



## The Nordic Region has a natural voice at the G20

This position paper has been adopted by the Board of the Council of Nordic Trade Unions.

1. The importance of the G20 has increased in the international arena. This can be seen against the backdrop of, for example, the recent economic crisis and it has become increasingly difficult for the international community to quickly reach a consensus on important multilateral agreements. Today, decisions are made informally through the G20 before they are adopted officially by various international organisations. Therefore, countries that are not members of the G20 lack the relevant influence. This also applies to the Nordic countries, which do not qualify as members of the G20 individually. Together, the Nordic Region is, however, the world's twelfth largest economy. Thus, in order to gain influence as quickly as possible, the Nordic Region should seek to cooperate with the G20.
2. The G20 countries have met regularly at the level of the heads of state and government since 2008. The aim of the change was to facilitate the handling of the financial crisis, to restore faith, to prevent a deep depression and to contribute to sustainable growth. In a global context, the G20 countries constitute 85% of the total GDP and about 80% of world trade. The change has also meant that the G20 has taken on a greater overarching role as regards global economic governance at the same time as it has led to a broader agenda, which apart from economic and financial issues, also includes issues like employment, investments, food supply, the environment, climate and energy. This is a consequence of the fact that it has become increasingly difficult to reach effective decisions in existing multilateral organisations. This can also be viewed the other way round – the influence of existing multilateral organisations has decreased as the influence of informal groups like the G20 has increased.
3. The G20 has been described by its members as the “the premier forum for our international economic cooperation”, a self-appointment that raises questions regarding the mandate and the legitimacy of the group. The wording can be regarded in the light of the broader aim of the G20 of defining common goals at an early stage and forming a consensus with regard to how these goals shall be achieved. It creates a sense of momentum and enhances the prospect of reaching an agreement and implementing the goals in international organisations as well as at the national level. The decisions and points of view put forward by the G20 are of utmost importance; both for the daily work of several international organisations as well as for how these operate.
4. The Nordic Region has a strong tradition of being an active member of international organisations. An observer seat at G20 meetings means that the Nordic countries, which do not qualify to become members individually, lack vital influence. At the same time, the Nordic economies are often described as successful role models from the international point of view. The Nordic model has been highlighted as a good example that is better able to manage a crisis compared to most other models, which as far as the Nordic Region is concerned leads to the contribution of constructive proposals to G20 work on sustainable growth and competitiveness.
5. Keeping the economy in good order combined with growth, competitiveness and social security arouse curiosity. The Nordic model has proved that it is possible to successfully combine economic growth and competitiveness with a comprehensive welfare state and a high level of

economic equality, even for small open economies where foreign trade plays an important role. This applies not least to the drawing up of the rules of the game for foreign trade. A central point of departure is that these safeguard trade union and human rights and freedoms. Another is that global trade and investments shall contribute to welfare, social development and full employment. Therefore, it is particularly important for the Nordic Region to cooperate internationally to achieve common goals and to ensure a greater impact regarding the Nordic approach to both sustainable growth and competitiveness as well as social protection and rules that safeguard democratic and fundamental rights.

6. The Nordic bargaining model with its extensive labour market regulation through collective agreements is also unique both from the European as well as the global perspective. It has successfully created growth and jobs in the Nordic Region and has evened out income gaps. A central part of the model and the way it works is the cooperation between the social partners and the social dialogue. A high level of trade union affiliation, strong independent social partners, the broad scope of the agreements and constructive cooperation between the social partners are all necessary prerequisites for stability, predictability and industrial peace. The model, which makes it possible to manage structural change and conversion, has a good international reputation. The Nordic Region has on several occasions been acknowledged for its ability to handle a crisis in a better way than most other regions. The social partners also have a voice in the G20 through the Labour 20 (L20) and Business-20 (B20). In the light of the long tradition of cooperation between the social partners with the aim of finding constructive solutions to joint challenges, the Nordic social partners should therefore be a given voice in the L20 as well as the B20.
7. Above and beyond the Nordic Region's reputation as a role model and as a successful region, we also have what it takes to take action together at the international level, also in the G20. In the global arena, the Nordic countries are regarded as an already close-knit group of countries that "think alike, want alike and vote alike". With a total GDP that puts the Nordic Region in 12th place of the world's major economies, a joint Nordic voice should lead the G20 in the direction of a stronger world economy and to social and sustainable development.

### **The Nordic Trade Union position**

- The trade union confederations, through the Council of Nordic Trade Union (NFS), are of the opinion that the Nordic countries should seek to cooperate with the G20. The cooperation should be in the shape of dialogue and consultation with the social partners.
- We urge the Nordic governments of Denmark, Finland, Norway, Sweden and Iceland as well as the Nordic Council of Ministers to coordinate and look into the Regions that would lead to Nordic influence and cooperation with the G20.
- The Nordic model with strong individual independent social partners can promote a sustainable, inclusive and fair working life; socially, economically and ecologically; in the Nordic Region, Europe and globally. Both the L20 and B20 are therefore a given forum for the Nordic social partners.