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THE LABOUR MARKET, THE WORKING ENVIRONMENT AND RELATED ISSUES

THEME:
Young and unemployed
- in search of a future



Foto: Cata Portin

News: Norway pushes ahead with boardroom equality / The paternal revolution / The Danish model: Inspiring growth / Pure Luck

The Scandinavian way?

While women are entering the boardrooms, the men are pushing baby prams. Sharing the tasks is the way to go in the Nordic countries. But greater gender equality doesn't evolve without legislative interference. Examples from both Norway and Iceland show as much.

The Danish system with the captivating name Flexicurity is creating interest on the Continent. When Danish employers and employees travel together to Brussels, it isn't to sell a model, however. It is to inspire other European countries seeking new ways to increased growth. In the feature 'Inspiring growth' NLJ challenges the leaders of The Danish Confederation of Trade Unions (LO) and The Confederation of Danish Employers (DA) to debate advantages and disadvantages with the system.

How do you create growth and competitiveness, and how do you get more people into employment? These are questions central to the whole of Europe. With an ageing population, the challenge is how to include as many as possible in working life. Nevertheless, the youth who are supposed to secure the welfare for the future, face great difficulties when trying to gain access to the labour market. Under the theme 'Young and unemployed – in search of a future' we highlight the challenge of how to stop the young being marginalised in their hunt for a future.

There is an historical flavour to the Nordic co-operation. The annual meeting of the Nordic ministers of education has become a tradition. But is it something more than that? In Portrait the NLJ has challenged the employment ministers to expand on the importance of that co-operation, and we ask: Can the Nordic region offer something to the European community?

In the book in review, 'Social Policy and Economic Development in the Nordic Countries', the authors are keen to highlight what they see as the many victories of Scandinavian welfare policies. For instance, our reviewer writes: "a study about just how efficient different types of family policies are when it comes to child poverty, shows that the Nordic models have worked best - because these models assume that both parents are breadwinners, and they are universal and income-related. In addition, they provide services that encourage more women to seek paid employment and more men to perform care work."

*Is there a Scandinavian way to be inspired by?
Does the image of boardroom women and baby pram-pushing
men seem alluring?*




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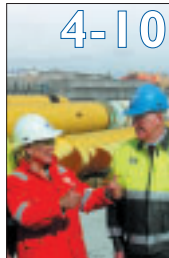
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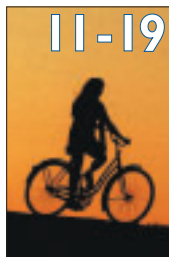
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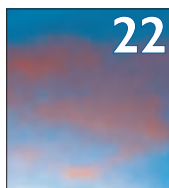
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Norway pushes ahead with boardroom equality

1 July 2005 was the deadline for the Norwegian business world to voluntarily make sure there is at least 40 per cent of each gender in company boardrooms. Only 17 per cent of companies have managed that. For the others, the demand will no longer be voluntary. It will be the law.



Oil Minister Thorhild Widvey (No two from left), visits the Ormen Lange project during the election campaign. She is surrounded by some of Norsk Hydro's most important people on the project. From the left: Project Manager Tom Røtjer, Chairperson of the Board of Directors Jan Reinås and Executive Vice President with special responsibility for oil and energy Tore Torvund.

Text and photo: Björn Lindahl

Norway has gone further than any other country to make sure gender equality reaches into the very rooms where the most important economic decisions are being made. In Sweden the talk had been to introduce quotas of 25 per cent women in boardrooms, but now that country too is considering a 40 per cent goal.

The Norwegian legislation carries a two year transitory phase, so businesses still have two shareholders' meetings during which they can avoid risking the only penalty there is – the forced dissolution of the company.

The law was put forward by the Conservative party, and carried a large majority in the Norwegian parliament. The country's largest employers' organisation, the Confederation of Norwegian Enterprise (NHO), is principally opposed to female quotas. Still, the organisation has worked hard to increase the number of women in its members' boardrooms.

"We do this because we believe it is good to draw on female competence in any case. But we cannot pull this off by ourselves. This law concerns more than 500 companies, and only

85 of them are members with us", says Sigrunn Vågeng, Executive Director for Labour Market and Social Affairs at NHO.

"The companies and Norway's business world has taken this demand seriously, and will adapt. But I think and hope the authorities understand this is a process where it will take time for all to reach the goal", says Jan Reinås, Chairperson of the Board of Directors at Norsk Hydro, one of Norway's largest manufacturing and oil companies.

Female Ministers

We meet him during a visit to Nyhavna in the Aukra municipality in western Norway. This is where natural gas from Norway's second largest gas field, the Ormen Lange, will come onshore, before it is treated and rid of water and then shipped to the UK. The Oil Minister, Thorhild Widvey, is also here. The fact that the minister is a woman does not raise any eyebrows in Norway. She is Norway's third female oil minister. Neither does anyone make point out of the gender of the Aukra Mayor, Christian Democrat Aud Mork. She is known as the 'gas queen', after securing the Hydro gas terminal in competition with 14 other municipalities. The deal secured 80 safe jobs for 40 years in a place with only 3050 inhabitants. A modest 0.7 per cent property tax on Norsk Hydro's installations means the municipality will double its tax revenues.

Female boardmembers

The previous Minister of Trade and Industry, Ansgar Gabrielsen, wanted state owned businesses to set a good example when he launched the demand for 40 per cent of each gender in boardrooms. So he gave them one year less than private companies to do it. Gabrielsen had noticed the enterprising Mayor of Aukra, so last June he called Aud Mork. He asked her to join the board of Statskraft, Norway's state-owned hydropower company.

"I asked what I as a woman and mayor could contribute to Statskraft", says Aud Mork.

"Gabrielsen said that 'a mayor understands most things, and is in close contact with the grassroots. You know what is happening in a local community'."

Aud Mork accepted the offer, and feels she has got a lot out of being a boardmember – which involves travelling down to Oslo every month. One would think her county-level contacts and not least her contact with the Prime Minister, Kjell Magne Bondevik (who hails from the neighbouring municipality) also helped. "Working on the board has given me

a lot of knowledge which is useful to me also in my role as mayor. Statskraft plans to build the first gas power plant in Kårstø in Norway. My ambition is that we should be able to make use of the natural gas from Ormen Lange locally here in Aukra too."

Aud Mork is trained as a school teacher, while Oil Minister Thorhild Widvey started her career as a sport coach for physically challenged youths. Norway's political system does not demand education from prestigious universities. The members of the Norwegian Government have fewer years of higher education in total than any other government in Europe, even though the general level of higher education in Norway is high.

A long tradition

Women entered politics as long as 100 years ago, when Norway fought for independence. When the country left the union with Sweden in 1905, women didn't have the right to vote. But women had gathered 250 000 signatures in support for the government decision to dissolve the union with Sweden, and that was a contributing factor when women were given the right to vote as early as in 1913. Some rather unorthodox methods have been used over the years. In the tiny municipality of Utsira, an island outside of Stavanger, all men were removed from the ballot papers in an electoral coup. Eleven women and one man were elected to the municipal executive committee, and Aase Helgesen became Norway's first female mayor.

A similar cross-political coup was carried out in the 1971 local elections. It resulted in an increase of women in municipal executive committees from 9.5 to 14.8 per cent. But it was Gro Harlem Brundtland's 'female government' which attracted the greatest international attention. In her 1985 government, eight out of 18 government ministers were women. Since then, no Norwegian government has had less than 40 per cent women.

Quotas - the hot topic

"There's a huge difference between being the only woman or being several women on a municipal executive committee", says Aud Mork.

She is, however, sceptical to allocating quotas for women in boardrooms.

"As a woman I react to all the 50 – 60 year-old men who vote their male friends onto the boards. I also understand those who say things are moving too slowly. But the best would still be if a person was voted in because of his or her qualifications to sit on a board. That's why I'm against allocations of quotas", she says.

The government proposal for legislation has created a debate which after all has made gender equality a hot topic in the business world.

"Of course you have to have a positive attitude towards giving all people the opportunity to do a good job. But I find it hard to believe that the government will dissolve by force a company like Norsk Hydro or Statskraft if they don't get enough women on their boards."

Facts:

The law on gender equality in company boardrooms was presented in 2003, and concerns 519 public and stock market listed companies. On 1 July these companies had 3176 board members. Less than 17 per cent of them are women.

It is hard to achieve the mathematical aim of 40 per cent of each gender on smaller boards, so the legislation lists detailed demands: Boards with four or five representatives must have at least two women. Boards comprising six to eight members must have at least three women. Boards with nine people must have four of each sex. If a board has ten or more members, the 40 per cent rule applies.

The paternal revolution

The image of parent and child doesn't necessarily involve a woman any longer in Iceland. For almost five years fathers in Iceland have been able to take paternity leave, and from day one they have made the most of it. This has been the largest step Iceland has taken towards gender equality. But there are still examples of employers who don't follow the law.

Text and photo: Áslaug Skúladóttir, Iceland



who you ask, people agree that this is one of the greatest steps towards gender equality ever taken in Icelandic history. One wonders how fathers felt before they were made responsible for their newborns by law.

Sociologist Ingolfur V. Gislason, a manager at the Centre for Gender Equality, says the legislation is nothing but positive. "The big advantage of the legislation and the reason why the changes went so smoothly is that everyone is benefiting." Ingolfur still thinks more can be done and wants to extend the leave to one year. "Make it three times four months; four for the mother, four for the father and four months which they can split." Ingolfur stresses that parents' financial situations are much better now than before the new legislation came into force. "And don't forget, fathers take a much more active role in child care now than ever before."

A CEO of a large company in Iceland recently resigned in order to take paternity leave. According to the daily newspaper, Morgunbladid, the company's board found it "unfortunate" that the CEO wanted to take a long leave, so he resigned. Other similar cases have been reported lately, both in Iceland and in Denmark. People find that odd in a modern society, where these rights are secured through legislation. The reports made people think about

all the women who have suffered discrimination for years. Their stories don't even hit the news anymore. You could say that it showed the negative side of gender equality, but as parents, sociologists, employers and union leaders say, the stories do not reflect reality. The paternity leave is welcomed by almost everyone. From day one, fathers in all levels of Icelandic society have been making use of their right to paternity leave. No matter where or

How do fathers feel about these changes? Olafur P. Stephensen, Associate Editor at Morgunbladid, is on his third paternal leave. Olafur has three children, his first was born in 1997. Back then there was no such thing as paternal leave, but he managed to get three months off by expediting leave he was entitled to as a journalist. He was met with a certain level of surprise when he told his employers that he wanted paternal leave, but they agreed. "I lived in downtown Reykjavik at

the time, and I was the only male pushing a baby pram. There were no other men around in the same situation.” Olafur also remembers women’s surprise when he showed up at church for ‘mother’s meetings’. His second child was born four years later, in 2001. The paternal leave legislation was still only one month old. He took most of the shared three months; his wife stayed at home for the first four months and then he took over. “The reactions she got from other women surprised us. They couldn’t understand why she would give me two months of ‘her’ time with the baby.” Again he expected to be the only male pushing a baby pram. But he was proved wrong. “Reykjavik was filled with fathers strolling with their babies and at most churches you could attend ‘parents’ meetings’. It seemed like things had changed over night with the new legislation.” Olafur maintains that it doesn’t come as surprise to anyone anymore if men take paternal leave, even men in managerial positions like his.

Some people worry the Maternity/Paternity Fund payment cap will discourage highly paid men to take paternity leave. Only six months after its introduction, it might be too soon to say. Islandsbanki employs over 900 people. Vilborg Loftis is their Executive Director of Human Resources. She says she hasn’t noticed anything to indicate such a development yet. “If I was asked again in two years, I wouldn’t be surprised if the answer was different.” Women at the bank usually take longer than six months’ leave, and most of the men use their three months, usually dividing it into smaller periods. They try to work out an agreement with their employers over when to take the leave. This year however, two male bank employees have been on leave for three months in a row. When women take maternity leave, someone else is hired to cover for them, but when men go their absence is covered in other ways. Vilborg says

male employees at Islandsbanki have been taking paternity leave from day one of the law coming into effect. “It was well noticed in Iceland when Bjarni Armannsson, the Chief Executive Officer, took paternity leave. But he didn’t take three months in a row, that would have been almost impossible for a man in his position.”

So are there no real problems facing men who take paternity leave? Of course, says Snorri Kristjansson at the Commercial and Service Trade Union in Reykjavik, there are some examples of things going wrong. The union represents 20 000 members across more than 100 professions. Snorri can recall 10 - 15 cases over the past 12 months where men have met resistance at work when taking paternity leave, and some 30 - 40 cases of women complaining. In most cases the problem was solved, but a few have gone to court.

Ingolfur V. Gislason, at the Centre for Gender Equality, is not sure if the legislation will lead to greater labour market gender equality, as was the aim. “We hear of men losing their jobs when asking for paternity leave, which is of course illegal. But I guess those stories are a bit blown up.” He sees the legislation as an all-positive thing, everyone is benefiting from it. “You notice a change in society. Earlier everything relating to young children was aimed at women. Now men are taken into consideration as well. The church does not advertise ‘mother meetings’ but ‘parents meetings’. This is perhaps not what matters most, but it still does matter, words can say so much.” And Ingolfur is of the firm opinion that the leave should be extended. “If we want total equality, the leave must be extended to one year. Women normally use the first six months of their leave and then men take over for three months. I don’t think that will change unless the leave is extended. We must be able to do that, just as they do in Norway and Sweden.”

FACTS:

The almost five years old legislation or act on Maternity/Paternity and Parental leave in Iceland has been a great success. The law now allows three months leave for the father, three months for the mother and three months for either mother or father. Furthermore, parents have eighteen months to make use of the leave. The Maternity/Paternity Fund handles all the payments, and parents on leave get 80 % of their wages, or up to 7.700 EURO monthly. From January to June this year, 1707 men and 1858 women have received payment from the Fund. Since January 1st the Fund has a cap of 7.700 EURO a month. In this period, 61 men received as much as that, which means that their normal wages were at least 9.600 EURO monthly. Only 15 women were in that category. Earlier, people got 80 % of their wages no matter how much. It came as a surprise how almost all fathers took paternity leave, right from the start, and the Fund almost went bankrupt.

The Danish model: Inspiring growth

The combination ease of dismissal and job and economic security in Denmark has become a big success: 30 per cent of Danish workers change jobs every year, unemployment is low, and Danish employees are the most content in the world. Now Danish employers and employees want to promote the Danish Flexicurity model in Brussels. They hope to show other European countries there is a path to increased growth to be inspired by.

By Lis Lyngbjerg Steffensen, freelancejournalist, Denmark



Hans Jensen, President of the Danish Confederation of Trade Unions, LO and Jørn Neegaard Larsen, CEO at the Confederation of Danish Employers (DA) (Photo: Nina Lemvig-Müller)

"We've had such a long experience with co-operation and negotiation, and it's built on respect and equality between employees and employers.

That has to be the main point of the Danish model which can inspire other countries", says Hans Jensen, President of the Danish Confederation of Trade Unions, LO.

Jørn Neegaard Larsen, CEO at the Confederation of Danish Employers (DA), agrees that it is negotiations and agreements, rather than conflict and labour right battles, which have given good results in Denmark. "Respect for each other's roles is imperative. We can't have flexibility without security, nor can we have security without flexibility. Many countries have realised that. But I notice that some authorities still perceive the parties to be in conflict with each other when we discuss these questions", says Jørn Neegaard Larsen.

The idea is important

The Danish model has developed over many years, and is targeted at a Danish reality. It probably can't be implemented in other European countries overnight, but it is important to convey the thinking behind it. That's why LO and DA decided to work together to stage a conference in Brussels on 14 September. Their main message is that the Danish model works extremely well, and that it is the way to go for decision makers when they consider the future strategy in Europe.

"Denmark is the one country which has done best in the face of competition with other countries and globalisation. Danish workers, a broad

group of people, show an impressive ability of adapting. You don't see much of that elsewhere", says Jørn Neergaard Larsen.

"When it comes to flexibility we're equal to England, and the price for that flexibility has been the safety and security of the workers. It's in our very structure that no one shall be left alone," says Hans Jensen.

Basic education is crucial

There is room for improvement, however, when considering the future. The Danish model must be developed further.

"For instance, the reading and writing level for Danish primary school students is low, and it is crucial that this problem is solved", says Jørn Neergaard Larsen.

"The same goes for adult education and in-service training, where we see some instances where employers don't provide employees with the necessary training", says Hans Jensen.

The Danish labour market is also tough with a degree of stress.

A considerable group of workers are dependent on social security. "It is, of course, demanding to be part of the labour market in one of the best and richest countries in the world. But stress has nothing to do with flexicurity. It's a problem in many other countries too today. 30 per cent of the Danish labour force moves jobs in one year. That means a mobility and flexibility which offers big opportunities for the individual worker and for the businesses. I'm sure there are still challenges to be met, but I can't see any drawbacks as such with flexicurity, says Jørn Neergaard Larsen.

Hans Jensen agrees, and says one of the causes of stress is that the Danish workers' role has changed from that of being an expense to that of being a resource for the businesses. What is in demand now are completely different qualities such as innovation, creativity and contributing new ideas.

"Earlier you typically had a middle manager who told the individual

worker what he or she should do. But today the individual has more responsibility for doing the work, and the businesses demand a bigger involvement in the entire business. When you can make your own decisions and carry the responsibility, job satisfaction increases a lot. But the drawback can be that the responsibility becomes too much. That leads to stress. But that's not because of the Danish labour market. It is more because of external demands from globalisation, which requires that we adapt," says Hans Jensen.

The road to growth

Both agree that from a bird's-eye view the Danish model is a success with very tangible results. Denmark enjoys the highest number of satisfied workers in the world, low unemployment and the highest job security in the EU. At the same time Denmark spends more of its BNP than any other country on its welfare and safety system.

"Many delegations have visited Denmark and we've explained the system to them. Some are surprised when they realise that it is all founded on a long historical development. But our joint conference was an important signal to other countries in Europe – it is possible to take into consideration the interests of both businesses and workers," says Hans Jensen.

Jørn Neergaard Larsen also realised they now have the chance to show how it is possible to move on, during a time when many European countries struggle to increase growth.

"EU is in a terrible situation. The creation of a more flexible labour market in Europe has come completely unstuck because of legislation which is far too detailed. Many countries cannot find a road to growth, and here we can show a way out which could inspire many. If, as a side effect, businesses want to settle down in Denmark, so much the better, says Jørn Neergaard Larsen.



Your skills show in the results. We co-operate well and respect each other's roles, so in Denmark we don't need to fight and stage large demonstrations, like some of my colleagues in Europe do. We have a system for negotiations with Danish employers, and that is where we reach results", says Hans Jensen, President of the Danish Confederation of Trade Unions, LO.
(Photo: Nina Lemvig-Müller)



CEO at the Confederation of Danish Employers, Jørn Neergaard Larsen, agrees with the main representative for Danish employees, Hans Jensen, when it comes to basic respect and equality. "In Denmark we have a long tradition for negotiations, which means that both parties feel safe and are confident that promises will be kept. If businesses are to enjoy a flexible work force which is easily employable - and easy to dismiss, if that should become necessary – it is crucial that the employees feel confident they won't be led astray. And we've succeeded in doing this here in Denmark", says Jørn Neergaard Larsen.
(Photo: Nina Lemvig-Müller)

Pure luck

The Danish flexicurity model is more luck than strategic planning, says Kongshøj Madsen, professor of labour market research. He is optimistic, and thinks the Danish tradition of combining flexibility and work security is the model which secures the best development.

By Lis Lyngbjerg Steffensen, freelancejournalist

Per Kongshøj Madsen

Professor, Center for Labour Market Research, CARMA, Aalborg University. Co-author, note on research results and existing knowledge on the value to society of the flexible work market, for the Ministry of Employment, 2005.

"Flexicurity is a package which straight away appears to kill two birds with one stone. That's why it is so politically beguiling both in Denmark and abroad. Politicians like solutions where they can have their cake and eat it too. But the model is also basically very sensible, even if it has been developed more through luck than as the result of a long term strategy", says Per Kongshøj Madsen.

He can think of a few drawbacks, but they aren't many. There is for instance always the risk that employers won't train their workers, when they know that staff can be fired easily, or that they might look for work elsewhere themselves. But that's not a problem for the time being, as long as Danish employees still enjoy a very high level of education and in-house training. Furthermore, the Danish social security system secures education for a large portion of both the unemployed and people in work, through the social benefit scheme and the adult education system. Hence the Danish social safety net evens out the potential faults of the flexicurity model.

He points out that flexicurity doesn't come for free. Denmark's labour market policy is pricey, at four per cent of the country's BNP. That makes it the world's most expensive. "If you want to use flexicurity as a model, you need to know two things. Firstly, it is a very large investment. Secondly, the workers must be

able to trust they will actually get the job security offered to them. In Germany they're having a hard time convincing unions that it should be easier to sack people. One reason could be that unions and workers don't trust that the social safety net is strong enough. The system is hard to build up and develop during a crisis", says Per Kongshøj Madsen.

"The French employment minister called the Danish model 'the Danish miracle'. Do you agree?"

"No, there are no miracles. It's more about luck, and that Denmark, as a small nation, has been forced to find solutions through compromise. Denmark wanted to both develop a welfare state and have many small businesses dependent on being able to dismiss workers in order to survive and adapt to the market", says Per Kongshøj Madsen.

"But I am happy. I'm convinced that the flexibility and the job security has been key to Denmark's ability to adapt, in order for businesses to follow up the demands that are being made. It has made us swift-footed, and enabled us to get rid of the heavy industries of yesteryears like textile, many of the old shipyards and other old industries which present so many problems in other countries. Instead we've been able to transform our production to become innovative and developing", says Per Kongshøj Madsen.

The Danish model

Danish flexicurity is based on three things:

- The General Agreement, dating from 1899, between employees and employers. Workers were granted the right to organise, and employers were given the right to lead and allocate work. Since then the social partners have negotiated agreements which, to a large extent, represents "the labour constitution". The Danish Government should stay away from passing legislation in areas which the parties in the labour market run themselves.

This development has brought considerable flexibility. Businesses can employ and dismiss workers with relative ease. It has also brought flexibility when it comes to working hours, salaries, working from home, mobility and so on.

- A social security system, starting with a form of unemployment benefit system in 1907, developing into its present form by 1969. The unemployment benefit system involves joining an unemployment fund. In order to collect their unemployment benefit, the unemployed must meet several demands, such as actively seek new work. To complement the benefit system there is also social assistance and other contributions which protect the individual.

The system secures an economic safety net for workers who become unemployed, and it secures a wide-ranging social and health network which should safeguard the majority of Danes in case of illness, personal crisis or other factors which could lead to a reduced working capacity.

- An active labour market policy, originating from 1993 in its present form, since revised. The policy increased the demands on the unemployed, while also improving the qualifications of the unemployed and securing them job training. Denmark has an extensive adult and in-service training system, which secures the development and maintenance of workers' skills.

Young and unemployed - in search of a future

Being young means living dangerously when it comes to the labour market. Getting in becomes increasingly harder, and in times of restructuring and cut-backs, the young are the first to go. Unemployment is high among young people, even if politicians in all countries are eager to get them into work. Youth unemployment is nearly 19 per cent in the enlarged EU, in Finland it's 20.7 per cent, Sweden has 17.4 per cent and Denmark 7.2 per cent. What causes this variation between countries? What measures are efficient to ensure young people are included in the labour market? What can be done to secure their jobs in time of staff reduction, and to make sure they gain experience? How can young people find a future in the labour market?



Finnish drive to reduce unemployment among young people

Fast track through the employment office

During the 90s, Finland succeeded in rapidly reducing unemployment among young people. Now new tools are needed to move on. A system of fast-tracking them through the employment office has proved successful. The method is called society guarantee. The aim is for all unemployed between 17 and 25 to either get a place of study, start work training or to get a taste of working life in workshops.



From left: Jerry Rimpinen, Eveliina Paksuniemi and Monica Heinonen during puppet theatre rehearsals. (Photo: Cata Portin)

Some 60 young people are gathered at the café at Sininen Verstas (the Blue Workshop) in Annegatan, central Helsinki. They listen in silence as one of the instructors tells them what they will be doing. This is where the Education Department of the City of Helsinki runs a workshop for young people to try out one very special part of working life; creative professions. They get to be actors, make animation films, sew theatre costumes, learn textile printing or how to run a restaurant.

This is not a playground, but real work ordered by real clients. The costumes are for one of Finland's greatest cinema successes – the film about the troll Röllä made here. These projects have

clear targets and schedules. Susanna Palo will be instructing nine young people in how to colour and print textiles. “Each student makes a portfolio. Most people start studying after this. After last spring's course, seven out of nine are now studying to become teachers, graphic planners or craftsmen.”

During six months of work, Sininen Verstas will also be a reference point for Eveliina Paksuniemi (19), Monica Heinonen (19) and Jerry Rimpinen (23). They've all been sent here by the employment office, but their histories differ.

Monica Heinonen spent three years studying to be a practical nurse, but had to leave because

she couldn't afford it.

“When the rent was paid, I had 80 Euro left every month to live off.” She would have liked to continue her education if she could afford it.

Eveliina Paksuniemi spent some time in upper secondary school and six months in vocational school to be a carpenter. She would like to work with her hands.

“I've also worked in telesales and in a nursing home, but you don't make enough money there to get by.”

The girls are learning textile printing.

Jerry Rimpinen is learning what it means to be an actor, even though he too would prefer to do textile printing. He's hardly done anything at all since elementary school, only some drawing and painting at home. “I guess I've been living a bit leisurely, had my time off and been pretty lazy.”

All three have been sent to the workshop by the Employment Office, where advisors have given them various alternatives to choose from. But what happens in six months from now? The answers aren't clear. Jerry says he's searching his inner self.



By Carl-Gustav Lindén

“I’d like to get back into a normal rhythm of life, so I can lead a normal life in the daytime – and get a proper job.”

Eveliina still aims to be a carpenter and Monica a carer. But both think it is crazy that society gives more support to the unemployed than to students.

“As unemployed I get 600 Euro a month, as a student only 300 Euro”, says Eveliina.

Hellevi Bengs has been executive supervisor for the Sininen Verstas since the start-up twelve years ago. She guides the others in the group past our table and stops in the middle of the theatre stage.

“Believe in yourselves and that you can actually achieve something”, she says. Then she tells the story of how she was going to travel to Brazil and make a film together with her 100 year-old friend from Estonia, who died before the wild plan could be set in motion.

Later we meet in the workshop’s minimalist office. Hellevi Bengs tells me many of the young people who come here have big personal problems and come from difficult family situations. Those who can’t keep up with the speed at the workshop must leave. The philosophy at Sininen Verstas is not to provide therapy, but even so it has happened that young people who seemed hopelessly lost in the labour market managed to fight back and regain their selfconfidence in the process.

“We don’t want to involve health workers or psychologists, but to do what we can ourselves. This is a fair work place, and what we don’t want is a group of patients. We are not therapists, but if our work feels therapeutic it’s only for the good.”

At the same time she feels that the Education Department at the City of Helsinki, which has the overall responsibility, doesn’t quite appreciate what they’re doing.

They would rather put unemployed young people into education or see them get work experience within traditional trades, like wood or metal work. The workshop used to have eleven staff, now they are five. The animation group has lost their permission to operate. At the same time creativity is one the most important skills in future labour markets. “Media, arts, crafts – that’s where you find the work places of the future in the centre of a metropolis. The trend is clear”, says Hellevi Bengs, whose husband is about to finish his PhD in city culture.

The young people who have come here were selected after interviews at the employment office. The process is part of a new system which came into force at the beginning of this year, aiming to get young people into work faster. It’s called society guarantee, and should give young people under 25 the chance, within three months, to either join an educational institution, get work experience or a place at a workshop like Sininen Verstas. In order to qualify for this, they must have been unemployed continually for at least three months. “I registered as unemployed in April in order to get here”, says Monica Heinonen.

The employment offices must redistribute their resources so that they can have special advisors to look after young people and give them personal supervision. They must map the clients’ strengths and weaknesses, and teach them how to apply for a job. An assessment must be made within a month to map the needs of the job seeker, and a plan for job seeking must be prepared. The philosophy is to give the young intensive service and make sure they’re not forgotten.

Matias Fredriksson is an advisor for young people at

Kampens employment office.

He says the society guarantee definitely has put more pressure on staff, but that most young people have got somewhere within three months.

“At least if they’re motivated themselves.”

The system will expand next year. The Government has put aside 25 million Euro for the society guarantee in next year’s budget. 23.5 million is earmarked activation measures like education of young people and grants for new business ideas, while 1.5 million go to workshops. That money will not cover any new services, however.

Chief Inspector Päivi Haavisto-Vuori at the Ministry of Labour, says the society guarantee still hasn’t been fully assessed, but that reactions from the field have been positive. The methods have been in use earlier, but for the first time they have been applied nation-wide.

“What’s most important is that resources are aimed at special measures involving youth advisors. The larger employment offices have had the possibility to create teams, and that is noticeable in the level of service provided.”

Nearly 100.000 young people were unemployed during the economic depression at the beginning of the 1990s. But with the upswing in the economy that figure diminished, and until 1998 it looked like a good trend. Since then the reduction in unemployment has been slower, even though things have been looking up since the start of 2005. But most new jobs are short term or low-wage jobs in the service industry. On average, 32.000 young people have been unemployed during the first seven months of 2005. That’s 3-4000 below last years’ level. “Young people are a buffer for the business cycle”, says Päivi Haavisto-Vuori.

Youths falling at the hurdles of working life

There's increased division in the labour market, and young people are the ones who are loosing out. Earlier there were alternatives for those who didn't succeed in school or took a greater interest in practical work. Today those youths risk being left behind. There has been a change in the structures of the labour market, but many young people blame themselves.



By
Gunhild Wallin,
Stockholm

"The demands for an education are greater today, and this is different from what we had in the 1990s. The entry ticket to working life is higher secondary education, and people who haven't got their grades haven't got a chance, whether they've got a Swedish or a foreign surname. They're always at a disadvantage", says Monica Harrysson and the

central authority of the Swedish Labour Market Administration, AMS.

It is important to secure final grades from higher secondary education. Not necessarily as a guarantee for knowledge, but as a kind of receipt for being a "normal" and reliable person who takes an interest in things. Earlier there were more alternatives for

young people who weren't interested in theoretical studies. Now they risk being left behind, as there has been a sharpening of the entry demands to working life. There are several reasons for this. During the economic downturn, 500 000 jobs disappeared in Sweden. Many of them were easy entry-level jobs, and they have never returned. Today even the

simplest job as a shop assistant demands both language and computer skills.

Noemi Katznelson, PhD, is head of research at the Center for Youth Research and Learning Lab in Copenhagen. Her main research concerns the situation of young people, and she too stresses the importance of education in an ever-changing and globalised world.

“We see the same trends in other European countries. We’re asked to meet the global competition with a creative labour force, which demands a grading of the labour force”, she says.

One in four drop out

This development worries Monica Harrysson. Partly because of the increase in the young long-term unemployed, partly because as many as one in four young people drop out of higher secondary education.

She points out that there are many different categories of youths. There are many reasons for why they end up outside the labour market, and many stories of why they are unemployed and how they feel about it. That’s why it is important to focus on the individual, and try to find what he or she wants, and what their motivation is.

“The only unifying factor is their age. Apart from that, they’re all different”, says Monica Harrysson.

In this context anyone between the ages of 16 and 24 are considered a youth. But some people get established even later. In Denmark people are considered youths until they’re 29. The same goes for the other Nordic countries, where some measures are targeted at the group of people between 25 and 29.

Young people’s contribution to working life has changed dramatically since the beginning of the

1990s. There has been a sharp decline in the number of youths in full time employment. More people are studying now, and if they do work, it is often casual work.

Young people who have neither work nor attend school are the greatest cause for concern. Several countries have mapped youths who no longer are in school and who are not found in employment office statistics. Last year the Swedish Ministry of Education presented its study ‘Youths on the outside’ (SOU 2003:92). It showed around 70 000 belonging to this category. After eliminating those who for example are taking a year out, 25 to 35 000 were still outside the system in the second year. They often live in big cities, many come from immigrant backgrounds and often they have not finished their elementary education. Many struggle with social and psychological problems. They are, without a doubt, youths in the danger zone. From experience we know that there is a great risk that these people will remain outsiders.

The freedom of choice

Another deciding factor is the spirit of our time. In her thesis ‘Exposed youths, activation and education – doomed to individualisation’, Noemi Katznelson describes how certain young people increasingly feel they are living under pressure, created by a more individualised society. Young people know about the possibilities that come with freedom of choice, but can’t face living up to it. They miss the framework and the support needed to make those free choices.

“In today’s world, young people must be their own stage directors. Very early on, they are expected to be able to express what it is they want, and to talk about their strengths and weaknesses. Many of those who try to help them become part of the problem.

They become part of the demand structure, and youths hesitate to meet them, says Noemi Katznelson.

She warns against an increasing split in society. Earlier these youths could find an alternative to education, now they risk ending up in a superfluous group. An obvious consequence of social change ends up marginalizing people.

“These youths who can’t get a job see this as an individual problem, that they aren’t good enough. It is they who are carrying the burden”, she says.

The matching problem

Young people receive a mixed message these days. On the one hand there is the notion of a labour market which will need huge amounts of workers when the large post war generation of workers retire. So politicians and labour market authorities try to create incentives to get young people to study and work, hoping they’ll enter the labour market at an earlier stage than what is the case today. It’s a vision of youth enjoying a wide range of choice, while companies try to attract the desirable youths with new styles of leadership and brands promising self-development and social commitment. On the other hand, statistics show that young people are the first to go during an economic downturn – if they’ve managed to get a job in the first place.

“We talk about demographics, about finding replacements for the 1940s generation. But there is a much larger matching problem than you think”, says Monica Harrysson.

The casual work trap

Youth unemployment in the Nordic countries varies between the countries, but is a clear political priority in all of them. It is

harder for young people to get in, and they are the first to go in times of cutbacks. It is also harder to get tutorials or take a slower approach to entering the labour market, when many organisations have been through restructuring.

Youth unemployment has developed differently in the Nordic countries, and this has influenced both how the problem is approached, and young people's attitude to unemployment. It turns out that overall unemployment figures affect how unemployed youth regard their own situation. The lower the unemployment rate, the more alienated unemployed people feel. That is one of the conclusions in Ilse Julkunen's PhD on the effects of youth unemployment in the five Nordic countries and Scotland.

“In a European perspective, we have done better in the Nordic countries. That is because we have had more active measures”, says Ilse Julkunen.

She now works part time at STAKES, the National Research and Development Centre for Welfare and Health in Helsinki. When she's not there, she works as clinic professor at the Finnish-Swedish Matilda Wrede clinic, one of nine regional centres of competence in Finland which act as a meeting place for research, education and practical training.

One of her conclusions is that youth unemployment in Finland is different from the other Nordic countries. Unemployed Finnish youth battle more with poverty

and social problems.

Unemployment also tends to accumulate in certain families – in other words, the offspring of the unemployed risk themselves to remain outside the labour market. She also discovered how young people from different countries had different views on unemployment. It was for instance worse, and associated with greater shame, to be unemployed in Norway and in Iceland, than in the other Nordic countries. In Finland quite a lot of people have been unemployed at some stage, and the view there tends to be that unemployment is something which can affect many.

She is worried that the problems in Finland are of a more European nature. More youths are in part-time employment or casual work. To be sure, many young people enjoy these casual jobs, but they can also be a trap holding the young back from qualifying for unemployment benefits. There is an increasing risk for a more permanent alienation when you have lack of education and support. It is important to have a network of friends and family in order to get a job”, says Ilse Julkunen.

“Families are playing an increasingly important role in solving these problems. This is a European trend which is becoming more and more visible here, and that is worrying”, says Ilse Julkunen.

Active measures

Today Denmark emerges as an exception. Since 1996, the Danes have managed to turn around the negative trend for young people. Both Ilse Julkunen from Finland and Swedish Monica Harrysson bring up Denmark as the good example.

At 7.2 per cent (Eurostat) youth unemployment, Denmark has the lowest figure in the whole

of Europe. But Denmark hasn't always been able to call itself “European champion” in low youth unemployment. Compared with the other Nordic countries, Denmark had relatively high unemployment among the young as early as the mid-70s. But since 1996, they've managed to buck the trend. Swedish youth unemployment rose from 9 to 13 per cent between 1992 and 1998. In Denmark it sank from 16 to 11 per cent in the same period. Sweden now has more than 17 per cent youth unemployment, compared to Denmark's seven. How did this happen?

There's no simple answer. This is about individual, social and institutional circumstances, says Dr. Phil. Verica Stojanovic. She has compared the Swedish and Danish efforts, both in her treatise ‘To live life as an unemployed – the relations, economy, housing situation and appreciation of work among Swedish and Danish youth’, and in her PhD thesis ‘The faces of youth unemployment – identity and subjectivity in Swedish and Danish societies’. She has also taken part in the Ministry of Education study ‘Youths on the outside’, which forms the platform for a range of measures targeted at the young. She also works with the Swedish National board for Youth Affairs to evaluate several labour market projects, as well as the so-called ‘Navigator projects’.

Both projects were initiated by the Government in order to stop young people falling outside the labour market. In these labour market projects, various organisations and associations co-operate with municipalities to find new methods to include the young. They target young people with foreign backgrounds, youths in sparsely populated areas and youths in socio-economically exposed environments. The

Navigator projects aim to make municipalities and various authorities co-operate with associations and businesses to stop youths falling between two chairs. The Navigator projects also handle support for developing youth mentors.

What can be learned from Denmark?

“Denmark has taught us that you cannot divide individuals to fit into either measures for the labour market or social measures. It doesn’t work, each individual is composed by several ‘jigsaw pieces’, and they must fit together in someone’s life. We shouldn’t shepherd young people back and forth”, says Verica Stojanovic.

Sharpened demands

She has many explanations to the Danish success. Denmark in the mid-90s activated both its educational and labour market policies to fit in with the needs of young people, and it was done even though youth unemployment was on its way down. Demands on young people were sharpened, and all youths under 25 were forced to attend either educational or activation projects, or loose social benefits. There was also increased emphasis on individual tutoring.

To increase the level of education has been, and remains, a priority. 40 per cent of Danish youths go on to upper secondary education, and that is fewer than in many other countries. Denmark has introduced a so-called year ten, or a “post-year”, offered to youths who need a transfer year between elementary school and upper secondary education. This is a sort of folk high school for young people, run as boarding schools with state support. More than half of all Danish youths attend these schools. Denmark also has a functioning apprentice system, as well

as a close co-operation between schools and working life. One in five Danish youths attends vocational education. In addition to this, there are production schools and job training courses.

“Sweden lacks that close relationship between school and working life”, says Verica Stojanovic.

Denmark also offers a special youth tutoring programme, in which all youths get guidance from elementary school until they begin their higher education. If you drop out of the system, somebody will literally come knocking. The rule is to follow young people until the age of 19, and then those who want more guidance can get this from the employment office, explains Claus Strandmark, head of Greater Copenhagen Employment Office.

Since 2002 the Danes have also been working on a labour reform, called ‘More into work’ (FIA). Councils and employment offices work together to activate youths. Young people have the right to get work and are also obliged to be at the disposal of the labour market. They can get help writing a CV, they get guidance and help creating work plans. Youths have also the right to demand practical training. FIA include all youths under 31. There is also a lot of work being put into the co-operation between municipalities and employment offices in so-called “job centres”, which are springing up all over the country. Here, employment services and councils combine offices and co-ordinate their efforts with employment and social affairs.

Work pays

In Denmark, the idea is that work should pay. Those who get work should see that it is a good idea. They get to keep their social benefit, but also get paid a small salary.

“In Sweden it is hard to make young people see that it actually pays to get active and work. For instance, what a youth makes from a summer job counts toward the revenue of the entire family, if the family lives off social benefits. In other words, children in these families haven’t got the right to make their own money”, says Verica Stojanovic.

There are other differences affecting the development too. During the past ten years, Denmark has for instance enjoyed a stronger economic upturn than Sweden. One deciding factor is Denmark’s more de-regulated labour market, and different work security legislation. Sweden still plays by the ‘last in, first out’ rule, and that affects young people’s work situation.

Individually tailored help, i.e. taking stock of the needs of each individual youth, and creating a co-operation between municipalities, labour life and employment offices seem to help cutting the number of young unemployed. The same goes for actively seeking the young people out, and not letting go.

“Individual plans of action are important. It is a good idea to monitor the life situation of each individual person, and implement measures that fit. New research also shows that forced measures don’t work for the long-term unemployed. We shouldn’t blindly believe in measures either. They won’t work if there is no work to be had, of course. It is equally important with structural measures, to create jobs”, says Ilse Julkunen.

Renewed vigour for working life

Denmark enjoys EU's lowest unemployment rates among the young, but too few take higher education. NLJ explores how to get the young going by "leading them by the hand".

No other EU country gets as many young into work as Denmark. Figures from Eurostat show that Denmark enjoys the lowest unemployment rates among young people – 7.2 per cent. The EU average is 20 per cent, and only Holland and Ireland has less than 10 percent youth unemployment. The number for Sweden, for instance, is 17 per cent.

But Denmark struggles to get young people to take further education. Around one in four 30 year-old Danes has no qualifying education.

The low youth unemployment in Denmark is certainly the result of a rather restrictive policy introduced along with the labour market reform of 1996. It meant people between 18 and 25 only got half the normal unemployment benefit. And after only six months, young people have both the right and duty to get work. At the same time, there's a follow-up of young people leaving secondary school to make sure they take further education – or at least get a job. The young are being kept on a short leash.

In Greater Copenhagen unemployment among young people who are entitled to unemployment benefits is only 2.6 per cent. When the reform was introduced in 1996, a lot was done in order to employ young people as early as possible. But it then transpired that very few secured a further education for themselves, and

today a lot more is being done to get young people to do just that.

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Pizza deliverer-effect

Torben D. Jensen, secretary general at the Association of Unemployment Insurance Funds in Denmark says one of the negative effects of the 1996 reform was the so-called "pizza deliverer-effect":

"When you make it harder for young people to get access to unemployment benefits, they go to the local authorities for social assistance [outside the unemployment insurance fund system]. "But it has also become harder for young people to get social assistance. When they ask for social assistance, they're immediately asked to – or 'forced' into – getting some communal job or other. It's called instant activation. "Those who don't want that solution, find another job as a pizza deliverer or something, which often means bad salaries and bad working conditions. They end up in a "grey area" of the labour market, and they don't

count as being unemployed. This might well be the real reason why so many 30 year-old Danes lack further education. At the same time we see a dramatic decrease in the number of young people between 18 and 24 who seek membership with us, says Torben D. Jensen.

Project Planeten

Planeten ("the Planet") in Copenhagen is one of the places where the young get solid help to get an education or to find work. The project is run by the college Technical Education Copenhagen, as part of the state education system. Planeten aims to shape the young into individuals who want to make something of themselves. There are no forced activation or other pre-historic methods here. It's all about "breaking the code" – to find that one thing in the young which will motivate them to get an education or start their own business, says Lars Erhardt Gandsø, who runs Planeten: "In most cases the young know very well what they want when they come here. Planeten's task is to coach them into working towards that goal themselves. We don't push them, but help them keep focus on their project. "They are often young people with some experience and great ambitions of becoming actors, graphic artists, painters, musicians, police officers or something completely different. They always have a plan A, which they



By
Anders
Jacobsen

prioritise, as well as a plan B. If plan A won't work, we get started on plan B."

Two types of young people

"We've got two types of people here, generally speaking: those who really want to do something in particular, and those who don't quite know what they want, only that they definitely want something – like all young people do. "We do everything we can for that first group, to make their dream come true. The others we help to "break the code", so that they can get an education or a job they like. That's exactly the kind of people who could easily fall between two chairs, and perhaps end up in non-skilled labour for the rest of their lives, even though they could achieve much more.

"They each keep a digital log about their lives, which is updated as we go along. It's supposed to reveal what they are able to do, plus what they want to do and have the skills to fulfil. We don't exclusively focus on education and previous employment. We help them find the right information about jobs, courses, economy and educations. We have a music studio, painting and graphic workshops and a lot more", says Lars Erhardt Gandsø and shows us around.

Airport worker

Karim Idrissi (27) is one of the young people at Planeten. He has got a degree from a commercial upper-secondary school and is married with one child. He's been doing quite a few jobs before he came to Planeten a few months ago. He is aware that if he hadn't come here, he might well have been stuck as an unskilled worker in various temporary jobs: "Planeten has helped me figure out what it is that I want. I used to do jobs at the airport, which I thought was exciting, so now I've been accepted to do a course from

October to be an airport worker. "With help from the people here, I've found out that I can receive a trainee salary with support from the Job Centre, to help me afford getting this education. I would never have found that out by myself", says Karim Idrissi.

Undertaker

Rachel Rasmussen (23) is sitting close by. Her dream is to be an undertaker. After finishing 10 years in basic school, she studied for one year to work in the social and health sector, and then spent three years working with elderly people for various employers. "I haven't been working since 2002, because I've had two children. Now I want to get started again, and my old dream is to be an undertaker. It is difficult and expensive, and the business seems to prefer more mature people. "So I might well have to use my present skills for a few years to get some more experience, before I give the undertaker job a try again a bit later. In any case, I've had great help here at Planeten to sort out my situation", says Rachel Rasmussen.

Police academy

David Haramija (25) has also spent time at Planeten. On 1 August he joined the police academy. "It's exciting to be here, even though there is quite a lot of theory to start with. But if I hadn't spent time at Planeten I don't think I would have started an education. I think I would have just taken various unskilled work. "Planeten helped me find teachers and the right courses to improve my grades in languages and mathematics, which I had to do to join the police academy", says David Haramija.

A bank job

Faiza Khokhar (27) has taken part one of a higher business edu-

cation, and wants to go on to part two to learn about financial counselling. Meanwhile she has got a temporary job in the Alm. Brand Bank: "Earlier I had a job at the local council, but it didn't work out that well. Then I came to Planeten a few years ago, and that was really good for me. It allowed me to sort out a lot of questions about me and my future. I joined a range of targeted courses, for instance personal development and some other subjects which improved my qualifications. And I learned to make good job applications. I now have many more opportunities, and I really feel the world has opened up for me", says Faiza Khokhar.

"We really appreciate Faiza here at the bank. She's very keen, dead loyal and hard-working – even though she's 'only' a temp. It's my impression that she's become even more ambitious since she got a real job! says her team leader Morten Vestergaard.

"I really feel the world has opened up for me", says Faiza Khokhar. At the back: Team Leader Morten Vestergaard (Photo: Annette Jønsson)



Nordic Council of Ministers:

Neighbours catching the same wind

Because they are so similar, the Nordic countries can enjoy the advantage of exchanging experiences. The Nordic co-operation is being developed in areas where one can enjoy a synergy effect. When the Nordic Council of Ministers of Employment meet, one question on the table is this: Can the Nordic model, which has been so successful and so close to its citizens, be a source of inspiration for the rest of Europe – or will it be undermined by the EU?



From left: Secretary General Per Unkel, the Nordic Council of Ministers' Secretariat, Minister for Employment, Hans Karlsson, Sweden, State Secretary Helge Eide, the Ministry of Labour and Social Affairs, Norway, State Secretary Ragnbjörg Arnlfjótisdóttir, the Ministry of Social Affairs, Iceland, Minister for Employment Claus Hjort Frederiksen, Denmark

uncommon story, illustrating the close relations between the Nordic countries. These relations manifest themselves in a generations-old co-operation between the peoples of the Nordic countries, and in the formal co-operation on a parliamentary and governmental level which paved the way for the now more than 50 years old common Nordic labour market.

There is more to this meeting than the colourful luxuriant painting of Henri Matisse and the beautiful nature of the venue. The Danish presidency has drawn up a comprehensive programme. It includes the joint fight to reduce sick leave and how to develop a better working environment, drives to increase mobility between the countries and the exchange of information on how to include more people into the labour market. But they also discuss which Nordic interests are at risk within the EU, and how best to exchange experience and information on new measures which are being

When the Nordic employment ministers meet on 15 September during the Danish Nordic Council of Ministers presidency, they do so with the exhibition Matisse – A Second Life and Louisiana Museum of Modern Art as a backdrop. They meet on the home turf of the host minister, as tradition demands. The Danish Employment Minister,

Claus Hjort Frederiksen, grew up in the small fishing hamlet of Humlebæk, a few kilometres outside Copenhagen, with a pretty view across to the Swedish coastline. There has always been a lot of contact across this sound, and the Minister himself found his wife on the other side, he explains to his Nordic colleagues. Not an



By Berit Kvam

introduced to the national labour markets.

“Iceland’s unemployment of 1.8 per cent is impressive, and we don’t understand how you do it”, says host Claus Hjort Frederiksen. In a European context, the Nordic countries are known for their low unemployment. Thanks to an active labour market policy, unemployment in Norway is now below 4 per cent, while Denmark and Sweden have around 5.5 per cent unemployment. Finland is the exception, with nearly 9 per cent unemployment. The Nordic countries are among the best in the world on almost all parameters which measure success.

“We don’t start a major reform in Norway before we have looked at what other Nordic countries are doing in the same area”, the State Secretary from the Norwegian Ministry of Labour and Social Affairs, Helge Eide, tells NLJ. “The challenges are much the same, even if the solutions might vary. But even more important than the Ministers’ meeting is the close exchange of experience among civil servants, which always provides an input into political decisions”, he says. “And the co-ordinated Nordic initiatives in the EU are also very useful for Norway.” The Ministers discuss the agenda for the coming council of the EU labour and social ministers, as well as other current topics relating to the EU.

Weakened flexibility

“EU is out of step with the flexible labour market”, says the Danish Minister of Employment Claus Hjort Frederiksen. He feels the Union is heading in the wrong direction in its work on the new directive regulating working time. “Denmark doesn’t care what working hours apply

in Great Britain. The challenge isn’t competition within the EU, but on the global market.” He also thinks the Commission is wrong to demand that state employment support must be given for a full 12 months. In Denmark, state employment support is a tool in the active labour market policy which aims to make it easier for more people to get work. For this to remain an efficient tool, it must be possible to limit the duration of the state support. “This is putting the breaks on our goal to improve flexibility in the labour market”, says the Danish Minister.

He also shares the Swedish concern for the European Court of Justice’s attitude towards the Swedish collective agreements. This is one of the consequences of the increased labour and service mobility following the EU enlargement. Sweden is one of three countries in Europe which chose to open its labour market to new workers from day one. The other Nordic countries have introduced temporary measures which impose certain limitations on the mobility of workers, while Germany has completely closed its borders.

According to a study by the Norwegian research foundation FAFO, ordered by the Nordic ministers, the increased mobility has not led to imbalance, but nevertheless unease among workers in the Nordic countries’ labour markets. In Sweden this unease is exemplified in the Vaxholm conflict, a fairly normal labour dispute by Swedish standards, which has now ended up in the EU Court of Justice. “Swedish employees are very nervous about the outcome in this case”, says the Swedish Minister Hans Karlsson. “Should we be allowed to adjust the Swedish collective agreement

system like we always did, or will this lead to change? The paradox is that the Nordic model has the best results. If we aren’t allowed to use this model in the EU, we live in a strange world. Sweden and the whole of the Nordic area will loose out if the decision making process is taken away from the citizens. In Sweden the main organisations the Confederation of Swedish Enterprise and the Swedish Trade Union Confederation negotiate agreements on salary levels. EU’s reputation will loose out if we get a ruling which limits Sweden’s collective agreement system.”

It is common for labour unions in both Sweden and Denmark to take industrial action to force unwilling employers into agreeing new tariffs, also for temporary foreign workers. If the EU Court of Justice rules against the Swedish workers, it will be a threat to the Nordic model. The Danish Minister also expresses his support to Sweden: “It is very important that the collective agreement is respected. If the Court doesn’t recognise that, it doesn’t bear to think about the consequences.”

The ministers agree to send the FAFO report “Mobility of Labour and Services after the EU enlargement: Nordic differences and commonalities” to the EU Commission. They want to highlight the joint work which is being done on the Nordic level. They also welcome the fact that Iceland and Norway, both EEA countries affected by EU regulations on the free movement of labour and services, will be represented in the High Level Group which will assist the Commission in its work on a report for the Council on the EU enlargement and temporary measures.

FACTS:

The Vaxholm case concerns the renovation of a school building in the coastal municipality of Vaxholm. The contract was awarded a Latvian company, and the work was to be done by posted workers from Latvia. The Swedish system, which includes the 1991 “Lex Britannia” amendment, allows industrial action against foreign employers who are not bound by Swedish wage agreements. When the Swedish building workers’ union Byggnads found out that the Latvian company was paying its workers wages far below the Swedish norm, they demanded an agreement with the company to secure the workers Swedish level wages. When talks led nowhere, they took industrial action. The company in its turn took the union to the Swedish labour court, and demanded a statement on the legality of the action from the European Court of Justice. The Swedish labour court gave a temporary green light for the action to continue, but also asked for a statement from the European Court of Justice. Swedish labour organisations say there is no doubt the right to carry out industrial action is a national issue. The case is now with the European Court of Justice.

Tasting the community spirit

A few weeks after moving to Norway, I did something I would never have done anywhere else. At 6pm on the dot, I left my flat to meet my neighbours in the courtyard. We planted flowers, cleaned the grounds, painted the door frames, did the odd repair, and generally made our apartment block a better place to live in.

Norwegians may think of the dugnad as just another part of everyday life, but in other countries, it would be unthinkable. I was stunned that most of the residents even showed up, and actually worked for three hours without anyone bailing out early or pretending to be wildly busy rearranging the flowerpots.

If you suggested a communal clean-up in Britain, people would probably cough awkwardly, and then would enquire whether you belong to the Communist party. Meanwhile, in my native France, the locals would fall about laughing, before patting you on the shoulder with a condescending wink and suggest we go to a café to discuss this and other world problems.

From a foreigner's perspective, the dugnad seems to be still alive and well because people here retain a strong community spirit. Only in Scandinavia have I heard people say they're glad to pay high taxes because they finance all these sensible things like financing hospitals, schools and pensions. I often hear people complaining about the high price of, say, alcohol. But at the end of the day, Scandinavians seem to trust that the state and their governments are benevolent institutions that aim to improve society.

In other countries, the state is by definition a big bad wolf. In France, many see it as an incompetent and corrupt system run by people who care only to take more money out of your pocket. Similarly, in the UK, it is often viewed as an instrument of power by the upper class to control everyone's personal lives.

By contrast, Scandinavians appear to be more active in society: they participate in their trade unions and their local associations, like the residents' committee or the neighbourhood's skiing club. If people are more involved, it is perhaps not so surprising that they see their heads of government as helping them rather than controlling them. It certainly makes for a nice change to live in a country where one does not suspect the government is out there just to get us.

Norwegians even manage to remain community-oriented despite being awash with oil money for decades. They even put the money on a savings account and do serious things with it, like building roads and bankrolling the pension system. Most other nations would have spent the money on gold-plated government offices a long time ago.

This sense of community seems even more impressive to me given that the Nordic countries are as

industrialised and urbanised as other western European nations. When I lived in London, my neighbours only started talking to each other because our building was threatened with demolition to make way for a new railway line. And in my apartment block in Paris, it was very rare for someone to talk in the lift: it was considered too intrusive and a bit weird. The attitude is 'why are you talking to me?'

By contrast, thanks to the dugnad, the residents in my building all know one another's name and we have a little chat in the staircase when we bump into each other. The other day, my next-door neighbour knocked on my door to get some sugar to bake her birthday cake, while the family dad below us came up and borrowed our camera. I was amazed they even thought about it.

This easy way of relating to one another makes Norway, and the rest of Scandinavia, such a wonderful place to live. I would not have thought I would ever look forward to getting the shovels out, but now I do.



By
Gwladys Fouché,
The Guardian,
Oslo



What future for the Nordic model?

Slash taxes and cut benefits to put an end to poverty. This is the recipe that is often prescribed by neo-liberal thinkers to solve society's woes. Doing the opposite, in their minds, would amount to kill the golden goose of economic development.

By Gwladys Fouché, *The Guardian*, Oslo

So it comes as a breath of fresh air when a book like *Social Policy and Economic Development in the Nordic Countries* comes along and builds a convincing case in favour of the opposite.

Edited by Olli Kangas and Joakim Palme, this is the first volume in a new series about social policy published by the United Nations Research Institute for Social Development. The book analyses how the Nordic welfare model has been able to develop, the impact it has had and the challenges it faces in the future.

The authors are very clear that Scandinavian welfare policies have achieved numerous victories, such as reducing hardship, inequality and social exclusion. For instance, in their study about the effectiveness of different types of family policies in reducing child destitution, Tommy Ferrarini and Katja Forssén show that the ones used by the Nordic countries have worked best because they assume both parents are breadwinners, and they are universal and income-related. In addition, they provide services that encourage more women to seek paid employment and more men to do care work.

But the main point the authors are trying to make is that high welfare spending, far from impeding

economic development, has helped it. Taking the example of Sweden, Walter Korpi explains that there is no evidence that high taxes hampered the functioning of the market. About the economists who argued that the country was suffering from "Swedosclerosis", Korpi says: "We must unfortunately say that, as far as empirical evidence is concerned, this was not their finest hour."

Kangas and Palme also argue that, since the Nordic countries have enjoyed high levels of and growth "despite" important levels of social spending and state intervention, "this suggests ... that there are ways in which properly designed social policies can contribute to growth".

However, that does not mean that the authors are unconditional defenders of the Nordic model: Kangas and Palme dismiss as "wishful thinking", "myth" and "Candide-like" the belief that the Nordic welfare model is the perfect solution to all the problems in the world.

In fact, the most appealing part of the book is Kangas' and Palme's analysis of how the Nordic model can survive future challenges. In their opinion, it is vital that Scandinavia and Finland increase the number of people in work, because they are the ones who will finance the pensions of rapidly ageing baby-boomers.

To do that, the Nordic countries need to ensure that benefits and services are universal. "As soon as we start means-testing," write Kangas and Palme, "it will affect the profitability of, particularly, low-income persons – often women – engaging in paid employment." In addition, benefits must be linked to earnings, so that "the more they earn and pay, the better benefits entitlement will be".

But Kangas and Palme also point out that none of these measures will work if individuals do not have the right resources, such as relevant skills or the adequate social services to take care of their dependants. Most important of all is that governments must apply efficient economic policies. "If there are no, or too few, jobs to apply for, good skills may not be enough to get employment."

Ultimately, the authors argue that Nordic governments need to focus on social issues that are relevant to all and allow a greater degree of individual choice, even in areas that have become subject to state intervention.

It is a very interesting argument and this makes *Social Policy and Economic Development in the Nordic Countries* an absorbing read on the relevance of the Nordic model.

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