

News

Iceland's plan for bridging the pay gap

News

Iceland's new labour market policy
focuses on young men

Portrait

Karl-Petter Thorwaldsson: I believe the
future is Nordic

Comments

Editorial: Changing media and
redundant journalists

Nov 16, 2012

Newsletter from the Nordic Labour Journal 8/2012

Newsletter from the Nordic Labour Journal 8/2012

Theme: The fastest shrinking trade



Financed by
Nordic Council of
Ministers

NORDIC LABOUR JOURNAL

Work Research Institute
OsloMet – Oslo Metropolitan University,
Postboks 4 St. Olavs plass, NO-0130
Oslo

PUBLISHER

Work Research Institute, OsloMet
commissioned by the Nordic Council of
Ministers.
The Nordic Council of Ministers is not
responsible for the content

EDITOR-IN-CHIEF

Björn Lindahl

EMAIL

nljeditor@gmail.com

WEB

www.nordiclabourjournal.org

An email edition of the newsletter can
be ordered free of charge from
www.nordiclabourjournal.org

ISSN 1504-9019 tildelt: Nordic labour
journal (online)



Contents

Editorial: Changing media and redundant journalists	3
Print shrinks as advertising goes online	4
Denmark's media storm	6
Jobs disappear before the ink is dry	8
Ole Jacob Sunde: the important thing is the media - not whether news is printed on paper	10
Iceland's plan for bridging the pay gap	13
Iceland's new labour market policy focuses on young men.....	15
Karl-Petter Thorwaldsson: I believe the future is Nordic	17

Editorial: Changing media and redundant journalists

Are the big media corporations panicking in the face of changing media habits when redundancies spread across the industry? Falling classifieds revenues, budget cuts and fewer readers are shaking Nordic newspaper houses. Jobs are cut across the board and senior writers take early retirement, bidding a sad farewell after serving society for many years. What is happening?

COMMENTS

15.11.2012

TEXT BERIT KVAM

The media industry is in the middle of major reforms and nobody knows what the future will look like. Big and small newspapers realise they need to compete with digital platforms and social media, or they will be serving an increasingly ageing group of readers. This month's theme highlights the challenges ahead.

Nordic Labour Journal's figures show the largest Nordic newspapers suffered a 20 percent fall between 2007 and 2011. And things are changing at an increasing rate. In Finland alone more than 500 journalists have received their notice in the past six months, says the Union of Journalists in Finland. Why are so many profitable companies firing people?

"They make panicky decisions" Juha Rekola tells NLJ. Denmark is worst hit among the Nordic countries, according to media expert Lasse Jensen: "All excess fat is long gone, and many newspapers are reaching the limit of what they can take economically." Young people are used to accessing global online news for free, and nobody seems to know how newspapers can capture younger readers and make them pay for content.

News is produced and is being consumed in new ways, and digital media are growing fast. But broad, independent and critical public debate could be weakened if blogs and tweets become more important than the fourth estate.

Journalists and editors have so far been guarantors for quality. This also forms the basis for governments preparing "necessary changes" in the face of multimedia solutions and when they debate future state media support and VAT on digital platforms.

But that doesn't remove the fear for the future in an industry used to pose critical questions. It remains to be seen whether the owners' words can stop the dread of a downward spiral:

"I think any society will continue to need people who are good observers, who can connect the dots and report it all back in a concise and interesting way," Ole Jacob Sunde, Chairman at the Schibsted media group, tells Nordic Labour Journal.



Some of the more than 200 newspapers published every day in Norway. If you want to get an even better idea of how many that is, click on the image or visit <http://www.forsidene.no>

Print shrinks as advertising goes online

Newspapers are the fastest shrinking businesses in the USA according to a LinkedIn survey. The social network has looked at their members' stated occupations. The number of journalists fell by 28.4 percent between 2007 and 2011. Europe and the Nordic countries are right behind this trend.

THEME

15.11.2012

TEXT: BJÖRN LINDAHL

Norwegian media group Schibsted presented their quarterly results in Oslo on 7 November, but had no good news for those who love printed newspapers. Schibsted owns four of Norway and Sweden's largest newspapers: Aftenposten, VG, Svenska Dagbladet and Aftonbladet. The group also owns several regional Norwegian newspapers and publishes the free newspaper 20 minutes in France and Spain.

The large printed newspapers' advertising income during the latest quarter alone has shrunk by 100mn Norwegian kroner (€13.7mn). Meanwhile revenue from the group's digital business has increased by 16 percent. This is because the company is Europe's largest seller of classified ads, with sites like

Leboncoin in France, Infojobs in Spain and Subito in Italy - all build on the same platform as Sweden's Blocket.se and Norway's Finn.no.

Income from these sites also means other European newspapers earn less. Why pay for classified ads when you can use a site where private individuals can advertise for free?

This means Schibsted is not just affected by changes to the environment in which newspapers operate - they are also helping drive the development.

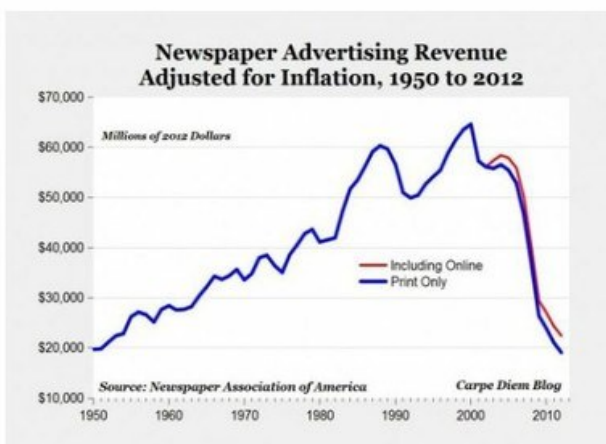
Along with Schibsted's gigantic 400m Norwegian kroner (€54.8m) saving plan for their newspapers (as presented in the second quarter) there was no further bad news for the already battle-hardened journalists. But nothing indicated the cuts would be put on hold either.

"Our answer to the major changes is to strengthen our digital business and to significantly reduce costs in the print sector. The process of change is challenging for the media house and for our employees, but it is very important that the process continues unabated," said Schibsted CEO Rolv Erik Ryssdal.

The management on newspapers around the world are delivering similar messages, like in Spain where 8,000 journalists have already lost their jobs despite some, like those at the largest newspaper El Pais, agreeing to a 15 percent pay cut.

But not only newspapers are hit. Respected weeklies like Newsweek are closing their print editions to go purely digital. Printers are fighting over jobs and there is already massive overcapacity. Book publishers are fighting to stay afloat in the same flood where paper is being swapped for ones and zeroes which are then turned into letters and pictures on tablets and smartphones.

Anyone thinking this is just a temporary dip could have a look at this graphic:



It shows the steep decline in advertising income in the USA since 2008. The numbers have been adjusted for inflation and speak for themselves. It took 60 years to build advertising income from \$20bn in the 1950s to \$65bn. The great fall came in the wake of 2008. In just three years advertising income fell back to 1950s levels. The red line is the newspapers' income from digital products.

The situation in the Nordic countries is not quite that dramatic. Nordic citizens enjoy a better economy, are more conservative in their media habits and the newspapers enjoy state support and VAT exemption.

It might seem unthinkable that printed newspapers should disappear - at least for those of us of a certain age who can't eat breakfast without inky fingers.

But what happened to the phonebook and encyclopaedias? Most people manage perfectly well with the digital alternatives which sidelined the print versions.

Circulation figures for the five largest newspapers in each Nordic country speak for themselves - see the column on the right side! This is a trade which is shrinking faster than a woolly jumper on a 60 degree wash.

Compared to 2007, the year before the finance crisis hit and before the launch of the first Ipad, the total circulation of the five newspapers had fallen by 250,000 - or 20 percent.

Denmark's media storm

Experts and newspapers warn of the death of even more print media and a decline in the quality of news ahead of political negotiations on moving state media support from printed to digital media. The government calls it necessary change.

THEME

15.11.2012

TEXT: MARIE PREISLER

Danish newspapers are in a crisis which could get even worse when a parliamentary majority soon agrees on changes to state media support.

So far Danish newspapers have received 400m Danish kroner (€53.6m) a year from the state, but the government has announced a renegotiation of the support and says it is unsustainable to keep supporting the printed press. The government now wants to support editorial content and digital news distribution.

The change to state media support will see the money being shifted from newspapers to online media. Newspapers and media experts warn this is another nail in the coffin of an already dying printed media industry and point out it is also a democratic problem because newspapers are the main providers of news.

Lasse Jensen is one of the media experts who is worried. He is a grand old man in Danish journalism and the editor and presenter of Danish Radio's magazine program 'People and Media', hosting critical debates on new and traditional media.

"The daily papers are bleeding. It's the same everywhere, but out of all the Nordic countries Denmark has so far been hardest hit. Danish newspapers have faced major redundancies and cuts, all excess fat is long gone. Many newspapers are reaching the limit of what they can take economically. Getting less state media support will be very serious for many of them," he says.

Support plurality

Dagbladet Information is one of Denmark's newspapers which is currently the biggest recipient of state media support. It was founded as an illegal news agency during World War II. The paper is not part of a major media company. It is owned by a limited company whose small shareholders do not receive any dividend. In addition to state media support, Dagbladet Information also receive a special state di-

versity grant only awarded to a few, small national newspapers which would not be able to function without it.

Information's Director, Mette Davidsen-Nielsen, thinks the state media support should be used to secure future output of the kind of journalism which is lacking in today's media landscape because it is heavy on resources. Dagbladet Information creates just that kind of journalism Mette Davidsen-Nielsen points out:

"90 percent of our content is produced in-house with unique journalistic focus on social issues, politics and culture. Ours is a considerable contribution to media plurality. That is why we get more state media support. Without it our budget wouldn't add up," she says.

Mette Davidsen-Nielsen feels Dagbladet Information has come far in its necessary transformation from printed paper to a modern multimedia company with a newspaper, a publishing business, a graphic production company, online services, a magazine publication and debating forums with readers' contributions.

But nobody - including Information - has solved the Gordian knot: how to get readers to pay for online journalistic content.

"It's a basic problem in the whole of the Western world: finding a way to make Internet users pay for unique content," she says.

Free online news

News are moving online, it's a global trend, and a clear majority of readers are not ready to pay for online news. 71 percent of readers of the Politiken newspaper answered "no" to the question "would you pay for news online?". And when readers disappear, advertisers go too.

Lasse Jensen thinks Danish newspapers have been asleep at the wheel while the big Swedish and Norwegian media companies Bonnier and Schibsted have been quicker to adapt.

“Many Danish newspapers were doing very well, so they were slow to start moving their business model in a more digital direction, and they have allowed readers to get used to accessing news online without having to pay,” he says.

Meanwhile the media consumption among many, especially younger, people is to an increasing degree based around social media like Facebook and Google, which do not produce their own news.

Lasse Jensen predicts the newspapers' decline will continue and that quality journalism will suffer even worse conditions in coming years. He thinks this is a problem for democracy:

“There is good reason to be worried on behalf of democracy. Newspapers deliver seven in ten news stories and as such are crucial to the journalistic chain of life. But newspapers' resources have reached bottom and their ability to deliver the critical journalism which a democracy needs is much reduced,” says Lasse Jensen.

The volume of news is exploding but fewer investigations lead to fewer scoops and readers don't remember them as well as they used to. These are the preliminary results from a new study of Danish media carried out by Anker Brink Lund, professor of media management at the Copenhagen Business School, CBS. He shows how the volume of news has more than doubled in the past ten years, while more than three quarters of news stories are “repeats, theft and borrowing” - i.e. not unique news.

When journalists must make twice as many stories as they used to plus new versions of other media's stories, there is less time left to investigate your own news. 71 percent of original journalism comes from newspapers, the study shows.

Minister wants to support online media

That is probably not enough to convince Minister for Culture Uffe Elbæk (the Danish Social-Liberal Party) that newspapers should continue to receive the current 400m Danish kroner (€53.6m) state media support. The government and the Minister for Culture want to give digital media some of the money, and it looks like more and more media will have to share a little less money. The government has also asked media to pay 40m Danish kroner (€5.4m) more in so-called payroll tax - an industry duty for newspapers and other businesses - as compensation for being exempt from VAT.

“Some newspapers will manage and prosper. Others might go under and disappear. And new names will disseminate news in new ways which we can't yet imagine,” the Minister for Culture wrote in a commentary ahead of negotiations. He recognises the crucial role newspapers play in Denmark's media cycle by “making the first important dig of the news day” and by delivering at least two thirds of the news which make it into broadcast media. But he finds it unsustainable to support the distribution of printed newspapers.

A danger of niche news distribution

The state support must go to the production of editorial content, says Uffe Elbæk. A committee appointed by the previous government to take a fresh look at state media support from a digital perspective came to the same conclusion. The committee recommended making future state media support a support for democracy.

But while the committee wanted to support democracy by giving the big players in the newspaper business more or less the same media support as before, the Minister for Culture believes democracy is better served by making it easier for smaller online media to access the market place.

The minister highlights new American publications like the Huffington Post, Politico and Daily Beast which have emerged from nowhere to become important national players in a short amount of time, because the production and spread of news online is so easy and relatively cheap.

Lasse Jensen does not have much faith in the Minister for Culture's plans.

“We are five million Danes, there are 313 million Americans and they have an even bigger language area. Nothing points to Denmark being able to develop a national online news publication like the Huffington Post. Supporting small online media creates a narrow niche news distribution. It does not contribute in a comprehensive way to the public debate like newspapers do,” says Lasse Jensen.

Apart from direct state support, Danish media also benefit in other ways like not paying VAT. And public service TV and radio get billions of kroner every year from license fees. Parliament has just reached a wide agreement on the future distribution of the license money. The state broadcaster DR and the TV2 regions (eight regional non-profit TV stations) will receive 140m Danish kroner (€18.7m) extra, and the Danish film industry gets more than 100m Danish kroner (€13.1m) in the coming period.



Erja Hyytiäinen at the Turun Sanomat newspaper in Turku is one of those who has given up. Here at a printing press.

Jobs disappear before the ink is dry

Finnish journalists have faced major changes in recent years - many of them negative ones. Jobs are disappearing and media owners' visions for the future are bleak.

THEME

15.11.2012

TEXT: CARL-GUSTAV LINDÉN PHOTO: KARL KETAMO

Erja Hyytiäinen, the employee representative at the Turun Sanomat newspaper in Turku has given up. After 15 years as a journalist she is stepping down as the local editor to take up a job with the University of Turku communications office. Five wage negotiations since 2009 has made her tired of low spirits and the lack of a belief in the future.

If the current round of negotiations goes the employer's way, 40 percent of the editorial staff will have disappeared since cuts began. That means the remaining staff will have to work much harder than they do now to compensate for those who

have been made redundant. There will be no more lunch or afternoon coffee breaks.

"People say journalists are crazy, because no matter what happens they just work even more," says Erja Hyytiäinen.

Grim prospects

This time around 50 jobs are going, leaving 50 people unemployed with grim job prospects. Just one of them has found new employment at Finland's national public-broadcasting

company Yle. The rest are either unemployed or have taken early retirement.

“I don’t know of anyone who has found jobs elsewhere. Some write a story or two a month on a freelance basis.

The newspaper owner is not particularly short on money. Its profits stood at 15.6 percent at the end of last year. The newspaper is doing well, in other words, but the printing part of the business is having a negative impact on the final results.

“You wonder how much profit is considered to be enough,” says Erja Hyytiäinen.

Like the paper industry

News about redundancies has been plentiful in the past six months. According to legal expert Jussi Salokangas at the Union of Journalists in Finland, there have been 30 notifications of redundancies so far, affecting more than 500 people. 850 jobs have disappeared since 2009, not counting limited contracts coming to an end or early retirements.

The downhill slide is about the same as in the paper industry, another trade in crisis with little belief in the future.

700 of the union’s 9,000 members are now unemployed. 850 are studying and 1,650 work freelance. The union wonders why profitable companies keep reducing their workforces.

“We think they are taking action without having any idea of what this will lead to. They are panicking,” says ombudsman Juha Rekola at the Union of Journalists in Finland. He is worried the cuts will lead the media companies into a downward spiral where lower quality content leads to lower sales.

“We should think about what role the journalist is playing rather than creating growth for the owners.”



Ole Jacob Sunde: the important thing is the media - not whether news is printed on paper

“The most important thing is to have good platforms and sources of information where you find important and relevant news and stories presented with integrity. Which medium is being used is less important in the long run. We should make use of technology,” says Ole Jacob Sunde, chairman both at Schibsted and the Tinius Trust.

THEME

15.11.2012

TEXT AND PHOTO: BJÖRN LINDAHL

Schibsted owns media mainly in Norway and Sweden but is also a main player in other areas like classified ads in Europe as well as in countries further afield - like Brazil and Malaysia. The Tinius Trust was founded by the Norwegian daily Aftenposten's late majority owner Tinius Nagell-Erichsen. The trust controls 26.1 percent of Schibsted shares. Its main task is to provide security for Schibsted's newspapers and other media to allow them to “maintain their position as free and independent news providers”. The trust is also working for “a healthy long term economic development of the group”.

We meet Ole Jacob Sunde in Schibsted's main offices in Oslo's Apotekergata. There's a statue of Tinius outside, and the unassuming facades hide a modern interior - just like the newspapers' names are often written in ancient typeface.

The day after Obama

It is the day after President Barack Obama was re-elected in the USA and Ole Jacob Sunde admits he heard the news first on breakfast TV. If you opened Aftenposten that day there were no final results, only a pointer to Aftenposten.no - the

paper's website - and its running overnight coverage of the election.

This illustrates one of the problems for printed newspapers - they come out several hours after their online or broadcast competitors. This becomes even more obvious with the spread of tablet computers and smartphones where you can get fresh news any time you like.

So our first question to Ole Jacob Sunde is whether he in the role as chairman of the Tinius Trust feels a special responsibility for making sure the newspapers have a print edition?

Paper not the most important

"In a wider perspective paper is not the most important thing for the Tinius Trust, even if it is well known that Tinius himself grew up in the age of printed newspapers and loved them," says Ole Jacob Sunde.

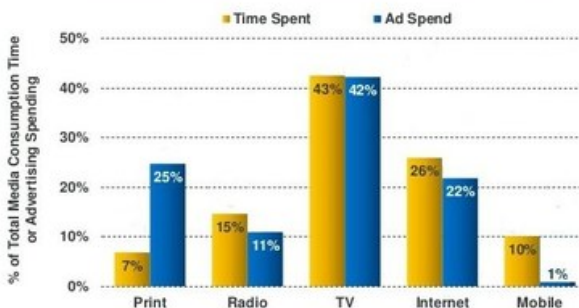
"But Tinius also said something else: copying the past is completely wrong, and it's impossible anyway. If you do, sooner or later someone else will come and take over."

We also want to know whether he believes today's crisis in print media is not only due to the financial crisis but also part of comprehensive, structural changes which are at least as dramatic as when newspapers abandoned lead for typesetting.

"Our newspapers have developed over 150 years with relatively small changes. But we are facing a crucial change in technology. It takes time to absorb this and to change - to think: how would I have done things if I started from scratch today," says Ole Jacob Sunde.

"There's this graph I used while presenting Schibsted in Switzerland a few days ago. It shows how much time US citizens spend on different media and the medias' share of advertising revenue.

% of Time Spent in Media vs. % of Advertising Spending, USA 2011



Source: KPCBs Mary Meeker on the D10-conference in May 2012

"Americans spend just seven percent of their time reading printed newspapers, but these still take 25 percent of all the

ad revenue. For TV the numbers are more equal; 43 percent of time spent watching and 42 percent of ad revenues. Already Americans spend ten percent of their time reading news on their mobiles - but this sector takes only one percent of ad revenues."

In other words, printed newspapers' decline is not due to the economic downturn. These are structural changes which so far are most visible in the USA. Europeans are more conservative in their media habits. But consumers' changing habits will lead to equally powerful change in Europe.

Three of the world's four countries with the highest number of newspapers per capita are Nordic: Norway, Finland and Sweden, in that order. Japan is up there, as well, in second place. Yet the fact that Nordic newspapers are being read by all social classes also make them vulnerable.

Focus on the elite

"In southern Europe printed newspapers are more targeted at the elite and have smaller circulations as a result. Media addressing wider sections of society are more influenced by social media," says Ole Jacob Sunde.

"At the same time I believe printed newspapers will survive for many years still, especially regionally and in certain segments important to the readers and the advertisers."

Today Facebook and Twitter are competing for people's attention. Something big is happening when you no longer turn to the local newspaper or radio station but perhaps Wikipedia, which with its 450 million users have become a news provider in itself - an encyclopedia which is updated non-stop.

Newspapers are at risk of being overtaken by celebrities like Lady Gaga, who communicates directly with her 20 million Twitter followers; by companies which have become mass media in their own right and on their own terms, giving their version of events through videos and text on their websites. By bloggers who are driven by their own interests or who are hunting advertising revenues.

Not pessimistic for the journalist profession

Ole Jacob Sunde is still not pessimistic for the journalist profession or the general role played by the media:

"Because there are so many alternative channels of information with their own hidden agendas, it is even more important to have a few sources who present quality information. We need media which investigate society's decision makers and write about what is important and relevant, allowing readers to get information which is as relevant and factual as possible."

You say "a few". Will there be 200 newspapers in Norway in a few years time?

“I think there will be many newspapers, especially local ones, but fewer owners. The most important protection for plurality is not to limit the concentration of ownership, which so far has been the authorities’ aim, but to make sure the papers stay profitable,” says Ole Jacob Sunde.

“I think any society will continue to need people who are good observers, who can connect the dots and report it all back in a concise and interesting way.”

Iceland's plan for bridging the pay gap

Iceland's government and the social partners have reached a new gender pay gap deal. In the next two years they aim to reduce the gap and to agree on a project plan with joint solutions and measures. Their goal is equal pay for equal work. The public sector should set an example for other employers.

NEWS

15.11.2012

TEXT: GUÐRÚN HELGA SIGURÐARDÓTTIR

Minister for Welfare Guðbjartur Hannesson has signed a three-partite agreement between Iceland's government, employers and trade unions outlining measures to fight pay gaps in the labour market. The parties will agree on a time-limited project plan. They will negotiate various common measures and cooperate on research, advice and the spread of information over the next two years.

Gender equality is a top priority for Iceland's government. Early this year Prime Minister Jóhanna Sigurðardóttir told Nordic Labour Journal how important it is to her to fight the gender pay gap. She said her government was preparing a project plan aimed at achieving equal pay.

That project plan has now become reality.

Power to influence developments

The public sector will take the lead. Management within certain public institutions has some power to influence local wage agreements. Yet so far not enough has been done to address the gender pay gap - quite the opposite.

The project plan includes the formation of a new consultation and cooperation committee with representatives from the government, employers and trade unions. All information on pay gaps and gender equality issues in Iceland will be gathered in a new, central database. There will also be more research into the effect parental leave has on the balance between work and home life, to which extent parents make use of their right to stay at home with their children etc.

The government has also decided to improve the gathering of wage information. The state plans to publish an analysis of public sector wage development in order to identify any gender pay gaps. This will be done on a regular basis to prevent any pay gaps emerging.

The committee will also study how labour market wage agreements are structured and it will help look at work distri-

bution in Iceland's municipalities to see whether women are paid less than men.

World's first wage standard

Pay gaps vary between seven and 17 percent in Iceland depending on which survey you look at. There have been many surveys, but different methods have given different results. Minister for Welfare Guðbjartur Hannesson says the surveys do identify a gender pay gap.

"While pay gaps narrowed after the banking crisis, I'm afraid they are widening again," says Guðbjartur Hannesson.

The launch of the project plan will also see the world's first certified wage standard being put into practice in Iceland. It is being tested right now but is soon ready for implementation. Both private and public companies can use the standard. They will be given a certificate if they can prove that they are following the standard and are paying equal wages for equal work. The hope is to achieve total wage equality.

Not recognising the problems

Kristín Ástgeirsdóttir is the Managing Director at Iceland's Centre for Gender Equality. She is happy with the launch of the government's project plan. She is positive about the agreement to develop a single overview of pay gaps.

She also supports providing companies with information and encouragement.

"I think we have been trying to skirt this issue both in Iceland and in other countries. We should have been doing something earlier," says Kristín Ástgeirsdóttir.

Marianna Traustadóttir is a gender equality consultant at the Icelandic Confederation of Labour (ASI). She is happy that the committee has enough money to employ a person whose sole job it is to fight the pay gaps.

Low pay in healthcare

The Managing Director at Iceland's Association of Academics (BHM), Stefán Aðalsteinsson, says pay gaps are evident in different sectors. People working in finance or in the building industry are better paid than healthcare workers.

He reckons it is possible to balance wages between sectors and different authorities. Stefán Aðalsteinsson thinks pay gaps are most visible when you look at who gets management jobs in the state and private sectors - they are more likely to be men.

"There is a form of pay gap between the sexes," says Aðalsteinsson and points out that evening out wages for all employees within one sector could be costly.

"It is easier to bridge the pay gaps when you are only talking about a few individuals," he says.

Slow the development

Minister for Welfare Guðbjartur Hannesson thinks the project plan realistically can slow the development, but of course he is hoping for an even better result: to turn the trend. But it will take two years before he knows if that can happen.

"That's when the partners will assess the result and decide whether the project continues," the Minister says.

Their decision, of course, depends on whether the pay gaps are still present in the labour market at that time.



Andri Freysson, Dagur Páll Friðriksson and Wilmer Fabian attend a cookery course with teacher Kristján Rafn Heiðarsson at Flensborgarskólinn upper secondary school in Hafnarfirði, Iceland

Iceland's new labour market policy focuses on young men

Iceland is developing a labour market policy for the period leading up to 2020, the first such policy the country has ever had. There are more people with low education in Iceland than elsewhere in Europe. Experts say the most important thing now is to develop a strategy for educating young men.

NEWS

12.11.2012

TEXT: GUÐRÚN HELGA SIGURÐARDÓTTIR

Two years ago Iceland's government established a working group which had two tasks; to fight unemployment and to design a comprehensive labour market policy for Iceland. The report on the labour market policy is expected at the end of 2012. Yet it is already clear that more resources must be put into education, and especially vocational education for young men.

Iceland's labour force can be divided into three equally sized groups; people with university degrees, people with higher secondary education and people who only have an elementary school education. 32 to 33 percent of Icelanders only attended elementary school. That means people with low ed-

ucation make up a far larger group in Iceland compared to elsewhere in Europe.



“We also see that now, when the crisis is almost over, people in this group still can’t find work because employers demand an education,” says Runólfur Ágústsson, chairman for Iceland’s Directorate of Labour - Vinnumálastofnun - Iceland’s version of Sweden’s Public Employment Service and Norway’s Labour and Welfare service.

Iceland has always had many people with low education. Young Icelanders have left school early to a greater extent than young people elsewhere in Europe. Early school leavers represent a large problem and something must be done to get the youths to finish their studies within a reasonable time.

Fishing industry used to pick them up

Head master Valgerður Gunnarsdóttir is the chair of Iceland’s head teacher association (Skólameistarafélags Íslands). Gunnarsdóttir is worried about young Icelandic men. Despite the fact that 95 to 98 percent of Icelandic youths start their upper secondary education after elementary school, boys leave early.

Gunnarsdóttir says boys used to leave school to go and work in the fisheries industry. But that opportunity is no longer there. Gunnarsdóttir thinks the root of the problem is that many of the youths are unprepared for the type of studying they have to do when they start upper secondary education.

“They need a lot of help to carry out their studies,” she says.

“We have no surveys to show how they have got this far without getting the help they need,” she continues.

“When young people can’t manage their upper secondary studies, they disappear out of the schools,” she says.

Go for education

Gunnarsdóttir thinks the most important thing is to make Icelanders aware that upper secondary schools need more money to help the large number of students who join every year.

“Many need so much help that we don’t have enough staff and not enough resources,” she says.

Gunnarsdóttir thinks there is a need to strengthen vocational education in Iceland in order to offer young Icelandic men - with all their energy and need to work - the chance to train and become good skilled workers. She says this is something which could be done in cooperation with industry.

The goal

Half of all unemployed people in Iceland have low education. Right now the unemployment figure stands at seven percent, but for people with a university education it is around three percent. Ágústsson also thinks the Icelandic labour market policy should focus on further education for people with low education. The goal is to reduce the number of people with low education to 10 percent in the future.

“It will be costly to invest heavily in further education, but it is important to decide on which measures we need to go for and to agree on the timing of it all,” says Ágústsson.

“The policy is the most important thing. When it is ready we get going,” he explains. The labour market policy should be ready by the end of 2012, along with the time table and details for how the project will be financed.



Karl-Petter Thorwaldsson: I believe the future is Nordic

As the EU focuses intensively on the Euro and other economic problems, it has never been more important to intensify Nordic cooperation says the new President of the Swedish Trade Union Confederation (LO), Karl-Petter Thorwaldsson. Soon he and the LO leadership set off on a Nordic tour to see LO colleagues, starting off in Norway. "We are among the world's most competitive countries, and if we could share our strengths we could become a cutting edge region," he says.

PORTRAIT

12.11.2012

TEXT: GUNHILD WALLIN, PHOTO: LO

As the applause started to fade after the newly elected LO President Karl-Petter Thorwaldsson had stepped onto the rostrum at LO's annual congress in May, he outlined his programme - a fight against mass unemployment.

Now, five months on and in the middle of the US presidential election campaign, when asked to imagine what he would have based his campaign on, he answers without hesitation.

“That’s simple. My generation’s great challenge is to rediscover a policy securing full employment. Until 1990 our unemployment stood at around 1.5 percent and I remember the fantastic situation of being able to have a job and still think about wanting to change it,” says Karl-Petter Thorwaldsson.

A crazy investment

He laughs as he remembers something from the time of his first permanent job. He worked in the industry near his home village of Kosta, part of the so-called Kingdom of Crystal (Glasriket) in Sweden’s Småland region. The presidency of the local union chapel offered him a 10,000 kronor (€1,165) LO loan. Super, thought the then 19 year old Karl-Petter Thorwaldsson, accepted the loan and spent it all on a new stereo.

“And there’s me who’s not even interested in music. It was a crazy investment. But I remember the feeling of freedom, I was permanently employed, drew a salary and could decide for myself. I enjoyed the self-determination that you get when you’re in demand in the labour market. I look at my own grown-up children and see that they don’t take work for granted, and that this creates uncertainty also in other areas of life,” he says.

This is why the new LO President wants to put all his time and effort into getting back to full employment. Work, he thinks, is in the end a question of self-determination, a term associated with him for the past 20 years. 20 years ago he became known throughout Sweden as ‘Kålle’ and debated self-determination as the newly elected chairman of the Swedish Social Democratic Youth League (SSU).

Self-determination means that by being employed, people get the chance to control their own lives and feel safe enough to make their own choices - even though they sometimes can be impulsive and lead to costly experiences.

A child of the class society

Karl-Petter Thorwaldsson’s interest was woken early. Growing up in the industrial village of Kosta, part of the legendary Kingdom of Crystals glass manufacturing region which is now being shaken to its core by bankruptcies and redundancies, he was born straight into the class society of 20th century Sweden. There were the workers’ houses where he grew up, the son of a glass blower. The town’s only shop was the co-operative Konsum and the ‘People’s House’ was right in the village centre.

And like in every other village of this kind the factory managers’ villas were situated at a dignified distance. His grandfather was his great inspiration, even though he died before Karl-Petter Thorwaldsson was born. He has the gold watch which his grandfather got for 25 years of service at the city council, an inheritance he values highly. Karl-Petter Thorwaldsson joined the SSU and remembers how they played their campaign music loudly night and day as they gave their

full support to glass workers suffering a lockout during the major labour market conflict of 1980.

“I firmly believe politics and social issues can change the lives of people. As soon as I began my union work in the early 1980s and got a taste for what it meant to be active, I felt you could improve people’s conditions considerably by getting involved,” he says.

An unexpected turn

Being chosen SSU chairman was a total surprise, especially to Karl-Petter Thorwaldsson himself. He was going to Stockholm to attend the SSU congress and had been aiming for a place on the executive committee, but the chairmanship would with all probability go to his friend Kent. So on the Thursday before midsummer’s night in 1990, he worked as usual, tidied up and went home for the weekend. He never returned to the workshop.

That same evening his friend Kent called and said he had become seriously ill and was withdrawing his candidacy. Later Anna Lindh called, the woman who would go on to become Sweden’s Foreign Minister. At the time she was a member of the election committee, which had agreed to nominate Karl-Petter Thorwaldsson to become SSU’s new chairman.

“It is absolutely true that I went from my industrial work one week to be interviewed on the national evening news the next. I was petrified. Sure, I’d been interviewed by Smålandsposten [the regional newspaper] before, but to be interviewed by one of the TV journalist heavyweights scared me to death,” he says.

The rest is history, as they say. After SSU Karl-Petter Thorwaldsson began work as ombudsman at the trade union IF Metall, and after a while he also took on the job as chairman of the Workers’ Educational Association (ABF). IF Metall nominated him as LO President and this is where he is now, at the distinguished LO headquarters in central Stockholm, as the 14th LO President. All of his predecessors worked during times of political events which coloured their fight and their work. What is his time?

Karl-Petter Thorwaldsson again mentions the high unemployment. 400,000 people are unemployed in Sweden today, and 50,000 have been given their notice since September alone. Many are still unemployed as a result of the 2008 economic crisis. He is critical to the centre-right government who he says follows a one-sided dogma claiming unemployment will disappear through reduced statutory employer contributions and earned income tax credit.

Criticism and dialogue

“But this is about creating new jobs and in that respect they have not presented a single proposal. Of course you can give tax credits for household services [services, like cleaning and babysitting, performed in private homes] and home improvements, but that cannot be the solution. Instead we say you

should get on with building new homes, but then they retort with their dogma that state intervention is not needed when it comes to home construction, and that is nonsense,” he says determinedly.

He wants an active labour market policy which Sweden traditionally has been very good at, but which he now thinks is more or less dormant. Such a policy would match supply and demand. These days there is for instance a major lack of machine operators, a job he knows many unemployed industry workers would love to take on if they were allowed to retrain. But the matching does not work, resulting in tens of thousands of lost job opportunities every year.

Another priority, albeit a more long-term one, is education. Today the children of LO members are the ones struggling the most, because of major cuts to education during the 1990s which led to the loss of many extra resources like counsellors and psychologist.

“There are those who say you can go into a nursery and point out who is going to loose out. And I mean - if you have that knowledge who must do something about it. We need a massive drive with new resources for education and this is something we must fight for. It is better than giving tax reductions to businesses in the way the centre-right government has just done,” he says.

At the same time, despite disagreeing on a range of topics, as LO President he is in dialogue with the government. The issue for debate right now is a short time job scheme built on a German model. To avoid firing workers in severe economic downturns, the state, employers and employees carry an equal share of the costs. Workers keep their jobs, companies keep their skills and the state avoid carrying to cost of even more unemployed people.

“That way the state and companies would take joint responsibility for reducing the labour cost rather than resorting to mass lay-offs. We’re pushing this issue hard and the government has said that they are interested, but we want to introduce this sooner than what they seem prepared to do,” says Karl-Petter Thorwaldsson.

The so-called job pact is another hot topic. It would see the government, trade unions and employers’ organisations agreeing on how to help under 25s entering the labour market. Once the agreement is reached, each trade would be free to decide just how to carry it out.

“It is easy for LO to just sit there and criticise a centre-right government. It is something altogether different to approach them and try to improve things, and so far I think it is working very well,” he says.

No to welfare competition

One hotly debated issue in Sweden right now is whether competition should be introduced into the welfare sector. The So-

cial Democrats support the idea, while the LO wants clear caps on profits within the education, health and care sectors.

This has led to debate and headlines. Karl-Petter Thorwaldsson is not against free schools, but thinks the Social Democrats could have argued harder against introducing profits in schools.

“In LO we can raise our voices even more than we already have. We feel tax payers’ money must be looked after by society. We can’t have badly performing schools taking out a 15 percent profit when they can’t manage to deliver what they should,” he says.

Always a Nordic fan

During the interview Karl-Petter Thorwaldsson often refers to his Nordic neighbours. Why not, for instance, take the ferry across to Finland to see how they have created the world’s best schools? Or learn from Norway’s focus on education and infrastructure? And how can we benefit from each other’s labour markets which after all play different roles in the market, meaning one country could help push the other forward - as seen in the integrated labour market in the Öresund region and with all the Swedes working in Norway.

Changes in tax regulations and improvements to infrastructure has for instance given Malmö and Copenhagen great opportunities for development and renewal. Karl-Petter Thorwaldsson would like to see a linking of higher education systems between the Nordic capitals, industry project development cooperation and great investments in infrastructure which links the Nordic countries and their labour markets.

“Now that the EU to all intents and purposes is stagnant, we should put a lot of effort into developing the Nordic region. We could help each other when one country is doing well. Because we are so alike there is also a lot to learn, and you shouldn’t need to keep reinventing the wheel,” he says.

As a consequence of these ideas the new LO leadership will be visiting their LO neighbours, starting with a two-day meeting in Norway. But there are many other issues awaiting the new LO President. A few days after our meeting he travels to Säfte where Volvo Buses has just told staff it is moving all production to Poland. Wage negotiations are also just around the corner, and the 14 LO member unions have for the first time agreed to join forces to push for pay increases for low earners.

“I am so happy with the cooperation ahead of the 2013 wage negotiations. We have worked very well with this,” says Karl-Petter Thorwaldsson and hurries along to his next meeting.