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Taking the helm in turbulent times

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Employers' conditions in the shipping  
and aviation sectors provokes hot debate  
in the Nordic Council

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## Theme: Conflict resolution in focus



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# What happened to the spirit of consent?

Have we become less good at solving conflicts in the Nordic region? Are we seeing a weakening of the spirit of consent which has made it possible to reach compromises that everyone can live with? This issue of the Nordic Labour Journal looks at the debate in the five Nordic countries.

EDITORIAL

15.11.2018

BY BJÖRN LINDAHL, ACTING EDITOR

We begin in Sweden, where nine weeks have passed since the election, and the political system seems completely stuck. Many believe the established political parties must start co-operating with the Sweden Democrats, who were the election winners. For now, though, the Social Democrats, the Centre Party and the Liberals are reluctant to allow the formation of a government that needs the support of the Sweden Democrats.

When the situation is resolved and Sweden gets a new government – possibly after a fresh election – there awaits a range of labour market-related decisions which will be coloured by the final makeup of the government. We have called our main article “Nothing is sacred in the debate about the Swedish model”.

The Danish labour market researcher Per Kongshøj Madsen says there are signs that short-term political gains are being made at the expense of the Danish labour market model, known as flexicurity.

But what remains of the second part of that term – “security” – when the unemployment benefit is being gradually eroded? In 1980 it represented 63% of an average industry worker’s wage. Today that number is 47%.

The Finnish Prime Minister Juha Sipilä has tried to weaken employment protection for people who work in companies with ten or fewer employees, without tripartite negotiations with trade unions and employers. That led to a showdown with the unions, and Sipilä backed off.

But labour market researchers disagree on whether tripartite negotiations belong to the past or whether they are inextricably linked to the Finnish model.

In Norway, the tripartite conversation perhaps enjoys a stronger position than in any of the other Nordic countries. 8th November saw the launch of new tripartite negotiations for a new IA agreement – short for an inclusive working life.

The aim is to reduce levels of sickness leave, get more people with physical handicaps into the labour market and get older people to work for longer. After 17 years, parts of the agreement have brought some results in certain areas, but the aim of getting more people with physical handicaps into jobs has not been a success.

In Norway too, however, some warn that the Norwegian model is under threat – from the new European Labour Authority, ELA, which will be established next year. The main worry is the proposed mandate for the ELA to “mediate and resolve” disputes that for instance concern the working conditions for posted workers.

In Iceland, Drífa Snædal is the newly elected President of ASÍ, the Icelandic Confederation of Labour. She is the first female President in the confederation’s 100 year-long history. She is not worried about what is happening to employment right, but points out that the economy changes faster in Iceland than in other Nordic countries:

“We depend on the price of fish, tourism and aluminium. If we add the weather and the forces of nature, there is no stability in Iceland. It is remarkable that the notion of stability exists at all in the Icelandic language,” she says.

Common for all the Nordic countries is that conflicts seem to be turning ever more irreconcilable. The debate during the Nordic Council session in Oslo also had a sharper edge to it than usual.

Perhaps politicians and the social partners could learn from Sami conflict resolution. Two researchers and a judge propose a new mediating body for reindeer husbandry, based on what is known as *soabahallan*, a kind of “never-ending conversation” which aims to make the opposite party understand his or her responsibilities and which decisions should be made.



## Nothing is sacred in the debate about the Swedish model

The current Swedish collective agreement does not run out until 2020. That should normally mean a period of calm for the Swedish labour market. But the debate is raging: Big changes to the labour market could be just around the corner, depending on who ends up forming a government.

THEME

15.11.2018

TEXT: GUNHILD WALLIN, PHOTO: BJÖRN LINDAHL

When Stefan Löfven, Prime Minister for the transitional government, told a press conference it should be possible to combine flexibility for companies with safety for workers, there was audible murmurs among the reporters. Was he expressing a willingness to compromise on employment rights as a part of government negotiations with the Centre Party? Or was it simply a way of trying to bring the Centre Party's Annie Lööf to the negotiating table?

### **Employment protection important for LO support**

Karl Petter Thorwaldsson from LO, the Swedish Trade Union Confederation, made his views clear in an op-ed in Afton-

bladet on 2nd November, titled "Do not backtrack on employment rights, Löfven". LO will not meddle in the government negotiations, but will fight for secure jobs. He points out that many LO members are struggling with precarious employment conditions.

"They are forced to sleep with their mobile phone next to their pillow, constantly alert and ready to take any extra hours offered, in order to afford food and rent," writes Karl-Petter Thorwaldsson.

He also does not believe there is any reason to weaken employment security by making it easier for employers to fire

workers. If that were to become a reality, it would hurt those “who employers for some reason or other consider to be difficult or less profitable,” writes Thorwaldsson and sums up LO’s position: “Any government pushing for employment security, great wages and expanded welfare can also count on LO support.”

Stefan Löfven claimed the conversations with the Centre Party had never approached negotiations on single issues. His aim had been to seek out different alternatives to form a government through conversations. Employment rights could, however, become an issue for debate if both parties could approach each other.

The example highlights the role labour market policies play within the different Swedish political parties – the centre-right parties’ support for companies’ freedom and competitiveness are often at odds with the Social Democrats and Left Party’s defence of job security.

### **Complicated government negotiations**

It has been more than nine weeks since the Swedes went to the polls, and the country is left with complicated government negotiations, to say the least. The red-green block is a fraction bigger than the Alliance, but has no majority. Nor have the four parties which form the centre-right Alliance – the Moderates, Centre Party, Liberals and Christian Democrats.

The stumbling block for the Alliance is whether to seek support from the Sweden Democrats, which the Centre Party and the Liberals told voters they would not do.

For weeks there has been talks and disagreements and the situation can without doubt be described as locked. Nobody yet knows what a solution will look like, but the kind of government that emerges could have big consequences for employment rights and labour market policies, according to the think tank Arena Idé’s Labour Market Report 2018.

The think tank belongs to the Arena group, a non-partisan, non-profit organisation that cooperates with trade unions, popular movements and companies. In their Labour Market Report 2018 the journalist and author Mats Wingborg has gathered all the political parties’ labour market policies as expressed in parliamentary motions, political statements and during annual conferences.

### **Six areas where changes might be coming**

The conclusion is that there are major ideological differences between the parties over employment rights, but also when it comes to just how much politicians should be able to influence wages – an issue which traditionally has been the social partners’ responsibility. The report studies 21 labour market policy issues, but Mats Wingborg highlights six areas which could face considerable change if there were to be an Alliance government with support from the Sweden Democrats.

### **Employment protection**

One issue where the Centre Party in particular has positioned itself far from the red-green alternative is employment protection. The Centre Party wants to remove priority rules for all companies with fewer than 50 employees. The rest of the centre-right parties want five people, rather than two which is the rule today, to be exempt from the classic rule of “last in, first out”.

### **Lower starting salaries**

The parties in the Alliance have also agreed to pass legislation to allow for lower starting salaries for so-called *inträdesjobb* (entry jobs) for young people and the newly arrived. The Sweden Democrats do favour apprenticeships, but according to Wingborg the proposals are not that far apart. If a future Alliance government were to pass minimum wage legislation, it would interfere with the Swedish model, where wages are agreed by the social partners and not by politicians.

LO President Karl Petter Thorwaldsson writes in Aftonbladet on 2nd November: “The social partners agree on salary levels, not politicians.” He continues: “During this election we have heard politicians talk about bringing in legislation to cut wages in order to get young and newly arrived people into work. We believe this would be completely the wrong thing to do. First of all, it would have a knock-on effect and reduce wages for other groups. Secondly, it is a direct threat to the free negotiations where trade unions and employers decide wage levels through negotiations.”

He points out that there is already an agreement between trade unions, employers and the government on so-called *etableringsjobb* (startup jobs) for newly arrived and young people who struggle to enter the labour market.

### **Shutting down the employment service?**

All of the Alliance parties, as well as the Sweden Democrats, want to abandon the Swedish employment service in its current form. Private actors should be given the task instead, they argue.

### **Trade unions’ right to take sympathy action**

The Alliance and the Sweden Democrats also agree to limit trade unions’ rights to take sympathy action.

### **Probationary employment**

In case of a centre-right government, expect more precarious jobs. The parties propose to increase the time limit for probationary employment from six to twelve months, but Wingborg says the SD’s view on this is yet not clear. The centre-right parties, however, are more inclined to accept temporary and time-limited work than the Left Party and the Green Party. They are for instance opposed to contracts allowing peo-



ple to work during busy times in the mornings and evenings. This is common within the health and care sector. The Sweden Democrats are also opposed to this, but have not put aside money for solving the problem in their proposed budget.

### **Fixed-term contracts**

The political blocks disagree on temporary employment, including so-called general fixed-term contracts which were introduced by the Alliance government in 2008. Employers are not obliged to justify the fixed-term nature of the contracts. The centre-right parties are also more positive to so-called repeated fixed-term contracts, which is common in the media sector. This means people can work on fixed-term contracts for several years, and Sweden has been criticised by the EU Commission for this. The centre-right parties are also more positively inclined towards self-employment and temping work.

### **Debate about the industry's role in wage formation**

Employment rights and labour market policies aside, there is uncertainty in other areas too. Wage formation is also up for debate. For more than 20 years, the industry has set the so-called "cost mark". This has acted as a starting point for industry trade unions and industry employers when agreeing on what wage increase should be the norm for all trade unions for the duration of an agreement.

But the model is now being challenged by five LO unions – Byggnads, Fastighets, Elektrikerna, Målarna and Seko all question the industry's role in setting wages. Lars Calmfors, Professor of National Economics at the Research Institute of Industrial Economics, also joined the debate recently with a new report. He proposed "the cost mark" would work less well in the future as the demand for labour – including in elderly care – will increase due to an ageing population.

"If these sectors are to meet their labour needs, wage increases must probably be higher than what suits the industry," Lars Calmfors wrote in an article published by Dagens Nyheter on 28th October. He argued more trade unions should be able to take part in the cost mark negotiations.

The industry partners immediately launched their counter attack, partly led by chief negotiator Anders Weihe at the Association of Swedish Engineering Industries. He called Lars Calmfors a lackey for the above mentioned trade unions. Meanwhile, a report from the National Mediating Office shows wage rises within sectors with labour shortages have been higher than the cost mark.

One of the Swedish agreement model's sacred cows could be about to be sacrificed, while the ideological differences between the centre-right and centre-left concerning employment rights and labour market policies are becoming clearer. It remains to be seen how these differences will shape the next four years.

# Politics could pose a threat to Denmark's unique labour market model

The government and parliament could undermine the flexicurity model by shaving too much off unemployed Danes' benefits, warns Danish professor.

THEME

15.11.2018

TEXT: MARIE PREISLER, PHOTO: UNIVERSITY OF AALBORG

The Nordic welfare states are doing well in the global economy much thanks to the special Nordic labour market model – which Nordic lawmakers therefore wisely protect. But political reforms in Denmark could shake the model's foundations in the long run and be a threat to welfare.



This warning comes from one of Denmark's leading labour market researchers, Per Kongshøj Madsen, professor emeritus at the Department of Political Science at the University of Aalborg's Centre for Labour Market Research (CARMA) and chair of the Economic Council of the Labour Movement.

"There are signs in Denmark that short term political gains make politicians chip away at the foundation of the labour market model, and that is worrying. If too much is lost, it might destroy the very beauty of the model – that we can carry on being Nordic welfare societies even in a global economy," he tells the Nordic Labour Journal.

Nordic labour markets are different from those in many other countries because the rules of the game are largely negotiated and agreed upon by employers and trade unions without any political interference. Two things make up the cornerstone in the cooperation between the social partners in Denmark: It should be relatively easy for employers to lay off workers, compared to how that works in many other countries. In return, Danish workers should not suffer too much economically if they become unemployed.

## Weakened benefits

The model is often called the flexicurity model because it balances "flexibility" and "security". Employers have the flexibility to hire people and letting them go in more difficult economic times. Employees have the security of knowing that if they lose their jobs, economic compensation is secured through the unemployment insurance system at a level which will allow them to manage their regular outgoings until they find a new job.

But this central balance between flexibility and security is being upset by interference from the government and parliament, argues the professor.

"The Danish unemployment insurance has started to look a bit battered after politicians have carried out economic reforms which have cut the benefit period in half – from four to two years. The benefit amount has also been gradually reduced. In 1980, the unemployment benefit represented 63% of the average industry wage. Today, that has fallen to 47%."

There is further legislation on the books which might weaken unemployed people's security. Per Kongshøj Madsen points out proposed legislation that says anyone seeking unemployment benefit in Denmark must have lived seven out of the past eight years in an EU or EEA country.

"This will introduce a type of earnings requirements similar to that which already exists for cash benefits. Trade unions see this as yet another limitation to the social safety net for the unemployed – this time it hurts those who have taken the liberty to travel out of the country."

### **Worst case scenario**

Kongshøj Madsen believes the politicians' current appetite to legislate is being dictated by a desire to create space in the budget for other expenses – and by the belief that more people will find work if they get less money while being unemployed. But these are short-term considerations which have pushed the Danish flexicurity model closer to the edge. The long-term consequences can be frightening, believes professor Per Kongshøj Madsen.

"The worst case scenario, according to the trade union movement, is that the flexicurity model withers, bringing about a need for more security though longer terms of notice. That would prevent flow, and create greater barriers between people within and outside of the labour market. It would become harder to adjust to changing international market demands, something that is crucial to a small, open economy."

Kongshøj Madsen predicts that employers will use more temporary contracts in order to be able to get rid of employees again if necessary, and fewer workers will dare try to change jobs because they will become more vulnerable.

### **Fewer look to the north**

Right now, Per Kongshøj Madsen considers Danish lawmakers to be a greater threat to the flexicurity model than the EU, even though the EU has a legislation and harmonisation tradition which in many cases goes against flexicurity.

"Denmark has had some success in preventing EU directives being forced upon us, as we implement EU regulations via the agreements to a high degree."

Kongshøj Madsen has himself actively contributed to the marketing of the flexicurity model in the EU, but with limited success, he acknowledges:

"A few years back, flexicurity was considered to be the next big thing within the EU. Everybody looked to Denmark and the Nordic region. But that is no longer the case. In the wake of the European economic crisis between 2008 and 2012, it has become difficult to argue for a system which makes it easy to fire workers, while at the same time you need to invest heavily in a labour market safety net.

"As long as the economy is struggling and returns on investments only become obvious in the long run, that system will remain a hard sell."

Kongshøj Madsen believes Denmark can thank the flexicurity model for the fact that the country got through the economic crisis with fewer scratches than many other countries. Denmark emerged with a far lower long-term unemployment figure than most other European countries, and young Danes were less hard hit than young people in other EU countries. Without the model's contribution, the labour market would have been more divided, with more people falling outside of the labour market, he believes.





## Finnish government on collision course with unions

The conflict between the Finnish government and trade unions over weakening employment protection legislation has led to several political strikes in Finland. The conflict seems to have been solved thanks to classic tripartite negotiations, yet the future of the tripartite model is increasingly unclear.

THEME

15.11.2018

TEXT: MARCUS FLOMAN, PHOTO: CATA PORTIN

The current Finnish government has differed from previous ones when it comes to labour market policies. Juha Sipilä's centre-right coalition has introduced a range of reforms while not always listening to the social partners. The trade union movement says Finland has not had a government this hostile to trade unions for a long time, and there is nearly zero trust between unions and the government. This autumn's big

labour market issue has been a weakening of employment protection legislation, which the government argued would help companies hire new staff.

Initially the government wanted to make it easier for companies with less than 20 employees to sack people. After a barrage of criticism centred on the fact that employees should

not be treated differently based on which company they were working for, the government changed its proposal to cover companies with less than ten employees.

### **Several unions took strike action**

The government appeared to be presenting their proposals without listing to trade unions for a long time, but after several unions took strike action the government said it would agree to tripartite negotiations on the details of the legislation.

Trade unions, the government, the Confederation of Finnish Industries and Finnish business leaders have now reached a compromise on employment protection legislation. The legislation has not yet been put before parliament.

Another thing that prompted the government to take a step back in October and the major trade unions to halt strike action for the time being, was that the government agreed to renegotiate the much criticised activation model – in a tripartite working group.

*Does this mean the tripartite conversation is back?*

“I wouldn’t say the tripartite idea as a practical tool has been completely dead in Finland. It has been kept alive on a low flame by the current government,” says Mika Helander, senior lecturer in sociology at the Åbo Akademi University. He has been researching the trade union movement and labour market issues in Finland and globally.

In recent years Juha Sipilä’s government has listened to businesses in a lot of cases, and the former business leader Sipilä has repeatedly said he wants to govern Finland like a company.

“Although the trade unions have had no direct lobby contact with the government in recent years, they have still been able to mobilise and have used strike action to show that they are still a force to be reckoned with.”

### **A return to the tripartite model?**

Helander believes the new conversation in tripartite groups could represent a return to a tripartite model to a certain extent, but he adds:

“The 2019 parliamentary elections will be very important in terms of how the tripartite cooperation will develop in the long run. If a similar centre-right coalition stays in power, the risk of the tripartite conversation being abandoned increases. This would be difficult for the trade union movement. I think there is only so many times they can ask for strike from their members.”

Mika Helander points out that in the past three years there have been several labour market issue conflicts where the government and trade unions have been diametrically opposed to one another’s positions. One example is the introduction of the activation model for unemployed people. For

workers, this meant an extra 24 hours of work a year, with no extra pay. Public sector employees also lost a third of their holiday pay for the years 2017 to 2019.

### **Etla: “Tripartite model will be less important”**

In a recent report, the Research Institute of the Finnish Economy Etla has praised the government for its employment policies over the past three years. According to Etla’s report, the government’s policies for increasing effectiveness and labour supply might have created up to 50,000 new jobs. Etla believes the so-called competitiveness pact which the government pushed through in early 2016 has had a particularly positive effect.

However, Etla’s Managing Director Vesa Vihriälä does not give high scores to the government and trade unions when it comes to the dispute surrounding this summer and autumn’s hot political potato: The weakening of worker’s employment protection.

“This was an unnecessary escalation of the situation when you consider that this was over a relatively minor reform. It is very difficult to decide what impact this reform might have on employment figures – the effects would probably be positive albeit limited. The most important effect would probably be that more long-term unemployed at least would be entering the labour market momentarily.”

Vihriälä believes weaker employment protection can improve productivity just a little.

“I believe it is a good thing to give companies improved opportunities to sack workers who turn out not to be up to scratch.”

Vesa Vihriälä at Etla has no great hopes for the future of tripartite cooperation in Finland. He sees the tripartite cooperation of old as a model that worked, but it does not fit modern EMU Finland.

“Right now we are indeed seeing a temporary return of decision making through the tripartite model, for instance in the case where the parties got a chance to negotiate the upcoming legislation on employment protection.”

### **"The tripartite cooperation belongs in the past"**

Vesa Vihriälä believes time has run out for the tripartite cooperation model; in earlier decades it made sense partly because it meant you could negotiate competition issues on a national level.

“Today, structural changes happen though an ongoing process, and it happens on a company or sector level. In this situation, the tripartite model is considerably less efficient. In the long term, I believe the tripartite model is getting weaker.”

Vihriälä partly rests his argument on the fact that since the spring of 2016, the Confederation of Finnish Industries (EK)

has not been participating in central collective agreement negotiations. The agreements are now reached on a trade level. Businesses have been arguing for more local agreement for some time now.

“On a legislative level is it of course possible that we will see tripartite working groups, but the main trend is that Finland is moving away from the tripartite model as we know it,” says Vesa Vihriälä.

### **Unthinkable**

Sociologist Mika Helander believes the tripartite model will keep going in one shape or other.

“Just how visible the tripartite conversation will be in the future depends a lot on the political power balance. The entire Nordic social construct is based on people taking part and influencing society via citizens’ and interest groups. The disappearance of this type of influence, which concerns a central issue like the labour market, would be unexpected – even unthinkable,” says Helander.

# The European Labour Authority ELA challenges the Norwegian model

“If it turns out that Norwegian collective agreements can be overruled by the European Labour Authority, Norway might have to use its veto power in the EEA,” says Marianne Marthinsen, a member of parliament from the Norwegian Labour Party.

THEME

15.11.2018

TEXT: BJÖRN LINDAHL

Even before it has been established, the European Labour Authority is causing strong emotions in the Nordic region. ELA is part of what is called the European Pillars of Social Rights, and will be set up in 2019. It should be operative by 2023, employing 140 people.

“But so far it is unclear whether the “A” in ELA should stand for Agency or Authority,” pointed out Pål Lund from the Norwegian Labour Inspection Authority, during a seminar about ELA organised by the Fafo research foundation in Oslo on 12th November.

EU Commission leader Jean-Claude Juncker is said to have been personally pushing for ELA being called an authority and not just an agency.

The regulation concerning a European labour authority was presented on 12th March this year. A regulation is a binding legal document within the EU. All its details must therefore be followed, and have a direct impact on the whole of the EU – unlike a directive, where it is enough to use national legislation to fulfil its aims.

Since Norway, Iceland and Lichtenstein are part of the EEA, the regulation will also be binding there – if none of the countries use their veto power. So far none of them has used this since the EEA was formed in 1994. This is because the EU in that case would end all cooperation in that area.

In the proposal for the ELA, the Commission writes that 17 million citizens worked in a different member state from their home country in 2017. Postings increased by 68 percent between 2010 and 2016 to 2.3 million. There are also 1.4 million EU citizens who commute to go to work in another EU state and another two million who work in the road transport sector, moving goods and people.

As a result, there is a great need to coordinate which rules and employment terms should be followed. From a Nordic perspective, there is a lot of interest in the exchange of information which can help prevent work-related crime and social dumping. But this is no longer only about Eastern Europeans going to Western Europe to work.

“Estonia is experiencing the same issues as Norway, as the country’s labour shortage, due to labour migration, is being topped up with labour from non-EU countries – for instance Ukraine. As a result, Estonia has the same labour market problems as we do, with low wages and bad working conditions,” said Pål Lund, who is a coordinator for international cooperation against social dumping at the Norwegian Labour Inspection Authority.

ELA is meant to fulfil three main tasks:

- It should provide information on duties and rights linked to cross-border labour and businesses.
- It should promote cooperation between national labour market authorities. This could be the exchange of information, help during inspections and carrying out joint inspections.
- It should mediate and resolve disputes where countries cannot agree. It is enough if one of the member countries concerned asks for mediation.

Joining in the debate about the ELA were Erik Kollerud, recently elected head of the Confederation of Vocational Unions (YS), Jan Olav Andersen, who heads the Electrician and IT workers union and the two MPs Heidi Nordby Lunde (Conservatives) and Marianne Marthinsen (Labour).

They all agreed that the third point in the proposal is the problematic one: That ELA should “mediate and resolve disputes”.

“We say no to the establishment of an authority, which we see as a worst-case scenario. For now we are taking wait-and-see approach. The problem is that a body can change with time. We only have one opportunity to say what we think, and that is when the ELA is being established. For us it is entirely out of the question to weaken our current labour market model,” said Jan Olav Andersen from the Electrician and IT workers union.

Erik Kollerud was more positive:

“In YS, we believe the ELA is needed. We agree on two of the three points. There is a need for more cooperation. The view within the European Trade Union Confederation, ETUC, is that the ELA should not meddle in the cooperation between the social partners,” he said.

“The mediation point is obviously a challenge for us. At the same time we want to improve standards in the labour market. The question is: Will the ELA become what we need?” said Heidi Nordby Lunde, who pointed out that even though the proposal says the ELA should resolve labour market disputes, the authority/agency has not been granted any powers of sanction.

Marianne Marthinsen underlined that it was still too early to know what mandate the ELA would be getting:

“The Commission has already received 975 proposed changes,” she said.

“It is a good thing if the ELA means workers who fall between two chairs when they work in a foreign country get the help they need. We are not worried that there will be an avalanche of new decisions. The important question is whether the Norwegian model will be challenged or not,” she said, and pointed out that in that case a Norwegian veto in the EEA would be expected.

The issue of Norway’s veto power in the EEA has been a hot political potato within LO several times before. The latest time was when the European postal directive was due to be included in Norwegian legislation. So far during the EEA’s 25 years of existence, no decision has challenged Norway on labour market issues – until now.

In October the final verdict in what is known as “the ship-building case” in Norway, was made by *Tariffnemnda* (the tariff committee). This is a court comprising the parties which decides on labour market disputes.

The Norwegian union’s position was that posted workers should receive the same compensation for travel, food and lodgings that Norwegian workers get. The case went all the

way to the Norwegian supreme court, who supported the unions.

It decided that Norway can only demand that the conditions covering travel, food and lodgings should be equal to those found inside of Norway’s borders. Norwegian trade unions cannot influence the compensation rules for travel to Norway.

The Confederation of Norwegian Enterprise (NHO) brought the case in front of ESA, which is the court that makes sure the EEA agreement is being upheld – and won.

The *Tariffnemnda* took this in account and ruled that Norwegian unions can only make demands about the costs of travel, food and lodgings that are made in Norway – not the costs of travelling to Norway.





## New conflict solving methods needed for reindeer husbandry

A new mediation body is needed to deal with conflicts within reindeer herding. Existing courts and mediation bodies do not fit in with Sami culture. This proposal comes from two Norwegian researchers and a judge who have spent three years studying conflict solution within the Sami reindeer husbandry.

### THEME

15.11.2018

TEXT: BJÖRN LINDAHL, PHOTO: TRYM IVAR BERGSMO/SAMFOTO

“It is hard to think of another occupation more closely linked to culture than reindeer herding. But authorities usually treat it as a “meat production” which should be industrialised,” says Ida Hydle, a professor at the University of Tromsø and linked to the social research institute NOVA.

Together with Jan Erik Henriksen at the University of Tromsø, who has been project leader, and Knut Petterson who is a judge at the Indre Finnmark District Court, she has studied 29 conflicts linked to reindeer herding which have ended up in court in Norway since 2007, when a new law for reindeer herding was brought in.

Reindeer herding is important to the Sami population, because it also brings a range of rights for those who own reindeer. These are rights that are necessary in order to carry out reindeer herding; the right to hunt, fish, use motorised vehicles in certain areas and the access to cabins for overnight stays. This makes owning reindeer an attractive proposition, even if you do not participate in the daily husbandry.

The reindeer herders also have some duties, like making sure the reindeer do not graze in the wrong areas. In Norway, reindeer ownership is personal, but it is the *siida* (Sami reindeer collective) which has the grazing rights in a particular area. A *siida* can be made up of no more than a few or many people, but is usually a group of people who often are related to each other.

### Reindeer herding under pressure

Conflicts arise because industrialisation in the form of mining, hydro and wind power, tourism and climate change impacts on the movement of reindeer herds. While agriculture authorities want borders between two *siidas* to be drawn on a two-dimensional map, this does not work for reindeer herders.

“The administration uses maps which to them is an unproblematic and neutral method. But reindeer owners do not recognise the administration’s maps and their understanding of the terrain. For them the borders are determined by how the reindeer migrate, the climate, snow and ice, rivers, streams and lakes that can be frozen over or open and that changes with the years and the seasons,” says Ida Hydle.

The conflicts often centre on the right to let reindeer graze in a certain area, but they exist on all kinds of levels:

- Between individuals: One court case saw a divorced pair arguing over who had the right to the markings which are cut into the reindeers’ ears to show who owns the animals.
- Between people in one *siida* and between different *siidas*.
- Between reindeer owners/*siidas* and authorities on different levels. The state was the litigant, directly or indirectly, in most of the court cases.
- Between reindeer owners in different countries: The Reindeer grazing agreement between Sweden and Norway was not renewed in 2005. It regulated Swedish Samis’ right to access summer grazing in Norway, and to a lesser extent Norwegian Samis’ rights to winter grazing in Sweden. As a result, today the only existing legal document is the so-called Lapp Codicil from 1751. Norway has ratified the ILO convention on indigenous and tribal peoples, while Sweden has not.

Many of the conflicts run through three courts, all the way up to the Supreme Court at great financial and psychological

cost. One of the court cases resulted in legal expenses worth eight million kroner (€837,000).

“This is about the working and living conditions of 2,500 people in Finnmark alone, owning 150,000 reindeer,” says Ida Hydle.

### Avoiding conflicts

Although Sami conflicts often get a lot of attention, especially in local media, Sami culture generally tends to avoid conflict. One of the people interviewed for the study describes how a *siida* leader almost always talks to only one other person at the time; conversations are held in pairs. But a third person can be present and understand that the conversations also concerns him or her.

There is something called “the never-ending conversation” which aims to get the opposite party to understand his responsibility and which decisions should be made.

The two researchers describes certain characteristics in Sami culture which contribute to the failure of existing Norwegian Mediation Service bodies:

- The fact that communication in Sami environments rarely goes straight to the point must be taken into consideration.
- When Sami people communicate with each other, they often sit side by side – not opposite each other.
- Reindeer owners often talk in pairs – not in a whole group, which is the most common form used by the Norwegian Mediation Service.
- Meetings with many people, even if they are directly or indirectly involved, do not work well.
- A *siida* does not reach a majority decision.

The two researchers therefore proposes the establishment of a new mediation body based on what is known as *soabahallan* (Sami mediation).

“There is a need for a new mediating body with a low threshold where mediators can arrive quickly, sometimes even to the tundra and the reindeer pen. They should be trained in Sami culture,” says Ida Hydle.

“The most important thing is mediation skills; how you invite the parties to mediate, how to create trust and understanding for the fact that it can be useful to talk to each other, how to enter into an agreement, even when you need to agree to disagree – as long as you can still meet in an atmosphere of mutual respect.”

### Always been meddling

*How would things work if Sami people could make all the decisions themselves?*

“That is a very difficult question, because the state authorities have never allowed them to do that since the mid-1700s. They have always been meddling.”

The most important decision is made when a reindeer herd has been driven into the pen. This is where slaughter and marking takes place, along with the separation of the reindeer, when the animals are divided between the different owners. All of the members of a *siida* take part, and notes are taken of which reindeer cows have had calves.

“Previously the reindeer herds were smaller, with 30 to 40 animals, and more tame. Now the reindeer are wilder. It is not a good idea to go in to pat them when they surge into the pen. Reindeer herding is a job which comes with many injuries. There might be 5,000 animals inside the pen. The owners must find their reindeer, and decide who to slaughter and who to let go, often after giving them vaccinations.”

*Is there a written log of who owns which calves?*

“The reindeer’s ears are the documents. The markings determine ownership, and this is also written down in detail. The markings are also found in the administration’s register. The marking process itself is a very important ritual. The reindeer mark is a kind of capital.”

Reindeer herders also try to improve the herd by picking out the best animals. The ones that are not selected for breeding, are castrated. This makes them fatter, and the reindeer owner will use these for meat the year after.

“But the bulls are needed in a reindeer herd, since they are more muscular than the females. They can scrape away the snow when it is half a metre thick and ice has formed on the top. You need a lot of power to do that, and the bulls have 30 to 40 percent more muscles than the females.”

*What have you learnt yourself over these three years?*

“I have seen the Norwegian and also the Swedish state’s neo-colonialism when it comes to the Sami people up close, and it has filled me with anger. I have dived deep into a culture which is more different from the Norwegian one than you might think. It has different norms around politeness, for instance, which you need to learn to avoid misunderstandings.

“It is for instance the duty of the guest to walk straight into the house during a visit. There is rarely a doorbell, and the door is never locked. The house owners sit inside and remain seated. It is your duty to tell them what it is that you want. Only once you’ve done that, the coffee is served.”

Among Sami people there is also a kind of farm inheritance right, where only one of the children inherits the reindeer herd and the markings. But it is not the first-born.

“The tradition is that the youngest inherits the parents’ reindeer when they no longer can carry out their herding duties,

along with the markings. But this person must also be suited to the task, and be able to stand inside the pen, take part in the reindeer migration process and handle a snowmobile,” says Ida Hydle.



## Drífa Snædal, Iceland's new ASÍ leader: Taking the helm in turbulent times

Icelandic trade unions are going through serious changes. The more than 100 year old Icelandic Confederation of Labour ASÍ has elected a new President – Drífa Snædal. For the first time ever, ASÍ is being led by a woman.

PORTRAIT

15.11.2018

TEXT: GUÐRÚN HELGA SIGURÐARDÓTTIR, PHOTO: ARNÞÓR BIRKISSON

Drífa Snædal takes the helm at ASÍ during a time of great change, both within the trade union movement and in society. Demands for changes in leadership have come from many quarters. There have been an increase in demands for more transparency and a strengthening of democracy – more and more people show an interest in getting involved politically. But reactions within trade unions have been slower than in politics. The changes taking place there right now already happened ten years ago in political life.

Drífa Snædal believes the development shows that trade unions are adapting to society's demands. The atmosphere within the movement is heading back to the original grass roots mentality of old. She hopes workers again will become interested in joining trade unions, and that there will be a strengthening of democracy within the unions. People demanding better standards of living will hopefully also become more active in trade unions.

"This represents the first step," she insists.



Drífa is taking over the ASÍ leadership at an interesting moment in time. The collective agreement period comes to an end in four months' time, both for the private and public sectors in Iceland. Some demands have already been put forward for inclusion in a new agreement, and employers have already turned them down. It does not look like negotiations this winter will be easy. But there are many other issues that influence the negotiations, points out Drífa.

### **Not everything is going too well**

Many Icelanders do not see their doctor, because it is too expensive. Living cost have become too high because of cuts to both housing and child benefits. Drífa explains that an increase in purchasing power has been divided unequally amongst the population. So the wage demands are now no longer just about salaries and living conditions, but also about social projects like creating more housing.

"People feel living conditions are inadequate. Authorities have a role to play here," she says.

Workers and commercial employees have already presented their wage demands ahead of negotiations, while the craftsmen union has yet to do so. When all the trades have presented their demands, it will become clear what role ASÍ will have to play during negotiations. Drífa explains that the Icelandic negotiating system differs from that in other Nordic countries. In Iceland, each trade union is responsible for its own negotiations. The Confederation only enters into the negotiations if all the trade unions agree that they want it to.

### **The economy is never stable**

Iceland has received huge numbers of foreign workers in later years compared to what had so far been the case. The country has seen a similar development as other parts of Europe. There is a labour shortage which pushes up wages.

Foreign workers are sometimes willing to work for lower pay than what is stipulated in the collective agreement. Trade unions have to deal with "the never-ending fight against labour market crime", says Drífa.

The public debate has shown that employers feel workers' wage demands are sky high. But Drífa reminds us of the 2008 economic crash which meant people had to face severe wage cuts while the Icelandic krona was devalued. She underlines that Iceland has never enjoyed a stable economy.



"We depend on the price of fish, tourism and aluminium. If we add the weather and the forces of nature, there is no stability in Iceland. It is remarkable that the notion of stability exists at all in the Icelandic language," she says.

To aim for stability is a good thing, according to Drífa, who also points out that stability must include a well-functioning welfare system, a good healthcare system and wages which families can live on.

"Stable poverty is not an alternative," she says.

The equality pay standard is being introduced right now in Iceland. Drífa warns against treating the standard as a final solution to the problem of inequality. She believes the fight for equal pay for equal work is never ending.

Icelandic trade unions do not have to introduce the equal pay standard, because most of them are so small. But most municipalities must adhere to it, at least in part. ASÍ is just now introducing the equal pay standard in their own offices.

In the rest of the Nordic region, the labour law is under pressure. The Finnish government wants to ease dismissal protection for people working in smaller companies. Drífa says that Iceland has managed to protect workers' rights, and there are no signs those rights are being weakened.

### **Prefers a centre-left government**

Drífa's main interest is politics. She is critical to EU membership for Iceland. For 18 years she was a member of the Left-Green Movement, but left when the party entered into government with the conservative centre-right party Independence Party (Sjálfstæðisflokkurinn) and the centrist Progressive Party (Framsóknarflokkurinn).

"I trust certain individuals within the party. I share an ideology with many party members. But I would have preferred a centre-left government. That would have made the coming winter easier for us," she says.





## Employers' conditions in the shipping and aviation sectors provokes hot debate in the Nordic Council

The Nordic Council is encouraging governments to work actively against social dumping in the shipping sector. But the Council does not want to initiate any coordination of Nordic aviation policies within the EU. These were the results after a hot debate in the labour market committee during the session in Oslo.

NEWS

01.11.2018

TEXT: BJÖRN LINDAHL, PHOTO JOHANNES JANSSON/NORDEN.ORG

Several of the speakers reacted strongly against the apparent support given by the Nordic Council to seamen but not to pilots in their fight for better working conditions. The proposal to fight social dumping in the shipping sector was passed with 53 votes (14 abstained). The proposal to coordinate avi-

ation policies was voted down however, with 38 to 27 votes (one abstained).

"I see a clear link between the shipping debate, where the conservatives want to abstain, and the aviation debate where

they want to stop an inquiry,” said Martin Kolberg from the Norwegian Labour Party.

“Can you explain what it really is that you are against, and stop using bogus arguments?”

### **Wages affect safety**

Nils Aage Jegsted from the Norwegian Conservative Party is the labour market committee chair. He was equally upset over the fact that the question had been put in that way:

“What this is about is that we time and again have treated this issue in the committee. At some stage we have to say enough is enough,” he said.

According to him, nothing shows a link between wage levels and aviation safety. Low-cost airlines have the same high safety levels as other airlines.

“The only foreign language you need in order to fly with Norwegian Air Shuttle is Swedish. There is competition within aviation, but it is not social dumping when Norwegian flies from Alicante to other European destinations. For that you would have to pay Spanish and not Norwegian wages,” said Nils Aage Jegsted.

It is the Nordic Council's commission on growth and development that considers whether social dumping affects aviation safety. It has invited airlines and authorities to explain whether working conditions affects aviation safety.

The Swedish Transport Agency pointed to certain problems linked to “the new business models”:

- Insufficient control over subcontractors.
- Rapid change leads to reduced ability to discover risks in a company.
- Cost pressures create possible shortcomings in aviation safety culture within airlines.

But the Swedish Transport Agency also pointed out that no direct correlation had been found between working conditions and aviation safety. There are different air traffic control systems that carry out controls and routines that minimise such risks.

### **Different competition conditions**

SAS considered that this was dangerous territory and that it could lead to incidents in the future. The airline also reacted to the fact that Middle Eastern countries subsidise their airlines. Norwegian expressed disappointment that there is an agreement between Scandinavian countries and Russia from 1956, which allows only one Scandinavian carrier to fly east-bound through Russian airspace (the Siberian Corridor). SAS has that right today. This is an issue they would like the Nordic Council to address in talks with governments.

After listening to the parties on this issue, the Conservative Group, the Centre Group and the Nordic Freedom Group declared during the committee's meeting on 24 January 2018

that there was no desire to take the issue further. The other party groups dissented.

There is also friction between the Nordic countries and between different companies when it comes to shipping. In its recent budget, the Norwegian government proposed to allow the ferry company Color Line to register in the international Norwegian maritime registry NIS. This was established to allow all Norwegian vessels to employ foreign labour while sailing between foreign harbours. The government now wants to allow ferry companies to have the same opportunity.

### **Norwegian politics impacting Danish seamen**

For Color Line's 700 employees, this represents a risk of being replaced by cheaper labour. The trade union at the Danish shipping company DFDS has also protested that competition would become unfair if this happened. 1,000 Danish ferry company jobs are also at risk, since Danish shipping companies in that case could register in Norwegian NIS.

The Danish Minister for Industry, Business and Financial Affairs, Rasmus Jarlov, answered a question in parliament by saying it would be unfortunate to see a race to the bottom which would weaken salary and tax conditions for the employees, and create unfair competition.

He was at the same time happy that the Norwegian proposal had been changed to only apply to ferry traffic covering more than 300 nautical miles, rather than 175 nautical miles. That means ferry traffic between Denmark and Norway is not included.

### **No definition**

The disagreement between Nordic parliamentarians on this issue was not about being for or against social dumping. But according to Cecilie Tenfjord-Toftby from the Swedish Moderates, there is no common Nordic definition of what social dumping actually is:

“I refuse to accept the insinuations that we have a political agenda when it comes to social dumping. Of course we are against it.

“We do feel that the proposal has got the wrong end of the stick. We wouldn't mind taking part in the continuing discussion on this issue, but we feel that we need to start by agreeing on common rules plus the definition which the proposal is built on.

“I feel it is unfortunate that you chose to make a point in this way and to not participate in the work which we have recommended needs to be done if we want to identify how to fight social dumping,” said Johan Andersson from the Swedish Social Democratic Party.



## How can you create more jobs by improving conditions for startups in the Nordics?

“Not much time has been spent in the political debate in the Nordic countries on how jobs actually are created. A lot of other issues have had more than an ample hearing. But job creation is crucial for how our Nordic welfare models develop,” says Idar Kreutzer. He has looked at how to secure risk capital for Nordic startups.

NEWS

30.10.2018

TEXT AND PHOTO: BJÖRN LINDAHL

Idar Kreutzer used to head the Nordic insurance company Storebrand. Now he is the Managing Director for Finance Norway, the industry organisation for the financial industry in Norway. The report on startups is part of a series of strategic reports commissioned by the Nordic Council of Ministers; Jorma Ollila has looked at the Nordic energy cooperation and Tine Sundtoft has looked at the environment and climate cooperation.

The comment – as Kreutzer himself pointed out – could be seen as controversial. It came soon after he handed his report over to the ministers of cooperation at the start of the Nordic Council’s 70’s session in Oslo.

### **No new Nordic Investment Fund**

Yet the report was well received by the ministers of cooperation, according to Kreutzer. Perhaps because it does not en-

tail any major new costs? One of Kreutzer's 16 proposals is to not establish a new Nordic Investment Fund. The European Investment Fund EIF is enough, he reckons.

Resources should instead be spent on helping new companies work together to present joint Nordic applications to the EIF. National funds that support newly started companies in individual Nordic countries should also have their mandates changed to allow them to finance projects across all of the Nordic region.

The good news in Idar Kreutzer's report is that Nordic finance markets by and large function well.

"The Nordic region is attractive to foreign investors. There is a lot of competence here, and the region is one of the most digitalised in the world. Seen from elsewhere, the Nordic region is considered to be one single market with similar conditions, but there are still differences between the countries. If a Silicon Valley investor, for instance, has to understand five different tax regimes, this is an obstacle which creates added work," says Idar Kreutzer.

The ordinary tech sector, with its different innovative and digital solutions that can reach the market in a relatively short amount of time, does not struggle to find risk capital. But other sectors have problems.

"Startups in the clean, bio and health tech sectors can struggle to find financing during their startup phase. This is because these products and solutions often are highly complex with long time horizons."

### **A critical phase**

Another critical phase is when a newly established company enters the market. The difference between a startup company and a scaleup company is that the latter has proven that it has commercially viable products.

"We propose targeted research into how to best provide political support and access to risk capital for newly established companies during this phase," says Idar Kreutzer.

### **A difference between the goal and the means to reach it**

Cleantech, which covers all technology that can help reduce climate gas emissions and energy consumption, is struggling the most when it comes to accessing capital.

"Investments in cleantech peaked in 2010. The sector has struggled to attract capital ever since.

"If you look at this in the light of the common Nordic political goal for a greener economy, it ought to make you think, perhaps, that in the area where we really need growth there is – if not a 'market failure' – at least problem with access to capital," says Idar Kreutzer.

How many green jobs do we **not** create because of that lack of capital?

"I couldn't say. We have not researched this. But in Norway we talk about maybe having to create 25,000 new jobs every year for 40 years. That's one million jobs by 2060. Some of these jobs will emerge in existing companies. But a large part must come through new businesses. That is why this is such a central issue."