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May 23, 2012

# Newsletter from the Nordic Labour Journal 4/2012

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Theme: Apps are changing working life



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# Editorial: Can apps open the door to a new working life?

The mobile telephone is one of the best examples of Nordic cooperation there is. The use of the same standards across Denmark, Finland, Norway and Sweden created a market which was big enough to allow companies like Nokia and Ericsson a head start and to become major exporters.

## COMMENTS

22.05.2012

TEXT: BJÖRN LINDAHL, DEPUTY EDITOR

A joint working group for Nordic telephone networks was established as early as 1969. In 1981 the world's first fully automatic mobile telephone system was born: NMT (Nordic mobile telephone system).

In 1992 the mobile telephone system was digitised and called GSM. Telephones became smaller and smaller but contained more and more: cameras, calculators, games and music. Nokia became the world's largest mobile telephone producer and long led the technological development.

"Nokia created the smartphone, but when the mobile world went constantly online the Finnish mobile giant lost its grip," writes Carl-Gustav Lindén who has been following Nokia for many years.

The problem, many say, was Nokia's ageing operative system. As a result the company decided to cooperate with Microsoft.

"Now the whole of Finland is holding their breath, waiting to see whether this change of direction will pay off."

Meanwhile thousands of jobs have been cut - but this also means opportunities. Many new companies will be formed. Mobile telephones have become an arena for the race to create apps, the small additional programs which are often used to open the door to the large computer systems. Swedish Decuria is one of the many companies which are now building mobile apps. This will influence working life in untold ways.

The competition for the best system developers is very tough. It's not only about money, but about being able to combine work and life. The workplace should be fun, there should be good perks and each individual gets his or her own development plan, writes Gunhild Wallin who visited Decuria's offices in Stockholm's Old Town.

"We want to be a dream workplace," says Decuria's managing director Elin Lundström.

These are sweet words to Palle Ørbæk's ears. He heads the Danish Research Centre for the Working Environment and has seen stress become one of the greatest problems for the whole of Europe. But the reasons behind stress are complex. It is not only a working environment issue.

"The 24/7 society is growing. So when we say our workplaces are stressing us out, this often mirrors that the sum total of work related and private stress factors has grown," he says in Marie Preisler's portrait.



## Everybody wants and app - but what for?

“Mobile telephone apps mean new ways of working as we’ll be able to access systems from anywhere and companies will start using mobiles more and more as a tool,” says Elin Lundström, managing director at app developer and IT company Decuria in Stockholm.

THEME

22.05.2012

TEXT: GUNHILD WALLIN, PHOTO: ANETTE ANDERSSON

MedUniverse is a website where 2,800 doctors can exchange experiences and knowledge in a closed network. And now they can do so on their smartphones too, by using an app. Medipal is another job-related app, which allows doctors and patients to communicate. Doctors can for instance quickly find out how the patient is feeling. Apps have also been developed for shops which use mobiles to scan products. Smartphones are becoming working tools.

Stockholm-based app developer Decuria is behind all the examples above. They’ve noticed a growing interest among companies to develop their own apps, but only accept commissions after carefully considering whether the app brings added value and supports the company’s function.

“Companies or organisations might come to us and say ‘we want an app’, but we investigate what their needs really are. Do they need an app, or do they need something else? We don’t want to trick someone into buying something they don’t need just because it appears to be cool and modern,” says Elin Lundström, managing director at Decuria.

### **The biologist who became an IT consultant**

It’s a Friday afternoon in May, the day summer finally arrives in Stockholm. Decuria’s office in Stockholm’s Old Town is calm - at least for now. Soon the consultants will come back from meeting their customers to sum up before the weekend starts.



During our interview we can also hear some fervent knocking from the room next door. Two of the partners are assembling a football table and soon the first game seems to get started judging from the joyous or disappointed shouts coming through the door. Decuria was founded in 2001 with the aim of being a dream company, and part of that involves having fun together.

Elin Lundström, who's just been named inspiration of the month by the magazine *Naturvetaren* [the Natural Scientist] is in fact a biologist, but when she was about to graduate in biology she realised her career choices were limited. She was not tempted by a narrow career path as a researcher. Since she had always had an interest in computers, she chose to also study computer science towards the end of the 1990s and entered the labour market at the top of the IT boom. She got a job immediately with a small, cosy consultancy company with 13 employees. Two years later the company was bought and merged and suddenly there were 2,000 employees. That did not suit Elin Lundström and some of her colleagues.

"I wanted to get away from the big organisation where you are nothing but a small cog in the big machine. I missed the little company and wanted to start one where you can have fun at work, have influence over your commissions and over how the company is run," she says.

### **The vision of a dream workplace**

The three founders shared one vision. They wanted to create a company where everyone was an owner and would be running it. All new consultants get the chance to become owners and all are expected to contribute ideas and provide input. From the start they decided to work with clients who had an ethical profile or who demonstrated corporate social responsibility (CSR), but they did not have time on their side. The IT trade went through some tough years, and CSR was not yet a major consideration for many.

But the main aim was, and remains, not to take on just any commission at any price. The company did survive the harder years and has now grown to employ ten people. Just under a year ago they celebrated the company's 10th birthday by taking a long educational trip. They go on a conference trip

once a year, this year to a castle in the Rhone valley. Every other week they have a breakfast meeting where one of the participants give a lecture. Every six weeks there's a theme meeting to look at future strategies and corporate development, and after that everyone goes out on the town together. Everyone keeps up to date with their own area of expertise through various forums, chats, publications and more.

### **More mature customers**

Elin Lundström works as a requirement analyst. This means she 'translates' the company's needs for technology which can be used to develop IT systems. She does this by using workshops and brainstorming in different group settings.

"You have to look at the client's business and needs to understand which technology a company or organisation needs," she says.

But how do the clients explain what they need in a trade which is changing and developing so fast?

"When they cannot explain your needs we try to identify which results they want to achieve through their business on a general level, and then our interactive designer can show drafts of how the technological systems might look like. We want to understand what the business already has and then use technology to make it work more efficiently. Apps can be used as a way to access the company's IT system through a mobile," says Elin Lundström.

IT clients have become more mature, yet there are still many companies which are stuck with old technological solutions. But it is becoming more and more common to use so-called cloud services, where you can access all kinds of data online from wherever you are, and even companies or organisations which used to be stuck with old technology are moving towards cloud based solutions. The way in which technological solutions are made have become more flexible too - they're now called agile. It means there is close cooperation between the client or the commissioner, which makes it easy to allow the client to change things as they go along.

### **A second family**

In addition to requirement analysts the company employs project leaders, programmers and interaction designers. They recently hired a part-time recruitment consultant. There is fierce competition for staff, especially system developers, and getting the right people can be a challenge.

"The challenge is to get them to come to us, but if we succeed and they come for a chat it usually works out," says Elin Lundström.

So what can they tempt future staff with? They offer fun at work, good perks and each employee gets a development plan. They also consider the work/life balance and nobody is expected to work 80 hours a week. Everyone also take part in the development of the company and has different areas of

## EVERYBODY WANTS AND APP - BUT WHAT FOR?

responsibility - for instance environment, health, web development and their own client's IT development.

“We want to be a dream workplace, and to be that also for the new arrivals is what drives me. We are a bit like a second family,” says Elin Lundström.



*Elin Nordström and senior project leader Tobias Karlsson at the newly acquired football table*





## Life after Nokia also means new opportunities

Thousands of Nokia's former employees have been forced to rethink their futures as the company sheds jobs. In Finland many of them hope to start their own business.

THEME

22.05.2012

TEXT: CARL-GUSTAV LINDÉN, PHOTO: CATA PORTIN

Petra Söderling spent 12 years working for Nokia, and she was sorry to leave her job as Open Source Director for Symbian recently - the mobile operative system which is now being axed. But she is also realistic. Nokia's progress has been fantastic, but when the company cuts jobs new opportunities arise.

"Nokia was the best thing to happen to Finland. The next best thing was that Nokia went down," says Söderling, who now wants to build her own company.

There is a massive exodus underway - more than 10,000 jobs have already gone or are going in Finland alone, 30,000 globally. At the same time she has noticed how people who

have left Nokia no longer want to work for large organisations. They want to start companies, they have the experience and they have the money.

"This is an unprecedented opportunity."

According to Petra Söderling, Nokia has proven to be very responsible. For a while still, people who have been made redundant will continue to be paid according to how long they worked for the company. There is also a €25,000 contribution for people who want to start their own company and Nokia will provide security for bank loans up to the double of that sum.

### **Hobby became job**

Since 2009 Söderling has been running her company Mobile Brain Bank as a hobby while working for Nokia, but now it has become serious. The service helps companies which need to develop mobile apps get in touch with and offer jobs to programmers.

“We look at all offers and analyse those offering a service before advising our customer.”

The company charges 10 percent of a contract's worth as a fee. The main idea is to help unemployed engineers set up their own company.

Some 2,000 engineers are now part of the network and so far 25 projects have been put out there. But this is only the beginning. Petra Söderling has also established a company in the US and believes her network of people within the trade will prove to be very useful. She hopes to find work for around a thousand engineers as a result of Mobile Brain Bank.

Petra Söderling, who has become a bit of an unofficial spokesperson for those who are leaving Nokia, is also worried that valuable skills will disappear. A former colleague wanted to become a farmer, another started water colour painting.

So far Nokia has supported around 100 business ideas, but perhaps as many have been turned down.

### **Seeking support**

For highly educated people with money in the bank the lay-offs might not represent the same catastrophe as for people at the mobile telephone factory in Salo - 1,000 of whom lost their jobs as production moved to Asia. The Finnish government has applied for support from the European Globalisation Adjustment Fund to help all those who have lost their jobs to retrain and find new work.

In a town where unemployment has already reached more than eleven percent that is not an easy task. Although Nokia's rise and fall means the release of resources which can benefit other sectors, it is clear to many that what is happening is a personal catastrophe, even if Nokia also here helps those who have lost their jobs to move on.





## The IT revolution's third wave

The development of smartphones is changing many people's lives. Yet universal online access is only one part of the new IT revolution which will also have a big impact on working life. Smartphones and tablets became really powerful tools when Apple allowed anyone to develop the apps these devices run.

THEME

22.05.2012

TEXT: BJÖRN LINDAHL, PHOTO: CATA PORTIN

Anyone can develop a new app - the small computer program which links your mobile to larger IT systems - and sell it or give it away through Apple's App Store. Other mobile producers have followed suit with similar accessibility to the source application which is needed to make the apps work.

The app market has exploded because downloading one is fast and the development costs can be divided between many which means costs are kept very low. Last year 10 billion apps were downloaded world-wide according to analyst company Gartner. This year the number is expected to jump to 30 billion. In 2015 the number of downloaded apps is expected to

reach 50 billion. The 2011 app market was worth around 100 billion kronor (€11bn).

### Tailor-made solutions

Another crucial factor is that smartphones and tablets automatically know where the user is. This makes it possible to tailor information to suit the user. One example is ads in digital media:

"We can develop systems where we give an ice cream producer the opportunity to offer discounts in Gotland if the sun is shining there, but not in Stockholm if it rains there," says Raoul Grünthal, CEO of media company Schibsted Sweden.

For simple tasks like finding information on the internet or checking email it is now often faster and simpler to use a smartphone. Traditional computers are being used less as a result. In Sweden the use of home computers has fallen by 20 percent since 2008.

When computers were introduced in the 1960s they were so large and expensive that only major companies could afford them. Many people had to share one computer. With the development of personal computers towards the end of the 1970s, everyone could have their own computer at work and at home. It was no longer a given that the computer you worked on belonged to your employer.

Many companies and businesses put a lot of effort into having an IT structure where workers use the same type of program. Smartphones and tablets have made computers even more private. Employees take their work to bed with them and use smartphones and tablets in their own unique ways. Louise Barkhuus is a researcher with a doctorate on human/machine interaction. She used to work for UC San Diego in the USA, but now works in Stockholm at Mobile Life Center. When she began studying how people used these new tools it struck her how everyone was doing it in their own particular way.

### **Everyone uses the mobile differently**

“Smartphones are being used in different ways, and users mix and change existing functions to create their own mix,” she points out in an article in the journal *Personal and Ubiquitous Computing*.

‘Ubiquitous Computing’ is often abbreviated to Ubicomp and looks at how IT is being integrated into everyday objects and how it affects people. Other words for UbiComp include ‘IT in everything’ or ‘IT toasters’.

The great change for working life is not whether you use a smartphone or tablet to do your job or keep in touch with work. The big change is how a company’s services will be affected by the fact that nearly everyone is carrying a computer wherever they are.

To take a concrete example:

To run a municipal parking company you have so far had to use parking attendants who make sure payment machines work and that those who haven’t paid get fined. But Gothenburg municipality has developed a free app called *Parkering Göteborg*. It shows free parking spaces, how to get there, how much it will cost an hour and which cards you can use to pay.

“In some cases we can even tell you how many free spaces there are. This is something we will be developing further. We always look for good solutions which make things easier for our customers, says Maria Stenström, managing director at Gothenburg City parking.

And this is not only to help car owners:

“Research shows a lot of inner-city traffic is made up of people driving around looking for a place to park. We can help reduce that traffic.”

Some US statistics show 30 percent of traffic in big cities are cars hunting for parking spaces.

There’s a plethora of parking-related apps. ‘The Parking Meter’ is a digital parking metre which alerts the user of when time is about to run out. The app allows you to note where you left your car or take a picture of it. GPS coordinates will also show you where the car was left and this can link up to Google Maps which makes it easy to find the car if you are in an unfamiliar place.

The Swedish app ‘Jaga Lisa’ [‘Hunt Lisa’] takes things one step further. It was developed by people with a strained relationship to parking attendants, and allows drivers to warn other drivers if they see one. Anyone who has the app and is nearer than 200 metres will get a warning on their mobile.

### **Combining different functions**

All this happens through by easily combining various functions which are already built into the smartphone.

But the technology doesn’t stop there. There are already systems which allow people to top up a parking metre without leaving their cars. Each parking metre has its own mobile telephone and number. The machine calls your phone and asks whether you want to extend your time. Payment is made, of course, through the smartphone.

Apps allows companies and organisations to tailor services in ways never before possible. And the user can to a large extent decide where, when and how he or she wants the service to be used.

The third IT revolution is changing the lives of both companies and their employees and those of the end users. In some cases it might be more cosmetic changes, in other cases whole professions will become obsolete and companies or organisations will change dramatically.



## Palle Ørbæk signals new course for Europe's work environment policies

Making sure people can work to their best capacity should be a top priority when improving working environments says Palle Ørbæk, director general at the Danish Research Centre for the Working Environment. Ten other top European working environment researchers are backing him.

PORTRAIT

22.05.2012

TEXT: MARIE PREISLER

It is high time European countries and the EU changed their focus when it comes to improving working environments, and that they made work capacity key, thinks Palle Ørbæk. He has refocused the research at the National Research Cen-

tre for the Working Environment, NFA, which he has been leading for the past nine years.

“So far research and work to improve working environments both in Denmark and in the rest of Europe has mainly been focusing on preventing physical or psychological damage.

But this classical approach is too narrow. It's a far better starting point to make sure everyone can work to their best capacity, and that's our starting point at the NFA", says Palle Ørbæk.

Europe's population is ageing and many retire early because of reduced work capacity and ill health. This trend worries both Palle Ørbæk and the other ten European research centre leaders in Perosh, a network of 11 European working environment research centres. Mr Ørbæk used to be the network's chairman.

In a new joint report to the EU and European countries the network points out there are still major challenges surrounding working environments to be solved. The report says skeletal muscular pains like back pain make up the most common reason behind sick leave in European workplaces. It also says workers across Europe fear a growing range of psychosocial problems like stress, as global competition grows and working patterns change.

### More knowledge about pain

In their report 'Sustainable workplaces of the future - European Research Challenges for occupational safety and health' the 11 research centres say these challenges as well as the challenges resulting from an increased use of nano technology by industries should be given top priority in the coming years.

There is also cross-border agreement that the many major challenges can only be solved by working on many fronts to safeguard workers' work capacity. Palle Ørbæk is very pleased with this:

"It is a very positive development when there's growing agreement across Europe that the classical approach is not enough to stop people going off sick and becoming unemployed."

He thinks far more needs to be learnt about pain, and about the complex relationship between the physical and social reasons for why some people lose their ability to work because of a bad back while others manage to work well despite back pain.

### Mental safety culture

The reasons behind stress are also complex, says Palle Ørbæk. Workers across Europe are increasingly worried about getting stressed. And it is a completely rational fear, he thinks. But stress is not only a working environment problem. It is also a general social problem.

"The 24/7 society is growing. So when we say our workplaces are stressing us out, this often mirrors that the sum total of work related and private stress factors has grown."

He admits he himself sometimes has a hard time deciding that 'now the working day is done' and commit fully to family

life at home in Malmö. Perhaps there is a need for a mental safety culture, he suggests with a smile. Workplace culture is crucial for both psychological and physical working environments, including the number of workplace accidents.

### Worrying amount of accidents

Palle Ørbæk is worried by the fact that both in Europe in general and in Denmark there are still many serious workplace accidents.

"The statistics are terrible, and the true figures are even higher. Unfortunately we have failed to put a stop to serious accidents. It's especially young, newly hired and foreign workers who are hurt. They might not have had sufficient instruction or they don't understand it and perhaps they come from a country with a completely different culture," says Palle Ørbæk.

He thinks the safety culture needs to change. In our part of the world today everybody thinks it is reckless to drive without a safety belt. It was perfectly normal 30 years ago, but the culture has changed. A similar change is needed when it comes to adapting workplaces and work processes to prevent accidents from happening.

### Action on nano technology now

Palle Ørbæk also thinks it is time for radical and rapid action when it comes to the use of nano technology. Research on nano safety lags far behind the industrial use which is powering forward. He thinks there's an urgent need to develop tests which can determine whether products or production methods are safe, or whether regulations are needed for how to handle the product - aimed both at those involved in production of products containing nano particles and at end users.

"Personally this situation does not alarm me, because I think we can get in early enough. But we need to act now," he says.

Consumer organisations have been particularly worried and demand products be labelled to allow consumers to choose whether they want to buy them if they contain nano particles. He leaves it to politicians to decide whether this is a good solution. But labelling cannot solve all problems, says Palle Ørbæk. Only a few products containing nano particles are problematic, and it is impossible for individual consumers to find out which they are.

Luckily there's a global focus on nano security. Experts from more than 30 countries have just visited NFA and its new Danish Centre for Nano-Safety, and over the next three years they will do research into how to improve risk assessment of nano particles. The centre has researchers from five Danish research institutions, led by professor Ulla Vogel at the Danish Research Centre for the Working Environment.

### Optimistic about the future

The Danish government was criticised for failing to mention working environments in its 2020 economic plan. But Palle

Ørbæk is confident, because if the government is to succeed increasing the labour force with 180,000 new jobs as promised, it needs to secure good working environments where there is also space for people with reduced work capacity.

Meanwhile the Danish parliament last year drew up a plan to improve working environments towards 2020 in order to reduce the number of skeletal muscular injuries and psychological stress by 20 percent. The plan has broad political support.

Palle Ørbæk reckons skeletal muscular damage and stress will remain great challenges in ten years' time, but expects there will be more and better measures in place to prevent such damage. It will also not be possible to completely eradicate workplace accidents, but within that same timeframe there will be considerably fewer, he predicts. He also thinks new chemicals will present new challenges.

### **More health focus at work**

When that is said, he does believe there will be a breakthrough when it comes to workers' general health. The social partners will take more and more responsibility to make sure that workers get enough sleep, eat healthily and get enough exercise. And while general health campaigns appeal mainly to people of higher education, workplace measures can reach more people, he predicts.

But all this must be done carefully, he says.

"Promoting health at work is a natural extension of the drive to improve working environments, but it must happen in a way which does not hamper individuals' right to choose their own lifestyle. There must also be proof that it works and is safe. Measuring workers' blood pressure doesn't in itself make anyone healthier."

### **A Swedish Dane**

Swedes were quicker than Danes to see the need for applying a global perspective to working environment research, but the Danes have caught up, thinks Palle Ørbæk. He can make that statement based on considerable personal experience.

He was born, raised and trained to be a doctor in Denmark, but after graduating it was easier to get a job on the other side of the strait. So he moved and got a job at the Lund University Hospital, specialising in occupational and working environment medicine. Even though he has spent the past few years working out of Østerbro in Copenhagen with NFA, he still lives in Sweden with his Swedish wife. Their adult daughter has moved to Copenhagen. Yet his Swedish roots reveal themselves in his language: he speaks fluent Danish with a hint of a Swedish accent.



# Nordic opposition to minimum wage shows lack of solidarity?

Should we have a statutory minimum wage? Absolutely not say Nordic trade unions, and they're usually backed by employers' organisations. It's an attitude people elsewhere in Europe find difficult to understand.

NEWS

22.05.2012

TEXT: KERSTIN AHLBERG, EDITOR EU & ARBETSRÄTT

There's an increasing demand in Europe to introduce some kind of common minimum wage across the EU, and the Nordic opposition to this is viewed as being selfish and lacking in solidarity according to a new report from Norway's Institute for Labour and Social Research (Fafo).

None of the Nordic countries have a statutory minimum wage. Wages, including minimum wages, are regulated exclusively through collective agreements. In addition to this, Finland, Iceland and Norway have systems which bind all employers within a certain trade to minimum wages set out in collective agreements.

Elsewhere in the EU only Italy, Germany and Austria do not have any statutory minimum wage. Yet despite the widespread implementation of such minimum wages there is a growing call both from the European Parliament and from the European Trade Union Confederation (ETUC) to introduce an EU-wide minimum wage representing 50 to 60 per cent of each country's average wage. The reasons given are the increasing poverty which has come as a result of the financial crisis, a weakening of collective agreements in several countries and the increased risk of a further economic downturn and social dumping as a result of increasing labour mobility from east to west.

Nordic trade unions are not among those calling for a pan-EU minimum wage. They don't want the state to interfere in wages at all, let alone opening for EU regulations in this area. But in order to build a knowledge base for further debate, trade union confederations in Denmark, Norway, Sweden, Finland and Iceland have commissioned a group of researchers from Fafo to create an overview of how minimum wage systems work in a number of countries and to analyse which conditions might reduce the need to introduce statutory minimum wages in the Nordic countries.

The researchers, Line Eldring and Kristin Alsos, note that particularly trade unions in countries where they are weak (and where they have also lost a lot of power in recent years) are more likely to support the introduction of a statutory minimum wage. Obvious examples are Germany, Great Britain and Ireland, where unions more or less have given up on using collective agreements as a tool for pursuing their objectives regarding wages. But introducing minimum wages in countries where collective agreements cover much of the workforce could challenge the system.

The researchers also say there is little research into the effect statutory minimum wages might have on union membership and the negotiation of collective agreements. One theory says it could have a positive effect by bringing the social partners together in order to negotiate the size of the minimum wage. That theory is less relevant in countries which already enjoy well developed relationships between the social partners, like in the Nordic region. Here the debate centres on whether a minimum wage would complement or compete with the collective agreements.

The researchers can see several reasons for Nordic scepticism in this area. Firstly a statutory minimum wage would to a large degree deviate from the principle of the autonomy and the contractual freedom of the social partners - both of which are very strong in the Nordic region. Secondly, collective agreements have a strong 'infectious effect' on wages, also in areas which are formally not covered by them. With a statutory minimum wage it would become acceptable to relate to that rather than to the collective agreement's minimum wages, which in the long term could put strong pressure on the collective agreement. Thirdly, the parties fear the motivation to organise can be weakened both among employers and workers. In the end the entire basis for the Nordic model could be completely eroded.

On the other hand, the researchers argue, even Nordic countries might find positive sides to establishing a national basis for wages. Here too union membership is falling while low-salary competition increases. A statutory minimum wage would protect vulnerable groups in areas where union membership is low, and where regulation through collective agreements is less relevant. This could also prevent the emergence of new low-paid groups and would guarantee all workers a wage they could live off. It would also be a simple regulation which would be easy to communicate to workers and employers - an advantage especially in relation to foreign companies.

It is unlikely the EU Commission will propose European minimum wage legislation in the near future. It has so far turned down any such requests, arguing that the EU has no competence to adopt such legislation. But the debate on a European minimum wage seems to carry on in the European Parliament and at the ETUC. There, the Nordic attitude is easily interpreted as being solely focused on domestic conditions while it fails to recognise the size of the low-pay problem in some countries. At worst the Nordic organisations are being perceived to be self-centred and lacking in solidarity.

The challenge facing Nordic trade unions now is to show solidarity with trade union movements in other countries while at the same time work against solutions which can undermine the collective agreement system. Citing a colleague, the researchers say the Nordic players enjoy a strong influence in European organisations, but that they use it more to apply the breaks than to move things forward and to set the agenda. But, the researchers say, because of the Nordic trade unions' strong involvement in handling challenges like low-salary competition and social dumping at home, they should on the contrary have a great potential for being active and constructive participants in the development of strategies and a policy which could unite the European trade union movement.

# No female quotas for new Danish equality model

The Danish government wants businesses to get more women into boardrooms but not by using female quotas.

NEWS

22.05.2012

TEXT: MARIE PREISLER

While the EU Commission ponders whether to introduce female quotas to boardrooms, the Danish government goes for a new model which demands more gender equality at the top of both public and private companies, without the use of quotas.

The model will make it compulsory for Denmark's 1,100 largest companies to establish a set goal for the number of women in their boardrooms and to have a policy for increasing the general number of women in all levels of a company's management. Annual reports must also include a status report for how far companies have come in achieving their goals - leaving this out could land them a fine.

"Women are a crucial and highly qualified resource in our society. Businesses must make better use of this. And society should reap the benefits of seeing all talents being put to use," said the Danish Minister for Gender Equality Manu Sareen as he presented the new policy alongside the Minister for Business and Growth Ole Sohn.

## Model without quotas

The government has called it 'The Danish model' and it allows individual companies to choose their own targets and equality policies. There are no quota demands like in Norway. Two out of the government coalition's three parties, the Social Democrats and the Socialist People's Party (SF), have previously argued in favour of female quotas, but the government has now agreed that it is far better if companies themselves set their own goals which are tailored to each company's situation, says the Minister for Business and Growth, Ole Sohn (SF).

Only the largest of private companies must follow the coming legislative changes, while state companies regardless of size must set targets and develop policies to get more women into leadership positions. This represents a tightening of the rules which so far only demanded that state companies worked towards a more gender equal composition.

"It is only fair that the state sector leads the way when we put these clear demands on the private sector," says Manu Sareen.

## Business positive

The government does not put concrete demands on municipalities and regions, but encourages them to develop guidelines to improve the number of female leaders on regional and municipal levels.

The Confederation of Danish Industry (DI) also backs the gender equality model and is happy that the government has abandoned quotas. Yet there is one part of the model DI disagrees with: the fact that companies risk a fine of 5,000 to 10,000 kroner (€670 - €1,350) if they fail to outline their gender equality policy in their annual report.

Danish women are amongst the world's best educated, but in recent years the number of female board members has risen by only a few percentage points.

# Danes must tighten their belts

Danes must work for longer to create new jobs and to secure a balanced budget by 2020. That's the main conclusion of the Government's 2020 plan for the Danish economy.

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The plan is a platform for the government's negotiations on its comprehensive reform programme which includes changes to cash aid, flexible jobs, early retirement, taxation and tri-partite negotiations between the government and the social partners.

Negotiations are already underway in a range of areas but nothing has yet been agreed, and the government's 2020 plan works as a kind of master plan for the economic development over the coming eight years. It stipulates what the various reforms must cost or what value they should create.

## **180,000 new jobs**

The main aim of the 2020 plan is to create new jobs to ensure those who are unemployed now can in future contribute to the state coffers. The government wants to create a total of 180,000 jobs. New reforms are expected to create 60,000 of them, while 40,000 are to come from reforms which have already been executed. The government expects 80,000 jobs to emerge from an upwards swing in the economy. It also wishes to maintain later years' trend of longer average working hours, and a tax reform will, according to the 2020 plan, considerably reduce income tax and bring ten billion kroner (€1.35bn) to the state coffers.

## **Praise from many parties**

The plan says public sector growth should be 0.8 percent a year, and as a result the 2020 plan has been praised as economically responsible by both business and the political conservative opposition - which says much of the plan copies many of its own policies. The trade union movement is happy about the fact that the government wants to increase university uptakes, but it still wants to see an increased focus on other educational policies.

Prime Minister Helle Thorning-Schmidt admits it will be a challenge to create 180,000 new. But as she presented the plan, she underlined that the target can and must be reached:

"It is also the government's goal that going towards 2020 we will create 180,000 jobs in Denmark. You might say that is

an ambitious goal, but it is also a goal which we can reach if we take responsibility for it right now."