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May 27, 2022

# Theme: The reindustrialisation of Norrbotten

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Newsletter from the Nordic Labour Journal 5/2022



Financed by  
Nordic Council of  
Ministers

## **NORDIC LABOUR JOURNAL**

Work Research Institute  
OsloMet – Oslo Metropolitan University,  
Postboks 4 St. Olavs plass, NO-0130  
Oslo

## **PUBLISHER**

Work Research Institute, OsloMet  
commissioned by the Nordic Council of  
Ministers.  
The Nordic Council of Ministers is not  
responsible for the content

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An email edition of the newsletter can  
be ordered free of charge from  
[www.nordiclabourjournal.org](http://www.nordiclabourjournal.org)

ISSN 1504-9019 tildelt: Nordic labour  
journal (online)



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# Green aims in uncertain times

One of the most important goals for the Nordic labour market cooperation is to make sure the right knowledge and skills are available to meet the demands of the green transition. But new and surprising challenges must also be dealt with.

EDITORIAL

26.05.2022

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

In this edition, we have two reports, one from the Finnish border with Russia and one from Norrbotten in Sweden.

The contrasts could not be bigger. Finns who have Russia as their closest neighbour are reminded of the war in Ukraine by borders that are closed to private traffic, Russian tourists disappearing and the shelving of plans for a large border station. The import of timber from Russia has stopped, along with the import of Russian electricity and natural gas. There is a sense of unease about the future.

The situation in Norrbotten is quite the opposite. In cities like Luleå, Boden and Skellefteå, there is a hectic drive to recruit new labour to a range of large industrial initiatives with green credentials. Fossil-free steelworks and gigantic car battery factories also generate many jobs in education and the service industry.

Both regions have a history that many are now thinking about. The municipality of Parikkala, which Bengt Östling visited, was cut in half when Finland gave up land in Karela after the 1941 Winter War. Luleå with its export harbour for Swedish iron ore, avoided both German and British attacks in the early days of WWII when Europe's largest iron ore deposit was a key resource.

Today, two steel plant projects aiming to minimise CO<sub>2</sub> emissions could be an inspiration to the global steel industry, writes Fayme Alm. Our photographer Cata Portin describes what is happening in the North and the East through her emotive pictures.

Meanwhile, Gunhild Wallin and Bengt Rolfer have visited the EU Parliament in Strasbourg and describe how the EU temporary protection directive was rapidly passed with great enthusiasm among MEPs there. Rarely has a group of refugees been welcomed so warmly as the Ukrainians.

But the directive must also face the light of day, when housing, jobs and school places have to be created. In Arvika, Jo-

han Hellström is ready as head of the municipal labour market and integration training AMI.

“It is good that people want to help. But we must treat everyone the same and other refugees feel that it is unfair that the Ukrainians get more help. I hope this flow of refugees will lead to a change in how people view refugees, and that everyone is welcomed in the same way regardless of where they come from, he says.

The relationship between Sweden and the EU has otherwise been strained – at least when it comes to labour market issues. Twice, the EU has given the EU Commission a yellow card. First for the proposed directive on minimum wages, then for the directive on platform work. But now the EU has approved Swedish plans for state support in the case of so-called startup jobs.

“The model for startup jobs makes it possible for Sweden to try out new ways of helping disadvantaged workers get access to the labour market – without unduly distorting competition,” points out Competition Commissioner Margrethe Vestager.

What makes the Nordic labour market model so special? In a rapidly changing world, the negotiation model – where the social partners first agree on where the land lies and then negotiate wages based on that – seems to work. Just this week, 500,000 public employees in Norway secured a new agreement.

But it is all about setting new targets, like the new cooperation programme for the Nordic labour ministers for 2022 to 2024 does. Two of those targets are particularly relevant to our reports from Luleå and from the Finnish border with Russia: To make sure the labour force is ready for the green transition, and to create social sustainability in sparsely populated areas.



## Green industry makes Swedish Luleå try to grow three times faster

There is a race on in Northern Sweden. Enormous investments in new technology give the largest of the Nordic countries the chance to compete with others to be the first to kickstart the green transition. It is a challenge for businesses and for civil society.

THEME

26.05.2022

TEXT: FAYME ALM, PHOTO: CATA PORTIN

“Nobody remembers a coward.”

The statement comes from Anna Lindh Wikblad, the Municipal Chief Executive for Luleå municipality since 2021.

“I say it every day. Nobody remembers a coward. To manage this we have to be bold. So much is happening and it is so complex with so many timescales that we must make crucial decisions on half-ready data. If we don’t, we will be overtaken by developments. Courage is one of our most important assets right now,” she says.

Anna Lindh Wikblad welcomes the Nordic Labour Journal at the Luleå city hall. The city is on the coast of Norrbotten, Sweden’s northernmost county. It is less than two hours by car to Haparanda and its twin city Tornio on the Finnish side, and some 150 kilometres from the Arctic circle.

### **A new industrial strategy for Sweden**

The courage Wikblad is alluding to is the decision-making capacity of all municipal sectors that she considers to be necessary to be an efficient and well-functioning municipality as Northern Sweden is investing tens of millions of kronor. Money that should help with the green transition and create new jobs.

All this is in line with the industrial strategy presented in March by the Minister for Business, Industry and Innovation, Karl-Petter Thorwaldsson, called “The Future Industrial Strategy”. By encouraging this green and digital transition “we increase Sweden’s competitiveness and preparedness, we strengthen Sweden while jobs with good conditions are created across the entire country”, the Minister said.

In Norrbotten, the way this strategy is being put into action is particularly noticeable. H2 Green Steel and Hybrit are two companies that want to manufacture fossil-free steel using hydrogen gas. In Kiruna, Sweden’s northernmost municipality, the LKAB mining company is testing out fossil-free iron ore extraction. And in Luleå, LKAB has its ReeMAP project which aims to recycle mining waste. This is also where Facebook is busy creating its third server farm. The first one was ready in 2011. The company’s Luleå data centre is now Europe’s largest, according to the Luleå municipality.

### Hoping to attract “the Gretas”

The Municipal Chief Executive is in no doubt that Luleå municipality is interesting enough to attract people to work in the new industries. By being part of the green transition, the city can attract those who Anna Lindh Wikblad calls “the Gretas”, alluding to Greta Thunberg.

“This is the type of people who want to come here. Those who want ‘to save the world a little’. We also have those who appreciate the contrasts of this place. The dark winters. The light summers. Concert one day. Silence in the forest the next.”



Luleå is also a place that is characterised by what she calls a big smallness. Around two-thirds of the municipality’s nearly 79,000 citizens live in this urban centre. You can get anywhere within ten minutes, says Anna Lindh Wikblad, and explains that the busy pedestrian street is a result of the municipality’s decision to limit the number of out-of-town shopping centres.

“The municipality has been persistent and managed to strike a very good balance when it comes to retail, through smart planning and by daring to take a stand. Retail can compete itself out of existence without the right measures,” she says.



Anna Lindh Wikblad knows what she is talking about. She graduated with a master of engineering specialising in community construction technology from the Luleå University of Technology, and has worked as a community planner and project leader in the municipality.

“Building a community is the driving force, this is what is really fun,” she says. Wikblad is not originally from Norrbotten, but comes from the county to the south, Västerbotten. She was born and raised in Skellefteå, the municipality that is leading the way in the Swedish transition.

“I am following what happens there closely to see what we can learn from them,” she says.

### Factor 3

Courage is one important parameter for Luleå in its drive to become a sustainable and attractive municipality that can attract a lot of workers to the region’s new and expanding enterprises. Another parameter is what Anna Lindh Wikblad and the municipality call Factor 3. This is a term that emerged after October 2021 when the municipal executive board decided to move the deadline for the overarching goals from 2050 to 2040.

The decision was made because the big drive for a green transition depends on no less than 100,000 new jobs in Northern Sweden. 27,000 of these are jobs in new industries, and the rest are jobs in sectors that the first group will need access to – schools, health care, transport and more.

“As a society, we must keep pace and deliver change in parallel with the large investments and all the new jobs. That is why we brought forward our deadline for meeting our goals by ten years,” says Wikblad.

This means turning up the tempo for everything the municipality does from now on. Partly to facilitate the green transition, partly to speed up the democratic process, explains Anna Lindh Wikblad.

“Everything in the municipality will grow threefold and the development and decision-making process must happen

three times as fast as before,” she says and mentions the necessary population growth as an example.

“On average, the population has grown by 400 people annually in recent years. With the transition we need Factor 3, so that the increase will be 1,200 per year,” she says.

### **Closer relations with business**

One of the political focus areas in Luleå is the relationship between the municipality and businesses. Wikblad says the municipality needs to be more present and apply an agile methodology to identify where improvements can be made.

She particularly emphasises the importance of creating trust through meeting the businesses that are already there, and explaining to them that they are the most important ambassadors the municipality has. This goes for both service providers and subcontractors as well as what Anna Lindh Wikblad calls the “mega industries”. The municipality’s motto as an employer is “Everyone matters”.

“We work with new types of dialogue to see what changes are needed in the way we treat businesses. We have been doing this for a year and will carry out a survey to measure how things are going,” says Anna Lindh Wikblad.

### **Getting rid of the silo mentality**

Another challenge is how to get rid of the silo mentality in the municipality when development must go three times faster.

Silo mentality is when units have parallel systems with their own employees and management that do not need to cooperate with other units. It is a vertical structure that does not promote horizontal processes.

“We solve nothing with a silo mentality. Instead, we must be innovative and share new ideas between us within the municipality and find out where the conflicts lie. Silo mentality is a threat and only allows you to work with one issue at a time,” says Anna Lindh Wikblad.

She believes it is important to have the ability to present the complex issues all at once and to gather the talents that do not normally work together while avoiding quarrelling about which values are more important and instead identifying the values that can coexist.

### **Cooperation on a county level too**

Norrbottnens Governor since February 2021, Lotta Finstorp, also focuses on cooperation and new models. Like all of Sweden’s governors, she was appointed by the government with a mandate to monitor developments and inform the government of the county’s needs.

“I see it as my mission to keep the county together when several major industrial developments are being established along the coast. In Älvsbyn and in Arjeplog we have car testing companies that are important to the green transition because they are testing car batteries in an Arctic environment.

In Älvsbyn we also have Polarbröd’s bakery with its own wind power plant which helps it produce its own electricity,” says the Governor.

Lotta Finstorp welcomes the Nordic Labour Journal in the Norrbotten residency in Luleå. The county covers nearly one-quarter of the whole of Sweden. Here you find the massive highland areas sometimes marketed as The Swedish Arctic.

“It is here, in Northern Sweden, that we will solve the climate challenges. This is where the green revolution is taking place, but sometimes it seems there is more interest from abroad than from elsewhere in Sweden. It is as if Norrbotten was in hibernation, but nothing could be further from the truth,” says Lotta Finstorp.

### **The Green Wonder**

But the green transition in the North has gathered international attention. So much that Lotta Finstorp has hosted several diplomats and other visitors from near and far since starting her job in February 2021.

“Norway’s ambassador has been here, as has Denmark’s. And ambassadors from France, Indonesia and Japan. As well as 22 out of the EU’s 27 ambassadors, who came all at once. They all come to learn how The Green Wonder will come to pass. This is a venture that will reduce CO<sub>2</sub> emissions and create more sustainable products and processes. And not least a lot of new jobs, says the Governor.

“The rest of the world knows that this is where the green transition is actually happening, while it all seems to attract less attention elsewhere in Sweden.

Skelefteå in Västerbotten, the county bordering Norrbotten in the south, is getting good national publicity, however. The city has created headlines with its spectacular timber cultural centre and the construction of Northvolt’s battery factory. Headlines or not, what is happening is happening in the name of saving the climate. So too in Norrbotten.

### **High-level network**

To carry out social changes with massive investments in industry and personnel, you need cooperation on several levels. Lotta Finstorp has therefore further developed a network that she inherited from the former Governor.

The new network is called AGON – Accelerated Green Transition in Norrbotten (Accelererad grön omställning i Norrbotten in Swedish). It is made up of high-level individuals representing 13 businesses. A government representative for social change is also participating when larger companies are setting up shop or when existing companies are expanding in Norrbotten and Västerbotten.

“It is interesting when the businesses, armed forces and municipalities meet. The network members hold the highest positions in their respective companies. Within the network



there is an acceptance that is important for mutual cooperation,” says Finstorp.

When the members actually gather around the Governor’s table every six weeks, they discuss what has happened since the last time they met and talk through what they can do to accelerate the green transition – for industry and for civil society.

“I am a social worker and have always put people who need to talk together around a table. We who are part of this enormous change must think big and beyond the short-term processes. We talk about the positive developments and then we ask whether we can do things differently. We are simply participants who seek new ways of cooperating. Cooperation is important,” says Lotta Finstorp.

She is not at all surprised that the new, big industrialisation is happening in Northern Sweden. She sees an entrepreneurial attitude similar to the "Kamprad spirit" in Småland (Ingvar Kamprad was the founder of IKEA), and industrialism 2.0 – as she calls the green transition – is similar to the first.

“Everything was here back then, and it is here now. Access to natural and human resources ready to knuckle down and get to work,” says Lotta Finstorp, and brings up the Bank Hall in the old parliament building in Stockholm.

“In the ceiling there you will find two frescos depicting what created Sweden’s riches. One shows Southern Sweden with its agriculture. The other shows the North with its forests, iron ore and watercourses. Northern Sweden has delivered for hundreds of years and will continue to do so,” says the Governor of Norrbotten.



## Trailblazing development of green steel in Swedish Boden

Mass production of fossil-free steel is to be the arrowhead of the green transition in Northern Sweden. The initiative aims to mitigate climate change and meet the world's needs for sustainability. With it come many new jobs and a need for new housing.

THEME

26.05.2022

TEXT: FAYME ALM, PHOTO: CATA PORTIN

It is hard to see exactly where it starts and where it ends. The area where H2 Green Steel plans to construct their steel-works measures 2 square kilometres, if you do not count a green area which the company has proposed to use after a dialogue with various authorities.

“The green area is meant to be set aside for amphibians and precious plants, but might also be used by staff and neighbours,” says Erik Bohman, the head of unit in Boden.

Forest was cleared after the municipality recently made way for new buildings. This is where the Nordic Labour Journal meets Erik Bohman to gaze across the Norrland landscape around Boden, an inland municipality bordering Luleå. It is around 130 kilometres from the border with Finland.

### **Ready to start construction**

As soon as all permissions are ready, H2 Green Steel will start constructing the plant which will use hydrogen for the



large-scale production of what is called fossil-free steel. On their website, H2 Green Steel write:

*Our green steel reduces CO2 emissions by 95 percent compared to traditional steelmaking. Our long-term aim is a completely fossil-free manufacturing process.*

“We have applied for an environmental permit and would like to start construction as soon as we have a so-called building judgement, which is part of the overarching permit process. This is what we are planning for. If things do not turn out that way, we have a plan for that too,” says Erik Bohman.

The technology for producing fossil-free steel already exists, but only on a smaller scale.

### Many kinds of sustainability

Erik Bohman was born and raised in Fagersta, 170 kilometres north of Stockholm, while both his parents come from Norrland. But other factors besides family links made him choose to work for H2 Green Steel’s plant in Norrbotten, Sweden’s northernmost county.

“I worked with steel in a different company earlier, and we had begun experimenting with hydrogen to reduce CO2 emissions. When I met some of the founders of this project, which is so groundbreaking in so many ways, I felt it would be very exciting to join them,” he says.

What Erik Bohman calls groundbreaking is, according to himself, the actual technology, the sustainability perspective and creating desirable products although there is not yet a great demand. He likes the ambitious environmental standards too.

“We want to be part of the wider society and be a positive force through sustainability in all its forms. I am not only talking about the climate perspective but about social sustainability too,” he says.

H2 Green Steel was founded in 2020 by investment company Vargas, which is also the main shareholder. Vargas is also one of the founders and main owners of Northvolt, the company building a battery factory in Skellefteå in Västerbotten, the county to the south of Norrbotten.

Vargas’ experience from Skellefteå will be useful in Boden, explains Erik Bohman. This is why he and the steel company believe they can be ready for large-scale production as early as 2025 – as long as the necessary infrastructure for the energy needed to run the plant is in place by then.

### Existing energy

“The energy is there, in rivers, in the wind. That is not what we worry about. What we are looking into is how to get it to the plant so that it is available where we need it. It takes time to get the transmission capacity in place,” says Erik Bohman.

The electricity transmission system operator Svenska kraftnät has got the government’s go-ahead to invest 8.4 billion kronor (€796.4m) in transmission and power stations along the coast of Norrland as part of the green expansion happening there.

“Only partners like Svensk kraftnät can solve this, as they are responsible for the transmission system, and this work is going to plan,” says Erik Bohman.

To produce steel you need iron ore. This is extracted from mines and according to Erik Bohman, Norrbotten has Europe’s largest iron ore deposits.

“It is good if we can buy iron ore locally when we need it, but if we can’t we will import it from abroad. Perhaps from Brazil,” he says, ruling out both Ukraine and Russia as iron ore providers.

### Another initiative

H2 Green Steel are not the only Swedish company wanting to produce fossil-free steel. The competitor is called Hybrit, an acronym for Hydrogen Breakthrough Ironmaking Technology. The owners are the steel company SSAB, the mining company LKAB and the energy giant Vattenfall.



*Hybrit's pilot plant in Luleå.*

Like H2 Green Steel, Hybrit’s business model is based on using hydrogen to produce steel and reduce the large amounts of CO2 emitted by traditional steel plants using coal and coke.

Hybrit runs a pilot plant in Luleå. The company says it has already delivered its first batch of fossil-free steel to a customer.

H2 Green Steel has yet to deliver any product. Yet a press release dated 10 May says orders for half of what the Boden plant will be producing by 2025 are already in place. That amounts to contracts worth more than 100 billion kronor (€94.8m). Among the buyers are BMW, Electrolux and Scania.

### New workers

The construction of H2 Green Steel's steel plant in all its stages will need a labour force of 4,000 to 5,000 people, predicts Erik Bohman. When the plant is ready and produces fossil-free steel, it will employ more than 1,500 people.

Most of them will be in various operational jobs. Others will work with safety and sustainability as well as with different types of automation and digital solutions, explains Erik Bohman.

"The trickiest recruitments might be for jobs involving hydrogen solutions and the reduction of iron ore. This is a technology that does not yet exist in Europe, so we will have to recruit from countries where it is more commonplace."

In parallel with international recruitment, Erik Bohman believes H2 Green Steel will also hire local people.

### Local knowledge

"The fact is that so many people live in the vicinity of the steel plant. In a one hour radius by car around Boden, you take in Luleå and other towns too. There are long traditions and a lot of knowledge linked to mining and steel production here, so we might be able to recruit some of the labour force from the local area," he says.

Erik Bohman also believes they might recruit people who now work in the health sector and who want to try something new.

"Our plant will not be a workplace where there will be a lot of hard physical work, unlike in traditional steel production. We value precision work more, and will make conscious decisions to employ a diverse workforce, including an equal number of men and women," he says.

Although there will be some local recruitment to the steel plant, the majority of labour will come from other parts of Sweden, the Nordics and the rest of the world, since right now there are few people in Norrbotten who have no work.

### Low unemployment

Norrbotten has one of the lowest unemployment rates out of all of Sweden's 21 counties. Norrbotten is on a shared fourth lowest place with Halland. Only Västerbotten, Jämtland and Gotland counties have lower rates.



The numbers come from the Public Employment Service, where Marita Lundgren is in charge of the whole of Norrbotten county.

"If you look at the employment service's business model, how our resources are being allocated, unemployment is one of the parameters. That means Norrbotten does not get the largest share, which is a challenge when you work in a county that is developing fast," she tells the Nordic Labour Journal.

Last December, the government tasked the employment service with providing upskilling during larger expansions and the establishment of new business. Norrbotten and Västerbotten were mentioned because of the large-scale change to fossil-free production within the region's base industries.

"We will be reporting back on 1 June about progress on a local, regional and national level," says Marita Lundgren.

### Digital platform with international reach

The local Norrland recruitment programme T25 aims to attract 25,000 new talents Norrbotten and Västerbotten over five years. It was set up in 2019 as a cooperation between the Luleå University of Technology and several major businesses, including the SSAB steel company, LKAB mining company, Boliden metal company and software company Mobilaris.

The T25 cooperation also resulted in a digital platform – called Minddig. It went live last year and has a lot of useful information for people with poor or no knowledge about Northern Sweden.

There is information about the green revolution and some Norrland places, how life is like in “the Swedish Arctic”, suggested wildlife adventures and details of which businesses operate here.

The site also carries job ads and allows job seekers to upload their CVs.

But there are also local initiatives that work with upskilling.

### **Hope to create 15,000 jobs**

That is the reasoning of Luleå and Boden. Both municipalities have therefore started cooperating to meet the demand for skilled labour.

The cooperation follows the model for upskilling created by the labour market administration in Luleå municipality called *Kompetenslotsen* (the competence pilot). The model has four keywords: coordinate, cooperate, guide, develop.



*Viktor Kåreborn and Björn Markinhulta.*

“We believe the green transition will create 15,000 new jobs in our region. That number includes those who build and work in the new factories and the new jobs which they, in turn, generate in for example education, transport, trade and health care,” says Viktor Kåreborn, one of two recruitment strategists who the Nordic Labour Journal meet at the Luleå labour market administration.

The competence project tries to link city and countryside and has circled new job openings on the map in order to measure the commuting distance.

“A new way of thinking is emerging,” says Björn Markinhulta, the other recruitment strategist.

To make the region more attractive for jobseekers, the two municipalities need to highlight the advantages of living and working in the region, believe the two recruitment strategists.

“In Luleå and Boden, we can offer a great selection of good and interesting occupations. There is also a good number of

small and medium-sized enterprises which means good work opportunities,” says Viktor Kåreborn.

### **Matching, a top priority**

Björn Markinhulta is mainly working with internships. In order to map which skills are needed he visits active companies around Luleå och Boden. He talks to them about what training programmes might help match their needs.

Around Boden and Luleå there are smaller municipalities that have not managed to create the training programmes that are needed.

“Within the adult education service we have something called *Femkanten* (the Pentagon), a cooperation between Bodens, Luleå, Pieå, Kalix and Älvsbyn municipalities,” says Björn Markinhulta.

Those who enter the training courses come from different backgrounds and get different training plans.

### **New jobs for plumbers**

Right now, internships are running for car mechanics, plumbers, property technicians and caretakers in a large training hall right next to Luleå airport.

When the Nordic Labour Journal visits, an Audi sits on a vehicle lift a few metres into the air and in a bathroom, Moa is busy installing a sink.

“This work is much more fun than I thought it would be and not at all particularly messy. It is also satisfying to build and work on constructions that involve assembly, welding and soldering,” she says.

The accuracy needed for all the parts to work properly can be challenging, but it is worth practising for, she thinks.

“I used to be with a removal firm but the work was too heavy. In future, I want to work as a plumber in Luleå where I live. There aren’t enough of them so I know I will get a job after my training,” says Moa.

### **Attracting local labour**

There are some 3,000 people looking for work in Luleå and Boden, says Viktor Kåreborn.

“We want to get as many of them as possible into the labour market. We also have many students at the Lund University of Technology (LTU) who we hope will stay when they have graduated,” he says.





*Dennis is studying political science, which will qualify him for a job as an administrator in public administration.*

One of the students who has decided to stay is Dennis. The Nordic Labour Journal meets him at the city library where he is sat studying.

“I read political science at LTU and have lived in Luleå for eight years,” he says. His degree will allow him to work as an administrator in public administration.

### **Cultural offerings**

Dennis is originally from Stockholm, a city whose cafés have their own roasted coffees and where there are bakeries on every corner.

“But what I really miss is Stockholm’s broad cultural offerings, although the big artists do come to Luleå too,” he says.



*Norrbotensteatern is part of the Luleå cultural offerings.*

Dennis enjoys the city where he studies, so it was not difficult for him to decide to stay. He is also pretty sure he will find a job here.

“There is a desire for innovation in Luleå, the city is open to new ideas. And the entire area is growing too,” says Dennis.

His view of the place is very different from what you sometimes hear about “tired Norrland”, he points out.

### **Housing issues solved for now**

Dennis’ first home in Luleå was a small student room where he lived when he started studying at LTU. After meeting his partner, they moved in together in her flat. They are still there, now with their child.

“Luleå is a safe place to live for a family. It tries to be a small big city and I think it is quite good at just that,” he says.

Dennis and his family want to move to a bigger place but are waiting until Dennis has finished his bachelor’s degree before deciding whether to rent or buy.

### **Space for new residents**

In Luleå, Boden’s neighbouring municipality, the Municipal Chief Executive Anna Lindh Wikblad feels well prepared to welcome new residents. Luleå’s housing plans work, she says. This is because the municipality discovered obstacles around the construction of new housing during the refugee crisis of 2015 when it was forced to take drastic action.

“We are reaping the benefits from this now. We are in a good place when it comes to housing plans and our potential is large. We can move three times faster to become three times bigger,” she tells the Nordic Labour Journal.

New housing projects in Luleå should be sustainable, using circular systems and high energy efficiency levels. They also focus on safety issues in order to create social sustainability too, explains Wikblad.

“We will show that we are trailblazers when it comes to building sustainable societies up here in this Arctic environment, and we will share our values and do our job.”

### **Rising house prices**

The Nordic Labour Journal joins a flat viewing and meets Daniel Larsson, franchise owner and estate agent with *Svensk fastighetsförmedling* in Luleå and Gällivare. He has been an estate agent since 2007 and is born and bred in Norrbotten.



*Estate agent Daniel Larsson.*

The flat is in the Varvet neighbourhood, an area of central Luleå with many three-storey houses from the 1950s. The first question is about the price level.

“The price of housing in Luleå started rising in the mid-1990s after having been relatively low for a while. After a few dips, for instance during the 2008 financial crisis, we now see a steady price increase,” says Daniel Larsson.

He used to show mainly people from Norrbotten around, but now more and more of his potential customers are from elsewhere in Sweden and from abroad – mostly from Norway, Finland and Denmark.

“Some have come to work at Facebook’s server farm which is located here, in the construction industry or in the health service. Others are starting university and need a place to stay,” says Daniel Larsson.

He tells us about the Kronandalen neighbourhood, known as Kronan. This is where the Luleå air defence barracks used to lie. Now new housing is being built, mainly leased properties and detached houses. As a result, the number of people living in the area is set to climb from around 2,000 to between 6,000 and 7,000.



*New housing is being developed in several places in Luleå.*

“The municipality has a good plan for its housing programme, at least when it comes to apartments. There is a lack of space to build more detached houses, and the price of houses has risen more than the price of leased properties,” says Daniel Larsson.

He is optimistic about the future. If the demand for leased accommodation and houses continues to rise, he believes it can be dealt with. The Luleå University of Technology offers a two-year estate agent course, so increasing the number of staff should not be difficult, he says.





## Image of macho Northern Swedish man must go to secure recruitment

A gun on his back, snus tobacco under his lip and a misogynistic worldview, he drives around on his scooter. This image of the primitive Norrlänning – a person from Sweden’s northernmost county – became ingrained with the 1996 movie *The Hunters*. Now Northern Sweden is hunting for people to carry out the so-called green revolution, and that image has to go.

THEME

26.05.2022

TEXT: FAYME ALM, PHOTO: CATA PORTIN

It is easier to recruit from abroad than from Southern Sweden, both to the Luleå University of Technology and other workplaces in Norrbotten.

The Nordic Labour Journal hears this more than once during our trip to Sweden’s northernmost county Norrbotten, which covers an area greater than Austria. If the massive social change also known as the green revolution is to become reality, industry in Northern Sweden must recruit tens of thou-

sands of people. People who must choose to become *Norrlänningar*.

“We cannot create a society around fly in, fly out,” says Lotta Finstorp, Norrbotten’s current and first female Governor.



*Should Rolf Lassgård from the movie The Hunters attract new labour to Norrbotten? No, says Lotta Finstorp, who wants a diversified labour market. Photo: Sophie Odelberg/TV4/C More and Lule-bild.*

We meet her in her official residence. The yellow wooden building from the 1850s sits proudly in the city centre of Luleå, the seat of Norrbotten County. This is where the Governor receives guests from near and far. The residency has also been Lotta Finstorp's home since February 2021 when she became Governor. She continues:

"We need permanent citizens, people who want to both work and live here so that the county gets more inhabitants. To succeed, we need to change the image of *Norrlänningar*. The movie *The Hunters* established a stereotype of the male *Norrlänning*. This has had negative consequences for recruitment."



The movie premiered in 1996, had a sequel in 2011 and in 2017 the first season of *The Hunters* TV series was recorded. Rolf Lassgård, who plays the main character in both the films and the TV series, told Swedish Radio when the TV series launched that "*this time it is less about the world of chequered shirts*" and that "*the pub does not look like a timber cabin where only blokes sit drinking – there are normal restaurants*".

### **A shower for women is not enough**

The green revolution depends on large-scale recruitment. Norrbotten and its neighbouring county Västerbotten need some 100,000 people to work in new companies and established businesses that will want to expand.

This number includes 27,000 new industry jobs plus nearly three times as many so-called secondary jobs in education, the health and care sector, transport and more. To make this happen you must dare to break new ground, believes Lotta Finstorp.

"Modern people don't want to go and live in a place with an antiquated worldview where there are no female leaders. What Norrbotten needs is a much more diverse labour market if we don't want to see women still choosing jobs in the care sector and men in the automotive industry. But then you need to be able to offer more than telling people 'we now have a shower for women'," she says.

### **Being paid like a man**

The wage gap between men and women is narrowing in Sweden, but in 2020 women's wages were on average 90.2 % that of men's, according to Sweden's National Mediation Office.

"I try to focus on gender equality issues as part of getting people to move here. Wages are unequal here in Norrbotten like in the rest of Sweden, but if you want to you can fix this. For us this is nothing less than an existential issue," says Lotta Finstorp.

Wage issues are becoming increasingly important for a region that has major recruitment needs. In April, the daily *Dagens Nyheter* wrote that Norrbotten was short of 1,123 nursing assistants, a figure obtained from the Public Employment Service. The newspaper told the story of a former nursing assistant who had gone from working in home care to signing up with the LKAB mining company where she now drives an iron ore train. The switch has made her 10,000 kronor (€950,-) better off a month after taxes.

Pay is just one issue that influences gender equality and the power to attract labour to Norrland. There are others. Last year, the Luleå University of Technology mapped the skills needed to address the challenges and find potential solutions for the labour region of Boden-Luleå.

The proposed solution to a gender-segregated labour market and labour shortages was "to strategically and operatively work with norms, values and jargon". These problems are not unique to this region, but that statement shows that the Governor is not alone in wanting to see changes to Norrbotten's labour market.

### **Winds of change blow anew in Sweden**

It is decades since around 800,000 people in total queued up to watch *The Hunters* in cinemas. What is today's popular image of the *Norrlänning*?





The Nordic Labour Journal rang Po Tidholm, the author and journalist who also made the 2016 TV series “Resten av landet” (The rest of the country). In it, he talks about “a countryside that is changing and the people who insist on living there. For better or worse,” as Swedish TV wrote in their TV listings.

Po Tidholm tells the Nordic Labour Market a story to illustrate the image of the countryside man.

“The only contra-urbanisation wave Sweden has ever seen since we began measuring migration in the 1800s, is the green wave in the 1970s when more people moved to the countryside than to the cities. So why that was? It was a sign of the times, of course.

“Many were tired of the concrete society built by the Social Democrats over 30 years. Not many felt the “environment programme” of constructing new housing to be much fun, and in fact considered it to be bad for the environment,” he says.

### **New values**

Net migration from Stockholm County and Västra Götaland County (home to Sweden’s second city Gothenburg) has risen in later years, as part of a trend where more people choose village life and the countryside over city living. Po Tidholm sees this as a change in values.

“Over the past two years, more people are moving out of the cities than during the 1970s. Urban life is no longer seen as

the only valuable lifestyle, other values are important too,” he says.



He believes this shift, which is reminiscent of what happened in the 1970s, has to do with the pandemic.

“There was a higher infection risk in the cities. And when you no longer could go to the cinema, theatre or restaurants, cities were no longer that much fun.

“Some people were also environmentally aware and interested in growing their own food. This has been amplified by what is happening in Ukraine, a feeling of being able to be self-sufficient in case of a war,” says Po Tidholm.

He also points out that in Sweden there has been a lot of focus on the importance of the individual's happiness and progress during the past 40 years.

“In cities, you can live in clusters in high-status areas and measure your skills against other people’s. There are strong arguments linked to high status.”

Po Tidholm now sees that more people are appreciating other human qualities which can be further developed in the countryside. Like the ability to grow things, renovate old buildings and develop different skills linked to craftsmanship, body and hands.



*Maria Backlund is doing her first year studying technology at LTU and is exactly the kind of person Luleå needs.*

“This has helped to add value to the countryside. That is where you find the meaningful context. We always knew that vegetables and raw ingredients came from the countryside. When we grow them ourselves, the work is given added value and so is the locality. The country farmer is now seen less as a loser.”

### **No more women bracing the snow**

Loser or no loser. Even if *The Hunters* in its TV series format has modified the image of *Norrlänningar*, television is still projecting images that Governor Lotta Finstorp believes perpetuate the image of an unequal county.

“They have to stop showing images of *Norrlänning* women pushing their spark (a Swedish kick sled) bracing themselves against a snowstorm while making their way down a country road. This is an antiquated image which we can no longer afford to use if we are to recruit thousands of new citizens. And we will.”



## Arvika: Where EU temporary protection directive is turned into housing, jobs and schooling

By May 2022, 12.5 million Ukrainians were fleeing the war. 5.5 million have fled abroad and are covered by the EU's temporary protection directive. 134 of them have arrived in Arvika in Sweden's Western Värmland, which has now signed an agreement with the Swedish Migration Board to settle refugees long term.

### NEWS

26.05.2022

TEXT: BENGT ROLFER AND GUNHILD WALLIN

It is early March, and two buses arrive in Arvika. A private initiative has brought Ukrainian refugees from Warsaw and from the Polish-Ukrainian border. The effects of Putin's war against Ukraine have reached Arvika, just like it has larger and smaller places in other EU countries.

The Ukrainian refugees have been granted the right to come thanks to the EU's temporary protection directive, and there is a lot of goodwill from local people. But when that goodwill is to be translated into housing, schooling for children and jobs with decent wages, old rules and new needs might clash. What exactly does the temporary protection directive mean for a town or a municipality, despite people's goodwill and welcoming attitudes?





*Johan Hellström is head of unit at AMI in Arvika, and responsible for the reception of Ukrainian refugees.*

“We were not quite prepared for the busses when they arrived and had to solve the situation as best we could. The people who had collected the refugees were disappointed that the municipality had not been able to adopt a holistic perspective, but that is not how things work,” says Johan Hellström, head of unit at Arvika’s municipal labour market and integration training, AMI.

EU reacted quickly as the world woke up to the Russian invasion of Ukraine on 24 February. The temporary protection directive was in place by early March, along with a raft of sanctions against Russia and its oligarchs. The ambition to reduce Europe’s dependence on Russian oil and gas as soon as possible was dealt with equally urgently.

“Everything is overshadowed by Russia’s invasion of Ukraine,” said MP Malin Björk (Left Party).

### **Agreement and action**

As the European Parliament gathered in Strasbourg on 7 March, the war was on everyone’s lips. The Ukrainian flag was flying next to EU flags and MEPs were expressing shock and upset as well as pride over a unified EU ready for action. Commissioner for Home Affairs Ylva Johansson was also present after visiting the Polish border to witness the flow of refugees during the first week of the war.



*Ylva Johansson addresses the EU Parliament during the debate on the Ukrainian refugee crisis. Photo: EU Parliament.*

On international women’s day, she addressed the Parliament to talk about little Mia, born in Kyiv’s metro while her mother sought shelter from Putin’s missiles. She warned that 800,000 pregnant women in Ukraine risk having to do the same thing. Johansson pointed out that more refugees had arrived from Ukraine than all of the refugees arriving in Europe during 2015 and 2016. Ukraine and its people need support and Ylva Johansson was proud of the EU’s ability to act so far.

“Last week I witnessed the most impressive European unity. When we united to condemn Putin’s aggression and support Ukraine. And when the Council unanimously adopted

the proposal to activate the temporary protection directive. As you are well aware in this house, this directive is more than 20 years old. It’s never been used before,” Commissioner Johansson told the EU Parliament on 8 March 2022.

### **Strong support for Ukrainian refugees**

The temporary protection directive also found cross-party support among Swedish MPs. Everyone is alarmed by the war.

“The flow of refugees is larger than in 2015, but quicker integration is also possible. Many have family links to other European countries and know what they want. It is positive that Poland, Hungary and the Czech Republic are taking a lot of responsibility now, but this will not be sufficient in the long term. More countries must step up,” says Tomas Tobé who represents the Moderate Party.

He believes the war in Ukraine creates preconditions for solving the migration problem within the EU.

“Countries that used to say they did not want a European refugee policy, are now the ones who say they do. An increasing number of countries realise this, and now refugees are arriving in more countries than just the ones in the south.”

When the war broke out, the Green Party’s Pär Holmgren and Jakob Dalunde took action immediately. They travelled to the border town of Medyka in Poland to help, and talk about the enormous efforts of Polish voluntary workers, not least from the boy scout movement. Once there, they linked up with the World Central Kitchen that was asking for tents, chairs and carrier bags.

“So we went and bought four tents that we put up. And chairs and carrier bags. We also picked litter,” say Pär Holmberg and Jakob Dalunde.

By 8 March, two million Ukrainian refugees had crossed the borders into Poland, Hungary and Moldova. Now, in mid-May, 5.5 million Ukrainians have fled abroad, while 7 million are internally displaced. Those who leave the country are mainly women and children.

The temporary protection directive allows all those who flee Ukraine to stay in a country for one year, with the possibility of extending this to three years. After being registered with the Swedish Migration Board, a refugee is given an ID number and permission to work. Children have the right to go to school and to health care while adults have the right to emergency health care. They do not become Swedish residents and also have no right to family reunion.

### **A major decision and on-the-ground reality**

The authorities are responsible for refugees in Sweden, also economically. This is what caused an issue as the refugee buses rolled into Arvika. The volunteers who had travelled to

Poland with the busses to help refugees move on, expected their home municipality to step up, and Arkiva's local politicians did.

That same evening they organised flats without even knowing whether they would be refunded for the cost. Volunteers got hold of beds, tables and utensils. Others appealed to people in the municipality for economic help to buy vouchers that could be used for food and other necessities.

"There was a lot of confusion to start with, and nobody knew the rules. The main thing was to make sure the refugees got roofs over their heads, so the municipality decided to cover the cost. We had no idea what legal backing we had for this, but took a chance and hoped to be compensated from the state later," says Johan Hellström at AMI in Arvika.

### **Nobody should need to move around**

On 22 April, the municipality decided it was necessary to put a time limit on the ad hoc solution for Ukrainian refugees' accommodation because it considered it was not right to cover costs that were in fact the state's responsibility. They risked having to move the refugees to temporary housing run by the Migration Board until 1 June, when a decision is due on how to divide the refugees between Swedish municipalities.

But the Arvika municipality wanted to turn the ad hoc solution into something more long-term before that date. After many conversations with the Migration Board and intensive lobbying, the municipality has become one of the first in Sweden to enter into a long-term housing agreement with the board.

"We want the refugees to stay here and consider them to be an asset. Nobody in Sweden should have to move around and we have been lobbying Swedish municipalities, county councils and the Association of Local Authorities and Regions in order to avoid this. That is why we wanted a long-term housing deal with the Migration Board. Now we know that these people will be staying and that we will get our costs covered for housing and some furniture," says Johan Hellström.

There are now 134 refugees mainly from Eastern Ukraine living in Arvika. Most of the adults are women and half of the group are children. The youngest have started kindergarten and the older ones are in school.

"Most of them have now settled and their existence is a bit safer. Most want to start work and earn money," says Johan Hellström.

The Ukrainian refugees get the same amount of money as asylum seekers – 70 kronor (€6.60) for a single adult and between €3.50 and €4.80 for children between 0 and 17. Many want to work, and local businesses and the municipality need labour.

But matching people with work is complicated. Although many of the Ukrainians are educated and have relevant work experience, there are language barriers. Some 20% of those who have arrived in Arvika speak English, the rest do not.



*Linda Östanbo at the Kompetenscentrum trains temporary staff at Arvika municipality. The lecture hall in the picture used to belong to the Public Employment Service, but the municipality has taken over and uses it for social information for newly arrived Ukrainian refugees.*

Those who arrive as a result of the temporary protection directive are not entitled to the free Swedish for immigrants courses and depend on volunteers, language cafes and other services. Workplace training does not work either since no insurance covers those who enter the labour market in this way.

### **A long way to work**

As soon as the refugees get an ID number, the Public Employment Service has to offer them an interview. But nearly all need an interpreter, so this will take time, points out Johan Hellström. He also wants clearer rules for who is responsible for what – the state or the municipality.

"Our most important job as a municipality is to give the refugees support and a network so that they can meet local businesses. Research shows that what is needed for people who are outside of the labour market is subsidised jobs, access to caseworkers and targeted labour market measures. As a municipality we do not have access to those measures – they are the remit of the Public Employment Service," says Johan Hellström.

He has worked with Syrian refugees and other groups and sees that the Ukrainian refugees get more attention and more support.

"It is good that people want to help. But we must treat everyone the same and other refugees feel that it is unfair that the Ukrainians get more help. I hope this flow of refugees will lead to a change in how people view refugees, and that everyone is welcomed in the same way regardless of where they come from. Everyone needs meaningful work and access to

the Swedish language. I want to see measures that make this easier and that work faster.”

# Nordic focus on new jobs without discrimination

Upskilling and gender equality will be central to the Nordic countries' labour market cooperation in the coming years.

NEWS

26.05.2022

TEXT: MARIE PREISLER



Nordic workers must prepare for the green transition which is underway in the region, where some jobs disappear and others emerge. The need for upskilling of the countries' labour forces will therefore be high on the agenda when Nordic labour ministers cooperate.

There will also be a need for Nordic cooperation to make sure that the Nordic labour markets will keep offering good working conditions with no discrimination.

These are some of the aims published in the Programme for Nordic Council of Ministers' Co-operation on Labour 2022-2024, which has now been published.

## Nine goals

Nordic cooperation in the training and upskilling of the labour forces in the Nordic countries is one of nine strategic goals identified in the programme for the Council of Ministers for Labour towards 2025. Upskilling is a highly prioritised aim as new competencies and retraining are necessary, according to the programme.

If not, Nordic workers will not be ready for the new jobs that will emerge while others disappear as the Nordics work toward the overarching strategic vision for the Nordic cooperation in 2030: The Nordics as the greenest, most competitive and socially sustainable region in the world.

## Gender equality everywhere

One of the programme's other strategic goals is to work together to create good working environments also in green jobs, and a third objective is to strengthen equality in the workplace to ensure no workers are discriminated against because of their age, sex, gender identity, sexuality, ethnicity, religion or other beliefs or disability. This will inform all Nordic cooperation on labour market issues.

During this period, the Nordic cooperation on labour will also draw on knowledge from the recommendations in the research project "The future of work", and in 2024 the Council of Ministers will mark the 70th anniversary of the Agreement Concerning a Common Nordic Labour Model as a foundational element of Nordic cooperation.

The Nordic Institute for Advanced Training in Occupational Health (NIVA) is part of the Nordic cooperation in the labour market. In addition, the Council of Ministers for Labour works together with other Nordic institutions including the Nordic Welfare Centre (NVC) and NordForsk.

The Council of Ministers for Labour are also providing some of the funding for the Nordjobb programme – a mobility and development programme for young Nordic people who want to work in a different Nordic country.



# After a couple of yellow cards – EU agreement on Swedish startup jobs

Sweden will be able to spend 4.2 billion kronor (€397m) in state support for so-called etableringsjobb – or startup jobs – for newly arrived and long-term unemployed people. That is now clear as the European Commission has approved a completely new model for encouraging companies to hire people who find it particularly hard to access the Swedish labour market.

NEWS

26.05.2022

TEXT: KERSTIN AHLBERG

Startup jobs are the result of an initiative from Swedish LO, the Unionen trade union and the Confederation of Swedish Enterprise.

In order to hire workers for startup jobs, a company must be a party to a particular collective agreement covering such jobs where wages are lower than the original collective agreement stipulates. The state will cover the gap to bring the worker's pay up to the normal collectively agreed minimum wage (after tax). The state will also cover pension costs.

A startup job can last for up to two years and the idea is for it to transition into an ordinary temporary contract. Previous types of subsidised work had been criticised because companies were able to exploit these in order to use them instead of offering normal employment.

LO, Unionen and the Confederation of Swedish Enterprise underline that the new employment model should not be used by employers to lower their employment costs and that they will establish a cross-party committee to oversee how the collective agreement for startup jobs is carried out and adhered to.

The main points for the new model were drawn up in a declaration of intent between the government and the three organisations as early as 2018, but in order to execute this, the government needed approval from the Commission.

Since the state will cover parts of an employer's wage costs, the Commission must give its green light so that the subsidy does not distort competition and becomes in breach of EU rules on state support. This is the approval that Sweden has now secured.

Even though relations between Sweden and the EU have been somewhat frosty lately (yellow cards both for the Di-

rective on Minimum Wages and the Directive on Platform Work), this proposal was fully approved.

Competition Commissioner Margrethe Vestager underlined in a press release that the fight against unemployment was a top priority for the EU and that the model for startup jobs made it possible for Sweden to try out new ways of helping disadvantaged workers get access the labour market – without unduly distorting competition.

The Commission actually concluded the proposed state support to be proportional despite the fact that it in certain cases will be higher per recipient than the 50% of the employer's investment costs that are usually used as a benchmark.

In most cases, the subsidy will be close to that limit. What is more, this higher level of subsidy is a result of broad negotiations between trade unions and employers' organisations about what is the right level of pay for startup jobs, the Commission added. In other words, a slightly unexpected but welcome bow to the Swedish model!



## Hopes dashed on the Finnish-Russian border

“Parikkala is a municipality people usually drive right past,” says Mayor Vesa Huuskonen, with only a hint of humour. Parikkala is an agricultural municipality with an ageing population in South-Western Finland, right on the border with Russia. Plans for an international border crossing have been scrapped because of the changed international situation.

NEWS

26.05.2022

TEXT: BENGT ÖSTLING, PHOTO: CATA PORTIN

The small rural municipality of Parikkala is in the southern part of Finnish Karelia. The closest larger cities are Lappeenranta and Savonlinna. To the east, you can see Russia. The so-called Winter War started with the Soviet Union’s attack on Finland in 1939. It ended with Finland being forced to cede large landmasses, including Vyborg and several other municipalities.



*Evacuees from Parikkala in Karela arrive by train in Vilpula in June 1941. Photo: Finnish Armed Forces, SA-kuva*

More than 400,000 Finnish Karelian people were resettled elsewhere in Finland. They lost their homes and anything they could not carry with them. Parikkala municipality lost one-third of its area to the Soviet Union as borders were redrawn.

### **Dairy cows and border guards**

Parikkala is the largest agricultural municipality in this part of Finland. There are many dairy cows on highly automated farms. The Centre PartyThe largest political party. Besides the international rumblings, the municipality has other worries too.

Like in the rest of Finland, Parikkala needs foreign labour. But closed borders force employers to look further afield. This is the situation in agriculture and the service and health care sectors.

Generational change is also a challenge. Many workers and business owners are approaching retirement age, but the next generation has moved away, explains Mayor Vesa Huuskonen. In a few years from now, half of the municipality's citizens will be over 65.

We meet the Mayor at the Kolmikanta border station on the border with Russia. Vesa Huuskonen has previously had a career in the Finnish Border Guard.

### **Timber import opened the borders**

The border barrier is in Syväoro, behind a small building housing border guards and customs officials. A few metres further down the road is the actual border between Finland and Russia. A few hundred metres further still, the Russian flag is flying from similar barracks housing the Russian border guards.

The border crossing is categorised as provisional, which means traffic is limited. The roads show signs of heavy goods transport.

Timber is what has kept the border traffic going here. Two-thirds of Finland's timber import has come from Russia and must now be replaced, with more felling of trees at home in order to keep the industry going in Finland.

For a few years now, Russia has introduced various export limits on timber, including on birch pulpwood for paper manufacturing. The traffic was further reduced in early spring when EU sanctions hit more and more products, including cut timber and wood which is used for energy production in Finland but not in Russia. Seven loads a day would pass through Parikkala.



### **Political goal for internationalisation**

There were big plans in Parikkala for an international border crossing. The initiative came from Russia, and Parikkala managed to convince the Finnish government that it would be a positive thing. During government negotiations in 2019, the parties wanted to make trade with Russia more flexible. That year more than 24,000 border crossings were registered here.

To make traffic flow smoother, the possibility of an international border crossing in Parikkala was to be evaluated. The municipality hoped this would be ready by 2024.

The project was considered to fit in with other projects that increased the region's pulling power, and it would improve security and flow across the border crossings. The project was to be partially financed by the European Commission.

"We had high hopes for developing the crossing after the Corona lockdown. There were plans to extend opening hours and make the crossing more international. In the nearby city of Nyslott, famous for its opera festival, people hoped many tourists from St Petersburg would come via the new crossing, which would also allow private vehicles to cross."

Major projects, including road improvements and a new road crossing, were already in the works. Now, all large interna-

tionalisation projects have been put on ice, both on a regional level and in terms of cooperation and financing from the EU. There is also no longer a need for expanding the crossing with capacity from the Finnish Customs and the Finnish Radiation and Nuclear Safety Authority.

“This work is not competently wasted since heavy traffic on the main road needs safer solutions. If not it would seem like we have been throwing money out of the window,” says Mayor Vesa Huuskonen. The actual border stations on both sides could also do with being renovated.

### **The border brings jobs**

The project is no longer relevant, and will probably not be for quite some time, people in Parikkala believe. The border station itself does not need to be manned since the barriers are down on both sides of the border.

But the border must be guarded, nevertheless. Perhaps more than ever, with Russia at war in Ukraine, and Finland on its way to becoming a Nato member.

The Finnish Border Guard is a big employer in the area and provides jobs for many who come from the border regions. The employees do not need to fear unemployment just because traffic has nearly stopped altogether.

During the first Corona lockdown, many of the employees in the east moved west to serve on the border with Sweden and Norway in the north. After all, they did have experience with a Russian border that really was closed.

### **Mayor with border experience**

Vesa Huuskonen was elected Mayor of Parikkala in 2014. At the time he was director of the Border and Coast Guard Academy in neighbouring Imatra. Before that, he had a long career with the border force and in the armed forces. He graduated as a general staff officer. In other words, Huuskonen does not have the usual civil servant background of a mayor.

When he was elected, he was still an officer and therefore politically unaligned. That suited the Centre party-led municipality. Later, he has run for parliament for the National Coalition Party, which has been Finland’s most pro-Nato party for a long time. He considers his military background to be useful when leading a municipality bordering Russia, and he has also studied Russian.

He also believes he can master the paperwork since he has been working for the Ministry of the Interior in Helsinki. He has given lectures to the ministry and to the Finnish government. Huuskonen assumes the municipal decision-makers also presumed he had the right contacts in order to have some influence in Helsinki thanks to his background and border expertise.

### **In hindsight**

The opening up of the borders can be criticised in hindsight, but at the time many still believed that Russia eventually would be a “good partner”, a state governed by the rule of law that fulfilled all the necessary criteria. This was the view for quite some time in Finland, and for even longer in this region, according to Vesa Huuskonen.

“2014 was dramatic enough. We might have thought that this was a local feud in Crimea and Eastern Ukraine,” says Vesa Huuskonen. But there was also hope for better conditions in the border area. Today, of course, the massive attacks and war crimes are being condemned.

“We are in a way disillusioned with Russia and first and foremost with the Russian leadership. Many here have Russian friends and contacts. Some Russians live here and there are also some Russian-owned summer houses in the area. People here are positive to Russian people.”

As a municipal employee, Vesa Huuskonen does not want to say too much publicly about Finland’s foreign and security policies. But he appears to agree with large parts of the Finnish population that the status as a Nato country will increase security on the border to the east.





## Border trade crisis: Zsar's luxury fashion tempts neither Russians nor Finns in Vaalimaa

Some of the shops in Zsar Outlet Village are having closing down sales. Most offer 30 to 70% discounts on well-known brands meant to tempt Russian tourists to shop right next to the border crossing with Finland.

NEWS

26.05.2022

TEXT: BENGT ÖSTLING, PHOTO: CATA PORTIN

Many Finns have traditionally travelled to Russia to buy cheap petrol, vodka and groceries or to look at the deterioration of the old, former Finnish, city of Vyborg.

The Russians did the opposite when the Wall came down and it became easier to buy luxury goods in the West. For a long time, the Stockmann department stores had been the only providers of Western luxury and everyday goods in Russia. Later, the Russians wanted to travel themselves.





*Zsar Outlet Village is a large shopping centre for luxury products.*

The shopping tourists were looking for international products in a larger supply than what they could find in the new Russia. Finland watched in amazement as Russians, who previously had been considered not to have any money, arrived.

### **Expensive building for expensive products**

In recent years, several new shopping centres have sprung up near the Vaalimaa border crossing, where the E18 national road will take you via the Russian border crossing Torfjanovka to Vyborg and St Petersburg. Russians keen to shop no longer have to travel all the way to Helsinki.

Zsar Outlet Village is the most spectacular of the shopping centres. It opened in time for the 2018 Christmas season. So far it has not seen much economic success, despite rising visiting numbers.

The inside of the shopping centre is bleak. Just half of the spaces have been rented lately. 32 shops out of a total of 60 were open during the winter. Some of the international brands have taken a break but will return if the border with Russia opens and travellers return.

There are rumours of bankruptcy or a complete shutdown. But the mother company has already been through a corporate reorganisation, an alternative to bankruptcy. This allows the centre to stay open.



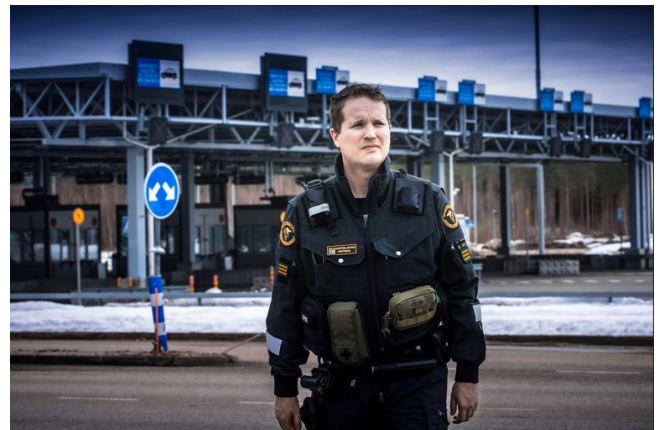
*There are not many customers in the exclusive shopping centre. Both the pandemic and the war in Ukraine have made it difficult to turn a profit.*

The centre was shut for several months at the start of the pandemic. Later, it started targeting Finnish shoppers too, even though the shopping centre is remotely situated for anyone who is not on their way to cross the border. The war in Ukraine has also had consequences. Sanctions and price increases mean more trouble.

### **Strengthening border and customs controls**

A few hundred metres from the shopping centre lies the border. Vaalimaa border crossing is an enormous complex comprising border checks, customs and Corona checks. The number of crossings has fallen sharply, due to other things besides the pandemic.

The Finnish Border Guard points to the fact that the security situation has become increasingly unpredictable. Military tensions in Ukraine bring challenges to safety in Finland's neighbourhoods too. As a result, the Border Guard has increased its capacity.



*"We maintain our readiness and always have done to be prepared for all eventualities," says Jani Westman.*

The continuing security situation means Finland is about to join Nato. In its latest budget proposal, the Finnish government has added some 650 million euro to strengthen border control, cyber security, refugee handling and the protection of citizens. The fact that this will soon be Nato's eastern border is not forgotten.

### **A fence against organised flow of refugees from the East?**

There has also been talk of erecting a fence along the border. There is a fear of Russian interference after Finland's decision to apply for Nato membership.

The opposition True Finns party have been heading warnings against an uncontrollable number of refugees coming across the border from Russia. The Finnish Border Guard points to

what happened on the Polish and Baltics' borders in November last year, when Belarus allowed refugees to cross.

"We maintain our readiness as we always have. We train for all possible scenarios," says Jani Westman, the duty officer at Vaalimaa,

Things are calm at the official border crossings. Jane Westman indicates that it is calmer than usual.

"Before the pandemic, we had 10,000 border crossings every 24 hours. Now, 2,000 crossings constitute a busy day. There are fewer than 100 cars a day," estimates Westman and says this is but a fraction of what it used to be.

The liveliest time comes around 11 am. Three different Russian coach services are travelling from St Petersburg to Helsinki and will return in the evening. A small number of private cars cross the border, which for now is only open during the day.



*There is not much traffic at the Vaalimaa border crossing.*

Freight is nearly completely gone, however. Articulated lorries and trucks with Russian or Belarusian number plates are no longer allowed to cross the border. A lot of goods is also blacklisted and cannot be taken into or out of Russia.

Grew up on the border

Jani Westman has guarded the border all of his life. He grew up near the border in Ilomantsi further north, and his father was also a border guard.

Westman has been working for the Border Guard for 19 years, mainly in Vaalimaa but he spent eight years at the Helsinki Vantaa Airport.

He studied Russian and visited the neighbouring country in his youth. But it is now ten years since he was last there, so Westman has no idea of the situation on the Russian side or how things near the border have changed.

He can not comment on the border crossings, including how many work there. This is operational information.

The passport union makes things easier on the borders between the five Nordic countries. Jani Westman says he sometimes goes on holiday to Norway or Sweden and appreciates the simplicity at the border. But he sees no chance of easing the strict border controls to the East. Having grown up next to a closed border, he is used to these things.

"At one time perhaps I believed we might be able to remove visas between Finland and Russia. But now the borders are hardly open. There has been talk about dropping visas for a long time, but it seems Russia wants things to stay the way they are."

Jani Westman believes this is more a question for Russia than for the EU and Schengen countries.





## Parikkala goes for maids, whitefish and an unusual sculpture park

There is an old saying that "the maids from Parikkala and the whitefish from Simpeljärvi are better than anywhere else". The maid is now a sculpture in the city centre while the whitefish is swimming in the lake. But a sculpture park with 255 concrete statues doing yoga is by far the biggest draw.

NEWS

26.05.2022

TEXT: BENGT ÖSTLING, PHOTO: CATA PORTIN

The sculpture park was even named Finland's domestic travel destination of the year not long ago by the Association of Travel Journalists.

Over 500 concrete sculptures fill half a hectare around the self-taught artist Veijo Rönkkönen's home.

He began creating his artworks in the 1960s. Many are said to be self-portraits that describe a difficult childhood. 250 of the statues are depicting the artist himself in various yoga positions.



*The sculpture park is open year round, but in the winter the sculptures are partially hidden by snow. These are some of the 250 sculptures that are in yoga positions. Photo: Wikipedia*

The artist was known to be a shy and eccentric recluse. Little by little, the garden began to fill up with thousands of admiring guests who appreciated the playfulness and the idea of an open-air sculpture park.

Rönkkönen in return appreciated the visitors and the fame. A report from Swedish Yle put it this way:

*"The most bewitching part of the park is made up of 255 sculptures doing yoga. Walking among them, taking in their perfect positions, their calm expressions and mossy bodies make time stand still. How can concrete express such resilience?"*

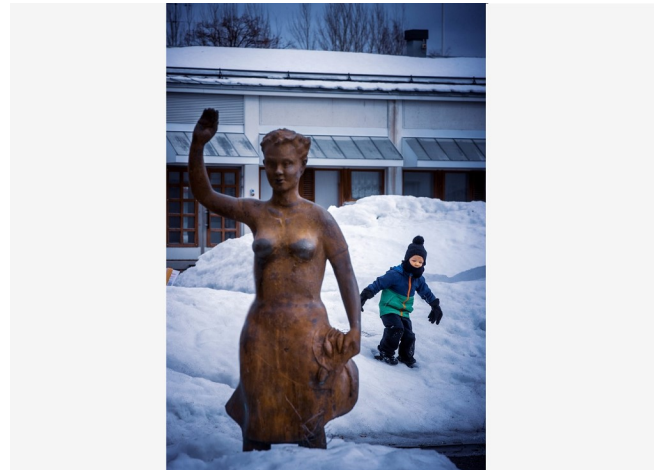
Veijo Rönkkönen died suddenly in 2010. But an art-loving businessman bought the park which is now being run by an art society. Some of the statues have deteriorated but might now be saved through private investments.



A café at the entrance to the park has also become one of the municipality's most profitable businesses, jokes Vesa Huuskonen, the Parikkala Mayor.

In Parikkala the sculpture park is considered to be of international importance and one of the largest collections of this type of art. In Finland this type of outsider art is known as ITE art, short for self-made life. The genre is often found in the Finnish countryside. (Read more here).

If you go to the Parikkala main square, you also find a sculpture – "The little maid from Parikkala".



*In the Parikkala main square stands a sculpture called Parikkala Pikkupiika (The little maid from Parikkala).*

The sculpture was made by Marjaana Tykkyläinen, an artist from neighbouring Rautjärvi. It was acquired by the Association for Kalevala Women in Parikkala. Parikkala has chosen a "Pikkupiika"(little maid) as the municipal symbol every year since 1987.

If you travel further along national highway 6 you will be travelling in close parallel with the Russian border. This is where you will find "The gateway to Ladoga", where Spaho Bogucanin offers up high-quality fish and overnight stays in an old border station on the shores of Simpele Lake.



*"The gateway to Ladoga"*



Spaho Bogucanin – also known as Caki – is originally from Bosnia but has worked in the Finnish tourism industry for a long time.

He rents the restored border station to run a hotel and restaurant, and next door he has a shop where he sells fish products. The hotel can house some 20 guests, the restaurant can seat 30.

Two half-finished hotel buildings have been standing nearby for ten years. The original owner passed away, the estate has not finished the project and the whole area has been for sale for a long time.

Spaho Bogucanin has no plans to take ownership of it. It would cost too much to own, maintain and hire staff. His children have helped him with his business but want to carry on with their education and will probably move south. That is the case for many businesses in Parikkala.

### **The price is rarely an issue for Russian tourists**

The tourism industry hoped to see a full return after Corona this year, but then Russia invaded Ukraine. And the summer season is crucial to the profitability of tourist attractions.

There are not many Russian tourists in Spaho Bogucanin's fish shop. The ones who do come appreciate the fact that he speaks Russian to them, and enjoy the home-smoked, marinated and canned fish. It comes from the lake nearby and also from Norwegian salmon farms. Bogucanin complains about the ever-increasing price of fish.



*No Russian tourists because of the war in Ukraine.*

The price is not always a problem for Russian tourists, many of whom have their own cabins on the Finnish side or along Ladoga's shores. This was the original tourism strategy – tempting discerning Russian tourists who were looking for wall-to-wall service and who had money to pay for it. Those tourists are now no longer coming.

On the other hand, many Finns have taken to holidaying at home during the Corona pandemic. Now, car tourists from the other Nordic countries are arriving too.

The border with Russia is closed for most people now. Fishers, however, can cross freely between the Russian and the Finnish sides of Simpele Lake.

### **Hope to go back to "normal"**

After 30 years in Finland, Spaho Bogucanin today feels Finnish. He praises the natural beauty of Finland and South Karelia.

"My heart used to belong to Yugoslavia, but that country no longer exists of course. We had a civil war, the worst type of war there is."

By that time, Caki had already arrived in Finland, but he remembers how Nato failed to help. There was the genocide in Srebrenica where 8,000 boys and men were killed. That is why he really wishes for the war in Ukraine to end.



*Spaho Bogucanin in front of the old border station.*

"We now see how the war in Ukraine is knocking at the door. Just like in Bosnia, civilians are the first to suffer, through horrible murders. Every death is one too many."

Spaho Bogucanin hopes normal times will return to the border between Finland and Russia.

"Many in Russia still depend on media that provide a distorted view of reality. But many visiting Russians seem to be ashamed, or at least not hoping for war. But nobody has asked them."

The world is after all full of good people – and they live in Russia too. They are more than welcome to Spaho Bogucanin's fish shop and tourist hotel, which could become the Russians' gateway to Finland.