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Theme: The battle over statutory minimum wages



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Do we know more about the USA than Europe?

Many have become experts on US politics in the past 12 months. A few days ago, Donald Trump left the White House for the last time and Joe Biden was inaugurated as the 46th President of the USA. The transfer of power also has consequences for the Nordics and Europe.

EDITORIAL

22.01.2021

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

I had some fun myself recently by taking the US citizenship test. Out of 25 questions about American politics and history, I got 23 right. That is better than 68% of those who have so far taken the test.

Whether that makes me a *besserwisser* or *lesserwisser* I don't know, but I am sure that if the questions had been about European politics I would have made more mistakes. What is the name of the man who took over as CDU party leader in Germany from Angela Merkel on 16 January?

How many know which country holds the Presidency of the Council of the European Union? Oh! And don't mistake it for the Council of Europe! And which country holds the Presidency of the Nordic Council of Ministers?

In this edition of Nordic Labour Journal, we will not only give you the answer to those two questions. Bengt Rolfer and Gunhild Wallin have also done a great job of figuring out why Nordic trade unions are so opposed to the EU Commission's proposed directive on minimum wages. Why don't the Nordic countries, with the exception of Finland, trust assurances that countries with a collective agreement-based wage system will be allowed to keep it?

"The Commission does not quite understand the wide scope of the autonomy that the partners enjoy in Denmark and Sweden. To think anyone but the partners themselves should be deciding whether a collective agreement's minimum wages are adequate flies in the face of the very foundations of the countries' collective agreement systems," writes our expert on labour law Kerstin Ahlberg in her analysis on why the minimum wage issue is such a hot potato.

The European Court of Justice has a limited role compared to that of the US Supreme Court. Sometimes the media coverage of the latter seems exaggerated. Even here in Europe, it has been hard for anyone following the news not to notice the allegations against Brett Kavanaugh, who was appointed as one of the nine Supreme Court judges before Justice Ruth

Bader Ginsburg died, or that Amy Coney Barrett became the last of Donald Trump's candidates to take a seat at the Supreme Court.

How many can, hand on heart, say they know the name of one single judge on the European Court of Human rights or the European Court of Justice? This is not necessarily a drawback.

Legal power is more fragmented in Europe than in the USA. The countries' own courts have more power than the ones in US states. The European Court of Human Rights in Strasbourg gets the most press, but it is not an EU institution. It oversees the observance of the European Conventions of Human Rights.

The European Court of Justice has the limited mandate of:

- controlling the legality of court rulings made by European Union institutions
- controlling whether member states have upheld their obligations according to EU law
- interpreting EU law on behalf of national courts

The EFTA court has the same mandate when it comes to the EEA countries – Iceland, Norway and Lichtenstein.

In Sweden, the Laval ruling is the best-known ruling from the EU Court. It was debated in Sweden for decades and limited trade union action against companies using posted workers.

"If you adopt a directive, all member states must implement it. That is why it is the EU Court which must also determine how our collective agreements are interpreted," says Therese Guovelin, First Deputy President of Swedish LO, in her interview about minimum wages.

Creating legislation, making sure it is followed and judging is a never-ending process. Iceland has been strengthening immigrants' rights in recent years according to MIPEX – an organisation that monitors integration policies in 52 countries.

DO WE KNOW MORE ABOUT THE USA THAN EUROPE?

In Copenhagen, the parliament has decided to impeach former Minister of Integration Inger Støjberg. Does this signal that the Danish immigration debate is at a crossroads?

In recent years, a large part of the labour force has been working from home. But the labour law's paragraphs on home offices were written a long time ago, before the Corona pandemic.

They must therefore be updated, argue both employees and trade unions in Norway.

PS. The man who was elected CDU leader in Germany is called Armin Laschet. He is presumed to become Chancellor when Angela Merkel retires as Germany goes to the polls in September this year. For Europeans it is after all – in normal times – more important to know who governs Germany than the USA.



Portugal and Finland head Councils of Ministers

The Corona pandemic has demonstrated that good cooperation is not only desirable but literally vital, says the programme for Finland’s 2021 Presidency of the Nordic Council of Ministers. At the same time, Portugal heads the Council of the European Union where the creation of a European health union will be a key issue.

NEWS

22.01.2021

TEXT: BJÖRN LINDAHL, PHOTO: ANTÓNIO PEDROS SANTOS AND LAURA KOTILA

How do the goals for government cooperation differ between the EU and the Nordic countries? One way of finding out is to look at what aims the Presidency countries in the two Councils of Ministers have and which keywords they use. Finland goes for sustainability while Portugal highlights resilience.

Both the EU and the Nordics have a council of ministers that coordinates cooperation between the different countries’ governments. They both have rotating presidencies. Finland holds the Presidency for 2021, and in the EU a trio of coun-

tries share the Presidency over 18 months. Portugal holds it for the coming six months.

At the beginning of a Presidency, there is usually much optimism around how to develop the cooperation.

“Finland is ready to roll up its sleeves and get down to work,” writes Finland’s Prime Minister Sanna Marin in the introduction to the Finnish Presidency programme.

Unforeseen crises

The difficult task of reconciling the different countries’ agendas usually means things go slowly. Or you get unforeseen

crisis like the Corona pandemic, which meant last year’s Danish Presidency could not execute its projects in the way it had planned.

“The global pandemic in 2020 underscores the necessity of international, European and regional co-operation. People in the Nordic countries also expect their governments to engage in closer co-operation. Topical themes of cooperation include promoting freedom of movement as well as security of supply and preparedness for future crises,” says Sanna Marin.

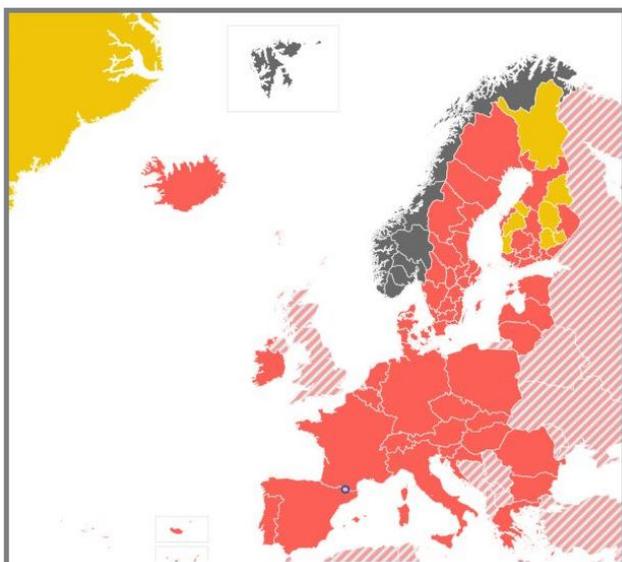
Finland, Norway and Iceland have approximately 10 Covid-19 deaths per 100,000 people, Denmark has 30 while Sweden has 100.

Still optimistic

The Corona pandemic also overshadows most things in the Portuguese programme. It is described as an “unprecedented challenge” for the EU and its member states, requiring decisive and wide-ranging action. But Portugal’s Prime Minister António Costa still strikes an optimistic tone in the Portuguese programme.

“We have the vision, the programme and the financial instruments needed to set out together along a path of hope, confidence and credibility. Our rallying cry will therefore be: ‘Time to deliver: a fair, green and digital recovery.’”

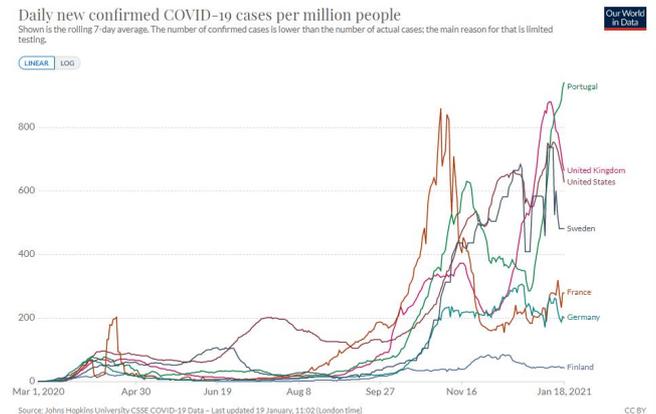
Freedom of movement has never before been so limited in the Nordic region as it is right now, however. Except for Hungary (that has completely shut its borders), Norway is the country with the toughest quarantine rules for arrivals.



The map from The Norwegian Institute of Public Health shows the countries whose citizens must quarantine at arrival in Norway. Red is EU countries, stripy is European

countries outside of the Union. Only people from Greenland and parts of Finland (in yellow) escape quarantine.

The situation in Portugal is worse still. After first doing better than neighbouring countries, infection rates rose dramatically. The country is in complete shutdown, but still have the world’s highest number of new infections measured as a rolling average over the past seven days per million of citizens.



Portugal and Finland are polar opposites in the graph above showing how many people contracted Covid-19 in the past seven days. Source: ourworldindata.org

At the start of the Corona pandemic around a year ago, headlines focused on the lack of PPE and how countries around the world were desperately outbidding each other. Cooperation around vaccine distribution has worked better, even though there has also been criticism of the slow rollout of vaccines.

“We will contribute to ensuring that the process of vaccination against Covid-19 takes place simultaneously in all member states and that the vaccine is a universal good, both public and free,” promises Portugal.

Green transformation

Both the Nordics and the EU aim to make the enormous transformation the countries are facing – not only because of the Corona pandemic, but also because of digitalisation – as green as possible. The Finnish programme embraces the Nordic welfare model as something that secures equitable change through democracy, the rule of law, good governance, openness, trust and a strong civil society.

Portugal chooses to focus on the European pillar for social rights in its programme:

“A central theme of Portugal’s Presidency will be to strengthen the European social model, so as to transmit a sense of confidence to citizens. The aim will be to ensure that the dual climate and digital transition is achieved in an inclusive way, without leaving anyone behind.”

What will probably be the most important meeting during the Portuguese Presidency will be the summit held on 7 and 8 May in Porto. First, there will be a high-level meeting with different institutions, the social partners and voluntary organisations, followed by a meeting of EU ministers the next day. They will discuss employment, skills and welfare issues.

The Finnish Presidency will mark the 50 years anniversary of the Council of Ministers' foundation, and Åland's centenary as an autonomous region.

Finland therefore has two Nordic Ministers for Cooperation for the first time: Thomas Blomqvist and Annette Holmberg-Jansson. The first is Minister for Cooperation in the Finnish government, while the latter is Minister of Social Affairs and Health in the Government of Åland.



Danish immigration hardliner faces impeachment trial

In what is only the second time in 100 years, a Danish parliamentarian is being impeached.

NEWS

22.01.2021

TEXT: MARIE PREISLER

A historic impeachment trial will determine whether Danish parliamentarian Inger Støjberg made herself guilty of misuse of office while serving as the Minister of Immigration and Integration in 2016. Her ministry gave written instructions to separate married asylum seeker couples and house them apart if one of them were under 18 years of age.

A parliamentary majority wants to launch an impeachment trial in the wake of the conclusion from an investigative committee, saying there was “no reasonable doubt” that Inger Støjberg, while being a minister, was warned about the illegality of the instruction she gave – ostensibly for preventing what she calls the practice of “child brides”.

The illegal instruction meant that at least 23 asylum-seeking married couples were systematically separated at asylum centres and housed separately.

Inger Støjberg denies giving an illegal order to separate asylum seeker couples. On 29 December 2020, she was asked to step down as deputy leader of the liberal opposition Venstre party. Venstre as a political party has chosen to back the impeachment trial which will now follow, yet some in its parliamentary group did not.

Stubborn Støjberg

In her time as a government minister and deputy party leader, Inger Støjberg has been spearheading Denmark's strict immigration policy, accepting as few refugees and im-

migrants as possible while introducing tough demands for adopting Danish values, language and norms.

The impending impeachment has not immediately made her dampen her rhetoric. In a Facebook comment, she wrote this about the commission's conclusions:

“I have done everything possible within the law to prevent the ugly phenomenon of child brides. My political wish was, and remains, that no child bride should live with their older husbands in a Danish asylum centre. But I have of course not given any order to break the law.”

One of the Venstre politicians who voted against the impeachment of Inger Støjberg was her former boss, Lars Løkke Rasmussen, who was Prime Minister when she was Minister of Immigration and Integration. He recently left the party and now sits as an independent in parliament. He writes this about the impeachment on his website:

“Inger Støjberg has shown a stubbornness which I mistakenly tolerated far too long,” and “not even Inger Støjberg can deny she has been economical with the truth when explaining herself to parliament.” Yet he believes an impeachment trial is too harsh a sanction which is not good for cohesion in Danish society. He predicts the trial will turn Inger Støjberg into “a martyr.”

Similarities with the USA

The majority to impeach Støjberg came the day after the House of Representatives in the USA voted to impeach outgoing President Donald Trump for inciting a riot. Their actions are totally different, but the two politicians' road to impeachment share several similarities, point out Danish politicians and political pundits.



Inger Støjberg uses Facebook and other social media frequently to post statements about immigration and other issues.

Like Donald Trump, Inger Støjberg ignored civil servants' advice. Both have a base who have backed them uncritically in public. And social media have played a central role for both. The case against Støjberg began with a Facebook post that she wrote in 2016, where she drew attention to the phenom-

enon of young women marrying men older than themselves. In her post, she stated that she would not accept this and followed up with a press release and finally the illegal instruction.

No to extremism

The leader of the Danish Social Liberal Party, Sofie Carsten Nielsen, recently said Inger Støjberg is an extremist just like Donald Trump. Nielsen's party supports the Social Democratic government in parliament. Her statement was in response to Lars Løkke Rasmussen's refusal to support impeachment.

“First the ombudsman, then the instrukskommissionen [the Directive Commission] and now parliament's impartial lawyers have concluded that there is reason to pursue the Støjberg case. Yet Denmark's former Prime Minister rides rough-shod over the rule of law because he is afraid an impeachment trial will turn Støjberg into a political martyr (!!!) We have seen from the USA where this kind of thing leads. There will always be extremists like Trump and Støjberg. It is not them I am afraid of. No, those I fear are henchmen like Løkke. First, he turned a blind eye on Støjberg's actions while she was a minister in his government. Now he does it again. I am happy there is a large majority without Løkke, the New Right and the Danish People's Party who is now impeaching Støjberg,” wrote Sofie Carsten Nielsen.

This is only the sixth impeachment trial in Denmark since the constitution was written in 1849. An impeachment trial can be sought if there is suspicion of misuse of office and is one of the strictest sanctions a minister can face. A sentence can include fines or prison. A prison sentence is not considered likely, however, if Inger Støjberg is found guilty. Parliament is expected to motion for a resolution on impeachment in early February.

Report criticising Denmark

Denmark is a hardliner among the Nordics when it comes to immigration politics. This predates Inger Støjberg by many years. A major Nordic report indicates that the Danish approach has not benefited the education, work and health of children and young people who arrived in Denmark as refugees. This group do considerably worse in Denmark than in the other Nordic countries, according to nearly all parameters.

The report, 'Coming of Age in Exile' (CAGE), gathers data from a five-year-long and recently finished joint Nordic research project, financed by NordForsk under the auspices of the Nordic Council of Ministers. Researchers from the Nordic countries have used register data, among other things, to find out how refugee children arriving in Denmark, Norway, Sweden and Finland between 1986 and 2005 have managed later in life.

The researchers followed these children from 2005 until 2015 to map how they managed in the important years of their youth when they needed to get an education, find work

and stay healthy. The researchers also looked at how these children and young people were influenced by policies and other issues in the Nordic countries.

A strict approach out of kilter in the Nordic region

Between 2005 and 2015, Denmark had the strictest integration policy of all the Nordic countries, according to the MIPEX index, which the EU uses to compare policies between countries. Denmark was the strictest of the Nordics on family reunion and economic support, for instance.

In that same decade, refugee children in Denmark did worse according to nearly all of the survey's indicators compared to non-refugee children in Denmark, as well as refugees of a similar age in Finland, Norway and Sweden.

31% of the refugees in the survey who had come to Denmark were neither in work placements, jobs or education when they turned 30. In Norway, the figure is around 18%, in Sweden around 24%.

Even though Denmark is at the bottom among the Nordics, the integration of refugee children in Denmark has improved in later years, according to the report. In 1997, nearly one in four refugees who arrived in Denmark as a child had no job or education by the time they were 20 and 22 years of age. In 2014 that figure had fallen to one in ten. This is largely the same level as for Danish-born children.

The report also shows that the manner in which refugee children are received in the Nordic countries matters a lot for integration.

Immigration to the Nordic countries has risen for the past 50 years, and since the 1970s a major part of non-Nordic immigrants have been refugees and their families. Young children under 18 have made up a relatively large part of this group.

Young people: Stop the negative language

Recently, two young men chose to come forward and admit that it had been them, six years ago, who disturbed a lady sitting in front of them in a cinema, and that they apologised for what they called silly boys' behaviour. The lady in front was Inger Støjberg, the leader of the Venstre party. After the episode she wrote and shared a Facebook post about it, which would herald a tougher tone in the integration debate:

"I just got home from the cinema, where a group of immigrant boys aged around 14 to 15 sat behind me and were disruptive from beginning to end. They kicked the chair, chatted, commented and threw sweets. When do parents take action, and when do you boys grow up? I live in Denmark, and I simply cannot understand why you cannot try to behave properly. Nothing will come of you if you carry on like this."

The post got a lot of media attention, and a short time after, Inger Støjberg was appointed Minister for Integration. Six years later, all the boys from the cinema have gone through

youth training and two of them –Blerim and Dhia – have now come out to challenge Inger Støjberg's description of them and other young men as "immigrant boys" with no future:

"I was born here, grew up here, attended school, went to college and am now at university. I have worked in Danish workplaces. I do not consider myself to be a foreigner. I see myself as a Dane with a different ethnic background," Blerim told the Danish Broadcasting Corporation.

Dhia added:

"We come forward now so that people can see that the boys she described are actually decent and sensible boys and that we should not all be generalised and lumped together."



EU minimum wage directive: last stand for the Nordics?

2021 looks set to be the year when the issue of statutory minimum wages in Europe will be settled. The debate has lasted a long time and opinions are divided, but on 28 October 2020, the EU Commission finally presented a proposed directive which will be processed by the European Council and the EU Parliament.

THEME

22.01.2021

TEXT: BENGT ROLFER AND GUNHILD WALLIN, PHOTO: ETIENNE ASOTTE, EC - AUDIOVISUAL SERVICE

The Commission's proposal seems to enjoy relatively broad support in Europe. Opposition comes mainly from the Nordics, and in particular Denmark and Sweden. These countries see statutory minimum wages as a threat to the Nordic labour market model.

So why is it so important for the EU Commission to try to adopt a directive on minimum wages in EU countries?

The main reason, according to Commission President Ursula von der Leyen, is to secure decent living standards for all wage earners in EU countries. She argues the proposal will have several positive outcomes. Not only will it have positive

social effects and reduce poverty, it can also reduce wage gaps, be an incentive to work and help maintain demand. It should also protect responsible employers from unfair competition.

The EU Commission has not put a figure on the minimum wage, however, and underlines that no country will be forced to introduce statutory minimum wages.

"The proposal is an important signal that also in crisis times, the dignity of work must be sacred. We have seen that for too many people, work no longer pays. Workers should have access to adequate minimum wages and a decent standard of

living. What we propose today is a framework for minimum wages, in full respect of national traditions and the freedom of social partners,” says von der Leyen.

Favours collective agreements

A different and less talked about aim is to strengthen the collective bargaining system – getting more European countries to realise the advantages of the system we in the Nordics consider to be so successful. Today, six countries in particular use collective agreements with different degrees of minimum wage protection – Denmark, Finland, Sweden, Cyprus, Austria and Italy. The remaining 21 EU member states have statutory minimum wages.



Kristin Alsos, researcher at Fafo. Photo: Fafo.

The Commission now goes further than simply pointing out that national traditions should be respected. It also recommends adopting the collective bargaining model between the social partners, and advises countries to take further action to increase collective agreement coverage.

The proposed directive says all member states with less than 70% collective agreement coverage should develop national action plans to promote collective agreements. One reason behind this is that the lowest wages are higher in countries that have adopted the collective agreement model than in countries with statutory minimum wages.

Strong Nordic opposition

Yet despite repeated assurances from the Commission that it will not force a model on countries that do not want it, the proposal has faced solid opposition from trade unions, employers and politicians in Denmark and Sweden. There is much opposition in Norway too – a country which is not an EU member state but which must adopt relevant directives as part of the EEA agreement.

“There is widespread agreement in the government, among employers and employees that this is undesirable and that the EU lacks competence in this area,” says Kristin Alsos, researcher at the Oslo FAFO research foundation.

The proposed directive has found a more positive audience in Finland, which already has a system with universally applic-

able collective agreements which to a certain extent will have the same effect as statutory minimum wages. The Finns also seem to trust the Commission’s assurances that no country will be forced to adopt this model.



Niklas Bruun, Professor at the University of Helsinki. Photo: Björn Lindahl.

For those on the outside, the massive opposition to the EU proposal might seem exaggerated. Professor Niklas Bruun, Finland’s leading labour law researcher, points out how the EU acted during the financial crisis just over ten years ago. The resulting austerity politics led to many job losses and the undermining of the negotiation system.

“This proposal points to a positive development in the EU. Here you see a clear social dimension and wordings that support the collective agreement system,” he says.

Opposition could have negative effects

Swedish Professor Lars Magnusson at the University of Uppsala is also critical to the negative reactions. He considers the Swedish trade unions to be “tone deaf” and is worried this could have negative effects in the future. Magnusson points out that the labour market has changed. Even in the Nordics more and more people have precarious jobs with unreasonable wages, while fewer and fewer are trade union members.



Lars Magnusson, Professor at the University of Uppsala.

“This means there is space to have a more nuanced perspective and not only shout no as soon as this issue pops up,” he says.

It is worth noting that there is a clear line separating the European Trade Union Confederation ETUC and the Scandinavian trade unions’ view on this issue. A clear majority of ETUC’s members support the idea of a directive, while Danish and Swedish unions end up aligned with BusinessEurope, the Confederation of European Business.

Disagreement at ETUC

Swedish Per Hilmersson, Deputy Secretary-General at ETUC, seems to have fallen between two stools. Why does a majority of European trade unions want a minimum wage directive?

“I don’t think so. All of our members have the same goal really – decent wages and strong collective agreement systems – but they don’t quite agree which measures are needed. In general, ETUC admires the Nordic model. You see that it works and there is no desire at all to upset it. That’s why I think people understand why Sweden and Denmark want stronger protection for their model,” says Per Hilmersson.



Per Hilmersson, Deputy Secretary-General at ETUC.

“At ETUC we have carried out studies that show most countries’ minimum wages are too low and not sufficient for a decent living standard. This is a serious situation which we want to do something about. So when the Commission took this initiative and asked for our opinion, 85% of our members answered that a directive is necessary. But at ETUC we have always been of the opinion that minimum wages should only be introduced in countries where the unions want them.”

But what do you, as a Swede, make of the fact that Swedish trade unions voted down the EU proposal?

“I fully understand it, and I have also argued for it internally. At ETUC we also have our red lines and do not want legislation that undermines well-functioning negotiation systems.”

But do you think the proposed directive protects against this?

“No, more is needed to protect the Nordic model. ETUC is working on concrete proposed amendments which we will discuss with our members.”

What does ETUC think about the fact that Scandinavian trade unions are in line with BusinessEurope? Could that not be seen as demonstrating a lack of solidarity?



Yellow card from Sweden and Denmark to proposed minimum wages in the EU

The Swedish and Danish parliaments want the EU Commission to withdraw the proposed directive on statutory minimum wages. Both parliaments have used the so-called yellow card procedure, arguing the proposal is in breach of the EU's principle of subsidiarity.

THEME

22.01.2021

TEXT: BENGT ROLFER AND GUNHILD WALLIN

If nine or more EU countries' parliaments make similar protests, the Commission must withdraw or redraft the proposal. 21 January is the deadline for presenting any challenges.

If the yellow card process were to fail, the Danish government's case at the Council legal service remains. It will shortly decide whether the Commission has the legal authority to put forward its proposal. If the Commission clears that obstacle too, individual member states could take it to court for breach of treaty. Whether this will happen remains to be seen.

The two countries' politicians are not the only ones to agree on this issue. There is a consensus in the labour market too. Both employers and trade unions are set against the proposal. Finland stands alone in the Nordic region on the issue – both politicians and trade unions have voiced support for the proposal. Many elsewhere in the EU agree with the Finns.

The clearest sign of the staunch opposition is the fact that both the Danish and Swedish parliaments have launched the yellow card procedure to stop the directive.

"We do not believe the EU should intervene in wage formation and will protect the Danish model with all means necessary. We are sending a clear signal from a solid majority

in parliament,” the leader of the Social Democrats Jens Joel told the Danish parliament.



Vegard Einan, Secretary of State at the Norwegian Ministry of Labour and Social Affairs. Photo: Jan Richard Kjelstrup / ASD

Norway is not an EU member, yet will be subject to the new directive and is clearly against it. This is what Secretary of State Vegard Einan told a webinar organised by the Norwegian research foundation Fafo:

“The government has been very clear since we learned about the Commission’s proposal. We believe wage formation should continue to be the responsibility of the social partners. We have good experiences with this in Norway. We agree with the partners that the Norwegian model has proven to be solid both in times of crisis and challenges, in times of growth and in economic downturns. It has also been good at distributing wealth.”

There is also strong opposition among trade unions in Denmark, Norway and Sweden. The common view seems to be that agreements are reached by the social partners and statutory intervention is not at all welcome.

“This was promised in the EU Treaty Article 153 (5),” says Bente Sorgenfrey, Vice President at FH – the Danish Trade Union Confederation. She is also one of the top leaders in the European Trade Union Confederation ETUC.

The proposed directive underlines the collective agreement’s role, so would it not strengthen European trade unions?

“It might sound good, but wage formation is not part of the EU’s areas of expertise. Directives also continuously change and we do not want the legislators in this area – we want national competence,” she says.

Danish EU opposition might grow

Bente Sorgenfrey believes the 2008 financial crisis exposed the weaknesses of statutory minimum wages. When member states needed to borrow money, the European Central Bank

demanded the lowering of minimum wages and pensions as a prerequisite for lending.



Bente Sorgenfrey, Vice President at FH – the Danish Trade Union Confederation – and an ETUC board member. Photo: FH

“If you legislate for wages you hand the Central Bank strong tools. I found it frightening that they could force countries to lower minimum wages during the financial crisis. In our collective agreement system this is not possible,” she says.

When the EU interferes in what is considered to be a national area, you also risk more EU opposition in Denmark.

“If the directive became a reality, Danish EU opposition would increase, it could even perhaps lead to a demand for a referendum. There is a lot of emotion surrounding this directive,” says Bente Sorgenfrey.

Southern EU countries are also getting het up about the Nordic countries’ and trade unions’ negative attitudes. 21 EU countries welcome the proposal. As part of the ETUC leadership, Bente Sorgenfrey has heard it argued that Nordic trade unions lack solidarity.

“Many see the directive as an opportunity to improve their own conditions, but if you look closer at the proposal, there are no clear improvements. This fact is also acknowledged behind closed doors at ETUC. We have had heated debates. Many are frustrated and want what we have, the best wage development in the EU.

“Some of the debate also centres on what we want Europe to be. Some want a federal EU and some of us want a European community of nation-states.”

Bente Sorgenfrey says Swedish and Norwegian trade unions cooperate closely, and that solidarity is an important issue. Norwegian trade unions want to improve union membership numbers in member states with low organisation levels by offering various types of support.

“It is not that we don’t care. We want to show solidarity and demonstrate how to improve conditions for the lowest earners. One way could be to change the directive on public pro-

curement to make it mandatory to buy goods and services from companies with collective agreements.”

A threat to the Swedish model

In Sweden, both trade unions and employers consider the minimum wage proposal to be a threat to their successful labour market model – despite the fact that the Commission is adamant their national models will be respected, and even saying it prefers the collective agreement model over legislation.



Therese Guovelin, First Vice President at Swedish LO. Photo: Fredrik Hjerling

“I have met Commissioner Nicolas Schmit several times. He had always been promising a ‘waterproof firewall’ to protect our model and ensure no-one is forced to introduce statutory minimum wages. I really believe they have tried, but it is not good enough. The so-called exception is a smokescreen. If you introduce a directive, all member states are obliged to implement it. And then it will be up to the EU Court of Justice to decide how our collective agreements are to be interpreted,” says Therese Guovelin, First Vice President at Swedish LO, the Swedish Trade Union Confederation.

Despite the strong opposition, LO is supporting the analysis and the aims that are behind the proposal. The Commission wants to reduce poverty and narrow wage gaps in Europe.

“This is something we also want of course. The way the problem is defined is completely correct from a trade union perspective, and something we really support. That is also why we support the EU’s social pillar. There is plenty of scope to put aside resources to strengthen the social partners’ role. You could also draw up recommendations for how to achieve fair living conditions. But it is up to member states to decide how to carry this out in practice.”

The Scandinavian trade unions are in a minority at ETUC, however. Guovelin admits that this is a problem.

“In many countries, trade unions have quickly lost ground both in terms of membership numbers and collective agreements. So they have given up hope and believe in statutory

minimum wages. They would probably want us not to work against the proposal.”

Are you seen as lacking in solidarity?

“No, I don’t think so. Many also really admire how our model works,” she says.

The Swedish Confederation of Professional Associations Saco also opposes statutory minimum wages. Nearly all academics already earn more than what a minimum wage would be. Saco also has few, if any, agreements that include the lowest wage level.

“We mainly have agreements without numbers and want wages to be agreed through individual talks with the employer. If we got a minimum wage directive, this could overrule the criteria we have now. This would be something that would seriously disrupt our wage formation,” says Saco’s Chief Legal Officer Lena Maier Söderberg.

She also points out that state interference would reduce the agreement’s legitimacy.

“As things stand, the parties themselves take responsibility for respecting the agreement. With a statutory minimum wage, you need a system with state wage inspectors. This is a less efficient system.”

Opposition also in Norway (and Iceland...)

Peggy Hessen Følsvik, Deputy Leader at Norwegian LO, underlines that they have been opposed to statutory minimum wages for many years. But they do support all European workers’ right to organise and to earn decent wages. Yet the proposed directive with its legally binding parts – according to those who oppose it – has nothing to do with solidarity.



Peggy Hessen Følsvik, Deputy Leader at Norwegian LO. Photo: Trond Isaksen, LO.

“This is one of the most difficult issues we have faced in recent years. I understand there are big expectations in many EU countries and broad support for a statutory minimum wage. We absolutely agree many countries need a salary hike, but there are big differences between labour markets and in particular wage formation processes. Solidarity in Europe

cannot be about weakening our rights,” says Peggy Hessen Følsvik.

For Iceland, the proposed directive should not mean much change in the shorter term, believes Drífa Snædal, President for the Confederation of Icelandic Labour Unions ASÍ. Union membership is high; between 85 and 90% both among employees and employers. The collective agreement is universally applicable and also serves as a minimum wage benchmark.

“But the principles remain. We negotiate wages and therefore oppose the proposal together with Denmark, Norway and Sweden. We don’t trust the EU court either and do not want it to gain influence in this area. The minimum wage directive’s long-term effects are frightening. We fear wages will fall in the long term if we no longer control them through agreements, and people will become less inclined to join trade unions.”



Drífa Snædal, President for the Confederation of Icelandic Labour Unions ASÍ. Photo: Arnþór Birkisson.

Drífa Snædal understands why many trade unions, particularly in the old Eastern Europe, want a statutory minimum wage, but would rather see continued efforts to create trade unions.

“The Nordic countries have also been supporting the creation of trade unions in Eastern Europe out of solidarity. To propose a statutory minimum wage now is to capitulate and abandon the principle of strengthening the power of the employees.”

...but Finland trusts the Commission

Yet in Finland, the mood music is different. Maria Häggman, Head of International Affairs at the Finnish Confederation of Professional STTK, puts it like this:

“For us, the most important thing is that we will continue to have control over wage formation in Finland, and that the EU will not interfere in this. We believe this will be heeded. Since the social partners’ autonomy is safeguarded, we cannot see how the proposal will have much effect here. It could, howev-

er, have a positive effect in other European countries where there are bigger problems around wage formation.”

The other Finnish central organisations are also positive to the proposal. Pekka Ristelä, Head of International Affairs at Central Organisation of Finnish Trade Unions (SAK), welcomed the Commission’s initiative in a blog post, and did not consider it a threat to collective agreements.

Maria Häggman believes the reason behind the different countries’ approaches partly stems from the fact that Finland has always been more positive to EU integration than the other Nordic countries. The clearest example of this is that Finland is part of the Euro-zone.

Another reason is that Finland has a national system with universally applicable collective agreements. This is regulated through the so-called employment contract legislation, which means a special commission has the power to decide that collective agreements which are national and representative of a sector, must be followed by employers.

But does not this in practice mean a kind of statutory minimum wage?

“No, but it does mean we have a high level of agreed minimum wages in our collective agreements. Legislation is a much more rigid structure which we do not want, and no-one can force it on us,” says Maria Häggman.

Another important difference is the fact that Finnish trade unions, unlike their Danish and Swedish counterparts, seem to trust the EU Commission’s promise to respect national wage formation models.

“We cannot see how this would threaten our model. One of the really good things about the proposal is that it takes into account the fact there are different models. Another good thing is that there is an aim to strengthen the collective agreement model.”

Finnish employers do support the Nordic opposition to minimum wages, however, while the Finnish government gives the Commission’s proposal the thumbs-up.

“Our government program underlines the importance of a social dimension in the EU, and we consider reduced inequalities to be a key issue for EU cooperation. The Commission’s initiative takes both of these issues into consideration,” says the Minister of Employment Tuula Haatainen.



What solidarity? Minimum wages split Nordic and EU unions

The disagreement over the EU's proposed directive on statutory minimum wages throws the issue of solidarity into focus. But it also highlights the alienation and poor pay and conditions found across many sectors in Europe.

THEME

22.01.2021

TEXT: BENGT ROLFER AND GUNHILD WALLIN, PHOTO: SARA GALBIATI

"It's a jungle out there," said Jack Campbell in the GigWatch podcast in late December 2020. He works as a bike courier for Wolt in Copenhagen, one of many platform companies connecting restaurants selling food to private individuals at home. Jack Campbell also studies the gig economy's effect on the labour market, at the University of Copenhagen. He is working to sign up more couriers in the trade union Wolt Workers' Group.

When he gets a "gig" he can make 120 Danish kroner an hour, but with no gigs he makes nothing. And gigs are not easy to come by. They are announced a few times a week, and you have to be lightning-fast to secure one. In 30 seconds they

have all been taken, and it is difficult to secure more than two to three gigs a week.

If you need any sort of economic stability, you must be constantly available. You check your mobile all the time, and Jack Campbell talks about colleagues who work 70 to 80 hour weeks in order to make enough money to live. Many of them originally came from African countries.



Jack Campbell is trying to organise Wolt workers in Copenhagen.

Fighting for a collective agreement

The many bicycle couriers now found in most larger cities are part of the so-called platform or gig economy. Many bicycle couriers have precarious employment contracts or find themselves in an in-between state of being employed and being self-employed. Wolt Workers' Group pushes the issue of a collective agreement in cooperation with the 3F trade union, recently via their Facebook site:

“Happy new year! Many of you will be ordering food through Wolt today while nursing your hangovers. While you do that, why not help us in our fight to get them to sign a collective agreement with 3F. Here is a suggested text: ‘Hi, I am unhappy with the conditions you offer your couriers. That’s why I think you should enter into an agreement with 3F. So that all Wolt workers get the same rights as all of us here in Denmark.’ This is perhaps the easiest way for you to show your support for the labour movement today.”

Wolt Worker’s Group puts forward classic union demands. They want employment, they want a fair and predictable salary and they want security if they get injured. Wolt has insurance for their couriers, but this has been criticised for being too narrow and for only covering serious injury.

Unclear employment conditions

Many working in the gig economy have so far been falling between two stools when it comes to security and pay. Many are self-employed, which means they are not part of a traditional employer-employee relationship.

Bicycle couriers are also far from alone in working long days and facing precarious working conditions. Low and changing minimum wages are but one problem for many of Europe’s workers, both in their home countries but also as a result of the free movement of people.

The Swedish National Audit Office recently looked into the exploitation of workers in Sweden and concluded that it is a large and growing social problem, “mainly because the government has not given the authorities a mandate and clear

guidelines to fight the problem”. It is for the most part foreign people who are paid unreasonably low wages, suffer long working hours, a dangerous work environment and poor living conditions.

Few cases go to court

The National Audit Office confirms that existing regulations do not protect people from being exploited. It is for instance not illegal for an employer to receive money for employing someone, or to demand someone they have employed to pay their wages back. It also emerged that controls carried out by the authorities rarely lead to anything. Despite a sharpening of the legislation in 2018, no more employers have been punished for forced labour or exploitation.

“Few cases go to court and the risk of being convicted is nearly non-existent,” says Yvonne Thorsén, who led the National Audit Office’s investigation.

The report makes a range of recommendations aimed at fighting exploitation, including increased control and improved opportunities for those at risk of not getting properly paid. A statutory minimum wage is not one of the recommendations, however. The report does show that the individual workers must take on a lot of responsibility to fight for their rights if they are not trade union members. Many unions struggle to recruit foreign workers.

Meanwhile, a report from the Swedish National Mediation Office shows extremely low wages represent a very small problem in Sweden. Fewer than 1% of employees are paid less than 60% of the national median wage, or 17,700 Swedish kronor (€1,747) a month (2018 figures). This measurement is the one most used when talking about minimum wage levels. Most of these workers are young people under 20.

According to official wage statistics, 90% of Swedish employees are covered by collective agreements. Hardly any of the agreements contain a set wage level, however. The pay is usually set individually when someone is hired. This also means that even in workplaces that are covered by a collective agreement, there is no lowest level of pay that the employer needs to adhere to, points out the National Mediation Office in its report.

The statistics from the National Mediation Office do not cover the so-called shadow labour market, however, and it is difficult to measure how many work there and how much – or little – they earn. Estimates talk about “tens of thousands” of people.

Focus on new, precarious sectors

Before the pandemic broke out last year, Swedish LO had just launched a drive to recruit members and negotiate collective agreements in the emerging sectors where an increasing number of people work without secure employment and for low pay. Therese Guovelin, LO’s Vice President, says every

person who does not enjoy decent working conditions is a sign of a failing society.

But would it not be better for them if there was a statutory minimum wage so that the employer could be sued?

“We have been fighting workplace crime and bad employers for a long time. We are pushing the politicians on this all the time. These employers would not stop exploiting people if we got statutory minimum wages. We already have the possibility of taking them to court. What we do need, however, is to make sure this part of the labour market is also covered by collective agreements, and in this, we agree with the serious employers,” she says.

What is solidarity?

The categorical opposition to the EU’s proposed statutory minimum wage directive from the majority of the Nordic countries (Finland being the exception) has been met with anger and wonderment among trade union colleagues elsewhere in Europe, but also among EU politicians. Do the Nordic countries with their strong trade unions not want to show solidarity with countries that need secure minimum wages for the very poorest?

Several representatives we have spoken to in the Nordic countries say they absolutely do want to show solidarity.

But this should happen through projects that strengthen trade union membership numbers, not with the EU introducing a statutory minimum wage and thereby interfering in what traditionally has been regulated through agreements between the social partners in the Nordics.

And few believe statutory minimum wages would really improve things, so this is not really about solidarity.

“It is a big problem that so many are in precarious jobs on wages they cannot live on, but would a statutory minimum wage solve this? We don’t believe so.

This is really not less of a problem in countries that already have a statutory minimum wage. The solution is to work against these forms of employment through a combination of collective agreements and legislation,” says Lena Maier Söderberg at Saco (*Photo: Knut Capra Pedersen*)



Six MEPs' views on statutory minimum wages

The proposed directive on statutory minimum wages has still not been through the European Parliament. But just over one year ago, with a clear 422-131 majority, it called on the Commission to present a proposal to secure a fair minimum wage for all workers in the Union.

THEME

22.01.2021

TEXT: GUNHILD WALLIN AND BENGT ROLFER

We have asked some Nordic MEPs what they think about the EU Commission's proposed directive.



From top left: Eero Heinäluoma, Sirpa Pietikäinen, Jessica Polfjärd, Nikolaj Villumsen, Karen Melchior and Helen Fritzon. Photo credits at the bottom of the page.

Jessica Polfjärd, the Moderate Party, Sweden

“Since the start, the Moderates have pointed out that this is a threat to our Nordic labour market model. Decent salaries and fair conditions should of course be the norm, but the EU should not be granted far-reaching influence over our functioning social partners model and its right to independence and contractual freedom. A recommendation from the EU had been preferable to a directive. We will continue to oppose this and it would have been preferable if we had greater consensus in Swedish on this issue from the very beginning. It is regrettable that the Swedish Social Democrats instead drove the agenda which has now resulted in this proposal.”

Helene Fritzon, the Swedish Social Democratic Party

“The EU’s intentions behind its ambitions to create minimum wages which will give more people the opportunity to lead a decent life, no matter where they work, are good. But

we cannot accept a proposal that risks hollowing out the Swedish model that the labour movement has been fighting for for decades – a model that has served us well. That is why we are very critical to the fact that the EU has chosen to further a proposed directive that risks jeopardising our national wage formation model and the social partners’ independence. This means the EU is taking a large step towards increased supranationalism in an area the social partners in Sweden are mainly responsible for. The EU does not have the competence nor the right to legislate when it comes to wages.”

Eero Heinäluoma, the Social Democratic Party of Finland

“The social dimension is an important EU priority and the reduction of inequalities is central to EU cooperation. While the EU deepens its economic cooperation and trade among its member states, workers’ position in the labour market should be safeguarded. The directive does not define wage levels nor does it interfere with collective bargaining systems at a national level, but would introduce an instrument to reduce in-work poverty and support wage growth especially in countries with low statutory minimum wages. It would function as a safety net to workers without union-security protection, and also protect employers from unfair competition.”

Sirpa Pietikäinen, the National Coalition Party of Finland

“The Commission's proposal as it is now is a good model. It means collective agreements will always be the preferred method. The new framework would only step in if this kind of protection is not in place. In countries where collective agreements do not exist like they do in the Nordics, the adequate minimum wages directive should work well.”

Karen Melchior, the Danish Social Liberal Party

“I think the proposed directive is quite good. It means a strengthening of the collective agreement model, and it increases the importance of the social partners' role. There is much resistance to the proposal in Denmark, but I think this is a knee-jerk reaction. The social partners do not want their role to be jeopardised and focus on the uncertainty surrounding how it will all work. I believe this worry is unfounded, and have yet to hear any convincing argument for it. The Commission will not set the minimum wage level – it will be up to individual member states to find acceptable wage levels for everyone in society. This is not the situation in many countries today. It is fair and just to strengthen negotiated wages.”

Nikolaj Willumssen, The Red-Green Alliance, Denmark

“The directive really helps no-one. It does not put any binding demands on countries that already have statutory minimum wages, and it also does not make any exceptions for countries with high levels of trade union membership like Sweden and Denmark. There is no doubt that wages are far too low in many EU countries. But instead of allowing the EU to decide our wages, we should focus on strengthening trade union membership in EU countries and together fight in order to increase wages. If we allow the EU to decide our pay, we risk that it uses this power in future to demand wage cuts. Collective agreement negotiations are at the core of the Danish labour market model. That is why the directive represents a weakening of that model. I hope we succeed in stopping this through the yellow card procedure.”

Photo credits:

- Eero Heinäluoma - stortinget.no
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- Jessica Polfjärd - European People's Party
- Nikolaj Villumsen - Wikipedia
- Karen Melchior - European Union/Giedre Daugelaite
- Helene Fritzon - Bengt Rolfer

Four researchers' take on the minimum wage

A positive move for low-income earners in Europe or the hollowing out of the Nordic collective agreement model? When researchers look at the EU's proposed directive on statutory minimum wages, the analysis changes according to the area of research and perspectives.

THEME

22.01.2021

TEXT: GUNHILD WALLIN AND BENGT ROLFER

Critics are sceptical to the EU's meddling in national labour market models, where wage formation is key. They argue the decision to make minimum wages statutory should be a national issue, not one for the EU.



Jens Arnholtz, Jens Kristiansen, Niklas Bruun och Lars Magnusson.

“The EU should not interfere in this and it is not competent to do so. The EU's proposed directive for statutory minimum wages creates uncertainty and reduces transparency. There is also the worry that minimum standards become maximum standards, says Jens Arnholtz, Associate Professor at the Employment Relations Research Centre FAOS in Copenhagen.

He is one of the Danish researchers who believe the EU's proposed statutory minimum wage directive goes against the Danish model, where wage formation is done through agreements between the social partners. He also believes the proposal hollows out the partners' autonomy in the wage formation process, creating a risk of reduced interest in union membership among both employers and employees.

But the criticism covers more than the proposal as it stands right now. There is also worry about the future. The contents of a directive can be changed. A directive can also be challenged in the European Court of Justice, whose rulings must be followed up on a national level. According to the current proposal, collective agreements must cover at least 70% of a sector. But if this is not the case, how should the cover be increased and who is responsible for doing so?

“If the state is responsible for doing something about it, this would basically change the balance of power in the Nordic model, and it would create a lot of uncertainty,” says Jens Arnholtz.

He explains that some of the critics also question whether the EU's proposed directive really will help the lowest paid. Denmark is one of the few EU countries where minimum wages are more than 60 % of the median wage according to the EU Commission, while in many of the EU counties that already have a statutory minimum wage, this is far below the 60% usually considered to be the poverty line.

“That means the minimum wage does not necessarily guarantee a decent living standard. The EU Commission says this problem will be solved through ‘clear and stable criteria’ for how minimum wages are set. But the problem is that the Commission's proposal is so vague that it will not necessarily guarantee higher minimum wages in the countries that already have the lowest wage levels. On the other hand, the demand for clear and stable criteria for setting minimum wages might reduce the Danish social partners' negotiation power and lead to less protection for employees in the long run.”

Wage formation beyond national borders

Jens Kristiansen is a Professor of labour law at the Faculty of Law at the University of Copenhagen. He sees two main areas of concern if a statutory minimum wage were to be introduced. One is political – the fact that a highly national issue like wage formation will partly be decided by the EU. The other is legal.

“If the EU starts to legislate for minimum wages you have a fundamental problem. First, the EU does not today have the competence to make decisions on rules concerning wages. There are also no guarantees it will stop at statutory minimum wages. This is the most serious concern – if the directive is adopted, there will be an acceptance that this is an area where the EU can act and create rules. Where do you then draw the line?

“There will be a shift in power and increased insecurity. I also imagine that in future you might see pressure from unhappy trade unions in parts of Europe who want to make the directive even more powerful,” says Jens Kristiansen.

The other thing that worries him as he understands the proposal right now, is that its legal basis is not at all clear.

“This means it will be left to the EU Court of Justice to interpret it. This is worrying. We have bad experiences with this.”

The Nordic countries' opposition to the proposal has been met with both criticism and surprise in other countries. So how do you explain this opposition? That is not difficult, says Jens Kristiansen.

“Of course we in the Nordics do understand there is a problem that needs solving and we would be happy to help the EU develop a marked social profile. But not in this way. The EU should not make decisions in an area where it has no expertise but stick to the original treaty. I am wondering why MEPs do not care and seem completely unconcerned about the existing limitations,” he says.

A lack of trust after the Laval judgement

Professor Niklas Bruun from Helsinki points out that the EU Commission has been very much aware of the opposition to state interference in wage formation that exists mainly in Denmark and Sweden. He feels the Commission has really gone the extra mile to arrive at a proposal that even these countries might find attractive. Clearly, it has failed.

“There is strong distrust in the EU Court of Justice running back to the unexpected ruling in the Laval case, which did introduce limitations on national rights to take industrial action. They have a point here. If this becomes part of EU law, it is the court which in the end will decide how the directive and its various concepts should be interpreted. This means the court might decide how a collective agreement is to be defined in Sweden and Denmark,” says Bruun.

So that is distrust justified?

“Yes, but this is unnecessarily highly pitched, and that surprises me. It should be possible to show a bit more appreciation when the EU Commission wants to give concrete contents to the social pillar, which Stefan Löfven and others worked so hard to get in place. So even if the criticism is deserved, I worry that it is being presented in a way that creates unnecessary conflict, for instance inside ETUC.”

Could the opposition to the proposal backfire on the Nordic trade unions?

“It is hard to say. It is always a strength to stand together. The question is whether trade unions now are strong enough to afford being divided,” he says.

A proposal with a social dimension

Niklas Bruun reminds us how the EU handled the financial crisis just over ten years ago, and believes the minimum wage proposal shows a positive development of the EU Commission's policies compared to back then.

“That is when the EU was pushing austerity politics which undermined the collective negotiation systems in several member states. Now they talk about a social dimension and lend their support to wage formation through collective agreements. In principle this is a clear step in the right direction,” he says.

He does not believe the proposal will have much effect in Finland, however. This is because the country already has a system of universally applicable collective agreements.

“This means you already have a kind of state interference in Finland, unlike in Sweden and Denmark. The greatest advantage with this Finnish system compared with a general minimum wage is that each sector can propose minimum wage levels based on their own situation,” he says.

Risks being seen as tone-deaf

Lars Magnusson, Professor in Economic History at Uppsala University and author of a report on the social Europe for the European Trade Union Institute, highlights how the Swedish opposition might be perceived.

“I will not say whether the proposal is good or bad, but I feel the Swedish reactions have been somewhat one-sided. Many portray it as a threat to the Swedish model while labour movements in other countries feel the proposal is good. Even if the unions' misgivings are legitimate and should be taken seriously, I find it hard to believe this would be such a catastrophe. It should be possible to arrive at something sustainable. It would also be tone-deaf if we end up with being interpreted by the rest of Europe as begrudging their introduction of minimum wages for social reasons.”

He thinks it is only natural that the EU Commission, after 25 years of debate, proposes a directive on minimum wages. Another important reason this is coming right now is that the labour market has changed. The number of precarious jobs has risen sharply, while fewer and fewer workers unionise and become covered by collective agreements.

“This means it might be prudent to adopt a more nuanced attitude and not only shout no as soon as the issue of minimum wages arises. For most European wage earners, minimum wages would represent an important social safety net,” says Magnusson.

But would a statutory minimum wage really fix problems like the exploitation of workers and social dumping?

“This is not clear, but in general it should become easier to persecute employers who pay too little if there is legislation available.”

Lars Magnusson also thinks Swedish trade unions risk being seen by other European trade union movements as being difficult and lacking solidarity. During a seminar last autumn he called them “tone-deaf”.

“Yes, I do believe that. And it could come back to bite them. The former ETUC Secretary-General John Monks once compared Swedish trade unions to Greta Garbo because they are signalling ‘do not touch me’. Meanwhile, Sweden is pushing for the social pillar and a social Europe. That, for many, is difficult to understand. Perhaps next time the Swedish trade unions seek support for another social issue, they will find their credibility has suffered,” he warns.

Why minimum pay has become such a hot potato

Why do Finns trust that the proposed minimum wage directive will not harm their labour market model, while the Danes and Swedes have no faith in the European Commission's assurances? And why is the debate so heated? There are several reasons.

COMMENTS

22.01.2021

TEXT: KERSTIN AHLBERG

As the Nordic Labour Journal's big mapping of this issue shows, there is fierce opposition against the proposal among politicians and the social partners in Sweden and Denmark. Yet in Finland, it is unanimously welcomed. This is not just because Finland is more positive in general to European integration, as one of the interviewees points out. This may be part of it, but more important is the fact that the proposed directive would not at all have the same consequences in Finland as it would in Denmark and Sweden. But more about that later.

The Danes and Swedes were opposed to any minimum wage proposal at all from the Commission – why could they not have waited until they knew how it would actually look? After all, both the Commission President Ursula von der Leyen and Commissioner Nicolas Schmit gave assurances during the entire process that the proposal would contain a “firewall” to protect well-functioning collective agreement systems. An answer to that question is that Denmark and Sweden have had experiences with such proclamations.

When Denmark held a referendum on the EU Maastricht treaty and Sweden was on the threshold of EU membership, the then responsible Commissioner promised that the countries' labour market models would not be touched. The Maastricht treaty also introduced a rule saying the EU cannot adopt directives on pay, the right of association, the right to strike or the right to impose lock-outs.

Yet after the Laval ruling, it became clear even to the optimists that neither the Commissioner's promises nor the treaty's limitations for what the EU is allowed to legislate on would stop the EU Court to get involved in the Swedish right to strike. And if the EU now also adopts a directive on minimum wages (“pay”), the Court will decide what is meant by “adequate” minimum wages, collective agreements and other issues that are currently decided by the member states themselves.

One thing is clear, however, if you take a look at the present proposal: Anyone still worrying about the Nordic countries being forced to introduce *statutory* minimum wages can relax. The proposal is very clear that nothing in the directive can be interpreted as an obligation to introduce a statutory minimum wage or to make collective agreements universally applicable in member states where wage formation only happens through collective agreements.

As Professor Niklas Bruun stresses in one of the interviews, the proposal also means all member states are obliged to promote collective bargaining, which is a clear step forward compared to previous policy. If a collective agreement covers fewer than 70% of the workers, the member state must produce an action plan for the promotion of collective bargaining and send it to the Commission.

Yet even where collective agreements cover a higher number of workers, like in the Nordics, the member states must make sure the minimum wages are adequate. Information about the collective agreement's minimum wages must also be openly available. But it does not stop there. Every year, all member states must send detailed statistics to the Commission, so the EU's Employment Committee can assess whether they have succeeded in promoting collective bargaining and adequate minimum wages. In the last instance, therefore, the collective agreements' wage levels will be surveyed by the EU.

This is one of several examples of how the Commission does not quite understand the wide scope of the autonomy that the partners enjoy in Denmark and Sweden. To think anyone but the partners themselves should be deciding whether a collective agreement's minimum wages are adequate flies in the face of the very foundations of the countries' collective agreement systems.

In Sweden, there are also many collective agreements that do not set a minimum level for pay, since wages are negotiated

in the workplaces within frameworks drawn up by the central agreements. Thus, the directive's so-called firewall has cracks in it, it would seem.

The reason why Finland does not believe the directive would influence its labour market model. This is linked to the fact that its model differs from the Danish and Swedish ones. As long as Finland has its system with universally applicable collective agreements, the coverage ratio will remain very high. These collective agreements also contain clear rules for wages and are of course also made public.

Negotiations between the Council of the European Union, the European Parliament and the Commission now begin. 21 January was the deadline for launching a yellow card procedure against the proposal, and few other countries seem to share Denmark's and Sweden's dogged opposition.

Such negotiations, which are often finalised under a lot of time pressure, can end in compromises which in the end might not seem particularly well thought through. As the Finnish government points out in its comment to the proposed directive: It is important that the content is not changed during negotiations in a way that restricts the labour market organisations' freedom of contract or imply that statutory minimum wages must be introduced. This would present problems in light of what the EU is allowed to legislate on according to the treaty, it argues.



Should employees be compensated for working from home?

The Norwegian government is recommending that everyone who is able to, should work from home. The working environment act must be updated, argue labour market organisations.

NEWS

22.01.2021

TEXT AND PHOTO: BJØRN LØNNUM ANDREASSEN

Mads Nordtvedt believes the home office works really well once you are all set up, yet there are a few issues. He is one of many in Norway who is working from home because of the Corona pandemic.

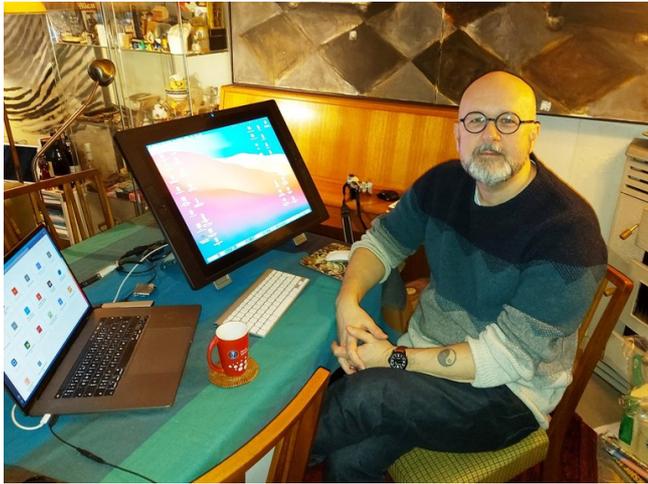
“A home office has its pros and cons. Like some of my colleagues, I have considered fetching an office chair from work. I want a better chair if working from home will be a solution also in future,” he says.

Nordtvedt is a graphic designer at the Norwegian University of Science and Technology NTNU, in Norway’s technological capital Trondheim. One main advantage is that he can concentrate better at home compared to being at work in a completely open office.

“The advantage of an office is the synergy effect of being able to just lean over and sort out some graphic details with a colleague next to me. When working from home we use Teams, but that makes the threshold a bit higher. We don’t call each other up for ‘silly little things’.”

He lives in a 68 square metres flat in the city together with his wife. She is a visual artist and also works from home. He has worked at his dining table for nearly one year. One clear advantage is that he and his wife can talk together, and take a stroll to shops, cafés and anything else in the city.

“If I lived far outside of town, working from home would have meant slow-moving days. It is not for everyone,” he says.



“We don’t have much space in the flat. I sit on a wooden chair and the angle of my hand on the mouse is not optimal. I have to be careful not to develop a repetitive strain injury. We have been told by NTNU that they will send more equipment to anyone who needs it,” explains Nordtvedt.

Compensation?

He also feels several thousands of NTNU staff are demonstrating a lot of initiative by working from home. He wonders whether the employer should be compensating this in some way. In his view, workers are donating their home office solutions to the employer – you could compare it to being compensated for using your own car based on how far you are driving.

“If I use my own computer equipment for one year, that represents a considerable chunk of the machine’s lifespan and the employer should compensate me economically for it.”

A 2002 law

“Work in the employee’s home”, as the Working Environment Act puts it, can be any type of work. The home office is a particularly common example of this, and the Norwegian Confederation of Trade Unions LO is discussing this with the Confederation of Norwegian Enterprise NHO. The Ministry of Labour is also involved, explains LO’s Deputy Leader Roger Heimli.

“We asked very early on what the pandemic would mean in terms of working from home. We have been in talks with the ministry and the NHO about the Working Environment Act regulation. It has not been changed since 2002. It describes working from home once in a while, not five days a week like many do now. The ministry is gathering data on what effect working from home is having on people,” he says, without wanting to go into more detail.

“Technological developments mean more people can work from home now than earlier. That’s why the regulation must be updated. Health and safety, working hours and written agreements are some of the details that need looking at,”

Heimli tells the Nordic Labour Journal, and is backed up by the NHO.

Common at home

An NHO survey of 3,794 companies shows that 63% of them have used home offices during the Corona crisis. The figure is 93% for the largest companies that employ more than 100 staff. The legislation must be changed both in the shorter and longer terms, explains the NHO’s Head of Labour Relations Nina Melsom.



Nina Melsom, Head of Labour Relations at the Confederation of Norwegian Enterprise. Photo: NHO.

“The law and the regulation do not cover compensation and pay, only issues linked to the working environment and things like working hours. In our experience, there is a lot of agreement that today’s home office regulations do not fit during the pandemic. We see there is a lot of desire for more knowledge. There is a difference between being told to work from home and being offered a home office as an option,” Melsom tells the Nordic Labour Journal.

Iceland: Immigrants are better protected, says MIPEX

Sweden is still top, but Iceland saw the greatest increase in the 2020 MIPEX migrant integration policy index. The country’s index rose by seven points from 49 to 56 between 2014 and 2019, on a scale of 100. Sweden got 86 points, down one.

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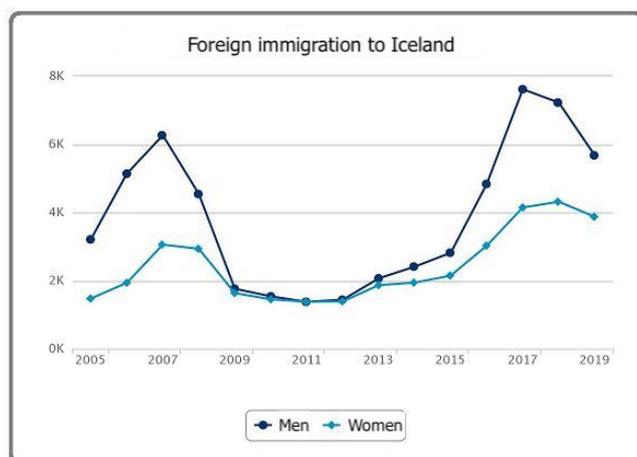
The MIPEX report is produced through international cooperation in order to measure the integration policies of 52 countries. It is often used to compare how comprehensive a country’s integration policy is. It does not, however, say anything about how successful the policy is.

A country that only allows in highly skilled workers can for instance get better results than a country that welcomes a large number of low-skilled refugees. As the most recent numbers were published, the Nordic Labour Journal took a closer look at how the MIPEX index is put together.

These are the numbers for the Nordic countries:

Country	2014 Index	2019 Index	Difference
Sweden	87	86	-1
Finland	82	85	3
Norway	72	69	-3
Iceland	49	56	7
Denmark	53	49	-4

The main reason why Iceland gains MIPEX points for 2020 is that the country only started taking in immigrants on a larger scale after the year 2000. The 2008 financial crisis saw immigration numbers fall dramatically before rising again after 2015.



Source: Statistics Iceland

Out of a population of 364,134 on 1 January 2020, 55,354 were immigrants. That is the equivalent of 15.2%. The largest group came from Poland (20,477 people) – just over one third of all immigrants. Then came Lithuania and the Philippines.

Because of having had low levels of immigration for so long, Iceland had not introduced any legislation to protect immigrants from discrimination. Immigrants also had no authority to turn to if they felt discriminated against. As a result, in 2014, Iceland had the worst integration policy in the Nordics according to MIPEX.

But a lot has happened since then:

“Before, Iceland's approach to integration was classified by MIPEX as ‘immigration without integration’ because immigrants to Iceland were denied so many basic rights to participate as equals in Icelandic society. Now, immigrants benefit from a “comprehensive approach” to integration, with more secure basic rights and support for equal opportunities. This

shift can be seen as a major recognition of Iceland as a country of immigration, similar to all other Western European countries.”

Some of the most important measures mentioned by MIPEX include legislation to protect both Icelanders and immigrants from discrimination based on race, ethnicity or religion, the setting up of an equality directorate and the fact that also immigrants can be hired for positions in the public sector.

The large refugee wave of 2015 – 2016 led Sweden to introduce limitations on the right to family reunions, which made the country lose one point in the MIPEX index. Norway also lost three points, while Finland gained three during the same period of time.

The largest negative development was seen in Denmark. The country lost four points in the 2020 MIPEX report and ended up in a group of countries that MIPEX calls ‘Temporary Integration’ countries. The country’s integration politics is described like this:

“Foreign citizens can benefit from access to basic rights and some targeted support for equal opportunities, but they do not enjoy the long-term security to settle permanently, invest in integration and participate as full citizens. Denmark is one of the most insecure of these ‘Temporary Integration’ countries, with policies most similar to those of Austria and Switzerland. Non-EU citizens are left insecure in Denmark, scoring 17/100 on security - nearly the most insecure among all 52 MIPEX countries, alongside Austria and Switzerland.”