

Portrait

A portrait of the richest of the rich in
Finland

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New agreement for education on the Cap
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A gender change in the cleaning
profession

Nov 27, 2019

Theme: Social benefit agencies in stormy seas



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Fraud in the welfare state

The word fraud has been used a lot in the welfare debate in the Nordics this autumn. In Norway, the “NAV scandal” has been dominating the news. In Denmark, an employee at the National Board of Social Services is in court charged with embezzling more than 100 million Danish kroner, while unemployment statistics for Sweden have been compromised.

EDITORIAL

27.11.2019

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

Who has the right to welfare benefits? That has always been a sensitive question. It does not become any easier to answer when more and more people live transnational lives – living, working or studying abroad for parts of the year.

In reality, EU and EEA member states – including Norway and Iceland – decide who should receive unemployment benefits, parental pay, child benefits and so on. But the European cooperation also gives rights to citizens. It is not only goods and capital that should float freely. People can also move freely and work in other countries. It should therefore be possible to carry the rights you have earned in one country to another.

This is where Norway's welfare agency NAV has made a fundamental mistake, which first came to light on 28 October this year. The Minister for Employment and Social Inclusion Anniken Hauglie, the head of NAV Sigrun Vågeng and the Director of Public Prosecutions Tor-Aksel Busch appeared at a joint press conference to announce that Norway had been misinterpreting EEA rules since June 2012. 36 people might have been wrongly sentenced to prison terms, accused of benefit fraud, and 2 400 people might have been asked to wrongly pay back large amounts of money.

Since then, the scandal has broadened. There is now the question whether the misinterpretation began as early as in 1994, when the EEA agreement was signed. Despite the scope of the scandal, the total sum of money wrongly claimed back might not go beyond 100 million Danish kroner, the sum embezzled by Britta Nielsen from the Danish National Board of Social Services.

One single person – with a mandate to choose the account numbers for pay-outs to charities and individuals – wrote her own account number instead, and spent the money to buy gold and diamonds as well as a house and cars in South Africa.

Is the employer partly to blame when control is so lax? And what about when employees at the IT giant Evry tells the Aftonbladet newspaper about inhuman pressure to perform interviews on behalf of Statistics Sweden in as short a time as possible? Does the company carry any responsibility if employees cheat? This too is now the topic of an investigation.

What consequences will these three scandals have for people's trust in the authorities in charge of distributing welfare payments? In this newsletter we have interviewed school cleaners, but we also have a portrait of the richest thousandth of Finns – those whose wealth surpasses one million euro. Two Finnish researchers have asked 90 of them about their views on taxes, the business climate and work.

Many of the millionaires are directors and describe themselves as active, hard-working and full of initiative. People who get help from the social safety net are characterised as lazy, lacking in initiative and of poor working morals.

The NAV scandal shows these are views shared by more than the richest one per mille. It has permeated the whole of society. Because neither politicians, authorities, the courts or the media took the weakest's side when they lived their lives as Europeans. So it is some comfort to know that authorities sometimes do show generosity, like when Sweden misinterpreted EU rules.



Fundamental misinterpretation led to Norwegian legal scandal

It has been called Norway's worst ever miscarriage of justice. Thousands of people were accused of cheating the benefits system when accepting unemployment allowance and other support while living abroad. It then turned out it was never illegal – as long as it happened within the EEA.

THEME

27.11.2019

TEXT: BJÖRN LINDAHL, PHOTO, JAN RICHARD KJELSTRUP / ASD

At the centre of the scandal is NAV, Norway's welfare agency, where employment services, social insurance and municipal social services are gathered in one giant organisation. But the scandal is equally serious for politicians, the courts and the media. They failed to ask whether it really was necessary to sentence some 50 people to prison and 2 400 to pay back several hundred thousands of Norwegian kroner because they had failed to understand, or willingly broken, rules about only accepting benefits if they were living in Norway. A rule which the authorities did, in fact, not have the right to enforce.

ESA, The EFTA Surveillance Authority, is supposed to make sure Norway, Iceland and Lichtenstein have the same access to the EU's four freedoms as EU member states. Yet not even that authority reacted when some remarkable rulings started appearing in front of Norway's National Insurance Court – the special court dealing with appeals in social insurance cases.

On 28 October, Norway's Minister for Employment and Social Inclusion Anniken Hauglie called a press conference alongside the head of NAV and Tor-Aksel Bush, Norway's Director of Public Prosecutions.

She began with apologising to all those who had been unfairly prosecuted and to their families.



Anniken Hauglie (Conservatives) was asked many questions when she informed parliament about what had happened at NAV.

“But the state will make good the mistakes and pay compensation,” she promised.

Sigrun Vågeng, who heads NAV, then told the gathered press that even though Norwegian law says you “must live in Norway in order to access work assessment allowance, sickness benefit and attendance allowance”, this was in breach of the new EU social insurance regulation which was introduced in 2012. It trumps Norwegian law.

“Both NAV and the courts have been interpreting this wrongly. Our interpretation is now that we cannot from Norway’s side prevent or reject such benefits on the grounds that those who are entitled to them are living in an EU or EEA country.”

Even the Director of Public Prosecutions Tor-Aksel Bush apologised and said the public prosecutor had to change too.

“What we must learn from this is that in addition to going through the facts in the judgement, the courts must also investigate the legal aspects of the notifications presented by a country’s authorities.”

It is definitely the first time that the Norwegian people received an apology on the same day from both the Minister for Employment and Social Inclusion, the head of the country’s largest authority and the Director of Public Prosecutions.

Even though the Director of Public Prosecutions said he would have liked to have been informed earlier, they presented a united front: things would be tidied up and the best people to do this were the three of them. Except Tor-Aksel Busch had some time ago already announced his retirement, so the job would fall on his successor Jørn Sigurd Maurud.

He immediately let it be known that he was biased, being married to a former minister for employment and social inclusion, who might also carry some of the responsibility.

Prime Minister Erna Solberg quickly declared her confidence in Anniken Hauglie, who for her part said she had confidence in Sigrun Vågeng. Even though Hauglie has asked for permission to inform parliament about what had happened, the opposition has not been happy and has presented a range of follow-up questions.

Anniken Hauglie’s survival as a government minister, in face of the vote of no confidence announced by parliament’s smallest party, Red, depends on whether it is possible to prove that she did not act quickly enough when she was told NAV’s interpretation of the law was wrong.

A judgement in the EU Court back in February 2017 should have set alarm clocks ringing. It concerned British woman Linda Tolley, who in 1993 became so ill that she no longer could cook for herself. As a result, she got the British version of the benefit which has now become the focus of investigations in Norway.

Nine years after being awarded the benefit, she and her husband moved to Spain. After a few years, British authorities concluded that she should have lost her benefit when she moved, and stopped her payments. Mrs Tolley appealed and finally won in the EU Court (or rather, her husband did, since the woman died before the court passed judgement).

The peculiar thing is that Norway used its right according to the EEA agreement to comment on the judgement. This is something Norway has only done a handful of times in the past three years. The Norwegian comment was well prepared and focused on the fact that member states themselves should be allowed to decide the rules for these types of benefits.

Because Norway engaged with the issue, it was also informed about the judgement when it was made. According to Aftenposten, the newspaper that first wrote about the Tolley judgement, many things indicate that judgement was instrumental in changing NAV’s interpretation of the EU regulation. But if this happened in 2017, should not someone have put the brakes on back then? How many miscarriages of justice happened during that period, where benefit recipients were accused, sentenced and, in many cases, imprisoned?

When all investigations have been finished and after parliament’s Standing Committee on Scrutiny and Constitutional Affairs has processed them, we will find out whether the Minister for Employment and Social Inclusion and the head of NAV get to keep their jobs.

But we might know before that, if the party Red, with their single MP, secures a majority for its vote of no confidence.

“So far, the opposition is not keen to get rid of the minister, but it is thought to be only a matter of time before Prime Minister Erna Solberg chooses to let Hauglie go. The best guess is that this will happen just before Christmas,” writes political commentator Arne Strand in the Dagsavisen newspaper.



Danish welfare agency wide open for fraudster

Should an employee get a lesser sentence if it is easy to steal from the employer? This issue is currently being debated in the criminal case brought against Danish Britta Nielsen, who stole more than 100 million kroner (over €13m) from her employer, the Danish National Board of Social Services. The money had been allocated to disadvantaged citizens.

THEME

27.11.2019

TEXT: MARIE PREISLER, PHOTO: SIPHIWE SIBEKO, REUTERS

The Danish YMCA, the Danish Cystic Fibrosis Association and the Danish Deaf Association. These are a few of the organisations for socially disadvantaged people and people with handicaps that were allocated funds from the National Board of Social Services (*Socialstyrelsen*), only for the money to end up in the pockets of an employee – Britta Nielsen.

She has spent more than 40 years at *Socialstyrelsen*, in charge of paying out support to projects helping socially disadvantaged people. In 2016 she received the Queen's Medal

for 40 years of faithful service. Two years later it turned out her service was not all that faithful. An audit revealed that since 1993 she had moved more than 100 million Danish kroner from social projects into her own account.

She spent the money on gold, show-jumping horses and a luxury villa in South Africa, before the fraud was discovered by *Socialstyrelsen* in September 2018. She fled the country, but was apprehended and agreed to be extradited to Den-

mark. She has since partly admitted being guilty of abuse of power and fraud.

Leaders without responsibility

Her case is currently being heard in court, where she has explained for the first time why she embezzled the money. Central to her explanation is that it was easy to steal money from her workplace, and that both her colleagues and management knew this was the case.

“It was a standing joke that you could easily add your own account number and then be off to the Bahamas,” Britta Nielsen told the court.

The Ministry for Children and Social Affairs, which in charge of *Socialstyrelsen*, has launched two external inquiries into what happened, and how it could happen. One has identified a range of weaknesses in *Socialstyrelsen's* security systems, including the fact that someone like Britta Nielsen both paid out money and controlled project accounts.

The other inquiry has concluded that no top managers at the welfare agency or at the Ministry can be made professionally responsible for the lack of safety procedures. The reason: there is not sufficient documentation for the part of the fraud that took place before 2015. After 2015, *Socialstyrelsen* has been responsible for allocating funds to social projects. Documentation shows that there has been no professional misconduct on the part of the management that has been responsible for handling the allocation of funds. Britta Nielsen's bosses cannot be held responsible, according to Kammeradvokaten, the preferred legal adviser to the Danish government, who has carried out the inquiry.

People will get their money

The case made the then Minister for Children and Social Affairs Mai Mercado (Conservatives) announce a “spring clean” and major changes to how those kinds of payments were made – including making the ministry responsible for controlling them and the establishment of a new auditing unit. She called the case “embarrassing” and promised that no recipient of funds from *Socialstyrelsen* would be left out of pocket. Anyone with a genuine claim to money from the agency will get their money.

Britta Nielsen has told the court several times that she would have liked to stop her fraud, but that it became an addiction and that she therefore wished *Socialstyrelsen* had introduced safety procedures that would make her kind of fraud impossible:

“I felt really bad taking this money,” she has told the court.

Before the court case began, her lawyer Nima Nabipour argued that Britta Nielsen's punishment should be less severe than in other, similar cases of fraud – because the controls in the workplace were too weak, making it easy to commit fraud.

Trust in Statistics Sweden hit after incorrect unemployment figures

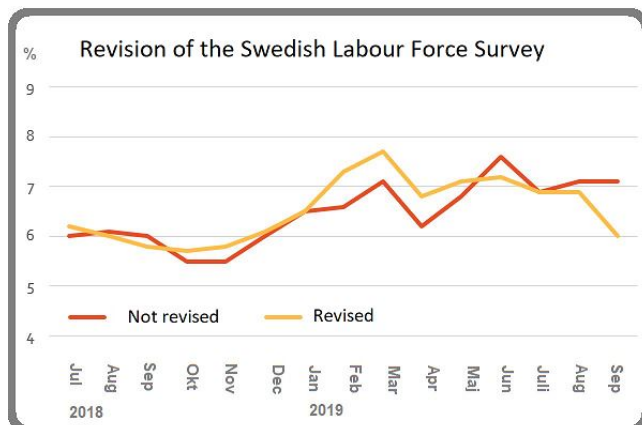
Swedish unemployment statistics for the past year have been revised. A subcontractor provided numbers that turned out to be wrong, and is now accused of cheating.

THEME

27.11.2019

TEXT: BJÖRN LINDAHL

Employment and unemployment figures represent two of the most important numbers for a country's economic policy. This autumn, Statistic Sweden's (SCB) figures for unemployment showed a sudden increase. When the numbers were revised, it turned out unemployment for September was not at 7.1 percent, but 6.0 percent.



Unemployment figures have been both under and overestimated for just over a year. SCB considers the yellow line to be correct. Source: SCB

Sweden's Labour Force Surveys (LFS) measure unemployment and employment. The surveys are carried out by calling up a large number of people, asking them whether or not they are in work. The surveys are based on a representative selection of people. The gross selection in 2018 were some 365 000 people, out of whom 189 000 answered.

The people who are select are interviewed once every quarter for two years. The first interview maps the person's education, occupation, work situation etc. The following interviews focus more on what has changed.

LFS is one of the most expensive forms of statistics gathered by SCB. In 2018, SCB gathered statistics worth 586 million Swedish kronor (€55m). In all, labour market statistics cost 150.8 million kronor (€14.16m).

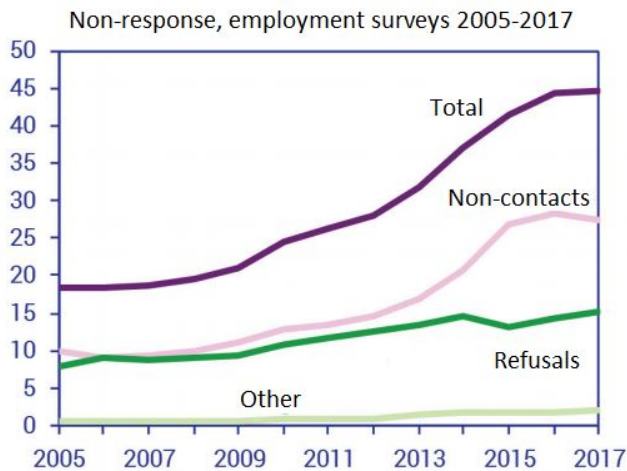
The first to contract out LFS interviews

In 2015, SCB became the first Nordic statistics office to contract out the gathering of unemployment figures to an external actor in 2015. Consultancy firm Evry won the contract and were initially put in charge of performing 20 % of the interviews.

"The trial of using an external provider for parts of the information-gathering for LFS has shown it is possible to maintain response frequencies at a lower cost," wrote SCB in its 2016 annual report.

After a new tender process in 2017, Evry was given 50 % of the work, beginning in 2018. Problems started emerging relatively quickly, however.

"The previous good results with a high response frequency from the external data gatherer have not materialised, however, and the development is therefore being closely monitored and a number of measures have been introduced," wrote SCB in their 2018 annual report.



This is how the alarming development in non-response looks with SCB's own statistics. The non-response is partly people who are uncontactable – the interviewers cannot reach the person, or the person who has been called refuses to be interviewed. The number on the left scale is percent.

“Deficiencies in data collection”

On 17 October, SCB sent out a press release where they warned that the LFS figures were incorrect. “SCB has identified deficiencies in the data collection”. This, according to SCB, was due to “a change in how data was collected” which led to some of the gathered information “being of an insufficient quality”.

The Aftonbladet newspaper looked into what had really happened and identified the call centre in the basement of Evry's Swedish offices in Solna outside of Stockholm, where Evry employees were working under very precarious conditions.

“We are under constant pressure from bosses to work faster, and there is a lot of fear among people who work here. Since there is no job security, you might lose your job at any moment,” one worker said.

Several independent sources told Aftonbladet there were often incidents which would indicate that fake telephone interviews had been used as the basis of information sent to SCB. This could for instance be situations where an employee would call someone who had already been interviewed, only to be told by that person that it was the first time they had been contacted.

7,000 interviews a month

When Aftonbladet confronted Evry with information of fictitious interviews, the newspaper was told:

“People who have already been interviewed and who do not want to take part again might sometimes answer that they are not aware of having taken part in a survey already, rather than just saying no. This happens, and we are aware of it. In

these cases, the interviewer ends the conversation and puts the person down as a non-response.”

Evry carried out around 7,000 interviews per month. Results from this raw data was sent directly to SCB which according to Evry has had full insight into the working methods used. Evry has asked for an independent inquiry into what has happened, which will be carried out by the consultancy firm EY.

“No link to non-response”

When SCB decided to end its cooperation with Evry, the head of LFS John Kling said the decision was not linked to the level of non-response.

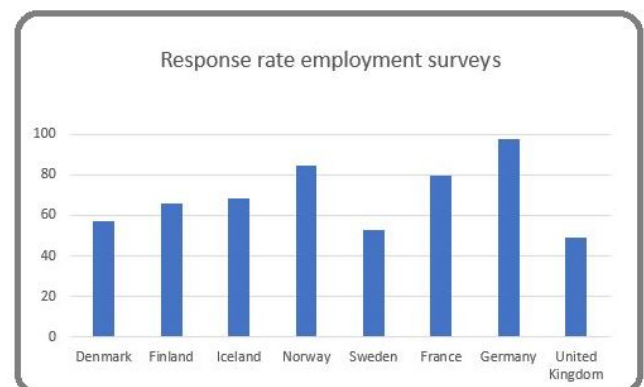
However, the worrying development of non-response was an important reason for giving the task to Evry in the first place. For SCB this meant cutting 40 staff jobs. Now SCB must find a new external provider which will be more expensive – Evry's offer was 30 % lower than the nearest competition, and 50 % lower than SCB's inhouse cost.

A difference of 1.1 percentage points in unemployment figures for September might not sound like much, but it means the unrevised number was 18 % too high.

There might be several reasons behind SCB not being able to gather data from an individual or a company. The most common cause is that SCB cannot reach the respondent, or that the person does not want to take part in the survey.

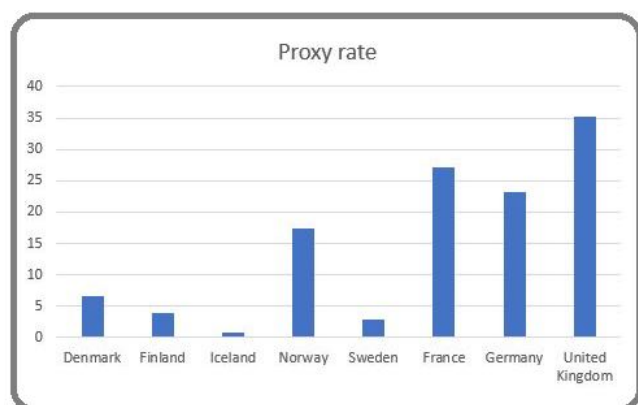
The non-response level is a serious problem. It is feasible that people who engage with survey questions will be more willing to answer than those who are less interested. This could lead to skewed statistics. When possible, SCB uses statistical methods that use people's background data in order to reduce the effect of non-response.

But where do you draw the line for when the response from the interviewees is too low to produce dependable unemployment statistics? It is becoming increasingly difficult to reach those who are selected for interview, and to get them to answer the questions. This is a problem across Europe, but the Swedish response rate has been low compared to many other countries.



The response frequency in the Nordic countries and three other major European countries. Source: Eurostat

Labour force surveys are conducted using similar models across Europe. In countries where interviewers make home visits, like in Germany, the response frequency is high. So-called proxy interviews, where one person answers for everyone in a household, is another factor. In some cases, the number of proxy interviews can explain better results, but certain countries like the UK have a low response frequency despite a high number of proxy interviews.



The number of proxy interviews in labour force surveys. Source: Eurostat

“SCB’s Data Collection Department, which was already handling 50 % of the selection, will look after data gathering in future. We will not engage an external provider, but will increase our own gathering – albeit not to the same level as previously. We use complex methods, for instance register data, to safeguard the LFS of the future,” said Johannes Cleris, acting press officer at SCB.

Sweden – more generous than what EU law demands

For many years, Swedish authorities considered it to be people's right to take their so-called guaranteed pension (garantipension) with them if they moved abroad. Yet, a couple of years ago, the EU Court of Justice made it clear that Sweden was not at all obliged to pay the guaranteed pension to people living in other countries.

THEME

27.11.2019

TEXT: KERSTIN AHLBERG, EDITOR EU & ARBETSRÄTT

The Swedes had been interpreting EU social security regulation wrongly. The government felt it would not be right to suddenly withdraw these people's pensions, and made sure the old rules continued to apply until the end of 2019. Soon, though, a committee will present proposals for new rules.

The guaranteed pension is part of the general pension system and is meant to be a basic protection for people who have been earning so little that their income-based pension is very low or non-existent. This means the guaranteed pension is reduced in relation to the income-based pension.

Before 1994, the people's pension (as it was called then) only covered Swedish citizens living in Sweden, but when Sweden joined the European Economic Area, EEA, it was considered impossible to maintain these kinds of limitations.

Full pension after 40 years

The pension system was overhauled, and the right to a guaranteed pension became dependent on how long someone had been living in Sweden. A full guaranteed pension would only be available to those who had been living in Sweden for 40 years or more. However, EU law was interpreted to mean that whoever had earned their guaranteed pension would be allowed to keep it, even if they moved abroad. In December 2017, the EU Court concluded this was a misunderstanding.

EU rules on the coordination of social security systems divide social security benefits into different categories. The guaranteed pension is, according to the EU Court, a so-called minimum benefit which does not have to be paid to someone who moves abroad.

Nothing stops a country from being generous

Thus, if Sweden had wanted to, it would have been possible to immediately withdraw the guaranteed pension from these people. But it was considered unreasonable to suddenly

change people's economic situation when they had been planning for their retirement based on current rules, without giving them a chance to prepare. Since nothing stops a member state from being more generous than what EU law demands, Sweden continues to apply the rules as before.

Meanwhile, a commission has been tasked with developing proposals for new rules, which will include looking into whether the guaranteed pension should only be available to people who have a right of residence in Sweden. Another issue is how people qualify for a guaranteed pension. The EU Court also concluded that it is not sufficient to count periods of residency in Sweden, and that residency and insurance periods in other member states must also be taken into consideration.

Not the first time

The commission will present its report on 29 November. In other words, what is or is not allowed depends on how the different social benefits are classified by EU rules. This is also not the first time that Sweden has experienced that the EU Court views Swedish benefits differently than Swedes themselves do.

In 1998, the Court concluded that Swedish parental pay is a family benefit, not a maternity benefit as it was considered to be in Sweden. This meant the woman concerned in that case did not herself have a right to receive Swedish parental pay after having moved to Finland.

On the other hand, she did have a right to receive Swedish parental pay because her husband still worked in Sweden. The latter is completely incompatible with the way Swedish parental leave allowance is designed, where each parent is insured independently of the other.



The transnationals – when one country is not enough

“More and more people chose to be transnational. They don’t want to live in just one of two countries, but in both. This might not be a huge number of people, but they do represent a challenge for national welfare systems,” says Jørgen Carling. He has spent several years leading a research project looking at the phenomenon at Prio.

THEME

27.11.2019

TEXT AND PHOTO: BJÖRN LINDAHL

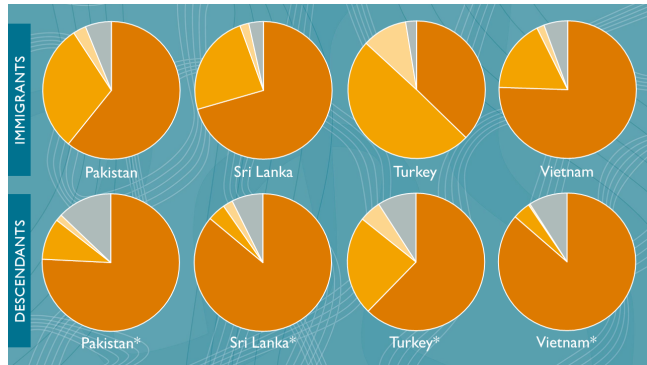
Transnationality can be hard to define, since it covers groups of people that could change over time. Here are some of those who want to live in more than just one country:

- Migrants who want to stay in touch with their country of origin.
- Citizens of one country who want to spend parts of the year abroad.
- Couples who come from two different countries.
- Border commuters or people who run/are employed in companies that operate in several countries.

Seven researchers at the Peace Research Institute Oslo Prio, the University of Oslo and the Erasmus University Rotterdam have been involved in the project, including one scholarship student. An earlier, separate study looked at four different immigrant groups and their children. The same questions used in that study were used in a bigger study on living conditions for immigrants, carried out by Statistics Norway in 2016.

This showed big differences between different immigration groups in terms of whether they wanted to live transnationally. The four groups consisted of people from Pakistan, Turkey, Vietnam and Sri Lanka.

“The Turkish represented the group where most wanted to live in both countries. Nearly half of Turkish people living in Norway wanted this, and the number was also relatively high among the children who were born in Norway,” says Jørgen Carling.



The charts show how many among four immigrant groups who wanted to live only in Norway (dark orange), in both countries (light orange), those who wanted to move back to their country of origin (yellow) and those who wanted to move to a third country (grey). The top charts represent parents and the bottom charts their children.

Norwegian citizens who said they wanted to spend parts of the year abroad listed health as the most important reason.

The researchers interviewed 101 people who lived transnationally, and also 39 bureaucrats at the Norwegian Labour and Welfare Administration NAV.

“The Norwegian welfare model was created to secure welfare for citizens who for the majority of the time live inside of the country’s borders. Parts of the values the model is based on are challenged when some people travel abroad and take with them benefits like unemployment payments, child benefits and pensions,” says Cathrine Talleraas, who has looked at how the bureaucrats experience dealing with transnationals.



According to her, welfare bureaucrats share the view that transnationality is a new norm which is emerging in all sectors of the population. People who live in more than one country find it difficult to obtain the correct information from authorities, however, since rules are complicated and vary from country to country.

NAV misinterpreted EEA rules

At the same time as the researchers presented their results, came the news that NAV had been misinterpreting EEA rules in this area for years. The rules say that a person from Norway can carry his or her benefits to a different EEA country as long as they are entitled to them. 2.400 people have been ordered to pay back large sums of money. In 36 cases, people have also been sentenced to prison, for up to eight months.

“This is a very serious issue where people have been unfairly prosecuted and in certain cases ordered to pay back large amounts of money to NAV. Several people were given prison terms or punished in other ways. I apologise to those who have been affected and to their families,” said the Minister for Labour and Social Inclusion, Anniken Hauglie.

She has promised an external investigation of what has happened, and will explain the case to parliament. For now, though, the NAV Director Sigrun Vågeng has the minister’s trust.

Hard to know how many

The Norwegian research group has spent several years working with transnationalism, yet they still struggle to find out just how many people this applies to.

“If you only look at how many people receive Norwegian welfare benefits abroad, we are talking less than 100,000 people. But this is probably only one part of all those who live transnationally.



“At the same time the term is being applied to those who really do want to live in two countries. There are groups of people

who receive Norwegian support while they have no intention of returning to Norway,” says Jørgen Carling.

He believes the study will help widen our knowledge about migration.

“When you study what people do rather than what they are, it becomes easier to see similarities. And the phenomenon is on the increase,” he says.

Blurred lines

The internet, Facebook, Skype and other methods of communication makes it easier to maintain a presence in two countries. Bills can be paid digitally, friends and family can stay in touch and low-cost airlines makes it cheaper to travel.

“At the same time we see a blurring of the lines for who should and should not be part of the welfare state. Citizenship becomes less important,” says Grete Brochman, an Oslo University Professor who has led two major studies on migration in Norway.

Another factor which will impact on how many will chose to live transnationally is that Norway, as the last Nordic country, will allow dual citizenship from 1 January 2020.



A portrait of the richest of the rich in Finland

Who are the richest one in a thousand in Finland – the euro millionaires? How do they view themselves and other Finns? These issues are being explored in one of the most discussed books this autumn: *Huipputuloiset* – or something like *The Top Earners* in English.

PORTRAIT

27.11.2019

TEXT AND PHOTO: BENGT ÖSTLIN

Before publishing their book, social scientists Anu Kantola and Hanna Kuusela had presented a qualitative research report on the 5,000 richest Finns. This formed the basis for the book, which looks at the group that makes up one-thousandth of Finland's population. The authors have also interviewed 90 millionaires, concentrating on three categories: those with inherited wealth, top leaders and businesspeople.

The researchers wanted to know what the rich think about society. Has globalisation changed them and created new identities and cultures, freeing them from Finnish society? This is also important for politicians; do Finnish investors stay in Finland, and what can tempt them to stay?



Hanna Kuusela and Anu Kantola. Photo: Vastapaino

Most millionaires work hard, and they might offer ordinary ground coffee in paper cups, the authors write. Many of the rich do not want their wealth to show. In typical Finnish fashion, they make a point out of living like ordinary Finns and they work hard.

Small differences, but the rich are gaining a lead

The income gap is still narrow in Finland both compared to the rest of the Nordics and internationally. But since the 1990s the richest people have been gaining a lead. According to Forbes magazine, there was only one dollar millionaire in Finland in 2010. In 2017 there were seven. Together, they own as much as the 40 % of Finns at the bottom of the wealth scale.

The researchers say the rich usually exude optimism and positivity. But the rich are less positive and hopeful when talking about Finland's future. The world's happiest country, topping many statistics, is still a country where the richest are not happy. Many talk about leaving, because Finland has nothing to give.

Huge influence

The richest people are important to society, and are often found in top positions in business and politics. They have power over how companies are run, the flow of capital, where jobs are created or disappear. High-income earners wield influence through networks and by supporting lobbying firms, think tanks or election campaigns. They are also sometimes viewed as heroes and idols in their own right.

An example of their power is that nearly half – 46 % – of board members in the most important organisations representing employers, finance and business in recent years have come from the richest one per mille of the population.

At least four well-known national politicians were on the researchers' list over Finland's richest: the then Prime Minister Juha Sipilä and Minister of Transport and Communications Anne Berner, both from the Centre Party, as well as two MPs.

Globalisation important to Finland

The authors remind us of a time when the nation state was crucial for business. In Finland, trade with the Soviet Union was very important after the war debts had been repaid.

But the markets were gradually opened up. Both capital and Finns could move more freely. Foreign ownership became legal and increasingly common in Finland. A new breed of rich people with their own ownership culture, identity and business models emerged. Some business leaders became charismatic stars with salaries that rose in step with more limitless bonus systems. From this grew the notion that unique skill were needed, as well as heroic acts, top health, the ability to innovate and the courage to make brave and quick decisions.

Finnish envy

When CEOs compare salaries, it is not with those who are paid less at home in Finland, but globally. One of the top leaders interviewed still wondered whether it was right that he was paid more than the Prime Minister.

It might not be right. But on the other hand, in internationally listed companies the international salary level is what you compare yourself with.



Anders Wiklöf is proud of his art collection, but many millionaires struggle to see what sets them apart from ordinary Finns.

Only a small minority of the 90 millionaires interviewed seem genuinely proud and would brag about their wealth. Most are timid, do not lead an exuberant lifestyle and cannot think of anything that sets them apart from other ordinary Finns – perhaps only the fact that they can afford the food they fancy. The Finnish work ethics is alive and well with the older millionaires.

“We are not lifting ourselves into heaven”

Some describe themselves as totally ordinary people, even humble, with the slogan “we are not lifting ourselves into heaven”.

An heir said not even his wife knew the size of his wealth. Somewhat shyly, he told the interviewer of her surprise when the issue came up. She had been worrying about the family

finances, and about what she dared suggest buying for their home.

Inherited money should be made to grow

The authors note that many of the interviewees consider their inheritance and profits from family businesses to be a loan, which should be passed on to the next generation. The family business should ideally be left in a better state and the inheritance should be a bit larger than what you inherited yourself, since the family also grows.

The professional directors who were interviewed focused closely on both salaries and the envy directed at their economic privileges. Envy is said to be an important Finnish phenomenon which explains why leadership salaries and very high bonuses are frowned upon.

If you talk about envy, it is also easier to swipe aside opinions around growing wage gaps or the unfair distribution of wealth.

There is also a lack of knowledge. Common people do not know how much work or responsibility there is, nor the risks involved, the interviewees complained.

The authors note that conversations turned serious when they began talking about people in the lowest salary categories. People have got stuck there. Common views include “they do not take responsibility for themselves, cannot pull themselves up and get a job”.

“Social security nets an obstacle”

The authors note that top leaders are particularly focused on the lower salary groups, not the middle or working classes. Directors worry about those who exploit the social safety net and who live in depopulated areas.

They are lazy, lack initiative and morals, while the directors consider themselves to be active and hard-working as well as full of initiative. The saying “the world is your oyster” comes up repeatedly in the interviews.

Many seem to think Finland is a nanny state where Finns are used to others taking responsibility when the individual should take matters into their own hands. Young people in particular think the system should look after them.

Family backgrounds are indeed different. Personal skills like self-assuredness and energy varies, and for that you need support. But still: you have to be interested in your own future and progress, is an answer which is repeated in the survey.

Negative to social benefits

The directors are worried about people exploiting the system, those who just wait for the universal wage so that they can avoid working. The directors protest against a passive system which makes it more profitable to wait for social benefits

than to go to work. The safety net only puts brakes on people’s initiative, they claim.

The American ideal of “self-made men” who rise from the bottom on their own thanks to hard work and clear goals is also admired in Finland. Much of the country’s wealth has been created in that way, and the ideal remains. Small businesses and innovations are now part of the school curriculum, with Silicon Valley as a model.

Several of the interviewees are deeply disappointed in lacklustre politicians – and in democracy as a system where voters/citizens must be heard. It is clear that those who represent family businesses are used to very rapid decision-making processes. They hope instead for stronger leadership.

The trade unions, the tripartite conversation and the centralised wage negotiations are not popular among the interviewees either.

Taxes make people willing to move

When taxes come up in conversation, the talk about moving from Finland intensifies. Many know colleagues who have already moved to Sweden to avoid inheritance tax.

Tax avoidance and foreign bank accounts are obvious solutions to many. If the rich are chased out of the country, who would pay the taxes then? As long as the EU has no unified taxation legislation, there are loopholes which are being used, several of the interviewees said. They still understand the state’s need to tax income to finance common costs, but still consider the limit to have been reached when it comes to themselves.

It might be a generational question, but the richest and oldest Finns love their home country and stay. The younger generation talks more aggressively and are described in the book as an irritating elite sat on the top.

The authors conclude that there is still a small group of top earners who gladly pay their taxes in order to maintain society, and who worry about issues like Finland’s youth unemployment.

Despite the fact that a large majority among the interviewees have unlimited opportunities due to their wealth, they still feel hindered by an irritating state, irritating permission processes, an irritating trade union movement and irritating taxes. There is also an irritating sense of envy among the other citizens, summed up Anu Kantola and Hanna Kuusela.



A gender change in the cleaning profession

Cleaning is about to become a male-dominated occupation. It used to be nearly exclusively women who worked the mop. Now men, especially those with an immigrant background, are taking over according to a report from the Oslo Institute for Social Research.

NEWS

27.11.2019

TEXT AND PHOTO: BJØRN LØNNUM ANDREASSEN

We meet Samir Bakli at the Ila primary school in Trondheim as he finishes his shift. He puts aside the trolley with buckets, and prepares some cloths for the wash.

“When I came to Norway I applied for several jobs, because I had to find work of course. I got an apprenticeship in a hotel for three months, and then I got a job which involved cleaning and many other things together with the hotel’s caretaker.”

But even after four years he was not given a full-time job. So he applied for work in the construction sector instead.



Samir Bakli

“I spent a couple of years working there as a temp. Pay varied a lot also there. Unstable pay has been a problem, because I did not have an apprentice certificate,” says Bakli.

He did not lose faith. Today, the man who arrived from Morocco eight years ago is very happy with a steady full-time job as a municipal cleaner.

Updated equipment

Bakli and his colleague Abdikadir Maow are pleased that their municipal employer over the years has provided them with new machinery and other equipment that works well.



“I think we have equipment that is as good as what a private company provides, so we are happy. When new machines hit the market, we get them at work pretty fast. We have several good machines,” says Bakli.

“I like one we call a combi-machine. It is more relaxing to use than an ordinary mop. The machine runs itself, so I’ll just steer it and I can rest my shoulders,” says Abdikadir Maow as he keenly shows us the machine.

Climbing a little

Bakli has quite a bit of professional experience now, and is considering what and how his living should be.

“If I had gone straight into education, my job would have been quite different. I used to want to climb the system within the municipality, or privately, but that would have meant getting more education. I also wanted to get an apprentice certificate for cleaning, but right now I am looking into learning web development,” says Bakli.

Maow from Somalia also says he is considering getting an apprentice certificate, and has been following the advice from a colleague.

“I have been doing cleaning jobs for four years. When I have done five, I am thinking of getting an apprentice certificate. I want to do that. Right now I want to continue working in cleaning, but I might choose something different in a few years from now.”

A trend towards more men

Wenche Sagøy is a trade union representative at Trondheim municipality. She says around 45% of cleaners are immigrants.

“More men with immigrant backgrounds are now applying for cleaning jobs. That is a bit limiting, because they should preferably have apprenticeship certificates. The language is often a challenge, but they get followed up on data skills and Norwegian language. Many build on their skills with courses and get paid more,” Sagøy tells the Nordic Labour Journal. Fresh research confirms what she is saying.

From a women’s to a men’s occupation

Because cleaning has transformed from being one of the most female-dominated occupations to having a considerable number of male workers. Especially men with immigrant backgrounds, say Marjan Nadim and Julia Orupabo at the Oslo Institute for Social Research.

They have found that cleaning as an occupation is about to “change gender”. The study involved qualitative interviews with employers in the cleaning industry in greater Oslo.

In order to understand changes to gender-segregated labour markets, we need to move beyond a mere focus on gender and look at it in light of ethnicity and immigration status, the study says. In Oslo, nearly half of all cleaners are now men.

Similar situation in neighbouring countries

Trine Wiig Hagen is trade union secretary at the Norwegian Union of General Workers (NAF). She is also involved with the SUN union which represents service industry workers in the Nordic countries, including in the cleaning sector.



Trine Wiig Hagen is trade union secretary at the Norwegian Union of General Workers (NAF). Photo: Bjørn Grimstad

“Men with immigrant backgrounds who work in the cleaning industry is a city phenomenon. I worked at Oslo Airport in 2010, and there were already more immigrant men than women working as cleaners there. Another trend seems to be that more women from Eastern Europe now come to work in the cleaning industry in Norway. But we recognise the trend of immigrant men also through our work at SUN,” Hagen says.

Figures from Finnish Service Union United PAM shows the proportion of immigrant men in the cleaning sector rose from 15.4% in 2010 to 17.7% in 2017. The HAG trade union in the Faroe Islands also says there is a visible trend. Faroese men are in a majority, but many foreign-born men also work in the cleaning industry.



New agreement for education on the Cap of the North

The Arctic Vocational Foundation has secured funding from Sweden, Finland and Norway for a further four years of vocational training for youths. A total of 285 youths will be trained every year.

NEWS

27.11.2019

TEXT: BJÖRN LINDAHL, PHOTO: NINNI ANDERSSON/SWEDISH GOVERNMENT OFFICES

“As someone originally coming from Norrbotten I know the potential that exists for increasing labour mobility between the countries. Only a beautiful river separates Sweden from Finland, and a nice little mountain lies between Sweden and Norway,” said Sweden’s Minister for Employment Eva Nordmark as she signed the agreement alongside the Finnish and Norwegian ambassadors.

The cooperation for education across the expansive Cap of the North region began in 1970. Many of the foundation’s training programmes are aimed at different occupations which lack labour, like IT, transport and health care. The foundation is often referred to simply as *Utbildning Nord* (Education North).



“We feel incredibly proud and happy that the cooperation between the countries for adult vocational training continues. Next year this has been going on for 50 years, and it is very good to see that this is still considered to be playing an important role in the supply of skills in the Cap of the North region,” said Director Leif Lahti.

“We have built up a unique knowledge-base for vocational education, and our efforts help develop the Nordic cooperation. We will continue to contribute in the best possible way, and will strive to reach our vision of being the key to the Nordic labour market.”

The Arctic Vocational Foundation’s main job will remain to develop and execute vocational training and to offer valuation services based on current needs in the labour market – first and foremost in the Cap of the North region. This way, the foundation will both help increase Nordic competencies and competitiveness and strengthen the Nordic cooperation.

Finland, however, has increased its efforts to link labour market training to vocational exams. This comes as a result of the country’s vocation education reform. It was therefore the Ministry of Education and Culture in Finland – and not the Ministry of Economic Affairs and Employment – that for the first time took part in the work to reach the agreement.

The number of annual training places, according to the agreement, will be 60 in Norway, 145 in Sweden and 80 in Finland – a total of 285 annual training places.



Nordic governments: Everyone must join the fight against climate change

Fighting climate change is no longer a choice, but an absolute necessity which means our countries, our citizens and our industries must make great changes. That was the message from the Nordic prime ministers at the Nordic Council's session in Stockholm.

NEWS

06.11.2019

TEXT: GUNHILD WALLIN, PHOTO: JOHANNES JANSSON/NORDEN.ORG

Three young women sang the Swedish ballad "Så skimrande var aldrig havet" ("The Sea Was Never So Shimmering") at the opening of the 71st Session of the Nordic Council in Stockholm, held between 29 and 31 October. Lyrics from a different time worth a thought, as nearly eight million tonnes of plastics are dumped at sea each year.

The theme during the session's summit with the Nordic prime ministers was "How can the Nordic cooperation model develop and contribute to sustainable change?" There was strong agreement that climate issues and working towards sustainable development must be a top priority for the Nordic cooperation and in the national parliaments.

For the Nordic Council members who live in the middle of the sea, changes to the climate are near and visible. The sea

no longer shimmers, and pollution changes nature and the basis for industry.

"We depend on a healthy ocean, and for us sustainable development is about exploiting the ocean in a sustainable way," said Kaj Leo Holm Johannesen, who had stepped in for Prime Minister Bárður á Steig Nielsen

Island nations particularly exposed

He explained how he as a child used to go with his parents to some of the westernmost islands, and the sky was black with puffins. When he recently returned to that same place, there were hardly any left.

"There is no doubt nature is changing, and it makes me sad to see how dramatically nature has changed in the Faroe Is-

lands in the past 20 years,” said Kaj Leo Holm Johannesen, who is the minister of Nordic cooperation as well as minister of Health.



Deputy Premier Camilla Gunell from Åland also talked about clearly visible changes to nature.

“20% of our forests were ruined by the storm Alfride, and we were without electricity for many days. In the summer of 2018, the entire harvest dried up, and this year we had the rains. Islands seem to be the first to be hit,” she said.

Each speaker had five minutes at their disposal, and despite depressing reports and stories from the island nations in particular, the joint message was that the Nordic countries are well prepared for creating a sustainable development. There also seemed to be much agreement about the fact that the Nordic model is the key.



“It is natural and right to put our energy into green change, and when we chose the way forward we should trust that our social model, which has given us so many valuable things, will also work in this area. We will do the same thing that we did during the industrialisation and after the war, and find collective solutions,” said Denmark’s Prime Minister Mette Frederiksen.

Change without increasing social gaps

All the speakers focused on collective solutions and the necessity to get everyone onboard to drive the necessary changes. Structural changes will be needed, and it is important that this can happen without increasing social gaps. If any countries can manage this, it is the Nordics, and with co-operation all of the countries’ strengths can be put to good use.

“Politics must lead the way and spread hope that politics means something,” said Mette Frederiksen.

Several of the Nordic leaders pointed out that this time things are different from previous periods of change. Things must happen quickly and we must act right now. Standing still is not an alternative.

“If we stand still, the world moves on and we will be going backwards,” said Norway’s Prime Minister Erna Solberg.



She pointed out that making the changes needed to fight climate change will be difficult. It is therefore important to be honest about what it entails, and to get citizens onboard so that they do not feel that politicians impose decisions without a mandate. That always creates problems, she said.

Lifelong learning must be made more available

Sweden’s Prime Minister Stefan Löfven used his speech to distance himself from all the pessimists who warn that all jobs will disappear.

“The Nordic model has lifted our countries out of poverty and into welfare, and even if we are now facing the biggest changes so far, we are world champions in change. We owe it to the youth and to our countries’ welfare to do this,” he said.

Stefan Löfven underlined the importance of also getting Nordic industries onboard to carry out the necessary changes.

“All of the Nordic business organisations, who represent 115,000 companies, want to help create a net zero society. They see how this can become a competitive advantage,” said Stefan Löfven.

At a press conference later on, the NLJ asked him how the changes will impact on the labour market. He pointed out that there has already been a lot of change when it comes to automation and digitalisation in the Nordic countries. He also did not agree with those who warn that there will be no jobs left – there will be. But creating a net zero society will change the type of jobs we have, and Stefan Löfven wants to see lifelong learning become reality with the help of cooperation between politicians, companies and educational institutions.

“This is an important message – there has to be the means for development and change so that everyone can feel safe that they too are part of this future project,” said Stefan Löfven.