

Speech by Kristina Persson, President of The Norden Association

About Nordic cooperation, Biskops Arnö 16th of June 2010

Ladies and Gentlemen, distinguished representatives of the diplomatic corps!

Introduction:

I am so pleased to see you all here! This is the time of the year when Swedes are the most in love with their country, not the least Stockholm. I am sure you understand why, particularly if you experienced the past arctic winter, with lots of snow and minus 15-20 degrees, even in this southern part of Sweden.

Swedes have a strange notion of geography, almost everything north of Stockholm is called The North, or Norrland, which actually is some 2/3 of Sweden. And of course the further north you go the colder the climate becomes - if it hadn't been for Golf stream it would hardly be habitable.

You may have guessed already where I come from, originally – one of the most beautiful landscapes in Sweden, called Jämtland, some 600 kms north of Sthlm with plenty of mountains, lakes and forests. I was brought up there and came back as governor of the province for 6 years between 95 and 2001, after spending some time in both the Swedish and the European Parliament.

I am still a Jamtlander by heart – like many Swedes and I believe other people in the world - I have a double or triple identity. Most Stockholmers are first generation, they come from other places than Stockholm and some 20 % from other countries.

Jämtland, that used to be Danish- Norwegian for many hundred years - it became Swedish in 1645 - has some 126 000 inhabitants in an area as big Denmark. If we had had the same density of population as central parts of Europe we would have been **19 million**.

So there is a lot of space here and we would be happy to welcome more immigrants. We actually seem to have, in comparison with most other countries a more positive attitude to people with a different cultural origin. According to a recent investigation the Swedes positive attitude to refugees from other countries has even increased lately, at the same time as the opposite tendency is noticed in the other Nordic countries.

I have no idea why this is the case but it makes me proud, and as the human climate in Europe is becoming chillier each day with unemployment and economic problems, this is something we should try to export to the rest of the world. But nothing can ever be taken for granted, also we have to work hard to keep up openness, tolerance and a positive view on migration. As you probably know there is a political party with a xenophobic agenda, "Sverigedemokraterna" that is close to pass the 4% limit for entering the Riksdag – our parliament.

These values – openness, tolerance etc - are included in the program of the Norden Association, which was adopted here at Biskops Arnö last Sunday.

Nordic cooperation and The Norden Association

The official Nordic cooperation consists of many different layers and categories which Helena soon will tell you more about. In this you can say that we are representing the people. The political parties do too, but our aim is specifically to work for Nordic cooperation across nation borders.

Once upon a time we were bigger and more influential than we are today. The Norden Association was created in 1919 and became soon a strong movement. The main purpose was to create peaceful relations between us, avoid conflicts and strengthen our cooperation. Relations between us had not always been so peaceful over the centuries. You can say that we for a long time primarily were looking inwards.

Now we live in a completely different world, a lot of our old objectives have since long been realized. Now we are instead looking **outwards** and we ask ourselves what we can do better in the world and **for** the world - if we join hands and work together.

Our Association has all along its 90 year history been what we call a “peoples movement”, which means that we organise individuals across the borders and with the objective to influence the policies of our governments.

The Norden association has always been non-partisan and characterized by a typical bottom-up approach, building networks between people and organisations in all different parts of the society.

Another feature of the Nordic cooperation is its informal character. Our labour markets have since long time been integrated and many companies are organised as Nordic groups. Contacts between people and companies are strong across borders. Every other person working within the service sector in Norway, is a young person from Sweden. Behind these close relations there is 100 years of dedicated and structured work to establish close cooperation from the grassroots level up to the Governmental co-operation.

The Norden Association has played an important role in this and continue to do so, although our organisation today is smaller and with a somewhat different agenda than after the 2nd world war. The movement today has approximately 60 000 members throughout the Nordic region. The aim of the Norden Association today continues to be to stimulate and improve Nordic co-operation at all levels, especially in the fields of education, culture, the labour market, industry, massmedia, international aid and environmental care.

A lot of work is done to take away all the obstacles for cooperation – trade, work, culture etc This seems to be an eternal struggle. As new rules and legislation is introduced new obstacles turn up.

The Norden Association **in Sweden** today has about 16 000 members. The vast majority are

private persons but also organisations, companies, schools and libraries are members of the association. Members are offered different kind of services and activities, seminars and books of special Nordic interest or concerning Nordic issues.

We have our own magazine, "Nordens Tidning" informing about actual Nordic issues, and published 4 times/year. The association also distribute a yearbook. The local branches of the association arrange study circles, seminars, trips, study tours.

We also have a "friendship-town" systems, meaning that there are bilateral cooperations or chains of towns cooperating in the Nordic countries through a special visits and collaboration in various fields. The friendship-town system has been important to spread a common feeling or identity among people.

We support or administer exchange projects for schools, both teachers and pupils and for young people who want to work in another Nordic country or a neighbouring country. And we have been running projects for Russian and Baltic managers wanting to learn the Nordic way of making business.

The local branches are of course extremely important, they are the base where much of the action is. They also function as agencies for channeling information on Nordic affairs and new ideas on Nordic co-operation.

The Norden Association has its own organization for young people between 16 and 35, they have some 8 000 members. The association arranges trips, seminars about Nordic topics and Nordic events of special interest to young people. Among these events Cafe Norden is the biggest annual event, with different themes each year, seminars and speakers from Nordic authorities and companies.

Norden and Globalisation

After this quick overview of what the Norden Association in Sweden currently is doing, I would like to comment briefly the Nordic Prime Ministers Agenda in relation to Globalisation.

In recent years much of the nordic discussions have been about how to meet the challenges of globalisation.

The Nordic prime ministers decided at their traditional summer -meeting in 2007, which took place in Punkaharju Finland, to launch a common strategy for the Nordic countries to increase our competitiveness and meet the challenges of globalisation. They decided to hold a conference or a dialogue every year on the challenges of globalisation. The third conference took place in May this year in Denmark. The theme this year was Green Growth.

This was also exactly what our Nordic association had put forward and demanded. In particular we have asked the Nordic governments to formulate a common strategy in relation

to climate warming. We have been publishing reports, organised seminars, had talks with politicians to push them to cooperate more in order to have stronger voice in Europe and in the world.

But I am afraid our governments have been more focused on the Nordic position in the global competition. A lot remains to be done both in Nordic cooperation and for the climate. But green growth do encompass both the dimension of achieving climate goals **and** enhance the nordic competitive position.

As there wont be a global treaty - not in Cancun and probably not in South Africa either - a different strategy has to be applied, working from bottom-up to change economic incentives, rules and legislation to make the transformation from fossil dependancy to renewable energy possible. This strategy is presented in the report From Copenhagen to Cancun – a new Climate Investment Framework, by the Think-tank Global Utmaning. (the report can be retrieved from the web-site www.globalutmaning.se)

This is something the nordic prime ministers should be working for, together.

The only concrete result so far of the PMs globalisation agenda is a joint research initiative called the R&D top initiative, with half a billion Swedish crowns for R&D.

We believe that the position of the Nordics in the world could would be so much stronger if we would start acting much more with one voice. We have demanded that the governments jointly try to get a common seat in G20. So far the Norwegian government has endorsed this idea, with some support from the Finnish government.

And we should play a more active role in the EU. The Nordic countries are all part of Europe wether they are members or not. Norway is paying much more to the EU budget than many members do. And if the situation in Europe doesn't deteriorate much worse the next three-four years (something that unfortunately cant be ruled out) I believe that both Norwegian and Icelandic membership will be on the agenda.

The Nordics enjoy a very strong standing in the eyes of the world. Both as regards economic performance, competitive strength, how the labour market functions **and** social stability, a number of soft values, like equality between men and women, social equality, the situation for children and the like.

A number of rankings are done every year – the human development index is one of the most important and well-known. If you.add all these rankings together and construct a sort of meta index you will find that the top 5 ranks are held by Nordic countries.

My view is that we should do much more to capitalize on this, not only because it is fun to show off or be noticed in the world but because a lot of our systems and models that explain this position can be implemented an inspire other countries.

We live in a highly unbalanced world, - macro-economic imbalances, diparities between poor and rich, public and private strength etc

The nordics could have more influence in this world if our governments decided to play this role.

I have been in politics or society work for more than 40 years and I believe the main obstacle is a lack of leadership, lack of a willingness to think long-term and a sense of competition between leaders and administrations. Personal positions and nation-flags become more important than the cause as such. This might sound familiar to some of you, the EU suffer from the same disease.

We are not at all so united as the official rethoric suggest.

As I said in the beginning of my speech we had a Annual Meeting last week-end. In the work-program for the next 4 years we plan to bring up the ideas presented in a Dagens Nyheter article by Gunnar Wetterberg, that the Nordic countries should embark on a road towards forming a union between them or maybe rather a federation of nation states.

We think that this makes sense, and we - the associations in the whole of Norden - have written to the Parliaments and asked them to put up a commission with people from all parts in society – industry, popular movements, researchers, politicians etc – to study this possibility. Starting with i.e the ideas in the Stoltenberg report on a common security policy.

The problems that our prime ministers **should** try to address (and they dont have to wait for a union och federation to do so) is that **politics** is lagging dangerously far behind the economic structures and challenges in the world. The recent financial crisis is one example, it was our first truly global crisis and the world was not prepared and ready to control the dangerous situation. The acute crisis turned however G20 into a forceful arena of coordinated action.

But now the leaders of the world seem to believe that the risks and problems are over: They are not. Real economy continues to have low growth, high, even rising unemployment and huge sovereign debts. The global imbalances have not found any solutions. The whole of Europe, even countries with a surplus in their balance of payments like Germany and Sweden are saving money. Where will the demand come from to stimulate growth and employment?

The banks and other financial institutions are, after having been bailed out or helped with tax-payers money, once again making a lot of money. Will people accept this ? When unemployment continue to rise over 10 %? I am afraid that we right now may be building up a dangerous situation which could threaten even the fundamentals of our democracies, not to mention the European Union.

The financial crisis seriously worsened public finance and in years to come **demography** will have an even harsher effect on debt-levels in Europe. Growth and public finance will be negatively affected by decreasing labour supply and increased costs for public services. And Europe is slowly entering into a whole new world, moving from producing 68% of the worlds GNP in 1959 to 47% 2003. By 2050 this figure is believed to drop to below 30%. What will this mean for our role in the world?

Several European countries need to consolidate their public budgets, by either tax increases or lower spending,. Since there are clear stakeholders in the public budget there is an obvious risk that this triggers a political conflicts over the distribution of public and private goods – which is already the case in Greece. Europe must implement radical structural policies in order to both increase growth and lower unemployment.

These are difficult measures to implement when growth is low and the legitimacy of both country parliaments and the EU is at risk to be seriously questioned.

In part the EU holds the answer to at least some of these challenges: EU has in relation to the rest of the world balance in savings and consumption, in contrast to e.g. Asia and USA. There are however large imbalances within EU. If deficit countries must spend less there is a need for surplus countries (Germany, Sweden, and others) to spend more. If there only will be spending cuts, the EU will aggravate the already large imbalances, both in Europe and globally.

Unlike the US, Europe has not the policy-means nor the willingness to break up from what in short could be labelled nationalism. It seems unevitable that present challenges will demand a stronger macroeconomic coordination, including fiscal and structural policies on an European level. But how likely is it that this will happen?

What must be in place to **make** it happen? A new treaty and a European Monetary Fund will take time to mature. European bonds would be quicker but even that is controversial for some nation-states. How bad must it get before leaders in Europe will be able to really act European and form a common macroeconomic framework for growth, sustainable development and justice?

These last comments on the situation In Europe are as you may have guessed my own, but I will both in my capacity as leader for the Norden Association and as working chair for the Swedish think-tank Global Utmaning continue to work for more Nordic responsibility and activity in European and world affairs. After all, we are the tenth economy by size if we add the five of us together.

The first step should of course be that our Nordic leaders “step out of the closet” and start acting as leaders in Europe and in the world.

Thank You for listening!