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# NORDIC LABOUR JOURNAL

THE LABOUR MARKET, THE WORKING ENVIRONMENT AND RELATED ISSUES



**THEME:**  
**In search of a  
sustainable work place**

## Growth – and sustainable work places

*Nordic Labour Journal has been hunting for the good working life: a place you go to with joy, where people remain in good health and work into old age, and where colleagues participate in development processes. We have been hunting for sustainable work places.*

*Globalisation, population changes and EU enlargement – they're all important driving forces in an ever more changing labour market. Also on the agenda in the Nordic cooperation on working life, is how to face the challenges.*

*Denmark, which holds the presidency of the Nordic Council of Ministers in 2005, wants to modernise the Nordic labour market. Their main focus is on working conditions and regional mobility.*

*The Nordic region has had a common labour market since 1954. Still there are legal and bureaucratic obstacles facing those who want to cross borders to find work. Now those last obstacles are to be removed. The Øresund region will be at the forefront in this work. Even though total integration of the labour markets is still some way ahead, the driving force Peter Kay Mortensen in "Portrait" thinks the rest of Europe can learn something from the region's experiences.*

*Globalisation demands fresh thinking: how to create growth and employment, when work places disappear to low-cost countries? Innovation is a keyword, but how do we succeed at that? "It is when we turn to the practical issue of how to promote innovation that the perspectives tend to move apart", writes professor Bjørn Gustavsen in "Innovation – more than just a good idea". Recently, the Danish innovation pattern has attracted increased attention, he says.*

*The Nordic labour market model is often characterised by development processes based on the cooperation between the parties in the labour market and the authorities. It is a model with a great deal of success, but which nevertheless is under pressure.*

*There's no doubt the labour market has become less stable, say two Swedish professors in labour law. In "Warning of a black work market" Niklas Bruun and Jonas Malmberg warn both legislators and the parties in the labour market to be on their guard: They must ensure to keep a check on businesses and entrepreneurs taking on commissions abroad.*

*The risk of social dumping as a result of the EU enlargement is on the agenda, but what has happened so far? In "Mobility after the EU enlargement – too much or too little?" the development is seen through both Polish and Nordic eyes.*

*The working life is characterised by internationalisation, continuous change and increased intensity when more work must be performed in a shorter amount of time and to higher quality standards. But with an ageing population it is necessary that more people work to an older age. Under the theme "In search of a sustainable work place", Nordic Labour Journal has talked to researchers and workers in the Nordic countries, and also travelled to Estonia to find their perception of the good work place.*




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# Warning of a black work market

There is a clear risk of increased social dumping in the extended Europe. Wages differ widely, and labour laws are interpreted in many different ways. That is why Niklas Bruun, professor of labour law at Sweden's National Institute for Working Life, wants to encourage European countries to actively fight the emergence of a black labour market.

By Gunhild Wallin, Stockholm



Niklas Bruun, professor at the National Institute of working life of Sweden.

national parties and legislators with less control. Even if there was a strong national will to push an important question within the labour law, it would be difficult to get anything done", says Niklas Bruun.

Niklas Bruun and Jonas Malmberg, both professors of labour law at Sweden's National Institute for Working Life, have studied how Swedish and Finnish labour legislation has been affected by ten years of EU membership.

They underline several considerable changes. Not only did they find that national control of labour law has diminished in both countries. They also established that in an increasingly internationalised economy there is a fight for territory between labour and economic law. The third important change is that the EU courts have gained a decisive role in creating case law. In other words, the final decision on what is allowed within labour law in Sweden and Finland is made by international courts of law.

For a long time, labour law was a national issue. But around the same time as Finland and Sweden became

EU members ten years ago, questions on how to regulate working life also became a question of European co-operation. The social dimension has been developed through the social protocol in the Maastricht agreement. The parties in the labour market were granted a formal role in the development of new labour market legislation.

"The social dimension has developed a lot. We have never received so much legislation from the EU as we have during this period, and nearly all changes in Swedish labour laws have been in response to EU directives", says Jonas Malmberg.

Ahead of the Swedish referendum on membership, one of the big questions was whether it would be possible to protect the Swedish model for labour laws if the country became an EU member state. Unions spearheaded a drive to make sure any changes should continue to be made through negotiations and agreements, rather than through legislation. There was widespread agreement on this, a sentiment conveyed in writing to the then Commissioner in charge, Padraig Flynn. And in fact, that is the way it has worked mainly for Denmark, but also for

"The labour law is going through a quiet revolution. Several small changes have contributed to a trend where the Court of Justice of the European Communities in Luxembourg, and the European Court of Human rights in Strasbourg, have gained increased powers on issues of labour law leaving

Finland. The labour market parties agree on the directives, and make collective agreements. Then legislators fill any loopholes. Since directives often leave things open to interpretation, the national parties still have a chance to reach agreements of a national nature. Sweden, however, has not chosen this possibility.

“We’ve completely failed at this in Sweden. The labour market parties have failed to agree, and the decision-making has been left to legislators. The chance to influence any outcome has been lost”, says Jonas Malmberg.

Niklas Bruun, who works in both Sweden and Finland, can see that both countries generally choose different strategies in their relationship with the EU. There is less of a pro/anti-EU debate in Finland compared to Sweden. That improves the cooperation also when it comes to labour law.

“In Finland the central cooperation between the parties has worked better, and they’ve tried to work together to adapt the labour law. In my opinion, relations are more strained between the parties in Sweden”, says Niklas Bruun.

Many of the changes to the law have been relatively small. The individual has been given stronger legal protection. On the other hand there has been a weakening of certain collective regulations, which means the national labour law has been more difficult to construe. An increasingly internationalised economy also opens up for more ways to interpret labour laws. There is no longer a clear opinion of what is right and what is wrong. Disputes are mostly taken to the European Courts of Justice, and their power in adapting legislation increases. The question is also how much of an influence the new EU countries will have on the labour law.

Those countries have lower wages and less job security, and their focus is more on an individualistic, American-inspired model, according to Niklas Bruun.

One recent example from the Swedish town of Vaxholm illustrates how the Swedish collective agreement tradition clashes with the EU’s rule of paying the minimum wage of the country in which the work is carried out. A Lithuanian construction company were commissioned to build a school there, and the company worked on the basis of a collective agreement from Lithuania. But the Swedish Building Workers’ Union argued Swedish agreements and conditions should apply in Sweden. So the union blocked the construction work, and demanded that the Lithuanian construction company followed a Swedish collective agreement. The company agreed to pay the minimum wage, according to EU rules. But in Sweden there is no minimum wage, so the Swedish Building Workers’ Union demanded that the Lithuanian workers should be paid the average wage which had been negotiated for the Stockholm area. Now the Lithuanian company has pulled out, and the case will be tested in the Swedish Labour Court. The Lithuanian government has protested and turned to the EU Commission. According to Swedish Radio, the Lithuanian Prime Minister, Aigars Kalvitis, has said this was not what they had expected when becoming members of the European Union.

So what have the changes which have taken place since Sweden and Finland joined the EU meant for the workers? Has the development been good or bad for them?

Jonas Malmberg thinks that is an impossible question to answer, and says it all depends on how you look at it. No doubt the stability which used to characterise the labour market is gone. But that is a result of other factors than judicial regulations of labour law. There has been a change in the international distribution of labour, exemplified by businesses moving, increased economic integration, lower transport costs and an increased movement of people and capital.



Jonas Malmberg,  
professor at Sweden’s  
National Institute of  
Working Life.

The privatisation of public sector businesses and new rules of purchasing have changed what used to be safe jobs.

All in all working life is now considerably more instable, claims Jonas Malmberg.

The black labour markets have never been particularly large in neither Sweden nor Finland. In order to prevent the emergence of black labour, it is important that both legislators and the parties are on guard. They must ensure to keep a check on businesses and entrepreneurs taking on commissions abroad.

- From a union perspective it’s extremely important to keep an eye on European labour law issues, says Niklas Bruun.

- The idea of an international regulation of labour law was already there at the end of the 1800s. When we now see an increasingly internationalised economy, I think the international regulation of labour law would be a way to balance that development. The main responsibility to make this happen rests with the politicians and the labour market parties, says Jonas Malmberg.

# Mobility after the enlargement - too much or too little?

Ten months after the at least partial opening of the borders for workers from the new EU member states, it is still too early to see whether it has been a positive or negative move for the Nordic countries. Some feel predictions of social dumping have come true. Others are surprised so few have made use of their increased mobility.

By Zbigniew Kuczynski, Polen and Björn Lindahl, Norway

Norway takes part in the free movement of labour through the EEA-agreement. The Norwegian Confederation of Trade Unions, LO, demands that all construction workers in the Oslofjord region receive the same pay as their Norwegian colleagues enjoy through their trade union agreements.

In 2004, LO persuaded the oil industry to pay Norwegian salaries for all those involved in on-shore construction projects in Norway.

According to a new survey on behalf of 17 trade unions, there are 5 000 construction workers from Poland and the Baltic nations working in the five counties around the Oslofjord.

The lowest hourly rate registered was 20 kroner – far less than what is necessary in order to live in a high cost country like Norway.

A Norwegian worker is paid at least 125 kroner an hour.

“70 per cent of my painters have been made redundant because of the competition from cheap Polish labour. There is no need to feel sorry for me, I can always hire Poles. But who’s to take responsibility for the development of the trade here at home?” asks master painter Cato Oddsett. He’s one of two partners in Mal-Consult, a company with 30 employees.

It’s a different picture from a Polish point of view. There, many are surprised that not more people

move abroad to work. Maybe the pay on offer so far has been too low, hampering the EU goal of increased mobility?

Not even an unemployment rate of 19,1 per cent has been enough for the Poles to emigrate in large numbers in order to find work. Despite having to deal with the toughest labour market in Europe, according to a study from Manchester University researchers, most Poles prefer to stay poor, as long as they can stay at home.

In all 70 000 Poles worked abroad last year, according to the same study. Most of them chose to go to Great Britain.

“Labour immigration from new EU member states to the Nordic countries varies in size. Last year, Norway granted 25 000 work permits to citizens from the new EU member states. That is more than Denmark, Finland and Sweden put together”, says Sten Lundbo, the Norwegian ambassador to Warsaw. Most work permits, however, were granted seasonal workers. Take those out of the equation, and only 6 – 7 000 people remain.

“That is still double the number of work permits compared to the previous year, and considerably more than expected”, says Jon Erik Dølvig, research director at Fafo, a research foundation specializing in employment issues.

The “strawberry effect” is often given as an explanation to the high Norwegian figures. Not able to find enough domestic labour, the Norwegian berry industry has for many years relied on foreign berry pickers during the summer months.

“Research shows that labour migration is closely linked to networks. People move to places they have been before, or to where they already have relatives and friends. But the statistics for Sweden and Finland on seasonal labour isn’t really good enough to draw proper comparisons”, says Jon Erik Dølvig.

Despite warnings from the trade unions, manpower from the new member states hasn’t had a negative effect on the Norwegian labour market, if employment rates are anything to go by. In January, the unemployment rate for construction workers in Norway sank by sixteen per cent. Like most EEA countries, Norway has introduced some temporary measures to deal with labour migration from new EU member states. These measures only apply to individual job seekers, however. Foreign businesses have carte blanc to compete for building contracts in Norway. If they win a tender, they can import their own workers, and pay them on their own domestic terms.

There are 80 businesses offering Eastern European labour to Norway

today, according to Norwegian trade union research.  
The Norwegian manpower company ARPI in Warsaw is one.

“Many want to exploit the differences in wages and make a quick buck from hiring Poles cheaply, then selling on their labour with big profits to Norwegian employers”, the company’s director, Jan Prejsnar, tells Nordic Labour Journal. But according to Jan Prejsnar, the “bonanza-season” is over however. “Serious construction firms work with contracts stipulating daily fines for any delays. They want qualified workers who do a good job, and who are happy with their working conditions”, he says. Today ARPI has 50 people who are on contracts in Sweden and Norway. They are mostly construction workers, butchers and cleaners.

Opinions on labour immigration are split in Norway. The employers’ organisation, the Federation of Norwegian Construction Industries (BNL), is also split on the issue. Entrepreneur businesses are more than happy to hire cheap labour from Eastern European countries, while craft businesses are afraid they’ll be squeezed out by the competition.

“The most serious issue is the loss of competence, which will hit the industry. I can see the danger of a salary spiral in reverse. We’ll witness an escape from the craft businesses and suffer big recruitment problems in the future”, says Kjetil Eriksen, leader of the Association of Norwegian Master Builders.

Jon Erik Dølvig also points out that it is important to study the long-term effects. Changes won’t happen quickly - businesses won’t be laying off Norwegian workers over night to replace them with foreign labour. It is more a question of businesses slimming down their basic staff in the long term, while making use of hired labour or sub-contractors



Photo: Björn Lindabl

to a larger extent. Norway always suffered a lack of construction workers during booms. There has, however, been a high Nordic mobility amongst construction workers. It is possible to recognise accusations of salary dumping and bad working conditions from earlier debates on Finnish and Swedish labour in Norway.

“Could it actually be Swedish builders being exchanged for Polish ones? Or is there a labour reserve in Norway which will end up being worse off? Why aren’t unemployment rates sinking more while there’s economic prosperity?” says Jon Erik Dølvig.

In Poland too, labour emigration is no longer viewed as something singularly positive for the country. Polish wharfs, dealing with impressive new orders for vessels in the range of three billion dollars, suddenly discover some of their most competent labour has left for Germany or Norway. In Poland a wharf worker makes 25-30 kroner an hour. In

Germany he can get 130-150 kroner an hour. In Norway he could get 150-200 kroner.

The difference in competitiveness is not, however, as big as the difference in pay. The Polish wharf industry is not subsidized by the state, like in other European countries.

“We’ve observed the trend for a while, and we’ve already lost a hundred good workers. There’s still no catastrophe, since we have 9 000 employees. But we have increased the education of our new welders, and our pay conditions aren’t that bad, Polish wages taken into consideration”, says Andrzej Czech, vice MD at the Gdynia-concern.

And within Polish health care they are worried about 20 000 doctors who have moved abroad over the past year. The result is talk about importing workers from the Ukraine, within both health care and the wharf industry.

“We’ll look at such an arrangement for the future”, confirms Andrzej Czech.

## Nordic Co-operation: Backing increased integration

An overall relatively small number of people commuted across a border between the Nordic countries, yet in some regions the international commuting was very significant. Those are some of the results from the Nordic Commuting Map 2001, which was published recently.

During its 2005 presidency of the Nordic Council of Ministers, Denmark wants to make it easier for people to cross national borders to do a job.

By Berit Kvam, Oslo

The Nordic Commuting Map 2001 provides the first total overview of integration of the work market in relation to commuting between several Nordic countries. The commuting map shows that Swedes commuted far more than other Nordic people, and that the Norwegian labour market was the most attractive. The project, on commission from the Nordic Council of Ministers, has been possible because the national statistics bureaux in Denmark, Norway, Finland and Sweden now have the technology to assess how many people live in one country, but perform their main job in another.

The commuting map for 2001 shows that just over 55 000 people got their income from a Nordic country different from the one they lived in, and 25 000 were classified as commuters. Almost 80 % of the commuters were Swedes. More than half of the total labour flow went to Norway, 20 % to Denmark and 20 % to Sweden.

The main flow of commuters went from Sweden to Norway, and close to one third of the commuters were men working in the construction business.

The commuting between Sweden and Denmark was mainly linked to the Øresund region.

A little more than one per million of the total Nordic population commuted across a national border in 2001. But, as the authors claim: Even

if the total flow of workers was relatively small, a cross-border labour market could have a large impact in certain regions.

### Increased efforts

The Nordic countries have had a free and common labour market since 1954. For more than fifty years, the ambition has been to create a well functioning, integrated labour market. Since 2003 there has been a particular focus on getting rid of legal and bureaucratic obstacles to free the movement of labour.

During its 2005 presidency of the Nordic Council of Ministers, Denmark aims to remove the last border hurdles, to ease labour mobility in the border regions. Furthermore, there will be a strengthening of regional centres, which should allow regions to develop across national borders. In addition to removing border obstacles for people, efforts will be put into removing border obstacles for businesses. There is also a desire to develop digital services, to create better transparency in the Nordic labour market.

The Øresund region will be at the forefront in this cross-border cooperation.

### More initiatives

During its Nordic presidency, Denmark aims at "Modernising the Nordic Labour Market".

"A future with an ageing population demands renewal and new thinking

to optimise the workforce". The program therefore consists of several concrete initiatives, which aim to increase integration on one side, and on the other side to create better work conditions in order to integrate more people into the labour market and to reduce sick leave.

The high level of sick leave is a problem in several Nordic countries, and specific action has been taken to improve the situation.

In Norway, sick leave has been reduced since the authorities and the parties in the labour market reached an agreement in October 2001 on improved inclusiveness in the working life. The agreement centres on making the workplace the main arena in the effort to reduce sick leave. Still, exclusion from the labour market is as relevant a problem in Norway as it is in Sweden, where bad health has been one of the hottest topics for public debate. The Danish government proposed a plan of action in December 2003, called "That's what we do with sick leave".

In 2005 the Danish presidency is due to host a Nordic conference which will focus on which initiatives actually do work. The Nordic countries will share their knowledge and experiences on how they work to reduce sick leave, and the host hopes this will create "a visionary political debate for mutual inspiration for all the Nordic countries".

## In search of a sustainable work place

How do we create a work place, which makes going to work a joy – a work place that stimulates the rest of our lives rather than one that drains our energies?

Sustainability is on the agenda. The focus has remained on the social responsibility of businesses to ensure a sustainable development. Now there is increased focus on what part working life plays in a sustainable society. In the hunt for the good work place, "Nordic Labour Journal" has talked to researchers and workers in the Nordic countries. We've also travelled to Estonia to find their perception of the good work place.

# Order at **work** is the order of the day

That's what Eva Natka, 28, values most in her work in Estonia.

"I've always got a big pile of papers on my desk. When it shrinks, I'm happy."

"The pay is a bit better, and I guess that is the most important thing. The system here also works better than where I was before. Here, each person can do the



Photo: Cata Portin

the structure of the textile industry at the technical university. She learns about everything from cutting out patterns to how to run a company.

"I have to show my diploma to get a job somewhere else, and you never know when you'll have to look for another job."

She says many in the textile business are worried their jobs will disappear to China. Some don't even dare to take all the holiday they are due, because they are afraid to lose their job. Still, Eva Natka and her colleagues have no plans to join a trade union.

"The union can't help you if a business goes bust", says Tiina Haava, who's cutting patterns.

She feels secure in her job, she masters most tasks and she feels working morals at Marat are good.

"I'm middle aged, but specialists always pull through."

950 people work for Marat, making it one of the largest foreign employers in Estonia. Torfinn Losvik, a Norwegian, is the main owner and managing director. He feels he has created a good work environment, a sentiment supported by the low turnaround of personnel.

The staff is invited to take part in the decision making process through meetings with the bosses every second week, when they can suggest how the work can be bet-

ter organised. Torfinn Losvik says the business philosophy is based on making sure everyone dares say what he or she means. This, he says, has been a bit of a culture shock for many Estonians, who have been used to obeying orders.

"If you want to hold on to people like Eva – because she can get a job anywhere – the only way to make her stay is to make her feel it is fun to go to work. After all, these workers are the ones who are going to keep this thing going."

Eva Natka herself feels she has a certain say in things, at least when it comes to the management of the stockroom. And as a supervisor, she tries to set an example and support her colleagues.

"I think people do a better job if they feel that their work is being appreciated."

When Estonia joined the EU, there was a lot of talk about people wanting to leave to work abroad. Eva Natka has no plans to move, even though she spent one year as an au pair in Finland. Her brother has also returned, after spending ten years in Ålesund, Norway.

"This is a young nation we're living in, and things can't be going in the wrong direction. Many things can improve."

Estonia's textile industries employ 15 000 people, and it is important for a country with strong traditions in the ready-

work of several workers, in the other place everyone only looked after their own specialized task."

Order and control is necessary. The seamstresses sewing women's underwear are on piecework, and if the delivery of materials is late, work stops.

Eva Natka has reviewed the logistics, and the bottlenecks are gone. This she is proud of.

"We have all the material we need, the production won't be delayed."

Eva Natka takes further education on the side. For three hours, three nights a week, she studies



By  
Carl-Gustav  
Lindén,  
Tallin

made apparel business. A lot of what is sold in Swedish, Finnish or German clothes shops has been sewn in Estonia. But the industry, which is now Swedish, Finnish and Norwegian owned, has been heavily streamlined over the past years in order to stay in competition.

When Marat moved one factory out of Tallinn last year, few among the 200 employees chose to go with the company, and ended up unemployed. They felt the terms weren't good enough. In Narva, close to the Russian border, the Swedish-owned textile company Krenholm wants to lay off hundreds of workers and cut wages, in order to increase its competitive edge.

Wages are rising fast in Estonia. This year the minimum wage is going up by eight per cent, but the new wage is still only 2690 Estonian kronor a month, which is around 180 euro. A seamstress at Marat makes about double that.

"The industry feels the pressure when wages go up. Efficiency must rise faster than wages", says Torfinn Losvik.

He's no friend of centralised pay agreements like the ones in the Nordic countries. He'd rather put his faith in good relations with the political leadership.

"It's better to have legislation, so you don't have to go through all the arm wrestling."

Losvik feels the Nordic countries have lost their manufacturing industry tradition. Particularly his former home Norway, which he thinks has lost its manufacturing culture because of the dependence on oil and natural gas.

"Workers here are used to be paid more the harder they work. In the Nordic countries all you have to do is show up for work."



Photo: Cata Portin

Little Estonia has become a bit of a manufacturing paradise for Nordic businesses. There are many carrots: cheap and well educated labour, a liberal economic policy with low taxes, a stable financial environment and EU membership. But when the unions knock, nobody answers the door.

"There are Nordic businesses who don't want collective agreements, even though they're used to them from home. There is a degree of double standards in that", says Piret Lilleväli, state secretary at the Ministry of Social Affairs in Tallinn.

Just over ten per cent of the country's work force are organised through trade unions, with slightly higher figures for certain groups like teachers and railway workers. Strike action is extremely rare. It can be difficult to understand why Estonian workers aren't organised. During the time of the Soviet Union, all employees had

to be organised in order to get their medical insurance. The trade unions were preparatory schools for the Communist party.

"Then again, Estonians are very individualistic and want to decide for themselves. They don't understand that their salary might be better than their colleague's right now, but that they're losing out in the long run," says Lilleväli.

She is worried the Estonians are working far too hard. Estonia is exempt from EU employment laws. You are allowed to work eight hours extra on top of the forty-hour working week. It is also allowed to work an additional two hundred hours extra in one year.

"People want to work more to increase their wages. It's voluntary, but it also leads to health problems. Estonians aren't particularly healthy, families and quality of life suffer. If you haven't got holidays and time for your family and time to think about yourself, your health will suffer."

# Sustainable work for a sustainable development

There doesn't seem to be any national characteristics, which define a good work place. The Nordic countries don't particularly stand out when you focus on what factors create a sustainable work place. It's all about being seen and being heard. It's about working at a speed you can live with, and with resources and tools good enough for the task at hand. And not least – the work must be meaningful. But in a time when working life is in perpetual change, is it really possible to create sustainable work places?

"A sustainable work place is somewhere you will go to feeling happy and come back from feeling satisfied. A place you can work all your life without being burnt out, and where you have access to good tools. The tempo mustn't be too high, and you should have a say in matters and be listened to", says Hanna Simonsen, a trade union rep at the communal cleaning service Esbjerg Kommune Rengøring in Denmark.



Photo:  
Poul Anker Nielsen

Hanne Simonsen is one of those who go to work feeling happy. She loves her job, and says it is because she's now got the chance to make a change. She used to be a cleaner, but now she works full time as the trade union rep, and her main task is to improve the working conditions for her colleagues at Esbjerg Kommunale Rengøring.



By  
Gunhild Wallin,  
Stockholm

It started four years ago. The Danish Confederation of Trade Unions (LO) was granted EU funds to carry out the project "Heading for a sustainable work place". The idea was to shape the content of the increasingly common notion of "Corporate social responsibility", CSR. Towards the end of the 1990s, the Danish business community launched a debate on the social responsibility of businesses, and LO realised the importance of not letting the business community set the agenda alone. LO wanted to highlight which role working life played in the social responsibility of creating a sustainable society. The goal was to establish development processes in the participating work places which would further sustainability, work place democracy and social responsibility. With the help from the labour movement's educational organisation, fourteen work places in different regions and within different sectors were chosen to take part. They were all asked to reflect on and give concrete examples of what sustainability meant to them. One of those work places was Esbjerg Kommune Rengøring, with their 280 employees.

"At that time we had an incredibly high level of sick leave.

The tempo was high, and our colleagues were being worn down physically and psychologically. Many did cleaning jobs in the evenings and overnight. We were basically not very visible", says Hanna Simonsen.

The first thing she did was to create a more hands-on term for sustainability, as she re-named the project "well-being through cleaning". Then various activities were set in motion to make people aware of and prevent problems, thus creating a working environment that would reduce sick leave. The workers have taken centre stage. They've been offered courses to increase their competence and activities like gymnastics and swimming in order to prevent sickness. They have tried out technical aids to improve the ergonomic situation for each worker. Those with a different ethnic background (around 13 per cent) have been offered the chance to study Danish.

"In the beginning we hardly knew what the project was all about, so it has been a slow process. It takes time to get used to being more visible, but everyone is glad it has happened. The staff has gone along with this from the start, and they now realise what

they say actually reaches the employer, and the other way around. The road between employee and employer has been shortened. In the past when I came to a work place, they would say "it's fine here, Hanne". Now they say, "this can't be right", she says.

After two years, sick leave was down by ten days per employee per year. The mood has changed and the employer has granted money to make the project permanent. Now they have an adviser on well-being who's educated in ergonomics. For Hanne Simonsen the project is now a full-time job in continuous development.

"If you get something new off the ground, you keep developing new ideas. I've got ten balls in the air at any one time", she says.

The project also brings the participating companies together at conferences, where they share their sometimes very varying experiences. It turned out the workers from each company defined the term sustainability in pretty different ways. It has been a part of the project to look closer at these differences.

"There has been a great difference in how people put into words what is important for a sustainable working life. We wanted to make people think broader. For instance, what will it really mean if you hire someone with a physical handicap? What role does our work place play in society as a whole? We've wanted sustainability in working life to be applied in practice. A job where people develop and a sustainable working life goes hand in hand for sure, but sustainability also suggests something else. It gives meaning to the individual", says Karsten Bøjesen, project leader at the Danish Confederation of Trade Unions (LO).

### Working Life Barometer

The hunt for the good work place goes on across Europe, but manifests itself in different ways. For a long time now, the focus has been on what makes people ill, but more and more the focus has been shifted to looking at what makes people well. The goal is having as many people as possible working for longer, with as little sick leave as possible.

Demographic changes have made this a necessity, and in many countries – not least in Sweden and Norway – the high levels of sick leave, and the costs that go with them, are of concern. And it is well documented that something is wrong in working life. In Sweden, for instance, one million people of working age aren't part of the labour force, many of them because they're sick or have taken early retirement. And this year's Working Life Barometer in Finland shows half of all Finns want to work less, despite several comprehensive national programmes to improve the quality of working life and working environments.

The survey Working Life Barometer has been carried out every year since 1992, partly asking the same questions year on year, but also with new questions to reflect the spirit of the times. Some new questions include what people think of the meaning of work, and their judgement of the quality of their work place. Paradoxically, the Finns give their workplaces pretty good marks – an average of 7.9 points out of ten possible. But despite this, half of all employees want to work less. People don't want to quit work, but, reduce their workload. The survey also shows that the demands of working life are getting tougher, and that the psychological strain is increasing.

"Many like working, and work hard. Maybe they work too much,



thinking they won't be working all their lives", says Pekka Ylöstalo, a researcher who's been assigned to the Working Life Barometer since it began.

An increasingly well-educated work force will also demand tasks that are more fun and more interesting to perform. Nobody wants to be a robot, as he puts it.

"And since 11 September 2001 we also notice a greater sense of insecurity. While we cannot directly link that to the World Trade Center, we do see that people are more scared of losing their jobs now, ending up bankrupt. They're insecure and don't know what will happen in the future", says Pekka Ylöstalo.

He finds it striking how slowly working life changes. He underlines the importance of finding trust and gaining influence in the work place. But to build up trust takes time.

*Well-being through cleaning: Ergonomist Ane Bach Stisen is testing Sonia Lau  
Photo: Poul Anker Nielsen*

There is no one solution to that, it must be built as part of a collective process.

### **Long-term healthy**

Participation, influence, rights and resources to match demands. They're all keywords popping up again and again in the conversation and research on the good work place. Gunnar Aronsson is professor at the National Institute for Working Life in Stockholm. He also uses these words to characterise a good work place. He has just decided to start looking into what makes us long-term healthy rather than what makes us long-term ill – the latter being a far more common field of research. One of his starting points is that health is more than lack of sickness, and that there are issues at work as well as at home which makes people long-term well. A person who is long-term well is someone who has not had any sick leave over a two years' period. In Gunnar Aronsson's research, those people accounted for 28 per cent out of 2000 employees.

So what are the factors that make us well? To receive support from your boss when work feels hard is important. The same goes for having the chance to do a good job and to be happy with the quality of what you've done.

Other important factors for good health in working life is to have clear goals, to be informed and to be noticed, and to be appreciated for what you do. Private life of course also plays an important role. The stress of a lot of domestic work will increase the chance of sickness. The survey also shows how private economy is important to health. Those who live on very limited funds, run a greater risk of falling ill. Occupations do play a role, and the survey shows people working with computers, technology and office workers are more likely to

be long-term healthy than people working in care, schools and the industry.

Emerging from all this seems to be a new focus, to complement the debate and research on working life. The solution to the problems surrounding working life isn't purely to get rid of the bad factors. It also involves understanding and learning from the things that actually work, the good examples. That way the work place can also be understood as part of a bigger picture, namely how it fits into the drive towards a sustainable society.

### **Interpreting sustainability**

Some years ago the Council of Nordic Ministers presented a report on the social responsibility of businesses. At that time all questions concerning working life were overshadowed by questions on social, economical and environmental sustainability. Now there's a new Council of Ministers project on sustainability, this time focusing on working life. Bjørg Aase Sørensen, professor at the Work Research Institute in Oslo, is one of the project leaders. Representatives from Nordic research communities are looking at how the parties, authorities and researchers define a sustainable development of working life. Where do people agree and disagree, and to which extent have the areas that are important to focus on been identified? In Norway they've asked people from various milieus what they attach to the term sustainability. The answers were concrete and down to earth interpretations, says Bjørg Aase Sørensen. The researchers also assessed whether it is possible to make more permanent all the changes that mark today's working life.

"People feel it is meaningful to talk about sustainability, and the term is closely linked to the feeling of consistency. Many don't

want to be part of a system where they're forced to bargain with their own values, they don't want to just collect their salary without thinking of the consequences of what it is they're actually doing. Sustainability is also about integrity, about feeling complete", says Bjørg Aase Sørensen.

She refers to research carried out in the health sector, which showed that those who felt they were able to maintain a high integrity and who experienced consistency were far likely to not be taking sick leave.

Bjørg Aase Sørensen feels it is essential to put working life, with all its re-organisations, into the context of sustainability. It is a proactive way of approaching working life, and lays the foundations for a good work place.

"A re-organisation never ends up better than the process which led to it", says Bjørg Aase Sørensen.

The Danish LO also thinks all work towards a sustainable working life is about the process. For their part, the project "Heading for a sustainable work place" is over. In her introduction to a conference marking the end of the project, LO-secretary Marie-Louise Knuppert wrote: "We have learned that the perfect sustainable work place doesn't exist. Sustainability is a vision – a perspective and a point of orientation – which work places can focus on and move towards. But there is no clearly defined finishing line to mark that you have achieved sustainability, nor is there a map for how to get there." She then concludes that the most important thing is that all those affected by changes in the work place have been part of the process of making those changes. Change is a first motion, a little step towards the greater goal of sustainability.

# Chaos within safe borders

You feel it as soon as you step inside Norwegian Snøhetta's offices; something exciting is happening here. In what used to be a big harbour authority storage hall, overlooking the ravishing Oslo fjord through a huge glass window, 50 people are sat drawing the future.



*It's easy to day dream with the Oslo fjord outside your office window – but being able to saunter over to the construction site for the new Oslo opera house a few hundred meters further down, has its advantages.*

“It’s a conscious philosophy we have that people should be mixed in this way”, says Astrid Renata Van Veen.

“Here you have everything: Muslims and Americans, accountants and a cook”, Jim Dodson jokes.

“Sometimes it is those who are working on a different project from yourself and who’s sat next to you who come up with the best ideas for what you’re doing”, says Eli Synnervåg.

All three are architects for Norway’s most successful architect firm. Snøhetta designed the huge library in Alexandria in Egypt. These days they are building Oslo’s new opera house, just a

stone’s throw away over in Bjørvika. And recently they won a competition to draw a museum which will be built on the site of the World Trade Centre in New York. Snøhetta were invited alongside a handful of other, well-known architect firms, to explain how they would go about the task. The jury was convinced, not only by the presentation, but also by the way Snøhetta described how they in practical terms could live up to the ideals assigned to the project.

“But it hasn’t always been this good. 2003 was a horrible year. We participated in twenty architect competitions, and won only one. And we didn’t even get that assignment”, says Jim Dodson.

The other two also look serious.

“When things looked like they could get no worse, the management decided we should move here, in August 2004, with all that involves of packing and extra work. In retrospect it was a stroke of genius. But it could have gone to hell!” says Eli Synnervåg.

Instead, all gritted their teeth and committed themselves even more. Otherwise there is a lot of laughter. For the first ten minutes, all three laugh at my questions when I try to find out what makes Snøhetta such a good place to work.

“People on all levels interact”, says Astrid.



*Text and photo: Björn Lindahl, Oslo*



*Employees at Snøhetta sit closely together, but remain well mixed – bosses sit with staff, and people with different professions are spread out over the office space. Landscape architects do stand out though, with their large potted plants. Photo: Björn Lindabl*

that would double the costs. They still won the assignment. The museum, shaped as a large sail, will sit in the water.

“But we don’t want a “Snøhetta-profile” on our buildings. That would stigmatise us”, says Astrid.

I ask her to explain that further, as most businesses are looking for just that; an easily recognisable profile.

“It would hamper us too much. We want what we call a “self-regulating chaos”. We define our area of work as a large cylinder – inside the cylinder you can do what you want, as long as you don’t jump outside its walls.” Then they start debating where to really draw the line, what you’re really not allowed to do.

“It would be if you exploit that freedom at the expense of others”, Eli suggests.

Snøhetta is a collective, where nobody owns an idea. Compared to other architect firms, everyone (also the most senior) earns less than what they could do if they were only looking after themselves. Salaries are set according to year of graduation.

“I thought there would be many sharp elbows when I first started here, but they don’t exist”, says Eli.

“One principle which makes us stand out from foreign competitors is that we never exploit students to work for free. The condition of pay is the same for everyone”, says Astrid.

When Snøhetta won the assignment to draw the opera, they needed to almost double their staff. This led to discussions about how to maintain their “flow” – could fifty people work as well together as twenty-five? The transition was a success, thanks to study trips, parties and

a rule saying everybody eats lunch at twelve.

“Snøhetta staff is incredibly stable, very few want to leave.”

“Only those on maternity or paternity leave disappear – and they come back”, says Jim.

But doesn’t working on such huge and exciting projects increase the risk of getting burnt out? What happens when the average age of the employees is higher than today?

“There are no brownie points for anyone for working late every night. The management encourages us to lead a meaningful life also outside of the office”, says Astrid.

Still, work pressure can sometimes get very high, especially towards the conclusion of a project. So how relevant is Snøhetta as an example of a good work place? After all, here architects are allowed to work with projects which their colleagues would give up their right hand to join in on – be it drawing buildings, landscape planning or interior design.

“The reason we’re so happy is fifty per cent the work place and fifty per cent the actual projects”, says Jim.

“We create our own ambitions. The best things for us aren’t the largest projects, but the unique ones”, says Astrid.

When we walk around the open-plan office, it seems those who work with the new railway station at Skøyen outside Oslo are as enthusiastic as the opera crew.

“It’s important to put the working groups together in a correct manner. The worst thing you can do is to let the same group of people work on one project after the other”, says Renata Van Veen.

# Saved? – At least for now

For the past few months General Motors (GM) has been on the rampage in Europe. The attacks were directed at the three German Opel plants in Rüsselsheim, Bochum and Kaiserslautern, plus Swedish Saab in Trollhättan. 12 000 jobs are going, the German wages are lowered, working hours are increased – and the only guarantee is that the plants won't be closed before 2010.

GM gave their notice to workers in October. Initially there was a lot of indignation:

"Why should we pay for the mistakes of the American company management?" In Bochum the "Opel-makers" took illegal strike action, and got support from other GM plants, including those in Antwerp and in Poland.

Since then intensive negotiations were going on in the wings but the situation was a bit like being on thin ice. If anything, the GM notice showed that the trade unions find themselves in a dead end street with less and less space for negotiation well knowing that the threatening exercises from GM were to be taken seriously.

Symptomatic for that is what happened in Bochum. There they were told they would have to cut jobs by forty per cent and that the plant's existence was at stake. Then all of a sudden the number 2 executive of GM Europe arrived in Bochum with a proposal in his briefcase. 6 000 workers came to the meeting in the big Gruga-hall in Essen. We guarantee you work until 2010, Forster said, but only if you accept a twenty per cent pay cut. A few years ago such a proposal would have been met with an outcry. But not now. In Germany holding down a job is the absolute priority. With 5,2 million people registered unemployed – plus another 3,3 million on the dole – pay has become secondary.

Due to the new unemployment policies of the Schröder

government, and the Hartz IV legislation, everyone who has been unemployed for more than a year loses his or her unemployment benefit, and is paid a one-off payment of 345 Euro a month. With a brutal push into poverty like that, belligerence gives way to a certain degree of pliability. For GM this means that they could put the employees against the wall, backed by government policies. The German Opel-workers are experiencing what amounts to blackmail.

In Trollhättan, the situation is more pragmatic. They were promised the production of the new GM Cadillac. But the notices given to 840 metal workers and 450 white-collar workers remain. "Among us we've been discussing what kind of organisation we should have in future", says Pål Åkerlund, from the local union branch. All costs, including wages, are 30-40 per cent lower than in Germany, Saab in Trollhättan felt their case was strong enough to argue for their continued existence. In addition the intervention from the Swedish government including financial support to make the Trollhättan plant more advantageous no doubt helped to save it.

The important thing is that we decided to stick together, that the company did not succeed with their strategy of divide and conquer, confirms another local union branch member, Chresten Nielsen. Not only do we who work at GM need our European work councils, but we need a world council, he says. In Trollhättan the union still has room

to individually cushion the fall when the projected job cuts become reality. Swedish labour market policies grant better protection to workers, through the work of the Trygghetsråd, a state-run body helping redundant employees to find new careers.

Early March negotiations stopped and GM laid down a proposal. On March 5th the executives and trade union officials signed an "agreement for the future".

Yes, 12 000 have to go, 6 000 get redundancy pay: an average of 80 000 Euro, the rest will leave as pensioners. Kaiserslautern has to take a pay cut of 6,5 %, in the other plants bonuses will be cut and there are no pay rises to come for the extra hours. Rüsselsheim got the best deal and was allotted Opel Vectra and Saab 9-3. They hope to survive until 2015. In Trollhättan production level will be kept with Saab and Cadillac. No there was no Champagne just a beer at the pub "Zur D-mark" behind the Rüsselsheim plant. "Just now we are relieved, but the worry and fear are with us".

In Trollhättan the word "temporary reprieve" makes the round.

They all know what GM – "restructuring" means. Most of them have seen Michael Moore's film "Roger & Me" – a portrait of what used to be the car-manufacturing city of Flint, which was destroyed and left no winners but many losers. Hopefully Bochum and Trollhättan won't be next.



By Lisbeth Lindeborg, Swedish freelance journalist and political scientist, Marburg, Germany

# Innovation: More than just a good idea

European employment policy has, in recent years, turned more and more strongly towards innovation. For high cost countries, the continuous cost-cutting improvements of existing products, services and processes is no longer sufficient to maintain employment and income. On this, there is little disagreement. It is when we turn to the practical issue of how to promote innovation that the perspectives tend to move apart.

Historically, innovation is linked to “new ideas”, “big jumps”, “paradigm shifts” and similar concepts that underline the trend-breaking, dramatic aspects of innovation. Against this background, the link between innovation on the one hand, and science and research on the other, is well established. For many countries, the more or less automatic reflex in developing an innovation policy has, consequently, been to look at ways in which to increase such forms of research as can lead to innovation and, secondly, to develop mechanisms that can link research more strongly to businesses and enterprises. If we look at innovation statistics, and take as a point of departure that it is those countries that spend a significant part of their gross national product on innovation-oriented research that have an innovation policy, the population is small: Sweden, Finland, Switzerland, the United States, Japan, Germany and a few more, depending on how the boundaries are drawn. For the rest of the world, innovation must be seen either as a dream for the future, or as something that has to rely

on other mechanisms than the intensified use of research as the spearhead in the process. But what other mechanisms are available?

The question is, of course, not new, nor are the answers. Recent analyses show, for instance, that even among the group of neighbouring Nordic countries – Denmark, Finland, Iceland, Norway and Sweden - innovation patterns differ (1).

It is Finland that constitutes the most clear-cut example of the science-driven approach to product innovation, with Nokia as the most well-known case. Although Sweden shows much the same pattern, there is a stronger focus on continuous improvement of existing products and processes, and more of the innovation resources are used in the borderland between innovation and improvement.

Although with a lower total level of innovation investments, Denmark is the country that brings forth most new products, relative to the size of the economy. These new products are distributed, however, across a number of industries and

branches, and each product is generally of a limited economic significance. It is the sum total that makes the Danish economy innovative, not the economic impact of each innovation. Norway generally comes out with low scores in comparative innovation studies, but performs fairly well in terms of productivity development, and associated processes of continuous improvement. With a broader concept of innovation, Norway would appear higher on the list, although still below the other Nordic countries. Even Iceland, which is even more of a raw materials economy than Norway, has increased its innovation efforts.

Recently, the Danish pattern has attracted increased attention; one reason is that it seems to be less expensive than the Swedish-Finnish one. With many small innovations across a broad front, the innovations primarily rely on existing knowledge and competence within the enterprises, and not on major external investments in, say, research. When the innovations are spread across a substantial number of industries, they are less exposed to ups and downs in specific



By Bjørn Gustavsen  
Research Director  
Value Creation  
2010, a development  
programme  
in cooperation  
between  
the Confederation  
of Norwegian  
Business and  
Industry,  
The Norwegian  
Confederation of  
Trade Unions,  
Innovation Norway  
and The Research  
Council of Norway.

branches – such as telecom – and less exposed to the strategies of the large, globalised enterprises, such as moving production around the globe according to shifts in costs and markets.

However, a broad based innovation policy – a line which is, by the way, more and more strongly adapted also by Finland and Sweden – does not come free. It is, in fact, quite demanding, not least in terms of organisation:

The small and middle sized enterprises, that are generally involved, need to work together and pool their resources in what is often referred to as “innovation systems”. To establish this kind of networking between enterprises is often a complex and demanding process. An enterprise that relies on networking to strengthen its own resources can, however, not only rely on broad mobilisation outside itself, it also has to bring its own employees into the process. The now classical notion of “participation” re-emerges, but under a new heading. Networking between enterprises, where SMEs constitute a major part of the members, generally needs a local-regional platform. It is not least the recognition of this point that has brought forth the now widespread interest in “regions” as core economic units. A broad-based innovation policy consequently needs a fruitful policy for regional development.

Although a broad-based innovation policy relies more on work experience, and less on such a resource as research, research is not absent, nor are other support actors. The point is that they have to be present in forms, and with contributions, that do not necessarily focus on spearhead developments, radical product ideas and similar objectives, but rather on inputs that

are adapted to the specific local situation. While it is often the enterprises themselves that come up with the ideas around which the innovation processes are built, research is often called in to contribute on themes like materials technology, computer-based steering mechanisms, logistics- and production chains, and much more. A research input of growing significance pertains to the organisation of the innovation system as such (2).

Drawing upon the Danish example, it is seen that an innovation policy that initially relied largely on work experience within the enterprises utilises research to a growing extent; whereas few products or services originate with research, there is almost no product, service or process that does not contain research inputs before the market is reached.

The creation of spearhead products in a modern branch like ICT-technology, wireless communication or medical technology generally demands a highly sophisticated strategy for the mobilisation of the most advanced scientific and technological research around one single “hot spot” in the contemporary intellectual landscape. The development of a broad-based innovation policy demands a less sophisticated strategy in each single innovation point; instead it is the overall pattern that constitutes the challenge: the bringing together of a range of different actors in a large number of meeting places, the mixing of enterprise resources and public resources, the continuous adaptation of research to handle a broad range of themes and issues in parallel, rather than the focussing on one single issue, and much more. This is the point where most efforts at national innovation policy tend

to fall short, not in the ability to mobilise highly focussed spearhead research, as soon as enterprises that can actually use this research are in place. The challenge is not unrecognised; in, for instance, Sweden a specific state authority – Vinnova – has been established for the prime purpose of creating innovation systems, and in practically all countries parallel efforts can be found, although seldom as clearly expressed in one single authority.

Even when considering the point that nation states as well as regions show a different picture in the development of a broad-based innovation policy, the area as such is still in an early phase. Much remains to be established in terms of mechanisms for initiation, co-ordination and learning, but there is little doubt that future success belongs to those societies that can master an innovation policy, with the creativity of the workplace actors themselves as the core resource. On the other hand: when the innovation policy becomes oriented towards a broad range of enterprises and actors, it can no longer be kept separate from policies within other areas, such as participation in the workplace. Nobody will benefit from a situation where major parts of the European trade union movement turn their back on innovation policy, on the argument that it constitutes just a new effort at promoting meritocracy and blocking participation.

#### Notes:

1: Mariussen, Å. 2004. *Building the third generation Nordic innovation systems*. Oslo: Step Centre of Innovation Research

2: Gustavsen, B., Finne, H. Oscarsson, B. (eds) 2001. *Creating connectedness: The role of social research in innovation policy*. Amsterdam: John Benjamins

# Øresund has something to teach Europe



Peter Kay Mortensen thinks the rest of Europe could learn from the experiences of the Øresund region in Denmark and Sweden. He is chairman of the Greater Copenhagen Section of the Danish Confederation of Trade Unions, and one of the driving forces behind the Øresund co-operation. "With a freedom to try out new solutions, we could get closer to a comprehensive labour market", he says.

*"Everywhere in Europe there are problems connected to border regions which should be sorted out. I think that other countries and regions in Europe can learn something from us", says Peter Kay Mortensen.*  
 Photo: Pia Burmølle

In the year 2000, Denmark and Sweden were permanently linked across the narrow sound of Øresund, by a bridge and tunnel combination. Ahead of the opening, there were many political visions about creating one common region, where Danes and Swedes could live and work on either side of the border. Since then, integration has come a long way. But there are still barriers, and things can improve.

"That's why we should conduct a series of pilot projects in the region, and free ourselves from the laws of the nation states in certain areas over a set period. We can then choose the best solutions. We've already seen results from which I think other countries and border regions in the EU have something to learn", says Peter Kay Mortensen.

He is chairman of the Greater Copenhagen Section of the Danish Confederation of Trade

Unions, a local umbrella organisation for several of the largest trade unions in the Danish capital, and a member of the Øresund Labour Market Council (ØAR).

He is a driving force. Trained to be a baker, Peter Kay Mortensen joined union and political work as a young man. Today he is active within the Social Democrat Party, and is directly involved in Øresund region projects through his work for The Greater Copenhagen Authority (HUR).

This year Denmark holds the Presidency of the Nordic Council of Ministers. The over all themes for the Danish presidency are "The Nordic Region in a New Era - knowledge, dynamism and co-operation". Peter Kay Mortensen can sign up to all this without difficulty.

## Visions

He shares his vision for the

Øresund region with many. The region is being made into a dynamic centre in Europe, aiming to attract high-tech companies, especially within IT, biotech and pharmaceutical industries. Already there are around 10 000 IT businesses as well as 14 universities and other institutions of higher education in the region. It has the largest labour market in the entire Nordic region, boasting 1,8 million workers and one of the world's highest employment rates. Furthermore, the Øresund region is in a key position when it comes to the new EU member states around the Baltic Sea. In that respect, the perspective and possibilities for the region are enormous, and should be made the most of, he thinks.

## Barriers

Peter Kay Mortensen was part of one of the focus groups when the OECD analysed the Øresund region.



By  
 Anders Jakobsen,  
 Copenhagen

“One thing the analysis showed was that the Øresund region is handled differently by Denmark and Sweden. In Denmark it is dealt with by the Ministry of Economic and Business Affairs, and is part of the policies on regional development. But in Sweden it is foreign politics, and the Øresund region files under the Ministry for Foreign Affairs. That difference can act as a barrier to integration.

The focus groups have set out 24 suggestions on how to advance integration in the Øresund region, and this is where I propose a pilot project involving a self-regulating region, says Peter Kay Mortensen.

### Two systems of education

He is aware of the issues that are slowing down the processes, and he loves to be part of the decision-making process which can actually change things.

“One example is technical education, where we have two separate systems. In Denmark you’re normally employed by a business and take periodical courses at a technical school. When the education is over, you get a diploma from the business. In Sweden you’re educated purely in a school system, and must pass an exam before you can be employed by a business.

This is where we should have some pilot projects, and afterwards choose what works best. Or find out how people in both countries can learn from another across the border.”

### Different models

“There are also some limitations in our national agreements between employers and employees. If you’re employed by a business with branches in both countries, it can be difficult to work on the other side of the border. Here too we should have trials, letting people work freely in branches on both sides of the border.

What’s more, the labour market in Sweden and Denmark are built on two different systems. The Swedish model is governed by central laws passed by the Riksdag (Parliament), for instance the working week, working environment and labour laws. Therefore Swedish employers mostly negotiate only on wages. In Denmark the parties in the labour market have negotiated voluntary agreements in these and many other areas. The fact that the systems are different can slow integration, and here too I believe we could try out different things”, explains Mr. Mortensen.

### Positive experiences

The first years with the bridge have led to many valuable experiences, and he mentions a few examples:

When we started the integration of the Øresund region, the idea was to get to know each other a bit better. It is very important that we have gained a good bilateral understanding. When we met in the past, we often had to start from scratch and debate the differences between the countries, and so on. Now we just take up the tread from last time.

At one stage the Øresund region was designated a pilot-region within the EU, and we started a range of projects with EU support. Now those projects continue, also after the EU-support has run out. The initial support itself was a catalyst, and the projects have proven to be both relevant and long lasting.

One example is a project on transferring members between trade unions in Copenhagen and Malmø, when people within the same trade got work on the other side of the border.

Normally there is a three-month wait to be transferred from one union to the other. So we had a project where we agreed to take care of each other’s members for those three months.

Today all this happens naturally. And we have more examples of getting parties to simply meet, and then things just continue on their own accord. This can be done without any economic support from the EU.

Everywhere in Europe there are problems connected to border regions, which should be sorted out. I think that other countries and regions in Europe can learn something from our experiences here”, says Peter Kay Mortensen.

### FACTS:

*Peter Kay Mortensen (57) originally trained to be a baker. He joined political and union work at a very early stage, and has held many honorary offices. He is presently chairman of the Greater Copenhagen Section of the Danish Confederation of Trade Unions and a board member of the Øresund Labour Market Council (ØAR).*



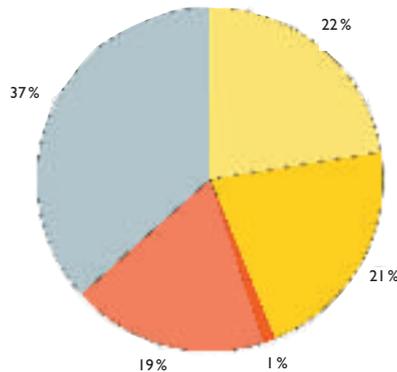
# FACTS ON NORDIC COUNTRIES



Source: Nordic Statistical Yearbook 2004

The Nordic countries are comprised of five states – Denmark, Finland, Iceland, Norway and Sweden – and three autonomous territories – the Faroe Islands, Greenland and Åland. The Faroe Islands and Greenland are both part of the Kingdom of Denmark, while Åland is part of the Republic of Finland. Denmark, Norway and Sweden are monarchies. Iceland and Finland are republics.

## Population of the Nordic countries, per cent. 2004



Population 1 January 2004: (1000s)

Denmark:	5 502.7 *
Finland:	5 243.0 *
Iceland:	290.6
Norway:	4 577.5
Sweden:	8 975.7

\* Denmark: data includes Faroe Islands (48.2) and Greenland (56.9)  
Finland: data includes Åland (26.3)

## Membership of EU:

Denmark: From 1 January 1973  
Finland: From 1 January 1995  
Sweden: From 1 January 1995

## Membership of EEA:

Iceland: From 1 January 1994  
Norway: From 1 January 1994

## Labour market

According to the ILO, the population may be divided in three parts: the employed and the unemployed – which together constitute the labour force – and those not in the labour force. Those in the labour force are usually referred to as “active”. Those not in the labour force are usually termed “inactive”. In addition to the retired and the disabled, “inactive” includes young people still in the educational system and those engaged in work without remuneration, either housework or charity.

## Activity rates 2004

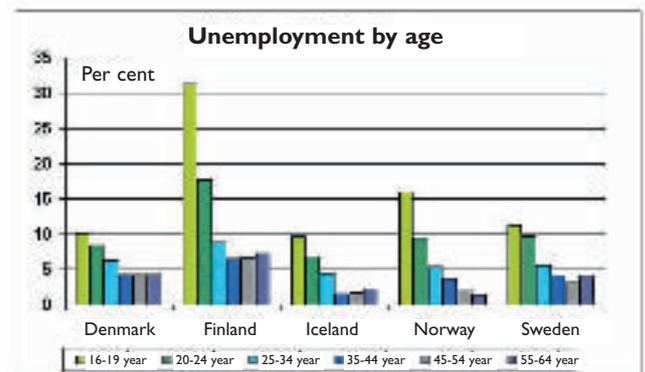
	Total	Men	Women
Denmark:	80,2	84,6	76,6
Finland:	74,1	76,0	72,1
Iceland:	87,2	90,3	84,0
Norway:	79,4	82,9	76,0
Sweden:	78,1	79,9	76,2

## Employment rates 2004

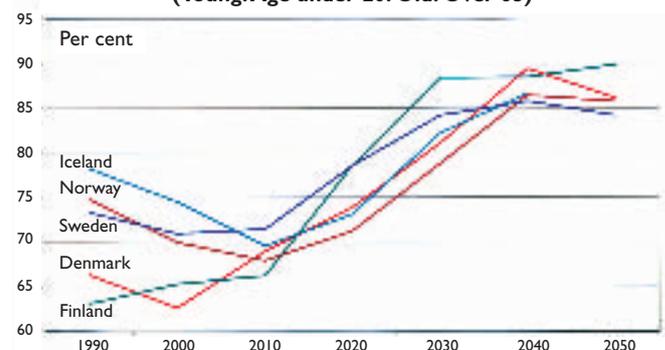
	Total	Men	Women
Denmark:	75,7	80,5	70,9
Finland:	67,3	68,9	65,7
Iceland:	84,2	87,0	81,4
Norway:	75,8	78,8	72,9
Sweden:	74,3	75,6	72,8

## Unemployment rates 2004

	Total	Men	Women
Denmark:	4,5	4,9	6,2
Finland:	9,1	9,3	8,9
Iceland:	3,5	3,7	3,1
Norway:	4,5	4,9	4,1
Sweden:	4,9	5,3	4,4



## Dependency ratio: Young and old as per cent of the population aged 20-64 (Young: Age under 20. Old: Over 65)



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## Web-sites:

Nordic Council of Ministers  
[www.norden.org](http://www.norden.org)

Ministry of Employment, Denmark  
[www.bm.dk](http://www.bm.dk)

National Labour Market Authority, Denmark  
[www.ams.dk](http://www.ams.dk)

National Working Environment Authority, Denmark  
[www.arbejdstilsynet.dk](http://www.arbejdstilsynet.dk)

Ministry of Labour, Finland  
[www.mol.fi](http://www.mol.fi)

Ministry of Social Affairs and Health, Finland  
[www.stm.fi](http://www.stm.fi)

Directorate of Labour, Iceland  
[www.vinnumalastofnun.is](http://www.vinnumalastofnun.is)

Ministry of Labour and Social Affairs, Norway  
[www.odin.dep.no/aad](http://www.odin.dep.no/aad)

Directorate of Labour, Norway  
[www.aetat.no](http://www.aetat.no)

Norwegian Labour Inspection Authority  
[www.arbeidstilsynet.no](http://www.arbeidstilsynet.no)

Ministry of Industry, Employment and Communications, Sweden  
[www.industry.ministry.se](http://www.industry.ministry.se)

National Labour Market Board, Sweden  
[www.ams.se](http://www.ams.se)

National Institute for working life, Sweden  
[www.arbetslivsinstitutet.se](http://www.arbetslivsinstitutet.se)

Work Research Institute, Norway  
[www.afi.no](http://www.afi.no)

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