Mondaymorning
Norway

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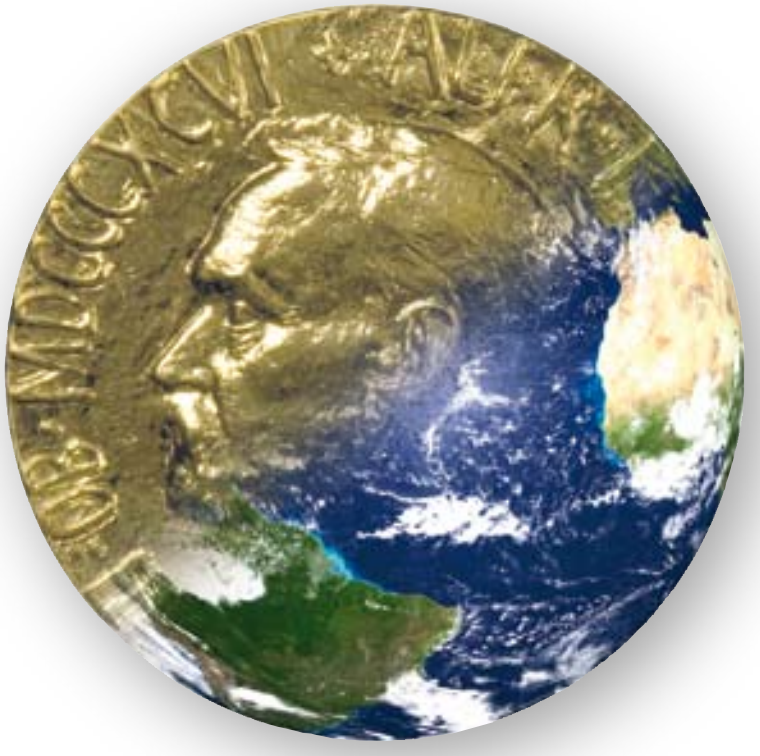
Special Report on Norway and the Nobel Peace Prize

Peace we can believe in?



EXCLUSIVE INTERNATIONAL POLL:

- **Obama will make the world safer**
- **He does not deserve the Nobel Peace Prize**
- **He should focus on terrorism, poverty and relations with the Muslim world**

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In an international poll conducted by YouGov exclusively for Monday Morning, only 15% say they believe the planet will be safer in ten years. International terrorism and tensions between the West and the Muslim world are ranked the greatest threats to safety. **Page 6**

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From the Midnight Sun to the Northern Lights, travelling in Norway is a journey through a fusion of light, landscapes and unforgettable experiences.


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Editorial

Look to Norway

The real answer to how president Obama could win this year's prize might lay deeply buried in the Norwegian culture.

ON SEPTEMBER 16th 1942, at a time when WWII was raging at its fiercest, US president **Franklin D. Roosevelt** said: "If there is anyone who still wonders why this war is being fought, let him look to Norway. If there is anyone who has any delusions that this war could have been averted, let him look to Norway. And if there is anyone who doubts the democratic will to win, again I say, let him look to Norway."

The whole world looks to Norway every year in October, when the laureate of the world's most prestigious award, the Nobel Peace Prize, is in Oslo. Who will it be this year? A white man from Europe, as in the early days? A woman fighting for human rights? A lone freedom fighter trapped somewhere in a far-off jungle? Or someone unknown fighting for something we didn't even know had anything to do with world peace?

THIS YEAR, THE prize went to an African-American man named **Barack Hussein Obama**, who has risen to become the president of the United States despite all the hurdles a man with such a background must have overcome along the way. The reason given was "his extraordinary efforts to strengthen international diplomacy and cooperation between peoples." The reaction was swift: After only nine months in office? You must be joking. This must be politics in its purest form. Who are these Norwegians who can't distinguish an accomplishment from a wish?

In the edition you are now holding, Scandinavia's biggest independent think-tank, Mandag Morgen (Monday Morning), tries to answer that last question. Our aim is to give you an inside peek into the country, the people and the process from which this prize comes. We paint a picture of a small country with enormous wealth and high ethical ambitions, although not always with the same results. Of a people with high thoughts of their achievements overseas but little wish to influence their closest neighbours in the EU. And, finally, of processes with high ideals, but, also, in many people's view, with clear political influence.

WE ALSO PRESENT you with a picture of what people around the world think of Obama receiving the prize. We show that, in general, people tend to trust that the Nobel Peace Prize laureate will contribute to a safer world, but that it was a mistake to give him the prize now. The same respondents show us that they think the world is turning into a more unsafe place to live and that the president should focus on poverty, terrorism and resolving the conflicts in the Middle East in order to turn this trend around.

The real answer to how president Obama could win this year's prize might lay deeply buried in the Norwegian culture. In Henrik Ibsen's play *An Enemy of the People*, Dr Stockmann opposes the irrational tendencies of the masses and the hypocritical and corrupt nature of the political system that they support. When we examine the list of the winners from 1901 until today, all the laureates have one thing in common: they stand out from and up against the masses, and they take risks to pursue their beliefs. Maybe they prove what Dr Stockmann tells us: "the strongest man is he who stands most alone."

What do you want to know?

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YouGov®
What the world thinks

Survey

Only 15% believe in a safer world

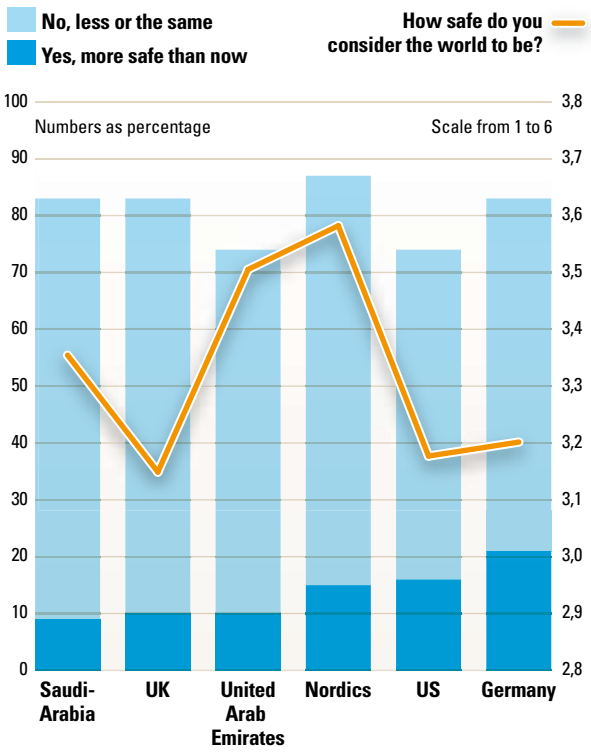
International terrorism and tensions between the West and the Muslim world are ranked the greatest threats

THE POLL, CONDUCTED by YouGov for Monday Morning, assesses what the general public thinks about security, peace and threats in nine different countries: the US, the UK, Germany, Norway, Sweden, Denmark, Finland, the United Arab Emirates and Saudi Arabia.

The results suggest most people do not believe the world is becoming safer. But there are a number of major differences between some of the countries, particularly between the Western world and the Arab nations surveyed. Between 10 and 20 per cent of the Western population think that the world will be a safer place in ten years, compared to only about 10 per cent of the Arab countries (see figure 1). Germans and Danes are the most optimistic – about 20 per cent believe in a safer world.

A safer world? Figure 1

Do you think the world will be a safer place to live ten years from now?



Saudi Arabia and the UK are the most pessimistic.

Source: YouGov/Monday Morning

"It is not surprising that people don't think the world is becoming safer. We live in a culture of fear. There is no evidence to indicate that the world is less safe, but people are experiencing it that way because of this general climate of fear," says professor **J. Peter Burgess** at the International Peace Research Institute in Oslo (PRIO).

Ståle Ulriksen, a researcher at the Norwegian Institute of International Affairs (NUPI) disagrees. He thinks people have every reason to be pessimistic about the future.

"There is a growing threat of war and superpower rivalry, so their pessimism is real enough." he says.

But Ulriksen points out that people will always be fearful about something, whether it is nuclear weapons, the ozone layer or terror. In his opinion, much of the fear is exaggerated.

Monday Morning's survey also shows that people the world over believe that fundamental inequalities and problems such as hunger and lack of health care must be solved, if the world is to become a safer place:

- **Basic needs:** Those surveyed agree that the key to a safer world lies above all in covering basic needs such as water, food, health care and shelter.
- **Education:** Access to education is ranked in second place, after basic needs, as the issue that will matter most.
- **Obama's list of priorities:** Obama's top priorities should be international terrorism, poverty, the conflicts in Afghanistan and Pakistan, and the relationship with the Muslim world (see figure 3).
- **Not the UN:** Most people do not consider the UN an important part of the solution. People's priority list for Obama places strengthening of the UN at the low end of the scale.

An unstable world and new alliances

To find out how safe people perceive the world to

Greatest threats

Figure 2

We presented ten major threats, asking participants to rank them on a scale from 1 to 6. These are the threats that were ranked highest and lowest in the various countries:

US

Top priorities:
- International terrorism
- Conflicts between the Muslim and Western worlds

Lowest priorities:
- Local conflicts (Civil wars/border conflicts)
- Climate change

UK

Top priorities:
- Conflicts between the Muslim and Western worlds
- International terrorism

Lowest priorities:
- An unfair world trade system
- Imperialism/great power ambitions

Germany

Top priorities:
- International terrorism
- Conflicts between the Muslim and Western worlds

Lowest priorities:
- Economic crisis
- Local conflicts (civil wars/border conflicts)

Nordics*[1]

Top priorities:
- Conflicts between the Muslim and Western worlds
- International terrorism

Lowest priorities:
- Imperialism/great power ambitions
- An unfair world trade system

Arab*[2]

Top priorities:
- Nuclear and/or weapons of mass destruction
- Poverty

Lowest priorities:
- Climate change
- Economic crisis

[1] Norway, Sweden, Denmark and Finland *[2] Saudi Arabia and the United Arab Emirates*

Source: YouGov/Monday Morning

be today, we asked participants to rate the degree, on a scale from 1 to 6. 1 is very unsafe, 6 is very safe. The results show that Danes and Norwegians experience the world to be safest, with scores of 3.70 and 3.60, while the US and the UK experience the global situation as least safe, with scores of 3.15 and 3.18, respectively (figure 1). Women feel far more unsafe in today's world than men. They are also more pessimistic in regard to the future.

Ulriksen at NUPI does not believe people's insecurity about the future to be unfounded. The world has become a less safe place, a trend that is likely to increase. This is due to the disintegration of old power structures, and a change in the global balance of power. Eight years ago, the US was at the height of its power. Most people thought the US to be the greatest power ever. After the wars in Iraq and Afghanistan and a major financial crisis, nobody holds this belief any longer.

"New superpowers like India and China are on the way up. We are witnessing a shift in alliances. The UN has been weakened, based on a system that is difficult to implement in today's multipolar world. The big question is whether international institutions can deal with these developments. The old system was predictable, because we understood its workings. Today there is more uncertainty, making the situation in world less secure," he says.

The system of global governance, created and developed by the victorious Western nations after the Second World War, is neither adapted, nor is it tailored, to the current geopolitical situation. The US has been the dominant player within this system, whose support for international organisations was never designed to handle today's challenges. The system worked as long as leading member states were homogenous and shared common values. The emergence of new superpowers seeking influence has paralysed a number of these organisations.

"We have a weakened UN, a Western bulwark based on Western values. New superpowers like India and China are now demanding more leverage. But we do not know what sorts of values they will attach importance to. It creates uncertainty," says Ulriksen.

He also points out the need for effective market mechanisms. Global stability is entirely dependent upon well-functioning markets that can deliver enough energy, oil and minerals to cover the needs of the world's largest nations.

"A battle for resources will quickly lead us back into a traditional geopolitical conflict," he says.

About the survey

The survey was conducted as an omnibus by YouGov on behalf of Monday Morning during the period of November 2th to November 16th. It was administered using web panels, and responded to via computer. 10,688 people in the US, UK, Germany, Norway, Sweden, Denmark, Finland, the United Arab Emirates and Saudi Arabia participated, approximately 1,000 in each country, except for the UK (ca. 2,000) and Germany (ca. 1,500).

Ulriksen also believes that disarmament agreements have become weakened over the past 20 years. The proliferation of nuclear weapons is a greater problem now than it was before.

"Europe still has its treaties on conventional arms, but no one is interested in them any longer. They are not maintained, and there is little knowledge about the area. This is a problem with regard to global safety," says Ulriksen.

Stephen M. Walt, a leading professor of international relations at Harvard University, says it is impossible to know whether the world will be more or less peaceful ten years from now. But it is worth noting, says Walt, that the overall level of global violence has been declining since the early 90s. "Violence and war will not disappear, but there are some reasons to be a bit more hopeful," he says.

Not intimidated by climate threat

The survey shows that climate change is not considered to be one of the major threats to a safe world, especially in the US. Americans rank the threat to the environment as the least important among a total of ten threats such as terrorism, poverty, depletion of resources and an unfair world trade system (see fig. 2).

"The problem is that the negative consequences from climate change will not occur for several decades, and people living today will not have to deal with most of them," says Professor Stephen Walt from Harvard University.

Another explanation is that climate change results in fewer atrocities than the threat of terrorism, notes Professor J. Peter Burgess of the International Peace Research Institute in Oslo (PRIO). Geographic proximity is also a factor – people in Bangladesh who are experiencing the consequences of climate change in their own lives are likely to be more concerned with the problem.

«We must distinguish between two types of fear. One type stems from an objective and real fear, such as climate change and health issues. Here proximity to the problem is an important factor for the intensity of our fear. The second type of fear is rooted in an imagined notion of threats, such as the threat of terrorism. This type of fear is reinforced when it takes place far away from our lives,» says Burgess.

The Nordic countries consider climate change to be a significantly greater threat than most other countries, ending up in third place as the most important threat to a safe world, right after conflicts between the Muslim and Western worlds and international terrorism.

Walt also mitigates the notion of America's stabilising role, pointing out that the US has started a number of wars over the past two decades. "I believe it would be destabilising if the US became too weak, but a bit less dominance and hubris would probably be a good thing," he says.

We live in a culture of fear

International terrorism and conflicts between the Muslim and Western worlds is perceived to be the single greatest threat by the US and the European countries (figure 2). The two greatest threats listed by the Arab nations included in the survey are nuclear weapons and/or weapons of mass destruction and poverty.

"The danger from terrorism is almost always exaggerated. It is a serious problem, to be sure, but it actually threatens far fewer people than hunger, pollution, infectious disease or even automobile accidents," Walt says.

But terrorism's fangs have caught us by the neck. It perfectly suits our fascination with evil.

"Terror has all the ingredients of illusory fear. We do not know where it comes from, we do not know who is behind it. It can strike at any time, and it strikes blindly," adds Burgess.

We have knowledge that we don't really need, and this makes us more anxious than before.

J. Peter Burgess

He points out several reasons for the emergence of this culture of fear. Much of it has to do with our information society, and the fact that the world is more connected than before. "We now have access to information we did not previously have. We know more about things we didn't know anything about before, whether it be pandemics, climate change or terrorism. We have knowledge that we don't really need, and this makes us more anxious than before," he says.

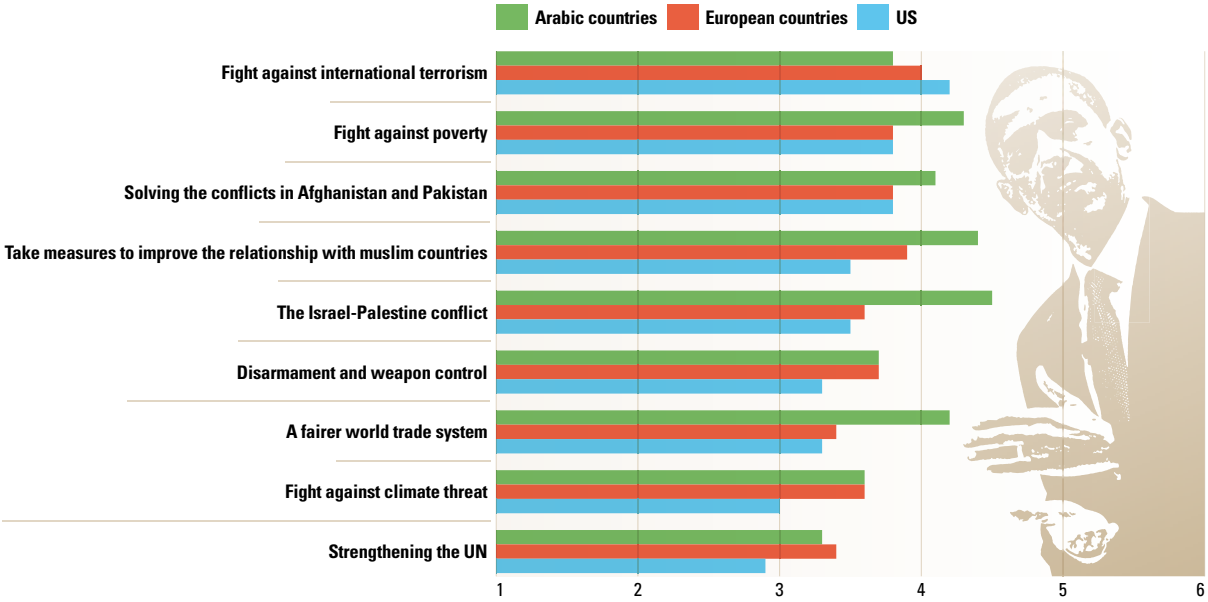
In addition, there are strong forces that play on these fears – be it political, financial or industrial – that exploit people's fear for their own gain. "The threat of terrorism, for example, was used as a political tool by President Bush, and he used it for all it was worth,» says Burgess.

There is also much money to be earned through fear. Security is a huge industry, both in Europe and the US. Previously the state alone was responsible for people's safety. This is no longer the case, with private international security services becoming more widespread, offering us both services and products we didn't know we needed. This pro-

What Obama should do

Figure 3

Which of the following issues do you think US President Barack Obama should give priority to in order to make the world a safer place to live? Average on a 5-point scale (1=lowest priority, 5=highest priority)



The fight against terrorism and measures to improve the relationship with the Muslim world should be among Obama's top priorities, according to those surveyed in Europe*[1] and the US. Arab*[2] countries give the highest priority to the conflict between Israel and the Palestinians.

*[1] UK, Germany, Sweden, Norway, Denmark and Finland *[2] Saudi Arabia and the United Arab Emirates

Source: YouGov/Monday Morning

vides "proof" of all the potential dangers existing out there, explains Burgess.

What Obama should do

"The Western world has a clear message to Obama when it comes to following up his own peace initiatives, and prove himself a worthy recipient of the Peace Prize: the fight against terrorism must receive top priority if the world is to become a safer place. Next on the list are: the fight against poverty; solving the conflicts in Afghanistan and Pakistan; and taking measures to improve the relationship with the Muslim world (fig. 3).

While the West believes Obama should give priority to terrorism, the Arab countries are more concerned with the conflict in the Middle East. Walt points out that these problems are closely intertwined. Israel's attempt to colonise the West Bank and deny Palestinians a state of their own is one of the primary motivations for groups like Al Qaeda. "Addressing the Israel-Palestine conflict should be part of our counter-terrorism strategy, rather than being seen as a separate issue. It is also an issue of international justice, which makes it one of those rare cases where moral and strategic interests are aligned," he says.

The world's population does not have much faith in the UN's ability to bring about change. A strengthened UN lies at the bottom of the respondent's priority list for Obama, especially among Americans. But neither the UK, the Nordic countries nor the Arab nations place the UN high on their list of priorities.

Walt says that the UN can provide an important forum, an institution member-states can use to advance their interests. But it has little independent capability of its own, and cannot force its members to agree or co-operate when they do not wish to.

When it comes to Obama, the world should curb its expectations, Walt adds: "Citizens around the world should have an equally realistic view of President Obama. He is intelligent, committed, and a gifted politician, but he is not a miracle worker and he cannot force others to do his bidding. There are no 'magic buttons' to press in international diplomacy. The keys to success are power, patience, empathy, and the ability to persuade."

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Expert Panel on Peace

Concerned about increased level of conflict

Monday Morning's expert panel on peace fears that weakened international organisations will make the world less safe

MONDAY MORNING BROUGHT together six international relations experts, including, professors, peace researchers and security experts, to ask them two questions. How do you view this year's Peace Prize to **Barack Obama** and what do you see as the main challenges to peace in the world today?

The response indicates that the general public is not alone in having strong opinions about Obama receiving the Peace Prize. Our experts disagree on the Norwegian Nobel Committee's decision, with comments ranging from fervent support to utter condemnation. The panel's diverging comments may be summarised as follows:

- **Well-deserved:** The prize was well-deserved, as Obama has shown strong leadership, launching important initiatives in regard to nuclear disarmament and the establishment of a new climate in international relations.

- **Premature:** The price was awarded prematurely. Although Obama has addressed a number of important concerns, this has not yet led to concrete results, and it is uncertain whether he will succeed.

- **Wrong:** Obama has not achieved anything at all. He has turned on earlier promises, which appear to be nothing but rhetoric. The Norwegian Nobel Committee has performed a PR stunt.

Two Scandinavian experts are among the award's most severe critics: **Johan Galtung**, a Norwegian professor of peace studies, and **Daniel Korski**, a Swedish senior policy fellow at the European Council on Foreign Relations.

"[Obama's] magic started waning not only because there was so little concrete action, but also because Obama, facing resistance, seemed to depart from previously firm commitments in favour of the elusive appearance of consensus, betraying millions of those who voted for him," says Galtung.

"The prize has had a controversial history, honouring both peacemakers and warmongers. Questionable recipients include **Henry Kissinger** and **Yasser Arafat**. But the decision to give the prize to Barack Obama may be the most controversial yet," says Korski.

Far more positive in his view is dr **Bates Gill**, director of the Swedish International Peace Research Institute (SIPRI). Gill points out that Obama has issued strong calls for a world free of nuclear weapons, has led the UN Security Council to reach a unanimous resolution in support of non-proliferation and a nuclear-free world, initiated steps to achieve peace in the Middle East and sought dialogue with Iran, North Korea and Myanmar.

His colleague, **Kristian Berg Harpviken**, director of the International Peace Research Institute in Oslo, expresses a more mixed reaction.

"Obama faces major obstacles, such as Afghanistan, the Middle East, and climate change. I am somewhat concerned that these obstacles will prove insurmountable, making the 2009 prize seem inexplicable in retrospect," he says.

Terror and poverty

The panel also expresses widely differing notions regarding the most important challenges to world peace today. But three major areas stand out:

- **Terrorism:** Violent non-state actors, among them terrorist organisations, are gaining momentum and strategic importance.

- **Weakened international organisations:** International organisations such as the UN are weakened, diminishing their importance accordingly.

- **Poverty:** The financial crisis will result in greater inequality, creating more poverty and laying the foundation for further conflict.

The panel's experts warn of the dangerous mix that can accrue when several adverse developments occur at the same time: international organisations and well-established conflict resolving mechanisms are compromised, the global balance of power is changing, many countries are affected by a deep

economic crisis, and the world is facing extreme changes in climate.

"I see a gradual weakening of multilateral institutions, the UN in particular. To some extent this is the result of a deliberate policy, not least by the former US administration. The timing is particularly bad, coming at a time when the world is becoming increasingly multipolar, with US hegemony replaced by multiple strong world powers," says Harpviken.

Gill believes the greatest challenges to peace and stability today derive from the increasing ability of violent non-state actors to achieve strategic effect. These are groups ranging from al-Qaeda to pirates in the Gulf of Aden.

"Most of the world's mechanisms intended to promote peace and achieve stability are firmly rooted within the state system, such as the UN and other multilateral bodies. They were designed to deal with problems that arise between states, not problems that arise within states or between a state and a non-state actor, or between two or more non-state actors," he argues.

Dan Plesh, from the School of Oriental and African Studies in London, is among the most pessimistic panel members. He fears that "economic slump will create such social dislocation, that we will slide into world war by 2020, with climate chaos and the fight over resources fuelling the flames."

"The tragedy is that we are sliding into this disastrous future, having abandoned the principles of global co-operation through the UN," he says.

Andrew Mack, director of the Human Security Report Project at Simon Fraser University, Canada, is more optimistic. He has faith in the UN, also for the times ahead.

"Today's wars are less deadly than those of the Cold War era, because the nature of war has changed – most conflicts are now "low intensity" – and because wars in poor countries are no longer being driven by superpower rivalry, as was the case during the Cold War," he says.

Here are the expert panel's complete comments:

What is your view on Obama winning the Nobel Peace Prize?

ANDREW MACK: Awarding Obama the Nobel Peace Prize, the latest in a series of odd choices, was premature. He had committed the US to a course in Afghanistan that appears very likely to fail. He is politically constrained from giving his commanders more troops. But without more troops he certainly can't win – even with them it is far from clear that success is possible.

JOHAN GALTUNG: The Nobel Peace Prize to a president for rhetoric, with no real achievement, is like a peace prize for a movie to a former vice-president, with no real achievement either. True, people are touched by a rhetoric everybody has heard, and even by a movie few have seen. But neither of them meets the criteria Nobel states in his will: understanding among nations, reduction of standing armies, and peace conferences.

Yes, there was a change in international climate in the very beginning of Obama's presidency, waiting for deeds to match the words. There was an Obama magic, at that time no Olympic Committee would have denied him Chicago as a venue. But the magic started waning. Not only there was so little concrete action, but also because Obama, facing resistance, seemed to depart from previously firm commitments in favour of the elusive appearance of consensus, of being bipartisan, betraying millions of those who voted for him. A person who is led rather than a leader.

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The Nobel Peace Prize to a president for rhetoric, with no real achievement, is like a peace prize for a movie to a former vice-president, with no real achievement either.

Johan Galtung

KRISTIAN BERG HARPVIKEN: It was surprising, daring, and, perhaps, premature. Surprising in that Obama is yet at the very beginning of his presidency. Daring in that it rewards Obama for visions and initiatives, in the hope that the Nobel Prize can give further momentum. Perhaps premature in that Obama has yet to convert his initiatives into concrete results.

There is little doubt that Obama has taken important initiatives on multilateral co-operation, including the UN, human rights, disarmament and dialogue with the Islamic world. He also faces major obstacles, such as Afghanistan, the Middle East and climate change. I am somewhat concerned that these obstacles will prove insurmountable, making the 2009 Prize seem inexplicable in retrospect. Yet, I strongly hope that the Nobel Peace Prize and Obama's international agenda will come out mutually strengthened.

BATES GILL: I was very pleased with this decision. This decision signals the Norwegian Nobel Committee's high expectations that president Obama can work to usher in a more hopeful era in global affairs and make progress in addressing the

many challenges which mankind faces, through his commitment to achieve nuclear disarmament, bring greater stability and peace to wartorn parts of the world, and bring a more constructive engagement to US foreign policy.

Some have said the award is premature. But in fact the language of the committee is clear in noting that the award is intended for the "new climate" in international politics which president Obama has worked to create. For example, he has issued strong calls for a world free of nuclear weapons, has led the UN Security Council to reach a unanimous resolution in support of non-proliferation and a nuclear-free world, initiated steps to achieve peace in the Middle East and sought dialogue, not confrontation, with such countries as Iran, North Korea and Myanmar.

DAN PLESH: The award of the Nobel Peace Prize to the US president was a good boost to the difficult efforts for peace he is leading and puts a little pressure on him to deliver. Obama has shown unprecedented leadership for peace and is beginning to show he is intent on implementing his rhetoric.

His conciliatory approach to Iran and to the Islamic world in general is welcome and unprecedented and his officials appear to be working hard on the issue of peace in the Middle East. On the nuclear issue he is seeking to legislate to ban nuclear explosive testing and has headed off attempts to build new US nuclear weapons while he has reinvigorated the nuclear disarmament process with Russia and curtailed the Star Wars programme. However, as yet we have not seen political and financial investment in managing a process of nuclear disarmament.

DANIEL KORSKI: The prize has had a controversial history, honouring both peacemakers and warmongers. Questionable recipients include Henry Kissinger and Yasser Arafat.

But the decision to give the prize to Barack Obama may be the most controversial yet. Decided little more than a week after his inauguration and awarded for good intentions, rather than concrete results, it looks like a publicity stunt, not a closely considered choice. The US president and his team were obviously disconcerted that the Norwegian Nobel Committee had given easy ammunition to his critics. And in a number of dictators' jails the world over, many political prisoners must be wondering what it takes to get an invitation to King Harald's palace.

The expert panel

Andrew Mack: professor, director of the Human Security Report Project at Simon Fraser University, Canada, and a faculty member of the university's new School for International Studies.

Johan Galtung: professor of peace studies, founder of Transcend Peace and Development Network and Transcend Peace University, and International Peace Research Institute, Oslo.

Kristian Berg Harpviken: director of the International Peace Research Institute, Oslo (PRIO)

Bates Gill: director of the Swedish International Peace Research Institute (SIPRI). He previously held the Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS) in Washington.

Dan Plesh: director of the Centre for International Studies and Diplomacy at the School of Oriental and African Studies, London

Daniel Korski: senior policy fellow and expert in EU foreign policy and security at European Council on Foreign Relations (ECFR). He has been a senior adviser to the US State Department and the UK government.

What do you see as the main challenges to peace in the world today?

ANDREW MACK: The main challenges to peace today lie in the world's poorest countries where governments are too weak to either deter or crush rebellions and too poor to buy-off the grievances that drive them. The current global economic crisis is likely to

worsen the situation, as is the fact that today's wars are more intractable than those in the recent past.

But there are still grounds for optimism. Over the past two decades we have seen a sharp decline in the number and deadliness of armed conflicts. Today's wars are less deadly than those of the Cold War era, because the nature of war has changed – most conflicts are now "low intensity" – and because wars in poor countries are no longer being driven by superpower rivalry as was the case during the Cold War.

Finally the UN, other international agencies, donor governments and thousands of NGOs have – despite many mistakes - helped stop ongoing wars (what the UN calls peacemaking) and prevent them from restarting again (what the UN calls peacebuilding).

JOHAN GALTUNG: The major danger to peace are countries with a proven record of direct violence, at top or at the bottom of massive vertical structural violence, with a divine mandate to kill: in short from the top USA (243 military intervention since Jefferson), Israel (No. 2 after USA as a belligerent state per year) and Islamic fundamentalism, from the bottom.

KRISTIAN HARPVIKEN: Inequality, within states and between various countries and regions of the world, continues to be a main challenge, closely associated with armed conflict. We also see that new threats – climate change, the financial crisis – have the gravest effect on the already disprivileged.

A second challenge is that a preference for violent means of settling conflicts has been growing, at the cost of dialogue, diplomacy and non-violent tactics. The examples of Kosovo, Afghanistan and Sri Lanka speak volumes about this, as violent means are increasingly preferred by local protesters, states as well as multilaterals.

Finally, I see a gradual weakening of multilateral institutions, the UN in particular. To some extent this is the result of a deliberate policy, not least by the former US administration. The timing is particularly bad, coming at a time when the world is becoming increasingly multipolar, with US hegemony replaced by multiple strong world powers.

BATES GILL: The greatest challenges to peace and stability derive from the increasing ability of violent non-state actors to achieve strategic effect at both the regional and even global level. Most of the world's mechanisms intended to promote peace and achieve stability are firmly rooted within the state system, such as the UN and other multilateral bodies. They were designed to deal with problems that arise between states, not problems that arise within states or between a state and a non-state actor, or between two or more non-state actors. Today most, if not all, major armed conflicts arise not between states, but within states. At the same time we see the rise of non-state actors, groups such as al-Qaeda, Hamas, Hizbollah, pirates in the Gulf of Aden, and many others, which are not states, but which can have an enormous strategic impact at regional and global levels.

Future peace and stability will depend very much on how effective the current state-centric system can be in addressing challenges which arise from such non-state actors.

The tragedy is that we are sliding into this disastrous future, having abandoned the principles of global co-operation through the UN developed at such cost in the 1940s.

Dan Plesh

DAN PLESH: The main challenges to world peace are that economic slump will create such social dislocation, that we will slide into world war by 2020, with climate chaos and the fight over resources fuelling the flames. The legal structure of corporations that insulates owners from the broad consequences of their actions is a critical point requiring reform for survival. The legal requirement on corporations to provide short-term cash profit is a suicidal requirement in the medium term.

The tragedy is that we are sliding into this disastrous future, having abandoned the principles of global co-operation through the UN developed at such cost in the 40s.

DANIEL KORSKI: The erosion of long-established systems to manage risks ranging from nuclear proliferation to inter-state conflict and human rights – coupled with slow progress to build new frameworks to respond to food scarcity, energy shortages and global warming. In an increasingly multipolar world, we need better international cooperation to manage these threats. But NATO and the UN are showing their age, and new institutions like the EU and the African Union have limited abilities. We need to strengthen these institutions, starting in Europe, if we and future generations are to remain secure. ■

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Reactions

How the world views Obama's Peace Prize

Next year let's give it to Miss World. Every year Miss World comes on and says I want world peace and the world free of nuclear weapons. It's a hope, an aspiration. This is a Nobel Peace Prize for not being George Bush.

Tim Marshall, Sky News foreign affairs editor

You have to end our involvement in Afghanistan now. If you don't, you'll have no choice but to return the prize to Oslo.

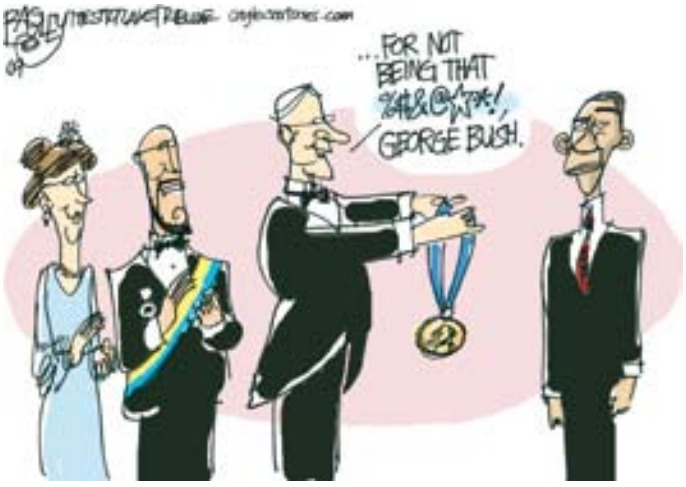
Michael Moore, documentary film director

It seems premature to me ... I think the committee should be very careful with the integrity of the prize, and in this case I don't think we are in a position to really evaluate the full impact of what this candidate has achieved.

Nils A. Butenschøn, director of the Norwegian Centre for Human Rights

President Obama has made extraordinary efforts to strengthen international diplomacy and co-operation between peoples.

Anders Fogh Rasmussen, NATO secretary general



It is a very imaginative and somewhat surprising choice. It is wonderful. He has had a very significant impact. [His presidency] has changed the temperature and almost everybody feels a little more hopeful about the world.

Desmond Tutu, archbishop and Nobel Peace Prize laureate

We have no objection if this prize is an incentive to reverse the warmongering and unilateral policies of the previous US administration and if this encourages a policy based on just peace.

Manouchehr Mottaki, Iranian foreign minister

The Norwegian Nobel Committee has always had their unique way of surprising people, but I must say that they outdid themselves this year.

Carl Bildt, Swedish foreign minister

We condemn the award of the Nobel Peace Prize to Obama. We condemn the institute's awarding him the peace prize. We condemn this year's peace prize as unjust.

Zabihullah Mujahid, Taliban spokesman

Are we incapable of recognising the simple fact that it is much better for America to have a president who is admired and respected in the world than one who is despised and feared?

Joseph A. Palermo, associate prof. of history at California State University, Sacramentio

A political decision of gross stupidity.

Alexander Downer, former Australian foreign minister

Nobody cares what five Norwegian guys think.

David Brooks, political and cultural commentator for the New York Times

I cannot think of anyone today more deserving of this honour. In less than a year in office, he has transformed the way we look at ourselves and the world we live in and rekindled hope for a world at peace with itself.

Mohamed ElBaradei, director general of IAEA and Nobel Peace Prize laureate

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Very few leaders if at all were able to change the mood of the entire world in such a short while with such a profound impact.

Shimon Perez, Israeli president

I believe Mr Obama could well be a force for peace and prosperity — if the words signal action.

Bono, U2

What Obama did during his presidency is a big signal, he gave hope. In these hard times, people who are capable of taking responsibility, who have a vision, commitment and political will should be supported.

Michael Gorbachev, former Soviet leader and Nobel peace prize winner

We are in need of actions, not words.

Ismail Haniyeh, Hamas leader

It is so comical. Absurd. Any prize that goes to Kellogg and Briand, Le Duc Tho and Arafat, and Rigoberta Menchú, and ends up with Obama, tells you all you need to know.

Charles Krauthammer, political commentator for the Washington Post

To be honest, I do not feel that I deserve to be in the company of so many of the transformative figures who have been honoured by this prize.

Barack Obama, US president and Nobel Peace Prize laureate

President Obama embodies the new spirit of dialogue and engagement on the world's biggest problems: climate change, nuclear disarmament and a wide range of peace and security challenges.

Ban Ki-Moon, UN secretary general

Obama gives speeches trashing his own country and he gets a prize for it.

Rush Limbaugh, US political commentator

It confirms, finally, America's return to the hearts of the people of the world ... You can count on my resolute support and that of France.

Nicolas Sarkozy, French president

In a short time he has established a new tone, creating a willingness for dialogue and I think we all should support him to make peace in this world possible. There is a lot to do but a window of opportunity has been opened.

Angela Merkel, German chancellor

Peace Prize

Survey: Obama will make the world more secure

A clear majority of Europeans believe Obama will make the world safer. But few think he deserved the Nobel Peace Prize – at least for now

THE GENERAL PUBLIC is still very enthusiastic about Obama, especially in Europe, according to the international survey conducted by YouGov for Monday Morning (see textbox on page 7). Over 80 percent of those surveyed in the Nordic countries say they generally feel positive about the US president, while in the UK the number is 73 percent. Most people strongly believe that Obama can help restore peace and security in the world. Over 50 percent of those surveyed in the Nordic countries, Britain and Germany, think that the president will contribute to make the world a safer place (see figure 1).

But, unlike the Norwegian Nobel Committee, the general public remains unconvinced about the "Obama effect" on international peace and security today. Just 20 percent of the population in the US and the Nordic countries believe it was right to award the Nobel Peace Prize to Obama – a proportion dropping to 12% in the UK. 60% of Britons are critical of the committee's decision, compared with more than 50% of people in the US and the Nordic countries. Germans are the most positive: 35 percent believe Obama was the right choice. In Norway, where the prize is handed out, 27% of those surveyed support the decision, with more than 50% opposing it (see figure 2).

The chairman of the Norwegian Nobel Committee, **Thorbjørn Jagland**, declines to comment the survey. "We do not comment on such things. The committee is completely independent. We are independent of national policy, governments, and international opinion. We do not make decisions based on polls, but on the statutes provided for us," he says.

Our survey suggests that it is not Obama or his actions the public react to – as happened with past laureates such as **Henry Kissinger**. They take issue with the fact that Obama barely had an opportunity to do anything.

Scott London, an American journalist and a Nobel Peace Prize expert, believes the award has, to some degree, diminished the standing of the prize. «It has given the world the impression that it's a symbolic and political prize, rather than one for actual peacemaking,» he says.

London stresses that "it was inevitable that in the US many conservatives would be deeply critical of this year's choice". He says: "Some well-known commentators have suggested that the Norwegian Nobel Committee is made up of a bunch of shortsighted liberals". "But even many Obama's supporters US were critical of this year's award, because they felt that he had not earned it yet."

Experts Monday Morning has contacted suggest several reasons why the public is dissatisfied with this year's award:

- **Premature award:** The Peace Prize came too soon. Although many think Obama will contribute to a safer world, he does not yet deserve it.
- **Disgruntlement created by the media:** People have been caught up in the criticism promoted by the media.
- **Statesman and military leader:** Some say it is contradictory to award the Peace Prize to the commander-in-chief of the largest military system in the world.

A premature prize?

Many people feel the prize was given too soon, according to historian **Øivind Stenersen**, co-author of *The Nobel Peace Prize: One Hundred Years for Peace*. "Although many support Obama's goals, most would have preferred to wait and see whether he would be able to realise them," he says. "This award joins the ranks of other peace prizes that, in the public eye, were awarded before concrete results were achieved."

The Norwegian Nobel Committee has, in the past, recognised laureates to push them to finish what they had begun and bind them to their commitments. The prize stimulates future work as much as it does reward a long and faithful service in the service of peace. Sometimes it works, sometimes it does not, says Stenersen, citing the awards given to those who negotiated peace deals in Northern Ireland, South Africa, North and South Korea, and

the Middle East. The first two had some success, the latter two did not.

Media to blame

Professor **Ole O. Moen** from the University of Oslo, an expert on US affairs, believes the media is to blame for the public disapproval of Obama's Peace Prize. «The media feels now that it had to compensate for a long period of admiration and puppy love for Obama. They were in love. Now they have to moderate their response,» he says.

Moen stresses that it has become popular for some to ride on this negative wave, with others seeing a chance to campaign against Jagland, a former prime minister. Moen does not believe that the man in the street was quite as negative to the committee's decisions from the outset, but that many eventually began to join in the media hype.

Many people in the US are swayed by conservative commentators, Moen adds, rejecting the idea voiced by many conservative critics that the American press has a liberal bias.

"The US media is not liberal. Most Americans do not read newspapers. Many of them are at the mercy of conservative television and radio shows that are extremely critical of Obama," he says, adding that Americans know little about either foreign policy or the Nobel Peace Prize. In his view, there is nothing new about awarding the Peace Prize early in order to boost a process, rather than handing it out when the work is done.

"The word on the street is that Obama has not yet done anything for peace, that he is unable to point to concrete results. But that is exactly what he has done," says Moen.

According to the historian, Obama quickly gained the respect of other world leaders after taking office, no mean feat for a US president after eight years of George W. Bush. He has abandoned his predecessor's unilateral strategies to promote multilateral action. In his speech to the UN in September, he urged for an end to the US' go-it-alone policy and pushed a resolution at the UN Security Council calling for an end to the spread of nuclear weapons. "These were extremely important symbolic acts," says Moen.

In addition, Obama invited an Arabic TV channel to interview him for his first TV interview as president. He reached out to the Muslim world with his June speech in Cairo. Obama sent state secretary **Hillary Clinton** and special envoy **Richard Holbrooke** to an international summit on Afghanistan in The Hague. During the meeting, Holbrooke met Iran's deputy foreign minister, an important symbolic act.

Moen also points out that Obama has eased trade restrictions on Cuba and has outlined with Russia a disarmament plan that replaces the START-I agreement, which expires in December 2009. "This is almost worth a Nobel Peace Prize alone," says Moen.

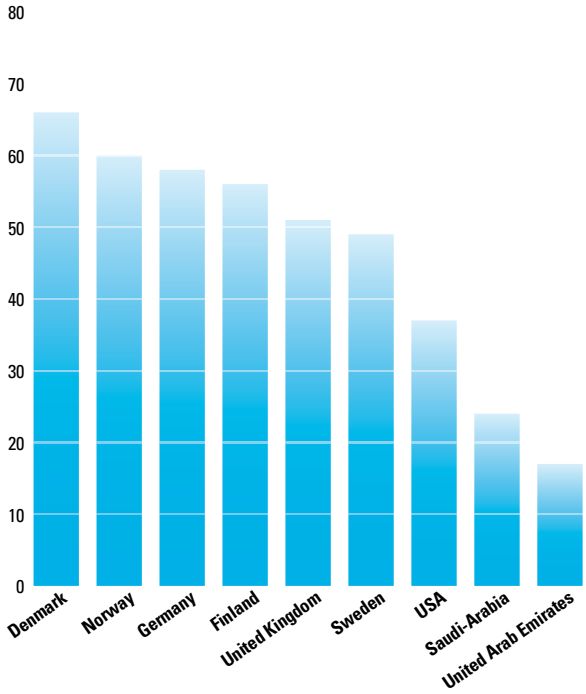
Perhaps most important was Obama's role at the G20 meeting in London in April. According to Moen, Obama showed true statesmanship by convincing world leaders that the US was once again

A well-known prize

The Nobel Peace Prize is well known in most countries. In the US, 72 percent of those surveyed say they know it quite well, compared with 75 percent in the UK and, 86 percent in the Nordic countries. In Saudi Arabia and the United Arab Emirates, between 85 and 95 percent say they know the price quite well. Most surprising, perhaps, is that only 25 percent of those surveyed in Finland, neighbour to the prize's home country of Norway, say they had no prior knowledge of the prize, but had recently heard about it.

Makes world a safer place — Figure 1

Do you think Barack Obama in the coming years will contribute to make the world a safer place? Positive answers as percentage

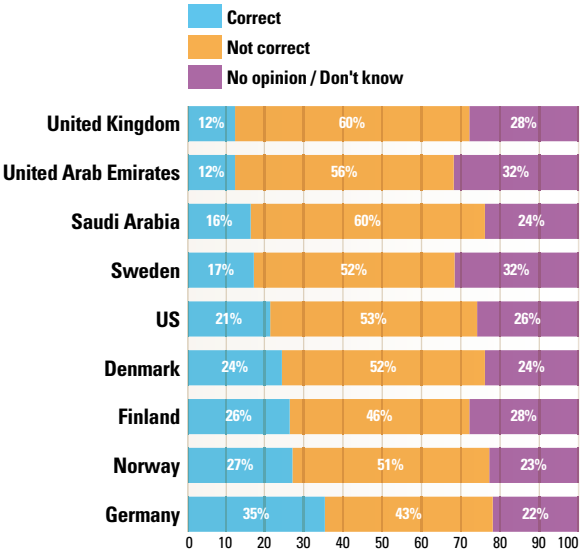


Nordic and European countries believe in Obama, while Arab countries don't have the same expectations.

Source: YouGov/ Monday Morning

Did not deserve the Peace Prize Figure 2

Do you think it was a correct decision to award this year's Nobel Peace Prize to US President Barack Obama? Answers as percentage.



Between 12% and 35% believe it was a correct decision to give the Peace Prize to Obama. Between 43% and 60% believe it was wrong.

Source: YouGov/Monday Morning

ready to join the global community as a trustworthy member. Other examples include vice-president Joe Biden's trip to South America, and the message that the missile shield would most likely be shelved.

All these are strong symbolic acts that are unique in American history, reckons Moen. He adds that although much of it is a question of diplomacy, concrete results have emerged after almost a year in office. He says the US leader is showing a willingness to make a fresh start that is essential for peace and security in the world.

London agrees. No one has done more «to strengthen international diplomacy and co-operation between peoples," as the Norwegian Nobel Committee said in its citation to Obama. He says the US is now playing a more constructive role on a wide range of global fronts, from democracy and human rights to climate change and the reduction of nuclear weapons.

The big question is whether Obama is the sort of leader who, like Nelson Mandela or Mikhail Gorbachev, will score a number of victories for peace, open a new window of opportunity for the world, and, perhaps, change the course of history.

"Like many people, I believe Obama may be such a person. If that's the case, then in time we will look back on this as one of the best and most obvious of prizes, much as we now look upon the award to Martin Luther King Jr," says London.

The US stands central

The Norwegian Nobel Committee has a long tradition of awarding the Peace Prize to American politicians (see also figure on page 26). It has long held the view that the US has played a key role in international diplomacy and has been a crucial factor in promoting world peace. From this point of view, the award to Obama falls in line with other awards in the best tradition of the Nobel Peace Prize.

"Obama's speech at the UN in September this year was in many ways a summary of everything the committee has stood for since 1901. Reconciliation, dialogue instead of confrontation, disarmament, and in recent years, the battle against climate change," says Stenersen. He believes it was Obama's groundbreaking UN speech in September that clinched the deal for the committee.

There is a certain dichotomous view of the US in Norway and in Europe: the US is both loved and hated. This dichotomy is also reflected in people's perception of the Peace Prize to Obama, says Stenersen.

Another issue challenging the public's notion of peace is the awarding of the prize to the commander-in-chief of the world's largest military machine. The committee has responded by saying that many paths can lead to peace, and that throughout the prize's history the concept of peace has been extended to include everything from planting trees to educational initiatives on climate change.

Obama's speech at the UN in September this year was in many ways a summary of everything the committee has stood for since 1901.

Øyvind Stenersen

London believes that most people, himself included, recognise Obama to be the most powerful politician in the world today, and therefore not deserving of a prize like this at such an early stage of his career.

"It's not a mistake. It's more like a gamble. And we'll have to wait to see if it pays off. The Norwegian Nobel Committee has an exemplary record, and in time I think the gamble will pay off. I believe history will be kind to Obama," he says. ■

Monday Morning
Stig Nøra
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Interview

'Others have received the prize for far less'

Thorbjørn Jagland, chairman of the Norwegian Nobel Committee, does not regret giving the Nobel Peace Prize to Barack Obama. He expresses disappointment over many commentators' inability to recognise important new currents in the world today

JAGLAND CAN LOOK back on a long career in Norwegian politics, among others as secretary and leader of Norway's largest party, the Labour Party, as well as prime minister and president of the Norwegian parliament. He is now secretary general of the Council of Europe (see text box on page 23).

Jagland has certainly seen his share of trouble, but few things could have prepared him for the backlash from abroad following his announcement that the Norwegian Nobel Committee had awarded this year's Peace Prize to Barack Obama. All of a sudden his name was on the lips of commentators throughout the world, some of them positive, many of them negative. But as a seasoned veteran of Norwegian politics, he takes the criticism calmly, his decision to accept the chairmanship of the Norwegian Nobel Committee hardly motivated by a wish to be left in peace. How, then, does one of the world's leading spokespersons for peace interpret the concept of peace?

"First of all, the absence of war. But it is about more than that. I would say it is a condition under which ordinary people can shape their lives in a way they themselves choose – to live in a society that is safe and allows them the freedom to do what they want with their lives. Climate change and global warming also have much to do with peace, because environmental degradation deprives people of their livelihoods, leading in turn to conflict."

It's a bit disappointing to see that so many commentators are unable to recognise important new developments.

"How much of the world lives in peace?"

"Unfortunately, all too few. In many parts of the world the situation is entirely different than the one we have in our part of the world. Individuals either fear for their lives, or they are surrounded by a conflict that deprives them of their freedom."

Jagland points to international organisations as the main driving force of peace during the past 50–60 years.

"First of all, the formation of the United Nations and the Declaration of Human Rights, by which all member states commit themselves to a common set of values. I am thinking of the establishment of international diplomacy in general through various types of collaborative organisations, either here in Europe or globally, that have bound nations together through a common set of values and a shared destiny."

Jagland believes the UN will play an important role also in the years ahead, despite his uncertainty on the question of whether the organisation has lived up to expectations.

"I suppose one could say both yes and no to that. But there is no doubt that the UN is an important factor in the promotion of peace by helping to build a platform for all of us, both in terms of basic common values, as well as obligations we all are bound by. The UN commands an enormous number of resources. Think of the peacekeeping forces, an unprecedented and completely indispensable negotiating machinery. They relieve suffering and poverty, and now also work with the threat of climate change."

Wants to lower tensions

Jagland believes that the most important challenge facing today's peace efforts is to reduce tension in the world.

"First we must create a better international climate. This area has been under a lot of strain in recent years. It is a conflict between the Muslim world and ourselves in the West. Relations between Russia and the US have been fairly cool, we have had – and still have – a heated and dangerous conflict between Iran and the US, as well as internal conflict in the Middle East. At the moment there are many conflicts that have escalated. If we don't relax the political climate in the world, we will not be able to start resolving conflicts. That is the most important issue right now, and it is exactly why the Peace Prize goes to Barack Obama – for helping create a better climate, and thus laying the foundation for us to move forward and resolve world conflicts."

Official statement

This is the official statement given by Thorbjørn Jagland and the Norwegian Nobel Committee regarding the Peace Prize award to Barack Obama:

"The Norwegian Nobel Committee has decided that the Nobel Peace Prize for 2009 is to be awarded to president Barack Obama for his extraordinary efforts to strengthen international diplomacy and co-operation between peoples. The committee has attached special importance to Obama's vision of and work for a world without nuclear weapons.

"Obama has as president created a new climate in international politics. Multilateral diplomacy has regained a central position, with emphasis on the role that the United Nations and other international institutions can play. Dialogue and negotiations are preferred as instruments for resolving even the most difficult international conflicts. The vision of a world free from nuclear arms has powerfully stimulated disarmament and arms control negotiations. Thanks to Obama's initiative, the US is now playing a more constructive role in meeting the great climatic challenges the world is confronting. Democracy and human rights are to be strengthened.

"Only very rarely has a person to the same extent as Obama captured the world's attention and given its people hope for a better future. His diplomacy is founded in the concept that those who are to lead the world must do so on the basis of values and attitudes that are shared by the majority of the world's population.

"For 108 years, the Norwegian Nobel Committee has sought to stimulate precisely that international policy and those attitudes for which Obama is now the world's leading spokesman. The committee endorses Obama's appeal that `now is the time for all of us to take our share of responsibility for a global response to global challenges'."

Jagland believes the most important issues right now are to bring about a nuclear arms agreement between Russia and the US, and to resolve the question of Iran's nuclear programme.

"If we fail to achieve such an agreement between the US and Russia, we are probably facing a new nuclear arms race. The very fact that Obama has managed to improve relations with Russia, leading to specific plans to reduce the number of nuclear weapons, is enough to warrant a Peace Prize. Also in regard to Iran, Obama has reached out a hand and shown his wish to negotiate. By doing so, he has created a new situation, a new opportunity to negotiate the question of enriched uranium in Iran, and hope for a successful outcome at next year's non-proliferation treaty review conference. That alone is enough to deserve the Nobel Peace Prize. Others have received the Prize for far, far less than this."

"Who?"

"I do not wish to comment individual awards, but many laureates have received the Peace Prize for talking about the need for agreements and initiatives that actually never achieved anything. Obama, on the other hand, has already achieved very concrete results by advancing negotiations on strategic nuclear weapons and creating a new situation in relation to Iran. He has managed to move things in the right direction."

Much of the strongest criticism has come from the United States, and must be seen as part of US domestic politics.

"Did Obama receive the award simply for not being George Bush Jr?"

"No, this is not a prize against anyone, but a recognition of the fact that Obama has managed to reduce the amount of global tension, and thus laid the foundation for resolving conflict. I cannot imagine a better peace incentive than this, considering the current situation. He has not resolved all dangerous conflicts, but taken the first step to reducing tension. I think Desmond Tutu has understood this far better than many others, when he said that Obama has changed the temperature in the world."

Domestic reactions

"Are you surprised at all the critical reactions to this year's award?"

"There are many things to be said about this. For one, much of the strongest criticism has come from the US, and must be seen as part of US domestic politics. Political debate is a good thing in a democracy, but the Norwegian Nobel Committee must act entirely independently of this. We only look at Nobel's will, and it states that the prize is to be awarded to the person who has done the most for peace in the world during the past year. We have concluded that that person is Barack Obama, for reducing global tension and laying the basis for resolving dangerous conflicts. Much of the criticism has been based on criteria others may have read into the award. Some claim that Obama has not yet done enough. But Nobel says, that the prize shall go to the person who has done the most for world

peace during the past year. Many seem to think that the price should be awarded to someone who in the course of a long life has worked for peace and achieved concrete results. No such criteria are mentioned in Nobel's will."

Jagland believes that the press must take much of the blame for this year's negative reaction to the award.

"The press has a tendency to focus on criticism. But we have received an incredible number of positive reactions as well, not only from political leaders, but also from former Peace Prize laureates. There is a difference between those who see what is happening in the world, and those who still discuss the world with reference to former enemies, and want to continue doing so. Creating something new is always difficult. It is always difficult to get people to think along new lines and see new trends. I think it's a bit disappointing to see that so many commentators are unable to recognise important new developments."

"What possible consequences might the prize have for Obama in the future?"

"I have no opinion on that. But we have achieved one thing, and that is to give Obama yet another opportunity to speak to the world from one of its most prestigious platforms. Reaching out to the world with his message is an important part of the turnaround he is trying to achieve."

Those who have been members of the committee longer than I, say there have been far more difficult and lengthy discussions before.

"Obama did not appear all too happy when receiving the message that he had won the Peace Prize...?"

"In that case, would he have chosen to come to the award ceremony and spend more than a day in Oslo? Perhaps this man has what in my view is essential for being a statesman – a great degree of humility. That may explain his subdued reaction. I would have been surprised if he had received the news with bravado and self-confidence."

Denies dissent

The press has reported that several members of the Norwegian Nobel Committee were at first against nominating Obama for the prize. It has also been claimed that Jagland pushed through his own favourite candidate. The chairman dismisses the idea completely.

"Throughout the prize's 108-yearhistory, all laureates have been subject to careful examination

From radical watchdog to statesman

Thorbjørn Jagland's career as prime minister ended with a bang, thanks to a single number. In 1996 he succeeded fellow Labourite Gro Harlem Brundtland as prime minister. The road was clear for a new era in Norwegian politics under the leadership of Jagland. But this was not to be. Before the 1997 general election, he declared that Labour would choose not to remain in power unless the party received at least 36.9 percent of the vote, the same result as during the previous election. This would show itself to be a fatal strategy.

Thorbjørn Jagland was born in 1950, growing up in a family of Labour supporters. In his early years, he was a radical leader of the Labour Party's youth organisation AUF, chiding a stagnant party leadership for their lack of transparency. Some claim that he opposed everything the party stood for. Later, in 1986, he became the party's secretary, and received much of the credit for modernising the movement during the 80s and 90s. In 1996, without any former experience in government, Jagland became prime minister. The Labour Party's visionary strategist and ideologist was entering the government offices. But Jagland the political thinker did not succeed equally well in leading the government or handling the media, as he had in reforming the party.

Introducing his vision of "The Norwegian House", founded on the idea of society's value creating potential, Jagland brought in cabinet ministers with untraditional views and backgrounds. But a number of them had hardly begun before they were forced to withdraw. "The Norwegian House" was ridiculed, a Christmas gift to Norwegian satirists.

Labour failed to make the magic 36.9 per cent during the 1997 general election. Asking the electorate for a "vote of confidence", as Jagland had done, was unheard of in Norwegian politics. Despite reasonably good election results, Jagland had to go. He never returned to lead the government again, and had to resign as party leader after a power struggle with the current prime minister, Jens Stoltenberg.

In 2000 he re-entered government as a highly respected foreign minister under Stoltenberg's first cabinet. But even here his lack of media savvy turned back on him, when he referred to the foreign minister of Gabon as "Bongo from Congo". In 2005 he became president of the Norwegian parliament, before being elected to the prestigious post of secretary general of the Council of Europe in 2009.

Stig Nøra

The Norwegian Nobel Committee

Thorbjørn Jagland: Secretary general of the Council of Europe (2009–). President of the Storting (Norwegian parliament) 2005-2009. Prime minister 1996–1997. Foreign minister 2000–2001. Member of the Storting 1993–2009.

Kaci Kullmann Five: Self-employed adviser for public affairs. Chair of the Young Conservatives 1977–79. Member of the Storting 1981–97. Minister for trade, shipping and European affairs, 1989–90. Chair of the Conservative Party 1991–94.

FOTO: KEN OPPRANN

Sissel Marie Rønbeck: Chair of the Labour Party's youth movement (AUF) 1975–1977. Member of the Storting 1977–1993. Cabinet minister 1979–81, 1986–89 and 1996–97.

Inger-Marie Ytterhorn: Senior political adviser to the Progress Party's parliamentary group. Member of the Storting 1989–93.

Ågot Valle: Member of the Storting 1997–2009. President of the Odelsting (one of the two chambers of Parliament) 2001–2005. Member of the Socialist Left Party.

and discussion by the committee. One has weighed the pros against the cons, and that was the case this time as well. When you are talking about the world's foremost politician, it is entirely in its place to do this very thoroughly indeed. But the decision was not a particularly difficult one to make. Those who have been members of the committee longer than I, say there have been far more difficult and lengthy discussions before. It has been an altogether normal process, and there was no disagreement on the final result."

Jagland confirms Obama already was a central candidate during the committee's discussions at their first meeting in February, only a month after he was sworn in as president. Incidentally, Obama was nominated before the February 1 deadline, only two weeks after his inauguration.

"In February he was still a fledgling president, so to speak, and not even Obama could possibly have achieved that much during his first month?"

"Yes, he was new at the job, but not as a politician. In fact, he started long before this, sending out important signals during both the nomination and the election campaign."

Many of those who were subject to speculations never entered into our discussions. But Obama was a candidate from the Committee's very first meeting on.

Jagland denies that Obama was his favourite and only candidate from the very start.

"No, I wouldn't say that, but I can't go deeper into this. All along we were considering many candidates, as well as global developments, and I think it gradually became clearer and clearer to the entire committee that Obama was the best candidate."

The chairman is surprised that so journalists saw Obama as a viable candidate, noting that many who speculated on a winner in advance missed the mark completely.

"I realise there was much speculation and guesswork as to who would receive the prize. In fact, many of those who were subject to these speculations never entered into our discussions. But, as I said earlier, Obama was a candidate from the committee's very first meeting on." ■

Monday Morning
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The Prize

Challenging our notions of peace

The Nobel Peace Prize has attracted as much praise as it has controversy. Even if laureates are perceived as peace heroes, they have not always been so

FOR OVER A century the Nobel Peace Prize has put peace on the international agenda, rewarding visionary activists, Catholic saints or political leaders committed to negotiation. But the award - often called the world's most prestigious prize - has also provoked fierce debate.

"Good arguments can be made against the majority of laureates. They are not perfect, and there are objections to most of them, but common to all is their effort on behalf of peace in a particular area," says **Geir Lundestad**, secretary of the Norwegian Nobel Committee. He cites Mikhail Gorbachev as an example.

"Gorbachev was no democrat, but no one has done more to end the Cold War than him. Awarding the prize to him was altogether unproblematic," says Lundestad. The history professor is considered by many a very influential figure on the committee, even though he cannot vote. Like many others, Lundestad is baffled by the international attention given to five unknown ex-politicians from tiny Norway, who once every year appoint the person or organisation that has done the most for peace (see text box about the committee on the left page).

None of the other 300 or so peace prizes around the world challenge the position of the Nobel Peace Prize. Is it the most distinguished peace prize of all, and, according to the Oxford Dictionary of Twentieth Century World History, it is also the world's most prestigious award. Despite its status, however, the prize has been the subject of frequent dispute and controversy, particularly when challenging our basic notions of peace.

Henry Kissinger received it but Mahatma Gandhi, the century's foremost advocate of nonviolence, did not. One theory has it that Norway feared the reaction from its close ally, the UK, the target of Gandhi's struggle, if Ghandi had been honoured. Another paradox is that the prize's founder, Sweden's Alfred Nobel, invented dynamite and was involved in the manufacture of weapons. It was hardly a matter of course that this man would establish the world's most distinguished peace prize.

The Nobel Peace Prize was first presented in 1901 and led to controversy from day one. It was shared between Red Cross founder Henry Dunant and pacifist Frédéric Passy, also known as the "apostle of peace". Many objected to the fact that the prize was shared, critics furthermore claiming that humanitarian work did not qualify as an effort on behalf of peace.

Ever since then, the Norwegian Nobel Committee has ruffled the sensibilities of despots, as well as the notion of peace held by the public. When the Nazis' political adversary Carl von Ossietzky received the Peace Prize in 1935, while interned in a concentration camp, Adolf Hitler became so enraged that he banned all Germans from receiving any Nobel Prize.

The 1935 Peace Prize had a rough and complicated start, taking several major international campaigns for the Norwegian Nobel Committee to award the prize to Ossietzky. Even after the decision was taken, the controversy continued within the committee. Foreign minister Halvdan Koht resigned as a member, followed by ex-prime minister Johan Ludwig Mowinckel. No representatives of the royal family attended the award ceremony.

The award to Ossietzky marked a turning point for the Norwegian Nobel Committee. Ties to the sitting government were severed, sitting ministers no longer able to become members. Never before had the Committee taken sides in favour of a candidate fighting for basic civil rights in opposition of his home government. Today Ossietzky's award stands as one of the pillars in the history of the Peace Prize, a symbol of the fight against Nazism.

"The most controversial prizes are often the

The following can nominate candidates

Members of national assemblies and governments of states, members of international courts, university rectors, professors of social sciences, history, philosophy, law and theology, directors of peace research institutes and foreign policy institutes, former winners of Nobel Peace Prize, active and former members of the Norwegian Nobel Committee and former advisers appointed by the Norwegian Nobel Institute.

best," says Lundestad, who believes that Ossietzky's award was the most important award in the history of the Peace Prize. But just because a prize is controversial, does not necessarily mean it is good, he adds.

In that sense the award of this year's Peace Prize to US president Barack Obama falls well in line with the history of controversial awards.

- **A controversial prize:** The most contentious awards have led to a divided committee.
- **EU off-limits:** Tough negotiations are rare among committee members, except when dealing with the EU and the Middle East.
- **Critics chide committee:** The Peace Prize is too closely tied to Norwegian foreign policy, some argue.

While Ossietzky's award represents the high point in the history of the Peace Prize, another extremely controversial decision has been considered by many to be its lowest point: the 1973 award to Henry Kissinger and Le Duc Tho, who received the prize for negotiating a truce between the US and Vietnam.

The award sent shockwaves throughout the world. "It was at that moment that satire died," said US satirist Tom Lehrer. Sixty Harvard scientists signed a letter stating that "this peace award is more than a person with a normal sense of justice can bear". One of Kissinger's former Harvard colleagues commented that "either Norway understands very little of what has happened, or they have a particularly well-developed sense of humour".

The most controversial prizes are often also the best.

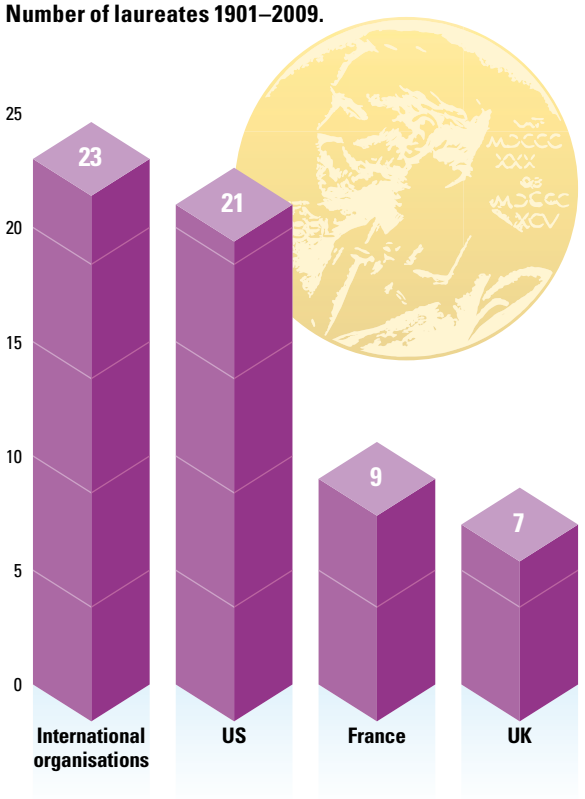
Geir Lundestad

Kissinger accepted the award, but Le Duc Tho, chief negotiator for the North Vietnamese and one of the communist party's strongmen, refused the prize, arguing that Vietnam was not at peace. Owing to the large number of protests and demonstrations, Kissinger never came to Oslo to accept the award.

Although the Norwegian Nobel Committee had been through unusually tough negotiations, its then chairman, Aase Lionæs, presented the final decision as having been unanimous. Finding this simply too much to take, two committee members resigned.

U.S. tops Nobel Peace Prize

Number of laureates 1901–2009.



The US has received the most Peace Prizes.

Source: nobelprize.org

Twenty years passed before the committee would be divided once again. In 1994, PLO leader Yasser Arafat, Israeli prime minister Yitzhak Rabin and his foreign minister Shimon Peres received the majority vote for their efforts on behalf of peace in the Middle East. Committee member Kåre Kristiansen, from the Christian Democratic Party, could not accept the decision, strongly objecting to awarding the prize going to Arafat.

"Our record is not without blemishes. The committee has made mistakes. But mostly things have gone well," says Lundestad, adding, however, that he could have done without certain awards. Which of them, he won't say.

Tough negotiations rare

This kind of breach among the committee's members is the exception. Lundestad says the atmosphere is generally agreeable. There are no violent arguments nor need for speeches to defend one's own favourites, as none of the members are bound to come to agreement until the final meeting. Even then the process is smooth, he says.

The selection process begins on February 1, the deadline for nominations. The right to nominate

a candidate is limited to a few thousands defined by Alfred Nobel's will (see text box on page 25).

Sitting committee members can nominate candidates, but only during the first meeting. 2009 was a record year for the number of nominees, with 205 candidates. This number is quickly reduced to 30–35 names, who are then shortlisted. These are the most interesting names, which the committee will study more closely. The candidates are then scrutinized by a group of expert advisers.

Our record is not without blemishes. The committee has made mistakes. But mostly things have gone well.

Geir Lundestad

Most of the names are eliminated during the following meeting in April, at which point Lundestad submits the reviews together with his own notes and comments. Following the review, the committee is left with less than ten nominees.

"The list drops very quickly down to ten, but we devote much time to the remaining candidates," he says. These are once again evaluated by a group of academic consultants including international experts.

New reviews are submitted during the next meeting, eliminating further candidates and leaving the committee with anywhere from five to seven names. Lundestad emphasises the open nature of the process. No decision is to made until the final meeting.

"It is important that all committee members keep an open mind. We aim for as much internal discussion and as little public discussion as possible," says Lundestad. The Norwegian Nobel Committee's decisions are surrounded by much secrecy and mystique, its members bound to 50 years of silence regarding the inner workings of the committee.

Lundestad believes it is nonsense for a daily paper, like the Norwegian Verdens Gang (VG) did this year, to "reveal" that a majority of the committee was, at an early stage, against awarding this year's prize to Obama. "It is immaterial whether the committee members at this point have different favourites. The process is open until the final meeting," he says, stressing that nothing out of the ordinary occurred during this year's proceedings. The only difference was a greater number of meetings than usual – not because the committee was unable to agree, but because the consequences of an award to a sitting US president had to be given extra consideration.

Problems arise only when a minority of members altogether refuses to endorse the majority's candidate. In that case they can either choose to keep silent and stand behind the majority vote, even though disagreeing with the decision, or, when this is impossible, resign from the committee.

Usually, three or four committee members endorse a given candidate, and one or two endorse another, says Lundestad, adding that reaching a final consensus is rarely a problem.

It is widely believed that Lundestad, an expert on US affairs, plays a central role in selecting the laureates, despite him not having the right to vote on the committee. He does not participate in general discussions, but at every stage of the process he contributes with perspectives, viewpoints and comments about the candidates. By pointing out the pros and cons of various candidates, Lundestad can influence the committee's final choice.

The EU means trouble

The apparent sense of harmony prevailing in the committee is the result of basic common values and points of reference. Lundestad believes that Norwegians tend to have relatively similar views on international issues, with two major and important exceptions: the European Union and the Middle East. These topics wreak havoc among the members of the Norwegian Nobel Committee. Although the EU has been a guarantor of peace in Europe during the entire post-war era, a Peace Prize to the EU would be politically problematic in Norway, which is deeply split on the question of seeking EU membership. The country has twice voted no to joining the Union.

"Personally, I would like to see a Peace Prize given to the EU project," says Lundestad. In his opinion, the Norwegian view on European integration has caused this area to be overlooked after

A white and Western prize

For many years the Nobel Peace Prize was largely the domain of white men from Western Europe and North America, although Alfred Nobel's wish was to create an international prize. Only four of the prize winners between 1901 and 1975 came from countries outside of Western Europe or North America. "Too much time went by before the prize became global," says Geir Lundestad, secretary of the Norwegian Nobel Committee. Not until 1960 did an African candidate receive the Prize, when South Africa's Albert Lutuli was awarded the Peace Prize for his fight against apartheid (see also figure on page 31).

World War II. But if some members of the committee were to go in for an EU-related candidate, others would find it unacceptable.

Lundestad says Norway's perspective on the EU is a disadvantage to having a Norwegian, rather than an international, committee.

Norwegian relations with other countries have also been unfortunate. "Misunderstood affinities with the UK may have been instrumental in preventing the century's foremost proponent of non-violence, Mahatma Gandhi, from ever receiving the Prize," says Lundestad.

Yet Lundestad considers it positive that the prize is awarded by Norway, believing the Norwegian, and Scandinavian, value system to be a mixture of realism and idealism, a quality suited to awarding a prize for peace. In his view, this basic set of values goes far in explaining why the award has been so successful.

At odds with Nobel

Peace activist **Frederik S. Heffermehl**, the author of *Nobel's Will*, a book critical of the Norwegian Nobel committee, believes that the latter has done little else but fail during the past 60 years.

"Alfred Nobel's intention with the prize, as stated in his will, has been altogether dismantled during these past 60 years," says Heffermehl.

The committee awards the prize in keeping with their own ideas, rather than with Nobel's will, he says. "Nobel's objective was a prize on behalf of disarmament. His aim was a fundamental reform of the entire international system."

He adds: "The committee believes in military solutions as a means of securing peace. This is wholly at odds with Nobel's intention."

"The basic dividing line between acceptable and unacceptable Nobel Peace Prizes lies between those that have gone to laureates who don't believe in militarism and those who do," he says.

Another point in violation of the will, according to Heffermehl, is the fact that the committee is made of former Norwegian politicians. It should be their duty to appoint committee members with experience in working for peace. Today's committee consists of men and women with a background in working for our current military system, he says.

"The committee reflects Norway's political interests and official policy abroad," says Heffermehl.

Lundestad dismisses Heffermehl's criticism. and But various critics have noted that the Nobel Peace Prize may be too closely tied to Norwegian foreign policy. Nobel historian **Øivind Stenersen** believes they have a point: "Norwegian international aid, foreign affairs, capital interests and the Norwegian Nobel Committee are all entangled. If these ties between the Peace Prize and Norwegian foreign policy become too close, there may be trouble ahead. The Peace Prize's impact may be diminished if it becomes too closely associated with Norway's official policy, its political and economic interests," he says.

Outside Norway the prize is often regarded as a part of Norwegian foreign policy. Stenersen believes it may be wise to include a foreign national as part of the committee. A foreign representative would provide a different perspective on the rights and wrongs of our world. But it would mean a dramatic change of course. Since the committee is limited to just five candidates, one of the political parties would have to be willing to withdraw their representative. This is unthinkable today. No one would give up a position.

Over time, the Peace Prize has severed its ties to the government and the Norwegian parliament. The consequence of Ossietzky's award was that cabinet ministers no longer were able to sit on the committee, and in 1977 this was extended to active members of parliament as well. Today's committee

Norway and the Peace Prize

Alfred Nobel's will states that the prize is to be given "to the person who shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and promotion of peace congresses."

The will provoked sharp reactions. At the time, Sweden and Norway were joined in a union, and Swedish-Norwegian King Oscar II believed Nobel to have been under the influence of female peace fanatics. The union controversy between Norway and Sweden was raging at the time, and there were fears that Norway would exploit the award to promote Norwegian independence internationally.

Alfred Nobel's decision to leave the Peace Prize award to Norway remains an unsolved mystery. One possible explanation may be that Nobel found it reasonable to leave union partner Norway with at least one of the awards. Another may lie in the fact that Norway had no foreign policy of its own, thus ensuring that committee members would make their decision independent of foreign policy considerations. Only a few years after the first Peace Prize, however, Norway gained independence.

And the nominees are…

One glance at the history of nominations shows that peace can be an ambiguous concept. Benito Mussolini was nominated in 1934 and Adolf Hitler in 1939. Joseph Stalin even received two nominations. Other contenders include Tsar Nicholas II, Emperor Haile Selassie and Leo Tolstoy.

consists primarily of former politicians.

"Although the committee has sought to dissociate itself from the political establishment, it is still closely tied to the powers that be. The make-up of the committee reflects the political power structure of the Norwegian parliament – ties to the Storting continue to exist. Norway is a small country, and the committee does not operate in a political vacuum," Stenersen stresses.

Lundestad points out that a Peace Prize rarely would be unacceptable for a sitting government, although this has happened. The Dalai Lama, for example, would never have received the prize if the government had had influence over the decision, for fear of provoking China, explains Lundestad. "We have shown that we dare stand up to the Kremlin by giving the prize to Andrei Sakharov and Lech Walesa. We have stood up to Beijing by awarding it to the Dalai Lama. And we have awarded prizes to Americans who have opposed official US policy."

But Stenersen doubts the committee will award the prize to a Chinese dissident. "It will probably never happen. The committee takes an active part in Norwegian foreign policy, and there are things one does, and others one does not do. An award such as this could lead to a political and economic boycott of Norway."

Peace prize suits the media

Geir Lundestad feels that the Peace Prize suits our media-dominated society. "Journalists love prizes, particularly prizes awarded to famous persons. They dislike complicated reasoning, they prefer a prize that everyone can understand," he says. He has noticed major changes during his time as secretary. The amount of attention varies, of course, depending on who receives the prize. But even-lesser known laureates get a lot of attention. "The prize becomes their megaphone. Take Muhammad Yunus, for example. He said: "Before I got the Peace Prize I was shouting, but no one heard what I said. Now I whisper, and every word is heard."

International brand

Lundestad has given the prize a modern makeover and created an international brand, says Stenersen. "Many of the awards during the past fifteen to twenty years have been spot on. The committee has taken hold of important international currents, chosen the right candidates, and defined a global peace agenda." The committee has high ambitions, paying close attention to developments on the international scene, notably backed by Nobel Secretary Lundestad's up-to-date insight into these areas.

Critics feel that the committee is watering down the very concept of peace.

Lundestad is not particularly worried about the fact that the Prize may challenge people's idea of what peace work is all about. "We are not going to conduct a survey on the Peace Prize. We must lead the way ourselves," says Lundestad, quoting Henry Ford, the inventor of the car: if I'd asked people what they wanted, they would have said a faster horse.

Alfred Nobel's intention with the prize, as stated in his will, has been altogether dismantled during these past 60 years.

Frederik S. Heffermehl

"The committee believes that many paths can lead to peace. When we introduce new categories, they may at first seem unfamiliar. There was a lot of fuss the first time we awarded the Peace Prize for human rights in 1960, but today few doubts that the fight for human rights qualifies as peace work. Now that we have established climate change as a new category, I believe that this, too, will eventually be considered work on behalf of peace," says Lundestad.

Stenersen believes the reputation of the Peace Prize in years ahead will depend upon the committee's ability to establish new winning categories. It will be strengthened by extending the definition of peace, he says. In future, it could even happen that rock stars and football icons hold a Nobel Lecture at Oslo City Hall. ■

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And the winners were ...

2009 Barack H. Obama
For his extraordinary efforts to strengthen international diplomacy and cooperation between peoples.

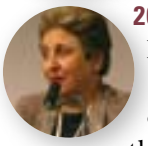
2008 Martti Ahtisaari
For his important efforts, on several continents and over more than three decades, to resolve international conflicts.

2007 Intergovernmental Panel on Climate Change (IPCC) and Albert Arnold (Al) Gore Jr
For their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change.

2006 Muhammad Yunus and Grameen Bank
For their efforts through microcredit to create economic and social development from below.

2005 International Atomic Energy Agency (IAEA) and Mohamed ElBaradei
For their efforts to prevent nuclear energy from being used for military purposes and to ensure that nuclear energy for peaceful purposes is used in the safest possible way.

2004 Wangari Maathai
For her contribution to sustain-able development, democracy and peace.



2003 Shirin Ebadi
For her efforts for democracy and human rights, especially the rights of women and children, in Iran and the Muslim world in general.

2002 Jimmy Carter
For his decades of untiring effort to find peaceful solutions to international conflicts.

2001 The United Nations (UN) and Kofi Annan
For their work for a better organised and more peaceful world.

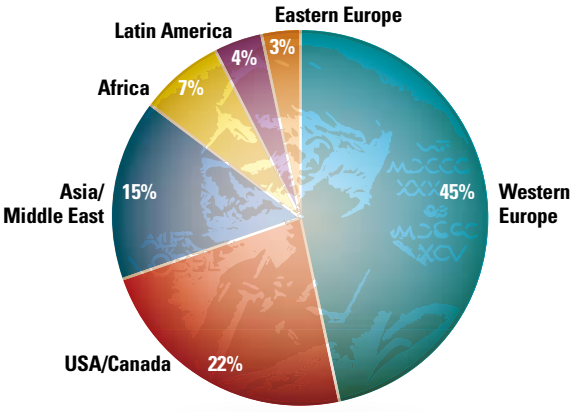
2000 Kim Dae Jung
For his work for democracy and human rights in South Korea and in East Asia in general, and for peace and reconciliation with North Korea in particular.

1999 Doctors Without Borders
1998 John Hume and David Trimble
1997 International Campaign to Ban Landmines (ICBL) and Jody Williams
1996 Carlos Filipe Ximenes Belo and José Ramos-Horta
1995 Joseph Rotblat and Pugwash Conferences on Science and World Affairs
1994 Yasser Arafat, Shimon Peres and Yitzhak Rabin
1993 Nelson Mandela and Frederik Willem de Klerk
1992 Rigoberta Menchú Tum
1991 Aung San Suu Kyi
1990 Mikhail Sergeyevich Gorbachev
1989 The 14th Dalai Lama, Tenzin Gyatso
1988 The United Nations Peace-keeping Forces
1987 Oscar Arias Sánchez
1986 Elie Wiesel
1985 International Physicians for the Prevention of Nuclear War
1984 Desmond Mpilo Tutu
1983 Lech Walesa
1982 Alva Myrdal and Alfonso García Robles
1981 Office of the United Nations High Commissioner for Refugees
1980 Adolfo Pérez Esquivel
1979 Mother Teresa
1978 Mohammad Anwar Al-Sadat and Menachem Begin
1977 Amnesty International
1976 Betty Williams and Mairead Corrigan
1975 Andrei Sakharov
1974 Seán MacBride and Eisaku Sato
1973 Henry A. Kissinger and Le Duc Tho
1971 Willy Brandt
1970 Norman Ernest Borlaug
1969 The International Labour Organisation (ILO)
1968 René Cassin

1965 United Nations Children's Fund (UNICEF)
1964 Martin Luther King Jr
1963 The Int. Committee of the Red Cross and The League of Red Cross Societies
1962 Linus Carl Pauling
1961 Dag Hjalmar Agne Carl Hammarskjöld
1960 Albert John Lutuli
1959 Philip John Noel-Baker
1958 Georges Pire
1957 Lester Bowles Pearson
1954 The Office of the United Nations High Commissioner for Refugees
1953 George Catlett Marshall
1952 Albert Schweitzer
1951 Léon Jouhaux
1950 Ralph Bunche
1949 Baron John Boyd Orr of Brechin
1947 The Friends Service Council and The American Friends Service Committee (the Quakers)
1946 Emily Greene Balch and John Raleigh Mott
1945 Cordel Hull
1944 The Int. Committee of the Red Cross
1938 The Nansen International Office for Refugees
1937 Viscount (Lord Edgar Algernon Robert Gascoyne Cecil) Cecil of Chelwood
1936 Carlos Saavedra Lamas
1935 Carl von Ossietzky
1934 Arthur Henderson
1933 Sir (Ralph) Norman Angell (Lane)
1931 Jane Addams and Nicholas Murray Butler
1930 Lars Olof Jonathan (Nathan) Söderblom
1929 Frank Billings Kellogg
1927 Ferdinand Edouard Buisson and Ludwig Quidde
1926 Aristide Briand and Gustav Stresemann
1925 Sir(Joseph) Austen Chamberlain and Charles Gates Dawes
1922 Fridtjof Nansen
1921 Karl Hjalmar Branting and Christian Lous Lange
1920 Léon Victor Auguste Bourgeois
1919 Thomas Woodrow Wilson
1917 The Int. Committee of the Red Cross
1913 Henri La Fontaine
1912 Elihu Root
1911 Tobias Michael Carel Asser and Alfred Hermann Fried
1910 The Permanent International Peace Bureau
1909 Auguste Marie François Beernaert and Paul Henri Benjamin Balluet d'Estournelles de Constant
1908 Klas Pontus Arnoldson and Fredrik Bajer

Western dominance

Nobel Peace Prize Laureates 1901-2009 by regions



Source: Norwegian Nobel Committee

1907 Ernesto Teodoro Moneta and Louis Renault
1906 Theodore Roosevelt
1905 Baroness Bertha Sophie Felicita von Suttner
1904 The Institute of International Law
1903 Sir William Randal Cremer
1902 Elie Ducommun and Charles Albert Gobat
1901 Henri Dunant and Frédéric Passy

Source: Norwegian Nobel Committee

Alfred Nobel's will

The prize is dedicated to "the person who shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and promotion of peace congresses".

For Whom Nobel Tolls?

Since 1960, about half of the Nobel Peace Prize awards have been informed by a sense that peace equates justice, rather than order. The latest award is bound to provoke some fairly serious reflection in Norway, argues Douglas Bulloch

ESTABLISHED IN 1901, the Nobel Peace Prize rewards yearly "the person who shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and promotion of peace congresses".

The meaning of this single sentence has been deeply contested in the intervening period, so much so that each award of the prize has become an important moment in the evolution of the conceptual fabric of peace. Thus, although "world peace" is the apocryphal aspiration of beauty contestants everywhere, according to the conditions of Alfred Nobel's will, there were three explicit reasons why an award might be made. The "abolition or reduction of standing armies," "the promotion of peace congresses" and "fraternity between nations" – conditions that evoke a broadly negative conception of "peace as order". However, the prize has grown out of its original 19th century constraints towards a more fully realised conception of "peace as justice," culminating with recent awards focusing on the alleviation of poverty and the campaign against climate change.

Further clues to Nobel's thinking on the concept of peace can be found in a letter he wrote to a friend and eventual laureate – the writer Bertha von Suttner – wherein he tells her that "my factories [for military explosives] may well put an end to war sooner than your congresses … The day when two army corps can annihilate one another in one second, all civilised nations, it is to be hoped, will recoil from war and discharge their troops."

One might offer the history of the 20th century as a corrective to such optimism, but as long as nuclear annihilation remains only one possible future, Nobel's "negative" vision of peace retains at least a measure of credibility. It was after all consistent with the prevailing system of order: favouring the reduction of standing armies, concern for fostering friendship between recognised states and support for "peace congresses". None of these challenged the preponderance of British naval supremacy, or the legitimacy of the European state system and their respective Empires. Most emphatically a recipe for peace as order and stability.

coMment

The author

Douglas Bulloch is the LSE Fellow in International Political Theory at the London School of Economics and Political Science.

The Peace Prize largely reflected these foundational sentiments until about 1960. Prior to this date, the only awards that could be considered to fall outside Nobel's original criteria were in 1935 to Carl von Ossietzky and 1952 to Albert Schweitzer. Both prominent individuals, clearly committed to the cause of peace, the former was a pacifist political prisoner, and the latter a medical missionary, placing them slightly outside Nobel's specific criteria, if not their spirit. In fact, if Nobel's criteria are accepted as a good outline of "peace as order," then examining the awards from 1960 onwards reveals the contours of a dramatic shift in the landscape of peace.

The prize has grown out of its original 19th century constraints towards a more fully realised conception of "peace as justice."

Since 1960, about half the awards have been informed by a sense that peace equates justice, as opposed to order. Albert Lutuli of the African National Congress received it in 1960, and Martin Luther King in 1964. Both of these awards shifted the consensus on what counted as peace, away from the "negative" conception of "peace as order" decisively in the direction of the more "positive" idea of "peace as justice". After all, King had nothing to do with any existing war or conflict, but instead with the potential for violence in a campaign for civil rights in the US.

The contrast is clearer in the case of the

International Committee of the Red Cross (ICRC). Prior to and including 1963, the ICRC received the award four times, so could be considered a regular, but it has not received it since. Instead, organisations with less commitment to prevailing state-based norms have received it: Amnesty International in 1977 and Médecins Sans Frontières in 1999, itself an offshoot of the ICRC that abandoned their explicit commitment to political impartiality back in the 60s.

Several awards seem to have made up for the committee's past errors. Not only did Jimmy Carter receive it in 2002, partly in recognition for not receiving it in 1978, but more extraordinarily, Tenzing Gyatso (the fourteenth Dalai Lama) received it partly in recognition that Mahatma Gandhi had never been rewarded. Fortunately the Dalai Lama was gracious in victory and openly acknowledged the influence of Gandhi on his life's work.

In the 80s, the awards to Desmond Tutu and Lech Walesa carried important political messages to the apartheid regime in South Africa and the Politburo in Moscow. More recently the UN and the International Atomic Energy Agency (IAEA) have received institutional recognition, but when the award has not gone to the protagonists of a particular peace process, or an institution, it has frequently gone to worthy individuals who adopt a peaceful approach to the promotion of particular cosmopolitan causes; Mother Theresa, Elie Wiesel and Rigoberta Menchú Tum are examples of this kind of award (they were recognised in 1979, 1986 and 1992 respectively). Lastly Mikhail Gorbachev received it in 1990, only a year before the state he had presided over since 1985 collapsed into a miasma of ethnic tensions and klepto-capitalism.

Many recent awards have a more traditional flavour: 1997, the campaign to ban landmines; 1993, Frederik de Klerk and Nelson Mandela; 1994, Yitzhak Rabin, Shimon Peres and Yasser Arafat; 1996, Carlos Filipe Ximenes Belo and José Ramos-Horta; 1998, John Hume and David Trimble; even perhaps Kim Dae Jung in 2000.

But even when the award follows Nobel's original criteria, it nevertheless conforms to a broadly internationalist sensibility that firmly connects "peace with justice". Hence the controversy attached to the 1973 award to Henry Kissinger. Looked at in long perspective, Kissinger's award was little different to many of the early awards to statesmen, so it is indicative of changed perspectives that so explicit a commitment to "peace as order" proved so controversial.

The idea of "peace as justice" was once a fairly radical proposition. The fact that it has become so routine today reflects just how much the idea of peace has changed since Nobel wrote his will, with particular reference to the 2006 award, which went without controversy to Muhammad Yunus and his Grameen Bank. This bank offers micro-credit loans to women in Bangladesh, and has a 30-year history of successful commercial operations in rural communities. In other words, the bank does good work, and makes money, properly befitting the age of the concerned consumer.

But the idea that poverty and peace are directly related presupposes that wealth inequalities are – in and of themselves – unjust, and that the solution to the problem of war is to alleviate the injustice that inspires conflict, namely poverty. However, it also suggests that poverty is a legitimate inspiration for violence, otherwise there would be no reason to alleviate it in the interests of peace. To suggest that war causes poverty is to utter an obvious truth, but to suggest the opposite is – on reflection – quite hard to believe. War is an expensive business in the 21st century, even asymmetrically. However, to say that poverty is itself unjust, would have sounded – in the 19th century – like a call to arms. This, in turn, highlights the danger of the move towards "peace as justice," in that to conceive of peace as justice – as opposed to order – is to anticipate a change to the status quo, a change which may only be possible with violence; hardly consistent with Nobel's original intentions.

Environmental degradation and climate change are without doubt serious problems, but their connection to peace is tenuous at best.

More importantly, the tendency to award the prize in order to raise awareness of broad issue areas has blunted its rhetorical force, such that today it says more about the general sympathies of the committee, than about the world they think they are describing.

The next awards worth an individual mention are the 2004 award to Wangari Maathai and the 2007 joint award to Al Gore and the Intergovernmental Panel on Climate Change (IPCC). Environmental degradation and climate change are without doubt serious problems, but their connection to peace is tenuous at best. Each of these awards was certainly popular but perhaps more widely accepted by the public than by the academic community, where they received a fairly muted response.

Climate change, insofar as it is a threat, is a threat to the whole world. And although this may lead to resource conflict in some regions, this is because those regions are bereft of good government and the means to address problems of social upheaval. Deforestation and pollution are almost invariably the consequence of market or regulatory failure, and although education and changing social attitudes are important aspects of any solution, they are adjuncts to firm legal protection for the environment. The extent to which climate change might contribute to conflict presupposes the absence of political or institutional mechanisms for the resolution of the problems it exacerbates. And highlighting climate change as the causal factor behind conflicts, bypasses deeper social and political criticisms concerning collective human responses to environmental threats.

The one conflict that is most often referred to in connection to ongoing climate change is the conflict in Darfur, which would imply that the Janjaweed are merely misunderstood environmentalists! Furthermore, the fact that Al Gore also won an Oscar at about the same time revealed the extent to which the prize had begun to resemble a popularity contest, rather than a serious intervention into debates about peace.

Very few people – save Obama's fiercest partisans – regard the award as anything more than insubstantial flattery.

After the relatively conventional – not to say old-fashioned – award to Martti Ahtisaari in 2008, the most recent award, to Barack Obama, has attracted a great deal of bemused reaction, not least from the laureate himself. A lot of positive things can be said about Obama, but to award the prize to the US president is bound to seem like a return to a conceptualisation of "peace as order" after the "infinite justice" rhetoric of the Bush administration. However, although it is not the first time the prize has been criticised as premature, it is the first time that prematurity has attached to a general disposition towards peace and multilateralism, rather than the shaky first steps of a specific peace process. Trimble, Hume, Rabin, Peres and Arafat can all be said to have received the award before the peace agreements they signed bore fruit, but the awards were nevertheless clearly understood.

And although Obama has already made appealing steps in the direction of diplomatic engagement and multilateral cooperation, he has seven years left in office, and unless the committee anticipate awarding it twice to the same person, there is almost nothing to be said for it at all. Peace – a form of it at least – is, after all, his job in some sense.

The awards from 1960 onwards reveals the contours of a dramatic shift in the landscape of peace.

Very few people – save Obama's fiercest partisans – regard the award as anything more than insubstantial flattery, such that even some quite firm supporters of Obama regard his acceptance as a political misstep. So the latest award, although thought by some to reflect a return to ancient Nobel virtues, might be better understood as the Norwegian Nobel Committee seeking to borrow some of Obama's unquestionable popularity for the renewal of their confused and tired – although still much loved – institution.

Where now for the Peace Prize? The latest award is bound to provoke some fairly serious reflection in Norway, but if the committee abandons the "beauty contest" approach and begins again to consider the matter of peace more soberly, and the work of establishing peace as a mundane – not to say quotidian – task, then the award may eventually find its way into the worthy hands of Morgan Tsvangirai, for the dignity with which he and his supporters endured a vicious campaign of intimidation in Zimbabwe, or the safe hands of Interpol, for the largely hidden work they do in virtually all arenas of human security, arms trafficking, the smuggling of blood diamonds and the pursuit and arrest of war criminals. ■

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International relations

Norway leads on soft power diplomacy

Norway has been active in peace mediation since the 90s. But the country's self-image as a "peace nation" is hotly debated at home

IN THE AFTERMATH of the Cold War, small states got the opportunity to play a more significant role in international peace diplomacy. Suddenly, there was room for more than the two superpowers and a few more states in the resolution of conflicts.

Norway was among the countries to seize the opportunity – punching far above its weight, considering it has a population of less than five million.

The 1993 Oslo Accords, then a milestone in the history of the Palestinian-Israeli conflict, put Norway on the map as a successful peace mediator. Norwegian peace diplomacy, however, did not start with the Oslo Accords, but with the 1990 peace process in Guatemala. Norway was also active in Sri Lanka, helping conclude a temporary ceasefire in 2002.

This led Norway, the land of the Nobel Peace Prize, to view itself as a peace nation exercising "soft power" diplomacy, or reputational authority.

Jan Egeland, as deputy foreign minister from 1990 to 1997, was a key figure in the development of Norwegian peace diplomacy. In particular, he played a central part in the secret negotiations between Israel and the Palestine Liberation Organisation (PLO) leading to the Oslo Accords. Why did Norway initiate so many peace processes?

"We saw the end of the Cold War as a possibility. We had free economic means and we had the NGOs and research institutes to cooperate with, but we didn't know we would succeed. The Norwegian channel leading to the Oslo Accords was supposed to be secret indefinitely. And the peace agreement in Guatemala was never thought to be international news. But, suddenly, Norwegian diplomats in London, Washington and other important cities got access to all the key figures on the international scene to brief on 'Norwegian peace diplomacy'," he says.

The situation today is different than it was 20 years ago, however. "Norway played a central role in part because there were few contributors compared to now. Except for the UN, there were only a handful of countries and organisations that were focusing on international peace mediation. Today, there are probably more than a hundred," says Egeland. After the Norwegian foreign ministry, Egeland went on to work as the UN Undersecretary-General for Humanitarian Affairs and Emergency Relief Coordinator from 2003 to 2006, drawing attention to humanitarian emergencies worldwide.

We saw the end of the Cold War as a possibility. We had free economic means and we had the NGOs and research institutes to cooperate with.

Jan Egeland

As Norway built up its capacity for peace facilitation in the 90s, many others wanted to play similar roles. "I have given lots of interviews to PhD students, diplomats and members of NGOs seeking to find out how their country, university or institution could play a similar role to Norway as an organiser," says Egeland.

In her thesis on Norwegian peace diplomacy, **Linn Marianne Larssen**, from the Centre for International Studies and Diplomacy at the University of London, outlines the various benefits of a small country in peace diplomacy:

- **Limited capabilities:** Small, limited material capabilities facilitate the role as peace mediator. This can be turned into a "comparative advantage" for Norway internationally.

- **Unthreatening:** No perceived great power interests and no means to coerce the parties to a conflict make small countries more trusted, as their intentions are viewed as more legitimate and their involvement non-threatening.

Soft power

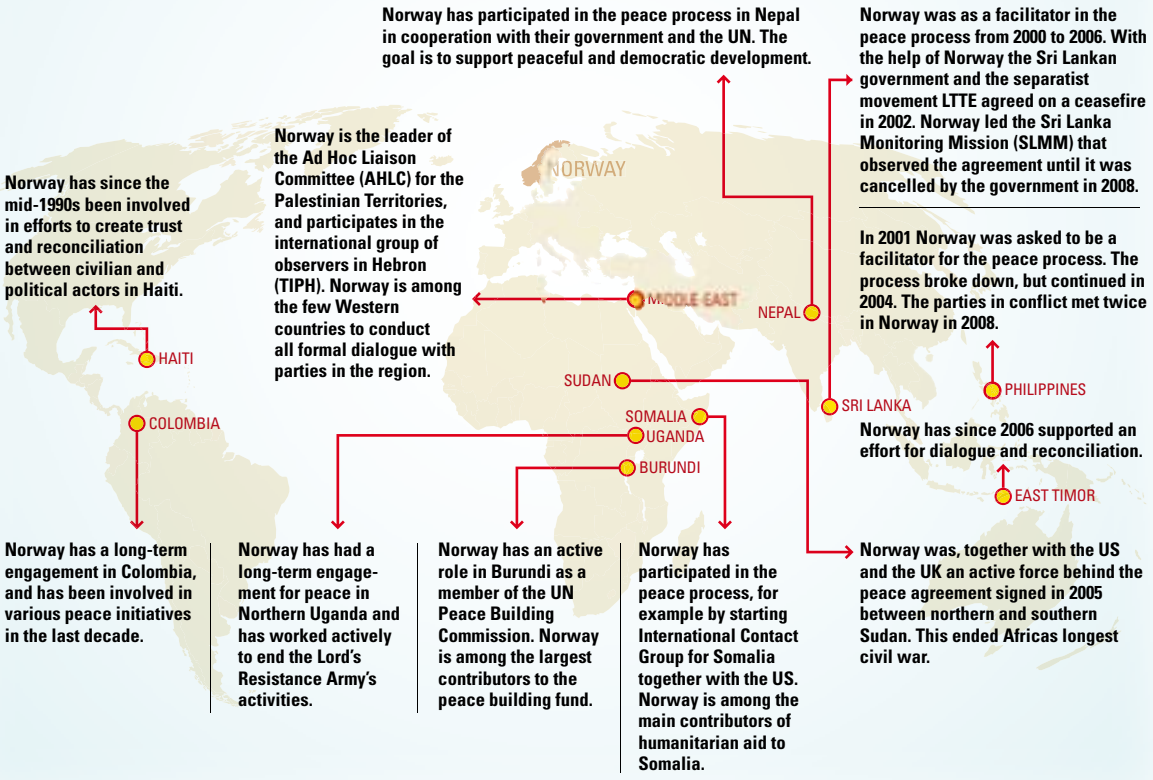
The ability to obtain what you want through co-optation and attraction. It is in contradiction to hard power, which is the use of coercion and payment. The primary currencies of soft power are an actor's values, culture, policies and institutions - and the extent to which these "primary currencies" are able to attract or repel other actors to "want what you want".

Source: Wikipedia

NORWEGIAN PEACE DIPLOMACY

Norway is today involved in peace and reconciliation processes in about 20 different countries and regions. This engagement is carried out in cooperation with other international actors, in particular the United Nations (UN). Norway aims to create, through dialogue, increased understanding across religions and political systems. A distinctive feature of the Norwegian peace diplomacy is the close cooperation between the government, and non-governmental organisations.

The map shows some examples of the breadth of the Norwegian international engagement. The list is not complete, as some of the projects are carried out in confidence. Public knowledge can in some cases complicate peace negotiations.



Source: The Norwegian Foreign Department

- **Peaceful:** A culture of peace and moral values are attractive to others, and, for a country with both, its foreign policies are perceived as credible and legitimate.

Good international citizens

The concept of soft power was developed by **Joseph Nye**, a professor of political science at Harvard and one of the world's most influential scholars of international relations. During **Bill Clinton**'s presidency in the 90s, the focus was put on liberal values such as compromise, dialogue and multilateralism. Hard power, like economic resources and military strength, was still important, but it was challenged by the belief that soft power could be as efficient – or even better – in some conflicts. Soft power relies on credibility – which was exactly what Norway managed to take advantage of.

During the Cold War, Sweden was known as the active peacemaker among the Nordic countries. Former prime minister **Olof Palme**, for instance, played a key role as mediator between Iran and Iraq in the 80s.

"It is a paradox that Sweden abdicated this role in the 90s and Norway took it over," says Egeland. He points out that The Netherlands also was active internationally at the time, while NGOs such as Norwegian Church Aid played a significant part in the peace efforts in Mali, Sudan and elsewhere.

Peace researcher **Carmen Wunderlich**, from the Peace Research Institute Frankfurt (PRIF), agrees that Norway has overtaken the role as peacekeeping-nation from Sweden, but notes that the countries internationally are seen as rather similar. "I think

small states can have considerable influence through soft power, for example, by being a critical voice or by providing expertise and information. When I think about Norway I think about the recent critique of the UN secretary general Ban Ki-moon for being too passive. This is typical for how small actors can have influence on the international arena – but it requires boost of an image as a 'good international citizen,' she says. The question is whether small states can function as a so-called moral-norm entrepreneur and whether they are able to transport this image to the world and function as a credible role model.

I think the only thing that really helps to prevent terror is information and cooperation, and this is exactly what the Scandinavian countries are good at.

Carmen Wunderlich

After the September 11 attacks and the US war on terror, many have argued that the era of soft power was over. But, according to Wunderlich, soft power is more important than ever: "The background for giving the Nobel Peace Prize to Barack Obama is that soft power is gaining a bigger role, functioning as a counterweight against hard power politics. I think the only thing that really helps to prevent terror is information and cooperation, and this is exactly what the Scandinavian countries are good at," says Wunderlich.

Nye adds, in an advice paper to South Korea (see text box), that "Norway also gains some soft power by its control of the Nobel Peace Prize. By giving it to Barack Obama, it reinforces the importance of what he called his new policy of engagement, which includes an important role for multilateral approaches".

Split self-image

The position as a credible moral-norm entrepreneur has been strengthened in Norway due to its history of being a peaceful state and low level of political corruption. For the same reason, the founder of the Nobel Peace Prize, Alfred Nobel, decided that this prize would be awarded by Norway, rather than by Sweden, who awards the other Nobel prizes.

In 2009, Norway was, again, ranked by the UN as the best country in the world in which to live, based on criteria such as life expectancy, literacy, education and GDP per capita.

In 2008, the total Norwegian expenditure on foreign aid was 22.6 billion crowns, almost four billion US dollars and close to one percent of Norwegian GDP. The money was, according to the Norwegian Agency for Development Cooperation (NORAD), used to support 110 countries.

In the Norwegian government budget for 2010, the plan is to increase spending so that Norway will reach its goal of using at least 1% GDP on foreign aid.

However, maintaining an image as a peace-promoting nation requires that the country does not have too many skeletons in the closet. When power is based on reputation, it is also vulnerable to bad-mouthing. Norway's role as a facilitator to the peace process in Sri Lanka failed and civil war raged once again. In Ethiopia, six Norwegian diplomats were expelled, due to the Norwegian engagement in the Horn of Africa, which the Ethiopians had argued was destabilising the region and threatening their interests.

Many argue that Norway holds double standards, challenging the country's self-image as a peace nation. Unlike Sweden, Norway is a member of NATO and participates in the war in Afghanistan. It is a major oil-producing country, with geo-political interests in many parts of the world. It is one of the largest weapon exporters in the world, relative to its population size. In absolute terms, however, Norway was only the 30th biggest exporter of major conventional weapons (not including small arms), in 2008, according to the Stockholm International Peace

South Korea looks to Norway

Harvard professor Joseph Nye recently wrote the following statement to an advisory committee in South Korea: "Many countries that are smaller than South Korea do well with soft power. Countries such as Canada, the Netherlands and the Scandinavian states have political clout that is greater than their military and economic weight, because of the incorporation of attractive causes such as economic aid or peacemaking in their definitions of their national interest. For example, in the past two decades Norway, a country of only five million people, has taken a hand in peace talks in the Philippines, the Balkans, Colombia, Guatemala, Sri Lanka and the Middle East. Norwegians say this grows out of their Lutheran cultural heritage, but at the same time the posture of peacemaker identifies Norway with shared values that enhance Norway's soft power. Former foreign minister Jan Petersen argued that 'we gain some access,' explaining that Norway's place at so many negotiating tables elevates its usefulness and value to larger countries."

Source: Joseph Nye, Mandag Morgen

Research Institute (SIPRI).

During the last couple of years, critics have emphasised that Norway is not as innocent as some might think. The controversial journalist, author and filmmaker **Erling Borgen** is one of them, suggesting that the Norwegian army and soldiers in Afghanistan may be an accomplice to war crimes and human rights violations due to not reporting about, or protesting against, things they have observed in the fields.

The peace negotiator and researcher **Johan Galtung**, among the most popular speakers on peace resolution in the world (see also article page 12), is one of the sharpest critics of the Norwegian peace diplomacy. "There is a notion in Norway that peace is something that arises when Norwegians are present. A combination of lack of knowledge and impatience makes these attempts amateurish and doomed to fail," Galtung said to the Norwegian leftwing newspaper Klassekampen in October.

Where there is international peace work going on, the chance is that Norway is one of the most significant contributors.

Jan Egeland

While Norway's position as an influential peace nation was hugely exaggerated in the 90s, public opinion has now turned to the opposite extreme, according to Egeland. "Norwegians are obsessed with what other countries think about our role in the world. I often see exaggerations of the Norwegian significance both ways. There has at times been an extreme exaggeration of our role internationally, while at the same time there is a denial of our importance," he says.

The truth, he continues, is that Norway is a miniature country militarywise and in peacekeeping or peace enforcement. Even in the country where we have our greatest military investment, Afghanistan, our role is small. At the same time, we are much bigger than, for example, Italy, Canada, France, Russia or China when it comes to multilateral assistance and cooperation. "We are often on a par with the US when it comes to contributing to UN agencies. Where there is international peace work going on, the chance is that Norway is one of the most significant contributors" he says.

He underlines that Norway plays an important role as a team player. "There are few peace processes in the world where Norway does not contribute directly or indirectly. Norway is also the country in the world that contributes most per capita to the UN financially," says Egeland.

The future

During the next ten years, Egeland expects Norway to continue to be a privileged, rich contributor, with a broad political consensus around development aid – which cannot be taken for granted in today's world.

But he thinks Norway must realise that it will probably not be the most important third party to any more peace agreements. "We must be more active in the UN and make them become more efficient. There is a queue of countries that want to participate so I don't think we can repeat the Oslo Accords. There might not be more high profile agreements like in Mali, south Sudan or Guatemala" he says.

At the same time, Egeland points out two things Norway must avoid: overestimating its role in international peace diplomacy and underestimating its role in international peace diplomacy.

"In many occasions, a peace initiative depends on a relatively small amount of money. Sometimes it is necessary to collect one million US dollars in order to start negotiations during a war – a war that might already have had a price of one billion dollars. There have been cases where nobody has been able to pay the hotel bills for the warlords," says Egeland.

"It is important to remember, though, that Norway has no possibility to force anyone to do something they don't want to in the first place. We do not have coercive power like the US, large states in Europe, China, India and the UN through the Security Council. In this context we are a mosquito. The mistake I think we've made in Norway was first to overestimate our importance – while we now have become too critical – and underestimate our role. The truth lies somewhere between these two positions."

Monday Morning
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Society

Nordic welfare model key to economic success

An international team of researchers that has studied the Nordic welfare state believes it has shown an astounding ability to renew itself and enable businesses to hold their own in international competition

"THE NEW WELFARE state provides us with a fantastic springboard to the global economy," says **Eli Moen**, a researcher at the BI Norwegian School of Management in Oslo.

Many economists have been surprised at how well Norway, Sweden, Finland and Denmark have fared in the face of increasing global competition. After all, high taxes, high public spending, flat organisation structures, strong trade unions and high wage levels are hardly the standard formula for strong economic performance in influential circles in London and Washington. But as globalisation has gathered momentum and the pace of change has accelerated in trade and industry worldwide, the Nordic countries have not only managed to keep pace with the rest of the world but to be in front. They can point to rapid economic development over the last 10-15 years, a development that, where Norway is concerned, is far from being explained by the country's large oil revenues alone. Against all odds, small Nordic companies have held their own in the international premier league, and the Nordic countries come out on top of several economic rankings, including level of innovation or international competitiveness (see Figure 1).

The Translearn research programme brought together researchers from a number of Nordic business schools and universities to study the Nordic welfare states and their recent economic achievements. They believe the Nordic countries have given such a good account of themselves in the international economy because of, and not despite, the welfare state.

This is not, however, down to the traditional Nordic model (see text box). The researchers believe the welfare state has changed to such an extent that we can now talk about a completely new, more flexible and offensive model. They call the modern welfare state "the enabling welfare state".

The sequence of major crises that hit the Nordic countries through the 80s and 90s played a key role. Rather than simply expanding existing measures, the state has become more demand-oriented, offering tailored services that help individuals and businesses adapt to changing economic times.

This means that the state is sharing the risks inherent in testing experimental business models, something that is essential in conquering the global economy.

The Nordic model

The Nordic model, or the Nordic welfare state, was shaped in the decades after the Second World War. Key elements include strong organisations, centralised pay settlements, a high pay level and small pay disparities, an active labour market policy and a generous welfare state. The model has been criticised for presenting a barrier to economic adjustments and reducing competitiveness, criticism that has prompted a number of reforms in recent decades.

The welfare state is enabling people to live in the experimental economy. Instead of being a cost, it is an asset.

Peer Hull Kristensen

An asset

Professor **Peer Hull Kristensen** of Copenhagen Business School points out that the traditional welfare state has typically provided a safety net for people who lose their jobs as a result of market forces.

"This is the defensive method. Now, however, we are seeing the welfare state consistently taking an active and offensive approach, giving people a genuine opportunity to be part of a global business community. The welfare state is enabling people to live in the experimental economy. Instead of being a cost, it is an asset," he says.

Researchers discovered that Nordic employees are surprisingly mobile, and that they are happy to travel to client meetings all over the world. In other countries only the elite would have the means and the opportunity to do this. Ordinary salaries in the Nordic region allow people to combine family life with jobs of this nature, because the welfare state has developed an infrastructure for families to

facilitate this.

"No one believed it was possible, yet small businesses and subsidiaries in such peripheral countries as ours have managed to adapt themselves to international upheavals, captured market shares and become global leaders," says Moen.

"The welfare state is the rock on which flexible and experimental organisations are built. What counts in international competition is innovativeness and adaptability: employees must always be prepared for new work situations, new work tasks and constantly changing roles," she says.

The researchers also point out that work in the Nordic countries seems to be organised in very different ways from most other countries. All have moved towards the "learning" form of work organisation and, more than anywhere else in Europe, people in the Nordic countries are both learning new things and applying their own ideas at work (see figure 2). This "learning" form of work organisation is characterised by "over-representation of the variables autonomy and task complexity, learning and problem solving to the extent of the variable measuring individual responsibility for quality management." And the variables reflecting monotony, repetitiveness and work rate constraints are underrepresented.

This suggests the Nordic countries have enabled businesses and employees to develop a system of work organisation that is highly compatible with globalisation and the new experimentalist economy.

Perhaps the most surprising finding, the researchers argue, is that in all the Nordic countries, the starting point for a firm or organisation may be the product, but they then move this product very close to the customers. They then solve more and more complex problems for and in cooperation with existing customers, or by starting to work for increasingly sophisticated and demanding customers.

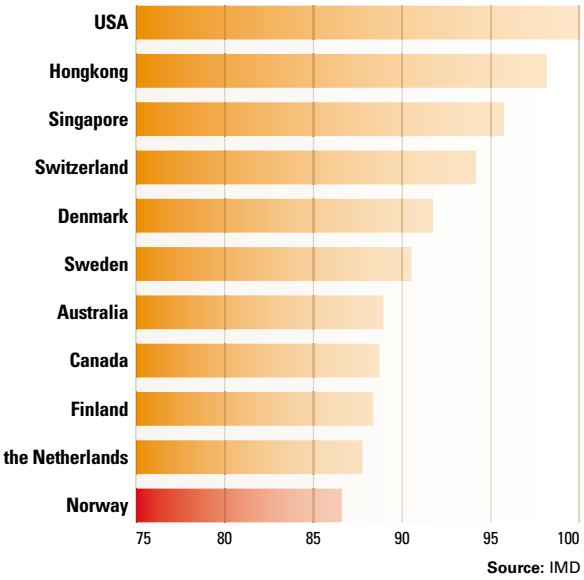
In most cases, Nordic firms seem ready to accept the risks involved in following customer developments, and their internal flexibility makes it possible to reorganise roles and routines as customer relations change. This creates a dense network comprising other firms and suppliers, enabling them to be the spider in a web combining a set of suppliers with a set of customers, the researchers say.

Flexicurity

The Nordic countries have found different ways of adapting to new challenges. In Denmark, the labour market policy introduced by the Social Democrat prime minister Poul Nyrup Rasmussen in the 90s has been dubbed "flexicurity", refering to the combination of flexibility and security. Employers have a high degree of flexibility in that it is fairly easy to hire and fire employees. On the other hand, an active labour market policy, high unemployment benefits and support for further training ensures that employees also enjoy a reasonably high level of income and job security. The idea is that employers will be more willing to take on more staff, and employees will become more mobile and more willing to take jobs that are risky and more future-oriented.

In the top 11 — Figure 1

The Institute for Management Development's World Competitiveness Scorecard places Norway, Sweden, Finland and Denmark in the top 11 performers, in 2009.



Source: IMD

We are seeing the welfare state consistently taking an active and offensive approach, giving people a genuine opportunity to be part of a global business community

Peer Hull Kristensen

In Finland and Sweden it is first and foremost the commitment to research and education that has helped the business community to adapt to the global economy. Sweden is characterised by close interaction between the business community and educational and research institutions. Finland has gone even further, establishing a research and technology council headed by the prime minister that has taken the commitment to a new level, making the commitment to research and education even more focused and all-embracing than in

Sweden. Nokia is an example of a company that has benefited from the welfare state's contribution.

High-tech in Norway

In Norway, the Kongsberg companies stand out as an example of firms that have succeeded in becoming world leaders in their fields.

The state-owned Kongsberg Weapon Factory was split into a number of high-tech companies in 1987, a move that narrowly avoided a colossal business failure.

The subsea division was taken over by the US company FMC Technologies, renamed Kongsberg Offshore (later Kongsberg Subsea Systems) and went on to become a world leader in subsea systems for the oil and gas industry. Since 2000, the Norwegian branch of the company has played a key role in the growth of the global group. Oil & Gas Technologies, and particularly the subsea division from Kongsberg, have become the key growth drivers for the multinational company as a whole. Fortune magazine has four times named FMC the

The business community: Nordic model a barrier to competitiveness

The Confederation of Norwegian Enterprise (NHO), Norway's largest industry and employers' organisation, is satisfied with many aspects of the Nordic welfare model. But the Confederation believes there are also many aspects of the model that may act as a barrier to the competitiveness of Norwegian businesses.

For several years NHO's competitiveness barometre has shown that the Nordic countries come out top in areas that are key to firms' competitiveness. But according to **Petter Haas Brubakk**, executive director for industrial affairs at NHO, while Sweden and Denmark continue to make great strides, Norway is lagging behind.

"Based on the traditional measure of competitiveness – wage costs in industry – Norwegian firms that are exposed to competition perform poorly. In 2008 wage costs for workers in industry were almost 50 per cent higher than in our key trading partners in the OECD," he says.

NHO has always considered that Norway's tax rate is high and may restrict many firms' willingness to invest in Norway, that the sick-pay scheme is too generous and open to abuse, and that the public sector is too large and expensive.

"In our opinion it is first and foremost firms' ability to increase productivity that underpins the Nordic success. The business community has moved towards a greater emphasis on competence and knowledge-based production, a change that has been supported by a high educational level in the workforce," says Brubakk.

In contrast to the researchers in Translearn, he believes the welfare state falls short on adaptability.

"When the policy isn't delivering in important areas, the Nordic model faces big challenges, and a change of policy is required. Norway still has a good starting point: our competitiveness barometre shows that the business community has seen attitudes towards globalisation become more positive and the fear of production being moved abroad diminish. Outsourcing of production and services is now used constructively, as a means of increasing competitiveness and value creation here in Norway. This is encouraging, signalling an offensive attitude on the part of businesses and employees alike," says Brubakk.

While NHO has some reservations about the Nordic model, it is enthusiastically embraced by its opposite number, the Norwegian Confederation of Trade Unions (LO), Norway's largest labour organisation. vice-president **Tor-Arne Solbakken** is not the least bit surprised by the researchers' claim that the welfare state is both adaptable and future-oriented.

"There has been growing acceptance that the Nordic model, characterised by universal welfare schemes combined with good collaboration between authorities and the labour market organisations, has generated good results in the form of high adaptability and productivity.

"Norway has a well-functioning three-party system, with important issues settled by means of negotiation and consensus among employers, employees and authorities, and a culture able to combine collaboration and conflict. Legal instruments and agreements ensure there is a good and trusting relationship between Norwegian employees and employers. Capable union officials and collaboration-minded managers reinforce this on a daily basis," says Solbakken.
However, he points out that in the future Norway will need to invest more in employee-driven innovation.

"Norwegian employees are distinguished by professional expertise, adaptability, independence and a sense of responsibility. This must be better exploited – for the benefit of all. We also have a management culture with short paths between decision-making and implementation, and many decisions are based on employee involvement and collaboration. This gives Norway a good premise for employee-driven innovation, and a unique position of strength that is difficult for others to copy."

US's most respected and innovative supplier of equipment and services to the oil industry, ahead of well-known, long-established companies such as Schlumberger and Smith International.

The key to this success, argues Moen, was the adoption by FMC of the subsea division's experimental approach to business.

"Prior to the acquisition, FMC was run as a traditional industrial company. The fact that even peripheral businesses or subsidiaries can play a strategic role in global contexts shows that ownership is not of critical importance to a firm's business development. The globalised economy is in constant flux. Opportunities for development lie in employee competence and organisational flexibility," says Moen.

She believes Norway lags behind the other Nordic countries when it comes to business development policy, further training and research. But she notes that firms such as the Kongsberg offshoots compensate for this by working closely with demanding customers and other business partners worldwide.

Small businesses and subsidiaries in such peripheral countries have managed to adapt themselves to international upheavals, captured market shares and become global leaders
Eli Moen

"What is fundamentally new here is that we have gained a number of extremely innovative, knowledge-intensive, high-tech companies that have become world leaders in their fields. These are businesses that are managed on the basis of completely different logic from raw material-based industry, and it is astonishing how well they are doing after changing course," says Moen.

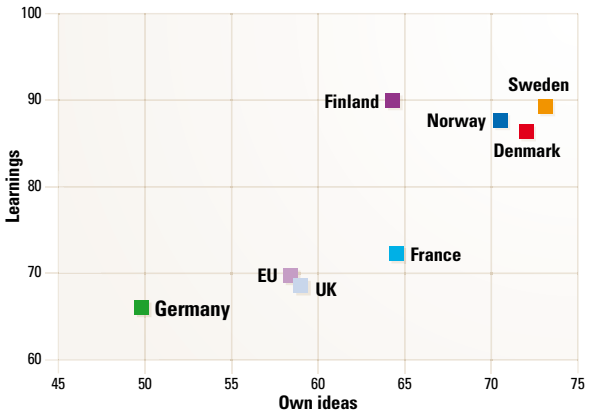
Wanting frontrunners

Although the researchers pay homage to the new welfare state, much can still be improved.

"It's vital to stay on the ball in terms of what is needed," says Hull Kristensen. "Discussions in the Nordic countries tend to look at how to achieve savings and make the public sector a more efficient supplier of specific goods. But if the state is to help elevate the population to be frontrunners in innovative networks globally, we need an offensive public sector that is always one step ahead and constantly evolving. Rather than discussing how to cut costs by opening up to competition and offering standard solutions, we should discuss how the public sector can improve by combining different services that elevate individuals."

Learning organisations Figure 2

Generally, does your main paid job involve learning new things? Are you able to apply your own ideas at work? Positive responses as percentage



Learning organisations and opportunities for using own ideas distinguish the Nordic countries from others in Europe.

Source: Fourth European Working Conditions Survey

The researchers point out too that the obvious solutions are not always the best ones. Finland has invested heavily in research and development, and the Finnish innovation system has been widely praised. But discussion is now under way in Finland as to whether their innovation system could be a hindrance.

"It makes Finland more focused on its own institutions, at the expense of participating in the many other innovative environments around the world," says Hull Kristensen.

Monday Morning
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Business and Peace – an undervalued potential

By Per L. Saxegaard
Business for Peace Foundation

Business and Peace can be interlinked and self-reinforcing.
Yet, both politicians and businesspeople often undervalue the power of the *ethical business handshake.* The 2009 Business for Peace Honorees have all clearly demonstrated that it is possible to build peace and prosperity through business – in a manner deserving of recognition and emulation.

From left: Chairman of the Award Committee Nobel Laureate, Professor A. Michael Spence and recipient of the 2009 Oslo Business for Peace Award Mr. Anders Dahlvig

The case for ethical and responsible business

Societies are holding businesspeople to increasingly higher standards. It is an accelerating trend. Business practices that were acceptable a few years ago, can tear your reputation apart, or even send you to jail today.

The Business for Peace Foundation was established through a conviction that the business ethics case is fundamental and will become *the way to do business*. At the Business for Peace Foundation, we call this being *businessworthy*. The status of being creditworthy is well understood but gives little priority to the ethical dimension. To be successful in the future you need to comply with the growing awareness of business ethics among your customers, co-workers and business partners, as well as be mindful of your impact on society in general.

The Business for Peace Awards seek to help accelerate this trend through honoring outstanding businesspeople worldwide. These individuals are showing us all how to be *businessworthy*. The impressive examples of these remarkable business leaders, together with the global authority of the *Award Committee, consisting of Nobel Prize Winners in Peace and Economics,* serve to give the highest moral and professional credibility to the Business for Peace Award. The vision is to establish the award as the *highest recognition a businessperson can aspire towards*.

The underlying logic

This insight, that business and peace are interlinked and self-reinforcing, has gained new relevance in the internet age. Driving this dynamic is the individual businessperson's pursuit of *"an intelligent self interest."* It is Adam Smith 2.0. In the past, it was the invisible hand – in the future, we should make it the invisible handshake.

The *exploding growth in our communication age of both the number and complexity of relationships,* is also influenced by the *increasing transparency* of the global networked society. This contributes to a higher degree of ethical awareness in general. What we are experiencing, can be characterized as an accumulating, *ethical network effect*.

This effect changes the balance between business and society to the benefit of society. As an ethical businessperson you will have to include society into your deliberations before acting. An early phase of this development is seen through *Corporate Social Responsibility, CSR*. Currently, CSR is too focused on the *tension* in the relationship between business and society, as signaled by the word *Responsibility*. As we gain a greater acceptance of the potential of CSR, it will be seen as more relevant to stress the *positive interdependence* and the win/win relationship between business and society. Understanding this interdependence will be at the heart of sound business in the future.

This mutually reinforcing positive dependence between business, and the promotion of social, economic and political human rights, is directly interlinked with peace. *The concept of peace is not limited to the mere absence of war, but to the absence of violence*. Violence can be *direct*, as in war or terror - or *indirect or structural*, as in the acceptance of child labor, discrimination against women or minorities, or the destruction of nature. Such violence accelerates the polarization of winners and losers, creating zero-sum situations that limit or destroy value creation. This is the arena of CSR.

When business focuses on the *positive interdependence* between business and society, it will be seen as capable of reducing structural or indirect violence. This is truly Adam Smith 2.0 – the beneficial outcome of the invisible ethical business handshake may prove a pathway to more peaceful relations among the peoples of the world.

BUSINESS FOR PEACE FOUNDATION

OSLO BUSINESS FOR PEACE AWARD

HONORING OUTSTANDING BUSINESS PEOPLE WORLD WIDE FOR HAVING ACHIEVED SUCCESS WHILE DEMONSTRATING STRONG BUSINESS ETHICS AND RESPONSIBILITY

HONOREES FOR THE 2009 BUSINESS FOR PEACE AWARD

Mr. Anders Dahlvig (Sweden)
Anders Dahlvig started working for IKEA in 1984, and assumed his current position as CEO in 1999.

Dr. Mo Ibrahim (Sudan)
Dr. Mohamed "Mo" Ibrahim is a Sudanese-born British mobile communications entrepreneur.

Mr. Jeffrey R. Immelt (US)
Jeff Immelt is the Chairman of the board and Chief Executive Officer of the U.S. based conglomerate General Electric since 2000.

Mr. Mohammed Jameel (Saudi-Arabia) Mohammed Jameel is President of Adbul Latif Jameel Co. Ltd. A great philanthropist as well as a respected businessman,

Mr. Jiang Jianqing (China)
Jiang Jianqing has served as Governor of the Shanghai Bank and the Pudong Subsidiary Bank before becoming the Chairman of Industrial and Commercial Bank of China.

Ms. Josephine Okot (Uganda)
Josephine Okot is the Founder and Managing Director of Victoria Seeds Ltd a full line seed company in Uganda.

Mr. Zhengrong Shi (China)
The Chinese-Austrialian solar scientist Dr. Zhengrong Shi is the founder, Chairman and Chief Executive Officer of Suntech Power.

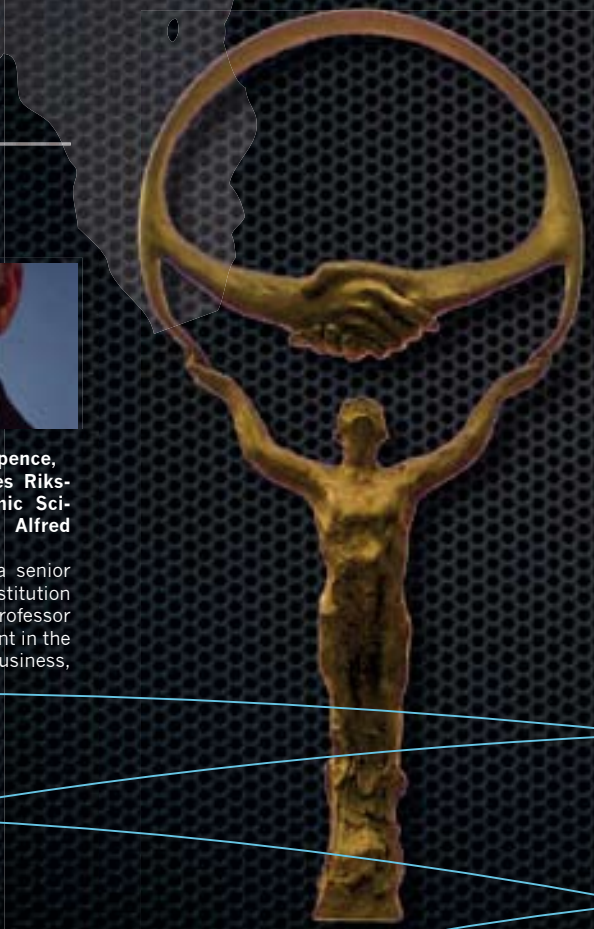
THE AWARD GIVING COMMITTEE

ON BEHALF OF THE BUSINESS FOR PEACE FOUNDATION THE AWARD WAS DECIDED BY:

Professor Wangari Muta Maathai,
Winner of The Nobel Peace Prize 2004, Green Belt Movement Founder
Dr. Wangari Maathai is the founder of the Green Belt Movement, a non-profit, grassroots non-governmental organization (NGO) based in Kenya. Dr. Wangari and the GBM was awarded the Nobel Peace Prize in 2004 for "their contribution to sustainable development, democracy and peace".

Professor Muhammad Yunus,
Winner of The Nobel Peace Prize 2006
Mohammad Yunus and the bank he founded, Grameen Bank, won the Nobel Peace Prize for "for their efforts to create economic and social benefit from below." Grameen Bank was established in the belief that credit is a fundamental human right and with the objective to help poor people escape from poverty by providing loans on terms suitable to them.

Professor A. Michael Spence,
Winner of The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2001
A. Michael Spence is a senior fellow at the Hoover Institution and Philip H. Knight Professor Emeritus of Management in the Graduate School of Business, Stanford University.



THE 2009 OSLO BUSINESS FOR PEACE AWARD WERE HELD IN THE OSLO CITY HALL IN MAY 2009.

Business for Peace Foundation - P.O.box 1580 Vika, 0118 Oslo, Norway
Frontdesc +47 90 800 777 - info@businessforpeace.no - www.businessforpeace.no

Nordic nations – a Chinese dream

The Chinese are looking increasingly to the Nordic countries as an important source of inspiration, writes Tony Fang

AS THE MOMENTUM of globalisation continues to grow, China and Nordic countries are getting closer and closer day by day. Chinese people are becoming more and more curious about Nordic countries, namely, Denmark, Finland, Iceland, Norway and Sweden. The Chinese call this part of the world Beiou (literally – Northern Europe). The growing influence and the fine reputation of Nordic companies in China are probably the most important reasons behind the Chinese curiosity. More than 1000 Nordic companies are operating on Chinese soil. IKEA, Nokia, Mærsk, Volvo, ABB, Ericsson, Danfoss, Carlsberg, UPM, Stora Enso and DNV are some prominent examples. About one million Chinese people are working directly and/or indirectly with Nordic companies.

The increasing Chinese interest in Nordic countries also seems to reflect China's ambition to transform itself into a "harmonious society" (hexie shehui) based on innovation, environmental concern, sustainable development, social justice and social harmony. The Chinese are looking increasingly at Beiou as an important source of inspiration. The number of Chinese delegations to Nordic countries has continued to increase since China's accession to the World Trade Organisation (WTO) in December 2001.

Upon visiting wealthy and picturesque Nordic countries, few Chinese could imagine that less than one hundred years ago Nordic nations were still among the poorest nations in Europe. Poverty was driving Nordic citizens to mass emigration. Between 1825 and 1930, more than one-fifth of the Nordic population moved to other parts of the world, mostly the US. Stavanger, today's centre of Norwegian offshore industry, was a main harbour of Norwegian emigration tides in the old days. I remember seeing a photo of an eight-year-old Norwegian boy who, shortly after his mother's death, emigrated to the US alone. The boy looked determined, and I was moved to see his eyes radiating the light of hope. The film *Titanic* was well received in China, but few Chinese know that in the film the poor farmers who were crowded in the lowest deck of the steamship heading for the US spoke Swedish.

Nordic society has been largely governed by a social democratic tradition that emphasises collective social welfare and sustainable human and economic development. Nordic nations are among the world's top nations in terms of the UN Human Development Index. Recent years have witnessed rightwing parties coming into power in one Nordic country after another.

However, reforms and policy changes are often made within the framework of maintaining a good collective quality of life and social stability.

coMment

The author

A professor at Stockholm University and Copenhagen Business School, Tony Fang is a leading speaker and seminar leader on cross-cultural leadership and communication issues, in particular involving Chinese and Nordic perspectives. His website is www.tonyfang.com

Viking legacy

I see Nordic culture having its roots in the blend of Nordic ecology, Viking legacy, rural society, and modern welfare systems. Nordic countries differ from each other in many respects, and Nordic people tend to distinguish themselves from each other in various ways. Research does show that deep cultural differences and historical sentiments exist among Nordic countries underneath their apparent similarities in language and culture.

Nevertheless, seeing Beiou in the eyes of people from China, where temperatures in January can, for example, vary from -30°C (eg Harbin) to +30°C (eg Sanya), many of the differences between the Nordic countries suddenly become trivial. From the Chinese language point of view, Danish, Norwegian and Swedish, for example, should have been one and the same language, and the entire Beiou should have been one and the same nation had it had an emperor as strong as Qin Shi Huang,

China's founding emperor.

Many Chinese professionals can quite easily identify HC Andersen and the Little Mermaid with Denmark; the sauna and Santa Claus Village with Finland; hot springs with Iceland; beautiful fjords, mountains, salmon and fish oil with Norway; and the Nordic Venice of Stockholm and Nobel Prize with Sweden. Nobel (Nuo Bei Er), Andersen (An Tu Sheng), and Ibsen (Yi Bu Sheng) are the three most familiar classical Nordic names for Chinese people. While modern Nordic pop melodies from, for example, the Swedish group ABBA are well-known in China, Nordic classical music that can emotionally strike a chord in harmony with the Chinese mind is definitely that of the Norwegian musician Edvard Grieg (Ge Li Ge). His work such as *"Morning Mood"* (*Chen Qu* or "*Morgenstemning*") can be fully appreciated and enjoyed by the Chinese mind.

Communist paradise

While Nordic people and media routinely call China a "communist country," the Chinese seem to see Beiou as a kind of model communist society. How could the gap of communication be so dramatic? Well, the Chinese have been taught to believe that communist society is an ideal human society with great wealth of material life, advanced technology and culture, and a wonderful natural environment. In the communist society there no longer exist "Three Differences", namely, the differences between workers and farmers, between cities and countryside, and between intellectual work and physical labour. In the communist society you cannot earn more by working more because the (re)distribution of wealth is based on the necessity of society, especially by the necessity of the weaker and unfortunate groups and categories of society.

After listening to the lectures on social welfare, health care, education and tax policies given in the City Hall in Helsinki, Stockholm, Copenhagen, Reykjavik and Oslo, many old generations of Chinese communist party officials seem to have been enlightened at once and commented: "Beiou is a typical communist society that we have dreamed of building up but in vain." A Chinese official was excited about his finding that the communist song "The International" is sung in the streets across Norway and Sweden on the first of May every year. In China, however, "The International" is sung only in Chinese Communist Party meetings.

Although both Nordic culture and Nordic management style differ from the traditional Chinese culture and Chinese management style, the Nordic way seems to be increasingly popular in today's China. At the same time, the Chinese way (Yin Yang, discipline, flexibility, multi-task ability, responsiveness to change and determination) can also inspire Nordic people to meet new challenges in global competition. I have seen some changes taking place in Nordic countries moving towards the Chinese way. For example, primary schools give increasing importance to discipline and basic training in subjects such as mathematics; banks have longer opening hours than they used to have; more security control mechanisms have been introduced in Nordic societies (eg traffic camera surveillance) to heighten security; some firms have started identifying their key employees and making all efforts to retain them.

From the Chinese language point of view, Danish, Norwegian and Swedish, for example, should have been one and the same language.

Nordic countries and China share a number of common characteristics. Both economies are not American-style free market economies but rather lie somewhere between socialist and capitalist economics. Both people have religions and philosophies, but both are very pragmatic. Both people see children as their first priority. This can be seen in both societies where parents are always busy accompanying their children to go to various sports and extracurricular activities.

The Nordic lifestyle of being dutiful at work and wild in leisure time is also a Chinese ideal lifestyle, a combination of Yin and Yang. Last but not least, both people are quite humble people. When praised by others, a Chinese person is traditionally bound to say: "No, I am not worthy; there is still a long way to go". When praised by others, a Nordic person would say something similar: "Thanks, but I still have a long way to go." In today's global competition, both Chinese culture and Nordic culture seem to have become more assertive than before, at least in business context. Facing competition one must look confident. A much publicized advertisement from China Mobile shows the image of a confident Chinese manager speaking to his mobile phone in front of the entire world with the text displaying "I can!" (Wo neng!). In Danish Vestas website, the company dares to "boast" that they are No.1 in the world and people are invited to experience and learn why they are No. 1. ■

Ethical Investment

Savings to save the world

Norway's sovereign wealth fund wants to change the world in its image—and get rich in the process. But the paradoxes of the ethical investment strategy show how difficult it is to bridge the differences between these two goals

TWO NORWEGIAN WOMEN are silently changing the world, one stock at a time. **Gro Nystuen**, leader of the funds Council on Ethics, and **Anne Kvam**, leader of the Ownership Strategies, impact the lives of millions of people who have no idea they are doing so. By imposing Norway's ethical guidelines on the universe of possible investment opportunities, Nystuen is forcing companies to behave or face being thrown out into the cold. And, through investor activism, Kvam hopes to change the structure of corporate boards, banning chief executives from also being chairmen of the board.

The background

Sovereign Wealth Funds (SWF) are funds consisting of assets held by governments in another country's currency. When a country, by running a current account surplus, accumulates more reserves than it feels it needs for immediate purposes, it can create a sovereign fund to manage those extra resources. **Simon Johnsen**, professor of entrepreneurship at the Sloan School of Management at MIT and former chief economist of the International Monetary Fund, believes these funds have existed at least since the 50s, but it was only recently, when their size increased dramatically, that they started receiving attention. Norway's sovereign wealth fund is the world's second largest (see textbox on page 51 and figure on page 49) and is accumulated from the oil revenues the country gets from its continental shelf in the North Sea. The world's largest fund, Abu Dhabi Investment Authority, is also a result of oil. 60% of the world's sovereign wealth funds are based on hydrocarbon revenues.

It was established early that the Norwegian oil revenues could not be funnelled into the Norwegian economy, at least not all at once, without a risk of the so-called Dutch disease. This is the fear that a large increase in government spending would have adverse effects on competitiveness and lead to deindustrialisation, named after what happened in the Netherlands in the 60s. As a result, the fund was established in 1990. After a while, the realisation that the future rise in public pension expenditures would need a lot of financing began to cause debate. This was highlighted in 2006 when the fund changed its name to Government Pension Fund – Global.

Norges Bank Investment Management (NBIM), a department under the central bank, is the operational manager of the fund, based on guidelines from the ministry of finance. The government's ambition is for the fund to be the best managed fund in the world. The mission is as follows: achieve maximum financial return with moderate risk. And please do it nicely.

Every year, the surplus from oil production and taxes on oil producers is put into the fund. NBIM then distributes the wealth on 40 percent bonds and 60 percent equity. All investments must follow to the ethical guidelines (see textbox on page 51).

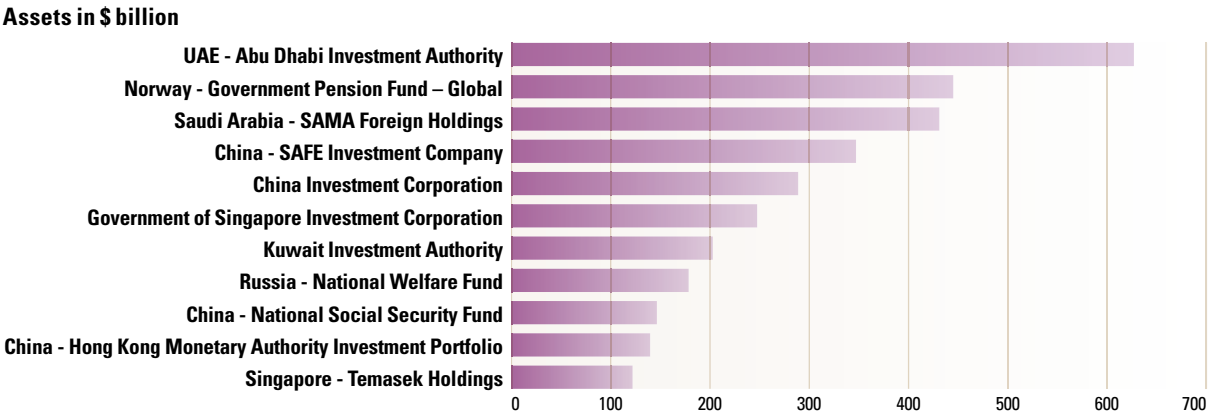
The ethical dozen

Gro Nystuen, an associate professor of law, is the head of the Council on Ethics, which ensures that ethical investments are made ethically. The council also counts another law professor, a Harvard doctor in philosophy, a freshwater ecologist and an ex-McKinsey consultant. Together with a full-time secretariat of seven members the council monitors the companies in the fund's portfolio and checks that they behave ethically.

The Council on Ethics was established in 2004, following the embarrassing revelation in the late 90s that the fund was investing in a Singaporean company involved in anti-personnel landmines - shortly after Norway hosted a diplomatic conference in Oslo that banned these weapons.

The council's work has helped change some companies' behaviour. In 2006 the council initially recommended the finance ministry to exclude the US agricultural company, Monsanto, for its use of child labour in its cotton production in India. But, after working together with the company, and going as far as visiting the fields to count the number of child workers, it was decided to keep Monsanto, as it had made significant improvements.

The worlds largest SWFs Figure 1



The largest sovereign wealth fund is that of Abu Dhabi, the second largest is the Norwegian Pension Fund – Global.

Source: SWF Institute

The fund has also been influential in changing the way other pension funds invest. The Swedish AP Fund was persuaded to disinvest from Walmart following Norway's decision to do so in 2006. Nystuen has been contacted by other sovereign wealth funds eager to learn about the ethical guidelines, including the Canadian Alberta's Heritage Fund and New Zealand's Superannuation Fund.

Making money or saving the world?

The fund's investments are plagued by paradoxes, however. Some question the contradiction of excluding companies for violating carbon emission standards, when the fund itself is based on revenues from fossil fuels. The fund has excluded Lockheed Martin from its investment portfolio, yet Norway buys its planes. Others ask: why exclude Walmart for violating human rights, but allow investments in China, which repeatedly abuses human rights? Supporters argue that, since 10% of American imports from China are sold in Walmart stores, targetting the retail company will actually improve the conditions of Chinese workers, as well as those of Americans. But, this only raises new questions: Has Walmart, by being China's seventh largest trade partner, not helped raise millions out of poverty?

Whatever the pros and cons, Walmart took notice of the fund's decision. "Walmart contacted us after being excluded and asked what they could do to be taken back in," Nystuen says. So far, the criteria seem too strict for the retailer: Walmart is still not part of the fund's portfolio.

Of the 8,000 companies the fund owns, 30 have so far been excluded. "We work slowly," Nystuen says. "Since we have to make our decisions public, we have to build a very strong case. This is very time consuming."

The council gets many of its leads from the Ethical Investment Research Services (Eiris), a UK screening company that investigates the companies in the fund's portfolio by searching for negative keywords. Every month Eiris sends the council the names of 40 to 60 possible offenders. The council also gets tips from non-government organisations and journalists. "Often it is simply rumours, or poorly documented claims," Nystuen says.

However, Nystuen is concerned about the portfolio's growth in emerging markets such as China and India. "I do not think we hear about everything. A lot probably happens under our radar. The system is by no means waterproof, and we are routinely criticised by the media for being too small for our assignment. I would not mind a staff of 2,000 people, but our current size is in fact larger than most other similar funds. Our system is considered among the best out there," she says. She cites Professor **John Ruggie** of Harvard's Kennedy School of Government, who, as special representative of the UN secretary general on human rights and business, has on several occasions held up the Norwegian Council on Ethics as an example to follow.

Walmart actually contacted us after being excluded and asked what they could do to be taken back in.

Gro Nystuen

When the council has finished its work, it advises the ministry of finance, which then decides whether to exclude a firm. Ultimate responsibility lies with the finance minister. Until October that person was Kristin Halvorsen, the leader of the Socialist Left Party (SV), who was involved in a number of

difficult cases.

In 2005, critics wanted the fund to disinvest from the French oil company Total due to its activities in Burma. But Halvorsen refused, following the council's guidelines, which say that if it expects a company to behave according to the guidelines in the future, negative conduct in the past can be ignored. "There was no reason to expect Total to continue with its practice involving serious human rights abuse in Burma, so the council advised against exclusion, based on the low risk of future violations," says Nystuen. "It was not easy for a finance minister from SV to follow that advice. Total was almost expecting to be excluded since SV controlled the finance ministry."

She believes this decision strengthened the Council on Ethics as an institution. "It was the evidence needed to demonstrate that we make independent judgments," she says.

The finance minister today is Sigbjørn Johnsen, a Labour Party veteran, who is widely expected to use his position to make unpopular adjustments to the state's budget in the coming years. Nystuen does not expect the change of leadership to result in a new course for the exclusion process. "I do not think so. In 2001-2005 the finance minister was Per-Kristian Foss of the Conservative Party and that did not make much of a difference. I think Foss would have excluded Walmart as well. There is political consensus to adhere to the guidelines," she says.

Our strongest card is being insistent, persistent, patient and never giving up.

Anne Kvam

Shuffle the boardrooms

The fund also aims to make a difference in the boardroom. "Boards should be led by an independent chairman who can set strategy and remuneration policy and hire executives," says Anne Kvam, NBIM's global head of Ownership Strategies.

She argues that an independent chairman is better able to oversee and give guidance to executives, defusing conflict and protecting the interests of shareholders.

"The roles of chairman of the board and chief executive are fundamentally different and should not be held by the same person. There should be a clear division of the responsibilities between these positions to ensure a balance of power and authority on the board. Separation of the roles is based in the principle of separation of power. How can the board watch over the executive, if the executive leads the board? NBIM has systematically voted against a chairman if that person is also chief executive of the company. Holding both positions is forbidden in Norway."

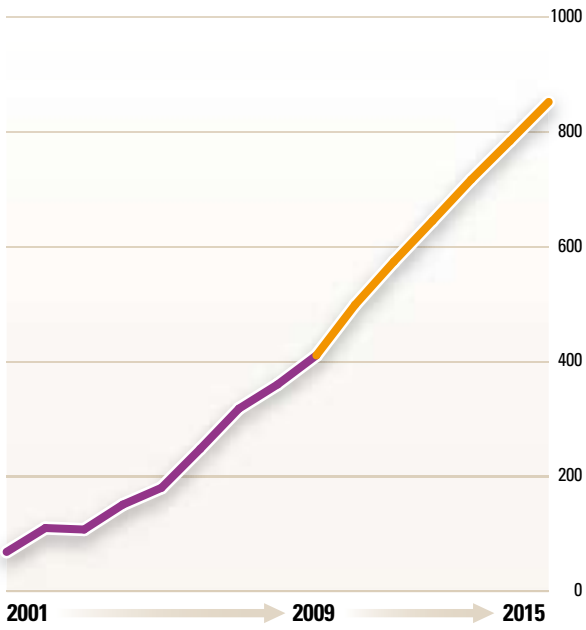
Kvam is preparing to battle with the boards of American and French companies, where it is normal for the chief executive to also be chairman. But she senses a change in attitude. "The proposals are gaining more and more support," she says.

The proposals made by NBIM on the boards it is present in are getting an average of 40% of the votes this year, up ten points from last year. It is still not the necessary 50% needed to actually make any changes, but one proposal went through for the first time in April when chairman Ken Lewis of Bank of America had to resign.

On average, the fund owns 0.7% of a company in the US and about 1.75% in EU countries. "We are a minority shareholder, so we cannot dictate," Kvam says, "but we can achieve a lot by engaging the companies in dialogue. Our strongest card is being insistent, persistent, patient and never giving up. We use arguments based on the companies' own premises: change is going to be profitable in the long run."

Norwegian assets Figure 2

Assets of the Norwegian Pension Fund - Global in $ billion. Evaluated at January 1th every year (exchange rate 5,6 NOK/Dollar)



The ministry of finance estimates the fund will be about twice as large in six years.

Source: Ministry of finance

Active – passive-aggressive

Another source of controversy, in Norway at least, is how to manage the investments. Critics, some prominent investors themselves, have made the point that the fund should not be managed actively, but rather passively, by weighting the portfolio according to a specified index. The fund's top management made a joke of that argument by suggesting investing in only companies beginning with the letter "A". The debate has spurred a hearing in the finance ministry and is expected to lead to a set of updated rules in January.

However, active management is not going away any time soon. Anne Kvam's 11-strong team attends over 8,000 general assemblies and casts about 70,000 electronic votes a year. Active management is crucial to her work. "Expert knowledge about the companies is an immense strength for us. You really have to know the companies if you want to have an impact on them. Active ownership and corporate governance is an exceptional combination to meet these ends," she says.

For the moment, the critics have been silenced, thanks to the fund's recent record results. In its third quarter report, released in October, the fund managers could boast a record 13.5% return, the best quarterly result ever, 1.5% points above the benchmark. The value of the fund increased to 2.549 billion crowns, or 455 billion dollars. It remains to be seen, however, if this will impact the ongoing work on the new rules, scheduled to be unveiled in January.

Monday Morning
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The ethical guidelines

The financial wealth must be managed so as to generate a sound return in the long term, which is contingent on sustainable development in the economic, environmental and social sense. The financial interests of the Fund shall be strengthened by using the Fund's ownership interests to promote such sustainable development. Further, the Fund should not make investments that constitute an unacceptable risk that the Fund may contribute to unethical acts or omissions, such as violations of fundamental humanitarian principles, serious violations of human rights, gross corruption or severe environmental damages.
The ethical basis for the Fund shall be promoted through the following three measures:

Exercise of ownership rights in order to promote long-term financial returns, based on the UN Global Compact and the OECD Guidelines for Corporate Governance and for Multinational Enterprises

Negative screening of companies from the investment universe that either themselves, or through entities they control:

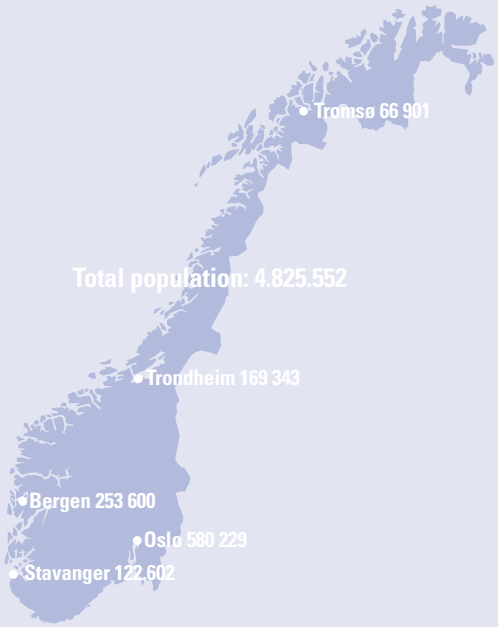
- produce weapons that through normal use may violate fundamental humanitarian principles,
- produce tobacco, or
- sell weapons or military materiel to states mentioned in Clause 3.2 of the supplementary guidelines for the management of the Fund

Exclusion of companies from the investment universe where there is considered to be an unacceptable risk of contributing to:

- Serious or systematic human rights violations, such as murder, torture, deprivation of liberty, forced labour, the worst forms of child labour and other child exploitation
- Serious violations of individuals' rights in situations of war or conflict
- Severe environmental damages
- Gross corruption
- Other particularly serious violations of fundamental ethical norms

Source: Ministry of finance / Council on Ethics

NORWAY IN A

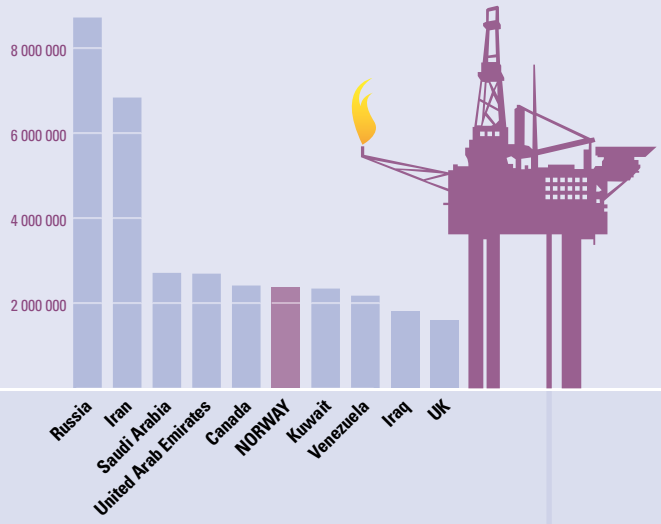


Facts

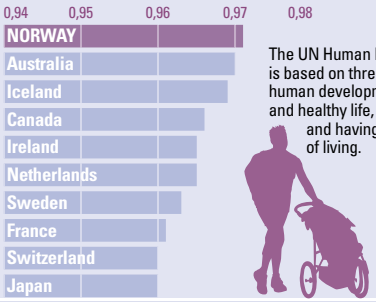
Capital: Oslo
Constitution: Parliamentary democracy under constitutional monarchy
Head of state: King Harald V
Prime Minister: Jens Stoltenberg, Labour
GDP per capita: 534 440 NOK (57 159 GBP/91 357 USD)
GDP growth 2009: -1,6 % (forecast)
Unemployment: 3,2 %
Consumer price index: + 0,6 %
Currency: Norwegian crown (NOK). 1€ =8,36 NOK, 1$=5,58 NOK

Oil export

Norway is highly dependent on the petroleum sector, which accounts for nearly half of exports and over 30% of state revenue.The total oil exported in barrels per day (bbl/day), including both crude oil and oil products (2007/2008 est.)



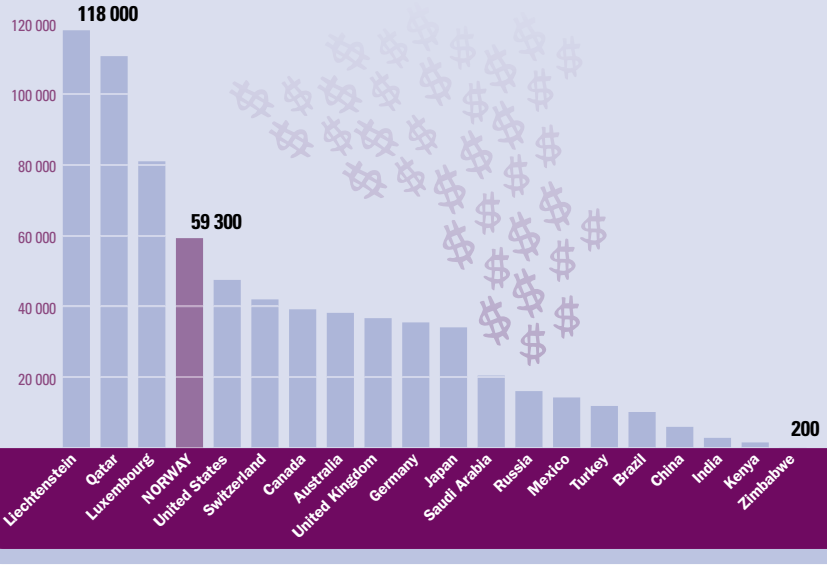
Best place to live



The UN Human Development Index, is based on three dimensions of human development: living a long and healthy life, being educated, and having a decent standard of living.

GDP

GDP per capita in US dollars (2008 EST). Country comparison



Immigrants represent 9.7% of the total population. Largest groups of immigrants are from: Poland, Pakistan, Sweden, Iraq, Somalia, Vietnam, Denmark, Germany, Bosnia-Herzegovina and Iran.

A NUTSHELL

Family life

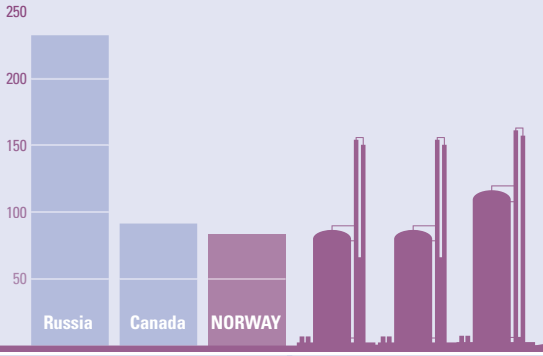
Average amount of children: 1.9
Most popular names for babies in 2007:
Boys: Lukas, Mathias, Markus.
Girls: Linnea, Emma, Sara.
Norwegian parents have the right to 56 weeks of maternity leave with 80% of their salary, or 46 weeks with 100% salary.
10 weeks of the maternity leave is reserved for the father and is called the "father quota".
9 of 10 Norwegian children between 3-5 years old attend kindergarten.

Fjords on top

US magazine National Geographic Traveler has chosen the Norwegian fjords as the world's best protected tourist destination. Using a scale from 1-100, Norwegian fjords are at the top of the list.

Gas export

The world's three largest gas exporters. In cubic meters (cu m).

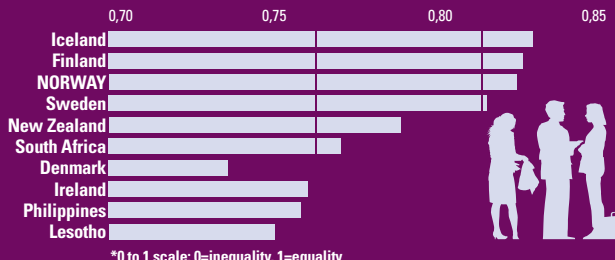


9 of 10 Norwegians use the nature for outdoor life

72 percent of Norwegians read newspapers daily.

Gender equality

In 2009 Norway was ranked third in the World Economic Forum´s Global Gender Gap Index – down from first place in 2008. The report´s index assesses countries in how well they are dividing their resources and opportunities among their male and female populations, regardless of the overall levels of these resources and opportunities.



*0 to 1 scale: 0=inequality, 1=equality

In 2008 women accounted for 47% of the working force in Norway

Sources: Norfakta, CIA World Factbook, Statistics Norway

Management

Success with friendly leaders

Advanced management principles, flat hierarchies and a strong cooperation culture prepare the Scandinavian countries well for the global innovation economy. But a lack of killer instinct and import of American management methods could undermine the Scandinavian success model

MANAGEMENT IN NORWAY and in most of Scandinavia is different from the rest of the world. While workers in many countries look to the manager for instructions or to report results to, the managers in Scandinavia often seek out employees and tap them on the shoulder to hear what they are up to.

Make no mistake. This is not a euphemism for a lack of hard work, discipline or initiative. Quite the opposite. The special Scandinavian management structure creates more engaged, idea-rich and responsible employees than many other countries' management regimes – and it releases the creativity which is absolutely fundamental for success in the innovation-driven economy of the future.

"There is no doubt – a Scandinavian management model exists which differentiates itself from the rest of the world, and which is more in tune with the demands of the future than other management models," says professor **Henrik Holt Larsen** at Copenhagen Business School (CBS), who researches management.

The challenge is to create an organisation that is worthy of the employees' unreserved engagement.

Göran Carstedt

Many business leaders have come to the same conclusion. According to **Waldemar Schmidt**, former CEO of the Danish service firm ISS, the Scandinavian management model is built on a positive view of people and the belief that individuals can make a difference. It ensures "interestingly enough, superior bottom line figures, when you compare Scandinavian companies with their American and European counterparts," he says.

The question is, however, whether the Scandinavian management style is being pressured by an increasingly globalised world, in which American management techniques often set the agenda, and where the global financial crisis is forcing businesses to get heavy handed with solutions. Or can Scandinavian management contribute to the growth and wealth of which the world is in such acute need? Monday Morning analyses the opportunities and challenges faced by the Scandinavian management model.

Scandinavian management recipe

The Scandinavian management model is characterised by flat hierarchies, greater participation and delegation of responsibility – and is quite the opposite to the hierarchical, authoritarian, command and control-based management style which dominates the way work is organized in many other parts of the world.

Schmidt, who currently sits on a number of company boards and is adjunct professor of strategy and management at CBS, illustrates the difference between McDonald's and the global service company ISS.

"McDonald's has 2,200 people in their head office, while ISS has 80. The difference is that, if you work at ISS, you delegate. At the Swedish service company Securitas, they say that they have 2,000 CEOs. Every subdivision has a manager who has around 100 co-workers under them, and has responsibility for customer care, employees and economy. There are of course controls in the system, but there is no layer between managers who sit in the head office and draw up detailed questions. The power lies with the activities of the individual. Imagine how many manuals they have to write for people at McDonald's, and how much reporting they must have," says Schmidt.

The examples are not chosen randomly. Schmidt has conducted a research project at the Swiss management school IMD, in partnership with the consulting firm McKinsey & Co. and headhunting company Egon Zehnder. The project seeks to explain how service industry companies such as Securitas and Group 4 Falck – both suppliers of security with many low educated and professional

employees – have achieved international expansion, growth and products to match global success machines such as Walmart and General Electric. Not to mention that they have achieved top rankings on share analyst Stern Stewart's list of the companies that are best at generating shareholder value. According to Schmidt the explanation is simple:

"The best service industry companies have a very Scandinavian-based management model. They have small headquarters, few manuals, respect for individual employees and other stakeholders, and they delegate, together with placing great emphasis on training," he says.

Schmidt is not alone in reaching this conclusions. Many international analysts, including leading management experts such as Harvard's Sumantra Ghoshal, believe that the best way to create a modern, dynamic and innovative organisation is precisely by establishing flat, unbureaucratic organisations, delegating responsibility, establishing autonomous project groups and to manage with the help of goals and values free from control and command – the "traditional" form of organisation.

Rambøll Management, the Danish management consulting firm, has conducted research among 1,000 Danish companies to analyse the connection between organisational form and the bottom line. The result shows that the "modern" companies have a return on investment of 6.4 per cent, while the "traditional" ones have a return on investment of 2.45 per cent. And while 29 per cent of the traditionally managed companies lost money, this only happened with 16 per cent of the modern ones.

The research also showed that over 30 per cent of these Danish companies could be characterised as "modern".

That's no coincidence, as the Scandinavian managers want independent workers. According to the Global Competitiveness Report, the Nordic countries dominate the top of the ranking list of countries in which managers are willing to delegate authority.

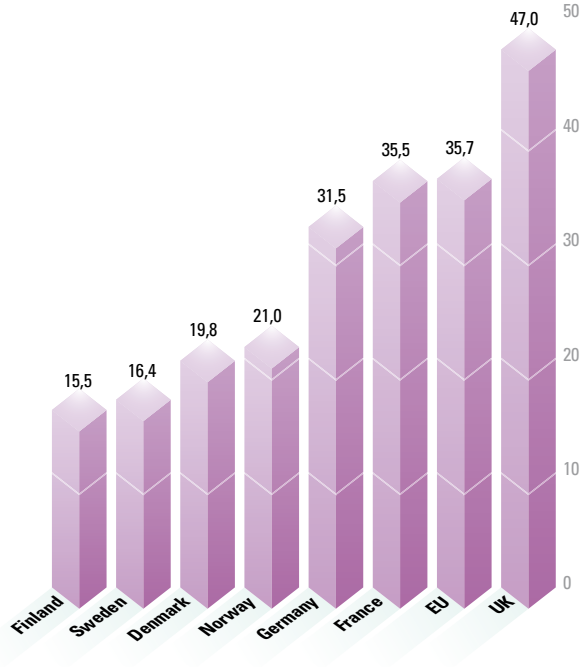
Scandinavian cultural power

The Scandinavian management style is deeply anchored in Scandinavian culture, which differs from the rest of the world in a number of key areas. For example, the Scandinavians have a low trust in authorities, and this has a great impact on how Scandinavian leadership manifests itself.

"Scandinavian belief in equality is close to an equality ideology. We insist on being our own authority," says **Jette Schramm-Nielsen**, former management researcher at CBS – now a self-employed management consultant specialising in Scandinavia and the Middle East.

The boss is not the boss Figure 1

The work pace depends on the boss. Positive answers, as percentage



But work pace in the Scandinavian countries depends also on other factors than direct control by a superior.

Source: Fourth European Working Conditions Survey

In practice, an equality approach means that employees require and expect to have a great deal of influence and independence in the work place, and that wish has been met. That is a major strength, Schramm-Nielsen points out, because it gives employees the opportunity to use their skills to the full.

Of course, the model has consequences for management responsibility. When command and control is out of the question, motivation and values are fundamental management instruments.

As **Göran Carstedt**, former CEO of the furniture chain IKEA, puts it: "The challenge is to create an organisation that is worthy of the employees' unreserved engagement."

Another thing that is special about the Scandinavians is that they are reluctant to accept control in the forms widely accepted in the rest of the world.

"If you go to Germany, people expect to be controlled, and, of course, the further south and east you go, the more they expect control. In a country like the USA, employees have to document what

they are doing and the results they have achieved all the time. In Scandinavia people are almost offended if someone looks over their shoulder – it is taken as an expression of mistrust," says Schramm-Nielsen.

When this direct control and steering is ruled out, the decision making process becomes very collective and inclusive, and the organisation becomes flat. When few managers control the employees, the distance between the bottom and the top is short.

Stakeholder capitalism

The Scandinavian ideal of equality has its roots in Protestant ethics. According to the Scandinavian interpretation of Christianity, individuals have a direct connection to God. You don't need to go via a priest, the bishop or the Pope in order to talk to God, as God is everyone's. These ideals have had a great influence on the organisation of society – not least in the job market.

The Scandinavian unions and employers negotiate towards consensus-based solutions from a position of mutual respect and dialogue. In most cases this creates greater calm in the job market and major, ill-timed redundancies are relatively rare.

A focus on education helps the cooperation model function, built upon a collective understanding that education and skills are the individual's key to a good future and, therefore, must be freely available to all. The condition for widespread self-determination and autonomy is that employees are highly educated and that the level of enlightenment is ready to let them make the right decisions by themselves.

In Scandinavia people are almost offended if someone looks over their shoulder – it is taken as an expression of mistrust.

Jette Schramm-Nielsen

"Without good cooperation with the Nordic trade unions – not least regarding education – the ISS and many other Scandinavian companies would never have become the global concerns they are today," says Schmidt.

According to Schramm-Nielsen, the Scandinavian companies' union representatives play a particularly important role in the Nordic model. Thanks to increased training, they have gained a deeper understanding of the businesses and their condition – they read the accounts and understand the challenges – which creates an awareness of everyone being in the same boat. What is good for the company is good for the employees.

"Even where redundancies are concerned, shop stewards are involved. That is unique. In Germany, France and Spain people are still tied up in old class wars, them against us, management against employees. Neither understands that they have a shared fate and are dependent on each other," says Schramm-Nielsen.

Waldemar Schmidt describes the Scandinavian acknowledgement of a shared fate as "stakeholder capitalism" – as opposed to the American shareholder capitalism, in which individual interests are favoured at the cost of others. Both world pictures take their starting point in the market which frames wealth creation, but they have different priorities.

The Scandinavian manager will typically prioritise employees first, based on the logic that satisfied employees are productive, which benefits the owners because it creates better products, which the customers demand. The American manager will typically prioritise the customers first, because satisfied customers make the owners happy, which means they can pay the employees and contribute to society.

In this way the order of factors is not meaningless. These two models create very different relationships and different world views. "The Americans aren't so keen on unions; they would rather make savings than cooperate," says Schmidt. While the model brings savings in the short term, he suggests that it can have repercussions over the long term. The companies simply lose out on those opportunities to improve their employees' skills, which cooperation with unions has traditionally given Danish companies.

Scandinavian priorities Figure 2

Order in which companies prioritise their stakeholders

American leaders take their point of departure in the market and put the customers first, while the Scandinavians put the employees first. These orders of priorities are based on scores from the business leaders of the respective countries in the Global Competitiveness Report 2004.

Source: Global Competitiveness Report 2004, World Economic Forum

Innovation in Scandinavia

One of the greatest strengths of the Scandinavian model is knowledge sharing which delivers clear advantages in an innovation-driven economy.

"We don't keep knowledge to ourselves – knowledge is power. In many other countries it is used as a resource. If you've discovered something, you keep it to yourself. We jump up on the table and tell it to everyone, because we trust each other – trust is the basis for sharing with others," says Jette Schramm-Nielsen.

This kind of cooperation is a fundamental element of innovation. According to research carried out among the largest international businesses by the Economist Intelligence Unit, the primary source of innovation is a team which cooperates on a task which the management has prioritised. And according to the Global Competitiveness Report, the Scandinavian countries have exactly a number of these innovation promoting process strengths. When it comes to competences such as cooperation, processes, creativity, or relations, the Scandinavian countries top the world rankings.

According to Holt Larsen, the Scandinavian management style means that it is easier to mobilise employees' ideas and creativity in the development of new solutions.

"It is easier to create employee-driven innovation, partly because of the low distance to power,and partly because we can live better with situations which are characterised by experiments, uncertainty and spontaneity," he says.

Schmidt agrees that the Scandinavian management structure liberates the power of innovation.

"The model means that contact between managers and employees occurs easily and quickly, which in turn means that you can react quickly to new situations – threats as well as opportunities. That is a clear advantage," he says (see also article on page 41).

No killer instinct

There is also a downside to Scandinavian management. Experts and researchers together point to one of the greatest problems as being a lack of killer instinct. This can make it difficult for companies to conduct themselves in a global reality where competitiveness requires frontal attacks on their competitors.

Scandinavian values are about equality and consensus, because that is what makes the basis for cooperation and coherency. A killer instinct is build on values such as individualism and displays of raw power – two values which all the rabbit-killing courses in the world have had trouble teaching the Scandinavians. The Danes, the Swedes and the Norwegians would rather talk things through, and in the meantime they run the risk of being overtaken by more aggressive competitors. Therefore, in Norway they have begun to offer courses in how you behave as an authoritative manager abroad.

According to Jette Schramm-Nielsen the many disappointing Scandinavian attempts to conduct themselves internationally, in particular in the American market, are an indication of their lack of killer instinct.

The best service industry companies have a very Scandinavian-based management model.
Waldemar Schmidt

"The things which are our strengths at home can become weaknesses abroad. You can't perform globally with that Scandinavian approach – you must fit in with the conditions and controls, otherwise you don't get any respect. We are far too soft and naive. The Scandinavian model is probably the ideal model for the running of businesses in the future, but we have got to perform in a reality which is not ideal, and which demands that we take care of ourselves out in the world."

In the long term, Schramm-Nielsen does not really see any alternative to the Scandinavian model, even though many – including the Scandinavian managers themselves – regard it as difficult.

"Of course, it would be easier if you could just say that I want it like this and like that, and then it happens without further discussion. But what you lose is, of course, all the initiative from the employees, those good ideas and that people play a role," says Schramm-Nielsen.

Monday Morning
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THE DIFFERENCE BETWEEN A RISK AND AN OPPORTUNITY IS HOW SOON YOU DISCOVER IT

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