



**ROYAL NORWEGIAN MINISTRY
OF LABOUR AND SOCIAL INCLUSION**

The Minister

Commissioner Nicolas Schmit
Directorate-General for Employment, Social Affairs and
Inclusion
European Commission
1049 BRUSSEL
BELGIUM

Your ref

Our ref

Date

22/115-

7 June 2023

Joint Nordic Declaration - policy response to changing labour relations

Dear Commissioner Schmit

During the Norwegian Presidency 2022 of the Nordic Council of Ministers for Labour, the ministers discussed and agreed on a joint declaration on how changing labour relations must be met with a distinct policy response to ensure employment protection and clarified employer responsibilities. This is a joint challenge, both at national and European level. On behalf of the Nordic Ministers, I would like to inform you about this initiative, and express our wish for further cooperation on these important matters. Attached you will find the joint declaration.

We welcome initiatives from the European Commission for improvement of working conditions for platform workers and promotion of social dialogue. The Nordic Ministers emphasize that crisis and major changes in the labour market must not allow a deterioration of workers' protection or a growth of workers in bogus self-employment. Neither should we allow business models constructed to avoid legal obligations as employers. This applies both for digital platform workers and ordinary professions in the labour market.

Yours sincerely

A handwritten signature in blue ink, reading 'Marte Mjøs Persen'.

Marte Mjøs Persen

Copy:

Johan Person

Ane Halsboe-Jørgensen

Tuula Haatainen

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Joint Nordic Declaration from the Nordic Council of Ministers for Labour (MR-A) - a policy response to changing labour relations

We, the Nordic Council of Ministers for Labour (MR-A), have discussed the manifestation of fundamental values in our working life in the context of a more complex economic environment. The Nordic countries agree that it is of crucial importance that labour law is applied to all employment relations, including where a clear imbalance of power exists, and that employer responsibilities should be clarified and adapted to changing organization of work.

The Nordic labour market models

Our labour market models are based on inter alia open-ended employment contracts, defined legal responsibilities for employers and employees, decent pay and working conditions and comprehensive collective agreements entered by autonomous social partners. New business concepts and employment contracts enabling companies to avoid legal obligations as employers, represent a challenge to the foundation of the Nordic labour market models. This may represent a barrier to trade unionism and collective bargaining, and thereby weakens industrial relations and employee involvement at the workplace. This is today particularly a challenge in industries like construction and transportation, which have a more extensive inflow of workers and companies from other countries.

Our labour markets need to be able to respond and adapt to the structural and technological changes that are now occurring. We believe that the future of work should be met with investment of resources and political will to promote a working life with safe and fair working conditions, open-ended employment contracts and protection and support of workers who are in transition between employments. This is necessary to uphold and strengthen the Nordic labour market models in times when our societies are changing rapidly.

History has shown us that there is a risk of growth in low quality jobs in the aftermath of a general crisis. We must not allow the covid-19 pandemic and the recovery, or the negative effects on the economy caused by the Russian invasion of Ukraine, lead to deterioration of workers' protection or a growth of workers in false self-employment. Neither should we allow business models constructed to avoid legal obligations as employers. This applies for digital platform workers, as well as for occupational groups such as pilots, cleaners and lorry drivers. It is important that national policy and practice keep pace with developments on the labour market to reduce the risk of both intentional or unintentional misclassification of workers.

The European Commission's initiative for improving working conditions for platform workers and ensuring guidelines for collective bargaining for solo self-employed can in the view of the Nordic countries represent an important step towards increased protection for groups on the fringes of the labour market. It is important that a directive respects the national labour market models, division of competences between EU and the Member States, and the autonomy of the social partners.

It is important to avoid possibilities of circumventing employer responsibility and ensure that the allocation of legal responsibilities is based on who in reality exercises employer functions and powers. The approach may be different across EEA/EU Member States, according to national regulation and tradition of involvement of social partners. However, both legislators, courts and social partners should consider initiatives to clarification.

New business concepts and employment contracts with unclear employer responsibilities contributes to weakening off industrial relations and workers organisation. It is a mutual challenge to increase unionization rates for workers and employers, and to promote collective agreements.

Promoting social dialogue

The Nordic countries welcome initiatives from the European Commission for promoting social dialogue and collective bargaining taking into account the limits for presenting such initiatives according to national and EU-law. We value the importance of strengthening social dialogue at European level as well as at national level. The importance of tripartite collaboration, the social partners' sole responsibility for wage settlements through collective agreements (in other words the autonomy of social partners in wage formation) and the role of the social partners on matters regarding labour law, are at the core of the Nordic model. We will contribute to the efforts to strengthen social dialogue at EU level, respecting the various national models of social dialogue and share our experiences with other EU/EEA member states.

Decent working conditions

Unfair wage competition and poor working conditions undermine the aim of a decent working life for all. Social dumping and violation of labour law often occurs in connection with precarious or non-standard forms of work. Migrant workers are more vulnerable for exploitation. Through close collaboration with social partners, we will continue to counteract social dumping. The challenges are similar in all Nordic countries and unlawful actions and work-related crime should be combated through resilient labour market systems, effective sanctions and strong enforcement for example through public authorities working together, sharing information and conducting common inspections.

Intensifying the fight against exploitative and competition distortive practices on the labour market, so called work-related crime, also necessitates increased cross-border cooperation. We have a common responsibility for promoting fair competition and fair and transparent working conditions – both at the Nordic and the EU level. The European Labour Authority represents an important arena for such cooperation. In addition, projects on the European level have inspired increased regional collaboration, such as increased cooperation between the Labour Inspectorates in the Nordic countries and the Baltic countries on labour inspection and coordination of activities to promote decent work. The Nordic Countries will continue to work together to take more action against work-related crime.

The Nordic countries welcome a strong social dimension of the EU, and the Nordic countries support and encourage the objective of a more «Social Europe». In developing the means for implementing the social dimension of the EU, the Nordic Ministers would like to recall what was stated in the Joint Nordic Declaration on Fair Competition and Fair Working Conditions from 2018, that in our view, it is important to keep in mind that the diversity of regional or national circumstances may require different solutions to what seems to be the same type of challenges. We consider it of the utmost importance that the division of competences between the EU and the Member States, as well as national labour market models, are fully respected.

This joint declaration highlights a Nordic perspective on how to deal with changing labour relations influencing the traditional forms of working life as well as new working arrangements. We share an obligation to an active policy to turn the tide away from a more dualized and excluding working life. We are convinced that a clarification of employee status and employer responsibilities and promoting fair and decent working conditions built on social dialogue as well as intensified efforts in the fight against work-related crime represents a precondition for a successful transition to the future of work.