



Nordic Council
of Ministers

THE FUTURE OF WORK

OPPORTUNITIES AND CHALLENGES
FOR THE NORDIC MODELS

THE NORDIC FUTURE OF WORK PROJECT

The Nordic working-life model is based on high levels of equality, social security and dialogue between labour market partners.

What will work and working life look like in the Nordics in 15-21 years?
How can the Nordic models prepare for the future of work?

The Nordic Future of Work project conducted in-depth research into these questions on behalf of the Nordic Council of Ministers.

Nordic working life is, of course, affected by global megatrends and the central issues they raise:

- Technological change – will robots replace workers, or will technology create more and new jobs?
- Demography – should we expect a smaller workforce due to ageing populations and less migration?

- Globalisation – will Nordic economies still prosper or face a protectionist backlash?
- Climate change – will the green transition lead to more or fewer jobs, and what skills will new, greener jobs require?

The Nordic Council of Ministers' vision is for the Nordic Region to become the most sustainable and integrated region in the world by 2030. It seeks to achieve this by focusing on three strategic priorities: a green, competitive and socially sustainable Nordic region.

One of the aims linked to these priorities is to develop skills and well-functioning labour markets that match the requirements for a green transition and digital progress while also supporting freedom of movement in the Nordic region. The Nordic Future of Work project serves as a foundation for activities and initiatives to support this aim.



KEY ISSUES AND FINDINGS

The impact of megatrends on the future of work may pull in opposing directions, some may prove weaker than expected, and some may even go in another direction. The opportunities and threats the megatrends pose to jobs and working conditions depend on market conditions, the responses of economic and social actors and political responses. The future of work is not pre-determined by technology or other megatrends. Their effects will be shaped by politics and institutions and may even evolve and look different for different countries, industries and groups of employees.

Future risks – lack of jobs or lack of labour?

A high employment level is key to economic growth and the sustainability of Nordic welfare states. However, global megatrends could lead to a shortage of jobs (due to new technology) or of labour (due to demographic change and a smaller workforce).

The Nordic countries are frontrunners in the use of digital technology and have coped with digitalisation without higher unemployment and greater inequality.

Research shows that creating enough jobs for all is a political matter rather than a technological one. Nordic policymakers will have to sustain stable economic growth while directing growing income and wealth into productive investment and work.

To raise employment rates, the Nordics have to:

- include and train inactive, hard-to-employ groups
- facilitate longer working lives and more working hours for people in part-time, short-term and other non-standard jobs
- continue to prioritise gender equality both at work and at home by means of longer paternity leave, more women in tech jobs and more full-time jobs for women.

Up- and re-skilling the labour force – the Nordics will have to make the most of their access to training and education

A central concern is whether the future of work will offer fewer job opportunities to those with medium or limited skills. Research shows that digital technology could substitute medium-skilled jobs and pose a risk of polarisation on the labour market.

Current problems with skill mismatches and labour shortages are likely to be amplified by changes in job and skill structures, accentuating the risk of greater inequality in access to work, job security, earnings, working hours and social protection. The service sector in the Nordics has so far done well in adapting to technological innovations in terms of enhancing skills and increasing salaries.

Re-skilling and up-skilling appear indispensable to counter the structural pressures towards more segmented or dualised labour markets. The Nordic governments and labour market partners must establish

models to provide further training or education for all who need it.

A four-fifth society? A growing minority outside of the Nordic safety net

An increase in precarious, non-standard and platform jobs could see more Nordic workers becoming vulnerable to low-wage competition and the use of non-standard contracts. So far, the increase has not been seen in the Nordics, compared to the rest of Europe. The Covid-19 crisis may change this and expose cracks in the Nordic model.

Countering dynamics that create greater inequality is a core task for the Nordic labour market partners and governments. Tax systems need to be maintained and renewed so that the revenue is distributed appropriately. Collective institutions and wage floors need to be strengthened, especially for workers on non-standard contracts. Labour and social security legislation needs to be amended to cover all vulnerable workers.

The effect of COVID-19 – a change of direction?

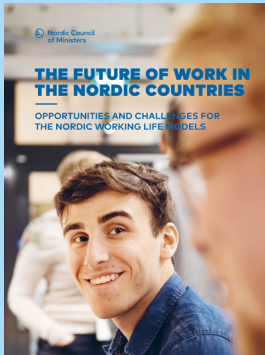
Post-COVID-19 consequences for the world of work will clearly entail further changes and possibly an acceleration of already discernible trends. However, we do not know exactly which changes and tendencies will be amplified. The global megatrends may influence Nordic working life in ways anticipated before the crisis, or the strength or direction of them may change. The green transition might gain momentum through adoption of new technology and changes in the patterns of travel, consumption and work. On the other hand, an uncertain investment climate and empty coffers in many nation-states and companies could slow the transition towards a green working life.

A labour market crisis, with its inherent rise in unemployment, always carries with it a risk of job fragmentation, marginalisation and sharper divisions in parts of the labour market. The Nordics could reduce this risk through long-term investments in job training, upskilling and mobility-enhancing

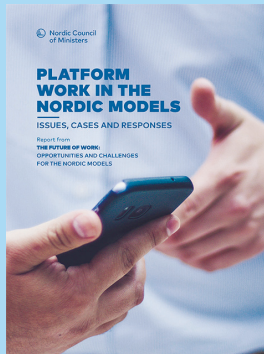
measures. This could prevent victims of the COVID-19 crisis from being locked into dead-ends of the labour market with the associated risk of exclusion and welfare dependency.

Technostress – work environment and occupational health

Focusing on healthy psychosocial work environments is a feature of Nordic working life and has contributed to economic growth in the Nordics. The COVID-19 pandemic has, for now, changed the way many people work, especially the huge increase in remote work. The pandemic has reinforced existing work-environment trends, including new forms of technostress. As we enter the new normal after the pandemic, we will have to consider how to organise work and make it flexible in order to avoid negative consequences for motivation, productivity and health.



Read more about the Nordic Future of Work project, and read the project reports at: www.norden.org/en/futureofwork





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