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Newsletter from the Nordic Labour Journal 9/2023
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TRIPARTITE NEGOTIATIONS AS A MODEL FOR THE GREEN TRANSITION

Tripartite negotiations as a model for the green transition

The fight for a just green transition is taking place in several and very different arenas. While strike guards brave the cold of winter outside Tesla workshops in Sweden and climate negotiators meet in the heat of Dubai, Nordic employers, trade unions and government ministers gathered in Reykjavik.

EDITORIAL
06.12.2023
BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

All these three events are about the environment. Tesla was long a symbol for those who believe technology will save the climate.

But the American car company that kickstarted the EV development might not have survived without generous politicians in Norway – a country that at times has been Tesla’s biggest market. That is where it became possible to test on a large scale what is needed to electrify an entire fleet of cars.

People buying EVs in Norway saved tens of thousands of euros in fees, paid nothing on toll roads, could use the bus lane and parked and charged their cars very cheaply.

Now, the Swedish trade union IF Metall has been organising strikes among Tesla employees since October. They want a collective agreement. “Tesla employees deserve fair and secure working conditions just like anyone else in the Swedish labour market,” as IF Metall puts it.

The U.S. Securities and Exchange Commission requires all publicly traded companies to describe the risks associated with their operations in what is called the 10-K form. In 2022, Tesla included relations with labour unions as one of the risks.

“Although we work diligently to provide the best possible work environment for our employees, they may still decide to join or seek recognition to form a labor union, or we may be required to become a union signatory,” wrote the company.

The contrast to Reykjavik is great, where the Icelandic government hosted a tripartite meeting about the green transition on 1 December. In the Nordics, employers and trade unions do not see each other as enemies. Icelandic employers and trade unions explained how they worked together to reach an agreement on how employees might gain further education or retrain. That way, they can hopefully fill the enormous skills gap created by the green transition.

The government ministers, trade unions and employers also produced a memorandum of understanding which defines what is a just green transition. They agreed that the ILO’s guidelines on just transition should be “the central reference for policymaking and a basis for action”.

Perhaps the Nordic memorandum of understanding still has time to influence talks at COP28 in Dubai, where a Just Transition Work Programme is being negotiated.

The Reykjavik meeting is special, since there is no common Nordic employers’ organisation, unlike the workers’ Council of Nordic Trade Unions and the politicians’ Nordic Council of Ministers. The agreement will hopefully lead to closer tripartite cooperation on a Nordic level too.

We delve into the history of cooperation between employers, and got some written answers, at least, from the Confederation of Swedish Enterprise on the current situation.

The Reykjavik meeting also marked the end of Iceland’s Presidency, which has been run forcefully and with much energy by the Minister of Social Affairs and the Labour Market Guðmundur Ingi Guðbrandsson, who is also the Minister for Nordic Cooperation.

Sweden takes over in 2024, the year of the 70th anniversary of the Nordic common labour market. Nordregio has been commissioned to write a report on what the open labour market has meant.

The fact that it is open, does not mean everyone can access it. A Nordic research project describes the barriers that exist preventing people from finding work.
Cooperation in the Nordic labour market also means being paid the correct rate. In the bus transport sector, it has emerged that companies from low-wage countries systematically carry out inland traffic in the Nordic region – at the wages applicable in the country of origin.

Bus companies in Denmark, Iceland, Norway and Sweden have written a joint letter to the EU Commission demanding clear rules to prevent social dumping.

Finally, we also analyse the consequences of Åland’s elections, both in terms of a new autonomy act and possible representation in the EU.
Can the Nordic labour markets survive the green transition?

Nearly one in three Nordic citizens worry they might lose their jobs because of the green transition, according to a new Nordregio survey. How can the social partners work together to make the transition as fair as possible? That was the theme during the Nordic dialogue conference in Iceland.

NEWS
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TEXT AND PHOTO: LINE SCHEISTRØEN

On 1 December, representatives of the Nordic governments, employees and employers met in Reykjavík. Iceland’s Minister of Social Affairs and the Labour Market was the conference host.

“No one solution fits all, but I hope that together we can find ways of carrying out the green transition in the labour market. And it is urgent,” said Guðbrandsson.

Fearing job losses
And if anyone was in any doubt: We are worried about whether our labour markets will manage the green transition. That is what researcher Gustaf Norlén from Nordregio concluded quite early on the conference day.
Many studies have been carried out to better understand how people will be impacted by climate change and the green transition. One of them is a Nordic survey from 2022 which shows:

- 71 per cent agree that climate change is a serious or very serious problem.
- 27 per cent worry that some jobs in their countries or regions could be at risk because of the green transition.
- 31 per cent of the Nordic population believe climate mitigation initiatives will help create new jobs in their area.
- 35 per cent do not believe climate mitigation initiatives will have any positive effects on the labour market.

**Differences between urban and rural areas**
The survey shows that people in the Nordics have differing opinions on how climate policies will impact jobs. People in Greenland are the most optimistic while people in Norway and Finland are the most pessimistic.

There are large differences between different regions in the Nordics when it comes to how far the green transition has progressed.

“We see that most of the green jobs are in urban regions, while the “brown”, polluting jobs are found in the districts. People in the districts are also more worried about climate change,” said Norlén.

**Honesty pays**
Not telling people that their current job might be gone in five years, is doing them a disservice, believes Sólrún Kristjánsdóttir. She is the CEO of Veitur Utilities, part of Reykjavik Energy.

Kristján Þórður Snæbjarnarson explained how her company works with employees for the green transition. She thinks it is crucial that leaders are honest with employees.

“It is hard to tell someone you know and care about that the job they are doing today might be gone in five years. But it is far worse not to do it,” says Kristjánsdóttir.

If you fail to tell people about the need for change, employees cannot actively become part of the solution by, for instance, taking further education or retraining.

“We cannot stop the green transition. Jobs disappear, new ones emerge. Our job is to make sure nobody is left on the platform as the train is leaving,” said Kristjánsdóttir.

**Own the transition**
Inclusion is a keyword, believes Kristján Þórður Snæbjarnarson, the President of the Council of Nordic Trade Unions (NFS).

Kristján Þórður Snæbjarnarson is Chairman of the Icelandic trade union confederation ÁSI, and also President of the Council of Nordic Trade Unions (NFS) in 2023. Photo: Björn Lindahl.

“When you are included, it also commits you. That is why everyone must have ownership in the green transition. This has not been the case in all workplaces, at least not here in Iceland,” he said.
What are green skills?
Johan Hall, research officer at the Swedish Trade Union Confederation (LO), encouraged everyone to address the following three questions in their workplace:

- How does what we do impact on the climate?
- What do we have to do to gradually become climate neutral?
- What knowledge and skills do we need to manage this change?

It is indeed the lack of the right skills as well as a general lack of labour that worries workers as well as employers and authorities in the Nordic region.

“What are green skills, exactly? There is no one answer to this question. It will vary from job to job and between sectors,” pointed out Mikko Vieltojärvi from the Confederation of Finnish Industries EK.

Vieltojärvi also pointed out the need for investments in innovation and new technology.

“Without new technology, we will not succeed with the green transition,” he said.

Not enough people
Vieltojärvi underlined the importance of a good basic education for all. Without the basic skills, it is difficult to get higher education and/or further education later on.

“But I believe that training people is the least of our problems. The labour shortage is a much bigger challenge, at least in Finland,” said Vieltojärvi.

Give the development some support
Victoria Kirchhoff, Deputy President of the Swedish trade union Unionen, said Sweden now has a good model for further education and training. Experience shows that this model by and large allows employees access to further education or retraining. The state pays 80 per cent of the wages of those who want to study, as long as the education is considered to be needed in the labour market.

“We have to get further education during a long working life,” she said.

Kirchhoff underlined that there are still plenty of challenges to get on with, including the lack of experts in technical positions in Sweden.

Several of the speakers pointed out that it is important not to give in to “gloom and doom” and become far too pessimistic.

“We should talk more about technological developments and perhaps less about the green transition. We should focus more on the positive aspects of new technology,” said Ulrika Lindstrand, leader of Engineers of Sweden and deputy leader of the Swedish Confederation of Professional Associations (Saco).

She too is focused on skills.

“We have to renew and improve our education systems. If we do not top up on skills, we will not succeed with the green transition,” said Lindstrand.

She highlighted there is also a need to take care of workers who do not wish or cannot manage to take part in the green transition.

Are we not ready for what is about to hit us?
Far too few workers can relate to what the green transition really is, believes Hans-Erik Skjæggerud, President of the Norwegian Confederation of Vocational Unions (YS). He wants every workplace to have a conversation about the green transition.

“Many workers do not understand how this will impact the job that they are doing. One of our tasks is to make this understandable for people,” he said.

Bernt G. Apeland agrees with the YS President that much can and should be done in the individual workplaces. Apeland is the Executive Director of Virke, the Enterprise Federation of Norway.

He believes it is important to map the skills gap which will emerge as a consequence of the green transition.

“In order to succeed with the green transition, we need a thriving business sector with access to capital. We also need employees with the right skills,” said Apeland.
Nordic employers’ important role in the green transition

When we talk about the Nordic labour market model, it often revolves around how high the unionisation rate is. However, it is equally important that employers are organised if good agreements are to be made.

Nordic employer organisations have been cooperating for more than a hundred years. For a long period it was intensive. EU membership for three of the Nordic countries changed the collaborative work.

A tripartite meeting of representatives from Nordic governments, employer organisations and trade unions was recently held in Reykjavik. The meeting was hosted by Iceland, which currently holds the Presidency of the Nordic Council of Ministers, and was the first of its kind for 20 years.

Unlike the trade unions and their Council of Nordic Trade Unions, and the politicians with their Nordic Council of Ministers, Norwegian employers’ organisations have no Nordic cooperative organisation.
Göran Trogen is the former CEO of the employers’ organisation Almega and between 2004 and 2010 he was a regular member of the board of the International Labour Organisation. During that time, he acted as a representative for the Nordic employers’ associations – alternatingly representing them.

“During and after WWII, there was a lot of engagement for Norway and Finland among the bosses at SAF” (The Swedish Employers’ Confederation which was replaced in 2001 by the Confederation of Swedish Enterprise).

“The engagement led to more and better-organised cooperation between the Nordic employers’ organisations,” Göran Trogen tells the Nordic Labour Journal.

**Labour market with international rules**

The ILO is an independent entity within the UN, founded in 1919 with Sweden, Denmark and Norway among the first member states. Today, the ILO has 187 members, who all have signed up to follow the organisation’s eight fundamental conventions.

These cover basic human rights in the workplace like the abolition of child labour, forced labour and discrimination, and the right to organise and collective bargaining. Conventions and recommendations are adopted during the annual ILO conference for all member states in June.

**Strengthening the Nordic cooperation**

The Nordic employers’ organisations were also active during the founding of the International Organisation of Employers (IOE) in 1920, and Iceland joined in 1945. The cooperation between the Nordic employers has been a foundation for cooperation in the ILO and IOE.

**The International Organisation of Employers, IOE, has been led by Secretary-General Roberto Suárez Santos from Spain since 2018. Here he is addressing an event in Dubai, where the IOE’s slogan is ”a just transition demands green skills.”. Photo: IOE**

The Nordic employers’ organisations shared an office in Brussels as early as 1921, with a permanent director to prepare for meetings at the ILO and IOE. The Nordic office later moved to Geneva but closed in the late 1960s, explains Trogen.

“The ILO conference delegates from the Nordic employers’ organisations later met not only in Geneva but also in various places in the Nordics to review current issues on the agenda and develop common positions,” says Trogen.

The Nordic delegates would later present these positions at the ILO conference and also during tripartite meetings for different industry committees within the ILO. Often, things centred on protecting Nordic rules, making sure ILO norms did not clash with them.

It could also involve explaining the Nordic model, where employers and trade unions negotiate wages and working conditions, while the state plays a bigger role in other countries by for instance setting minimum wages. It was also important for Nordic employers to make sure ILO norms did not clash with EU rules.

Early on, a lively collaboration developed in the Nordic region between the many employers’ organisations, also on a trade level during annual meetings at various locations in the Nordics.

“Negotiations issues, new labour legislation and organisation issues were on the agenda and the countries compared each other’s systems. These were shared, topical issues. As a re-
sult, the meetings were intensive and led to a lot of sharing of experiences.

“We learned a lot from each other and there has always been a strong feeling of cooperation between the Nordic trade organisations. We delegates made both professional and personal connections,” says Trogen.

**Winds of change**

During the 1990s, the Nordic employers’ organisations, albeit at different paces, also came to represent companies in economic policy issues. This meant that the common issues from before became fewer, explains Göran Trogen.

“Nordic meetings were still taking place in several sectors, but they were divided into employer issues and business-related matters.”

“EU issues also began dominating the agenda during the meetings, even though not all of the five Nordic countries were union members.

“During the last meeting in Copenhagen for the IT sector in 2006, I felt that these gatherings might have had their time since we had to speak English to each other. Younger Finnish colleagues spoke no Swedish and others at the meeting struggled to understand Danish,” says Göran Trogen.
The Confederation of Swedish Enterprise on Nordic cooperation

How does the Nordic cooperation on the employers' side look today? The Nordic Labour Journal asked the Confederation of Swedish Enterprise to answer a list of questions and got the following answers from their head of information Olle Bring.

**THE CONFEDERATION OF SWEDISH ENTERPRISE ON NORDIC COOPERATION**

**Nordic Labour Journal:** How well does the Nordic/European/international cooperation between employers' organisations work?

**Confederation of Swedish Enterprise:** It works well. The formal cooperation is mainly Nordic but also happens on a European and international level at slightly longer intervals. On a Nordic level, we formally meet once a year while there is continuous cooperation on many issues. Other levels of cooperation are more informal.

**NLJ:** Is the cooperation formalised, and in which case how?

**CSE:** There is both formal and informal cooperation, depending on the issues at hand. Regular meetings and exchange of information between our member organisations is a tradition that goes all the way back to the 1920s.

**NLJ:** What issues do the organisations collaborate on?

**CSE:** Most things within our role as business and employer organisations.

**NLJ:** What limits are there to the cooperation?

**CSE:** The operational conditions of our member companies and the tasks they assign to us.

**NLJ:** What impact has the fact that Norway and Iceland are outside of the EU had on the cooperation?

**CSE:** In addition to cooperating with us, a tradition that dates back longer than the EU (see above), they operate within the mechanisms of the Agreement on the European Economic Area and exert influence that way. Both countries have a significant presence in Brussels, as do their business communities.

**NLJ:** Are the Nordic employers’ organisations more different from each other than what the central trade unions are?

**CSE:** We are not in a position to judge that.

**NLJ:** Are the Nordic employers’ organisations becoming more similar or more dissimilar?

**CSE:** The biggest difference is that NHO, EK and SN have a broader mandate than DA and SA* – which are pure employers’ organisations. Beyond that, our work is influenced by institutional conditions and, regarding employer issues, by the development of our counterparts.

**NLJ:** How is the cooperation affected by the fact that differences within the Nordic business sector are so different – the Swedish internationalised manufacturing companies, Norway’s partially state-owned raw material-dependent industries, and Denmark with a higher proportion of small and medium-sized enterprises?

**CSE:** We have great opportunities to learn from each other since labour market regulations in all of the countries are mainly built on negotiations with limited state interference.

**NLJ:** The Nordic contribution to a green transition for the social partners primarily focuses on ensuring that the transition is fair. If it is not, there will be less support in society. The Iceland conference is about solving this through tripartite cooperation, with the participation of governments. However, it has proven difficult to produce a common document that can be signed. What could be the reasons for this?

**CSE:** We are used to change and adaptation in our economies and already have structures to handle this, regardless of the cause. This is due to our approach to change, which is generally also embraced by our counterparts because sustainable businesses can provide favourable condi-
tions while individuals get support if they are made redundant. In Sweden, we cooperate closely with the trade unions.

**NLJ:** Employers seem to prefer working with BusinessEurope, where Norwegian NHO and Icelandic SI also are members. Is that correct? Right now, the organisation is run by a Swede, Fredrik Persson. How does the contact between the Confederation of Swedish Enterprise and BusinessEurope work?

**CSE:** BusinessEurope is a very good and highly regarded business organisation with which we collaborate extensively. It is membership-based and works on behalf of its members. In addition to serving on the board and executive committee, members also actively engage in policy committees and working groups, among other activities. It is true that Fredrik Persson is the Chairman of BusinessEurope. He is a very capable person who has previously served as the Chairman of the Confederation of Swedish Enterprise, so we are naturally familiar with him.

*NHO – Confederation of Norwegian Enterprise; EK – Confederation of Finnish Industries; SN – Confederation of Swedish Enterprise; DA – Confederation of Danish Employers; SA – Confederation of Icelandic Employers*
The Tesla strike – a fight for the Swedish model

A drama is taking place in the Swedish labour market. The trade union IF Metall is taking industrial action to get EV maker Tesla to sign a collective agreement. Elon Musk, one of the world’s richest people and Tesla’s main shareholder, refuses. After many sympathy actions from other trade unions, he is taking the Swedish state to court.

After a long fight to get Tesla to sign a collective agreement with IF Metall, the trade union chose to take industrial action on 27 October. Their argument was “to make sure our members have fair and secure working conditions”, according to IF Metall’s website.

130 Tesla workers went on strike at Tesla’s service centres in Sweden. Since then, the strike has been expanded to include some 500 car mechanics across 17 Swedish workshops.

On top of this, there is an increasing number of sympathy actions. Right now, Tesla’s facilities are not being cleaned or maintained. Parts are not being sent to workshops and cars are not being unloaded in ports. The electricians’ union has also expressed its support by no longer servicing Tesla charge points and workshops.
IF Metall's leader Marie Nilsson and contract secretary Veli-Pekka Säikkälä. Photo: Daniel Roos

Ever since the LO union Seko and the Union of Civil Servants ST, a member of the Swedish Confederation of Professional Employees, started blocking deliveries addressed to Tesla, a lot of car number plates have been stuck in the post. That made Tesla's Swedish subsidiary TM Sweden take the Swedish state to court through the Swedish Transport Authority and PostNord.

Elon Musk and Tesla have been remarkably quiet during the ongoing conflict apart from one message on X, previously known as Twitter and now owned by Musk, where he called the development “insane!”.

Sustainable conditions in sustainable companies

There are not that many Tesla workshop employees, but IF Metall says the scale of the industrial action reflects that this is a fight for the Swedish labour market model.

“It is a very important conflict. Digital and green transition companies are becoming more and more essential for the future labour market and if they don’t sign collective agreements, the number of workers covered will fall and workers’ rights will be eroded,” says Professor Anders Kjellberg at Lund University, whose report "Kollektivavtalens täckningsgrad och vita fläckar" (Collective agreements’ coverage and white spots) was just published (Arena idé).

Kjellberg provides the background to the collective agreement’s importance in the Swedish labour market. A collective agreement is negotiated and entered into by the social partners. It covers wages, restructuring arrangements, pensions and other terms and rights related to the relationship between employees and employers.

The Swedish labour market model is mainly managed by the social partners with little input from the state, even compared to the other Nordic countries where the state is more involved in decisions.

Trade union membership numbers in Sweden are high, both among employers and employees. 87 per cent of employees work for employers who are members of employers’ organisations, and Swedish workers – along with their Icelandic colleagues – are the most organised in the world. Seven out of ten workers are trade union members, but union membership has fallen, mainly among blue-collar workers.

Around 90 per cent of the Swedish labour market is covered by collective agreements. The figure is slightly lower in the private sector, at around 80 per cent. Many countries with a lower rate of unionisation make collective agreements universally applicable, which means they cover more or less all the companies within a sector and the state plays a stronger role.

An 85-year-old labour market tradition

This way of organising the relationship between workers and employers in Sweden goes a long way back. The 1938 Salt-sjöbaden Agreement was a labour market treaty that set out how the social partners should cooperate.

The background was decades of unrest in the labour market with many and sometimes lengthy strikes and lockouts. Until the early 1930s, Sweden had more strike days than any other European country.

Kollektivavtalens täckningsgrad och vita fläckar. (Collective agreements’ coverage and white spots.) Photo: Lund Universitet.

Pressure grew to interfere politically against industrial action, but the Salt-sjöbaden Agreement meant the parties solved their issues without the state having to legislate or introduce other regulations.

"After that, we got compromise solutions that gave us labour market regulation without state regulation. But Tesla is anti-union and does not want to adapt to fit into the Swedish model," says Anders Kjellberg.

When agreements have been reached between employees’ and employers’ organisations, a peace obligation comes into force which means Sweden has had few labour market conflicts – even from a Nordic perspective.

However, other trade unions have the right to take sympathy action even when they have entered into a collective agreement themselves. This right is stronger and far-reaching in Sweden than in most other countries. Sympathy action is, for instance, illegal in the USA and the UK.

No trade union agreements for Tesla workers anywhere

Sweden is not the only place where Tesla refuses to enter into agreements with trade unions. In the USA, the United Auto Workers (UAW) recently signed new agreements with the three largest car companies after a long fight. Now, the UAW is looking to Tesla, who so far has refused to sign an agreement with the union.
German IG Metall is following the Swedish strike action, as they too have failed to get an agreement at Tesla’s car factory outside Berlin which employs 10,000 people. There are reports from there of working conditions that have led to sick leave levels of 30 per cent in certain departments and sometimes even more.

From Norway, there are reports of employees who are judged on a five-point scale, where those who want high marks, for instance, are expected to work overtime without compensation. The state broadcaster NRK has also documented high levels of sick leave and that people who take sick leave risk losing their jobs.

“Tesla is a trade union enemy that tries to create American conditions in Europe. We won’t let them get away with it,” Jørn Eggum, President of the United Federation of Trade Unions (Fellesforbundet) told NRK.

“Tesla runs a strict regimen and workers are pitted against each other,” says Anders Kjellberg.

Fellesforbundet also supports the Swedish Tesla strike by refusing to offload Tesla cars in Norway that are scheduled for delivery in Sweden. The federation has announced further boycott action to stop Tesla cars from reaching Sweden via Norway if no agreement is reached before 20 December.

And after six weeks of strike action in Sweden, the Danish 3F trade union has said they too will take sympathy action against Tesla. They will not unload or transport Tesla cars headed to Sweden.

One of the reasons for the international interest in IF Metall’s fight against Tesla is that a collective agreement in Sweden between the union and Tesla would potentially mean an opening for trade union organisation and agreements at Tesla sites elsewhere in the world.

**International attention**

Anders Kjellberg has also felt the international attention. Foreign journalists are getting in touch, and the same day we speak he has just been contacted by the Financial Times and a large French newspaper. The fact that the strike at Tesla is taking place in Sweden is not a coincidence, thinks Kjellberg.

“If trade unions were to win against Tesla anywhere, it will be in Sweden with its high trade union membership, high collective agreement coverage and wide-ranging right to strike. IF Metall also has considerable financial muscle with 15 billion kronor (€1.38bn) in their strike fund.”

There is strong support for collective agreements in the Swedish labour market for several reasons. One is that most issues concerning the relationship between the parties are regulated through agreements and therefore do not need to be agreed every time someone is hired. Collective agreements prevent unfair competition between companies through wage dumping and also open the door for dialogue between employees and employers.

Critics say collective agreements are cumbersome and time-consuming because of things like MBL – the Swedish Co-Determination in the Workplace Act. Companies like Tesla want to decide workplace conditions themselves instead.

![One of IF Metall's strike guards in front of one of Tesla's workshops. Photo: IF Metall.](image)

Tesla has by and large remained silent since the conflict started, except for Elon Musk’s “Insane” comment on X. It is the US head office that says no, and TM Sweden does not have the right to sign agreements. Instead, the company has moved workers from other workshops to workshops that are on strike – strikebreaking in other words.

“We have not seen strikebreaking in Sweden since 1938,” says Anders Kjellberg.

**Support but also criticism**

Some Tesla workers have also been critical to the conflict. Ander Kjellberg says this is because so many of them come from abroad. They have perhaps had help to find housing and have a family to support in their home countries. Tesla workers are also offered stock options and a further career at Tesla.

“It has also emerged that Tesla puts pressure on employees not to go on strike if they want to keep their stock options,” says Anders Kjellberg.

Many support the strike – both trade unions and influential opinion leaders. Others, including the employers’ organisation Almega, think the sympathy actions have become too comprehensive in comparison to the number of people striking, and that Sweden’s lax sympathy action legislation should be reviewed.

TM Sweden’s court action against the state-owned Swedish Transport Authority after trade unions Seko and ST’s Post-Nord blockade has also raised questions about the state’s role in the conflict. Two separate district courts have drawn different conclusions about whether the blockade against the
distribution of number plates constitutes a so-called security situation or not.

“One of the cornerstones of the Swedish model is that the social partners negotiate and reach a peace obligation by signing a collective agreement. Tesla has chosen instead to take matters to the courts. This shows the company does not accept the current rules.

“But Tesla will not achieve a peace obligation through the courts, only through the current collective agreement negotiations with IF Metall,” says Åsa Erba Stenhammar, head of negotiations for the ST trade union in a press release.
Was the Reykjavik tripartite meeting the start of something new?

Did it turn into just another of the thousands of meetings around the world on the green transition? Or did something more happen as Nordic politicians, employers and trade unions met in Reykjavik on 1 December? The Iclenadinc Presidency had great ambitions for this meeting.

THEME
06.12.2023
TEXT: BJÖRN LINDAHL, PHOTO: LINE SCHEISTRØEN

Iceland’s Prime Minister Katrín Jakobsdóttir was hosting and used her speech to emphasise that a green transition needs to be a just transition.

“As governments and trade unions, we have to make sure that what we do when it comes to the climate does not lead to less welfare for ordinary people. We cannot increase the price of petrol so much that only the rich continue to pollute while the poor cannot afford to get to work,” she said.

NFS is the collaborative body of the main trade union organisations in the Nordic region. There is a great range – from the
Swedish Trade Union Confederation LO with its nearly 1.4 million members to Faroese Samtak with 6.000 members.

NFS is as old as the Nordic Council of Ministers, which is the governments’ collaborative body that was founded in 1972. But there is no corresponding Nordic organisation for employers.

That is why, two years after the 2019 Malmö meeting, there was spontaneous applause around the tables at Holmenkollen Hotel in Oslo during the NFS congress as Katrín Jakobsdóttir announced via video link from Iceland that she had invited the parties to a Nordic tripartite meeting on a just green transition towards the end of 2023.

The Nordic Council of Ministers’ vision for 2030 says the Nordic region should be the greenest region in the world. The path to a CO2-neutral society will require sacrifices and significant change.

However, the world has been through major changes before, like industrialisation and the ongoing digitalisation of both production and consumption.

It is still important to reduce emissions from the Nordics, but the climate will not be saved because of that alone. The most important thing the Nordic region can do is to show that a green transition can happen in a fair way with the necessary social safety nets in place when workers lose their jobs and have to retrain or get further education.

If the transition is unfair, we risk losing trust in our politicians and end up with populist movements like the yellow vests in France.

The Nordic social model will hopefully help with the rapid training of enough people with the skills needed for the transition – bridging over to the new society. Companies in the “brown” part of the economy cannot be expected to set aside money to train their employees to find work in competing green industries. The new green companies will also emerge in different places and need labour as well as municipal services in order to grow.

The Icelandic hosts were very clear that the Reykjavik meeting should result in a memorandum of understanding. Negotiations had been held in the run-up to the meeting, where every word was discussed thoroughly.

The memorandum of understanding says that in order to meet the Paris Climate Agreement, the ILO’s guidelines on just transition should be “the central reference for policy-making and a basis for action”.

The memorandum goes on:

- We highlight the importance of social dialogue in achieving an effective and successful transition on the Nordic labour market. We recognise the importance of social security, labour market-related rights, and a well-functioning labour market that respects equal treatment and equality as a vital part of the green transition.
- We recognise the need for new types of skills to match new types of jobs as industry is transformed into a low-carbon economy. Good opportunities for re- and upskilling of workers and job seekers will therefore be essential.
- We highlight the importance of good conditions for vocational and geographical mobility for smooth green transition in all regions. We acknowledge the importance of thriving educational systems and broad cooperation to ensure the right match between supply and demand for certain skills and to be well prepared for future developments and impact on the Nordic labour market.

The memorandum of understanding ends with a clear call to promote the tripartite cooperation model and to share experiences with others. It is only when the Nordic progress can be replicated in other countries that you can create the desired effect on the climate.

Cristina Martinez, Senior Enterprise development and Green Job Specialist, ILO. Photo: Björn Lindahl.

The negative consequences of climate change can already be seen. Globally some 80 million jobs could disappear just because of the extreme drought that is affecting parts of the world, warned the ILO’s Cristina Martinez.

She considers the Nordics to be a source of inspiration but admits that it might be difficult to replicate Nordic solutions in countries whose democratic processes and social dialogue are not as developed.

“But the Nordic countries can absolutely be an inspiration to the rest of the world. The Nordic tripartite model is a good example of this,” she says.
Sweden will celebrate the common Nordic labour market in 2024

As Sweden takes over the Presidency of the Nordic Council of Ministers next year, it will celebrate the 70th anniversary of the common Nordic labour market. A Nordic-Baltic meeting on fighting workplace crime is also scheduled.

NEWS
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TEXT: BJÖRN LINDAHL

When Minister for Employment Johan Pehrson briefed his colleagues in Reykjavik on 30 September, the thing he was most excited about was inviting his colleagues from the five Nordic countries and the three autonomous areas to visit Skellefteå in November 2024.
The participants at the meeting of Nordic labour ministers in Reykjavík on 30 November: Director International Affairs, Carsten Sander, Denmark; State Secretary Ellen Bakken, Ministry of Labour and Social Inclusion, Norway; Minister of Social Affairs and the Labour Market and Minister for Nordic Cooperation Guðmundur Ingi Guðbrands-son, Minister for Employment Johan Pehrson, Sweden; Secretary General for the Nordic Council of Ministers Karen Ellemann, and Minister of Employment Arto Satonen, Finland.

“There is tremendous development happening in Skellefteå and you will be able to see Northvolt’s enormous EV battery plant which is already up and running. The meeting will be held in Sara kulturhus, one of the world’s tallest wooden buildings which is furnished with the very best in Nordic design. It has solar panels to minimise the building’s climate footprint,” he said.

An estimated 14,000 new jobs will be created in the region by 2030, 4,000 of them at Northvolt. The plant will be Europe’s largest producer of lithium batteries for cars and storage when all the production units are ready.

Johan Pehrson highlighted several other Nordic labour market initiatives:

- Celebrating The World Day for Safety and Health at Work on 26 April (the actual date is 28 April, but that falls on a Sunday). The Nordics, in cooperation with the Swedish ILO Committee, will mark the day by publishing the results from a Nordic project examining workplace mortality. The study has been carried out in connection with the ILO’s Global Coalition for Safety and Health at Work.
- On 18 and 19 June, the 70th anniversary of the common Nordic labour market will be celebrated at an event in Malmö. The agreement, signed on 22 May 1954 and ratified on 1 July that year, has been one of the cornerstones in the Nordic cooperation. Nordregio has been asked to report on what the common labour market has meant for the Nordic region and what skills will be in demand in the future.
- The OECD has also been asked to report on the various reforms and changes being implemented by Nordic employment agencies, and the impact this has on the agencies’ role in promoting an inclusive common Nordic labour market. The results will be presented at a future date.
- A Nordic-Baltic seminar on workplace crime will be held in Stockholm on 12 September. Sweden has been considering how to create more formal cooperation to improve access to information and services and also to increase capacity and knowledge. The Nordic and Baltic countries will present examples of successful approaches, ways of collaborating and initiatives during the seminar.
- A seminar on foreign-born women’s labour market integration will be held in Stockholm in June, in cooperation with the Nordic Council of Ministers for Gender Equality. Sweden is also responsible for organising events during the UN Commission on the Status of Women (CSW) in New York in March. The Nordic Gender Institute (NIKK) has been tasked with mapping the work on “honour” violence in the Nordics.

Sweden’s Ministry of Employment has two government ministers. Paulina Brandberg is both the deputy Minister of Employment and Minister of Equality, which makes this kind of cooperation natural. Iceland’s Minister of the Labour Market Guðmundur Ingi Guðbrandsson encouraged fresh thinking from his colleagues.

Unemployment has fallen in all the Nordic countries, and Norway has the lowest unemployment rate overall. Source: NMR.

“We must be prepared to leave our comfort zone in our cooperation. We share the same experiences and can learn a lot from each other. But we should look at things from a cross-sectional perspective.”

The meeting also discussed the future cooperation programme which runs between 2025 and 2030. All of the ministers highlighted the issue of skills shortages that already exist in many professional fields and these are expected to become even greater.

This is partly due to the green transition, which will see some businesses closing down – like in Finland where peat extraction must be halved by 2030. New, green industries also need different specialised skills as well as access to services like schools, roads, housing and healthcare as some areas’ populations are set to grow rapidly.

Will the Nordic countries be competing for the same workers, or can the countries cooperate and find solutions to skills shortages together?
The Nordic Council Secretary General Karen Elleman presented fresh labour market statistics and highly recommended the newly presented report on border barriers which promotes a simplification of taxes and fees when people work across borders in the Nordic region.
Nordic bus industry associations take fight to the EU

Abandon the lawsuit against Denmark and instead ensure that the EU establishes clear rules preventing bus companies from low-wage countries from engaging in social dumping in the Nordic region. This is the message in a letter to the European Commission from the bus industry associations in Denmark, Iceland, Norway, and Sweden.

The letter is the latest move in a fight over so-called cabotage road transport rules which has split EU member states for years.

Various types of transport companies often carry goods or passengers between EU member states. However, as a general rule, they are only allowed to conduct domestic traffic in the country where they are established. In exceptional cases, they may engage in inland traffic in another country, known as cabotage, provided that this is "temporary".

A truck can for instance be allowed to carry out a few inland transport stretches on its way home after an international freight transport job. There are similar rules for passenger transport by bus – typically tourist buses but not city buses.

In the case of such temporary inland journeys, the drivers should receive the pay and other terms and conditions of employment that are applicable in the host country.

However, the Nordic countries have experienced that cabotage rules have been abused by haulage companies from low-wage countries. Some systematically conduct inland traffic in the Nordics while paying the wages of their home countries.

Denmark, in particular, has sought to counter this abuse by adopting clear rules on what constitutes "temporary" inland transport and has repeatedly clashed with the European Commission on this issue.

Recently, the Commission brought legal action against Denmark for failure to fulfil its treaty obligations due to restrictions put on foreign bus companies wishing to carry passengers in the country.

Now, the industry organisations Danish Passenger Transport, Icelandic Travel Industry Association, Norwegian NHO Transport, and the Swedish Confederation of Transport Enterprises have joined forces and contacted the EU’s Commissioner for Transport Adina Valean.

There is no definition of "temporary" in the EU regulation that concerns bus transport. The organisations therefore argue that it is entirely misguided to take a member state to the EU Court of Justice for attempting to clarify the matter.

In their letter, they emphasise that Iceland recently adopted rules that, like the ones in Denmark, define what should be considered temporary cabotage – and that Norway is about to do the same. Rather than continue to pursue the legal proceedings against Denmark, the Commission should work towards creating a clear and restrictive definition in the EU regulation and in various guidelines on how "temporary" should be interpreted.

The industry organisations argue that such a definition should ideally be in line with the rules established by the Nordic countries.
Young and older people in the Nordics face the same employment barriers

People outside of the labour market often face many employment barriers, and these are often the same for both young and older job seekers. This should be better reflected in the Nordic countries’ employment policies concludes a new report.

All of the Nordic countries have special measures aimed at young and older people who are outside of the labour market, but it does not make sense to define employment measures for these groups solely based on age. Young and older people face many of the same barriers, and more could be achieved by taking a broader approach rather than applying the traditional division into, for instance, youth and senior initiatives.

This is one of the main conclusions in the third and latest report from researchers who, on behalf of the Nordic Council of Ministers, are conducting a comprehensive mapping of the Nordic countries’ efforts to include vulnerable groups in the labour market, and how efforts can be improved.

The research is being carried out by the Danish Center for Social Science Research VIVE and the economic advisor company HBS Economics in Denmark. So far, this has resulted in three reports that analyse what the Nordic countries are doing today and what they can improve to create better employment opportunities for four groups of citizens who are outside of the labour market: young people, seniors, immigrants and persons with disabilities.

People at risk of being excluded from the labour market are typically divided into groups based on demography or health status. This type of division is also being used to inform employment policies. The report therefore refers to these four groups as traditional target groups.

Although Nordic employment levels are high compared to the EU average, the number of vulnerable people is sizeable. The researchers suggest that the Nordic countries must adjust their employment policies in order to help all those who are not yet employed.

Two in three face several employment barriers
According to the reports from HBS Economics and VIVE, one-fifth (21 per cent) of employable people in the Nordics have little or no connection to the labour market, and that does not include students and conscripts.

The first report focused on labour market attachment levels for traditional target groups in each country and found differences in employment levels between countries. It also noted a potential for countries to learn from each other.

If all of the groups surveyed in Sweden, Denmark, Finland and Norway had the same employment level as the country with the highest level, 700,000 more people would be in employment across the four countries.

Now, the researchers have presented a thorough study of the vulnerable group and the employment barriers they face. The report contains some new and remarkable findings. Two-thirds of citizens in the Nordics with low or no labour market connections face at least two employment barriers. 14 per cent of them face at least four employment barriers.

Vibeke Jakobsen from Vive presents the first report in Oslo 2022. Photo: Björn Lindahl
This is important knowledge that the Nordic countries should take into account when shaping their future employment policies, believes Vibeke Jakobsen, senior researcher at VIVE and co-author of the reports.

“Our analyses confirm that large numbers of citizens with weak labour market connections face several different barriers that prevent them from finding work. We have now been able to document that this is the case for all groups who are without jobs: young and old, immigrants and disabled persons. The countries should adapt their employment measures with this in mind.”

**Look at barriers rather than age**

The researchers have examined reasons for unemployment beyond the groups that the countries’ employment systems typically use to organise employment measures. Their analysis shows that many of the identified barriers are common for job seekers across, for example, age groups. This also ought to inform how measures are adapted, the latest research report recommends.

“Traditional demographic target groups (i.e., young people, seniors, etc.) share common barriers, which challenge their distinct categorisation. These empirical findings demonstrate that future employment policies may derive greater benefits by focusing on the specific employment barriers faced by individuals rather than relying on broad demographic categories as a shorthand for the unique challenges experienced by individuals”, the researchers write.

Research shows that young people and seniors are often used as proxy groupings in policy discussions, assuming that these categories effectively capture distinct sets of employment barriers that can inform policy formulation and implementation (Fernandez et al., 2016). However, it is important to note that being young or being a senior, in and of itself, does not constitute an employment barrier.

Among the barriers that cut across things like age groups are ill health, lack of education, skills and recent work experience. That is why it will be crucial for the measures to distinguish between individuals who have recently been in the labour market and those who have not.

“The simultaneous presence of these barriers amplifies the complexity of the task at hand, making it clear that a multifaceted approach is required to effectively assist these individuals in entering the labour market,” the researchers write.
"Time for a modern autonomy act for Åland"

Åland has a newly elected parliament and a new government. The MPs have one big question to answer: Will Åland finally get a new and modern autonomy act? Can the effects of the tax border surrounding the archipelago be mitigated to make things easier for the business sector?

NEWS
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TEXT: HELENA FORSGÅRD, PHOTO: NYA ÅLAND/STEFAN ÖHBERG

Åland held parliamentary and local elections on 15 October. 30 members of parliament and 16 municipal councillors were on the ballot.

The two largest political parties Ålandic Centre and the Liberals for Åland usually take it in turns to win elections and that was also the case this year. The Liberals, who have been in opposition for the last four years, became the largest party and leader Kartrin Sjögren was asked to form a government.

A friendly tone before the election indicated a future coalition between the Liberals and the Centre. But the question remained: Should Sjögren go to the left or right? Should she choose the Social Democrats or the Moderate Coalition as a third party in order to secure a broad enough government base?

After four weeks of negotiations, she was ready to present her government with three MPs from her own party, two from the Centre and two Social Democrats.

A never-ending job
As the parliamentary term came to a close with solemn ceremonies at the end of October – in the presence of Finnish President Sauli Niinistö – the outgoing speaker Bert Häggbom had this appeal to the incoming parliament and government: Make sure to land the work on a new autonomy act
for Åland! It is very disappointing that no result has yet been reached here.

President Sauli Niinistö speaks at the opening of Åland’s 2023–2024 parliamentary period in Mariehamn on 3 November 2023. Photo: Riikka Hietajärvi/President of the Republic of Finland

Åland’s current autonomy act is from 1991. Work to revise and modernise it has been going on since 2010. One parliamentary committee after the other have worked on the issue – one of them headed by ex-President Tarja Halonen who gave extra heft to the work – but no end result has yet been reached.

In March this year, a new step in this process was taken. The Ministry of Justice established a working group that will move the process forward together with Åland’s government. An interim report has been promised by the end of the year.

Must be optimistic
Katrin Sjögren, who has 20 years of experience in Åland politics, knows the issue well. It was highly topical also during her last period as head of government between 2015 and 2019.

“We at least managed to secure a part victory back then, with a new and improved system for the economic distribution between Åland och Finland. I have to be optimistic and believe that we will finish the entire job during this parliamentary term.

"So much has happened since our current autonomy act was passed. We have joined both the EU and Nato, for instance. Of course, this is about which areas Åland can take responsibility for, and there are things we need to clarify regarding the autonomy act in relation to the constitution. It is in both our and Finland’s interest that Åland has a modern autonomy act,” she says.

So why has this issue not yet been solved after so many years?

“It has been strangely difficult in fact. This might come down to some sort of mistrust, that such a small nation should be given so many rights to self-governance. But Åland, as one of the oldest autonomous regions in the world, is used internationally as a good example of a peaceful conflict solution. I believe Finland should raise its gaze and start looking at Åland as an asset.”

A source of irritation
Another issue for the new government is the effects of the tax border surrounding Åland. When Finland and Åland joined the EU in 1995, Åland negotiated a special status that included staying outside the EU’s tax union. This was considered important to safeguard duty-free trade on the ships that call at Åland when in traffic between Finland and Sweden.

The Viking Line shipping company has two vessels in traffic between Åbo and Stockholm. They leave from opposite sides and meet in Mariehamn every afternoon. The vessels running the Helsinki-Stockholm and Stockholm-Tallinn routes also dock daily in Mariehamn. They have considerable height capacity but are also floating entertainment palaces with restaurants, nightclubs and duty-free shops. Photo: Helena Forsgård.

But the tax border meant all goods going to and from Åland had to be declared at customs. Both businesses and private individuals are very irritated with this extra red tape. Some companies outside of Åland do not even want to do business with Ålanders.

The tax border is nevertheless more useful than not, according to Katrin Sjögren.

“Thanks to it, we can maintain the frequent ferry crossings that we have and need. Shipping companies are also important employers for people who do not come from Åland. But we have to review the side effects. We are going to negotiate with customs and the relevant government departments and try to reduce the extra administrative work which today bothers and maybe hinders businesses,” she says.

An extra seat for Åland in the EU?
Åland has for many years argued it should have a separate seat in the EU Parliament – so far without success. The issue returned to the table when it was announced that Finland would get 15 seats next year, up from 14. Åland’s member of
the Finnish Parliament, Mats Löfström, has submitted a motion that the seat should be reserved for Åland.

“This is not an unreasonable demand since we have relinquished our legislative authority, and we could enrich the EU debate with our perspective. The Finnish Parliament is negative, but we will continue to push for that seat,” says Katrin Sjögren.

Every day since Russia’s 22 February 2022 invasion of Ukraine, people have gathered outside Russia’s consulate in Mariehamn to demonstrate against the war. The area next to the building has been unofficially named Ukrainaplatser (Ukraine square) and the Ukrainian flag flies 24 hours. Photo: Nya Åland/Stefan Öhberg

Demilitarisation remains
Åland’s status as a demilitarised area has also been hotly debated in Finnish media lately, in the wake of Russia’s invasion of Ukraine and Finland’s joining Nato. There is also the issue of Russia’s consulate in Åland. Should this still be manned when Finland revoked the permission for Russia’s general consulate in Turku from 1 October this year?

President Sauli Niinistö ordered the Ministry for Foreign Affairs to produce a report on this issue, which was presented in November this year. It says the Åland Convention, which regulates Åland’s status as a demilitarised area, cannot be terminated.

The report also concluded that there is no legally secure way to suspend the consulate, which has been on Åland since 1940. The consulate was established as part of the agreement signed by Finland following its loss in the Winter War. The consulate’s mission was to monitor the demilitarisation.

Åland is happy with the ministry’s report.

“It is very clear and spells out our status. In today’s world, it is very good that some demilitarised zones exist,” says Katrin Sjögren.

The consulate and its staff, now presumably only the consul and his family, have led an anonymous existence in Åland for decades. But now the building has attracted attention. Every day since Russia invaded Ukraine, locals have been gathering outside it in loud protests against the war.