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# The Nordic model in a new era

Programme for the Swedish Presidency of  
the Nordic Council of Ministers 2013





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### **Nordic co-operation**

*Nordic co-operation* is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and the Faroe Islands, Greenland, and Åland.

*Nordic co-operation* has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

*Nordic co-operation* seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.



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## Foreword

The work of the intergovernmental Nordic Council of Ministers has been bringing our nations closer together for more than four decades. As a body, the Council of Ministers has proved its worth as a platform for co-operation and dialogue in the Region and beyond.

Sweden assumes the Presidency of the Council of Ministers in 2013, convinced of the value of Nordic co-operation as a tool to meet the challenges faced by the countries of the Region. We see co-operation as a tool to combat exclusion, particularly in the form of youth unemployment. It is a tool to improve competitiveness while building a sustainable society and raising our already high welfare ambitions. It is also a tool for coping with the demographic challenge of fewer and fewer younger people being asked to support more and more of their elderly fellow citizens.

The starting point for the 2013 Presidency will be the Nordic social model, which has already made a successful contribution to our nations' growth, welfare and solidarity. With this model behind us, we believe that the time is ripe to take Nordic co-operation a step further and face the challenges of the future together.



Fredrik Reinfeldt  
Prime Minister



Ewa Björling  
Minister for Nordic Co-operation



## The Nordic model in a new era

### **The Nordic model faces the challenges of the future**

The Nordic model successfully combines growth and solidarity. The Nordic countries often figure at or near the top of international rankings in areas such as equal distribution of income, competitiveness, innovation, employment, equality, gender equality and environmental stewardship. The financial crisis in recent years has further underlined our relative position of strength.

Our social model is intimately linked to a number of key values, including democracy, transparency, social solidarity, equality, individualism and tolerance of dissent.

The Nordic countries' success is largely due to our early affirmation of economic openness and free trade. Small domestic markets mean it is critical for our companies to export and grow internationally. We appreciate people from other countries, see them as an asset, and are tolerant of different cultures, religions and opinions.

We believe in social cohesion, based on narrow gaps in income and an ambitious welfare state that provides good schools, health care and other publicly funded services. At the same time, we have created a social safety net designed to protect people and help them to adapt to structural change.

Gender equality is also highly valued in the Nordic Region. There is still more to be done – women still earn less than men and assume greater responsibility for housework – but women in Denmark, Finland, Iceland, Norway and Sweden are more active politically, economically and socially than in most other countries. Our parliaments and governments have a high degree of female representation, and the employment rate for women is higher than in most other countries. The importance to the status of women of accessible, high-quality childcare, fair taxation and the clear and consistent pursuit of equality on the labour market cannot be emphasised strongly enough.

In parallel with our focus on solidarity and equality, there is a strong streak of individualism in the Nordic Region. We believe that individuals should be given opportunities to develop, take responsibility and dare to challenge prevailing norms and structures. In this way, we create fertile ground for people to be free-thinking, dynamic citizens who contribute to creativity, innovation and progress.

The Nordic model remains strong in the era of globalisation, but to secure future growth, welfare and solidarity, we must take on the challenges that threaten its long-term viability and success. Specifically, we must work to overcome exclusion, especially for groups with a weak position in the labour market, strengthen our competitiveness in an increasingly tough international environment, ensure sustainable development and address the consequences of an ageing population. Nordic cooperation makes a strong contribution to identifying potential solutions to these challenges.

### **Combating exclusion**

Despite positive economic trends in the Region, too many people are still excluded from the Nordic labour market. The main victims are young people and those born outside the Region who, for various reasons, find it difficult to gain a foothold in the labour market. For people in these groups, the price of exclusion is palpable. They lack the financial security that a job provides, but also the sense of community, self-esteem and identity that comes from meaningful employment.

Work is therefore more than a means of collectively improving welfare and boosting growth – it has its own value and contributes to the individual's personal development. The inability to be self-sustaining gives rise to psychological and financial pressures that can lead to exclusion and depression. This is why it is so important to create broad pathways into employment for young people and for those with backgrounds in other countries.

Labour-market participation is also key to stronger social solidarity. Those with jobs are much less vulnerable to poverty and economic uncertainty. Getting more people into work is therefore an important part of redistribution policy.

People are at risk of exclusion for many reasons. They may lack the skills and training that are in demand, they may fall ill and find themselves unable to return to work, or it may be that the tax and benefits systems lock people into poverty traps. The Nordic countries must therefore ensure that the education system prepares young people for working life. It is also important that the benefit systems – both unemployment and health insurance – and the tax system provide individuals with sufficient pathways and incentives to enable them to enter the world of work. The Nordic countries have had different experiences and can learn from each other in this area.

We can improve freedom of movement and the joint Nordic labour market by removing barriers to cross-border mobility. By giving people greater freedom to relocate, commute, study and do business across borders in the Nordic countries, we improve the functioning of the labour market. This in turn also helps to reduce exclusion.

### **Strong competitiveness**

The world's political and economic geography has changed rapidly in recent years. Competition is becoming increasingly fierce, especially from fast-growing economies in Asia, Africa and Latin America. Almost every aspect of the production of goods and services is now subject to international competition. Our competitors overseas no longer just offer lower prices – they now also offer high-quality products and services with high knowledge content.

All of these factors affect the conditions for growth and welfare in the small, open Nordic economies. On the whole, we have benefited from globalisation. However we have also been very clearly reminded that prosperity and economic strength do not necessarily last forever. Our ability to change and renew ourselves will be sorely tried if we are to maintain the welfare model that we have built up over the decades. More than ever, Nordic companies need to seek out new strategic markets and tackle new competitors. We must safeguard international free trade. New demands will be placed on companies' and society's ability to adapt, evolve and develop new products and services. Innovation will be one of the main concepts behind the broad business policy and new social thinking that will ensure our competitiveness and safeguard the Nordic model.

In a world in which financial currents flow ever faster and stronger, and in which competition for capital is intensifying, the Nordic countries can benefit from our close links with each other. Our similar business and social cultures constitute a basis for joint investment, which enables us to focus on certain areas where we can increase our competitiveness and visibility in the world.

### **A sustainable society**

Sustainability is about acknowledging the needs of current generations without compromising the ability of future generations to meet their needs. The Nordic welfare state will be strongly influenced by the consideration we must and shall give to the environment and climate, energy supply, use of natural resources, food supplies, safety, ill health and ageing.

The challenges we face can also inspire broad solutions that strengthen the Nordic Region and confer international competitive advantage. They often require collaboration between different disciplines and sectors of society, even across national borders.

Climate change is already having a significant impact on human society and the environment. A warmer climate with milder winters and increased precipitation will greatly affect the economy and welfare in the Nordic countries, particularly in relation to fisheries and aquaculture, agriculture, food production, forestry and the ability to make a living, as well as human health and habitats. Nordic co-operation can help to improve the preconditions for the Region to address the challenges and opportunities presented by climate change.

By 2030, the world's energy needs will be 50% greater. Energy is crucial for growth and jobs, but the planet's exploitable energy sources will not be sufficient for the combined growth envisaged by the nations of the world. The Nordic countries have good natural conditions for extracting energy from renewable sources. We agree on the importance of energy efficiency, and we have taken steps to ensure that our available resources are used more efficiently. If climate targets are to be reached, energy efficiency and the ability to extract energy from renewable sources need to be improved. This will require closer Nordic co-operation in these fields.



## **Demographic challenges**

Many regional and local authorities in the Nordic countries face considerable challenges in connection with the declining number of people of working age, the ageing population and the increasing shortfall in skilled labour. More and more people will have to be supported by fewer and fewer people of working age. Coping with future demographic challenges primarily requires that measures are implemented to get more people in work, that working life is extended, and that more people are able to establish themselves on the labour market at an earlier age. This will increase the number of hours worked as well as tax revenues, and will improve the Region's ability to cope with labour shortages.

The demographic situation can be especially problematic in sparsely populated areas, particularly regarding the provision of commercial and public services, infrastructure, skills, housing, transportation and business development. However, there will also be opportunities for regional growth, in the form of innovative solutions and new services and products. The ageing population is large but increasingly active and fit for work – and often in a better financial situation than previous generations.

As we live longer, we must also relate to changes in the way that the different phases of life are perceived. A society in which many people live to 90 or 100 may lead to new perspectives on at what point in our lives we choose to do various things.

The Nordic countries can learn from each other's experiences about the strategies needed to respond to the demographic changes and their socio-economic consequences. We can also create a joint Nordic platform upon which to build knowledge.

## **The Nordic Region in the world**

The Nordic countries are closer to each other than most other groups of nations. Internationally, we are seen as a group of nations that generally think alike, do alike and vote alike. This creates the conditions for concerted international input and joint solutions, including outside of the formal co-operation regulated by the Nordic Council of Ministers.

On the global stage, we constitute a clear, joint voice for sustainable development, democracy, equality, international solidarity and peaceful resolution of conflicts. We are among the largest development aid donors in the world, we support the UN and other international organisations, and we provide personnel for a number of important international initiatives. By virtue of our long-term commitment to peace and freedom, we have built up a considerable level of respect. We must protect and use our standing in order to continue to make a constructive contribution to international efforts to create a more just world.

The Nordic Council of Ministers has long enjoyed a particularly close cooperation with the Region's neighbours: the Baltic states, North-West Russia, Canada and the Arctic Council. In this context, we actively pursue Nordic values and goals through multiple, tangible programmes and collaborative projects.

The Nordic name is an asset that we will continue to protect and develop.



## Combating exclusion

Youth unemployment will be a major theme of the Swedish Presidency. For young people, work is not just about being paid. It is a step towards full citizenship, a step into society. The labour market is therefore one of the main tools for creating a society with room for everybody.

The Nordic countries all have their own experiences of how education, legislation and mobility can affect young people's entry into the labour market. Youth unemployment has increased in recent years in most of the Nordic countries – albeit at different speeds and from different levels. In addition, all of the Nordic countries – except Iceland, with an average age of approximately 37 – are facing a demographic trend of an increasing proportion of older people. It is also common among the Nordic countries that unemployment among young people born outside the Region is particularly high.

In 2013, under the heading “More young people in work in the Nordic Region”, we will implement a broad exchange of experiences between the Nordic countries on ways to facilitate young people entering working life. Each country's tax, education and labour-market policies will be assessed.

In May 2013, a job summit will bring together the Nordic prime ministers and interested parties from other parts of society, such as youth organisations, employers, trade unions, government agencies, companies with a large number of young employees, educational institutions and others.

Young people in work also forms a central theme for the Norden Association in Sweden, which before and during the Swedish Presidency is running a new project called “Enterprising youngsters in the Nordic Region”.

The situation of people with a foreign background in the Nordic labour market will also be highlighted during the Presidency. Work and education are the best ways to integrate new Nordic citizens into society – especially young people. Differences, similarities and best practices will be presented and discussed as part of an informal ministerial meeting in the integration area. This will provide an opportunity to discuss various important aspects of integration, such

as education and competences for people born abroad, as well as links to the labour market for immigrants with limited education and training. This also includes the question of supplementary education for academics who trained abroad, and the assessment of qualifications gained outside the Nordic Region.

The Nordic Region is highly cosmopolitan, and many of its citizens are knowledgeable about the business culture, politics, language and religion of their former homelands. Sweden has years of positive experience of working with young entrepreneurs with foreign backgrounds. The experiences of the Swedish “cosmopolitans” project will be reported back during the year.

One of the top priorities of Nordic co-operation is the work to remove barriers to mobility between the countries of the Region. The goal is, as far as possible, to eliminate barriers that make it difficult for people to commute, study or settle in another Nordic country. Barriers affecting the ability to conduct business across borders should also be abolished. Efforts to reduce the number of barriers to cross-border mobility contribute to higher growth and greater prosperity. It also enhances the sense of affinity between Nordic citizens and helps to make the Region more attractive to external investors.

The long-standing co-operation on legislation and exchanges of experience in the legal field is one of the most prominent features of Nordic co-operation, and is vital for the removal of barriers to cross-border mobility. Today, however, the focus of co-operation is on those areas of the law that require innovation and adaptation in response to rapid international developments. Debt is one example of an area in which exchanges of experience are important. In times of economic turbulence, private debt often becomes a significant problem for groups not used to facing financial problems, and ways need to be found for them to restructure their debts.

When implementing EU and EEA legislation, it is important that the Nordic countries seek to avoid solutions that are too different within the Region. Otherwise, there is a risk that national adaptation of EU law will create new barriers to cross-border mobility.

In 2012, the Council of Ministers launched a review of the work to remove obstacles to cross-border mobility in the Region. One of the objectives is to improve co-ordination between existing and new

participants in the work. On the basis of this review, proposals to make the work more efficient will be submitted.

In spring 2012, a Nordic group consisting of experts from various agencies submitted a final report about obstacles to cross-border mobility within the area of working life and social affairs. Work has commenced on reviewing the group's proposals. Sweden will follow up on this work during the Presidency.

Gender equality has long been a key issue in Nordic co-operation. The current programme for equality runs to 2014 and focuses on the role of equality in creating the preconditions for a sustainable society. The aim is to ensure that women and men's experiences, competences and perspectives are utilised to facilitate a sustainable, better and more just society. Equality also generates economic growth.

The Swedish Presidency will focus on gender equality in teaching. Equality in education is about every girl and boy having the opportunity to develop their abilities and interests without being hindered by gender stereotypes. In a school with gender equality, educational and vocational choices are individual, and not determined by gender. Successful schools have high expectations of their students, and work according to the principle that the quality of teaching – not the students' gender – is crucial to the outcome. In order to highlight good examples of schools and kindergartens that run high-quality activities based on gender equality, a study will be conducted of gender equality in relation to sustainable school development. The report will be presented at a seminar during the Swedish Presidency.

Gender equality in working life will also be a theme for the Presidency. In particular, we intend to address the potential economic and financial implications of an unequal working life at both individual and family level.

Children and young people are a priority for the Council of Ministers, and an important policy area in all parts of the Region. The overall objectives of the Nordic Children's and Youth Committee are to promote children's and young people's need for good living conditions, and to highlight the contribution of children and young people. These include new methods of male and female participation in democratic processes, diversity and human rights.

During the Norwegian Presidency in 2012, the ministers of culture allocated funds for a Nordic children's and young people's literature prize, and initiated dialogue with the Nordic Council to award such a prize for the first time in 2013. Sweden will continue this work, which is part of a larger effort to raise the profile of children's and young people's literature.

All of the Nordic countries recognise the importance of culture in schools. The Council of Ministers recently commissioned a survey of research on the role of culture in education. During the Swedish Presidency, we will further strengthen combined competences in this area. To that end, a conference will be held on the role of culture in education, from a research and policy perspective. The purpose is to present Nordic experiences, as well as to promote strategic development in this field.

The Nordic countries have all, in different ways, prioritised the implementation of the UN Convention on the Rights of the Child. Against this background, the Swedish Presidency will hold a seminar focusing on exchanges of knowledge and experience between countries, in order to improve the Nordic application of this important convention.

A strong cultural affinity based on our shared history is one of the defining characteristics of Nordic co-operation. However, idioms and the conditions for culture are changing all the time. Today, cultural identities are more multi-faceted than ever before. Cultural diversity is an important element of Nordic co-operation. Nordic cultural co-operation includes an inter-cultural Nordic Region.

A new strategy for Nordic cultural co-operation will be launched in 2013. The strategy has five themes: the sustainable Nordic Region; the creative Nordic Region; the inter-cultural Nordic Region; the young Nordic Region; and the digital Nordic Region. The strategy will be a joint tool for cultural co-operation in a longer-term perspective, which aims to endow co-operation with even greater continuity and focus.

Free media and communication are cornerstones of democracy. The digital revolution has brought about fundamental changes in the preconditions for participation in the democratic process. This fact has become increasingly apparent during the dramatic international



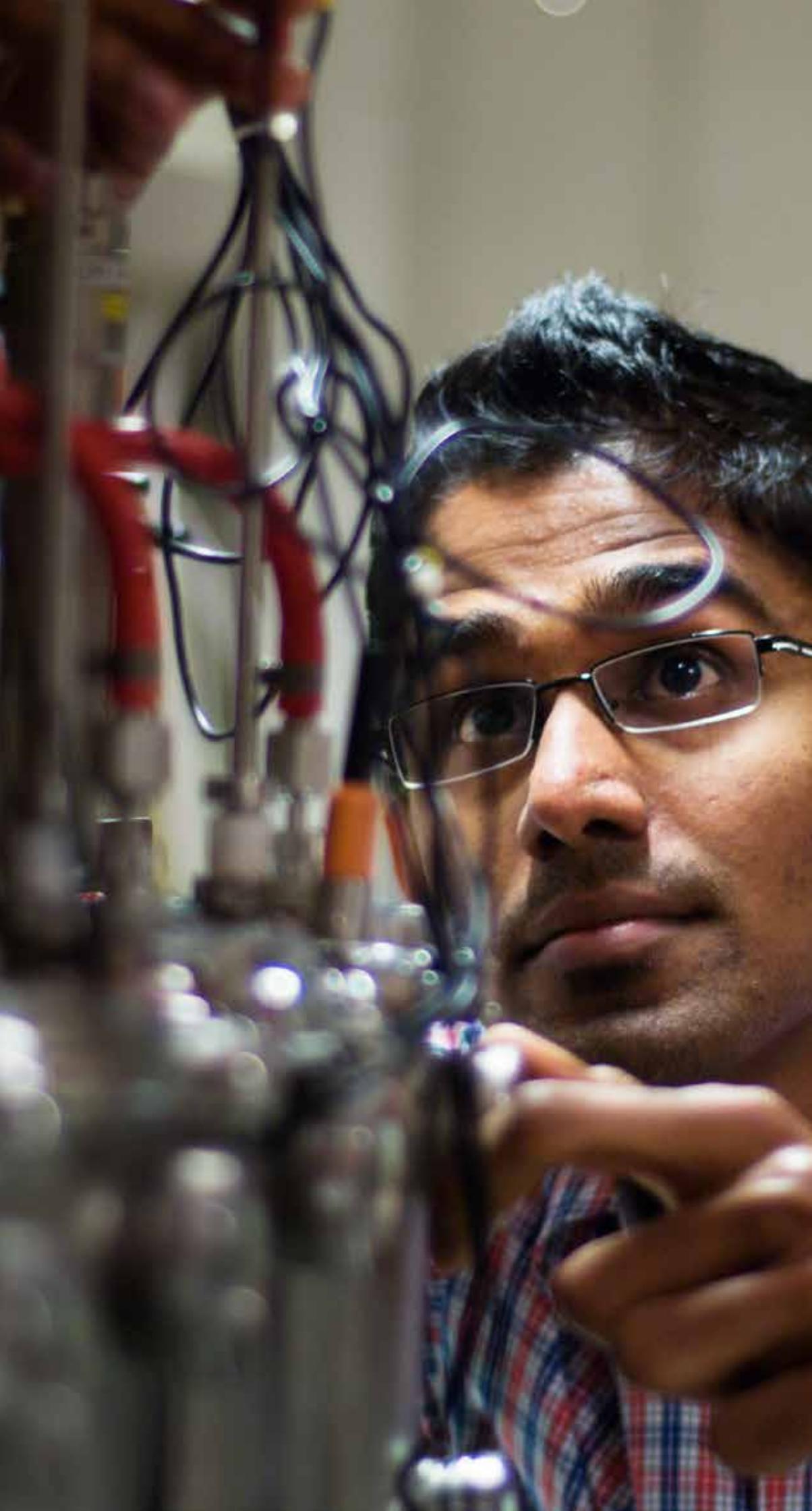
upheaval of the past year. More change is required if citizens are to make their voices heard. Equally, a critical approach to the vast range of media channels is needed if citizens are to stay informed. We now talk about media literacy in almost the same terms as we talk about ordinary literacy. Children and young people belong to the group that is most exposed to and familiar with new media. The Region's shared view of democracy and society – and of children and young people – makes us particularly well placed to move forward at Nordic level. A meeting will be organised on the subject of media literacy as the key to freedom of speech and democracy.

As part of the strategy, we will focus on the limitations on our opportunities to take advantage of our Nordic neighbours' culture and media. The reasons behind this are not only geographical, but organisational and technical. The aim is to provide greater access to and wider dissemination of Nordic cultural content on radio and television, but also in relation to more traditional culture – for example, museums and archives. Increasing digitalisation enhances the ability of citizens to take part in what Nordic culture has to offer, and increases opportunities to engender a wider sense of community. We have much to gain from joint strategies, and see a need for Nordic exchanges of experience. A Nordic conference on digitalisation, digital preservation and digital accessibility of cultural heritage will be held in 2013.

## TO DO

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- “More young people in work in the Nordic Region” – compare experiences to ease the path to work for young people
- “Job summit” attended by Nordic prime ministers and focusing on youth unemployment
- Informal ministerial meeting on integration
- Conference on complementary training for academics trained abroad and assessment of foreign qualifications
- Nordic exchanges of experience about debt
- Presentation of the Swedish “cosmopolitans” project
- Complete review of work on barriers to cross-border mobility
- Presentation of study on gender equality in schools
- Analysis of economic consequences of gender inequality
- Seminar on children’s rights
- Meeting on media literacy as a key to freedom and democracy
- Conference on the role of culture in learning
- Conference on digitalisation, digital preservation and digital access to cultural heritage



## Strong competitiveness

The major international changes summarised under the heading of globalisation have also greatly influenced the Nordic countries and altered our international competitive position. This is a given starting point for the Presidency. We need to ask ourselves how the ministerial councils can best be used to make Nordic co-operation even more future-oriented and more relevant to the Nordic countries' global competitiveness.

The Nordic Co-operation Programme on Innovation and Business Policy expires in 2013. It includes several initiatives that focus on the Nordic Region as an innovator, but also poses questions regarding entrepreneurship, green growth, sustainability, welfare, and the cultural and creative industries. More and more attention is being paid to the potential for these areas and their mutual interrelationships at different levels. Innovation will be one of the keywords for the new programme of co-operation on business policy after 2013. A major conference on the Nordic Region's future business policy is planned for the first half of 2013. The aim of the conference is to provide valuable input into the ongoing work to draw up a new Nordic co-operation programme for innovation and business policy.

The Swedish Presidency will also focus on innovation processes that address complex social challenges, such as ill health and ageing, energy supply, consumption of natural resources, civil security, water and food safety, and social planning. These challenges not only represent future business opportunities, but are driving forces for new solutions for sustainable development in a broad sense.

A new regional policy co-operation programme will be introduced and remain in force until 2016. A conference in support of the implementation of the programme, with a view to establishing and disseminating the programme's content, is planned for early 2013. The new co-operation programme deals with welfare, innovation for green growth, sustainable towns and cities and the development of the Arctic.

The environmental and climate sphere is characterised by rapid international development. This involves adaptation of both consumption habits and production technology to meet global climate and environmental requirements. There is scope for further strengthening the Nordic countries' competitiveness by developing new technologies with lower emissions. A good starting point for this work is already in place. The Nordic name is an asset in this context.

The Nordic countries have established a successful co-operation with the Nordic ecolabel that allows consumers to choose the most environmentally friendly products on the market. This therefore serves to stimulate product development that respects the environment. The label also helps Nordic products compete on the basis of environmental considerations. It should therefore be possible to adapt the Nordic ecolabel for use as an environmental and climate label in more areas.

The joint Nordic electricity market will be further developed, particularly with regard to security of supply, competition and efficiency. The consumer's position in the electricity market must be improved. The work to develop a joint Nordic end-customer market will continue, with a view to achieving greater efficiency, greater choice and better service for consumers. The geographical area that can be considered a single market for electricity is growing from year to year as we become increasingly integrated with the other countries in Northern Europe and the Baltic. The management of transmission constraints in the electricity grid between countries will be addressed from a Nordic and European perspective.

In the construction sector, a range of rules are perceived as obstacles to selling services, materials and structural elements throughout the Nordic Region. This hampers competition and raises construction costs. The Presidency's ambition is, within the framework of Nordic co-operation, to work for a smoothly functioning construction market that will serve as a model at European level. The issue will be discussed at an informal ministerial meeting during the Presidency.

The soil, forests and ore of the Nordic Region are the historical foundation of its prosperity. Now we see that these old industries can contribute in new ways to economic growth that is both competitive and, at the same time, capable of meeting climate challenges and other environmental threats. Businesses that provide new jobs can therefore evolve out of these traditional industries.





The expanding mining industry will be a focus area for the Presidency. A collaborative project called NordMin is proposed, with funding for three years. The aim is to create a Nordic platform for sustainable growth and increased competitiveness in the mining and minerals industry. The vision is that after the first three-year cycle, NordMin will grow organically, and raise the international profile of Nordic potential in this field. NordMin will work with the entire value chain within mining – from prospecting to recycling and resource efficiency – as well as business-development issues such as education, research collaboration, corporate social responsibility, gender equality and ensuring the requisite competences.

Modern rural entrepreneurs can become an engine for growth and provide local solutions to global challenges. In order to promote competitiveness, rural enterprises need access to capital. There is at present insufficient knowledge of rural businesses' capital needs. This issue will be discussed at a conference in connection with the annual meeting of agricultural ministers.

“The modern forest” and the importance of the forest to the climate, due to its absorption of carbon dioxide and as a feedstock for bio-fuels, will also be themes for the Presidency. A conference is planned on forestry and the options for the future use of woodland. The Presidency will also highlight other forms of innovative and growth-promoting entrepreneurship in rural areas.

The Nordic countries' economic strength is underpinned by high-class research and qualified training at all levels.

The Swedish Presidency will therefore look at research infrastructure. We are convinced that co-operation in this area will provide the Nordic countries with great leverage in international research co-operation. Nordic co-operation on research infrastructure should be strengthened within pre-existing Nordic platforms. NordForsk is one of the agencies with an important role to play, and has responsibility for several ongoing Nordic infrastructure initiatives.



## TO DO

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- Conference on future Nordic business policy
- Conference on a new Nordic co-operation programme for regional policy 2013–2016
- Informal ministerial meeting on freedom of movement in the construction industry
- Establishment of the NordMin joint mining project
- Conference on local supply of capital
- Conference on “the modern forest”



## A sustainable society

The Nordic welfare model must be economically, socially and environmentally sustainable. It must be based on the goals we set for the environment and the climate. It must be based on vigorous ecosystems, sustainable consumption and production, research, training, education and innovation. In 2013, a new Nordic policy document on sustainable development will come into force. This will provide an overall framework for cross-sectoral co-operation between the councils of ministers. It is a prerequisite for successful implementation that the individual ministerial councils feel a sense of ownership of the joint work.

After the June 2012 conference in Rio de Janeiro on the green economy and combating poverty, joint Nordic initiatives will be prepared. In addition, a Nordic partnership is also planned on the development of sustainability targets and welfare indicators as a supplement to the traditional GDP measurement.

During the Swedish Presidency, the Council of Ministers' fifth conference on sustainable development will be held. The aim is to strengthen and further develop local and regional work on sustainable development in the Region. One ambition is to showcase the relationship between sustainable development and the Nordic social model, for the benefit of interested international visitors.

The Nordic countries must continue their efforts to bring about a binding global climate agreement. Long-term planning will continue for the transition to a Nordic Region free from greenhouse-gas emissions by 2050. Closer co-ordination of the Nordic institutions' work is needed throughout the whole climate and environment area, not least in order to achieve the national climate targets.

Work on implementing the new Nordic environmental action programme for 2013–2018 will begin during the Swedish Presidency. This will focus on green social development, climate and air pollution, biodiversity and ecosystem services, as well as environmentally hazardous chemicals. In the chemical field, the Nordic countries will continue to promote the global convention on mercury during 2013. In order to promote green growth and resource efficiency, waste minimisation, recycling and reuse will be priorities at every stage.

Efforts to improve the environmental state of the Region's seas and rivers, including the Baltic, the North Sea and the Arctic, must be intensified. Joint guidelines for ecosystem-based planning in Nordic marine areas need to be drawn up to ensure the sustainable use of marine resources.

Conservation of fish stocks is a basic precondition for the future of the fishing industry. To date, management of fish stocks has focused on single species, while insufficient attention has been directed towards the impact on other parts of the ecosystem. To improve long-term sustainability and provide a basis for ecosystem management, it is vital to develop and agree on guidelines for multi-species management of the fisheries industry. During the Presidency, a seminar will be held to develop practical guidelines for such management, with a view to application elsewhere in the world.

In accordance with international agreements and targets, the Nordic Region will continue to work to maintain the resilience of Nordic ecosystems. Nordic society places great value on the natural world, and in this context the importance of biodiversity and ecosystem services must be highlighted. The continued development of evaluation methods and more case studies of specific Nordic conditions are crucial for raising awareness among the general public of the value of ecosystem services. The Arctic Council's "Arctic Resilience Report" will present new and valuable knowledge in the field at the meeting of Nordic-Arctic environment ministers in Jukkasjärvi in 2013.

Reducing emissions of short-lived climate agents – for example, stemming from wood burning – would have a positive impact on both air quality and the climate. The Presidency will pay attention to this issue as part of a Nordic project, and will at the same time work towards binding agreements to reduce emissions. Here too, Nordic co-operation makes a direct contribution to the work of the Arctic Council.

There is a very great need to further develop renewable energy sources. The demand for such initiatives will increase, partly as a result of the targets set by the EU for its members, and partly to achieve the long-term national targets of reducing net greenhouse gas emissions to zero by 2050. In order to ensure that the targets can be achieved in the most efficient manner possible, Sweden wants to develop co-operation mechanisms via the EU renewable energy di-



rective. Co-operation on energy efficiency will continue, with a focus on preparing and implementing EU strategies and directives such that the Nordic benefits are as great as possible.

The Action Plan for Nordic Energy Co-operation expires in 2013. During the Swedish Presidency, a new action programme for the energy sector will be developed for the period 2014–2017.

The Nordic countries already have a good supply of renewable energy, in the form of hydro-electricity, wind power and bioenergy. We are at the forefront of energy efficiency, and have developed advanced technology for environmental and climate-friendly production. Further development is possible in the areas of renewable energy and resource efficiency. The most competitive countries and companies will be those that offer energy-efficient products and production methods. The Nordic brand is an asset when it comes to exploring new ways to improve the environment.

The Presidency wishes to draw attention to rural areas' great potential to provide a rich life and sustainable livelihoods. A clear goal is to make it possible to live and work in rural areas on competitive terms. This will be facilitated by environmentally, socially and economically sustainable production within a bio-based economy focused on adaptation to tomorrow's needs and wishes.

A conference will also be held on modern eating habits, which will put the meal into a broader context. The conference will focus on public health, animal welfare and environmental impacts, and on what people, now and in the future, want to eat and can eat. The purpose of the conference is to spread knowledge and influence both decision makers and consumers regarding issues related to food, meals, eating habits and the potential of the food industry. Among the goals are ensuring better control of food production and clearer information about our food. Reducing levels of wastage in food production and consumption, and dealing more effectively with the losses that do occur are also key themes.

## TO DO

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- Individual ministerial councils' work on the new sustainability strategy to be intensified
- The Nordic Council of Ministers' fifth conference on sustainable development
- Presentation of common principles for an ecosystem-based approach to marine planning
- Conference on ecosystem-based fisheries management
- Launch of a Nordic initiative on reduction of short-lived climate agents
- Conference on co-operation on the Nordic countries' roadmaps for zero net greenhouse-gas emissions by 2050
- Nordic efforts initiated to prevent and recycle waste
- Development and adoption of new policies for the energy sector 2014–2017
- Conference on modern eating habits

## Demographic challenges

The Nordic countries need to share experiences on which strategies are needed to respond to the demographic changes and their socio-economic consequences in the Region. A common Nordic platform for knowledge development in this crucial area will be established. Work has already started in various areas and will be further developed.

In 2012, a Nordic project was launched on regional strategies for dealing with demographic challenges, funded by the Nordic Council of Ministers. The starting point for the project was that there were plenty of analyses but little tangible knowledge of how new challenges can be managed through strategic development work.

So far, the project has resulted in a handbook that includes 150 examples of how to work on demographic issues, as well as interactive maps that enable regional and local authorities to see how they rank in terms of demographic structure and vulnerability. Four regional seminars have been conducted in the Nordic countries to disseminate and further develop the handbook. There is now a great need to disseminate this material via experience exchanges and to apply it in skills-enhancement work. The demography project will also include a programme for calling for tenders for project funding. The aim is to promote innovative solutions and strategies in regional and local authorities' management of demographic challenges. Sweden intends to further develop this programme during its Presidency.

A new Nordic co-operation programme on working life will take effect in 2013. It will focus both on demographic developments and on the long-term challenges posed by globalisation. The programme will seek to promote the supply of labour and reduce structural unemployment for women and men. In the employment law context, one major task will be to follow up on the Nordic model's conditions, challenges and adjustments, and to develop it in relation to an increasingly globalised labour market and business environment. This is an important issue for the Nordic platform.

One of the aims of the new co-operation programme is to make working life more inclusive. The demographic trend of an increasing proportion of pensioners means that the dependency ratio for economically



active people of working age will increase. Attention will be paid to good Nordic examples of pathways into employment for women and men who have difficulty gaining a foothold on the labour market, including young people, people born abroad and people with disabilities. An inclusive working life will also focus on the situation facing older people on the labour market. This may apply both to demand for older workers and to issues related to the working environment, organisation of work and the adaptation of ways of working that will help prevent early exit from the labour market.

An increased proportion of elderly people places greater demands on the supply and quality of care. Like all other activities, the care of elderly people requires continuing evaluation and development in order to meet existing needs in an efficient and appropriate manner. It must also continue to improve and, based on principles of dignity and security, to give people the support and tools they need to maintain their autonomy as long as possible. This is a matter of the individual's quality of life, but it is also to a large extent a question of economic efficiency and sustainability. During the Presidency, a conference will be organised on the supervision and monitoring of care for elderly people in order to ensure quality and develop new methods.

The Nordic welfare model is based on shared values, with many mutual similarities and distinctive features. In particular, the Presidency will examine how demographic changes may affect the Nordic countries' social-security systems, and how these can be developed and strengthened. A conference on the Nordic social-security model will be held in conjunction with the 2013 meeting of ministers for social affairs and health.

## TO DO

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- Create a Nordic platform for managing regional demographic challenges
- Develop programmes with project funds for the practical management of demographic questions
- Conference on the quality of care for elderly people
- Conference on the Nordic social model

## The Nordic Region in the world

In addition to the work of the Nordic Council of Ministers, informal collaboration takes place between the Nordic countries on various national and international questions. We often work hand in hand with other international organisations and in international negotiations.

In 2013, Sweden will chair the meetings of Nordic prime ministers and foreign ministers (N5). Sweden will also chair the corresponding meetings in the Nordic-Baltic sphere (NB8). Foreign and security policy co-operation has both broadened and developed in the N5 and NB8, not least through the work on the Stoltenberg report on Nordic foreign and security policy co-operation and the Birkavs-Gade report on Nordic-Baltic co-operation. Active and wide-ranging NB8 partnerships already provide mutual benefits for all of the countries involved, at both ministerial and senior official level, in a range of policy areas.

The Nordic Council of Ministers' work with neighbouring regions stretches in all directions. Co-operation with the Baltic States began shortly after Estonia, Latvia and Lithuania regained their independence in the early 1990s. In the mid-90s, the Nordic Council of Ministers initiated co-operation with North-West Russia, which is today quite extensive. The Nordic Council of Ministers' activities in relation to Belarus are conducted primarily in conjunction with the EU and other donors operating a Trust Fund for the European Humanities University (the exile university) in Vilnius. The Nordic Council of Ministers participates at project level within the EU Baltic Sea Strategy and the Northern Dimension. The Nordic Council of Ministers has also initiated co-operation with its neighbours to the west, in which Canada plays a main role. The Nordic Council of Ministers is an observer on the Arctic Council. The Nordic Council of Ministers' Arctic Co-operation Programme is aimed largely at supporting Nordic priorities in Arctic policy.

The Swedish Presidency will continue to work with the neighbourhood programme. The current guidelines for co-operation with Estonia, Latvia, Lithuania and North-West Russia expire in 2013. During the Swedish Presidency, decisions will be made on future co-operation. A working group has been set up to address the question.

A forward-looking theme meeting on the Nordic Region and the EU will be held. The Swedish Minister for EU Affairs will invite the EU ministers of the Nordic countries to attend the meeting.

Nordic culture will be the theme of the annual international cultural performing arts festival, which will take place during February and March at the Kennedy Center in Washington. The programme, which has been put together by the Kennedy Center, covers a wide range of Nordic culture. The festival – Nordic Cool – presents the Nordic countries in both a cultural and political context, making it a valuable platform for Nordic co-operation and dialogue with the United States. This highlighting of the Nordic Region creates the opportunity for dialogue about current social affairs and the Nordic welfare model. Various aspects of the Nordic model will be presented through seminars and other activities at the festival.

## TO DO

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- Swedish Presidency of N5
- Swedish Presidency of NB8
- Lead the work on future co-operation with neighbouring areas
- Host the EU ministers' meeting on the theme of the Nordic Region and the EU
- Nordic performing arts festival at the Kennedy Center, Washington DC

## Reform of the Nordic Council of Ministers

A prerequisite for the vitality of Nordic co-operation in a time of great global change is that we are constantly prepared to review our forms of co-operation. Nordic co-operation has gradually been reformed in recent years, partly following a survey conducted in 2008. This process of reform should continue. All ministerial councils have the task, in their respective fields, of continuously considering the forward-looking changes to the co-operation that must be made in order to adapt to new circumstances. Cross-sectoral co-operation should be promoted. This will give future presidencies greater scope to focus on strategic areas and set policy priorities.

A significant budget reform was implemented this year, with the merging of the globalisation and presidency budgets into a shared priority budget. A main objective of the reform was to galvanise Nordic co-operation and provide opportunities for the innovative efforts necessary to the success of Nordic co-operation. The Swedish Presidency will be the first to use the new budget.

The ministers for Nordic co-operation should discuss the lessons to be learned from the new setup. They should then consider how the Council of Ministers can best conduct further analysis of its budget work, with the aim of using the budget in an even more flexible, strategic and innovative manner.



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