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THE LABOUR MARKET, THE WORKING ENVIRONMENT AND RELATED ISSUES

Theme:
**PREPARING FOR
THE FUTURE**



Nordic Council
of Ministers

TRENDS

Predictions and prophecies is always a popular activity. But not even those who claim to be clairvoyants seem to be very successful at it.

One forecast which appears to be beyond debate, however, is the one concerning demographic development. It is based on known figures, namely the population and how it is divided across generations – at least in our western world. This has sparked a new way of thinking. Also the welfare state is changing on the basis of those figures.

This issue of the Nordic Labour Journal focuses on some examples of how authorities and companies are "preparing for the future". The Finnish employment programme illustrates the holistic approach taken by the government. "Finland's special commitment to disadvantaged jobseekers" highlights one of the projects aimed at helping more people find jobs.

Even though the number of working women in the Nordic countries is high, working life suffers from gender separation. To counteract this situation the Danish Public Employment Services staff are trying out mainstreaming as a tool in career guidance. An example is to be found in "Annette changes tack".

The Norwegian government are looking for ways to achieve sustainable pensions for the future when it now aims for a modernisation of the national insurance scheme. But "Norwegians are hard to convince they need to work after 62". And what is more – do employers really want them to? Our story is about a company that has won a reputation by "The best mix: old and young together".

Scania of Sweden is promoting "A health conscious company". People who feel well, are more creative and do a better job, is their way of thinking. Through continuous improvement the whole organisation is involved in preparing for the future. The purpose is to create a competitive enterprise on the basis of respect for the individual.

Who wouldn't prefer to work for a company that not only cares for the people, but aim to increase their well being and to grow on the basis of their creative ideas? If this line is trend-setting, there might be signs of a sustainable working life.

On top of the present agenda, however: jobs, jobs, and even more jobs are needed. Despite the predictions, there are still no signs of a falling unemployment rate. Even the programme director of the Finnish Employment Programme is pessimistic when it comes to reaching the target of 100.000 new jobs within 2007. "It was a high goal, but if nobody sets any goals, what happens then?" he comments.

Reality hits hard. In preparing for the future it seems like better achievements are possible.




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Editorial management:

Berit Kvam, editor-in-chief, (WRI)
 Gunhild Wallin, editor
 Solveig Hæreid, editorial assistant (WRI)
 Work Research Institute, P.O.Box 6954 St. Olavs plass,
 N-0130 Oslo. Internet: www.afi-wri.no

Phone:

+47 23369227
 +46 87206340
 +47 23369246

Fax:

+47 22568918
 mobile: +46 708138792
 +47 22568918

E-post:

beritkvam@afi-wri.no
gunhild.wallin@swipnet.se
solveighaereid@afi-wri.no

Nordic Council of Ministers: Store Strandstræde 18,
 1255 København K. Internet: www.norden.org





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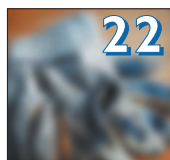
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Nordic Advisory Board:

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SE	Ann Zachrisson Nilsson, Ministry of Industry, Employment and Communications Mats Silvell, National Labour Market Board

Phone:

+45 33960360
+45 33925854
+45 56943903
+358 916048055
+358 916073124
+35 45154800
+47 23352479
+47 22244712
+47 22957060
+46 8 4051337
+46 8 58606075

Fax:

+45 33960216
+45 33143108
+45 56955109
+358 916048059
+358 916074328
+35 45112520
+47 23352757
+47 22249549
+47 22176369
+46 8 4119348
+46 8 58606032

E-mail:

rhj@nmr.dk
imp@bm.dk
r06sj@af-dk.dk
kirsti.kallio@mol.fi
barbro.soderlund@stm.vn.fi
margret.gunnarsdottir@vmst.stjris
mod@adir.aetat.no
oystein.horam@aad.dep.no
odd.einar.johansen@arbeidstilsynet.dep.no
ann.zachrisson-nilsson@industry.ministry.se
mats.silvell@ams.amv.se

Voluntary early retirement not too expensive

A new report shows the myths surrounding Denmark's early voluntary retirement pay scheme stem from misleading facts, and that savings can be made from other areas in society

By Anders Jakobsen, Copenhagen

The Danish voluntary early retirement scheme is under pressure. It is designed to offer people partial retirement from the age of 60. The government and employers think it may become very expensive for the Danish society in the long run.

But now a new report from the Association of Unemployment Insurance Funds in Denmark, "Myths surrounding the voluntary early retirement scheme", shows that most accusations against the scheme are based on myths. The early retirement scheme is not at all as "expensive" as some will have it. Nor will it be in the future.

In Denmark you are entitled to a state pension from the age of 65. In the mid-1990s the government introduced new legislation allowing anyone from the age of 60 to benefit from the flexible voluntary early retirement scheme, which entitled them to the same money as people claiming unemployment benefit – that is, more money than if they received only the state pension.

Getting the facts wrong

23 per cent of Danes are over 65. In 2040 there will be 46 per cent – a large number, but on closer examination another picture emerges.

The same applies to the total number of people who are expected to take advantage of voluntary early retire-

ment. The myths surrounding voluntary early retirement are based on bad or plain wrong data, and the scheme is by no means a threat to the welfare system as some have claimed. "There are many other areas which are more relevant to focus on if you want to tackle problems that might emerge in the long run", says Rasmus Hviid, the author of the report and project coordinator at the Association of Unemployment Funds in Denmark. "It is true that the group of older people is growing, but that will shrink again. And if you decided to abandon the voluntary early retirement scheme now, you wouldn't see the effects for 15-20 years, when far fewer will actually need that kind of retirement. "If you simply bring today's figures forward, we will have 160.000 people on voluntary early retirement in 2020. But we have calculated that realistically, there will only be around 110 -120.000.

Burnt-out employees

One of the myths will have it that people will take advantage of voluntary early retirement without really having the need. The report shows the people who do use the scheme are, to a large extent, blue-collar workers with short educations, as well as people who started working at a very early stage in life – those who typically suffer from "burn-out".

Only around 14 per cent of those on voluntary early retirement are white-collar workers. People with longer educations do not use the scheme to a large extent.

"The voluntary early retirement is a good alternative for older people and those who are burnt-out, and it is better than social welfare money.

The older workers are the last to feel the benefits of economic upturns. Also, the voluntary early retirement money can be used to gradually end your working life, says Rasmus Hviid.

A lot of money to be had

The Danish Association of Local Authorities says there will be 100.000 fewer workers in 2030.

"That will only happen if nothing is done. For example, we have half a million people on early retirement, and if just 10 per cent of them got back into work, that would be 50.000 people. There is really a lot to be gained here, especially if these people are not very old. The same goes for unemployed immigrants from non-western countries. If they get onto the work market from an early age, we can save a lot.

"That would have much greater economical value than for instance a craftsman who works for perhaps a few more years, says Rasmus Hviid.

The jigsaw of life...

Three public authorities in Sweden are co-operating to encourage Swedish employers to make it easier for their employees to combine work with parenthood. As part of a larger campaign, they are now sending out a jigsaw to 6.500 employers, with the question: "Work and family - How easy is it to make the pieces fit at your place?"

By Gunhild Wallin, Stockholm/ Oslo

The Swedish equal opportunities law says employers must help their employees combine work with family life. In spite of that it looks like employers are more hostile than ever to working parents. The worst development within gender discrimination at work is to be found in attitudes towards pregnant women, according to the Equal Opportunities Ombudsman (JämO).

"How people look after their children is a private question of existential proportions. But it is also a question for society. Freedom of choice is of the essence. We do have freedom of choice. Women and men can in theory decide for themselves what they want to do. But in practical terms there are obstacles preventing people from taking parental leave, which you might expect them to do," says the Equal Opportunities Ombudsman, Claes Borgström.

That is why JämO, the County Administrations and the National Social Insurance Office in Stockholm have taken the initiative for "ChildrenANDwork", where they all work with tasks concerning parenthood and professional life. The National Social Insurance Office, for instance, will encourage all new fathers to take advantage of as much parental leave as possible. But the project goes wider. It also looks at what happens after parental leave is over. How do women and men combine work and family life? And how are employers given incentives to follow the law, and to help their employees with this?

"With parenthood comes parental leave, and our quest is to influence attitudes, patterns and other factors which make up real obstacles," says Claes Borgström.

They started by finding good examples. 53 businesses, which had been praised for their good work on equal opportunities, were asked what they were doing to help their employees combine children and work. 39 of them answered, and their experiences were very positive.

Half of them said the co-workers had become happier. They saw an increase in comfort and work morale, and the work environment improved. Some answered the workers had become better motivated, that personnel costs had gone down, along with both short and long-term leave. Many of the employers questioned also felt their work to make parenthood easier gave them the competitive edge in the fight for desirable manpower. It was also easier for them to hold on to co-workers and to recruit new leaders internally. These findings were also confirmed by a survey done by the trade union JUSEK, which represents lawyers and some other employee groups. They concluded one in every three academics chooses employer in light of how they help making it easier to combine work and family life. 40 per cent of female academics choose their employer based on that.

Being a prosperous worker is dependent on having support from leaders. "The work for equal opportunities needs to be active and not



'superficial', and that demands the 'correct' attitude from leaders", writes one of the survey participants. Another says it is important for progress to actively identify the opinions and needs of the employees. The survey presents many concrete proposals for easing the lives of new parents. Paid parental leave is important to get parents to take the leave they are entitled to. It is also easier for people to return to work if they are kept informed about what is happening there while they are at home with the children. Flexible working hours, the opportunity to work from home and that pay is adjusted to the current level when people return after staying at home, are all important measures.

Part two of the project will be to gather the conclusions and the good examples, and distribute them with a jigsaw entitled "Work and family - How easy is it to make the pieces fit at your place?" At the same time, JämO will investigate 40 employers to see what measures they are implementing in this context.



The hunt for innovation knows no borders

Today, all countries are seeking the ultimate environment for innovation and creativity. The Nordic countries are looking to each other for help. In January this year the Nordic Innovation Centre, NICE, was established in Oslo. Financed by the Nordic Council of Ministers, its ambition is to make the Nordic countries leading innovators in Europe

By Gunhild Wallin, Stockholm/Oslo



Photo: Sverre Chr. Jarild

"I believe we've got a very good chance of success. The co-operation between the Nordic countries is unique, and creates added value. Standing alone, we probably won't succeed. But when we pool the Nordic competence on specific areas, we become interesting and worth listening to", says Kjetil Storvik, managing director at Nordic Innovation Centre.

He is confident the Nordic countries can achieve a lot if they work together. One example he uses concerns food safety. The Nordic countries have been co-operating on foodstuff research since 1992, and one year ago they established a committee to develop and intensify this cross-border research. Their goal was to create interest among at least five more EU countries for a common project on safer food. The result was beyond all expectations. The network now consists of 17 countries altogether, and the hope is for the project to be included in the European Research Area Net (ERA-net).

"This is a model example, where you can see the value of Nordic co-operation. By working together we have a stronger voice and can push the causes closest to our heart even further," says Kjetil Storvik.

NICe has at its disposal 15 staff from all the Nordic countries, as well as 7,5 million Euro. That makes them the largest business project within the Nordic Council of Ministers right now. The idea for NICe grew out of the Nordic Industrial Fund and Nordtest, two institutions which were both working to support innovation and business projects. They reckoned they could achieve more together, and got support from the Nordic Council of Ministers. The new centre has now chiselled out ideas, business areas and management models, says Kjetil Storvik. The goal is to stimulate Nordic trade and industry, with special focus on small and medium-sized businesses. There are many methods, and they change according to needs.

"You can't separate innovation from commercial success. Creating new things is not necessarily innovation, you must also create value," says Kjetil Storvik.

Kjetil Storvik disagrees with those who talk about innovation and research as if the two are automatically interlinked. In his view, that is not the case at all. Research does not necessarily lead to innovation, and there is also a lot of value-creation going on which does not stem from research – for instance in areas like design, marketing, leadership and organisation. The goal is to be on the forefront in both research AND innovation. That's why NICe are developing an "innovation book", together with trade and industry. It is due in May, and is supposed to complement the white paper presented at the Nordic Council session in Oslo last autumn. A further ambition is to merge the processes, but it is important to create a system with which trade and industry can identify, says Kjetil Storvik.

"When talking about research and innovation, what people often have in mind is natural science research.

That research is important, but does not cover everything. Large portions of trade and industry are not dependent on that type of research, for instance tourism and finance."

NICe initiates concrete projects. One such project is the safe removal of lead and other heavy metals from electronic products produced in the Nordic countries. It is supported by several large players in the field – Bang & Olufsen being one. There is another project of co-operation on robotic submarines, a third looks at ways of building a network for sustainable tourism, yet another concentrates on waste management for treated wood. Invitations to seminars and networking initiatives are fighting for space. These are but a few examples, and the list goes on.

NICe is also involved in the exchange of knowledge between research and business. What is being done, and where? Is there parallel research going on without people knowing what others are up to, or is there an important area of research which is missing? Another priority for NICe is networking. A lot of NICe's work is about "best practice" and "matchmaking". Kjetil Storvik has one example – a project called "Business Angels", which tries to link people with risk capital to interesting ventures.

"Our task is to stimulate individuals to invest in different projects. People who do have money to invest are often rooted quite locally, but we can put them in contact with similar trade environments in other Nordic countries," says Kjetil Storvik.

NICe uses "think-tanks" for inspiration, which consist of experts and professionals from the different countries. Through them, NICe wants to help setting the agenda for innovation. This is where they bounce new ideas and innovation strategies around, for instance for

areas like tourism, nano-technology, environment, e-trade and IT – to mention but a few. Another task is to link creative professions to innovative projects. Last summer, for instance, they went to all the large Nordic rock music festivals to make contact with young entrepreneurs. NICe has also been financing projects aimed at increasing the number of female business leaders, in the belief that diversity fuels innovation. Each project getting economic support must consist of people from at least three Nordic countries, and the two other countries must have been invited. That is not always easy. Some are reluctant to look to their Nordic neighbours, and it is not rare to find a lack of knowledge about what is going on in the other countries.

Another of the three main points for NICe, is to create a borderless Nordic area. Even after many years of co-operation, there are still many obstacles for businesses and people who want to move across the borders. Work is underway to find out what has been done, and what needs doing.

"It is basically smart to expand your immediate surroundings. No matter your international ambitions, it is good to make use of your neighbour. If you want to paint a house and haven't got a ladder, you go to your neighbour and borrow one. You don't find one though shopping through the whole of Northern Europe," says Kjetil Storvik.

"It is not about creating an alternative to the EU – on the contrary. A Nordic co-operation is about having more alternatives than your own national starting point. If all the Nordic countries were EU members, the Nordic co-operation would have really taken off," reckons Kjetil Storvik.

Preparing for a future labour market

Unemployment, gender segregation, early retirement, sick leave and lack of inclusion are key challenges to working life in the Nordic countries.

What is needed to change this picture?

How are governments and companies preparing for a future with a growing elderly population and fewer young people entering the labour market?

Are there any signs of a more sustainable working life?



Photo: Søren Wesseltøft (M)

Finland's special commitment to disadvantaged jobseekers

A Finish pilot project providing special services for the long-term unemployed becomes permanent. An ambitious programme will establish 25 so-called employment service centres across the country. It is part of the government's ambition to create 100.000 new jobs during this parliamentary term.



Photo: Cata Portin

It's Friday morning in Alberga district in Esbo, a Helsinki suburb. Seppo Lainesalo, 51, has come to the service centre Platstorget to surf on the employment centre home pages for vacant positions. It's one and a half years since he lost his job as a caretaker when the firm he was working for closed down.

"I'm looking for something in the same line of business, and I sometimes come here to have a look at the websites."

Lainesalo is convinced he'll find something, but as time is passing by, he is considering adding to his labour market training by attending a course in sales. For 12

years he worked in the Soviet Union, until the end of the 1980s. He was selling equipment for air-conditioning among other things, and hopes that his knowledge of Russian and the country's culture can be of help.

He thinks the employment centre's services are good, as long as you know what to ask for and are pro-active.

"Though sometimes it feels like they're training people for unemployment. That forces people to take an education they don't want. I started a sales course with thirty people, but nine quit immediately, because they were forced to attend and had no interest in it whatsoever."

For the long-term unemployed like Seppo Lainesalo, Finland is about to create a work model where different authorities will co-operate to support the jobseekers. The model is based on a two year old experiment at the present employment centres, where social authorities and others were involved to help clients master their lives, seek jobs and help them with rehabilitation and getting back to work. The Ministry of Labour has granted funding for 15 so-called service centres and 10 additional service points.

In all 40 employment service centres are due to be established between 2004 and 2006.

In practical terms, the responsi-



By
Carl-Gustav Lindén,
Helsinki

bility will be equally divided between the Ministry of Labour and the local authorities, and 430 staff will be recruited.

At the regular employment centres the staff will concentrate on clients who are interested in the open work market.

Esko Karjalainen is assistant manager at the Public Employment Services (PES) in Esbo, and he is busy recruiting staff for one of the new service centres. Around forty new positions will be created. Esko Karjalainen is a psychologist and has worked with jobseekers since 1989. That means he has been working with employment programmes over a period when Finland went from full employment to mass unemployment – and until today's situation where around 200.000 potential employees are without jobs.

"There is a clear demand for this service, which is more individual and long term. We support the clients even when they are already part of employment schemes. We have more staff than clients, which makes this possible. In ordinary employment centres you find 500 clients per staff."

Last year, there were on average a good 70.000 long term unemployed and 115.000 structurally unemployed in Finland. The thought behind the new model is that these people should be prepared for the open job market, in view of the fact that Finland sooner or later will be hit by a shortage of workers. The government's aim is to create 100.000 new jobs. The employers are still not very enthusiastic.

Esko Karjalainen has many personal experiences with employers being suspicious.

"They often wonder why a person has been long term unemployed. But we also have quite

good experiences, because we have found work for hundreds of our clients", he says, and underlines that it is impossible to say who will eventually end up getting a job. Seemingly hopeless cases succeed, while jobseekers with more potential remain without a job. "Out of every thousand, five hundred get a job, but we don't know whom it will be."

Unemployment in Esbo is close to seven per cent, despite being in the Helsinki region, which has long been Finland's economic locomotive. The number of potential clients in Esbo for the new model is 4000-4500 people. Esko Karjalainen has no great hopes for quick results, and feels focus should rest on qualitative criteria, like better health or a new life situation.

"The basic aim is of course to get people into work on the open market, but people must understand that it takes time", he says, and tells the story of an unemployed man who, when he in 1998 started on a scheme to get back to

work, had a drug problem. But he got rid of it and is now in vocational education. So for him, after six years it is time to start looking for a job.

What goals have you set yourselves?

"You can't have far-fetched or unrealistic goals. We succeed with some of them, but not all. We remember the positive cases. When someone gets a job, we celebrate and punch the air in triumph – sometimes we have coffee and a bit of cake."

The long term unemployed and victims of structural unemployment do not fit into a homogeneous group. There are fifty year-olds with long work experience who might have a drinking problem. Their situation can be easier than that of a 25-30 year-old with no education and only limited work experience.

"Long-term unemployed people with higher education make up a challenging group, because they set themselves higher goals."



Foto: Cata Portin

Harry Skog: "If we get 150.000 people out of unemployment, it's worth the money."

Preventing marginalisation

Harri Skog is programme director and responsible for the government's employment policy programme, which draws upon civil servants from six government ministries. The goal is to increase the level of employment and prevent marginalisation as a result of unemployment. Young people should start their education earlier and finish earlier, while older workers should be expected to stay in employment for longer. There should be improvements in health and work conditions, and the balance of work, family life and spare time should improve.

The public debate surrounding the employment programme has mainly concentrated on whether the government will reach its main goal – to create 100.000 new jobs by 2007. The percentage of people in work should rise from 66,5 to 75 per cent. But since the Prime Minister, Matti Vanhanen (The Centre Party) made the promise in the summer of 2003, around 15.000 jobs have disappeared, and by early next year the government will be back to where it started.

"It was a high goal, but if nobody sets any goals, what happens then?"

The employment programme is underpinned by the government's programme for businesses as well as lower taxes, lower employers' contributions and direct employment costs.

According to Skog, the employment programme is somewhat similar to the Danish model, where local authorities take care of those who aren't actively seeking work, while the state supports the active ones. Some ideas also come from Great Britain, where those on state support are really given a lot of attention.

Finland has experienced a fast employment growth. During the 1989-1993 depression, almost half a million jobs disappeared. But then the economical upturn gained momentum, and 40.000 new jobs were created between 1997 and 1998. The Paavo Lipponen (Social Democrat) government more or less succeeded in fulfilling their promise of halving unemployment.

The present government's promise is based on the belief that economic growth means more jobs to more people, but that does not hold water with most economists, who doubt the government will reach its goal. Harri Skog does not think the task is impossible, but he is pessimistic.

"In industry the long-term trend seems to be that there will not be more job creation, and within the service industry the growth has declined."

Harri Skog says the important thing now is how businesses are restructured, and that there is not much more his staff can do than fulfil their part of the deal. When businesses start hiring, there should be people waiting outside the gates.

"I look after the supply, now there is the question of the demand."

The state's share in the employment programme runs to nine million Euro.

"If we get 150.000 people out of unemployment, it's worth the money."

No growth, no new jobs

The Finnish economy is completely dependent on exports, and weak demand in Europe has forced businesses to tighten their belts. In early autumn there was a huge debate surrounding the Salcomp company, which made a conscious decision to move production to southern China and closed its factory making mobile telephone chargers in northern Finland. Almost 300 people lost their jobs in a town which had little else to offer in terms of employment. It was all the more serious because the deadline for paying back the state support for starting up a business had just run out.

The debate surrounding outsourcing has continued during the autumn. About 30.000 industry jobs in Finland have disappeared since 2001, while the public and private sectors have not been capable of compensating for it. Only a few jobs have reappeared in other countries. One example: In January 2004, the ship power supplier Wärtsilä announced it would stop producing ships' diesel engines in Åbo, and move production to Trieste in Italy. Around 500 people lost their jobs, along with many others working for sub-contractors. But no new jobs were created in Trieste.

So there are no signs industries are planning to hire people on any large scale in Finland. On the contrary, the enlargement of the European Union will see low-wage jobs disappearing to the Baltics.

A rule of thumb is that employment rises when economic growth compared to gross national product (GNP) reaches three per cent. But signals of an economic upturn are still far too weak, and Finland will not reach the three per cent level until next year – if then. To talk about growth without jobs, like in the United States, is wrong applied to Finnish reality.

Annette changes tack

Annette Pedersen decided she wanted to become an electrician. She simply changed tack to get out of unemployment. She is 37 years old and lives alone with her child. Fifteen years ago she trained to become a technical assistant, but she only made use of that education for a relatively short time. She has had a variety of different short-term unskilled jobs, but she has also had periods of unemployment. A couple of years ago she had the opportunity to sample the electrician's profession, and decided to begin as an apprentice – in a profession normally regarded as a "man's job". But she has no problems with that. The training takes four years, and she is currently hired as an apprentice in the recycling company KARA i/s, a local council-run business in Roskilde in the middle of Sjælland.

Career change

Becoming an electrician wasn't entirely her idea, she tells the Nordic Labour Journal (NLJ): "I had been unemployed for a while, and the PES suggested I attended some career change courses. So that's what I did. I haven't regretted it, but I think I'll have to get used to the fact that there's quite a lot of "male talk" at that kind of work place, Annette Pedersen says with a smile.

She is now one of the relatively few, so far, who have killed two birds with one stone; she is about to enter a trade which will make her equal with men both professionally and with regards to pay. It can be as simple as that. But in reality it is far from being that simple. Like the other Nordic countries, Denmark has used legislation and other methods to fight gender inequality in the labour market. But a clear gender division remains, manifesting itself in unequal pay and in who gets what job. These two issues are closely linked.

A new tool

A new tool which looks like it might push the process forward is now being tested on the Danish labour market: mainstreaming of



Annette Pedersen is secured both a job and a good (and more equal) salary, because she changed from a typical "woman's job" to becoming an electrician – and that happened because the PES in Roskilde opened her eyes to other possibilities than the usual ones. (Photo: Søren Wesseltoft)

the gender equalisation process, when the Public Employment Services (PES) staff give careers advice to jobseekers.

The plan is to completely integrate the strategy into the work of the Ministry of Employment. Anne-Marie Jacobsen is the gender equality officer at the National Labour Market Authority. She explains the strategy to NLJ:

"We started a few years ago with pilot projects in three PES

regions. Then we ran pilot projects in three more PES regions and today the remaining eight regions are also included.

"It is all about matching the jobseekers with jobs by giving careers advice which takes into consideration all the job-seeker's qualifications.

"We have documentet that through this method alone we have come some way to break down gender divisions in the work market. If your starting point is



By Anders Jakobsen, Copenhagen

people's qualifications - rather than their sex or the gender "tradition" of the profession - you'll find many women who do have the qualifications that can get them the jobs which usually go to men - and the other way around.

"Another task is to make people change careers and aim for where jobs in fact can be found, and perhaps also a safer future. It can for instance be very difficult for office assistants to change tack and get a job in a different area of the work market altogether, but it is necessary.

"PES staff should be able to identify all the skills of the job-seekers. Knowing their title and what was their last job is not enough. You must ask questions to discover all the skills a person has.

"In the short run, people will get back to work faster. In the long run we will have a better way of finding the right people for the right jobs, which again provides a much better foundation for the work force. And the work force will be more flexible and prepared for career change, says Anne-Marie Jacobsen.

Local challenges

Kirsten Høyer and Kirsten Melbye are the two gender equality officers at the PES in Roskilde who helped Annette Pedersen. Their first objective has been to get more people back into work. But they have also worked hard to help break down the gender divisions in the work market. Introducing mainstreaming into daily careers advice, however, is definitely hard work and a long-term task.

"The whole office has to be involved, and you need not least

the backing of the management, which we do have", says Kirsten Høyer. If a careers advisor wants to make the jobseeker change careers and break the pattern, the careers advice must change.

Kirsten Melbye adds: "We've tried to "mainstream" how people are brought back into the work market, by focusing on bottle-neck areas. It is especially important to get women to change tack - and trade. That's what Annette Pedersen did, amongst other things, when we suggested it to her.

"Our attempts got several jobseekers back to work in the bottle-neck areas - from 11 to 35 per cent. But it isn't easy to make people change careers. To take one example; it's not very difficult to make a female office assistant choose work in the social and health sectors. But it is very groundbreaking for her to become an electrician, says Kirsten Melbye.

Annette Pedersen has broken ground, and she is happy she did it. She can look forward to both a safer job and a considerably higher salary than the one she has taken home so far. But as a woman it will probably be harder for her than for her male colleagues to get promoted.

Still different salaries

The Danish Confederation of Trade Unions and the Danish Employers' Organisation have published a comprehensive study which shows there are still marked differences in salaries for men and women. It took into account work function, education, trade, experience, working hours, shift work, pregnancy leave, geography and children.

In manual work, men earn on average 15 per cent more than women. In non-manual work, men earn on average 20 per cent more than women.

The Nordic countries

The number of employed women in the Scandinavian countries is markedly higher than in most European countries. But the development towards more equal pay is not moving forwards. That is partly due to a trend towards a society more suited to the individual.

Jenny Lindblad, who works with gender equality at the Swedish Confederation of Trade Unions, tells NLJ the progress towards equal pay has been very slow for the past 25 years. And in the 1990s pay negotiations became more decentralised, which did not help the cause of equal pay.

"There have been some positive developments here lately, because again there's a tendency towards more collective pay agreements, which means it is easier to take such things into consideration", says Jenny Lindblad.

In Norway women earn on average 86 per cent of what men earn for the same work. The discrepancies are larger for older workers than for the younger - perhaps it will get better in the long run. Rita Lekang at the Norwegian Confederation of Trade Unions tells NLJ:

"Over the past 25 years, equal pay hasn't happened as fast as we've wished for. There's been progress in some areas, in others it's been the opposite - for instance in the public sector on council level, says Rita Lekang.



The best mix: old and young together

"We should look after our senior staff, but it is not our intention to turn Linjegods into a workplace exclusively for older workers. We must also attract the young, so that we get what we call a success mix of age groups, says Asbjørn Aanesen, who is organisational director at Linjegods. He is responsible for making as many staff as possible stay on in the distribution company – until they reach retirement age.



Svein Kristoffersen has worked in Linjegods for 29 years.

unions, it has negotiated a settlement where members can retire at 62, with a slightly lower pension. Counting those who retire because of ill health the real retirement age is even lower. In Linjegods it is only 58,3 year.

Watching the speed of work in the 350 metre long terminal, built around the same principle as airport luggage handling halls, it is easy to see why this is a workplace which can wear employees down. Both trains and trucks arrive at the terminal from abroad and from Norwegian companies. Parcels are unwrapped and put on a ramp which takes them up to a main conveyor belt circling through the entire terminal. Each parcel is marked with barcodes indicating its destination. A computer scans the code and makes sure the parcel heads in the right direction before being packed into containers, which are then picked up by a different truck.

"The most demanding work physically is stowing the parcels into the containers. The parcel should not weigh more than 30 kilos, but that rule is not always respected, says Svein Kristoffersen.

If a barcode malfunctions, or if a parcel stays on the conveyor belt for more than three rounds, it is brought into a special room where



*Text, photo:
Björn Lindahl,
Oslo*

In the 350 metre long freight terminal at Alnabru, where 20.000 parcels can be handled during one single shift, Svein Kristoffersen has a simple recipe for making more people work longer: "Shorter days and more money," he says.

He himself is 60, and should be working for seven more years before he can retire. Norway has one of Europe's highest retirement ages, but that is on paper only. Svein Kristoffersen is part of the transport workers' union. Like many other trade

Svein Kristoffersen quickly must work out the parcel's destination. He fixes a new barcode to the parcel and sends it back out to the main conveyor belt. Using computer screens, he also monitors the entire freight facility, making sure everything works as it should. Even though he doesn't have to do any lifting, approximately one in eight parcels end up where he is working, and they all have to be turned around and examined.

"I've said that if I stay healthy, I'll keep working for at least another year and a half. Then we'll see what I manage", he says.

It isn't just the work which is tiresome. Every day he and his wife Astrid drive 70 kilometers from their home in Eidsvoll to Alnabru.

"We both work the evening shift now, but when the children were young we only saw each other when we met on our way to or from work.

Svein Kristoffersen has worked in Linjegods for 29 years, first as a driver, later in the freight terminal.

"The job I've got now is easier than being down on the ramps. But there is still a lot of wear on the neck and shoulders," he says.

Senior workers needed

The average age of the 200 freight handlers working at the Alnabru freight terminal is 37,5 years. But for the whole of Linjegods the number of older workers is set to increase considerably over the next few years.

"When we last analysed the situation a few years ago, 25 per cent of the workers were between 50 and 67. By 2010 that percentage will have risen to 37", says Asbjørn Aanesen.

At the same time there was an increase in sick leave, and an

These are the measures which Linjegods has implemented to keep hold of older workers for longer:

- Preventative measures to reduce wear and to adapt tasks to fit older workers
- An attitude campaign to show how valuable the older workers are
- Inviting all workers above 55 to discuss their individual needs
- A seminar for all above 57, to motivate them to continue working
- Developing senior careers and tasks especially adapted to senior workers
- The possibility to work part time and at the same time receiving money from the agreement-based early retirement scheme
- The possibility to work 80 per cent on a 90 per cent salary
- The possibility to transfer from shift work to normal day work, with partial compensation for lost income
- Bonus for those who work for longer. At 65, 66 and 67 they receive one, one and a half or two monthly salaries.

increasing number of employees took early retirement, or retired for health reasons.

"In face of a 10 per cent turnover demand, we're going to need to replace workers to the tune of 1.150 full time positions."

The cost of hiring and educating new staff, in addition to the high percentage of mistakes they make at the start of their career, is a great expense for Linjegods. The company has 1.120 employees and a turnover of 225 million Euro. At the same time fewer and fewer young people are entering the work market.

"We've identified the developments in the work market earlier than other Norwegian businesses. Already a few years ago we started looking for ways to make it easier for senior staff to stay on and work for longer."

They examined both preventative efforts to avoid workers being exposed to wear, and also how to adapt tasks to better suit the older workers. There was also a need for economic incentives. But equally important was a change of attitude within the company.

"It was important to realise the senior workers are a resource. Each senior worker who we



*Asbjørn Aanensen:
“Older Workers
are needed”.*

manage to hang on to for longer brings double gains. We avoid recruitment costs, and have an experienced person who can train the younger ones.”

All this was new to many of the senior workers. The company no longer looks for ways to pay off older workers to retire early when it needs to cut back on costs.

Age is no longer relevant. Now every worker above 55 is invited to discuss how his or her work conditions can be individually adapted to them. There is also a yearly three-day motivational seminar at a mountain resort.

“Many who went there thought they would only be told how large their pensions were going to be”, says Svein Kristoffersen.

Instead they were told how much they were needed, about special senior contracts and how the company was ready to adapt to their needs.

Perhaps when it comes down to it, these are the arguments that stick: older workers are needed and their competence is in demand.

“Our work with senior workers has also taught us that there are other age groups out there with individual needs. We will now move on and work with them”, says Asbjørn Aanensen.

Norwegians hard to convince they need to work after 62

To avoid a future total collapse in the Norwegian retirement system, more people have to work for longer. That is the main message from the Norwegian Pension Commission. But how realistic is it to expect those between 62 and 66 to continue working? And do employers really want them?

Norway’s official retirement age is 67. But almost all employees have negotiated a settlement which

allows them to retire early through the so-called agreement-based early retirement (AFP). It

allows people to retire at 62 and still receive the pension of a 67 year-old. If you count those who

retire due to ill health, the real retirement age in Norway is 61. In their report “Modernising the National Insurance Scheme – Sustainable Pensions for the Future”, the government-appointed Pension Commission has suggested to change the rules and grant people who choose to work until they are 67 a larger pension. That has angered blue collar unions. They say it's not your age, but how long you have been in employment that counts.

“Take me for instance. I started full-time work when I finished elementary school in 1960. I was 14. I could leave work with a voluntary early retirement pension when I'm 62 in 2008. At that stage I will have been working full-time for 48 years”, says Frank Holm, deputy leader at the Norwegian Transport Workers' Union.

“You didn't need to read much of the Pension Commission's report to understand it will be our members who will loose out – drivers, storage workers and those working on the docks. These are people who are pretty much worn out by the time they're 67.”

The reaction has been as hostile from trade unions representing low-income female workers.

As in most other European countries, Norway has an ageing population. The baby boomers from the post-world war two era are reaching retirement, while fewer and fewer young people are replacing them. Today, nine per cent of the country's gross national product (GNP) goes to pay pensions. Without a change in the system, this will more than double to almost 20 per cent of GNP by 2050.

The increased costs stem from people living longer, retiring earlier while at the same time having earned the right to a higher pen-

sion. In the transport business 52 per cent of all members between 62 and 67 have already retired. That has also been a priority for the Transport Workers' Union.

“The agreement-based early retirement (AFP) was introduced so that those who have the most physically challenging occupations should have the possibility to quit professional life in a dignified way. It happened after negotiations between unions, trade and industry and the authorities, when workers gave up pay rises to help the older members”, Frank Holm points out.

He feels the Commission is living in its own theoretical world.

“The commission is on a collision course with itself when its proposals are tested in reality. If you design a system where those who work longer are rewarded, you're presuming that the employers actually want to keep that age group.

“Today it is always the older workers who loose out whenever a company closes down parts of its business – fusions or fissions or whatever they call it. If we want the older workers to work longer, we need a law banning employers from sacking older workers when they need to scale down their business.”

There also doesn't seem to be much desire to work longer among the “younger older” workers – a term for the 62-66 year-olds coined by Statistics Norway.

“The amount of time that this group spends working, including the commute to and from work, has decreased by 40 per cent over the past 30 years”, says Odd Frank Vaage. He's been responsible for the comprehensive time-survey which Statistics Norway performs every 10 years.

The largest change came during the 20 years between 1971 and 1991. After that, the downward trend for the whole group has stabilised. Today 52 per cent of people between 60 and 64 are in work.

That is not a particularly low number compared to other European countries. Only Iceland has a higher rate of active workers than Norway. 83 per cent of Icelanders between 60 and 64 are in work, a number far above the rest of Europe. But even within the Nordic countries there are large differences. The numbers are 53 per cent in Sweden, 34 per cent in Denmark and 27 per cent in Finland.

Norway does have a gender difference in the number of active workers. In the age group 60-64, 56 per cent of women are employed. The average for EU countries is 33 per cent for men and 16 per cent for women, according to Eurostat.

Using the argument that pensions are higher the longer you work, might not be the carrot it was meant to be. When 50-61 year-olds in Norway were asked their main reason to retire early, they answered that their “own economy permits it”. Then came health reasons and that work was physically challenging. People with higher education, and women, are those who are most likely to work longer.

“While Norwegian men and women were equally reducing their working activities until 1991, the women have since started increasing the time they spend in paid employment to 65 per cent. Working women among the younger older workers spend almost as much time at work as young women do.”

A health conscious company

"People who feel well are more creative and do a better job. The result is a win-win situation," says Gunnar Hedlund, head of the health and work environment unit at the Scania buss and truck- factory in Södertälje in Sweden.



"Our concern is the whole person. We take responsibility for the work environment, but we must also make sure that those who work here feel well outside of work", says Gunnar Hedlund.

"That's why we've gone from thinking work environment to thinking health. Today's greatest challenges aren't accidents and occupational injuries, but mental stress because you have too much on your plate. The job is part of it, but it is also about creating a balance in life.

Gunnar Hedlund has started a journey together with the others in the management group – the leadership journey. There are no external teachers, we are our own teachers, he says.

"It's an inner education, with no beginning and no end. It is an ongoing journey, where you meet at regular intervals, talk about assessments, about attitudes, how we regard each other, how we treat each other and so on. It's all about creating common values, and gaining common attitudes. We are trying to build a shared picture and continuously move forward."

Scania Production System is

based on development though continuous improvement. That involves moving from a reactive to a proactive way of working. Management has its leadership journey, the machine operators have their improvement groups. The core activity is production. This is where the product is created and developed further. Teamwork is the engine of the development. The task of the leadership is to provide support and add competence. At the bottom of it all lies a triple philosophy: The customer comes first, respect for the individual and eliminating the waste of resources.

Where the engine is born

Scania worldwide employs more than 29.000 people. There are 7.000 people working at Scania in Södertälje, 550 work on Transmission Production, out of whom 450 are machine operators working in three work shops, in four times three shifts.

Thomas Westerlund at Human Resources-Transmission Production shows us around the production hall. Enormous machines help produce parts for an engine, which will be put together at another unit in the

company. The machine operators are responsible for the smooth running of the production. Not only for the particular machine they're working at, but for the optimal running of the production which their work team is responsible for.

The unit, Transmission Production, consists of 81 improvement groups, meeting weekly to discuss experiences and share knowledge. Each improvement group has a big board in the area where they work, showing routines, objectives, improvements and suggestions. That way everybody can keep up to date on how their group is doing compared to the goals that are set. The improvement work is all about identifying what must be done, when it is to be done and who is responsible for making sure it is done. The machine operators Stefan Bäck and Martin Classon show us how the whole thing works.

"We have been given more responsibility, more to do, but our salaries haven't gone up to reflect it", argues Martin Classon.

"Yes, there is the problem that the salary system was created before we got going with the new production system", says Thomas Westerlund, but underlines that they are working on that now.

Stefan Bäck and Martin Classon have been working at Scania for ten years. Both have vocational further education, paid for by the company. Although they are not on the same team, they seem to agree:



By Berit Kvam,
Oslo

"The best with working at Scania? The mates."

"The experience with the new production system?"

"Well, there is more order and it's more tidy."

That is good, they feel; it makes the work place both nicer and safer, and it is easier to keep it clean and tidy when everything has its place. A complete scrub-down of all the machines makes it easier to discover a possible oil leak and to do something about it. Thus there is less wastage. And they'd rather work for Scania than for a competing company.

"At Scania we have more freedom and better salaries", says Martin Classon.

"But look here", he says and points at the board.

"This is the goal, this is how we're doing. To reach that goal we're dependent on other units doing their job. We must know what the customer wants, before we can start."

Healthy presence

Among the 550 employees in Transmission Production, four are on long-term sick leave. Sick leave is not really a term which is much in use anymore. It is a healthy presence that counts.

"It is so huge when we talk about health and work environment at Scania, that I usually say it's like an amoeba because it involves so much," Gunnar Hedlund says.

He is not so keen on talking about the fact that money is also being saved. But of course, when the fight for employees gets tougher in a few years time, it is important to have a good reputation. The customers are also beginning to make new demands. They have already won a large contract because of a good work environment.

A proactive attitude has consequences also for the perception of how leadership is carried out, he says:

"If we say we want the employees to feel well, leaders must also contribute to that. The leaders' task is to be observant enough and be sufficiently engaged in their co-workers to offer them help before they actually need to go on sick leave."

There are a range of tools to choose from, depending on where the problem lies. One offer open to employees is a large "health ward", which is visited by 5-6000 people every week. Another and more unique offer is the health school. Gunnar Hedlund explains:

"If a person is repeatedly on short-term leave – which almost always precedes a long-term leave – the leader can offer this person time at a health school. The health school takes up half the working time for a period of six weeks. After that, you're given a personal mentor for a year. Everybody who goes through that education gets back on top. That means they will not go into long-term sick leave. The whole idea is to move away from fixing things that have gone wrong, towards detecting signals and work preventatively.

"Our saying goes: 80% is top and 20% is body. So it isn't enough to run around in the forest, it is a process which must start up here," he says and points to his head.

"Our experience is that if you strengthen the healthy bits, the bad might not disappear, but it becomes such a small part that you can actually handle it."

Good dialogue

"Health is the result we get when we work with all the other things", says Tommy Bäcklund.

He is the union rep in Metall (Scania Metalworkers' Union), the main safety deputy at Scania in Södertälje since 1986 and employed by the company since 1978.

"Our basic philosophy about respect for the individual creates demands for leadership. It's necessary to follow things up", he claims.

"We do that by running co-worker vox-pops among other things, where questions are asked about the things we've decided to do – about leadership, about clarity, about communication which touches on the basic demands you have to meet as a leader. The results indicate what we think we must work with in the future. This is the kind of continuous improvement work which runs through the entire organisation. We have principles, supported by methods which then give results. No matter the question at hand, the thinking should be the same. There is no micro leadership, but a way of looking at things which we're about to include into everything we do.

"About the leadership, I'd put it this way: Yesterday we hired for skill and trained for attitude, today we hire for attitude and train for skill. That's the big difference," says Gunnar Hedlund.

"Yes, these are ambitions we agree on," comments Tommy Bäcklund.

"But it takes time to carry through. I've been in this game for long enough to know that if you are to work with these kinds of things, you must work hard at it, be clear and have stamina. We've got much left to do, but it is important to have a good dialogue. And we do have that," Tommy Bäcklund confirms.

Nordic Resources

Siv Fríðleifsdóttir and the Icelandic chairmanship of the Nordic Council of Ministers 2004



Photo: Lennart Perlenheim

She is Icelandic, Norwegian, and a little bit Swedish. She grew up on the outskirts of the only big city in Iceland, in the county of Seltjarnarnes, surrounded by the Atlantic. Her main job is as Iceland's Environment Minister, and this year she is also a Nordic co-operation minister. She is one of the leading women in Icelandic politics, active in a political party where the closest young women used to come to power was to be married to a politician. Framsóknarflokkurinn, the Progressive Party, is a farmers' party with its roots in agriculture. Over the past century, its policies were driven by old chieftains from farms where the Icelandic sheep had first priority.

Siv, the co-operation minister, speaks fast and moves fast. This year is a busy one for her. There are many meetings in Reykjavik and elsewhere in Iceland. She will receive a flourish of Nordic guests throughout the year. They work to the guidelines laid down by the Icelandic chairmanship.

The co-operation minister looks west. This year, she wants to focus on the West-Nordic part of the Nordic region; The Faroe

islands, Iceland and Greenland. Attention is also given to neighbouring countries, as well as the large sea areas in this part of the Atlantic. The goal of the Icelandic chairmanship is to make better use of the rich resources which are under the joint administration of the Nordic countries.

At the Nordic Council meeting in Reykjavik on 2 February, Siv presented the Icelandic

programme, and this is how she explained the three tasks which will be given special priority:

"Firstly we will suggest ways of strengthening democracy in the Nordic countries in the century of information technology.

"Secondly we want to establish a more efficient co-operation in the West-Nordic region, so that we together can contribute to economic growth in the



By Björg Eva Erlendsdóttir, Reykjavik

North-Atlantic area. The Nordic Council of Ministers should shape a neighbour policy towards the west, which includes protection of the environment and marine resources.

“Thirdly we want to follow up on the work the Swedish chairmanship did to tear down border obstacles between the Nordic countries, and we hope to achieve as good results as those that were achieved last year under the Swedish leadership”.

In addition, Siv says, many tasks have fallen under the portfolio of the ministers for specific policy areas. One important theme is democracy. A committee on democracy has been given the task to suggest ways of strengthening the democratic processes in the Nordic area, using information technology in the dialogue between citizens.

Siv wants to make a lot happen and make it happen fast. So far she has definitely kept the speed up. She became a government minister in the male dominated farmers' party when she was only 36. She was in charge of co-operation within the opposition party in her right-of-centre-led home county of Seltjarnarnes over two terms – from the age of 27. She plays badminton and drives a motor bike, but her greatest interest is hiking in Iceland, preferably in the mountains.

The Environment Minister has been controversial. During her time in office, Iceland has decided to launch the largest energy project in Icelandic history. Large and beautiful areas of wild nature will be lost under water. Environmentalists have been protesting against this nearly every day for two years, also outside Iceland's parliament, the Alting. But a majority of the Icelandic people support the

energy project and the big industries which will be running it, because they create jobs and economic growth. Siv Fridleifsdóttir has never said Iceland should remain untouched regardless of the cost. The Minister thinks environmental protection and energy projects can co-exist to a large degree.

Siv Fridleifsdóttir must step down from her ministerial post in the Icelandic government in September. When the leader of her own party becomes Prime Minister, there will be a government reshuffle, and the Alliance (an alliance of three political parties for the 1999 elections) takes over the Environment Ministry. No minister in the Framsóknarflokkurinn can feel safe. One will have to go. But Siv intends to stay on, be it in any ministry. She has given a clear signal to her party leader to that extent:

“A young woman who has led her party both in her own district and on a national level, with good results for many years, should continue in leadership. There is no doubt this is for the best for the party”, says Siv, full of energy and determination.

The position as co-operation minister in the Nordic Council of Ministers has always been the job of a government minister. And that office comes under the Prime Minister's office. This is the second time the Environment Minister, Siv Fridleifsdóttir, fills that role. Last time was from September 1999, when Iceland was last chairman of the Nordic Council. Now she would very much like to conclude the job, no matter what happens to her ministerial position within the Icelandic government.

Half-Norwegian, Siv has for a long time followed Nordic issues closely. She partly grew up in Norway, where she spent almost

every summer next to the Oslofjord with her grandparents. She speaks fluent Norwegian and has been co-operation minister for a total of four and a half years.

Siv fights for gender equality, and has also underlined the importance of moving her party's focus away from the countryside to the capital. She is convinced that she, together with others, have moved borders and made progress towards gender equality. But it has been hard.

“Those who fight for gender equality rarely get a pat on the back. There are always some men who feel intimidated when gender equality turns into more than just fine words. That's when obstacles are laid, but not in broad daylight. Nobody speaks against gender equality in public. That's why they have to resort to less refined methods.”

Nordic co-operation is of special interest to Siv. “Most people don't realise how important this co-operation is, nor do they know about the advantages enjoyed by the people as a result of this work. Nordic issues are not of special interest to the media. That is understandable”, Siv says.

“You won't find the big stories there, and scandals are rare. This is a tight, result-oriented co-operation, and the work covers most issues which concern life in the Nordic countries.

“That's why, under Icelandic chairmanship, it is natural to keep a broad reference to the inner and outer strengths the Nordic citizens enjoy through society structures, culture and nature. That way we stand stronger in the face of international competition.”

HOMO NORDICUS IN THE EYES OF A DIEGO

If you rotate Norway like a compass with Oslo in the centre, the North Cape would hit Rome, I am told. Still there is a full ocean, or maybe several, separating the Nordic and Latin cultures. I can think of one example: while sitting in a parliamentary defense committee, former MP Kaci Kullmann-Five once trumpeted a victory for gender equality when the committee leader asked the members to rejoin at 5.00 pm – “Sorry, I have to pick up my kids in the kindergarten”, a... male voice objected. Many years later this is common, at least in this part of the world.

In most latin countries, it is hardly an exaggeration to say that women have not even made it to the defense committee.

One thing is certain. Parental leave rocks and that men are required to take at least four weeks rocks even more. Beyond the obvious element of getting attached to a child, it contributes to redefining gender roles: gone are the days when men were mere hunters and women only breeders; now both he and she tend to be provider and caretaker at the same time. From an employer's point of view, as much as young women are seen as future mothers, male recruits are potential fathers-to-be with all the professional consequences that come with it.

But even here, in these liberal gender equality-conscious Nordic countries, traditional patterns die hard. Men are usually prone to limit their parental leave to the minimum requirements and often even choose to combine their “one-month duty” with the mother's holiday. Which obviously works against its purpose. Women sitting

in a café sipping a cappuccino, the baby stroller outside, are a common sight – where do men drink their coffee? I hear studies show that men on paternity leave do things they otherwise would have done while their better halves are more inclined to adapt their lives to the new family member.

So is Homo Nordicus really the man of the 21st century or is he an opportunist who takes time off from work without delivering the expected services at home? In any case, he surely lives more in tune with modern times than Homo Diegos.

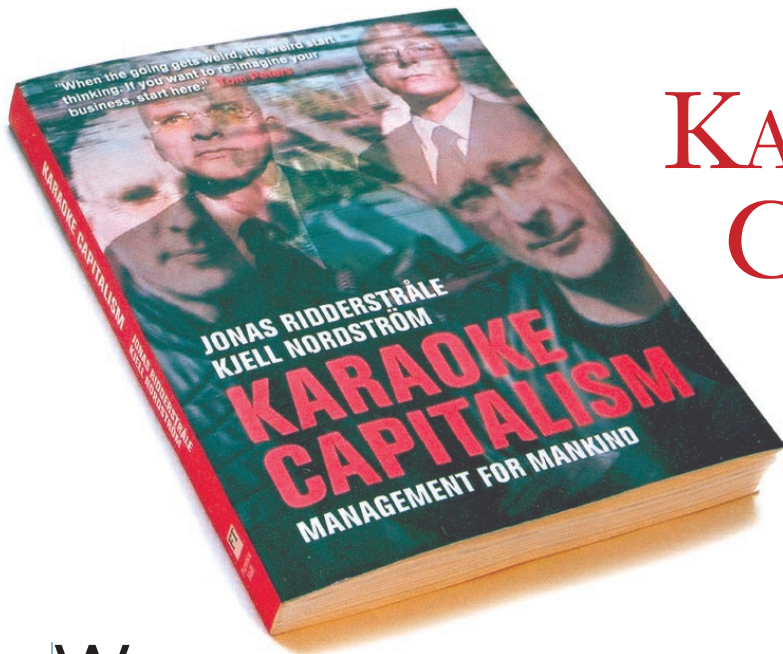
Still, it is too early to pat their backs. Many power arenas in Scandinavia remain gentlemen's clubs. In Norway, for instance, it seems like a west Oslo male “mafia” dominates company boards, trading rooms and the yearly list of the country's richest. Even seen with a man's eyes.

Sure, women are everywhere in politics but is that really where the power lies today?

Finally, I would like to think loud and turn the tables for a while. I find it hard to turn a deaf ear to those who claim that not only privileges but also duties should be equally shared among men and women. The Norwegian gender equality ombudsman is said to have received letters written by men who wonder why it was left to them, and them alone, to do military service. Well, maybe it's because of the little drop of Latin blood that is left inside me, but I can't stop thinking that these men's claim is actually quite sexy.



By Pierre-Henry
Deshayes
Agence
France-Presse,
AFP, Oslo



KARAOKE CAPITALISM

- We get the capitalism we deserve

We live in the time of individualism. Grab the microphone and express your unique personality. Welcome to Club Karaoke Capitalism, where talent, originality and/or money creates freedom of choice like never before. At least for some. This development demands a new way of thinking from leaders and businesses. It is not sufficient to do as the others do. You have to create something unique, claims authors Kjell A Nordström and Jonas Ridderstråle, in their newly released book "Karaoke capitalism - Management for mankind" (Bookhouse Publishing).

Both authors are Swedish, with PhDs from the Stockholm School of Economics. They had their international breakthrough in 1999 with their last book, "Funky Business – Talent makes capital dance". 250.000 copies of the book were sold, and it was translated into 32 languages. Kjell A. Nordström and Jonas Ridderstråle are considered to be among the top European "business gurus", and they are sought after – and well paid – lecturers.

In their new book they take the reader on a journey. The reader is brought at break-neck speed into a time-warp of change, which lets no individual or business aiming for the top a second of rest. With sharp opinions and straight talking they

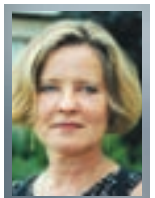
shake up every reader who perhaps somewhat indolently seeks solutions in established truths and structures. Forget it! The challenge is to avoid imitation and dare to be innovative.

Businesses which want to succeed will live in a war fought on two fronts. On the one side they will need to attract the best talents, and to make them want to stay. These are the winners of the future, according to Kjell A Nordström and Jonas Ridderstråle. They are the ones with the endless choices and the ones who can move to wherever they fancy in the world. They are the ones who are going to create the originality which separates the grain from the chaff. "Benchmarking" is no longer enough. Everybody is going to invest in technology or move to cheaper countries. What's important is to get to the unique ideas, in other words to get to the individuals who have the capacity to think fresh and create new things. When they're not happy they just take their brains and competence elsewhere. "Leaders and politicians will be forced to learn how to deal with people who are free to learn, act, travel and stay", as the authors put it. The relationship between employers and these employees is changing. The power balance shifts to the desirable employees.

At the same time businesses have to deal with a new type of knowledgeable consumer. Today's customer knows what he or she wants, and businesses must start listening to the customers. Competition is knife sharp and profit margins are small. A business must prosper in the intersection between the competent customer and the desirable employee. That requires new leadership and new organisational structures. Innovation will demand communication and yet more communication. Openness is the key word, along with networking. Everybody has access to information, and now it is how that information is used which creates the competitive edge.

More and more we are buying dreams rather than products. We are drawn towards stories, both as consumers and as employees. So it is down to businesses to deliver an attractive story. They will create success through our emotions. They want to get to our inner selves.

But far from everyone has access to the coveted club. Capitalism has its price, and if we want it to show pity rather than throw a curse, we need to show our individual responsibility. We get the capitalism we deserve, the authors write.



By Gunhild Wallin,
Oslo/Stockholm



The EU/ EES enlargement and free movement of labour: Nordic countries want to introduce transitional rules.



DENMARK

A big majority of the political parties of the Danish Parliament has on December 2, 2003 concluded an agreement concerning access to the Danish labour market for workers from the new EU Member States.

The overall objectives of the agreement can be summarised in the following statements:

First, it should be ensured that the Danish labour market will de facto be opened up from 1 May 2004 to workers from the new EU Member States.

Secondly, it should be ensured that the balance and orderly conditions on the Danish labour market will continue to exist.

Thirdly, it should be ensured that the new EU citizens will be employed on the same terms and conditions as those applying on the Danish labour market and that they will not be underpaid. This will be ensured by making it a requirement that pay and working conditions should correspond to those laid down by collective agreement or those which are otherwise normally applying on the Danish labour market. Fourthly, it should be ensured that the Danish welfare schemes continue to be

robust and that no unintended use takes place of the Danish social security schemes.

Fifthly, and finally, it should be ensured that stronger action will be taken to combat illegal labour and other possibilities for circumvention.

It follows by the agreement, that citizens from the new EU-countries may stay in Denmark without work and residence permit in a 6 month jobsearch period. As other EU- citizens they are not entitled to any social benefits during this jobsearch period. A work and residence permit will be granted if the person concerned has found a full-time job and will be employed on the same pay and working conditions as those applying on the Danish labour market.

Those who obtain a job, which lasts for at least ten weeks, will have access to social benefits in line with ordinary EU-regulations on

free movement of workers. If they lose their job, they will at the same time lose their work and residence permit. In this case they will have no rights to social benefits or unemployment benefits.

They will be able to stay in Denmark for another 6 month jobsearch period, but without any right to social assistance.

A special monitoring system will be established in order to follow the development on the labour market following the enlargement. Based on this, the political parties behind the agreement will discuss possible needs for future adjustments of the above transition arrangements.

The agreement can be studied in detail at the homepage of the Ministry of Employment:
www.bm.dk.



FINLAND

Government bill on the transition period for free movement of labour

The bill on the introduction of a transition period for the free movement of labour was adopted in the government on 15th of January 2004. The bill concerns the countries getting accession to the European Union, except Cyprus and Malta. The prerequisite for getting a job in Finland without a work permit would be that there are no workers in the labour market, available for a vacancy, according to the discretion of the employment office. The President of the Republic submitted the bill to parliament on Tuesday 20 January. The Act will enter into force at the beginning of May, remaining in force for two years.

The introduction of transition periods in Finland is based on the guidelines drawn in the EU ministerial committee in spring 2001. According to these guidelines, Finland will at first observe a two years' transition period. A decision on the needs to continue the period will be made before the end

of the second year. A potential proposal on the extension of the Act's validity would be based on a report which the government would submit to parliament in good time before the end of the validity of the Act. The report would be based on tripartite preparation.

The agreement on the accession of new member states to the EU defines the possibility of using a transition period. The EU countries have themselves been able to decide whether transition periods will be introduced.

The gainful employment of the citizens of the new member states in Finland would call for an approving decision made by the employment office. The fact that no worker on the Finnish labour market would be available for a vacancy within a reasonable period would be a prerequisite for an approving decision. The decision of the employment office could be sought before or after arrival in the country.

According to the bill, the transition period would apply to citizens of the Czech Republic, Estonia, Lithuania, Latvia, Hungary, Poland, Slovenia and Slovakia. It will not, however, apply to citizens who at the accession are working in Finland, and who have been allowed to enter the Finnish labour market for a consecutive period of at least 12 months. Nor does the transition period apply to the access of the workers' family members to the labour market.

The bill, adopted by the government, has been prepared in cooperation with the Ministry of the Interior, and statements have been received from other ministries, the central labour market organizations, the Federation of Finnish Enterprises, and the T&E Centres.

The enforcement of the Act requires i.a. instructions for the employment offices, personnel training and changes based on information technology.



ICELAND

On a meeting 20 January 2004 the Government of Iceland discussed the EEA enlargement and free movement of labour.

In light of many EEA governments decision to make use of transitional arrangements the Icelandic Government came to the conclusion that Iceland could not follow rules that differ from those that apply in neighbouring countries.

Therefore it was decided that existing rules will continue to be applicable for residence and employment permits for citizens of the new EU member states except citizens from Malta and Cyprus until May 2006. A proposal for transitional rules will be submitted to the

Althing with the aim that it will be passed as law before 1 May 2004.

By introducing the proposal the Government is meeting wishes coming from among others the Icelandic Confederation of Labour which fears social dumping.



NORWAY

The EEA enlargement and transitional rules

The EEA enlargement offers new opportunities for both new and existing EU member states. Norway has stated that access to the Norwegian labour market for workers from the new member states will be as wide as possible, and this continues to be the case. Labour market access will be considerably simplified from 1 May this year.

However, transitional rules will be needed for a period of time to prevent possible negative consequences for employment and welfare schemes in Norway, said Minister of Local Government and Regional Development Erna Solberg.

The Government has discussed the EEA enlargement and how far Norway should make use of the transitional arrangements that are permitted under the enlargement agreement.

Most of the other EEA states are making use of transitional arrangements. Norway cannot follow rules that differ greatly from those that apply in neighbouring countries. The Government has decided that Norway also needs transitional arrangements to ensure that EEA enlargement and the free movement of labour are experienced as positive developments, said Erna Solberg.

The rules will nevertheless give workers from the new EU member states considerably wider access to the Norwegian labour market than is the case today. This is in line with the Government's desire to liberalise the rules for labour migration. In the longer term, Norway will need a larger labour force, said Solberg.

The Government's proposal for transitional rules means that there will still be a requirement for workers from the new EU member states, with the exception of Cyprus and Malta, to obtain work permits before starting to work in Norway. Work permits will be issued for full-time employment at normal rates of pay and under normal working conditions. Anyone who can find a job that meets these requirements will be entitled to a work permit. There will be no rules restricting the type of employment a person may take or relating to employees' qualifications other than those stipulated by the employer. A proposal for transitional rules will be submitted to the Storting before Easter, and the rules must be adopted by 1 May. This is the date when both EEA and EU enlargement are to take place.

There are two main reasons why the Government wishes to adopt transitional arrangements. The first is that they can help to prevent social dumping and the negative consequences this would have for employment and the business sector. This is something that the social partners are also concerned about. However, the Government believes that the greatest challenges will be related to the provision of services and workers brought to Norway by service providers to carry out tasks for limited periods, for example at a building site. Free movement of services will be introduced from the time of enlargement, without any possibility of transitional rules. Other measures to prevent social dumping may also be implemented.

The second reason for introducing transitional arrangements is that they can moderate labour immigration in the first few years and thus reduce the pressure on welfare schemes created by employees from EEA countries. This consideration has also been important for a number of EU member states.

The transitional rules are intended to ensure that people who come to Norway have jobs that they and their families can live on, said Minister of Local Government and Regional Development Erna Solberg. This means that it is not enough to work for only ten hours a week, which according to the European Court of Justice is enough to be considered as an employee with the right to full social benefits.

In addition to the transitional arrangements, the Government is proposing to extend the requirement for EEA nationals on short-term contracts to register with the relevant authorities. The Immigration Act is to be amended to provide the legal authority to intervene in the event of serious disturbances of the labour market as a result of increased immigration from the new EU member states. A safeguard mechanism of this kind will be particularly relevant if Norway decides to repeal the transitional arrangements before the end of the seven-year transitional period.



SWEDEN

EU enlargement and movement of labour in a Swedish perspective

The Swedish government has been at the forefront in the drive towards the EU enlargement, which is of great importance to the economical and political development in the whole of Europe.

Sweden's starting point has always been to protect the EU pillar of freedom of movement, and to liberalise our own national rules soon after the enlargement. But if, contrary to expectations, that should lead to serious problems, the government has reserved the right to take appropriate measures.

In Sweden, the enlargement preparations began two years ago with an inquiry into the question of EU enlargement and the free movement of labour. Since the Berit Rollén inquiry (SOU 2002:116) concluded one year ago, these issues have been treated by several government ministries. The government has now finished debating the conclusions which resulted from this preparatory work, and has decided which measures Sweden should adopt.

Considerations

The conditions for enlargement have changed, because most member states have made it clear they will want to introduce transitional rules.

The government has also concluded the enlargement could present several problems for the labour market system, and there is the risk that the Swedish welfare system could be exploited.

This is about the shape of our own systems and regulations, but also about how EU rules work. Other problems might emerge in the wake of enlargement because of the large economical and social differences between the new member states and present EU members.

With today's rules of freedom of movement for workers, anyone can have access to the Swedish welfare system, regardless of whether a person intends to find work or not. In such cases, EU regulation also allows family members who may not be living in Sweden access to Swedish social benefits.

The conclusion is that Sweden needs time to review the national welfare system, with the aim of making it more robust and appropriate for a globalised reality. Sweden's ambition is of course that the development of the EU shall include economic development within the new member states, leading to a gradual decrease in the differences between all EU countries. The government's

present risk assessment must therefore be considered to be temporary.

Standpoint

The government wants to introduce a number of measures aimed at allowing eventual free movement of labour within an enlarged EU.

One such measure is a thorough assessment of the welfare system. The government is also looking at possible changes to laws regulating jobseekers' access to social benefits.

The government wants to introduce transitional regulations to maintain the regulation of the labour market, and prevent abuse and exploitation of the welfare system.

A work permit will be required for those who want to come to Sweden to work. To gain permission to work it will be required to have a full time job with a normal Swedish salary, i.e. a salary it is possible to live off in Sweden. There will be a review of the control of who can use F-tax forms (tax regulations for self-employed). Measures will also be introduced to guarantee conditions of employment, in order to avoid discrimination or exploitation of workers when they come to Sweden.

NORDIC LABOUR JOURNAL

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Return:
AFI / Work Research Institute
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NO-0130 Oslo

Web-sites:

Nordic Council of Ministers
www.norden.org

Ministry of Employment, Denmark
www.bm.dk

National Labour Market Authority, Denmark
www.ams.dk

National Working Environment Authority, Denmark
www.arbejdstilsynet.dk

Ministry of Labour, Finland
www.mol.fi

Ministry of Social Affairs and Health, Finland
www.stm.fi

Directorate of Labour, Iceland
www.vinnumalastofnun.is

Ministry of Labour and Government Administration, Norway
www.odin.dep.no/aad

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www.aetat.no

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www.arbeidstilsynet.no

Ministry of Industry, Employment and Communications, Sweden
www.industry.ministry.se

National Labour Market Board, Sweden
www.ams.se

Nordic Labour Journal
www.norden.org/arb/ain/arkiv/uk