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Nordics, Nato and the neighbourhood

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Nordic cooperation spans everyday and fateful issues

**News**

Karen Ellemann new NCM Secretary General

Nov 29, 2022

# Theme: Towards a new Helsinki Treaty?



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# Nordics, Nato and the neighbourhood

The Nordic Council is 70 this year, which was of course celebrated during its annual session in Helsinki. The Council President Erkki Tuomioja pointed out that parliamentarians cooperated for ten years before the ministers got involved. In this edition, we take a closer look at the Nordic cooperation.

EDITORIAL

29.11.2022

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

There are now calls for a revision of the Helsinki Treaty which was signed by the Nordic prime ministers on 23 March 1972 – creating the Nordic Council of Ministers. Although the Treaty has been revised eight times, it is 27 years since the last time.

The Treaty has been called the Nordic constitution, but contains far too many “should’s” and far too few “shall’s”. The Treaty ought to become more binding if it is to fulfil its intended function, wrote Henrik Wilén, leader of the Norden Association in Finland, in an opinion piece earlier this year.

Or as Bertel Haarder, the 2021 President of the Nordic Council, put it:

“We want to break the principle of consensus so that it is no longer those who want to do the least who get to decide the most.”

Norwegian Jorodd Asphjell now takes over the presidency of the Nordic Council and will take the issue forward. He represents the Social Democrat group and says he wants to strengthen the Nordic cooperation during a time of several crises. After a pandemic that hit all parts of society, a war hit Europe.

“The Norwegian presidency programme will put Nordic crisis preparedness high on the agenda. Our experiences from handling the pandemic will be used to strengthen cooperation on preparedness in the Nordic countries. With Finland and Sweden as Nato members, we will also see closer Nordic defence cooperation,” says Jorodd Asphjell.

Next year, Iceland takes over the Nordic Council of Ministers presidency. The programme for the council is called “The Nordic Region – a Force for Peace”.

“The effects of Russia’s invasion of Ukraine are being felt across Europe and beyond, and the security situation in the

West is changed completely. Such circumstances make the solidarity and cooperation of the Nordic nations vitally important,” the programme says.

At the Nordic Council of Ministers, a new person will be co-ordinating the Nordic cooperation. On 1 January, Karen Elleman steps into the role of the new Secretary General. She is an experienced Danish politician who has been a minister in several government ministries.

But what is the Nordic cooperation really made of? Parliamentarians and ministers do not always walk in step with each other. It is often pointed out that the parliamentarians can only provide recommendations when they meet during one main session and a themed session each year. The Nordic Council of Ministers, on the other hand, is not as unified as the name might suggest. It is not one, but several councils of ministers. There are currently 11 constellations of ministers plus the group that is made up of the Nordic ministers for co-operation.

Before the ministers meet, groups of officials supported by representatives from various authorities prepare the ground. The Nordic Council of Ministers’ Co-operation on Labour for instance has representatives from both work administrations and work environment authorities. The labour ministers can use some of the Council of Ministers’ total budget of around one billion Danish kroner. Some of it goes to Nordic institutions like Nordjobb and NIVA, some goes to hosting or co-hosting conferences and some goes to research.

We report from the conference hosted by the Council of Ministers’ presidency in Oslo on 15 November, where one of the main messages was that if all the Nordic countries learned from each others’ successes, 700 000 more people could be in work across the Nordics.

During the labour ministers’ meeting in Oslo on 22 November, Jon Erik Dølvik from the Fafo research foundation went

through the collective agreement's position in the Nordics and presented a completely new idea for how employers and employees can be encouraged to sign collective agreements.

The Nordic cooperation is always to a degree in the shadow of what happens in the EU. For Sweden, which takes over the presidency of the Council of the EU for the first six months of 2023, this will become particularly clear during this period. Many of the border issues between the Nordic countries can only be solved in the EU, it is usually said.

But can you accelerate cooperation within one region, rather than for the whole of the EU and EEA? We spoke to three representatives for the Benelux cooperation. It is built in the same way as the Nordic cooperation and the three participating countries are often called Europe's laboratory. Benelux has come further than the Nordics in at least one area.



## Nordic cooperation spans everyday and fateful issues

“The Nordic Council deals with everyday issues of concern to the Nordic citizens,” Erkki Tuomioja told the media just before opening the 74th session in Helsinki on 1 November in his role as the Council President. Yet never before has a session been so dominated by big, existential issues.

THEME

29.11.2022

TEXT AND PHOTO: BJÖRN LINDAHL

Parliament House in Helsinki is only 190 kilometres from the Russian border. But none of the Nordic parliamentarians and government ministers gathered in the cube-shaped granite fortress with its monumental staircase and fourteen columns

held back in their criticism of the Russian invasion of Ukraine.



*Parliament House in Helsinki with the statue of Pehr Svinhufvud, Finland's President between 1931 and 1937. When the February Revolution broke out in Russia in 1917, Svinhufvud became Prime Minister in the centre-right coalition government that declared Finland's independence on 6 December 1917.*

The invasion is brutal, reckless, cruel, illegal, aggressive, full-scale and unjust, to repeat just some of the many adjectives that were used during the debates. The war in Ukraine and the upcoming Nato membership for Finland and Sweden dominated more than the foreign policy debate. When other issues were debated, like a proposed council of ministers for infrastructure in the Nordic region, it was argued that the new security situation also impacted how roads and railways should be built.

Except for a group of Ukrainians protesting against Russia near the Mannerheim Monument, not much inside the Finnish parliament speak of the fact there is a war on in Europe. No armed guards are on duty inside, and all the doors are open to the Nordic guests. Documents from the daily work have been arranged on the top of a dresser, but it is still possible to read them – if you understand Finnish.

It is all an example of the trust the Nordic countries have in each other. For the 87 members of the Nordic Council, who during their terms manage to visit most of the Nordic parliaments, it makes the cooperation more concrete – a little like when the news from a country you have just visited becomes more interesting.

### **Climate change a fateful issue too**

The cooperation is indeed about more everyday issues too – like the establishment of Nordic pilgrim paths – but there is a lot of focus on another fateful issue: climate change.

The Nordic Council of Ministers has agreed on a vision for the next eight years, in which the Nordic cooperation should focus on making the Nordic region green, competitive and socially sustainable.

Indeed, the Nordic region should be the world's most sustainable and integrated region by 2030.

When the prime ministers agreed on this vision, the introduction was very poetic:

"The Nordic Region is our home, our world. The sea connects us, forests and lakes provide us with shelter and sustenance, fresh winds blow in over lush meadows, islands and skerries. We have mountains and fjords, glaciers and volcanoes, black sand and deep valleys. All over the Nordic Region, in towns and in the country, we seek to live in harmony with nature and create sustainable societies."

With such floral language, you might think the vision would turn out to be equally airy and without substance. What does it really mean that the Nordic region should be the most integrated and sustainable region in the world?

What does the word "integrated" actually entail and what is in fact a region? Which other regions does the Nordic one compare itself to? The Benelux countries? The Baltic states? Is the EU a region? Or were the delegates thinking more about geographical entities like South-East Asia, Central America or Oceania?

### **Countries, not regions**

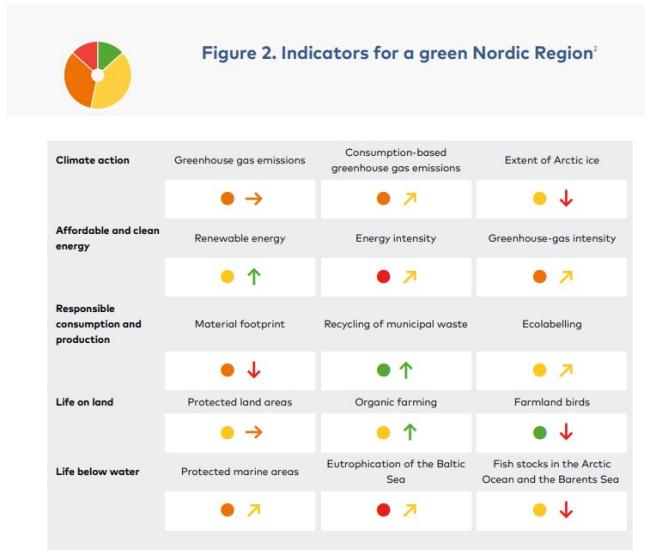
If you take a look at the legislative history, it turns out the Nordics are not to be compared to other regions, but to three different groups of countries that each are in the lead when it comes to the three targets.

For the target of being green, the Nordic region should compare itself to Austria, France, Germany, Italy, Switzerland, the UK and New Zealand. The three first of these countries are in the reference group for all of the targets. The Netherlands, Belgium, Czech Republic, Estonia and Canada are in one or two of the remaining reference groups.

A total of 45 indicators – 15 for each target – have been chosen to measure whether things are developing in the right direction. Most of the indicators have a lower and upper limit and are divided into four colours – green, yellow, orange and red – to make it easy to read the status quo. An arrow is used to indicate that things are developing in the wrong direction.

These are ambitious goals, no doubt, which at the start only had the colour green.

This is what the starting point looks like for the 15 environmental indicators:



*The whole set of indicators can be found here:*

As you can see, the Nordic region is ahead in only one area where development is also positive – the recycling of municipal waste. The indicator “ordinary birds on agricultural land” is also positive, but development is negative.

The budget for Nordic cooperation is around one billion Danish kroner (€134.4m), and you cannot do wonders with that. It is more important that the cooperation can spur the countries on to reach the goals together, but with measures being financed through the budgets of individual countries.

The Nordics can share standpoints and project the image of being a progressive region not least on the international stage. At the end of the day, it is about everyday issues and local initiatives, like the project that won this year’s Nordic Council Environment Prize:

The creation of wetlands in Mariehamn on Åland.



*Johanna Mangström and Ulf Simelin.*

Environmental coordinator Ulf Simelin and landscape architect Johanna Mangström were the proud recipients of the prize at Finlandia Hall.

“What’s unique with this project is that you reach the wetlands after just five minutes on a bike. That is where you can see what an ecosystem really is,” says Ulf Simelin.

Jetties have been constructed out over the water so that people can observe the different stages the wetlands go through over the seasons. School students can go out and analyse and look.

“When we released pike fry, children helped. This is all about creating interest and engagement in the next generation. It is so easy to access knowledge about nature. We have worked really hard to signpost everything there, so people know what to look for. People in Mariehamn also appreciate the sheer beauty of the place. That is how easy it is to please people! They like it when it is beautiful,” says Johanna Mangström.



## 27 years since the last changes: Time to revise the Helsinki Treaty?

During its meeting in Helsinki in early November, the Nordic Council decided to call on the Nordic governments to start a “joint discussion with the Nordic Council about how the Nordic countries can better anchor the Nordic cooperation.” Or in other words: revise the Helsinki Treaty.

THEME

29.11.2022

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

The Helsinki Treaty is 60 years old this year, and the date it was signed – 23 March 1962 – has become Nordic Day. The treaty is surprisingly short but was groundbreaking at the time.

“But now, it is truly paradoxical that the Nordic Council’s work, as it is organised now, does not take into account that foreign and defence policy has become central to cooperation. A formalisation of the political work with these crucial issues is needed,” said Bertel Haarder, who until now has been leading the liberal group of parliamentarians in the Nordic Council, was the president of the Nordic Council in

2021 and who has held more ministerial roles in Denmark than any other politician.

“This is yet another argument that we need a review of the Helsinki Treaty. It has been changed eight times - and if we don’t have to change it in the light of what has happened with foreign and defence policy, then I don’t know when we ever would have to”.

Some of the things stipulated in the Helsinki Treaty include:

- The Nordic passport union
- A common labour market

- Citizens of any Nordic country shall be treated equally with the citizens of the Nordic country they are staying in
- Nordic laws and regulations should be coordinated

There is also a lot that is not in the treaty – like all the consequences of digitalisation and the new security policy cooperation. The nice expression ‘borderless cooperation’ also got a severe dent during the Corona pandemic when many Nordic citizens could not go to a neighbouring country to work, shop or visit holiday houses.

But just how would a revision of the Helsinki Treaty be carried out? And on whose initiative? We asked the three foreign ministers from Finland, Norway and Sweden.



*There was a good atmosphere as the Nordic foreign ministers met in Helsinki. Here, Tobias Billström from Sweden, Anniken Huitfeldt from Norway and Pekka Haavisto from Finland meet the press. Photo: Björn Lindahl*

“If the treaty is to be revised, it has to be done here in Helsinki,” joked the Norwegian Foreign Minister Anniken Huitfeldt.

Her Finnish colleague Pekka Haavisto was a touch more cautious.

“We have not yet gone into the technical details for how the treaty could be revised. This is of course something the Nordic Council must advise us on. But during the meeting of foreign ministers here in Helsinki, we spoke about security policies in the Nordic region. Earlier in our history, this has been an issue which has been impossible to discuss because of the Finnish situation,” Pekka Haavisto told the Nordic Labour Journal.

A little later, during a break in the debate at the Nordic Council session, we asked Bertie Haarder the same.

“The initiative must come from the prime ministers, either Jonas Gahr Støre as Norway holds the Council of Ministers presidency until the end of this year, or Iceland’s prime minister who follows him in 2033”, Haarder answers.

Then what happens? Who prepares a proposal for which changes should be included?

A former prime minister could be chosen or the task could be given jointly to the foreign policy institutes in the Nordic countries.

One name stands out as the natural choice: Nato’s Secretary General and former Norwegian prime minister Jens Stoltenberg. During the foreign policy debate, several people spoke up in favour of a Stoltenberg 2 report.

Jens’ father, Thorvald Stoltenberg, wrote the report on how the Nordic countries could strengthen their security and foreign policy cooperation. It is considered to be one of the most successful reports in the history of Nordic cooperation. Stoltenberg 2 could see Jens follow in the footsteps of his father, who died in 2018.

“I launched his name to the Nordic foreign ministers, and nobody was negative to it,” says Bertel Haarder.

Not all Nordic countries are equally enthusiastic about revising the Helsinki Treaty.

“Representatives from the three autonomous areas are the most enthusiastic proponents for revising the Helsinki Treaty,” says one of the Nordic MPs who we meet at one of the Nordic embassies – where the custom is not to quote anyone directly.

Another person we talked to about this issue is central at the Nordic Council of Ministers:

“Governments are a little uneasy about what this could lead to. Would it be like opening Pandora’s box?”

The reference to Greek mythology, where Pandora is given a box by Zeus that she is not allowed to open, seems dramatic. As we know, it turned out the box contained a number of disasters and sicknesses that flew across the world.

But for Denmark and Finland, this could turn out to be a particularly complicated process, if their autonomous regions of Greenland and the Faroe Islands plus Åland demand to be fully fledged members of the Nordic Council and the Nordic Council of Ministers.

In the event of a revised treaty, someone will probably also propose to increase the Nordic Council’s power. Today it can only provide recommendations to the governments.

“In the Helsinki Treaty, the Nordic countries have committed to strengthening and developing cooperation in most social areas, for example legal cooperation, cultural cooperation, social cooperation and economic cooperation, and not least to treat other Nordics as their own citizens. But the agreement contains too many ‘shoulds’ and far too few ‘musts’. The agreement should become more binding if it is to fulfil

its intended function”, wrote Henrik Wilén, chairman of the Nordic Association in Finland, in a debate contribution on Nordic Day this year.

Or, as Bertel Haarder puts it:

“We want to break the consensus principle so that it is not the one who wants to do the least, who decides the most.”



## How unique is the Nordic Council?

How unique is the Nordic cooperation, with its Nordic Council and Nordic Council of Ministers? The nearest European parallels are the Benelux Union and the Benelux Parliament. At least in one area they have taken cooperation even further. But while people in the Nordics call themselves nordbor, no one calls themselves Beneluxianian.

THEME

29.11.2022

TEXT AND PHOTO: BJÖRN LINDAHL

“No, nobody does,” says Patricia Creutz with a laugh. She is the Chair of the Benelux Parliament and attends the Helsinki session as an observer alongside Christine Bogaert and Jef van den Bergh.

“But in many ways, we work in the same way as the Nordics. Only we meet more often since we are so close together and our meetings are always held in Brussels. We have committee meetings eight to ten times a year, and three plenary sessions a year,” she says.

Although the Benelux Union can be compared with the Nordic Council of Ministers and the Benelux Parliament with the Nordic council, our administration is much smaller; only

three people are working permanently for the Benelux Parliament.”

The members of the Nordic Council often (maybe too often) talk about the Nordic countries being at the forefront of many issues.

“This might be correct in terms of the environment, renewable energy etc. But there are other issues where we have come further,” says Christine Bogaert, Secretary-General at the Benelux Parliament.

“When the EU was founded, Benelux was the only regional cooperation that got a mention. the Benelux has a 'testing ground function' within the EU. Thanks to Article 350 of the

Treaty on the Functioning of the European Union, the three countries are allowed to agree on decisions that deviate from EU rules which means that the Benelux countries can cooperate more intensively within the European Union. Benelux countries can go further in terms of cooperation than the rest of the EU if they wish,” says Christine Bogaert.

One of those areas of cooperation is the automatic recognition of higher education diplomas. The Benelux countries have decided that all university and higher education diplomas from one country is equally valid in the others.

“Perhaps you think that the Bologna Process takes care of this?” asks Patricia Creutz and answers by wagging her finger.

“No, no, no, that does not work. The Bologna Process is what we in *deutsch* call a *papiertiger*.

This has also been a goal for Nordic cooperation, ever since the 1962 Helsinki Treaty of cooperation among the Nordic countries. But some occupations and educations still do not enjoy this kind of automatic recognition.

The Benelux countries began recognising each other’s diplomas in 2015. The Baltics were curious about what this meant, and in 2019, Patricia Creutz and others presented the agreement during the Baltic Council session in Tartu in Estonia.

“Their reaction was ‘wow! This is about trust, isn’t it?’,” says Patricia Creutz.

“Yes’, we answered.”

Trust was clearly something the Baltics shared because in 2019 they passed a similar resolution to recognise each other’s diplomas.

“Not only that, but this year we also passed a resolution which means all Benelux diplomas will be recognised in the Baltic countries and vice versa,” says Christine Bogaert.

“This shows how the Benelux cooperation brings added value,” says Belgian MP Jef Van den Bergh.

“That is also why the Benelux countries are sometimes called ‘Europe’s laboratory. It is easier to start with three countries rather than all 27 at once,” he says.

While the Benelux parliamentary sessions are similar to those of the Nordic Council, the equivalent to the Council of Ministers usually sees the foreign ministers from the three countries meet.

“The Benelux foreign and prime ministers always meet to coordinate their approach ahead of EU meetings – or refrain to do it if one of the countries does not agree,” says Patricia Creutz.

This year, Luxembourg holds the presidency for the Benelux Union’s Council of Ministers.

“Monsieur Jean Asselborn heads the cooperation and calls the Council of Ministers’ meetings. When the Benelux parliament holds thematic sessions, like in the spring when we discussed the inundations that hit large parts of Europe last year, the relevant government ministers are of course invited,” says Christine Bogaert.

***If you were to look into the future, do you see the Benelux cooperation still existing in 50 years, or will the EU have taken over completely by then?***

“I can give you an example, as I also represent a smaller region covering German-speaking people in Belgium. We haven’t been a part of Belgium for that long, and we once belonged to Germany. People ask me what would happen if my region got independence, would we lean towards France or Germany?” says Patricia Creutz, who is also a member of the Parliament of the German-speaking Community.

“But it is not this that the inter-parliamentary cooperation focuses on, because we also belong to a larger region, La grande region, which is made up of Lorraine and Moselle in France, Rhineland-Palatinate in Germany, Wallonia in Belgium and Luxembourg and some others. For people in all these regions it is important to be able to live as much as possible without borders,” she says.

“This is the reality for those who live there, and since Benelux is made up of three small countries we have to continue to cooperate.”



## The labour ministers consider collective agreements' position in the Nordics

The Nordic governments should introduce a new kind of support where employers who sign up to collective agreements pay lower employer taxes for their employees. That was what Fafo researcher Jon Erik Dølvik proposed when he presented a report about collective agreements in the Nordics during the Nordic labour ministers' meeting.

THEME

29.11.2022

TEXT: BJÖRN LINDAHL, PHOTO: SIMEN GALD/AID

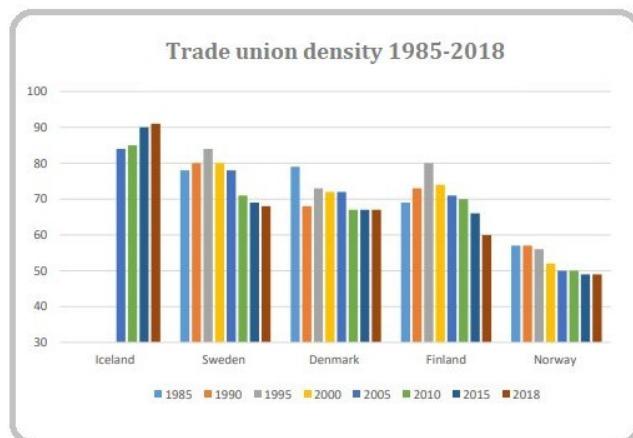
The Nordic governments should maybe consider introducing a new kind of support where employers who sign up to collective agreements pay lower employer taxes for their employees. That was what Fafo researcher Jon Erik Dølvik said when he presented a report about collective agreements in the Nordics during the Nordic labour ministers' meeting.

Text: Björn Lindahl, photo: Simen Gald/AID

So far, support measures have mainly focused on individual employees and companies, who have been able to deduct membership fees from their taxes in several countries, or in the shape of political decisions to make collective agreements universally applicable to cover all businesses within one sector.

The Fafo report was debated during the Nordic labour ministers' meeting in Oslo on 22 November. Commissioned by the Norwegian Ministry of Labour and Social Inclusion with support from the Nordic Council of Ministers, the report describes the significant differences between collective agreement systems in the Nordic countries, both in terms of how many are covered and which rules and traditions apply.

Compared to other countries, collective agreements have high coverage ratios in all of the Nordic countries. But within the Nordics it varies between 90% for the private sector in Iceland, followed by Sweden at 83%, Denmark at 73% and Finland's 65%. Norway is bottom at 46%. If you count all employees who are covered by collective agreements in Finland, the country nearly comes level with Sweden at 84%, while the number in Norway rises to 57%.



*How trade union density in the Nordics has developed between 1985 and 2018. Source: Nergaard 2018, OECD 2019*

Coverage is influenced by trade union membership levels, as well as how many employers are organised. Since 1985, the coverage ratio has decreased by 21 percentage points in Finland, 18 percentage points in Sweden, 15 percentage points in Denmark and 5 percentage points in Norway.

This means all the Nordic countries are now at approximately the same level – 50 to 65% – which is also high compared to the rest of the world. The numbers have dropped mainly among blue-collar workers, while white-collar workers and academics have maintained their union membership levels.

"This means that an increasing number of vulnerable workers end up without the protection that the Nordic model offers through collective agreements and higher union membership levels. While inequality is rising among employees, more companies paying low wages while remaining outside of collective agreements represent a threat to serious companies," says Jon Erik Dølvik.

### What is behind the differences?

So how do you explain the existing differences and what can be done to increase the collective agreement coverage in the

private sector? One obvious difference is that unemployment benefits in Norway and Iceland are not linked to trade union membership – they are a state-guaranteed right.

Another difference is that in Norway there is a lower limit which means that at least 10% of a company's employees must be trade union members before they can demand that their union's collective agreement can be signed.

Sweden's high collective agreement coverage, on the other hand, is a result of the fact that companies enjoy a lot of freedom to negotiate changes to legislation so that certain rules do not apply.

### What can be done?

So which tools is the state left with to increase collective agreement coverage ratios? One solution is to make it compulsory for companies bidding for public tenders to follow the collective agreements or in other ways show they can provide qualified labour and follow the rules.

Another solution is to offer state support for skills improvement programmes, but only to companies with collective agreements. Countries that have the possibility to make collective agreements universally applicable, could lower the threshold to do that. Countries which give the social partners the right to negotiate away parts of the legislation could introduce that.

"But one solution which really is not being used yet in the Nordics is to offer tax rebates to workers and companies with collective agreements, for instance by reducing employer fees," says Jon Erik Dølvik.

"This could also be a way of limiting so-called alternative trade unions, which offer insurance but do not negotiate collective agreements. In Denmark, these types of unions represent 12-13% of all organised employees," Dølvik pointed out to the Nordic Labour Journal after his presentation during the labour ministers' meeting.

### Governments must think big

He says it is important that governments think big if they want to increase the role of collective agreements in the labour market, and pursue measures that can increase union membership numbers as well as ways of regulating and supporting companies.

"Offering tax rebates for employers could also increase the number of employees, rather than them resorting to outsourcing certain tasks. It could also incentivise collective agreements for groups who still don't have one," says Dølvik.

The Nordic labour ministers were also presented with a status report on the OECD's survey of how the corona pandemic impacted on the Nordic labour markets. The results will be presented in March in Reykjavik when Iceland has taken over the presidency of the Nordic Council of Ministers. Sweden

was in fact next in line for the presidency, but since the country will take on the presidency of the Council of the EU for the first six months of 2023, Iceland offered to take on the Nordic task.

### **Iceland's presidency**

The country has presented its presidency program for the Council of Ministers several times, but also introduced it to the labour ministers.

The programme can be downloaded from [norden.org](http://norden.org).

"During our year in presidency, we will emphasise close co-operation within the Nordic Region in climate matters, especially in the field of energy transition and just green transition, including in the labour market. The advancement of digital development will also continue, and we will focus on finding ways of making new electronic solutions accessible to everyone who may find it difficult to adopt such innovations," write Prime Minister Katrin Jakobsdóttir and Minister for Cooperation Guðmundur Ingi Guðbrandsson, in their introduction to the programme.

Both ministers are well-known for their engagement in gender equality issues. The programme says:

"Strong emphasis has been placed on eliminating the gender wage gap in the Nordic Region. Nevertheless, there is still a wage gap in the region that cannot be explained by any other variable than gender. There are several indications that the skills required for traditional women's jobs have been underestimated regarding wages. Chaired by Iceland, the focus will therefore be on the valuation of jobs and the gender-segregated labour market in the Nordic Region."



## Sweden takes on Council of the EU presidency at times of turmoil

On 1 January 2023, Sweden takes over the presidency of the Council of the European Union for the next six months. The presidency means looking after all of the member countries' interests and leading the work with all the issues in the Council's in tray – including major decisions on migration, climate and EU expansion.

THEME

28.11.2022

TEXT: GUNHILD WALLIN, PHOTO: EUROPEAN UNION

Sweden takes on the presidency at a time of big challenges for the EU. The war in Ukraine is raging on with undiminished force and brutality, the energy crisis is hurting all of Europe and inflation is having an impact on member countries' economies and labour markets.

But the EU was built out of the ruins of WWII and crises have been shaping the Union from the start, said Prime Minister Ulf Kristersson when he presented his government's priorities for its EU work at the EU policy party leader debate in the Swedish parliament on 16 November.



*Ulf Kristersson met the President of the Council of Europe, Charles Michel, already on his third day as Prime Minister of Sweden.*

"We have a new, bloody war in Europe and a European energy crisis in the wake of that war. How to tackle crises is a necessary core skill, but longer-term planning is as important now as it was before the invasion. So we must manage to hold not only two but several thoughts in our mind simultaneously," said Ulf Kristersson.

The government's priorities, or "all of the fateful questions in Europe" as Ulf Kristersson put it, are: Europe's internal and external security, climate change and Europe's competitiveness. The fourth area is to protect the EU's shared values, which are built on the rule of law and the freedoms and rights of citizens.

"Member states that limit freedom of the press, the independence of the judiciary or LGBTQ-people's rights will face Swedish opposition. Sweden will continue to prioritise the EU's right to make access to funds conditional on respecting the principles of the rule of law," said Ulf Kristersson.

### **Sweden last in the trio**

This is Sweden's third presidency of the Council of the EU since the country joined the Union in 1995. The last time was in 2009. The presidency rotates between all member states and lasts for half a year.

The presidency countries are always divided into a trio of countries. Sweden is number three in a trio with the Czech Republic and France. Each trio sets out long-term goals together and agrees on how to carry out the work during the coming 18 months period. Each country chooses its own direction based on the agreed programme. This is what Ulf Kristersson will be presenting on 14 December.

The overarching political direction was decided on already in spring, based on the then parliament. Since then, Sweden has got a new government made up of the Moderates (M), the Christian Democrats (KD) and the Liberals (L), whose mandate is dependent on the support of the EU sceptic Sweden Democrats (SD). This cooperation is regulated in the so-called Tidö agreement. It is unclear to which extent the social-conservative SD will be able to influence the presidency, but some worry because several of the big decisions in the EU in the coming spring are about migration and climate, where SD has strong opinions.



*Sweden's EU minister Jessika Roswall met her French counterpart Laurence Boone, Secretary of State for European Affairs on 24 November, during one of many meetings as part of the Swedish presidency of the Council of the European Union. Photo: Ninni Andersson/Regeringskansliet.*

Like Finland, Sweden has also applied for Nato membership, a very important issue during the mandate period.

### **300 issues in 2000 meetings**

As president of the Council of the European Union, Sweden will lead all meetings on all levels in the Council, be the continuity of the EU's work in the Council and make sure law-making processes are correctly executed. A presidency country can also aim to improve the cooperation between member countries, and if needed function as a neutral facilitator.

Being the last presidency holder in the so-called trio means there will be many bills waiting to be passed. During the presidency, some 300 issues will be dealt with during 2000 meetings in Brussels and Luxembourg, but some 150 meetings from the north to the south will also be held in Sweden.

Preparations for the Swedish presidency have been going on for around two years and started long before the change of government. One crucial part of these preparations, which many people across the government offices work on, is to keep up to date and try to predict which issues will be negotiated in the Council during the presidency.



*Some 150 meetings from the north to the south will be held in Sweden, during the presidency, but mostly of the meetings will be held in Brussels and Luxembourg. The picture shows the main meeting room of the Council of EU.*

They must also assess how far down the line various negotiations have come and what can be achieved in the presidency's six months. It is also important to identify what expertise will be needed and to get the right people with the right skills into the right positions. In Sweden, all the government ministries are involved in the preparations, including the Ministry of Employment. the Prime Minister's Office coordinates the presidency work using inter-departmental groups among other things.

"Right now, the political priorities and the work programme are being crafted. Like most things at the Swedish Government Offices, this happens through a dialogue between the Prime Minister's Office and the ministries. You have to strike many different balances. The presidency's key job is to lead the work in the Council and move the EU's daily agenda forwards," explains Ulrika Hall, who is responsible for the coordination of the presidency at the Ministry of Employment.

The change of government did not lead to major changes in the preparatory work, says Hall.

"We are expected to perform the tasks of the presidency regardless of political persuasion," she says.

"In certain cases, however, we have needed to wait for a new government before adopting a direction of travel, for instance when it comes to which issues should be the focus of the political agenda, like in political debates. The change of government has played a big role here in terms of decision-making," says Ulrika Hall.

Many of the meetings are obligatory and focus on carrying out the Council's agenda and making decisions on for instance future legislation. The presidency should be an impartial chair of the Council of the EU and work in the interest of the entire Council.

The country holding the presidency can also host conferences and other types of meetings in order to focus on interesting issues which can then be debated. There is also some scope for influencing the size of resources being used, for instance in terms of how many meetings are held for certain negotiations and hence prioritising certain negotiation issues.

"There is additional value in the fact that all member states get the chance to wear a different hat and take on an impartial role. As a presidency country, you get the chance to get a proper overview and not just the national point of view. No matter whether you are a big or small member state you play the same role," says Ulrika Hall.

Personally, she thinks it is interesting to work with the presidency.

"It is great fun. It is exciting to see the machinery, how it works and the influence we can have."

Some of the labour market issues coming up in the first six months of 2023 include negotiations on the platform worker directive, some work environment issues and a proposed recommendation on social dialogue. The priorities and work programme will be published in mid-December.



## How to include more people in the Nordic labour markets?

If every Nordic country learned from each other's successes, 700 000 more people could be in work, according to Danish researchers Sarah Kildahl Nielsen and Vibeke Jakobsen.

NEWS

28.11.2022

TEXT: LINE SCHEISTRØEN, PHOTO: BJÖRN LINDAHL

How is workplace integration going in the Nordic labour markets?

"None of the Nordic countries stands out as being particularly good at including vulnerable groups into the labour market," says Sarah Kildahl Nielsen, project leader at HBS Economics.

All of the Nordic countries are more or less struggling to include young people, seniors, immigrants, people with handicaps and people with mental health issues. Employment levels among these groups are lower than for the general working-age population.

As the first part of a major research project financed by the Nordic Council of Ministers, VIVE and HBS Economics in Denmark have analysed these vulnerable groups in the Nordic labour markets.

Project leader Sarah Kildahl Nielsen from HBS Economics and senior researcher Vibeke Jakobsen presented the first results during the Nordic Council of Ministers conference on 15 November in Oslo.

The results focused on outsiders in the Nordic countries, the need for measures aimed at increasing work participation and which obstacles vulnerable groups meet in the Nordic labour market.

The conference was a cooperation between the Nordic Council of Ministers, the Ministry of Labour and Social Inclusion and NAV – the Labour and Welfare Administration.

### **Do what the best do**

Sarah Kildahl Nielsen from HBS Economics believes the Nordic countries can learn a lot from each other in terms of including vulnerable groups in the labour market. One country might have found good measures for how to get more young people into working life while another has been more successful in including more people with handicaps in the labour market.

The Danish researchers made the point that the Nordic countries must learn from and make use of measures that work. Because if all of the countries “only” manage to reach the same employment levels as the best, the researchers have calculated this would mean an extra 700 000 people in work.

It would see employment levels in the Nordic countries increase by 6% for people aged 15 to 64. It has increased by 2% in the past ten years.

“If everyone learns from the best in class, the potential increase in employment levels is big,” said Nielsen.

### **Sweden focuses on education**

If we stay with this idea and look at immigrants as a group, the Nordic countries’ aim should be to increase employment levels to 79% for this group. 79% of immigrants in Sweden are in work, while the figure is 73% in Denmark and Finland and 74% in Norway.

The Nordic average is 76%, 9% lower than the average number of the general employable population.



*Vilde Hernes from NIBR, OsloMet, did not declare a winner when asking the question: Which Scandinavian country is best at integrating refugees in the labour market?*

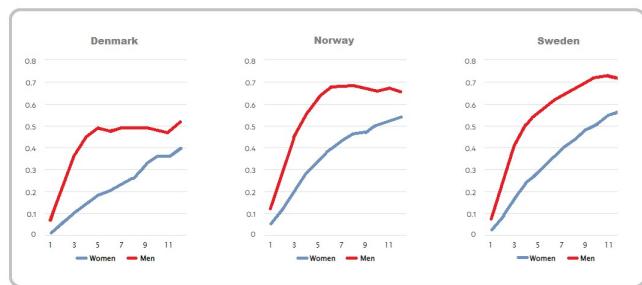
### **So what are the Swedes doing better than the other countries?**

“Sweden is more successful because they focus more on education and are better at using the skills refugees bring with them from their home country,” said senior researcher Vilde

Hernes at the Norwegian Institute for Urban and Regional Research at OsloMet.

She has worked with Swedish and Danish colleagues to try to find out which of the three countries has been most successful at integrating refugees into the labour market. They have followed the same refugees over a 10-year period, first between 2008 and 2016, and then for a further three years until the end of 2019.

“Refugees to Denmark find jobs faster, but in the longer run, more refugees get jobs in Sweden than in Denmark. Norway is the clear winner when it comes to integrating female refugees,” the researchers told the Nordic Labour Journal in 2019.



*Prognosis for how employment levels develop in the three Scandinavian countries shows that both men and women do better in Denmark and that refugees in Sweden get a bit higher than in Norway – but at a later stage. Source: NIBR. The graphs are slightly edited by NLJ..*

Hernes presented some of the results at the conference.

### **The Swedes are improving**

Norway, Sweden and Denmark all have comprehensive integration programmes for refugees. They have a shared aim – to help refugees into the labour market so that they can become economically independent.

But the Scandinavian countries have chosen different paths when it comes to integration measures.

The researchers’ mapping shows that Denmark mostly uses work experience and less education, while Norway’s main focus is on elementary-level education and the Swedes go for higher-level education and wage support.

So which measures produce the best results? Which country gets the most refugees into the labour market? According to Hernes, it is difficult to identify a Scandinavian champion. All of the countries can learn something from each other.

What they have seen is that Norway achieves better results after three to four years. But while the Danes lag behind all the way, the Swedes are catching up with Norway.

"After ten years, Sweden is level with Norway and the countries have a nearly identical number of immigrants in the labour market," explained Hernes.

Education measures for refugees seem to have little effect on work participation in the short term. In the longer term, however, education measures have a big effect on participation in the labour market.

Refugees in Sweden are generally more likely to take further education. This in turn leads to higher work participation and the refugees end up higher on the wage statistics.

### **When to invest?**

In other words, everything points to the fact importance of investing in education in order to get refugees into work in their new home countries. The question is at what point do you invest? Should it happen relatively soon after the refugees have arrived in a country, or do you wait and see whether they move on to a third country or return home?

"There is a great chance that refugees stay in the county they arrive in," said Hernes, who points to former periods of refugee influx as well as the current one from Ukraine.

Hernes believes Norway must prepare for the fact that many of the Ukrainians will remain in Norway also when the war is over, and that the authorities should therefore take this into account when preparing integration measures.

In June, the NIBR researchers carried out a survey among nearly 700 Ukrainian refugees. The report is made on commission from the Norwegian Directorate of Immigration (UDI) and the Directorate of Integration and Diversity (IM-Di).

The refugees were asked whether they believed their stay in Norway will be long-term, and more than one in four answered yes, they thought they would stay in Norway. Ukrainians want to participate in the introduction programme and learn Norwegian, and they want to work or study in Norway.

"This is a challenge for integration policies also in terms of how to include them into working life. Do we have a short-term or long-term perspective for what we are doing? This is a difficult choice, but our study indicates that it is risky not to invest in Ukrainians' future in Norway," said Hernes.

### **The workplace as arena**

Many of the Ukrainians who have arrived in Norway have higher education, but the question is whether they have the skills which are needed in the Norwegian labour market. This is not unique for refugees from Ukraine but a general challenge for many of the vulnerable groups in the labour market.



*Høgni í Stórustuvu from the Faroese Employment Service, Hans Christian Holte, head of NAV and Maria Kindahl, AF, Sweden, during a panel debate moderated by Marianne Marthinsen.*

One of the questions asked during the Nordic conference was whether inclusion could be the solution to mismatching in the labour market. In a time of severe labour shortages, there should be ample opportunities for including more people, pointed out Hans Christian Holte, head of NAV.

In Norway, there were 76 600 applicants for 37 300 positions in October – around two applicants for every position. The challenge is the imbalance that exists between the skills which employers seek and the skills applicants can offer.

"We must find out more about what is needed in terms of education and skills, and we must also use the workplace as an arena for learning to a greater extent than before," said Holte.

He participated in a talk on the inclusion of vulnerable groups in Nordic labour markets, alongside Maria Kindahl from the Swedish Public Employment Service and Høgni i Stórustuvu from the Faroese Employment Service. The Nordic colleagues underlined the importance of learning from each other.

"Every measure we have now we've already stolen from our Nordic colleagues," said Høgni i Stórustuvu with a glint in his eye.

Although conditions are considerably smaller in the Faroe Islands, their challenges are the same as elsewhere in the Nordics. Yet unlike his colleagues from Sweden and Norway, Høgni could say that he knows everyone who is outside of the labour market in the Faroe Islands.

"Today they are 28 individuals," he smiled and added more seriously:

"One of our jobs is to break the social isolation for those who over long periods of time fail to find a job."



## Karen Ellemann new NCM Secretary General

Karen Ellemann is the next Secretary General of the Nordic Council of Ministers. She is seen as a heavy-weight candidate taking up a central post for the Nordic cooperation.

NEWS

20.11.2022

TEXT: BJÖRN LINDAHL, PHOTO: NORDEN.ORG

Karen Ellemann is currently a Danish MP representing the Liberal Party. She has held various ministerial roles in the Danish government, including Minister of the Interior and Social Affairs, Minister of the Environment and Minister of Equality. She has also been Minister for Nordic Cooperation during two periods.

"The Secretary General of the Nordic Council of Ministers plays an important role in our shared vision of the Nordic Region being the most sustainable and integrated region in the world by 2030. Karen Ellemann is well qualified for this role, and we look forward to working with her," says Norway's Minister for Nordic Co-operation, Anne Beate Tvinnereim.

Norway holds the Presidency of the Council of Ministers this year.

"I'm very pleased to be entrusted with the role of Secretary General. In light of the situation the world now finds itself in, Nordic cooperation appears more relevant than it has done for many years. I'm therefore looking forward to embarking on this incredibly exciting role together with all my Nordic colleagues in Copenhagen and at the institutions the length and breadth of the Nordic Region," says Karen Ellemann.

Ellemann trained as a preschool teacher and held a range of leadership positions in the private sector before entering politics. She has been a member of the Danish parliament since 2007.

She comes from a well-known political family. Her father, Uffe Ellemann-Jensen, was leader of the Liberals between 1984 and 1998 as well as Minister of Foreign Affairs between 1982 and 1993. Karen Ellemann's brother, Jakob Ellemann-

Jensen, is the current leader of the Liberals after being elected in September 2019.

Karen Ellemann takes on her new role on 1 January 2023, after Paula Lehtomäki. Her appointment happened after a slightly different than usual process where candidates from all five Nordic countries and the three autonomous regions were invited to apply. Until then, the position had been held in turn by the Nordic countries.

The result was a Danish winner while it was also Denmark's turn to hold the post.