2016

TEXT: CARL-GUSTAV LINDÉN

The idea is to engage thousands of Finns in a controlled social experiment which will run over several years.

"Behind many questions new ones have emerged," said Professor Olli Kangas when he and his colleague presented the preliminary report at the end of March.

The idea is to engage 10,000 randomly selected people over 18 in the experiment and in control groups. By testing out various levels of basic income – 550-750 euro – the researchers will learn more about the effect this has on employment levels. Will a certain level of economic security be an incentive for people to work more, or will it have the opposite effect? People who start working, studying or find other types of employment will still be allowed to claim the benefit.

## 17 different models

This is the first time basic income is part of a Finnish government programme, despite the fact that 17 different models have been presented since the early 1980s, according to the preliminary report. There has never been agreement on what a basic income should entail and how to finance it. Experts are also divided because earlier experiments in the USA and Canada in the 1970s and 1980s did not provide clear results which could have formed the basis for political decisions.

And North American societies are so different from the Nordic welfare model that the results were not transferable in any case.

Four places in the Netherlands will also introduce basic income experiments. European Union experts are following the experiments with great interest because they might provide new insight which could be relevant for the whole of the EU.

The purpose of the experiment is to move away from opinions and to establish a scientifically sound basis for political

decisions. The government wants to carry out the experiment in 2017 and 2018, and will evaluate the results in 2019. The greatest challenge could be that the effects of a basic income are so long-term that the results will not be measurable after only two or three years, but will only become clear decades later or by the time the next generation has grown up.

## Stimulate employment

The idea is to reduce benefit bureaucracy by introducing a simpler benefit model which stimulates employment. Yet the idea of replacing all types of benefits with one single social provision does not find support in the preliminary report. Instead it looks at different models where some are more complex than others. That also means it becomes more difficult to isolate and measure the effects of the basic income model. There are poverty traps in other parts of social policies as well.

The plans have many critics. One is professor of economy Matti Virén at the University of Turku. He thinks today's social benefit system has its flaws, but at least the support is handed out based on specific needs like disability, illness, childbirth or studies. The basic income would benefit people who have never even considered working or studying.

A universal basic income is being debated as a way of solving technological unemployment which emerges when processes are being automated, and as a way of compensating for different forms of short time employment.

The most interesting part of the preliminary report is a long debate about how this social experiment should be carried out in order to secure a measurable and scientifically reliable outcome. This is about everything from how people think when they know the basic income will be paid out for a limited amount of time, to how researchers will know whether the experiment has succeeded.



The basic income experiment has been met with interest in Finland too, and recently the state think-tank Sitra organised a hackathon for people who are interested in presenting new ideas for the social provision.



## When the welfare state falls short: Is social entrepreneurship the solution?

Social entrepreneurship and social innovation could help develop the Nordic welfare models, says Norway's Minister of Labour and Social Inclusion Anniken Hauglie. These are issues she would like to promote when Norway takes on the presidency of the Nordic Council of Ministers in 2017.

INSIGHT

17.04.2016

TEXT AND PHOTO: BERIT KVAM

"Authorities do not always reach the people they want to reach. The public sector has a responsibility when it comes to helping people, but it is a good thing to have social entrepreneurs as a supplement," the Minister of Labour and Social Inclusion, Anniken Hauglie, told the Nordic Labour Journal during a recent Nordic conference in Malmö on social entrepreneurship and social innovation.

"I will make sure we focus on entrepreneurship within the labour and social sectors during our 2017 presidency, and the

Nordic Council of Ministers will initiate work to examine the possibilities for developing Nordic cooperation on social issues," the minister underlined.

The backdrop for the conference was the report 'Social entrepreneurship and social innovation', which maps Nordic measures. It was produced by a Nordic committee appointed by the Nordic Council of Ministers in 2013. The conference saw social entrepreneurs, researchers, authorities and represen-

tatives from the voluntary sector come together to discuss the results and to find a way forward.

The future of the Nordic welfare state is hotly debated these days, not least because of the high number of refugees and immigrants seeking asylum in Nordic countries during the autumn of 2015. Meanwhile many young people are not in work or education, and others are struggling to enter the labour market. Nordic countries share challenges which could benefit from a debate on a Nordic level.

“This is about developing the Nordic welfare societies and the Nordic welfare solutions. This is a core task for Nordic co-operation,” says Dagfinn Høybråten, the Secretary General of the Nordic Council of Ministers.

### **Nordic traditions**

He thinks the report on social entrepreneurship and social innovation points to exciting opportunities which are in line with Nordic traditions.

“The welfare society rests on the citizens’ broad social involvement, and to organise this we have partly chosen co-operative solutions, partly commercial solutions and partly non-profit solutions. What we are seeing now is that these solutions are taking on new shapes. That is why it is interesting to analyse this complex picture both to get an overview and to discuss what constitutes good policies, in order to promote solutions to social issues where different actors cooperate.”

### ***Is there a risk that authorities shift the responsibility to private actors and others operating in these waters?***

“It is obviously an important debate to be had looking at how the public sector maintains its control, creating the frameworks, and there will be different answers to this. What is important is to highlight the issues so that we get an idea of the potentials. Then the countries’ elected officials must make the political decisions.”

Dagfinn Høybråten uses words like ‘exciting opportunities’ and ‘exciting perspectives’. The question is what this means in practice.

“I believe we need different tools in order to develop a society which provides opportunities for all, based on a common platform. Right now we cannot afford to not investigate and look into other ways of solving these broad social undertakings.”

### **Many possibilities**

How can social innovation and social entrepreneurship promote inclusion in working life for people who are on the margins or completely outside of society?

Yalla Trappan was one of the examples presented at the Malmö conference. They are a female collective for those who find themselves far removed from the labour market,

explained Christina Merker-Siesjö, one of Yalla Trappan’s founders.

Yalla Trappan began as a labour market project in the Rosengård neighbourhood in Malmö in 2009, and has developed into an independent work integration social female cooperative comprising a cafe, a catering business, cleaning services, a sewing room and workplace language training. They started out with eight employees, and have grown to employ 30 people – nearly all working full time, says Christina Merker-Siesjö.

“Many who come to Sweden are short of ‘luggage’. One method which works is therefore to build on the skills each woman already has,” she says.

“Not everyone can become Zlatan or get the Nobel Prize like Nelly Sachs (a Jewish author who fled Hitler’s Germany in 1940 with the help of Selma Lagerlöf and who won the Nobel Prize for Literature in 1966). But you shouldn’t stop singing because you are not going to be a soloist or a global star,” writes author Susanna Alakoski in her prologue to the book about Yalla Trappan.

### **A sewing room at IKEA**

On the same day as the conference on social entrepreneurship was held in Malmö, Yalla Trappan opened their own sewing room at IKEA in Malmö. Hanna Köhl, the IKEA warehouse manager, is excited about the cooperation, where IKEA provides the venue and materials while Yalla Trappan workers take orders and sew curtains and table cloths out of IKEA materials, or whatever the customers might want.

“We have saved society 80 million Swedish kronor (€8.7m) over six years while giving happiness and health to individuals,” says Christina Merker-Siesjö, who hopes the book about Yalla Trappan can help inspire others to start something new.



### **Employees from prisons**

Monsterbedriften AS (the Monster Company) was another example highlighted during the conference on social entrepreneurship. Monsterbedriften AS won the social entrepreneur award of the year in Norway in 2014. Monsterbedriften

employs more than 40 people and carries out building and demolition jobs like bathroom demolition, asbestos removal, core drilling, concrete sawing and other tough physical work

“This is extremely tough work,” says spokesperson Håvard Martinsen (above right), who says they hire former prison inmates and others who face serious problems entering the labour market, and who like to use their physical strength.

He and partner entrepreneur and managing director Thomas Doull presented the company which is now part of Ferd social entrepreneurs.

All Ears Telemarking is a Danish company selling telemarketing services and building workplaces for blind or partially sighted people. Through All Ears Academy, the company runs competency mapping and training in sales and customer service.

“Blind and partially sighted people represent the one group with the highest level of unemployment. After spending time with us, six in eight people go straight into jobs,” says Connie Hasemann. She is the founder and CEO at All Ears, and has made the double bottom line her life mission: She wants to make a difference and create value.

Thea Emilie Dalen Dille is 23. She wanted to create a job for herself, and now she wants to help more young people find work. Thea Emilie Dalen Dille is the managing director for MERK Norge AS, a company employing four people who work with signage and decor.

### **Money to be saved**

“The future worth of getting a young person into work or education until they are 35 years old is 11.6 million kroner (€1.25m) in today’s money. You can afford to use a lot of money if you stand a great chance of making a change. Today a lot of money is being spent not to make this transition,” says Johan H. Andresen, owner of Ferd, Norge, a family-owned Norwegian investment company which in addition to its commercial operations focuses a lot on social entrepreneurship.

“Our vision makes it possible to create value in other areas than the purely commercial ones,” says Andresen.

His main message is that if you want to develop a business, social entrepreneurs must be judged in the same way as other companies.

“I feel that we can make a real difference, because these companies are a lot like other companies. We look for the scope for innovation – someone who brings new solutions to an existing problem, based on sustainable development.”

Ferd’s role is to contribute with business related methods.

“When there is not a lot of money it is necessary, anything else would be irresponsible. Values must be measured and solutions must be measured,” is his message.

Norway needs a cookbook, he says, for how municipalities and the public sector should approach social entrepreneurs.

“It must not only contain ingredients, but also courses which we know taste good and which people are willing to pay for. This will be social entrepreneurs which will be worthy of investments even for a broader group of investors than what we have seen so far,” he argues.

### **A cookbook it is**

“The government is doing quite a lot,” says the Minister of Labour and Social Inclusion Anniken Hauglie

“In Norway this is an area which several government departments are responsible for. The Ministry of Labour and Social Inclusion has its own budget for these things. There is also a separate cross-departmental working group. Social entrepreneurship is part of the government’s entrepreneur strategy, and the Minister of Local Government is now working on a cookbook which will be a guide for the public sector for how to use social entrepreneurship as part of their service provisions. I am also open for doing more going forward. We will use our 2017 presidency of the Nordic Council of Ministers to promote social entrepreneurship.

“Network cooperation and conferences like this one are important. We need to create contacts between actors and countries as well as between private and public sectors. We will then see how to develop this further, but I think this is in our interest across the Nordic region. If we want to keep the Nordic model, we need to solve the challenges in a new and better way.

“Social entrepreneurship is a new way of doing things. We still haven’t quite figured out how to place it and how to finance it. It is, after all, important to be able to demonstrate good results.”

### ***What are the perspectives?***

“The perspectives going forward is that we can make more use of social entrepreneurs. It will be important to find social entrepreneurs who manage to solve the tasks at hand, because it is a big responsibility for those who are now going out to try to help people. That they can be used more in state service provision and to develop services and challenge us in how to solve tasks, how we can think differently, how to make systems more flexible and how to think more across sectors. I believe we need to break down some of the borders between sectors in order to increase state service provision,” the Minister of Labour and Social Inclusion Anniken Hauglie tells the Nordic Labour Journal.



## Carola Lemne: Optimist on behalf of Swedish businesses

Carola Lemne is first among equals at The Confederation of Swedish Enterprise and spokeswoman for 60,000 small and large companies. Her recipe for better inclusion of newly arrived people into work is cutting costs for employers. Lower pay and lower tax leave both employers and employees better off.

PORTRAIT

22.03.2016

TEXT: BERIT KVAM, FOTO: ERJA LEMPINEN

"There is a structural problem with Sweden's labour market," underlines Director General Carola Lemne:

"We have the highest starting salaries and the lowest number of low-skilled jobs in the OECD. There are three job seekers for each of these low-skilled jobs. Around half of those who have come here as immigrants only have a basic education or less."

This is the problem in a nutshell, she thinks. It is too expensive to hire people or to buy simple services. It is worrying because it creates greater differences.

"The largest gap in society today is between people with jobs and people who don't have jobs. It is not between low earners

and high earners. This is an enormous challenge for the unemployed, their families and children."

Carola Lemne wants a new system with a greater focus on entering the labour market through apprenticeships, and uses Germany as an example.

"Not exactly like Germany, each country must create their own system, but a way of entering the labour market where you make more money than from collecting unemployment benefit. This could be a permanent system, but the point is not for people to stay in this kind of jobs their whole life. It is in order to get in, learn the job and then move on."



“Let me put it this way: we need to cut employers’ costs; wages, employers’ tax, VAT and so on. Those who get these kinds of jobs and who are low earners would also benefit from lower taxes on low incomes. You reduce the cost of employing someone, while the employee is left with more.”

*You might call this a labour market b-team?*

“No, absolutely not. This is a start job. The idea is not at all for people to stay in these jobs, and people don’t stay.”

*You don’t have Prime Minister Stefan Löfven’s support for this?*

“Not so far, no.”

### **From health to business**

Carola Lemne’s CV is long and impressive, and her background is somewhat unusual for the Director General of The Confederation of Swedish Enterprise. She has spent half of her working life in the health sector, been in and out of the public sector and now she has been tempted by enterprise.



“Yes. It is a bit unusual. People often end up working only in the private or the public sector.”

She is a medical doctor, has a medical Phd and worked in the public health sector before joining the international pharmaceutical industry, where she spent 14 years. Then she returned to the public health sector and became a hospital director before going back to the private health sector as CEO for Sweden’s biggest provider of private health and dental care, Praktikertjänst AB.

“It is different if politicians are calling the shots, or if a global business is doing it. It is different sides of society,” says Carola Lemne, and lays out her view of how society operates:

“If you think of what creates prosperity in a country, it is the fact that someone out there is prepared to buy our products, be it oil, steel, music or services. That is the starting point. The money which then come in, will be accessed by parts of the public sector through taxes, in order to create welfare, health services, infrastructure, all that. If you spend the money wisely, you have a positive spiral – you build a good education system, a good health care system, companies get good skills and healthy workers and can be more productive. You get a positive development. What creates debate is distributive politics. How do you divide up the money and what is fair.

“My dream is for everyone to realise that creating good businesses for people to work in will benefit the whole of the country. Afterwards we can argue about how we divide up the money. But the dream is that everyone agrees on what is needed in order to prepare people for the labour market, I would love to achieve that.”

Still, politics does not tempt her.

“Now, I am an old business leader and director general. I am too impatient to be a politician. I think. I want things done here and now. My father was a politician and member of parliament. So I have the interest for politics from an early age, but I don’t think it is for me.”

### **World-class welfare**

Wage negotiations are around the corner. The counterpart, The Swedish Trade Union Confederation (LO), has not managed to come up with a joint strategy for its members this year. Negotiations will therefore be trade by trade. Employers’ organisations have agreed on a strategy but will also be negotiating trade by trade.

“The Confederation of Swedish Enterprise’s members agree that the ones setting the limit for how much we can take, to put it that way, are industries exposed to international competition. What we call the industrial agreement.”

She fears negotiations can become difficult because the opposition is split on that issue.

“Yes, it is worrying, actually, because I believe it increases the risk for difficult negotiations, especially if you know the reasons behind the split; some LO member unions have made it very clear that they “will have more”. So this is very worrying.

“Wages have been rising by two to three percent a year for the past six years. We have not had inflation, so no companies have been able to increase their prices, and we have not seen an increase in production either, so for companies things have only become more expensive. As a result, our in-

ternational market share has fallen because our competitiveness has been falling six years in a row. If we carry on like this our companies will find it harder and harder to manage.”

*Is this an issue which engages you?*

“Look, Sweden’s competitiveness is of great concern to me. There are many different sides to this, but one of the key tasks facing The Confederation of Swedish Enterprise is to maintain our competitiveness.

“I usually say that if we want world-class welfare, which we do have in the Nordic countries, we also need world-class competitiveness, or it won’t work.”

### **The Nordic model needs to develop**

Carola Lemne works closely with her Nordic colleagues, including through international forums like Business Europe.



“At Business Europe, like in the EU, you have more in common with certain members than with others, and if we look at our sister organisations I see that I very often cooperate with some of my Nordic colleagues. We often agree on many issues, and then it is important to find other friends to talk with. Quite often we feel we can be stronger when working with the UK, the Netherlands on certain issues, Germany sometimes. In my experience, small countries can enjoy surprising levels of influence if you work hard and participate in meetings and working groups.”

She feels the Nordic model is a good platform for cooperation, but that this needs to develop too.

“It is slightly different in the different countries, but much is the same. I like the basic idea that people closest to the grass-roots, i.e. the employers and employees, are the ones who are best placed to agree on how things should be, and what we can cope with in terms of wage increases. This is much better than having politicians decide through legislation. I believe having respect for each other and developing together has proven a successful recipe.”

*Is this system under threat?*

“I don’t know about that, but we have to keep up with the times and develop. Much of Swedish legislation, and we do have some legislation for instance when it comes to employment rights, stem from the 70s. Quite a lot has happened since then. We do notice, and I know that trade unions also notice, that young people starting work are not particularly interested in the trade unions as they are today.

“LO is losing members fast, many young people are questioning the value of collective agreements, “why do we need them? Collective agreements feel very old fashioned” young people tell me. I think that if we, both employers and trade unions, are unable to modernise and find new forms of collective agreements that suit modern employees, and new types of companies, we will become irrelevant.”

### **Immigration for better or worse**

The large number of refugees arriving in Sweden lately is also being discussed in the other Nordic countries. Many wonder how Sweden will be able to deal with so many refugees and immigrants. She does not take this issue lightly.

“I started working with this issue as soon as I came here. I think this is so important. We have been very open and clear about the fact that the business sector supports an open Sweden where people can feel welcome. We need people to come here and we need to be able to go abroad. If we had no immigration our workforce would be shrinking. My Norwegian, Danish and Finnish colleagues were a bit jealous of this up until about one and a half years ago. Because Sweden has been one of few European countries with a workforce which was not shrinking.

“Then you get a problem when a huge number of people arrive at once. The main challenge for Sweden is that so many of those who have arrived now have little or no education, because we have very few jobs like that. So we need to change this, create new types of jobs. More simple jobs.”

*So we’re not talking about more focus on education?*

“You have to do that too, you have to do both. One in four of those who had arrived by last year had higher education, like doctors, dentists and nurses. Still it takes seven years before they find jobs. It is not right.”

People with higher education must be included in the labour market quicker, learn Swedish quicker and find work fast. Other groups need to be treated differently:

“Around 25 percent have further secondary education. They need to get an education which prepares them for jobs that do exist in the Swedish labour market.”

The challenge is that the remaining half have not even finished their basic education.

“Educating them takes a very long time. First they need to learn how to read, then they must learn Swedish, then they

need to learn an occupation. By that time, ten years have passed and their average age is 38. This is not youths we're taking about. They are outside of society, and they need to come in. First a job, then an education," says Carola Lemne.

*Does the current trend worry you?*

"Yes, I worry if we cannot get people quickly off benefits and into jobs. That can lead to a society with wide gaps. Already in Sweden the big gaps exist between people who have jobs and people who don't. The number of people without jobs has grown a lot. This leads to greater tensions, and we certainly don't want that."

*The government has initiated various measures?*

"Yes, everything is needed. The way we see it, we need to create around 200,000 new jobs in the coming two to three years. Jobs which do not exist today. To succeed, we need to do everything at once. You need to both fast track those with an education, you need RUT and ROT in order to create a larger labour market [tax breaks for household services like cleaning, maintenance and renovation] and you need more simple jobs.

"You need to create jobs which do not yet exist in order to get people working, a kind of apprenticeship system. Doing all this simultaneously is difficult when you want to take one issue at a time, but this is the way it is – everything is needed."

*Do you feel the Löfven government is on the same track?*

"Much more than they were a year ago. I think it is becoming apparent to everyone that if we carry on as before, we will not be able to solve this. We need to try new things."

### **Development optimist**

*It is easy to worry about the future these days. Brexit, a non-functioning Schengen, a divided EU?*

"Yes. A lot of people worry and I think that is also the reason behind the growth of extremist political parties. Immigrants and capitalism get the blame. But this depends on how you look at things."

Carola Lemne is a realist and will not listen to myths and scaremongering. She likes to stick to facts:

"There is a very famous doctor in Sweden called Hans Rosling. He is incredibly good at describing the world. The fact is we have never had it better. Yes, we are facing a major refugee catastrophe, but look at the world as a whole: We live longer, we are lifting more people out of poverty than ever before, we have actually never had so little war. So I guess I am a development optimist, not out of ignorance, because if you look at history this is a very positive time in which to be alive.

"I think we are living through major changes. The digitalisation which is happening influences everything. It has an impact on your job, on my job. Suddenly a small company can be sold to a far away country. Some jobs disappear, some trades disappear. You have turbulent times before the old disappears and the new replaces it. You worry about what will happen to you when your job is gone. What is going to happen, there are so many new and strange things. I believe we are in a period right now when society is transforming. It usually turns out OK."

*What is it with your job that gives you the most joy?*

"It is all the companies we meet. I travel a lot and meet our members. All these enthusiasts are going at it, and that is what gives me the most joy. This goes for big and small companies, be it a small flower shop or some of these major global companies – they are going at it. That is absolutely the most enjoyable thing, that power and energy which they exude."

*Will you stay in this job?*

"I do hope so, but that is up to the board."