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Tuula Haatainen new Finnish Minister of Employment

Dec 17, 2019

# Theme: The Distribution of Welfare



Newsletter from the Nordic Labour Journal 9/2019



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# The skewed distribution of welfare

In Finland, there has been a government crisis. In Sweden, the politicians quarrel over the Public Employment Service and in Norway the scandal where thousands were branded benefit cheats, continues. At the same time, the gap between the poor and the rich is slowly but surely increasing - even in the Faroe Islands where growth has been highest.

EDITORIAL

17.12.2019

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

No one can claim that politics in the Nordic is boring. A labour conflict forced the Finnish government to resign after only six months. Tuula Haatainen is the Minister of Employment in the new government of the country's so far youngest Prime Minister, Sanna Marin.

Sweden and Norway's employment ministers have nearly simultaneously been threatened with or survived a vote of no confidence. Sweden's Left party wanted Eva Nordmark to resign over what party leader Jonas Sjöstedt called the "privatisation chaos" of the country's Public Employment Service.

The threat was withdrawn when the government gave the service some more time and money. Its new Director-General, Maria Mindhammar, faces a difficult challenge however. She will lead the restructuring of the agency, where 4,500 people were put on notice this spring, and where 132 local job centres face closure.

In Norway, Minister of Labour Anniken Hauglie faced a vote of no confidence, which only gained one vote – from the Red party. This does not mean her position is safe. Other parties want to wait for the conclusion of the many investigations which have been launched. These will seek answers to why Norway spent seven years misinterpreting the EU regulations on social welfare, with major consequences for thousands of Norwegians.

The first report, which was carried out internally at the NAV welfare agency, points to three factors that all begin with a C: a lack of competence, low capacity and bad communication.

We at the Nordic Labour Journal are restructuring too, albeit on a smaller scale. We will be moving away from one dominating theme in our newsletters and will work more with series of stories where we highlight a theme from many angles over time.

We have called one of these series "The Distribution of Welfare". It started two editions ago with the story "Money can't buy you happiness in Iceland". According to a report, a high income is only 1 % of what really makes Icelanders happy.

Wage distribution does impact on society and the value basis we share in the Nordics, however. It is under threat by the fact that the richest percentile earn an ever-increasing part of wages in Iceland. Two researchers in Finland have studied the 5,000 richest Finns, based on public records. They also interviewed 90 euro millionaires and wrote one of this autumn's most talked-about books, which we wrote about in our previous edition.

In this edition, we turn our attention to the poorest 5,000 Faroese, in a story about the debate over income distribution on the Faroe Islands. Statistics show that the Faroes have enjoyed the biggest growth out of all of the Nordics for many years, but at the same time the number of people at risk of poverty has risen from 8.9% to 10.5%.

Sonja Jógvannsdóttir, head of the SAMTAK trade union, calls it a worrying development.

We also start a new series of articles which will focus on Nordic police forces. One of Denmark's goals during its Presidency of the Nordic Council of Ministers is to further Nordic police cooperation.

Our first stop is Malmö, where media in Sweden and other Nordic countries have written so much about "gang war" that Sweden's entire image has been affected. Is the image correct?

Police statistics suggest measures have been successful – the number of shootings has been halved and the risk of being a victim of violent crime in Malmö is the lowest for twenty years. But it's hard to fill the Police Academies with students.



## The guardians of democracy are humans too

“When you come home with a black eye after being hit, you are a human being first,” says Malmö’s police chief with ten years frontline experience into the city. Thinking police are trained to deal with the worst possible situations, or even prepared to die, is to put too much belief in a human being’s capability, he says.

THEME

16.12.2019

TEXT: FAYME ALM, PHOTO: JOHAN NILSSON/TT

Sweden’s third largest city has created headlines around the world and perpetuated the old rumour of Malmö being Sweden’s Chicago. Efforts to reduce crime further have been made and are being made, both by police and other actors and often in cooperation. The efforts have been successful – the number of shootings has been cut in half and the risk of becoming the victim of a crime in Malmö is the lowest in 20 years.

### **More challenges for police**

Yet the gains have not eliminated the police’s challenges. Police chief Mattias Sigfridsson says policing is not only about carrying on fighting crime.

It is also about setting an example and to be approachable despite threats, harassment and subtle pressures, to break out of self-censorship and to dare speak up internally about what makes the job hard, to be patient when legislation changes far too slowly and to handle the expectations from society and the judiciary that you are trained to deal with anything.

### Preventative measures

Controls carried out by the border police play an important role in reducing crime.

“We carry out thousands of controls every week,” says Thommy Brännström, head of the border police in the South Region.

“We find people linked to international networks, drink-drivers and other traffic offences, attempted illegal imports of dogs and meat not fit for consumption and more. In terms of criminals or individuals without the right papers to enter the country, we stop around 75 to 100 people a week.”



Passport control at Hyllie, the train station closest to the Öresund Bridge. Photo: Björn Lindahl.

The controls take place where the Öresund Bridge starts in Lernacken. Every vehicle travelling to or from Denmark must pass through here. Other control spots are Hyllie, the first train station on Swedish soil as trains arrive from the Bridge, and the harbours of Helsingborg, Trelleborg, Ystad, Karlshamn and Karlskrona.

“The border police often operate in situations where we face the risk of not only violence, but also heavy weather, darkness and cold. We try to make the work situation tolerable by having good control facilities, nice resting rooms and nice places to eat, well-tailored rotas, good working groups and capable bosses,” says Thommy Brännström.

### An expansive region where borders are crossed

Malmö is situated in a rapidly growing region with a high birth rate and high immigration rates. This also has an impact on crime. In the Öresund region, the number of citizens has rapidly risen to more than four million. The Skåne region is growing too, and Malmö alone is now home to 340,000 people. Half of them are under 35.

“The geographical location, the large expansion and the special demographics is the context in which criminals now operate, with no regard of national borders,” says Mattias Sigfridsson.

That is why the border police and the Malmö police cooperate with police on the other side of Öresund.

“We have regular meetings with Danish border police in order to identify and improve our cooperation. Danish and Swedish police have the same approach to how we operate, so the cooperation works well,” says Thommy Brännström. He adds there are ongoing discussions with Denmark and also Germany about how to develop the cooperation further.

Mattias Sigfridsson also points to the importance of Malmö police’s “extremely close” cooperation with Danish police.

“Criminals work together regardless of where they might be, so we must also move around. We meet with Danish police and maintain direct contact both on a strategic level and in order to exchange status reports and see how we can help each other. This goes for operative activities as well as for investigations and reconnaissance.



“Today’s serious organised crime in Malmö also means there is a need for international cooperation, whether we are dealing with economic crime, money laundering, drugs or weapon smuggling,” says Mattias Sigfridsson.

### The media image and gender issues

Apart from the national and international fight against crime, the police must also handle the image created in editorial and social media of their profession. It is an image which does not always correlate with reality, but which nevertheless has an impact on all police and policing staff, thinks Mattias Sigfridsson.

One example is the story that has circulated in certain media that the Malmö police has so-called “No go zones”. Mattias Sigfridsson can debunk that right away.

“No, we never did have that. We have always been able to move freely everywhere in the city. There have, however, been area where there has been more than one single patrol deployed, because of damage being done to our vehicles.”



Another issue has been how female police are treated by criminals. Within the force, the police have made it clear they are people with authority, and do not differentiate based on gender, according to Mattias Sigfridsson.

“There have been isolated instances where a man has not wanted to be interrogated by a female officer, and we see that women are not always getting the same respect as men. But these instances are so rare that we cannot form a general picture based on them.”

#### **Met with respect, but also threats**

Malmö’s police chief thinks his officers on the beat are good at creating a dialogue with those they meet. Language can be a challenge – there were people from 186 different countries living in Malmö in 2018. The Malmö police therefore try to recruit people with broad language skills. Criminals do show respect, but there are also attempts to influence the police, explains Mattias Sigfridsson:

“Although it is not a criminal act, there is a risk that this will impact on the people of authority and lead to self-censorship.”

#### **Introducing more coaching**

As part in the attempts to reduce such censorship, and to improve staff protection, the police occupational health service has introduced coaching using a method where staff is regularly gathered to get external help to reflect over how to handle threats and other issues. Previously, this has only been used by police working with child pornography and crime in close relationships.

“We are also introducing leadership training in the region to encourage our bosses to dare to be leaders, to dare to be both brave and vulnerable, to dare to talk about what might feel difficult. If I as a top police chief can talk about the difficult things in my profession, it becomes an example to follow for our colleagues. I see this as an important part of modern leadership,” says Mattias Sigfridsson.

For the past ten years or so, the police have routinely not only started the shift with a conversation. They have also ended

the day with a chat, to give everyone in the group a chance to talk about what they have experienced that day.

“We need to hear everyone before people go home, so this is standard for everyone who works on the frontline. It is very important for the squadron leader to be able to see what colleagues are going through, says Mattias Sigfridsson.

#### **National efforts after murder of 15-year-old**

The police do face many challenges, but Malmö has been receiving extra resources after police authorities on 11 November declared “a national major incident against serious violence in the country”, also known as Operation Rimfrost.

This happened a few days after two young people were shot in Malmö. One of them, a 15-year-old boy, died from his injuries. This was yet another tragic and far too early end to a life, and it happened only two and a half months after a mother of a baby was shot and killed on the street in the same place.

For Malmö, Operation Rimfrost means help from more investigators with more comprehensive skill, plus help from civilian specialists and more frontline police. The main aim is to reduce shooting and bombing incidents in criminal environments.

The operation has already led to results, says Mattias Sigfridsson.

“Our arresting cells are always full. Right now we have 40 people held for serious crimes, and in total we are holding about twice as many people as that. In 2019 we have jailed many of the people in the three different networks that have been behind the violence in Malmö.”

#### **Criminal recruitment a major problem**

There is still much to do, however. Like many, Mattias Sigfridsson can see problems with Malmö’s main risk area, and with the three particularly challenging areas. Even if Malmö’s authorities and civil society have managed to turn things in a positive direction, the city still faces some major challenges.

“We also have a problem with the parallel societies of youths who want to enter the criminal world. The recruitment base should not be as big as it is today,” says Mattias Sigfridsson.

As National Police Commissioner, Anders Thornberg heads Sweden’s largest authority with some 28,000 staff. He has told media that the whole of society has a responsibility when it comes to crime. He told Swedish Radio on 14 December that “the increasing crime levels are not being handled correctly” and said schools, social services and parents all had a role to play in reducing the number of young people who chose a criminal pathway.

#### **More interest in Malmö and criminal gangs**

This autumn the Swedish government presented its 34-point plan to fight criminal gangs and the Minister for Home Af-

fairs is one of many politicians from different parties who often visit the Malmö police.

“They listen to us because we have had success in fighting criminal groups, and we have managed to break the trend of shootings and explosions. Some types of crime arrive first in Malmö before spreading to Stockholm and Gothenburg,” says Mattias Sigfridsson.

### **Wants a change in the law**

There are still people who regularly commit violence who walk free in Malmö, however. This is something a change in the law could have prevented. Despite calls from the police to classify explosives as weapons, this has not happened.

“We would have liked to see people being automatically committed for the possession of explosives and for carrying out destruction that threatens the public. All use of explosives in residential areas should be classified as a serious crime,” says Mattias Sigfridsson. He believes that would make a difference.

### **Trained to handle threats and violence, but not to die**

Mattias Sigfridsson has spent 20 years in the police, first on the frontline and then mainly as an investigator. During that time he has seen how Malmö’s criminal networks have changed.

“In the 90s, the warring parties in motorbike gangs committed serious crime when facing each other. In the early 2000s, you got the gang wars which led to several murders. Today we see loosely linked networks with fluid loyalties that change rapidly.

“This creates uncertainty within the networks. Who can you trust? The criminals do not sleep well, use drugs, become more violent and do not care if bystanders are hurt in their shootings and explosions. This also represents an increase in the risks our colleagues face when they are close to the action,” says Mattias Sigfridsson.

The police face yet another challenge: the preconception of what they, as defenders of democracy, must be prepared to do. These preconceptions are found both in society as a whole and in the courts.

“We are expected to manage all kinds of violence, harassment and threats because we are trained to do so, the courts argue. Yes, we are trained, but not trained to die. There is a lack of understanding of what a human can take. When you come home with a black eye after being hit, you are a human being first. The experience does not fade when you take off your uniform,” says Mattias Sigfridsson.



## "We must protect our police force"

There is a parliamentary majority in Sweden for recruiting more police officers. There has been a tripling of police training places in recent years. 546 new police officers recently graduated.

NEWS

16.12.2019

TEXT AND PHOTO: FAYME ALM

But projected figures for the next term look bleak. At the five Police academies in the country, with a capacity of 1 020 new students, just over half, 651 persons, have been accepted, according to Swedish Radio.

Low pay could be one reason for the lack of interest.

"A police who has worked nine years on the streets of Malmö is paid between 28,000 and 30,000 Swedish kronor a month (€2,700 to €2,900). If you work Christmas Eve, you get an extra 100 kronor an hour (€9,60). If you're on call, you are paid 15 kronor (€1,40) an hour on weekdays and 30 kronor (€2,80) on holidays. You have one hour to get ready for duty," says Nina Eilenberg Wemrin.

She is a police officer and leader for the Swedish Police Union South. She is concerned not only about the wages, but also

that the Police employs many new categories of personell, without analysing what this can lead to:

- When you are educated as a police you will learn about justice, how to handle guns etc. You are also trained to face certain ethic dilemmas, which helps you as a police to make the right decisions when you are in a tough situation. Decisions have to be made in a short time that may have consequences not only for yourself, but for other persons, your colleagues and your family.

"What happens if we delegate the monopoly on violence to security guards? Or when criminologists and social workers outnumber police officers in the force? I'm sure these professions are useful in the fight against crime, but we must protect our police force when we see an increase in both terrorism and gang crime," says Nina Eilenberg Wemrin.

## "WE MUST PROTECT OUR POLICE FORCE"

She says the situation in Malmö is not new. It has been a source of frustration among her colleagues for a long time.

“Police on the street has known for several years how unsustainable the situation in Malmö is. But it has taken until now to get the politicians to listen.”

“Every day police go out and face criminals, prepared to risk their lives for strangers. We must protect those personnel and listen to what they have to say. They are the ones with the experience needed to protect , help and mend,” she says.



## Tuula Haatainen new Finnish Minister of Employment

Experienced Haatainen (59) joins a government which features numerous young female minister. So what experience do Finnish politicians have from real working life? The question arose with Finland's sudden change of government in mid-December.

### NEWS

16.12.2019

TEXT: BENGT ÖSTLING

The world's youngest Prime Minister, Sanna Marin, started her career at a supermarket checkout for instance.

Tuula Haatainen (Social Democrats) is the new Minister of Employment and is considered to be a jack-of-all-trades in Finnish politics. She is a trained nurse and has practised in her home region of Kuopio in Åland. Her ambitions stretch all the way to the post as President, however.

### **Musical chairs**

Haatainen left her post as deputy speaker in parliament to join the government, and to open up her post to be filled by Antti Rinne, who stepped down as Prime Minister in early December.

Haatainen took over from Timo Harakka at the Ministry of Employment. Harakka moved to the post as Minister of Transport and Communications – a position held by the new Prime Minister Sanna Marin for the past six months.

The sudden government crisis was a Social Democrat crisis at first. It entered on the labour market, wages and collective agreements. The crisis came to a head because the coalition partner the Centre Party lost trust in the Prime Minister over how he had handled a labour dispute the Finnish postal service, Posti.

The postal workers' trade union, The Finnish Post and Logistics Union PAU, accused Posti of lowering wages for staff who

also were already on low wages. Posti is in a crisis because many private actors have entered a shrinking market.

2,300 newspaper distributors have previously been moved to Posti's daughter company where they were given a "cheaper" collective agreement. Now Posti wanted to transfer 700 sorters to the same daughter company, with lowered wages.

**Government crisis because of state ownership policy**

Posti even threatened to cut wages for the rest of the postal staff. Negotiations for a new collective agreement stalled, resulting in a postal strike. The strong transport sector organised several sympathy strikes.

According to state-owned Posti, competitors can carry out similar work within cheaper and more flexible collective agreements. Posti's board also wanted this.

The question was whether the Social Democrat-led government really had agreed to Posti's decisions. Minister for State Ownership Steering Sirpa Paatero had to step down, but that was not enough. The Centre Party announced that they no longer had confidence in Prime Minister Antti Rinne.

**The government saved, with the same parties and programme**

Rinne stepped down to save the government and the coalition programme that had been negotiated in the spring and early summer.

The Finnish government re-emerged with five parties, under Social Democrat leadership, The other parties are The Centre Party, The Greens, The Left Alliance and The Swedish People's Party.



*Parts of the new Finnish government, with Sanna Marin in the middle. Tuula Haatainen is number two from the left.*

At 34, Sanna Marin (SDP), became the world's youngest prime minister. Sirpa Paatero returned as a government minister after only a few weeks' break – now only as Minister of Local Government. Minister for European Affairs Tytti Tuppurainen (SDP) has been given responsibility for state ownership steering.

While the Social Democrats have made several ministerial changes, the Centre party only made one. Party Leader Katri Kulmuni swaps jobs with Mika Lintilä. She becomes Minister of Finance and he is the new Minister of Economic Affairs at the Ministry of Economic Affairs and Employment.

**Haatainen's down-to-earth approach became her trademark**

Employment and working life issues are partly new for Tuula Haatainen. She has been presented as an expert on social politics who has made her down-to-earth approach her trademark.

Haatainen has twice tried to be elected President. In 2011 she lost the nomination to be the Social Democrats' candidate, but in the latest presidential election in 2018, Tuula Haatainen was the Social Democrats' candidate for President. There is no doubting Haatainen's skills. She is considered to be to the point and trustworthy.

Security policy, weapons systems and defence were not her strength, however. She would rather talk about a feminist foreign policy, with Sweden as a model. Journalists have called her dull. She gets along with everyone and has no scandals in her past.

"She would be better as Prime Minister, but does not fit in the presidential election," said the Social Democrats' former party secretary Mikael Jungner in the Savon Sanomat newspaper.

Voters agreed. Haatainen only got 3.3 % of the votes. That was the Social Democrats' worst ever result in a presidential election. The task was also considered to be impossible. The opposing candidate was the former leader of The National Coalition Party Sauli Niinistö, who had been a popular President. He easily won a second term.

# How Norway got EU benefit regulations wrong for seven years

What lies behind Norway's scandalous miscarriage of justice that led to 2,400 people being branded benefit cheats because the state misinterpreted the EEA agreement? And how could this have gone on for seven years?

NEWS

16.12.2019

TEKST: LARS BEVANGER OG BJÖRN LINDAHL

There are many who carry a responsibility: politicians and government ministries, the judiciary, the NAV welfare agency and the media which did not manage to unveil what was going on. So far only NAV has been investigated – in an internal report written by Terje Klepp, a former auditing director at NAV.

## **The three Cs**

Terje Klepp summed up his report at a press conference on 12 December, listing what he believed to be the key reasons behind the benefits scandal.

“I call it the three Cs: a lack of competence, capacity and communication.”

The scandal centres on the fact that EU rules trump Norwegian law. It upholds the free movement of people across national borders as a very important principle. It should be possible for EEA citizens (EU + Norway, Iceland and Lichtenstein) to bring with them benefits to other countries without having to apply for this.

According to Norwegian benefit rules, however, you must be residing in Norway in order to receive a number of benefits. The courts have not questioned the authorities' interpretation of the law. They have carried on using the Norwegian benefit legislation rather than EU's benefit regulations, which became part of Norwegian law after 1 June 2012.

## **A lack of competence**

The internal report presents several examples of lacking competence. The Ministry for Foreign Affairs is believed to have translated the EU benefit regulations incorrectly. Using the Danish version, it had changed the Danish wording for “temporary stay” to “temporary place of residence”.

Such mistakes led to a distinction between stay and place of residence that does not exist in the EU regulations. The right

to receive benefits in a different EEA country was interpreted to mean only those who were residing abroad had that right. Those who were temporary resident in an EEA country would be treated according to the more restrictive Norwegian legislation.

Norway's National Insurance Court is the institution that processes complaints relating to NAV's decisions. It supported NAV's resolution without questioning NAV's interpretation of the regulations' implications when it comes to temporary stays in another EEA/EU country.

Only five years later, in June 2017, did the National Insurance Court issue the first ruling which questioned whether NAV has correctly interpreted the benefits regulation.

Not everyone who stayed in a different EEA country was refused benefits from NAV, however. The internal report says NAV offices each year processed some 22,000 applications for keeping sick pay during foreign stays. Only 2,000 were declined.

## **Bad communication**

The bad communication meant people who questioned the legal interpretation were not listened to.

“Between 2012 and 2017, experts repeatedly questioned our practice when it comes to temporary foreign stays. In 2017, EFTA's surveillance authority ESA also asked relevant questions. None of this led to the unmasking and correction of NAV's incorrect actions,” the internal report's author writes.

## **Bad capacity**

In the end, the issue was not given sufficient priority, even after the first ruling by the National Insurance Court questioned the legal interpretation.

“The directorate must seek the agreement of the government ministry before NAV can change its practice. The internals

process at the directorate also takes a lot of time. The reason could be a lack of continuity in this work, as several different people are working on the case at different times due to a lack of capacity at the Benefits department,” writes Terje Klepp.

“Too many activities are ‘competing’ for attention, and the issue does not receive sufficient comprehensive and concentrated attention. Most of the employees involved face other challenging tasks which were seen as more urgent in the spring of 2019.”

So what conclusions does the NAV Director, Sigrun Vågeng, draw from the report

“It shows us that the practice we have maintained until now, with several judicial environments, makes us vulnerable and not capable enough to solve complex judicial problems,” Vågeng says.



## Faroe Islands: big economic growth yet increasing poverty

The Faroe Islands are doing very well. But things are also going very badly. One survey shows the Faroes had the greatest economic growth in Europe last year. At the same time, the number of Faroese at risk of poverty rose from 9 to 10.7 %. “A worrying trend,” says trade union coordinator Sonja Jógvansdóttir.

NEWS

16.12.2019

TEXT: RÓLANT WAAG DAM, PHOTO: BAKKAFROST

The Faroe Islands are doing well, and have done well for many years. This is particularly evident in the capital Thorshavn. Road tunnels, schools, hospitals and a string of other big public and private buildings are being constructed. A Nordic Council of Ministers survey supports what all Faroese can see every day, which made the Faroese newspaper *Dimmalætting* conclude last year:

“The Nordics are doing well, but the Faroe Islands are doing best.”

### **Great Nordic economic growth**

The State of the Nordic Region 2018 survey was published last year. It points out that the Faroe Island’s BNP has grown with 10.3 %. Iceland, at number two, has seen a 6.3 % growth.

The good times also manifest themselves in other areas.

“With fewer than 50,000 inhabitants in an isolated spot in the North Atlantic it is pretty self-evident you won’t find lots of billionaires on the 1,399 square kilometre islands society.

But there are some,” wrote the Danish publication *Finans* in 2017.

It alluded to Regin Jacobsen and Oddvør Jacobsen, who in 2016 became the Faroese Islands’ first billionaires. The *Berlingske* newspaper called Regin Jacobsen the salmon king, and the salmon king told the newspaper:

“Things have been very good.”

This really does describe how things have been going for Bakkafrost, the company that has Regin Jacobsen and Oddvør Jacobsen as main shareholders. It also quite precisely describes how the Faroese GDP has been developing. Yet trade union coordinator Sonja Jógvansdóttir is still concerned about how things are developing on the Faroe Islands.

“In the past few years we have seen how society has become incredibly richer, but wages have failed to keep up,” she said. And she is right, according to the Faroe Islands National Bank’s 2018 annual report.

It says that while Thorshavn house prices rose by 14 % from 2015 to 2016, wages only rose by 5 %.

### More at risk of poverty

While house prices are rising, the number of people at risk of poverty has grown. “At the risk of poverty” is an international term which is used by Eurostat among others. Statistics Faroe Islands first issued these numbers in 2009. That year the number was 8.9 %. This has risen nearly every year since, and the most recent measurement from 2017 shows 10.5 % of people at risk of poverty. This is not OK, says Sonja Jógvansdóttir.



Sónja Jógvansdóttir. Photo: Björn Lindahl

“A normal job should be enough to lead a normal life. But this is not the case for everyone,” she says.

Social workers Siri Joensen and Barbara Olsen are two of those who work with people who struggle economically. Last year, they told Faroese radio *Kringvarp Føroya* that they have

met several people who are in real trouble, even suffering from hunger.

“Parents have told us how they give their children food but have to go hungry themselves. They might not have to experience this if they approach the right authorities, but these people are vulnerable,” she said.

One of the challenges is that it is difficult for authorities to reach people who need help. Heri Petersen from the Faroese social service has co-authored a report on poverty on the islands, and has said that poverty in the Faroe Islands is not visible in the same way as in other countries.

“You cannot tell that people are poor by looking at them. They don’t live in certain areas and they are not of a particular heritage. Several other Nordic countries have city neighbourhoods where the majority of people are immigrants or refugees, we have socially challenged areas where poorly paid and socially challenged people live.

“On the Faroe Islands, you’ll find people at risk of poverty across the whole of society. That’s what makes it hard to find broad enough solutions,” Heri Petersen told the radio programme *Radarin*.

This is also something the social workers can confirm.

“When we visit people at home, we see that they live in very poor conditions. Some of them know of nothing else. They might have grown up in similar circumstances. If nobody has noticed, it can be difficult to know how to seek help.”

### A fragile and beautiful society

There are no concrete figures for how many people find themselves in this situation on the Faroes. But the 10.5 % who live at risk of poverty make up some 5,000 people. That is 10.5 % less than in the rest of the Nordics, but it is still too many says Sonja Jógvansdóttir.

“When you have such a small society, it is also very fragile. That’s why each individual person means so much. But such a small society is also beautiful, because when we see something that needs addressing it is easier to do it than in a larger society. That has to be our advantage.”

One step in the right direction would be a wage increase for ordinary workers. Sonja Jógvansdóttir is working on that right now, because 1 May 2020 marks the end of the current contract for the members of the trade union confederation where she is the coordinator.



## EU agreement on mobility package

After years of inquiries and difficult negotiations, EU countries have agreed on new rules for the road haulage sector. The new rules will be introduced in 2021 and will also cover Norway and Iceland.

### NEWS

13.12.2019

TEXT AND PHOTO: BJÖRN LINDAHL

The EU Parliament, Commission and Council of Ministers sat through one final night of negotiations and agreed at 6.30 am on Thursday 12 December. The new legislation must be formally approved by the Council and the Parliament. After that, the 28 EU member states have 18 months to include the changes in national legislation. The rules will also cover EEA countries, i.e. Norway, Iceland and Lichtenstein.

"The agreement means all those who run domestic transport companies in Sweden must offer Swedish wages and working conditions. If you are a permanent resident, you must register the truck and pay taxes in Sweden," said Swedish MEP Johan Danielsson (S).

### Three areas

The new rules will mainly cover three areas:

- Local wages must be paid both for domestic haulage within one country and for cabotage – when a truck arrives with goods from abroad and accepts a transport job within that country.
- Cabotage rules will also be tightened. After carrying out cabotage, the truck must stay within the country's borders for four days. Every eight weeks the truck must be driven back to the country where it was registered.
- Foreign drivers face stricter rules for driving and resting times and must return to their home country every three weeks.

The European Transport Federation, ETF, welcomes the new mobility package. The Federation's demand for the introduction of the latest generation of smart tachographs on all vehi-

cles has been accepted. This will make it possible to control that the driving and rest time regulation is adhered to.

### **Light goods vehicles too**

"We welcome the fact that light goods vehicles will be finally covered by the EU rules alongside the heavy-duty ones," ETF says in a comment.

The regular return of vehicles to the country they belong also helps in the fight against letter-box companies setting up business in countries with less favourable wages, while the vehicles never actually operate there, believes the ETF.

The agreement on the mobility package does not mean all road haulage issues have been solved. Individual countries still decide which wage conditions should apply for transports that combine trucks with planes or sea transport.

### **Who is the employer?**

Meanwhile, several court cases in national courts and in the EU Court of Justice have been brought to decide who should be considered to be the real employer.

In one case involving employees in the Cypriot company AFMB, which has agreements with several Dutch companies, the EU Court's Advocate-General Court Priit Pikamäe has used the so-called "duck-test" to decide who really is the employer.

*"If a bird walks like a duck, swims like a duck and quacks like a duck, I call that bird a duck."*

The question is which country's pension rights should apply.

The advice from the EU Court's Advocate-General is to look at what is really going on. Creative company structures should not be used to limit employees' rights. Since the drivers never worked in Cyprus, the employer cannot be based there:

"If you walk like an employer, swim like an employer and quack like an employer, I call that an employer," write the two Norwegian lawyers Dag Sørli Lund and Juni Nyheim Solbrække from the Hjort law firm in an opinion piece on dn.no.

"Proposed decisions are not binding for the EU Court, but are often followed anyway. If the result is upheld, it will have consequences in Norway for what national pension system should cover the employees when they carry out work for Norwegian companies, while formally being employed by foreign companies," the lawyers write.



## Maria Mindhammar takes helm at Sweden's battered PES

On 5 December Maria Mindhammar was appointed the new Director-General of the Swedish Public Employment Service. It is a job she gladly goes to, while also calling the situation at the Public Employment Service “exceptionally challenging”.

### NEWS

12.12.2019

TEXT: GUNHILD WALLIN, PHOTO: JOHAN KARLBERG, PETER KROON

“I am very proud to be the new Director-General for this large and important agency,” said Maria Mindhammar, as she held a press conference on 10 December to talk about the new labour market forecast for the next two years.

This was five days after she started work as Director-General for the Swedish Public Employment Service. She was introduced by Sweden’s Minister for Employment Eva Nordmark, who praised her long and comprehensive experience as a public servant. Eva Nordmark underlined the importance of the Public Employment Service and how crucial strong leadership is in order for the service to succeed with the restructuring it is undergoing.

“Maria Mindhammar is the right person to take up the position as Director General and to provide the clear leadership this agency needs in order to provide the correct support for job seekers and employers across the country. She will also play an important role in the ongoing work to reform the agency,” said Eva Nordmark.

### **Broad experience**

Maria Mindhammar is a lawyer and has broad experience from public authorities. She has been the regional tax director and tax director in Västra Götaland County, at the Swedish Enforcement Authority and at the National Agency for Education. She has also served as a judge. She joined the

agency as Deputy Director-General in September 2017 and has now taken over from Mikael Sjöberg. Because she has served as his deputy, she is well informed about the major reforms and challenges facing the agency.

“I approach this big and tough task with much respect and humility, but for me it was never an option not to take this on,” she said.

The publication *Arbetet* asked why she had accepted to lead an agency that is facing a situation which she herself described as “exceptionally challenging”. Her answer:

“Because I believe in this agency and I am passionate about these issues. I believe we can make something really good out of this, but I realise it is going to be tough.”

### **Rough seas**

The Swedish Public Employment Service has been facing rough seas in the past year, to put it mildly. The agency got less money than expected in the 2018 budget after the Moderates and Christian Democrats got parliamentary support for their proposed cuts.

Then there was the so-called January agreement, which allowed the Social Democrats and the Greens to form a coalition after conceding certain issues to the Centre Party and the Liberals. A reform of the Public Employment Service formed an important part of the January agreement. The Centre Party in particular wanted to see a rapid and comprehensive process which would contract out many of the benefit allocation processes – including matching – to private players, in accordance with the Public Procurement Act (LOV).

For the agency’s 14,000 staff the consequences quickly became apparent. In early spring 2019, 4,500 people got their redundancy notices and it was decided that 132 local job centres would close. So far 1,900 people have left voluntarily. According to the January agreement, the entire reform would be carried out rapidly, and the new organisation should be up and running in late 2021.

### **A no-confidence motion**

But a few weeks ago a no-confidence motion against the government, and Eva Nordmark in particular, was proposed. The Left Party leader Jonas Sjöstedt wanted to stop what he called the “privatisation chaos” at the Public Employment Service.

He claimed there no longer was parliamentary support for the far-reaching privatisation which was part of the January agreement, and that the rapid reform was hurting both municipalities and the long-term unemployed.

Pressure on the government mounted as Jonas Sjöstedt secured support from the Moderates and the Christian Democrats. After talks with the Centre Party and the Liberals, they managed to modify the January agreement, which was pre-

sented on Monday 9 December. This means the Public Employment Service next year gets to keep 900 million Swedish kronor (€ 86m) which was not spent in 2019, and that the reform will be postponed with one year. It is now due to finish by the end of 2022.

The new compromise also means a softening of the demand for putting all matching services out to tender.

This is the reality and reform task facing Maria Mindhammar as leader in the coming six years. There are still not many stories written about the person Maria Mindhammar, but on 5 December, in front of the press, we saw a person who time and again praised her colleagues and who was open to dialogue with the government, the social partners and not least the independent players who will get more responsibility for the matching of job-seekers and employers.

She also highlighted the role of public servants. An agency carries out the government’s orders, so she will now be waiting for the government’s letter, due in December, that will detail the Public Employment Service’s future.