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Mar 23, 2023

Theme: The Nordics and the EU



Newsletter from the Nordic Labour Journal 3/2023



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

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

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



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On the fringes of the EU

The Nordics' relationship with the EU stretches from Denmark joining 50 years ago to Iceland's current renewed debate about reopening accession talks that were never finalised.

EDITORIAL

23.03.2023

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

This edition of the Nordic Labour Journal looks at different aspects of the Nordic region's relationship with the EU. We have spoken to organisations on both sides of Norway's EU debate and with the newly founded European Movement in Iceland. Has public opinion of the EU changed?

We look at what has happened to the 60 billion kroner Norway has paid for access to the EU common market since 2004 and we have a portrait of Finn Ola Jølstad, a Norwegian civil servant who moved to Stockholm to help Sweden during its EU Presidency. Yes, this is possible – thanks to the Nordic Council of Ministers' grant for work exchange between the Nordic countries, NORUT.

Although Norway and Iceland are not EU members, the recent three crises – the corona pandemic, Russia's invasion of Ukraine and the energy crisis resulting from this – have highlighted how closely intertwined they are with the EU.

Norway saw this very clearly last week. On 17 March, EU President Ursula von der Leyen visited the Norwegian Troll platform in the North Sea alongside Nato Secretary General Jens Stoltenberg and Norwegian Prime Minister Jonas Gahr Støre.

Natural gas makes up for one-fifth of the total EU energy consumption and 80 per cent of it is imported. After EU sanctions on Russia were introduced, and because that country has also throttled its gas exports, Norwegian gas has become increasingly important.

That is what the EU, Nato and the Norwegian government wanted to demonstrate with the well-oiled (no pun intended) visit to the Troll Field, which produces 11 per cent of all natural gas consumed in the EU. The gas is used to produce electricity and when gas prices rise, the price of electricity does too because of the Nordics and the EU's common energy grid.

The day before the platform visit, the Nordic Council's parliamentarians debated the European energy crisis that led to dramatically higher energy prices in four out of five of the

Nordic countries. But not in Iceland, because it is not linked to the Nordic or European electricity market and does not use any natural gas.

Ensuring energy security with affordable prices for consumers while not threatening the global climate is a serious challenge. This is underlined in a report from Nordic Energy Research presented during the special session.

The report says that a lot of energy policy happens in the wrong order. Rather than first expanding renewables, which then will become more profitable than fossil energy, fossil power plants are first shut down and then countries hope that wind power plants and battery factories can be constructed fast enough to pick up the slack.

But it takes too long to secure concessions for renewable energy projects and there is not sufficient public support for the infrastructure investments that are needed, warns Nordic Energy Research.

Processes do not necessarily have to take that long. That same week, in Reykjavik, the OECD presented a report on how the Nordic region managed the corona crisis. During a panel debate, the Director General of Iceland's Directorate of Labour Unnur Sverrisdóttir explained how she experienced the sudden five-fold rise in unemployment in just four weeks.

"It was like being hit by a hurricane. Everything had to happen so fast. New legislation on unemployment support was proposed on 5 March, it was agreed in parliament on 21 March and people could start applying on 25 March."

Stefano Scarpetta, the Director of Employment, Labour and Social Affairs at the OECD, says adaptability and flexibility become particularly important for employment services during a crisis. But it is easier to expand existing labour market measures than to introduce new ones.

Flexibility is important in the benefits systems, but also in the organisation of further education offered to people who

lose their jobs, points out the OECD. This is well understood among those in Sweden who are trying to secure enough labour for the large green industry developments in Norrland, like the Northvolt battery giga factory near Skellefteå and the fossil-free production of steel in Luleå.

The Swedish Public Employment Service has long offered work training in areas where this has been needed. This model will not secure enough labour for the industry and municipalities in Norrland. Could the training be held elsewhere? Perhaps remotely?

“So far the focus has been on energy security when we talk about resilient societies. But resilience is first and foremost about human beings. We need to find the right balance between what society needs and what the individual desires,” says Prime Minister Katrín Jakobsdóttir.

“I studied Icelandic literature and Nordic crime fiction and was told I would never get a proper job. But I became Prime Minister and have already written my first crime novel,” she smiles.



New OECD report: lessons for Nordics' crisis preparedness

The OECD has looked at how the Nordic region handled the corona crisis and which lessons might be learned when dealing with new labour market crises. What sets the Nordics apart from other industrial nations is the close cooperation between the social partners and the fact that support was given to companies with the understanding it would be partly refunded.

NEWS

23.03.2023

TEXT AND PHOTO: BJÖRN LINDAHL

The OECD has looked at how the Nordic region handled the corona crisis and which lessons might be learned when dealing with new labour market crises. What sets the Nordics apart from other industrial nations is the close cooperation between the social partners and the fact that support was given to companies with the understanding it would be partly refunded.

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“The corona crisis was like putting the car in first gear while making sure it kept running. What was the most important thing I did as prime minister? It was to give people the

chance to get further education. I meet people in the supermarket who tell me this changed their lives,” says Katrín Jakobsdóttir during the panel debate after the report was presented in Reykjavík.

Next to her is the Director General of Iceland's Directorate of Labour, Vinnumálastofnun (VMST), Unnur Sverrisdóttir.

“It was like being hit by a hurricane. Everything had to happen so fast. New legislation on unemployment support was proposed on 5 March, it was agreed in parliament on 21 March and people could start applying on 25 March,” she says.

On the other side of Katrín Jakobsdóttir is Stefano Scarpetta, Director of Employment, Labour and Social Affairs at the OECD. He has been through several crises before and put the corona pandemic in perspective.

“On average it took eight quarters, or two years, for the OECD countries to get back to the same employment levels they had before the corona crisis. Compared to the 2008 – 2009 financial crisis, things went much, much better,” he says.

“It took four years on average to get out of the financial crisis, but for certain groups – like young people – it took ten years before they reached the same employment level as before the crisis.”

The Nordic countries handled the two crises using slightly different measures. But Iceland was hit harder than neighbouring countries both times. During the financial crisis, all of the countries' banks folded and the state was forced to bail them out.

During the corona crisis, tourism – Iceland's largest industry – was hit especially hard because nobody could travel anywhere. Tourism workers were also often foreign and harder to tempt back once restrictions were lifted, explained the Icelandic Minister of the Labour Market Guðmundur Ingi Guðbrandsson earlier in the day.



The state support given to businesses and people on furlough during the pandemic far exceeded what was offered during the financial crisis. One type of support was what the OECD

calls Job Retention – paying businesses to keep workers on their books.

“Job Retention should not be used under normal circumstances because this type of state support would distort competition. But the extent to which JR was used was far bigger than during the financial crisis when 3.5 per cent of businesses got such support. During the corona crisis that figure was 25 to 35 per cent,” says Stefano Scarpetta.

“And rightly so, since the businesses weren't the ones doing badly. It was the government that introduced measures which stopped them from doing business.”

The report's authors say the corona crisis taught us that existing labour market measures can be rapidly extended but that totally new measures take time to introduce. Not all crises are as clear-cut as the corona crisis and might sneak up on us.

“During a crisis, it is important that employment services are able to adapt and be flexible. We go as far as recommending the introduction of a certain level of predetermination so that when it becomes necessary to adapt it has already been decided how to do it.”

The OECD also calls for greater flexibility when it comes to courses and training offered to unemployed people. Offering shorter courses might be better than one-year-long education modules and people's existing work experience could count for more when applying for a course. Employment services also need better access to information that already exists in various systems and a faster way of gathering it.”

The OECD report is called “*Nordic lessons for an Inclusive Recovery?*” The question mark indicates uncertainty over how inclusive the recovery has actually been. Like in many parts of the world, the Nordic region also saw differences in how hard different social groups were hit. Young people, low-skilled workers and immigrants were among those who faced the greatest consequences.

But thanks to the rapid recovery, many of these consequences had been evened out by early 2022.

“It is good that the report shows that our model with a social safety net works like a kind of support and helps include vulnerable groups into the labour market, especially when a crisis hits,” says Iceland's Minister of the Labour Market Guðmundur Ingi Guðbrandsson.

The crisis did not hit men and women very differently, according to the report, although that was something many believed would happen. But women worked more from home than men.



There might, however, be ways in which the crisis hit men and women differently which the report has not looked at, pointed out Karen Ellemann, Secretary General for the Nordic Council, who had commissioned the report.

“During the lockdowns, old gender patterns sometimes returned. This made it difficult for women to do their jobs properly. I believe politicians can learn from this and be extra vigilant to avoid future crises triggering unforeseen gender gaps,” she says.

Denmark's 50 years long tug-of-war with the EU

Denmark is the EU veteran among the Nordic countries. This year marks the 50th anniversary of Denmark joining the EC, as it was called back then. And during all these years, the Danes – with increasing difficulty – have fought to maintain their labour market model. Now, they have run out of patience and the tug of war has culminated with Denmark trying to have the minimum wage directive ruled invalid.

THEME

23.03.2023

TEXT: KERSTIN AHLBERG

Among the Nordics, Denmark is also the most vocal representative of what is sometimes called the Nordic labour market model. What sets the Nordic model apart is that the relationship between employers and employees to a large extent is regulated through collective agreements – especially when it comes to wages. None of the Nordic countries has statutory minimum wages. But Denmark prefers collective agreements over legislation to a greater degree than Iceland, Norway and Sweden.

In a comprehensive anthology “Denmark and the EU through 50 years”, professor Jens Kristiansen details the various strategies the Danes have used in order to protect their labour market model. He calls it a particularly problematic policy area for Denmark's coexistence with the EU.

The division of labour between lawmakers and the social partners was an important issue way back when Denmark held a referendum on whether to join the EC. In order to convince people to vote yes, the Confederation of Danish Employers and the Danish Confederation of Trade Unions joined forces and published the following message in daily newspapers: “We are still cracking the nuts ourselves” – meaning Danish employers and trade unions would continue to solve labour market issues even if the country joined the EC.

So the starting point was that the government should negotiate with the other member states on how to shape directives and have the main responsibility for them being implemented correctly once they were adopted. However, most of the implementation would be left to the social partners.

But already when the equal pay directive of 1975 was to be implemented, it became clear that the social partners could

not, in fact, crack all the nuts themselves, writes Jens Kristiansen.

The European Commission protested and a few years later, Denmark was found to be in breach of EU law because Danish legislation did not contain a rule which existed in the directive. The fact that collective agreements covered this “gap” did not help because the agreements did not apply to workers who were not trade union members. For the sake of these workers, the legal text had to be completely clear.

The next blow came with the working time directive. By then, the EC had become the EU and a new treaty had come into force. It clearly stated that member states could leave the implementation of directives to the social partners. Denmark interpreted this to mean that using only collective agreements was now even more acceptable.

So no complementary legislation was introduced since an overwhelming majority of all employees were covered by collective agreements and these agreements “rubbed off” on non-union employees. The social partners also took it upon themselves to solve all potential disagreements on the working time directive.

The EU Commission protested again, and this time the Danish government yielded. In agreement with the social partners, it presented a proposal on complementary legislation on rest time, a cap on weekly working hours, and night work.

Since then, Denmark has introduced a new way of passing legislation. The social partners are still given “first dibs” on entering into collective agreements that implement directives, while complementary legislation is developed in cooperation with an “implementation committee” where the partners are represented. In workplaces that are covered by col-

lective agreements, these always take precedence over the legislation.

In later years it has also become harder for the partners on the implementation committee to agree. It has been particularly difficult to adapt Danish rules in line with rulings coming from the EU Court.

The directives themselves always give member states space to adapt the rules to fit their own labour market models. But once the EU has adopted rules in some area or other, they sooner or later end up with the EU Court. It has a tendency to define even the vaguer directive rules in a way that step-by-step reduces member states' – and the social partners' – room for manoeuvre.

This is one of the reasons why Denmark is now challenging the EU over the minimum wage directive. This time, it is about the division of power between the EU and member countries. Is the European Union actually allowed to adopt a directive with content like that of the minimum wage directive?



Norwegians still largely negative to EU membership

It is nearly 30 years since Norwegians voted no to EU membership for the last time – so far. The chances for another referendum are slim.

THEME

23.03.2023

TEXT: LINE SCHEISTRØEN

Norway has had two referendums on EU membership – in 1972 and in 1994. Both resulted in a no majority. In 1994, 52.2 per cent voted against membership and 47.8 per cent voted in favour.

According to the latest opinion poll, things have not changed much after 30 years. The nos are still in a majority while 16 per cent are on the fence according to a new poll from Opinionen published in February on commission from the online news sites Altinget and ABC Nyheter.

“Opinion polls have consistently confirmed there is a large and solid majority against Norwegian EU membership. There is nothing in the current political discourse that indicates we will have a new EU debate now,” says Einar Frogner.

He is the leader of No to the EU, the Norwegian no movement which is still fighting against Norwegian EU membership and against aligning Norwegian legislation and regulations with the EU.

A strong no

The war in Ukraine did put the EU debate back on the agenda, however. Three weeks after Russia invaded, Norstat performed a poll on behalf of the Vårt Land newspaper. They asked “Do you want Norway to become a member of the EU?”. 53 per cent answered no, and 26 answered yes. There was an increase in the number of undecided.

“Opposition to EU membership runs deep in Norway, and it has done for a very long time. So despite the fact that the

EU is now presenting a united front as the defender of European democracy, the opposition to EU membership has not changed,” Lise Rye, professor of history at the Norwegian University of Science and Technology, told the Vårt Land daily.

She said the yes-side had not gained ground despite the war in Ukraine because Norwegians see Nato as the guarantor of Norwegian security policy.

Changing attitude to the EU

Social scientists in Bergen have also been keen to find out how the war has influenced Norwegians’ attitude to Norwegian EU membership and to Nato’s role in Eastern Europe.

The University of Bergen conducted a survey asking “How positive or negative are you to Norwegian EU membership”. The results showed a marked increase in positive attitudes to membership, according to an opinion piece by researcher Endre Tvinnereim, published in the Aftenposten newspaper last September.

In 2019, 26 per cent were positive to Norwegian EU membership while 60 per cent were negative. In May-June 2022, after Russia’s invasion, 40 per cent were positive while 47 per cent were negative.

The fight against ACER

No to the EU currently has around 20,000 members. Last year, the organisation experience a solid increase in membership. The concerted fight against the EU’s ACER energy agency has been credited with some of that increase. No to the EU has also been helped by the fact that people are seriously upset over sky-high energy costs.



No to the EU leader Einar Frogner during a demonstration for national control of energy and politically controlled energy prices in front of the Norwegian parliament on 16 March this year. (Photo: No to the EU)

The organisation has been busy campaigning against ACER and the European energy union strategy since 2017. It took the Norwegian state to court arguing its decision to link Norway to the EU energy market was illegal. The case will soon be decided by the Supreme Court of Norway.

Einar Frogner at No to the EU believes that as long as people show no interest in a new fight over EU membership, the debate should focus on how Norway uses its room for manoeuvre as a non-member to safeguard national interest and to be an independent voice on the international stage that can help solve global challenges like climate change.

“The world is bigger than the EU,” he says.

More members for the European Movement too

The No to the EU’s opposite – the European Movement Norway, also experiences membership growth these days. They now have more than 4,000 members and membership increased by 26.3 per cent last year.



Heidi Nordby Lunde heads the European Movement Norway. (Photo: The European Movement)

“When war broke out in Ukraine, we saw an increase in membership and a lot of engagement in the debate about EU membership, but the energy crisis put an end to both,” says Heidi Nordby Lunde, head of the European Movement Norway.

She acknowledges that the climate for a more involved EU debate in Norway is less than ideal right now.

A desire for more debate

Nordby Lunde is also an MP representing Høyre, the Norwegian Conservative party. They would like a new EU membership debate, as do the Liberals and the Greens. Some in the Labour party would also like to see this. The Centre Party and the Socialist Left are firmly in the no camp. And as long as the Centre Party is part of the governing coalition, the government will not push for a new membership application.

The fact that the Centre Party and the Socialist Left do not want to enter into an EU membership debate is problematic, according to Nordby.

“Norway needs more debate about our links to the European community. It really is in our interest to take part in the European debate,” she says.

Nordby’s Swedish and Danish colleagues often question Norway’s EU opposition, she says.

“We have become a bit of a strange country on the fringes of Europe,” says Nordby Lunde.



Iceland starting to ponder EU membership

Iceland applied for EU membership in 2009, after the collapse of the banking system almost bankrupted the country. The government at the time, led by the EU-friendly Social Democratic Party, believed membership was vital for financial stability. The Euro was also seen as better than the small and unstable krona.

THEME

23.03.2023

TEXT: HALLGRÍMUR INDRÍÐASON

The government, however, did not manage to finalise accession negotiations before the end of its term in 2013. After that, a new two-party government coalition of the Independence Party and Progressive Party took over – neither of whom wants to join the EU. So the government halted the negotiation which have since been at a standstill.

Possible EU membership has not been discussed after 2013. Since 2011, nearly every annual poll has shown more than 60 per cent of Icelanders are against joining. But recently, the support for EU membership started to increase and a poll from last February showed a majority in favour of joining for the first time since 2011. 40.8 per cent were in favour, 35.9 per cent against and 23.3 percent were undecided.

Last year, former parliamentarian Jon Steindor Valdimarsson founded the European Movement (Evrópuhreyfingin), as a reaction to the increase in support. He has always been in favour of Iceland becoming a member.

“When we applied for membership, we always thought that we would reach a firm conclusion on the matter – that we would get a deal that we could vote on in a referendum. So it was a big disappointment that the discussions were halted. This was done in spite of many protests demanding that there should at least be a referendum on whether to continue the discussions or not.”

Ukraine war has changed minds

Valdimarsson says Russia's invasion of Ukraine triggered the foundation of the European movement.

"Soon after that, I started to wonder whether this is something that shows that the EU is about much more than the economy, which had been the main focus in Iceland. Membership means to be a part of the decision-making process in Europe. So I started discussions with a few others who want Iceland to join and they were excited."

The movement was founded on 9 May 2022 (on Europe Day, not a coincidence). It went public on 1 December (Iceland's independence day, also not a coincidence) and since then close to 1,000 people have joined the movement.

Valdimarsson says that the big change now is that other factors besides the economy are starting to matter more in the eyes of the Icelandic public in terms of EU membership.

"This is about values, togetherness, defence against aggression."

That does not mean that the economy does not matter. Valdimarsson believes that the Euro would bring more stability as well as lower interest rates to Iceland.

Along with Norway and Liechtenstein, Iceland is part of the EEA agreement, which in general is considered to be good for the country. Valdimarsson, however, agrees with the criticism that it is partly a false democracy.

"We must implement EU regulations without having any say in the way they are formed. So in my view it's more democratic to get a seat at the table where the decisions are being made."

Valdimarsson brings up a special aviation carbon tax as an example.

"Our ministers have spoken to all kinds of commissioners and ministers without accomplishing anything. Iceland is in a special situation being a far-away island and flying is by and large the only way to get in and out of the country. If we could have presented that point of view before the rules were made, I'm sure it would have brought a better result."

Fisheries and agriculture main worries

The main argument against EU membership has been that it would be bad for fisheries and agriculture. Fisheries mainly because other countries could then fish in Iceland's jurisdiction and agriculture because increased imports could harm domestic products. There are other factors, but these are the most important ones. The EEA agreement makes Iceland exempt from EU rules in these two areas.

Regarding the fisheries Valdimarsson says:

"We believe that the rules used by the EU to hand out fishing quotas mean there won't be any ships coming to Iceland to fish. And regarding the species that move between jurisdictions, that is something we have to reach a special deal on. It is possible that at a later stage formal decision on the quotas will be taken in Brussels, but that is always based on science."

"The Icelandic Marine Research Institute will send its recommendations and there is nothing that indicates that the EU would go against that. I think this is an example of something that we can argue about endlessly, but we can't fully know what we will get before an accession deal is made."

Valdimarsson also points out that some of the biggest fishery companies in Iceland also operate quite a lot abroad. These companies are mostly against membership.

"This is a question of power and influence. They have good access to ministers in Iceland so they think they would lose this influence on accession."

In the case of agriculture, Valdimarsson believes the farmers' opposition is based on a misunderstanding.

"In Sweden and Finland farmers are not worse off than before EU admission. Farmers have been worried that this will reduce the number of farms and be the end of the old family farms, but this is already happening. The EU has been subsidising agriculture and will continue to do so."

"The EU also has a strong regional policy that would support the regions throughout the country. The quality of Icelandic agriculture products is also so good that I don't think we have to worry about foreign competition. And this gives possibilities for exports that could be very beneficial to farmers too."

"Politicians dragging their feet"

Politically, there does not seem to be much interest in the EU. The Social Democrats, which have been in a bit of a crisis for the past few years, have a new leadership that has decided to focus on other things besides the EU. Currently, it is only the pro-EU centre-right Liberal Reform Party that is talking about membership.

"After the war in Ukraine started, many countries began reconsidering their international cooperation. The clearest example is Sweden and Finland joining NATO. In Iceland the political parties just wave old policies from 10 to 15 years ago that say that Iceland is better off outside the EU."

"But the last two EU polls show that the war in Ukraine has changed the public's view, along with perhaps higher interest rates. This shift is real, but we don't know how long it will last. I think the public is now more keen on membership while the politicians are dragging their feet," says Jon Steindor Valdimarsson.

He is not certain this change in the public view will affect the politics.

“But I find it strange if the changes that are now going on in Europe will not affect the politics more that it has. The changes are that big.”

The European Movement’s main aim is to push for a referendum on whether to continue the discussion that was halted almost 10 years ago. According to another poll, 66 per cent of the public want such a referendum.

“We think that this is the time to ask the public what they want. Most parties have said no further steps will be taken without doing so. So our goal is for such a referendum to take place. I think that it will be hard to say no to such a request, especially since a deal with the EU will also have to be approved in a referendum. So our dream scenario would be that such a referendum would be held before the next elections [scheduled for 2025] so the voters could ask their parties whether they would uphold the results.”

How the EEA grant gives Norway influence in the EU

Norway and Iceland have full access to the EU internal market thanks to the EEA agreement. But they have to pay a fee. Between 2014 and 2021, Norway paid a total of 60 billion Norwegian kroner (€5.3bn) for access. The difference is that the country has a say in what the money is used for, which brings both influence and attention. A new report details what has been achieved.

THEME

23.03.2023

TEXT: BJÖRN LINDAHL

It has gone from being a contribution paid reluctantly by the Norwegians to something people are enthusiastic about, according to the three authors of the report. The Fafo researchers, who produced the report on commission from the Norwegian Ministry of Foreign Affairs, quote what a Norwegian diplomat told them:

“We get unfairly good results and visibility for our contribution while Denmark and Sweden disappear inside the EU.”

The EEA agreement came out of the 1994 EU applications from Norway, Sweden, Finland and Austria. In a referendum, Norway voted no to the EU agreement that had been negotiated, while Iceland never got as far as reaching an agreement. That is why the EEA was created, which Lichtenstein also joined.

Norway is by far the dominant contributor as it provides more than 95 per cent of the three countries' grants to the EU.

The grant is meant to benefit the poorest EU nations – the ones with a GDP that is 90 per cent lower than the EU average – and it should be used to reduce social and economic disparities in the EEA area. Norway also aims to strengthen bilateral relations with the recipient countries.

Since the grant is divided between 15 EU countries and across many different projects covering research, welfare, environment, culture and justice, it is difficult to measure its effect. Poland has been the biggest recipient in the latest period, receiving 30 per cent of EEA grants between 2009 and 2014.

“Yet this was no more than 0.8 per cent of the total contribution from the EU's funds for development, infrastructure and

education for that period,” pointed out Kristin Dalen during a Fafo seminar focusing on the report.

The EEA grant does play a decisive role in one area, however – civil society.

“In several recipient countries the EEA grant is now the biggest and in some cases only source for the funding of voluntary organisations and civil society activities across areas like the promotion of democracy, human rights and influencing political processes,” writes the EU Agency for Fundamental Rights.

The Fafo researchers say 15 per cent of EEA contributions go to civil society.

“In Period 2 (2009-2014), almost 3,000 projects were carried out by non-governmental organisations. 4,000 organisations reported expanded capacity and more than 4,000 NGOs participated in policy-making processes. Constructive pressure by civil society organisations improved the formulation of 335 new laws and guidelines.”

The EEA grant can also be important for underfunded areas like help for Roma people. Norway also helps finance projects in several countries aimed at creating more humane conditions for prisoners and for improving the rights of the LGBTQ community.

But the contributors need to balance being seen as providing a welcome addition and being perceived to get too involved, for instance in the cultural sector.

“While some recipient countries mostly want to renovate old castles, Norway focuses in equal measures on living art, pro-

jects that address contemporary society and that comments on power and democracy,” write the authors.

The report acknowledges that results in this area have been varied.

“Projects of the latter kind have proven tricky to achieve in certain countries. The most difficult place has been Hungary, where it has not been possible to reach an agreement on EEA grants at all in the latest period. The country has refused to agree that the grant should be received and administered by an entity that is independent from the government.”



The Norwegian civil servant working for Sweden

In January, Norwegian Finn Ola Jølstad swapped his day job as a senior civil servant at the Ministry of Labour and Social Inclusion in Oslo for a job at the Swedish Ministry of Employment. His job exchange lasts six months and falls right in the middle of Sweden's EU Presidency.

PORTRAIT

23.03.2023

TEXT: GUNHILD WALLIN, PHOTO: MARCUS GUSTAFSSON

“So far, I have been given very varied tasks. I knew the ministry could not take me on as a probationer during the Swedish Presidency, but figured perhaps I could be an extra resource,” says Finn Ola Jølstad.

He welcomes us in the airy entrance hall of Stockholm's Ministry of Employment, right inside the main door. We have signed in at reception according to all the rules and every-

thing is going swimmingly. That might seem self-evident, but for a newcomer, things take time – figuring out routines and systems and not least who does what.



“The public administration structure is fairly similar between the Nordic countries, but there are also different processes and tools. You have to get to know a new organisation, and like everywhere there is a certain lingo to get to grips with,” says Finn Ola Jølstad.

Grant for Nordic work exchange

The idea to go to Sweden on a work exchange grew out of Norway’s 2022 Nordic Council of Ministers Presidency. Finn Ola Jølstad had been working with the Norwegian Presidency and saw an upcoming window in his calendar which allowed him to do something different.

In his day-to-day work there are plenty of opportunities to swap between different government ministries and learn new skills, but being internationally minded, Jølstad wanted something new.

“I had quite a bit of international experience and had worked both with Nordic issues and within the EU. That is how I got the idea it might be interesting to work in Sweden for six months, both for the Nordic and Swedish Presidency. It’s a fantastic combination, and both I and my dream were met with open doors,” says Finn Ola Jølstad.



Applying to work in a government ministry in a foreign country in order to learn new things is unusual, but not impossible. The home country pays the salary as usual and the Nordic Council of Ministers has a grant for work exchange

between the Nordic countries, NORUT. This helps Finn Ola Jølstad cover the costs of living in Stockholm.

He now lives in a flat near Stockholm’s Mariatorget and is delighted to describe his morning stroll to work down the hills of Södermalms and through Gamla stan. He also points out that hiring a flat in trendy Södermalm is far from free, so the Nordic grant is very welcome. Since his stay is no longer than for six months, he has not had to officially emigrate from Norway nor quarrel with Swedish authorities to get the crucial personal number.

“But I have managed to become a regular at the ICA supermarket,” he jokes.

Extra pair of hands

He has now spent a few months at the Ministry of Employment’s international department and takes on tasks where he is needed.

“I am a resource for the international department and they can use me where they want as an extra pair of hands. They definitely do, and I have been given many interesting tasks. Much of what I write must be in English, and this has made it easier for me to contribute. Besides working with EU Presidency issues, I have participated in gathering information and executing processes within the Nordic and European co-operation.



“I have been preparing political leaders at the ministry ahead of meetings and seminars with the social partners, and have enjoyed good cooperation with the partners. Holding the EU Presidency, Sweden also plays a role representing the EU at the ILO, and I will be linked to that work,” he says.

Do you draw attention as a Norwegian walking around in the Swedish corridors?

“Some are perhaps a bit surprised, but I did something similar as a Norwegian working in the European Commission.”

Finn Ola Jølstad has a lot of experience as a civil servant, working both with Nordic cooperation and within the EU.

His first state job was for the Norwegian Ministry of Foreign Affairs where he worked on EU and EEA issues.

A few years later, in 1999, he began working at the Ministry of Labour and Social Inclusion in Oslo, where he now is working on the coordination of Nordic and international issues. Lately, he has been working with Norway's Nordic Council of Ministers Presidency, which passed to Finland at the start of this year.

Finn Ola Jølstad has also been a national expert at the European Commission and worked as an advisor on labour and social affairs at Norway's EU delegation in Brussels for a total of eight years. He is also a member of the Nordic Council of Ministers for Health and Social Affairs, which is tasked with preparing labour ministers' meetings. When he talks he is engaged, but with the caution of a civil servant who does not want to step into the realm of politicians.

His task both in the Nordic cooperation and within the EU is to create a knowledge base for politicians, combining professional knowledge with an understanding of institutions and processes. During our interview, we meet an international person who constantly wants to learn more about the Nordics, the EU and the world. So where does this interest in international affairs come from?

A childhood with Nordic contacts

Finn Ola Jølstad takes us back in time to a farm by lake Mjøsa in Stange municipality, where he was born in 1968. There are allodial rights to the farm, which means the oldest son takes over when the time comes. Finn Ola Jølstad took an early interest in society and read all the newspapers he could find from a young age.

"The Nordic aspect has literally been with me since birth. My mother is Danish and I spent many holidays in Denmark. So I got used to the Scandinavian languages from an early age I don't speak Danish, but I understand the language," he says.

His interest in the world around him grew and prepared the ground for a career which he describes as rather unusual for someone growing up on a farm in the countryside. During upper secondary school, he spent a year as an exchange student in Australia before going on to study political science and international political economy. He got his master's degree in London and since then he has continued to live in different countries – now in Sweden.

"You learn so much more from living in a country than from being a tourist," he says.

Labour markets in constant change

Finn Ola Jølstad has been following labour market issues for nearly 25 years and still finds it exciting. Working life touches on many policy areas and is relevant to everybody's daily life.



"The big Nordic 'Future of Work' project describes major structural changes like demography and the green change. There is more focus on these issues now than ten years ago. Meanwhile, it is still the case that we need a flexible and adjustable labour market and must get more people into work, especially marginalised people. We talk about the future of work, but we are always in the middle of change," says Finn Ola Jølstad.

Is it possible to compare the Nordic cooperation to the EU?

"No, they are fundamentally different. EU cooperation is far more obligatory for member states, and goes much further than the Nordic cooperation. But it is important both for cooperation within the EU and between the Nordics to work closely together and learn from each other."

The work exchange is a way of making new contacts and learning more about Sweden, which might be a benefit to his continued work with Nordic labour market issues.

"There are so many different things that I can take home, but it is still a little too early to say exactly how I will be using them. Right now I am working for Sweden, but being able to grow is a benefit that goes two ways of course. We need knowledge on EU issues in Norway and I gain new skills by being here during the Presidency," says Finn Ola Jølstad.



The greatest threats to energy supply in the Nordic region

Nordic Energy Research has presented a list of risks to the energy market. Topping it, somewhat surprisingly, is the long approval process facing new energy projects along with the fact that there is little public support for state-funded infrastructure investments.

NEWS

23.03.2023

TEXT: BJÖRN LINDAHL, PHOTO: EYÞÓR ÁRNASON/NORDEN.ORG

It is easy to blame high energy costs on President Vladimir Putin and his invasion of Ukraine. This has led to sanctions and it has throttled imports of Russian natural gas, oil and coal. But there are many other reasons for the “perfect storm” that is now hitting European and Nordic energy markets. And not everything would be resolved by an end to the war in Ukraine.

“Today, the Nordic region faces an energy trilemma – three conflicting challenges to delivering a secure, affordable, and sustainable energy transition,” said Klaus Skytte, Director of Nordic Energy Research, as he presented the report during the Nordic Council’s special session on energy in Reykjavik on 14 March.

The report looks at Europe’s electricity and natural gas markets. Both power grids and natural gas pipelines run across

national borders. Natural gas is also used to produce electricity. That is why high prices in one country impact other countries.

There are other energy sources, like oil and coal, but these are subject to global pricing structures. The difference can be seen clearly in the graph detailing the price of natural gas in Europe and the USA:

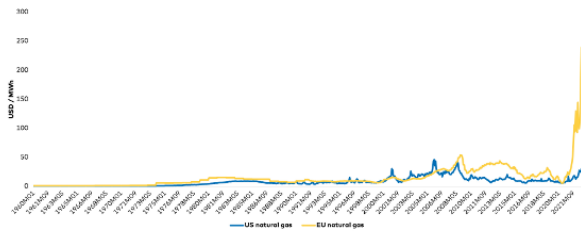


Figure 25: Natural gas monthly price development in the USA and Europe

The yellow line above shows the costs of generating 1 MWh of electricity using natural gas in Europe, right back to 1960. The blue line is the US gas price which has not seen the same increase. Oil and coal prices are global, both in the USA and in Europe.

Natural gas makes up 20 per cent of EU energy consumption. 80 per cent of it is imported. Before the Ukraine invasion, Russia was the biggest exporter. Now it is Norway. There is also a global market for liquid natural gas – LNG. But Europe has a limited capacity for LNG use, even though it has increased a lot from 23 per cent to 40 per cent of total gas imports in 2022, according to the analysis firm GIS.

At the same time, the lack of Russian natural gas would not have been as serious....:

- **...if French nuclear power plants were not so inefficient.** At the time of the report's publication, only 30 out of a total of 56 French nuclear power plants were operating. This is due to a combination of technical and environmental issues. The severe drought in France in 2022 meant nuclear power plants could not release hot water into rivers as usual, because this would have impacted negatively on biodiversity. At the same time, 51 per cent of French nuclear power production was closed for maintenance.
- **...if Germany had not closed so many coal and nuclear power plants.** The plan had been to phase out all coal power by 2038, but the government is now aiming to close all coal power plants as early as 2030. Nuclear power is due to be phased out by 15 April this year. Germany has

extended the use of both coal and nuclear power because of the war in Ukraine.

- **...if reservoir levels in Southern Norway were not so low, after the driest year in 26 years.** In spring 2022, water levels were at their lowest in 20 years. France, Spain and Portugal have also experienced droughts with low reservoir levels as a result.
- **...if the Netherlands had not closed the country's largest natural gas field Groningen** in order to meet CO₂ emission goals. Since October 2022, the field has been producing just enough to keep installations running – 2.8 billion cubic metres of gas a year. That is one-tenth of 2016 production, according to Upstream Online. Groningen started producing gas in 1963 and was for a long time Europe's largest gas field with an annual production of 50 billion cubic meters of gas – nearly the same amount that was imported via the first North Stream pipeline from Russia.

Even if the energy crisis is hitting Europe worse than the rest of the world, the green transition means changes to the entire, global energy system.

"The global energy system must be balanced, in summer as in winter, year after year, country by country and morning and night," said Jarand Rystad, CEO of Rystad Energy, via a video link.



The Nordic Council's special session on energy security was held in Harpa, Iceland's opera house. Jarand Rystad on video link.

"We have to decide on a storage technology as we become more and more electrified. We will be going from 20 per cent of the world's energy being transported as electricity to 60 per cent by 2050."

"The overarching development is that solar and wind outperform oil and gas. But you cannot achieve the green transition by simply stopping oil, gas and coal. You also have to outper-

form it by first constructing renewable energy,” said Jarand Rystad.

Investment is needed in power grids and energy, labour is needed to make this happen and you need popular support. Meanwhile, the amount of power that we can control ourselves is falling. One of the consequences is that the Nordic and European energy systems have become more weather dependent.

The green transition needs skilled labour, it is dependent on rare earth metals – 90 per cent of which are produced in China – and it must make sure there are no bottlenecks when the energy is being distributed.

“The inflexible demand and the decrease in baseload capacity from hydro and nuclear power has led to concerns about potential brownouts in the Nordic countries during hours of peak demand,” says the report on the Nordic energy markets.

A brownout is when parts of the power grid are decoupled, with major consequences for industry and households.



The Troll A platform in the North Sea. Norway's natural gas field makes up 11 per cent of Europe's annual natural gas consumption.

The report does not look at other risks facing the energy system like cyberattacks or the sabotage of pipelines. The day after the energy debate at the Nordic Council, EU President Ursula von der Leyen visited the Norwegian Troll gas platform, along with Nato Secretary General Jens Stoltenberg and Norwegian Prime Minister Jonas Gahr Støre. War ships flying Nato flags were patrolling the nearby waters.



Ursula von der Leyen (to the right) in the helicopter on the way to the Troll field.

Last year, the Troll field produced 11 per cent of the total EU consumption of natural gas and it contains 40 per cent of Norway's total natural gas reserves. Nordic energy has become big politics, or as the Nato press release put it:

“The joint visit with President von der Leyen and Prime Minister Gahr Støre demonstrates the unity between NATO and the EU at this critical time.”



From the left: Norway's Prime Minister Jonas Gahr Støre, EU President Ursula von der Leyen, Nato Secretary General Jens Stoltenberg and Equinor ECO Anders Opedal.

After riding the elevator inside one of the platform shafts to the lowest level – 303 metres below the sea – they wrote “We are secure together” on a gas pipeline in a symbolic gesture.

It is perhaps not so strange that the participants at the energy session voted down a proposal from the Centre Group, one of the five party groups in the Nordic Council, calling for joint action for the phasing out of the production of fossil fuels.

The Centre Group proposed that “the Nordic Council recommends for Nordic governments to become members of the Beyond Oil and Gas Alliance” (BOGA) and that “the Nordic Council recommend the Nordic Council of Ministers to adopt a Nordic declaration on the phasing out of further fossil fuel extraction.”

When the Social Democratic group changed their position,
the proposal fell.



Iceland: Just 15 per cent away from being a CO₂ emission-free society

Iceland is likely to become the first completely carbon-neutral country in the world. In the current European energy price crisis, the country is an island of stability.

NEWS

23.03.2023

TEXT AND PHOTO: BJÖRN LINDAHL

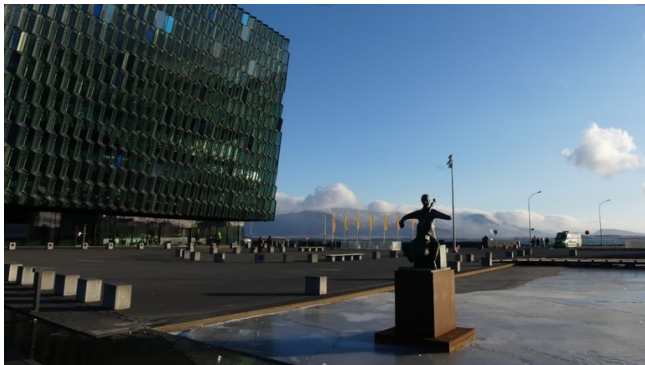
“The cost of heating up a house of about 130 square meters is some 65 dollars per month, and it has stayed that cheap because we have used local resources during the crisis,” says Halla Hrunn Logadóttir, Director General of the National Energy Authority, Orkustofnun.

Iceland is special in many ways when it comes to energy. 99 per cent of the country’s electricity comes from renewables. 80 per cent of primary energy is consumed by industry, mainly aluminium smelters. Other industry plus heating consume 5 per cent while transport – cars, ships and planes – consume the remaining 15 per cent.

“9 out of 10 houses in Iceland are heated by geothermal power,” Logadóttir tells an audience of Nordic parliamentarians

who have gathered in Reykjavik to discuss energy security during a special session of the Nordic council.

“That is also the case here in Harpa where we are now,” she says.



The Harpa opera house in Reykjavik.

The Harpa opera house is something all Icelanders are proud of. It was the only building project which kept going during the financial crisis of 2008, which hit Iceland extremely hard.

Lying at the harbour with a facade designed by artist Ólafur Eliasson together with the architects, Harpan reflects the glittering colours of the sea like the scales on a fish. The air in Reykjavik is clear and crisp, but it was not always like that, explains Logadóttir. She shows a picture of Iceland in 1918 when the main source of heating was coal and a dark cloud of smoke often hovered over Reykjavik.

“This is a picture of Reykjavik in the early nineteen-hundreds, and you can see the difference in comparison with what we have today on a sunny day. The main difference is the geothermal district heating system. My favourite part of the story is that it very much started with entrepreneurship,” says Halla Hrund Logadóttir.

“In this case farmers finding a way to connect their houses to hot springs. That was scaled up by municipalities, and eventually, it became a national policy issue. It started small. Like any big journey. It started with the main public school in Reykjavik and the hospital that were heated with geothermal energy. And from these small success stories, the journey took off.

“It became a voting issue and a political debate already in 1938. Then it was about the environment in the context of clean air, it was ‘vote for geothermal, vote for clean air’, but it was also related to energy security.”



It all started with Icelandic farmers finding a way to use the hot water from Iceland's hot springs to heat their buildings.

According to Halla Hrund Logadóttir, 30 years later, during the energy crisis of the 1970s, energy security was the driving force behind Iceland's infrastructure investments that it still relies on today.

“It was very expensive for Iceland to import fossil fuels. In that timeframe, the government made very brave policy decisions, which have helped us during the energy crisis we see today in Europe.

“Some people may think that it wasn't difficult since we have these volcanoes. Of course, we have access to these resources, but it was a very difficult task. There is a path in Reykjavik that I walk along on my way to work. It follows the ditch where the first pipes transporting hot water were laid.

“And I often think, wow! People made this happen even if they didn't really have the skills. They just went ahead and tested it out and it worked.

“And there was another brave element, the Icelandic Energy Fund, which still operates today, and it funded this geothermal investment journey. From 1961 to 1983, more than 300 district heating systems were built over the whole of Iceland, which keep our houses warm.

“The energy fund continues to play its role. Right now we are about to close the final 15 per cent to becoming a CO2 emission-free society. We are talking about transportation, aviation, and shipping,” says Logadóttir.

For transportation the technology is ready, she says. It is just a matter of implementation. In aviation, even if many things have happened, there are still steps that must be taken on a global scale, and that also goes for shipping as well.



Icelandic roads can be congested too in the rush hour. Seven per cent of all cars are now fully electric.

Halla Hrund Logadóttir showed graphs of how the share of electric vehicles has grown in the same way as in Norway, only a few years later.

“If we compare ourselves with our friends in Norway, you can see that they are doing even better. We are number two in this field. Fully electric cars make up seven per cent of all cars in Iceland and around 20 per cent in Norway.

“We have no excuses in Iceland for not taking bigger steps. Our Minister of Energy has focused a lot on addressing this issue, for example by providing support for car rental companies. They import a lot of cars to Iceland, so focusing on them is important.”

She then showed a picture of the first electric plane to arrive in Iceland.



Halla Brund Logadóttir shows a picture of herself and the first electric plane brought to Iceland.

“Imagine this, you can just plug it in like your hair dryer and fly away! Iceland is well-placed for using electric planes on domestic flights. There are issues that we need to deal with, but the technology is there.”

One of the main challenges for closing the remaining 15 per cent is getting public support for infrastructure investments. In this respect, Iceland faces the same challenges as its Nordic neighbours. This is outlined in a recent government report, “The complexity of the regulatory framework and the time-consuming permission process have delayed developments within the energy network.”

“My key message today is that the current crisis is an infrastructure crisis. The infrastructure we invest in today is something we might not see the fruits of tomorrow. But it is the infrastructure that future generations will rely on, not necessarily in this energy crisis, but in the future ones to come.”



The battery factory turning Sweden's migration flow 360°

Five years. That is how long Sweden has left to succeed with its green transition. The big challenge will be to get people to move to where the jobs are and for society to change in step with the changes in industry.

NEWS

23.03.2023

TEXT: FAYME ALM

From the north to the south. Half a century ago, that was the direction of migration in Sweden. But with the establishment of green industries and expansions in the north of the country, the tide has turned – or rather it should have turned. There is still a need for thousands more to choose to settle and generate tax revenue where the jobs are.

Skellefteå municipality in the northeast will need people to fill at least 15,000 new jobs in the next 15 years. The jobs are being created directly or indirectly by Northvolt's battery factory, where lithium batteries for EVs and storage are made. The plant was inaugurated in May 2022, and the second production line is under construction – helped mainly by staff who fly in and who do not live permanently in the municipality.

Extraordinary measures are needed

"We were out one Sunday to talk to construction workers at the plant. Sunday is their only day off. We asked what information they need in order to make the decision to move here permanently," Ida Rönnblom tells the Nordic Labour Journal.

She heads the *Office for transformation and matching* in the north with offices in Skellefteå and Luleå. It was set up by the Swedish Public Employment Service last year on commission from the government, in order to improve the recruitment of competence when big industries are established or expanded.

The office is in a start-up phase and only recently became fully staffed. Their task will be to monitor local markets to map

what employees and employers need and to work with overarching issues like regulation changes and movement patterns among job seekers.

“Right now we are mainly working with the municipalities in the West and North Bothnia regions where the industrial change brought on by battery development and fossil-free steel production creates particular demands for societal change. This is something the local municipalities need help to achieve,” says Ida Rönnblom.

Innovative ideas are needed

The employment service has long offered labour market training in areas that have needed it. This model is not sufficient to secure the amount of labour needed for the industry and municipalities of Norrland.

“Today’s challenge is that the need is here, while the people who are interested and who need to do the training are somewhere else. For them it is not economically viable to move in order to get the training,” says Rönnblom.

She and the others at the Office for transformation and matching are looking for innovative ideas and answers to questions like:

- Can we create training in different ways, in other places?
- Could the training take place remotely with in-house training with companies and other employers in Western or Northern Bothnia, Sweden’s northernmost regions?
- How do we improve what already exists? Are there for instance measures that might benefit job seekers, like internships, existing international networks in Europe, and information for job seekers?
- What do we need to do to make sure these tools make it easier for people to move?

Examples might be to cooperate with suppliers and other social players, packages created in cooperation with local employers, help with relocation from various players and municipalities, and the lowering of thresholds and activities that allow people to try things out before committing to a move.

Rules need revising

One concrete example that the office is currently working on is the level of compensation people get for domestic travel to attend job interviews. The amount available limits employers' chances of getting more people to apply for existing jobs, explains Rönnblom.

“The rules say travel and accommodation costs will be covered up to 2,500 kronor (€225). If you want to go from southern Sweden to Norrland to meet an employer, that sum will not even buy you a return ticket.”

For the whole nation

The task given to the Public Employment Service and the Office for transformation and matching is national in nature. Measures will create results that will have an impact far outside West and North Bothnia.

“If Sweden is to reach its climate goals and have the world’s first fossil-free industry by 2024, we have to perform a social transformation we have never before attempted. Beyond that, the companies have invested over 1,100 billion kronor (€98.7 billion) in North and West Bothnia as part of the green social transition,” says Ida Rönnblom.

The speed must increase

Time is running out. If Sweden is to succeed with the transformation and maintain its leading position in climate change mitigation, the coming five years will be crucial, according to Peter Larsson’s report from 30 November last year.

He is the Swedish government’s coordinator for the setting up of new companies and the expansion of existing ones in West and North Bothnia.

The two most crucial requisites for success, according to Peter Larsson, are the speed with which people can move to the regions plus more efficient adult education programmes. His conclusion is therefore that training should take place where the skills can be used – regardless of trade.

Local training programmes for a hot labour market

Skellefteå municipality’s adult education office is one of several local providers of training. They offer training for occupations that are all needed for the green industry transition, including:

- Automation operators in process and production
- Quality technicians
- Maintenance technicians
- Material handlers
- Process technicians

The courses last from three to 20 weeks and have been created in dialogue with Northvolt, Boliden, ABB, Kedali, Dongjin and others. Students are free to apply to any employer at the end of their training.

“The curriculum is relevant for other industries besides Northvolt and we see that some people apply for jobs at other companies. But Northvolt hires the majority of those who finish the courses,” head of education at Skellefteå adult education Bo-Erik Strömbäck tells the Nordic Labour Journal.

Knowing English is a prerequisite for several of the courses, as it is often the teaching language. English is also the language used at Northvolt and by some of the other employers too, explains Bo-Erik Strömbäck.

“The labour market is very hot and the situation is very different from three to four years ago. So everything we do at adult education helps everyone. A warehouse worker can also be hired by Northvolt. And when we train electricians or bus drivers we are helping the region,” says Bo-Erik Strömbäck.

“Northvolt is the main player that drives the change for the entire region, perhaps for all of Sweden. What happens here, spreads like ripples in a pond.”