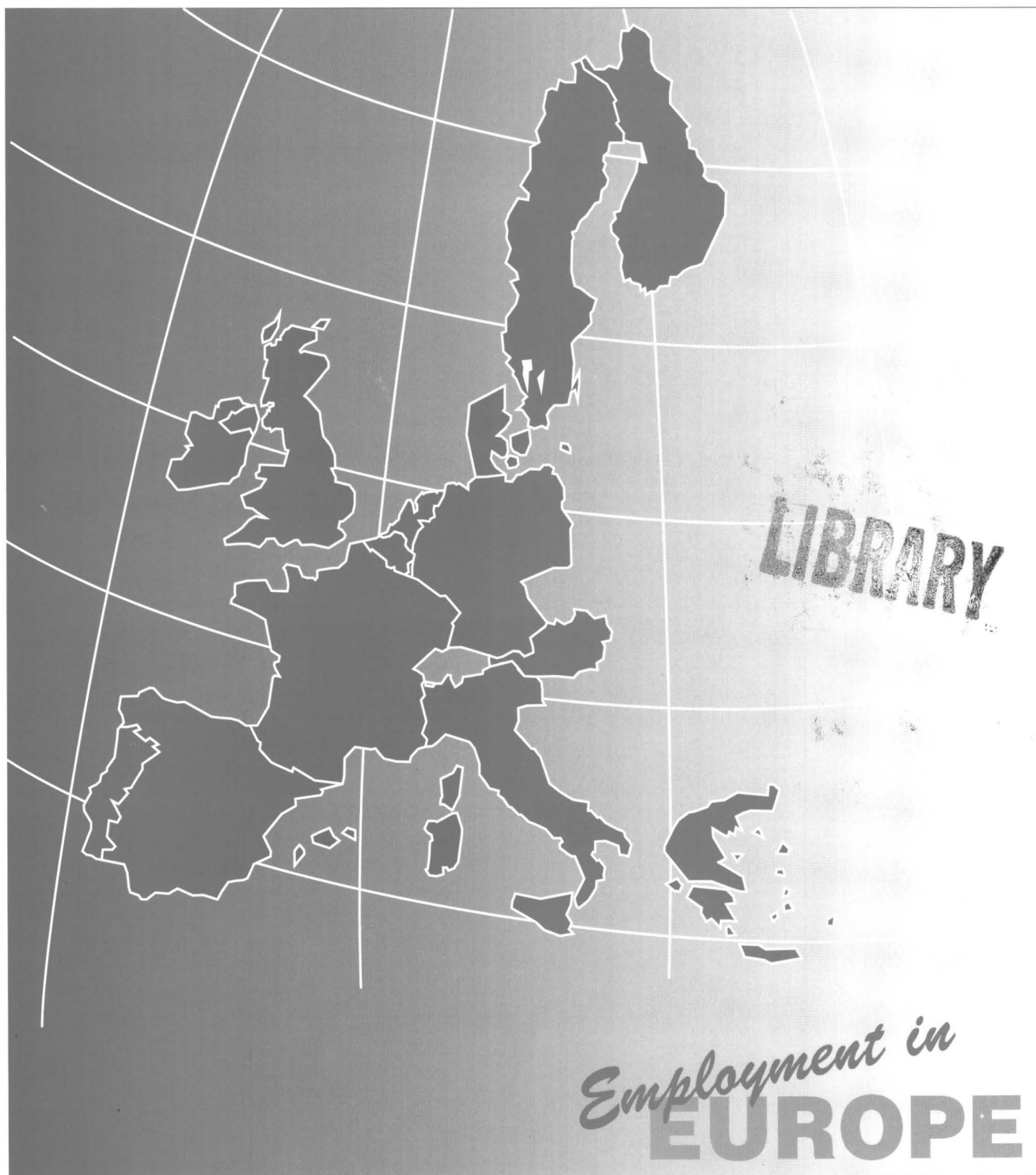


# EMPLOYMENT OBSERVATORY

## Basic Information Report

## Sweden

on employment policies in Europe.  
Series produced by the MISEP network.



CEE: V/96



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR EMPLOYMENT  
INDUSTRIAL RELATIONS  
AND SOCIAL AFFAIRS

*Social Europe*  
DGV

MISEP



**Mutual Information System  
on Employment Policies (MISEP)**

**Basic Information Report**

**SWEDEN**

**Institutions, Procedures and Measures**

**1995**

**European Commission**

CEE: V/96

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On the basis of an agreement of the directors-general for employment, the European Commission created a Mutual Information System on Employment Policies (MISEP) in 1982.

The system operates with a network of correspondents from the departments responsible for employment policy in the Member States or from employment services. The centralised secretariat is fully accountable to the Commission.

MISEP was set up by the Commission in response to a need voiced by the delegations of the Member States in the Council for a mutual information exchange on developments in national employment policy measures and structures. The definition of MISEP's objective is to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making, and aiding the Commission in its co-ordinating role at Community level.

The Basic Information Reports describe the structure and content of employment policy in each Member State. The reports all have a common structure and contain basic information which is essential for an understanding of how employment policies are conceived and implemented.

The material in this Basic Information Report has been provided by the Swedish correspondent (*Arbetsmarknadsdepartementet*) and is correct as of 1 June 1995. It is intended as a guide and an explanation of national policy measures in force at that date in Sweden; it is not a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Sweden without value judgements either on the part of the Commission or the national correspondent.

While these reports will be updated periodically, further information and regular updating of measures are published in the system's quarterly policy bulletin, "inforMISEP Policies".

This document was produced on behalf of the European Commission by the Swedish MISEP-correspondent and the I.A.S.

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## BENCHMARK STATISTICS 1994

<b>THE LAND</b>	
Area	450,000 km <sup>2</sup>
<b>THE PEOPLE</b>	
Population	8,816,381
<b>PRODUCTION</b>	
Gross Domestic Product	SEK 1,516,953 million
<b>LABOUR MARKET</b>	
<b>Working age population (16-64 years)</b>	<b>5,496,100</b>
Of which:	
- women (16-64 years)	2,704,700
- men (16-64 years)	2,791,400
<b>Labour force (16-64 years)</b>	<b>4,266,500</b>
- Of which women (16-59 years)	2,048,700
<b>Activity Rates</b>	<b>71,4%</b>
- women	70,7%
- men	72,2%
<b>Employment</b>	<b>3,926,500</b>
Of which	
- women	1,910,900
- under 25 years	413,000
By Sector:	
- agriculture, etc.	135,300
- manufacturing	761,600
- construction	219,300
- private service	1,814,800
- public service	995,500
Total	3,926,500
<b>Unemployment (16-64 years)</b>	<b>339,900</b>
Of which:	
- women	137,800
- under 25 years	82,600
<b>Unemployment Rate by Education</b>	
- secondary education	188,900
- higher	41,800
- other	109,200
Total	339,900
<b>Registered Unemployment April 1995</b>	<b>316,700</b>

Sources: Statistics Sweden and Nation Labour Market Board.





# CONTENTS

	Page
<b>Chapter I      Institutions</b>	<b>1</b>
1. Ministry of Labour	1
1.1 Introduction	1
1.2 Organisation charts	1
1.3 Working units and main responsibilities	1
1.4 Personnel	2
1.5 Budget	2
1.6 Co-operation and co-ordination with other bodies	2
1.7 International co-operation	3
2. The Organisation of the National Labour Market Administration	3
2.1 The National Labour Market Administration ( <i>AMV</i> )	3
2.1.1 Principal tasks of the Administration	3
2.1.2 A country-wide organisation and "one-entry system"	4
2.1.3 The budget for labour market policy in Sweden	4
2.2 The National Labour Market Board ( <i>AMS</i> )	4
2.2.1 The AMS Board and Directorate	5
2.2.2 The AMS Advisory Council	5
2.3 The County Labour Board ( <i>Lan</i> )	5
2.3.1 Lan organisation	5
2.3.2 Lan Board	5
2.3.3 Lan Advisory Council	5
2.4 The Employment Service ( <i>Af</i> )	6
2.5 Employability Institutes ( <i>Ami</i> )	6
2.6 Working Life Services	6
 <b>Chapter II      Legal Framework and Procedures</b>	 <b>11</b>
1. Legal Instruments	11
1.1 Nature of legal system governing work and employment	11
1.1.1 The Constitution	11
1.1.2 Contracts of employment	11
1.1.3 Employment legislation	11
1.1.4 Collective bargaining agreements	11
1.1.5 Case law	12
1.1.6 Practice and custom	12
1.1.7 EU Law	12
1.2 Legislation	12
1.2.1 Conditions of employment	12
1.2.2 Security at work, etc.	13
1.2.3 Employees' influence	14
2. Organisation of the Labour Market	14
2.1 The organisations	14
2.2 Special rights afforded to employee organisations which are subject to collective bargaining agreements	15
2.3 Industrial action in the labour market	15
2.4 The effect of the collective bargaining agreement	15
2.5 The Labour Court	16

	Page
3. The Compensation System	16
3.1 Unemployment benefits	16
3.2 Social security	17
4. Labour Market Policy	17
4.1 The Employment Offices	17
4.2 Measures designed to generate employment	17
 <b>Chapter III Measures</b>	 19
1. Overall Measures	21
2. Employment Maintenance	29
3. Aid to the Unemployed	31
4. Training, Retraining and Occupational Mobility	41
5. Job Creation	51
6. Special Categories of Workers	59
 <b>Chapter IV Information and Research</b>	 69
1. Statistics Sweden (SCB)	69
2. The National Labour Market Administration	69
3. The Delegation for Labour Market Research	69
4. Other Matters	70
 <b>Appendices</b>	
Appendix 1: Abbreviations	71
Appendix 2: National Correspondents	72

# CHAPTER I INSTITUTIONS

## 1. Ministry of Labour

### 1.1 Introduction

The Swedish Ministry of Labour deals with matters concerning labour market policy, regional policy, working life questions and policy for immigrants. The Ministry has two ministers – Minister for Labour and Minister for Immigrants. The Minister for Labour is the head of the Ministry and is responsible for issues concerning labour market policy, working life policy and regional policy.

At present the work at the Ministry is much dominated by EU-issues. The Ministry is also responsible for the co-ordination of the distribution of the EU Structural Funds.

### 1.2 Organisation charts

Cf. pages 7-9.

### 1.3 Working units and main responsibilities

Planning and Budget Secretariat:

- over-all planning and co-ordination within the Ministry;
- budgeting matters;
- staff administration.

International Co-ordination:

- co-ordination of international matters and some EU questions;
- labour counsellors to some Swedish Embassies for labour-, social-, working life- and regional policy affairs.

Secretariat for Labour Market Research:

- labour market analysis;
- evaluation of labour market policy measures;
- long-term forecasts.

Legal Secretariat:

- Swedish labour legislation.

Division for Labour Market Policy:

- labour market and employment policy;
- employment training;
- temporary public work;
- unemployment benefits.

Division for Working Life Policy:

- occupational safety and health policy;
- security of employment and co-determination;
- vocational rehabilitation;
- working life research ;
- working time;
- ILO-matters.

Division for Regional Policy:

- regional development analysis;
- policies for regional development support;
- development of sparsely populated areas;
- regional development measures in areas of special priority;
- co-ordination with other policies of special regional development importance.

## 1.4 Personnel

The Ministry of Labour currently employs 170 persons 40 of whom are engaged in different committees. About 35 persons deal with policy issues for immigrants and the remainder with questions concerning labour market and regional policy.

About 15 persons are politicians whereas the majority of the personnel are civil servants.

## 1.5 Budget

The overall budget for the Ministry of Labour amounts to 91,200 MSEK for the fiscal year 1995/1996 (12 months).

## 1.6 Co-operation and co-ordination with other bodies

The Ministry of Labour has close contacts with the boards and institutions indicated below, (cf. organisation chart) which are all under the jurisdiction of the Ministry. A characteristic is also the co-operation with the social partners, i.e. Swedish Employers' Confederation (SAF), Swedish Trade Union Confederation (LO), Confederation of Professional Employees (TCO) and Swedish Confederation of Professional Associations (SACO). Among Government bodies close links are

maintained with, for instance, the Ministry of Finance, the Ministry of Education, the Ministry of Industry and Commerce and the Ministry of Health and Social Affairs.

## **1.7 International co-operation**

By tradition the Ministry is very much involved in international co-operation within the labour market field. At present the work is dominated by Sweden's new membership in the European Union. The Ministry is involved in the formulation of employment working life and regional policy measures. The Ministry also formulates and transmits Swedish applications for assistance and claims for payment from the European Social Fund. Other international organisations in which the Ministry takes an active part are the OECD, the Council of Europe and the ILO. The secretariat of the Swedish ILO Committee is placed in the Ministry.

The unique Nordic co-operation should also be mentioned which is often used as a base for international activities and positions. Since 1954 the five Nordic countries, Denmark, Finland, Iceland, Norway and Sweden have a common labour market.

The Ministry also takes an active part in the co-operation with the Baltic states and the north-western part of Russia. These are projects concerning the development of a well functioning model for employment offices and a system for employment training.

## **2. The Organisation of the National Labour Market Administration**

### **2.1 The National Labour Market Administration (AMV)**

The central authority of the Swedish Labour Market Administration is the National Labour Market Board (AMS). Each of the 24 counties has a County Labour Board, to which the Employment Service Offices (*Af*) and the Employability Institutes (*Ami*) belong. A special organisation chart presents an overview of the Labour Market Administration (cf. page 9).

Labour market policy in Sweden is jointly implemented by the State and employers' and employees' organisations. As a consequence, representatives of employers and union organisations are represented in advisory councils and delegations on various levels within the Administration.

#### **2.1.1 Principal tasks of the Administration**

The Labour Market Administration is the authority charged with translating Swedish labour market policy into practical action. Its principal tasks are expressed in the following operational concept:

- To fill vacancies.  
Ensure that vacancies are filled rapidly and that jobseekers quickly find suitable work.

- To equip the individual.  
Make it easier for people wishing to work to enter the employment sector and find the right jobs.
- To stimulate demand.  
Supplement and influence labour demand, so that work will be available in the right place, at the right moment and to the right person.
- To prevent redundancy and exclusion.  
Prevent redundancy and permanent exclusion and ease the return of unemployed persons to work, e.g. by selling Working Life Services to employers and social insurance offices (cf. 2.6 below).

### 2.1.2 A country-wide organisation and "one-entry system"

The Swedish Labour Market Administration is a country-wide organisation combining the strength of being small in the local perspective with the power and resources of the big organisation with 380 local Employment Offices, 100 Employability Institutes and Working Life Services spread all over Sweden.

The "one-entry system" means that all measures are available through the same organisation. The Labour Market Administration provides services for both jobseekers and employers and offers labour market information, placement, counselling, vocational rehabilitation, etc. The Administration also commands the full range of labour market policy programmes, e.g.:

- I. employment training;
- II. activating programmes, such as jobseeking activities and on-the-job practice;
- III. youth employment programmes;
- IV. wage subsidies for recruitment;
- V. specially arranged temporary job opportunities;
- VI. special support for the disabled.

### 2.1.3 The budget for labour market policy in Sweden

The total budget for labour market policy during the fiscal year 1994/95 amounts to ca. 77,900 MSEK (ca. 8 million ECU). The total budget includes cash benefit for the long-term unemployed.

The share of GDP for all labour market policy programmes in Sweden (including cash benefit) came up to almost 6% in 1993. About half of this expenditure was devoted to active measures. This is a higher proportion than in any other industrialised nation. In many other countries only 10-20% of the expenditure for labour market policy is devoted to active measures, while 80-90% is paid as passive cash benefit to the unemployed.

## 2.2 The National Labour Market Board (AMS)

AMS is the central administrative body for general labour market matters and the authority responsible for the County Labour Boards. AMS directs, co-ordinates and develops labour market policy activities in Sweden. AMS also sets targets and lays down guidelines for the County Labour Board activities and allocates financial and other resources, as well as following up results.

### 2.2.1 The AMS Board and Directorate

AMS is headed by the Director-General, who also chairs the AMS Board. The Board has six members appointed by the Government, in addition to the Chairman.

The AMS Directorate comprises the Director-General, the Deputy Director-General and six other Directors (Placement, Counselling, Training, Personnel, Planning and Regional Affairs).

The AMS Secretariat consists of 14 divisions (cf. organisation chart).

### 2.2.2 The AMS Advisory Council

AMS also includes an Advisory Council which has close contacts with representatives of the labour market parties on matters relating to the public Employment Service. This Council consists of the Director-General (Chairman) and up to 12 other members, with equal representation for employers and employees. The members are nominated by the labour market organisations and appointed by AMS.

## 2.3 The County Labour Board (*Lan*)

The County Labour Board (*Lan*) is the regional authority dealing with general labour market affairs. The Board directs, co-ordinates and develops labour market policy activities in the county. The Board is headed by the County Labour Board Director.

### 2.3.1 Lan organisation

Each County Labour Board has a board and a county management, an advisory council and a secretariat. The secretariats are organised along different lines in different counties. Connected to every County Labour Board there is a delegation for vocational rehabilitation and for other labour market policy measures for the disabled.

### 2.3.2 Lan Board

The Board of the County Labour Board consists of the County Governor (Chairman), the County Labour Board Director (Deputy Chairman) and four other members.

### 2.3.3 Lan Advisory Council

The County Labour Board has an Advisory Council for liaison matters relating to the public Employment Service. The Council consists of the County Labour Board Director (Chairman) and up to eight other members, with equal representation for employers and employees.

The members are appointed by the County Labour Board after consulting the employers' and employees' organisations.

## **2.4 The Employment Service (Af)**

There are some 380 Employment Service offices. The Employment Service offers placement, counselling, etc. for jobseekers and employers throughout the country. Within their budgets the employment offices have access to labour market policy programmes such as training, employment development and wage subsidies.

Many offices concentrate on particular sectors or skills such as technology, economics, information technology, manufacturing industry, health-care, education and cultural employment.

There is at least one employment office in every community. In the big communities, for example in Stockholm, the capital of Sweden, there are of course many Employment Service offices. In every community there is a Local Employment Service Committee, which is a liaison body for local labour market affairs.

The Committee decides the matters delegated to it by the County Labour Board. It comprises a senior officer at the County Labour Board and up to six other members. The Committee has to include representatives of the Employment Service, the municipality and local labour market parties. The Committee appoints a chairman from among its members.

## **2.5 Employability Institutes (Ami)**

There are about 100 Employability Institutes and a number of local branches throughout the country. These institutes offer intensified counselling and vocational rehabilitation for jobseekers with special needs. About 50 institutes have specialist competence for persons with functional impairments: the visually disabled, the hard of hearing and deaf, the physically disabled, the intellectually, mentally and socio-medically disabled (cf. Chapter III, S-vi.7).

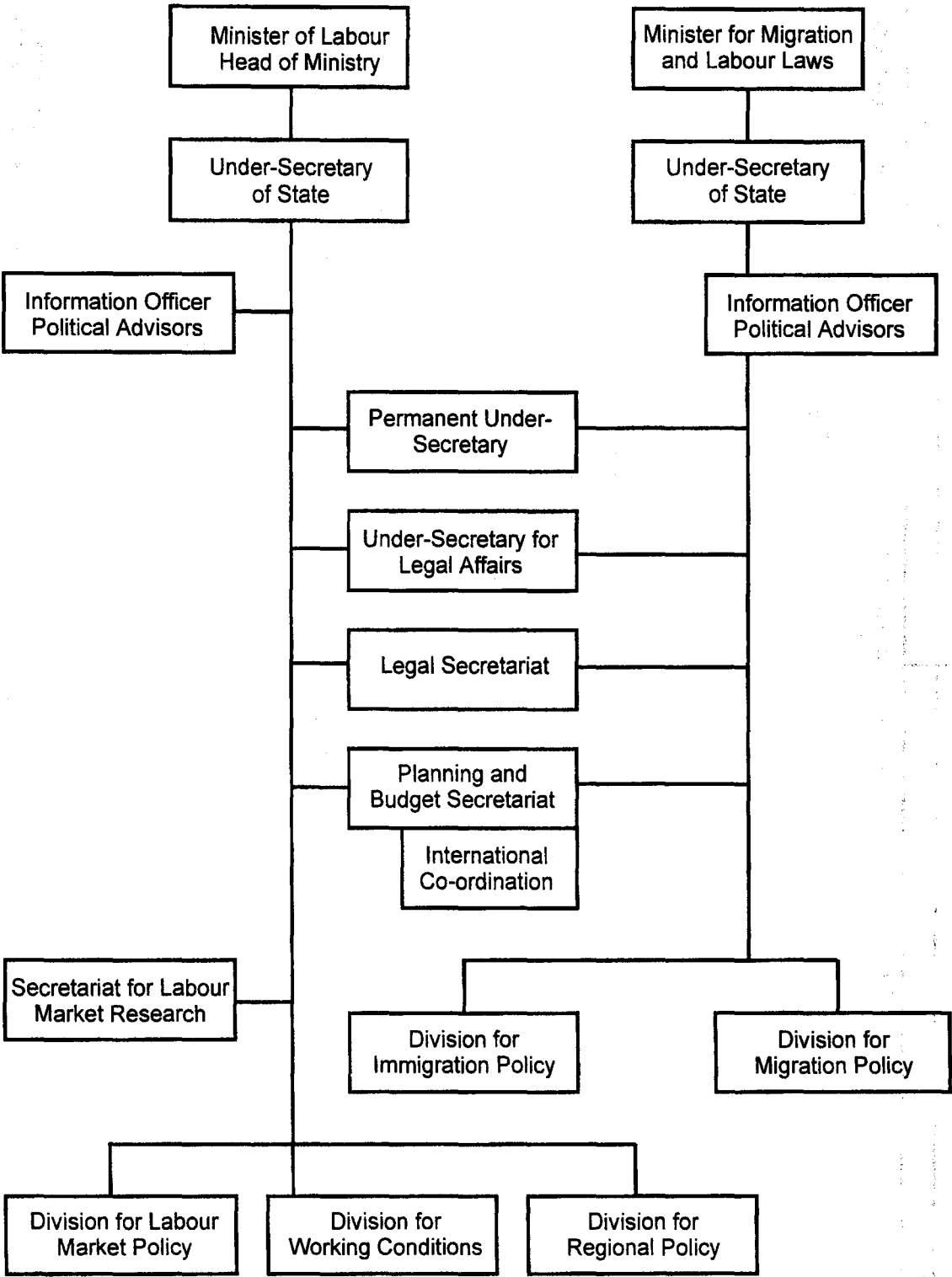
## **2.6 Working Life Services**

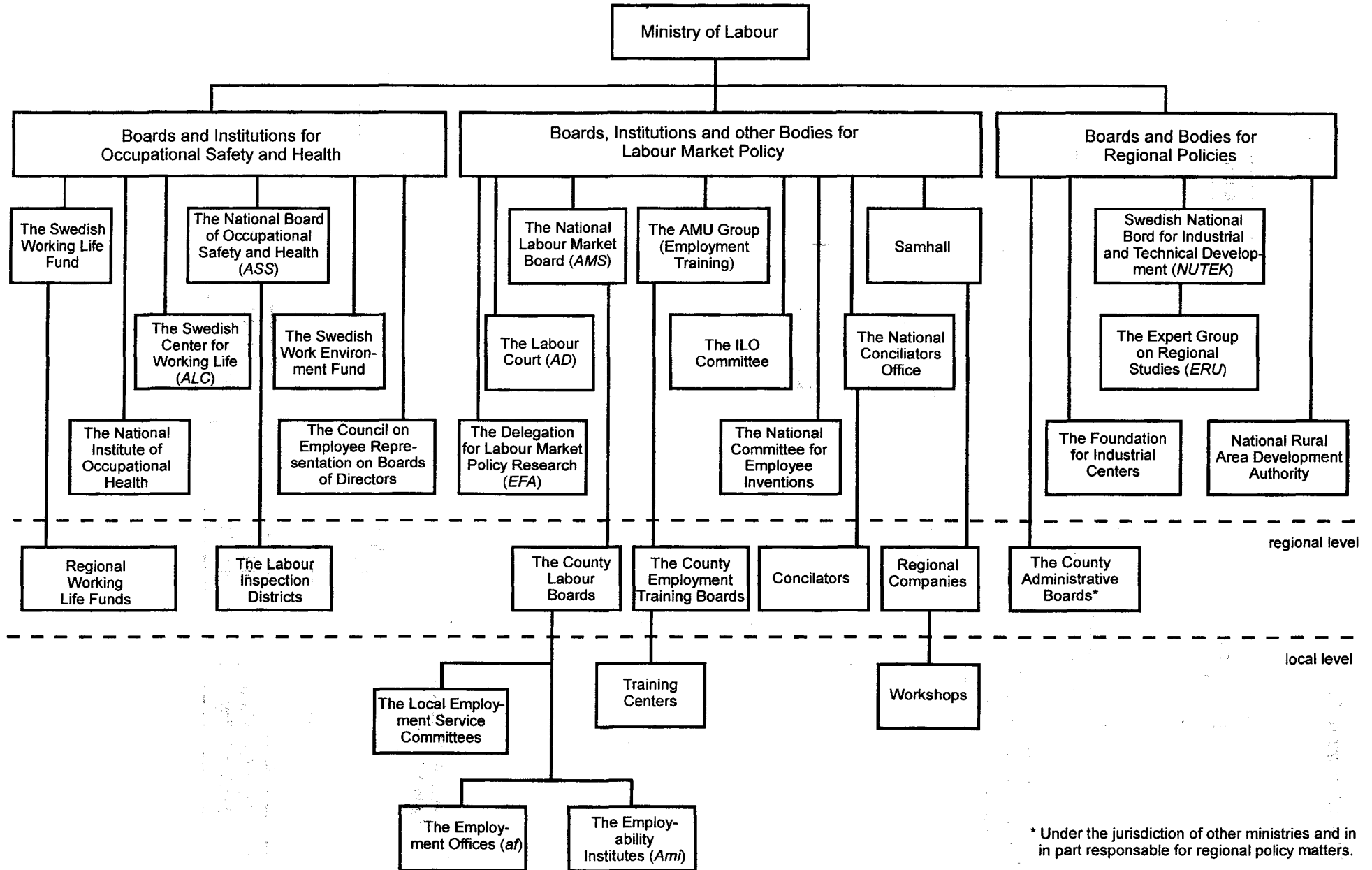
The Working Life Services is a self-financing operation selling vocational rehabilitation services to social insurance offices, companies and both private and public sector employers.

These services are aimed at preventing rejection and helping sicklisted employees return to work. Working Life Services are available in every county.

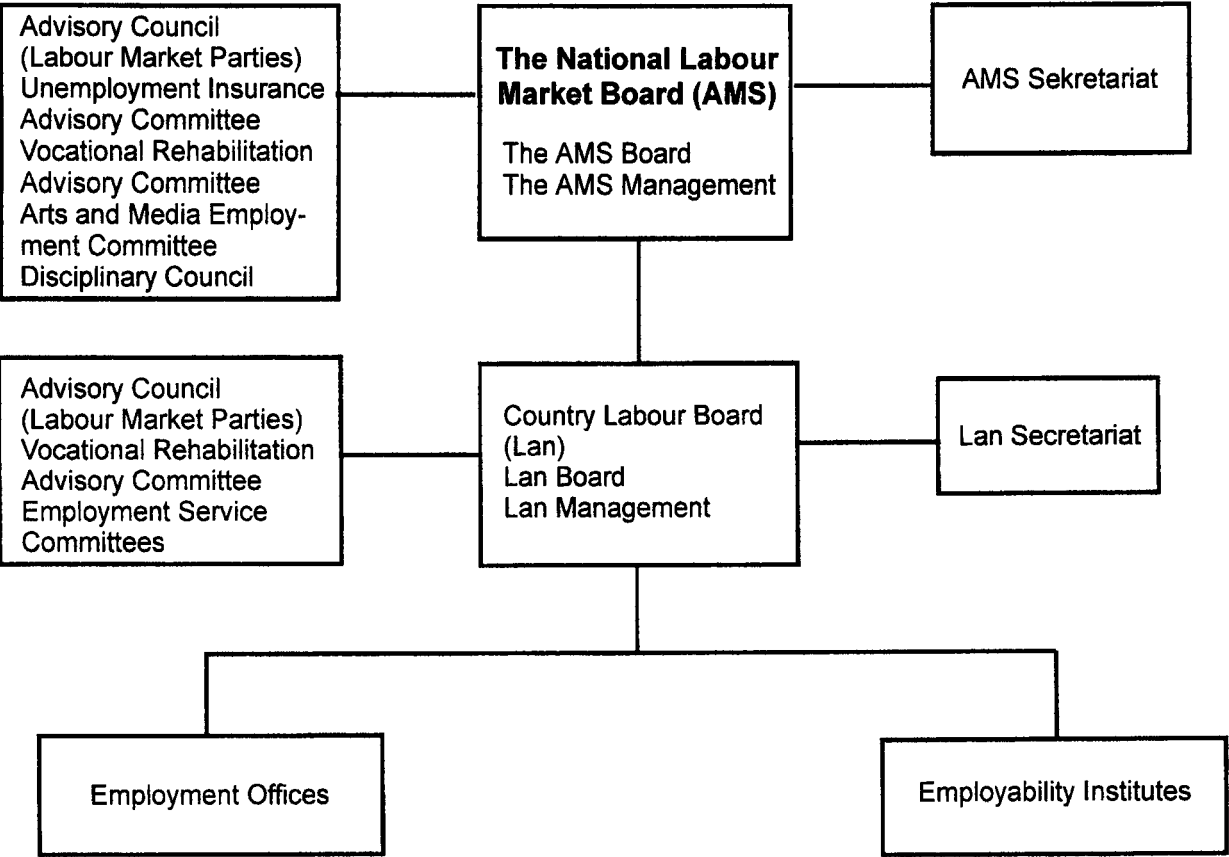


The Ministry of Labour





**The National Labour Market Board (AMS)**





# **CHAPTER II      LEGAL FRAMEWORK AND PROCEDURES**

## **1.      Legal Instruments**

### **1.1      Nature of legal system governing work and employment**

#### **1.1.1      The Constitution**

Sweden is a parliamentary democracy. The constitution grants citizens a long list of basic freedoms and rights, inter alia the freedom of expression and the freedom of association. The 1950 European Convention on Human Rights and the basic freedoms are, as from 1994, incorporated into Swedish law.

#### **1.1.2      Contracts of employment**

The contents of employment contracts are derived first and foremost from legislation, collective bargaining agreements, personal contracts, and case law of the courts. Specific legislation relating to individual employment agreements exists for only a few groups of employees. Personal agreements do not have such a large independent significance in the Swedish labour market.

#### **1.1.3      Employment legislation**

Swedish labour law contains rules from both public law and private law. The public law rules are characterised by penal sanctions or the fact that their application is supervised by public authorities. The public law rules constitute a major feature of the legislation relating to the place of work.

However, Swedish labour law is, in the main, of a civil law character. The rules are characterised by the fact that sanctions for infringement consist, in the main, of damages or the annulment of a legal act.

The protection for individual employees, which in many countries is ensured through legislation, is usually maintained in Sweden through non-compulsory employment legislation, which enables the parties to conclude collective bargaining agreements on these issues. Minimal provisions relating to salary and other conditions of employment are found, in principle, only in collective bargaining agreements.

#### **1.1.4      Collective bargaining agreements**

Collective bargaining agreements are the most important source of norms within labour law. Agreements govern the conditions relating to both the employment relationship and the conditions regarding the relationship between the organisations.

Agreements often complement legislative rules and, not infrequently, replace them. They cover a wholly dominant part of the labour market.

By law, at those workplaces where the employer is bound by a collective bargaining agreement, the terms and conditions of the agreement apply directly in relation to those employees who are members of the contracting trade union. The employer is deemed to have an obligation towards the trade union to apply the provisions of the collective bargaining agreement, also with respect to non-unionised employees. Collective bargaining agreements constitute a norm with regard to the relationship between employers and their employees also on those parts of the labour market where there are no collective bargaining agreements. In this way, Swedish collective bargaining agreements in practice cover the entire labour market.

### 1.1.5 Case law

Case law is of great significance in the field of labour law. The Labour Court is the court of final instance in all disputes relating to collective bargaining agreements and other disputes concerning the relationship between employers and employees. Precedent-setting decisions in the main areas of labour law always emanate from this court.

### 1.1.6 Practice and custom

Established practice at the workplace may be regarded as a normal source for the determination of the contents of the employment agreement with regard to those employees who do not belong to a trade union which has concluded a collective bargaining agreement. The court may, to a certain extent, allow customary agreements within the branch to supplement the employment agreement in those parts where it is necessary.

### 1.1.7 EU Law

EU Law naturally constitutes a source of norms.

## 1.2 Legislation

### 1.2.1 Conditions of employment

#### *The Security of Employment Act*

Employment agreements are normally valid for an indefinite term. Such an agreement may be terminated by the employer only if there are reasonable grounds for doing so. Employment agreements for limited periods are only allowed in certain cases, for example where there is a temporary demand for extra workers, or in the case of work for a trial period. A trial period may not exceed six months.

If an agreement for an indefinite term is terminated without any reasonable grounds for such termination, the termination may be declared invalid and damages may be awarded. The employee is normally entitled to remain in employment whilst the validity of the dismissal is being litigated.

Lack of work constitutes a reasonable ground for dismissal. The employer must, however, follow a certain order amongst the workers. A different order may be agreed upon through the collective bargaining agreement which have been concluded or approved by a central organisation of employees. A person dismissed due to lack of work is normally entitled to re-employment priority with the employer for a period of one year. The Act also contains provisions relating to, *inter alia*, the length of the period of notice of dismissal.

#### *The Annual Leave Act*

Employees are entitled to five weeks paid annual leave.

#### *The Parental Leave Act*

Both fathers and mothers are entitled to leave from work in order to take care of their children. Parents are entitled to be absent from work for a period of one and a half years from the birth of the child, without compensation from the state. In addition, there is a right to leave which is linked to the rules for compensation under the national social insurance system. If a parent draws a parental allowance, he or she is entitled to leave. Parents are also entitled to leave in order to take care of a sick child. The Act also contains special rules protecting female employees who are pregnant, breast feeding, or have recently given birth, as well as rules relating to, *inter alia*, employment protection.

#### *The Litigation in Labour Disputes Act*

The Act governs litigation relating to collective bargaining agreements, employment agreements, and the relationship between employers and employees in general.

#### *The Equal Employment Opportunities for Women and Men Act*

The Act prohibits discrimination on the grounds of gender and also contains provisions for the monitoring of this prohibition. It also contains rules for the active furtherance of equal opportunities.

### 1.2.2 Security at work, etc.

#### *The Work Environment Act*

The Work Environment Act contains the basic provisions concerning occupational safety and health questions in Sweden. More specifically, the Act includes rules on how employers and employees should co-operate on work environment matters. In accordance with the Act the employers bear the main responsibility for the work environment. Furthermore the Act stipulates the general requirements which are to apply to both physical and psychological work environment. The National Board of Occupational Safety and Health and, under its superintendence and direction, the Labour Inspectorate, shall supervise the observance of this Act and of the instructions issued pursuant to the same.

### *The Working Hours Act*

The normal period of work may be up to 40 hours per week. Normally there may not be more than 48 hours overtime during a four-week period and not more than 200 hours overtime per year. The Act also includes regulations relating to, *inter alia*, night work and breaks.

### 1.2.3 Employees' influence

#### *The Act on board, representation for employees in the private sector*

The Act applies to limited companies, banks, mortgage institutions and insurance companies. The employees are afforded the opportunity of being represented by two representatives on the board of directors of companies with at least 25 employees. In companies with at least 1,000 employees, three representatives may be appointed. The employee representatives are appointed in a given order by those local trade unions which are parties to collective bargaining agreements.

Somewhat comparable provisions apply to the public sector.

#### *The Act on Co-determination at Work*

The Act contains regulations relating to the right of association, the right on negotiation, the right of information, the union right of veto in particular case and a right for trade unions of temporary decision making disputes over interpretation of an agreement.

## **2. Organisation of the Labour Market**

### **2.1 The organisations**

The degree of organisation is very high in Sweden. Approximately 85% of all employees are members of some trade unions. On the employee side, the Swedish Trade Union Confederation (LO) is dominant. Most of the blue collar workers in Sweden are unionised in LO. At the white collar level the Swedish Confederation of Professional Employees (TCO) is the largest governing organisation. The Swedish Confederation of Professional Associations (SACO) primarily looks after employees with a university education. Apart from these three primary organisations, there are a few minor organisations.

There is also a high degree of organisation on the employer side. In the private sector the Swedish Employers' Confederation (SAF) is the dominant employer organisation. In the national public sector collective bargaining agreements are negotiated by the Swedish Agency for Government Employers (AgV). At the local government level there are two large employer organisations, the Swedish Federation of County Councils and the Swedish Association of Local Authorities.

There is no legislation regulating the internal affairs of labour market organisations. Those matters are regulated by the organisations themselves through their own rules of association. The application of these rules in a specific case can be examined in court.



## **2.2 Special rights afforded to employee organisations which are subject to collective bargaining agreements**

A trade union which has entered into a collective bargaining agreement acquires a privileged position. This is expressed in the Act on Co-determination at work and the Act on the Position of a Trade Union Representative at the Workplace. According to the last act, trade union representatives may perform work on behalf of the trade union relating to conditions at the workplace during the course of the employer's paid working time.

## **2.3 Industrial action in the labour market**

If the parties are unable to reach agreement in negotiations held for the purpose of upholding a collective bargaining agreement, they are entitled to take industrial action. Members of the labour market who are not reciprocally bound by a collective bargaining agreement can, generally, participate in a stoppage at work (lockout or strike) blockade, boycott or other industrial action against one another. There are, nevertheless, certain limits to the right to take industrial action.

The right to sympathy actions is extensive. Even organisations which are bound by collective bargaining agreements are entitled, despite the fact that one is generally subject to an embargo on strikes, lockouts and other industrial actions when bound by a collective bargaining agreement, to take sympathy industrial action in order to support another organisation which is engaged in lawful industrial action.

The members of the labour market have themselves limited their right to take industrial action through provisions contained in the governing agreements which are intended to prevent labour conflicts from having a disruptive influence on functions important to society.

Ultimately the parliament is empowered, by passing specific legislation in individual cases, to interrupt a labour conflict which may have serious consequences from a societal point of view.

## **2.4 The effect of the collective bargaining agreement**

A collective bargaining agreement is legally binding both for the parties and for the members of the organisations which have entered into the collective bargaining agreement. It has a mandatory binding effect which takes priority over private agreements. Breach of a collective bargaining agreement will result in liability to pay damages to the other party. Damages can be awarded even if no economic loss can be established.

Once a collective bargaining agreement has been entered into, the right of the parties and their members to take industrial action is, in principle, forfeited. Industrial action may not be taken for the purpose of achieving amendments to the agreement. Employees may not strike or take other industrial action without the permission of their trade union. In the event that this embargo is breached the employees are subject to liability to pay limited damages to the employer.

At a workplace where the employees are bound by a collective bargaining agreement, that agreement applies directly, by law, to the relationship between the employer and those employees who are members of the trade union which is party to the agreement. In practice, the terms of the collective bargaining agreement are commonly applied to the terms and conditions for employees standing outside the collective bargaining agreement. This is usually a result of the fact that the collective bargaining agreement obliges the employer not to apply other terms and conditions of employment to employees standing outside the collective bargaining agreement.

## **2.5 The Labour Court**

Cases involving organisations of employers and employees who conclude collective agreements and cases involving employers having concluded collective agreements on their own are tried directly and finally by the Labour Court.

Other labour disputes, e.g. when an individual employee without the support of his organisation brings an action or when a collective agreement has not been concluded, are first tried by a district court. An appeal against the decision of the district court can then be lodged with the Labour Court, which is the supreme instance for cases of this kind.

There is no appeal against the decisions of the Labour Court.

The Labour Court is situated in Stockholm. Its members include representatives of the major organisations of employers and employees.

## **3. The Compensation System**

### **3.1 Unemployment benefits**

Sweden has a state subsidised system for unemployment insurance which is administered by recognised unemployment insurance funds. These are attached to the trade unions. A member of a trade union is thus usually insured with the union's unemployment insurance fund, although non-members can be insured with the unemployment insurance fund.

Compensation is based on income, subject to certain limits. The rate of compensation is, at present, 80% of the insured person's usual income prior to unemployment but will be reduced to 75% from 1 January 1996.

A separate compensation system applies for employees who are not insured by an unemployment insurance fund, known as cash labour market assistance. The system is administered by state authorities. Compensation is not income based.

## **3.2 Social security**

The most important provisions are found in the National Insurance Act. The insurance scheme, in principle, covers the whole population. Various special rules exist for gainfully employed individuals. The scheme is administered by the state authorities and is financed primarily through payroll taxes but also through various individual charges and state subsidies. Payroll tax in 1995 amounted to approximately 33% of the salary paid. The insurance covers loss of income primarily due to sickness, labour related injury, pregnancy, parental leave and age. Through the establishment of specific minimum entitlements, it affords basic protection for all citizens.

There are various complementary insurance systems in the labour market which are based on collective bargaining agreements. These systems are primarily relevant for old age pensions.

## **4. Labour Market Policy**

### **4.1 The Employment Offices**

Sweden has a free and comprehensive public employment service which is in charge of labour market policy. Private employment agencies for the purpose of acquiring assistance and the hiring out of labour are nowadays legal. However, it is prohibited for the operator of such a business to require payment from the individual seeking employment or from employees.

### **4.2 Measures designed to generate employment**

The state operates an active policy in the labour market towards generating employment opportunities. Various state subsidies are available to employers who contribute to an increase in employment. The state also offers education which is arranged specifically to increase the unemployed persons' opportunities of obtaining permanent employment.

There are special rules concerning subsidies designed to enable occupationally handicapped and movement impaired individuals to obtain or retain employment.

Several of the labour market policy measures require the unemployed individual to undergo "training" in an employment position. During the course of the training period the unemployed obtains compensation from the state.



# CHAPTER III MEASURES

## 1. Overall Measures

- 1.1 Labour market policy in Sweden
- 1.2 Economic policy in Sweden today
- 1.3 The Working Life Fund
- 1.4 Plan for European Social Fund
- 1.5 Committees in the fields of labour market policy

## 2. Employment Maintenance

- S-ii.1 On-the-job training (cf. S-iv.2)

## 3. Aid to the Unemployed

- S-iii.1 Unemployment Insurance
- S-iii.2 Cash Labour Market Assistance
- S-iii.3 Wage Guarantees
- S-iii.4 Training Allowance System
- S-iii.5 Study allowance for unemployed
- S-iii.6 Relocation grants
- S-iii.7 Commuting grants

## 4. Training, Retraining and Occupational Mobility

- S-iv.1 Employment training
- S-iv.2 On-the-job training
- S-iv.3 Workplace introduction (cf. S-vi.2)
- S-iv.4 Trainee temporary replacement scheme
- S-iv.5 Jobseeker activities

## 5. Job Creation

- S-v.1 Public temporary employment
- S-v.2 Recruitment subsidy
- S-v.3 Work experience scheme
- S-v.4 Start-up grants
- S-v.5 REHAB projects and State utility investments

## 6. Special Categories of Workers

### *Youth*

- S-vi.1 Youth Training Scheme
- S-vi.2 Workplace introduction – youth induction (cf. S-iv.3)
- S-vi.3 Municipal follow-up responsibility for young persons
- S-vi.4 Computer centres/Activity centres

### *Disabled*

- S-vi.5 Wage subsidies
- S-vi.6 Sheltered work
- S-vi.7 Vocational rehabilitation



# 1. Overall Measures

## 1.1 Labour market policy in Sweden

### 1.1.1 The "work-strategy"

Labour market policy is an important part of Sweden's economic policy. Full employment has been the overriding aim of economic policy and labour market policy in Sweden until the 1990s and is still the long-term policy objective. Its main task is to promote an efficient labour market by facilitating adjustments between the individual's labour supply and society's labour demand. In this way employment can be increased and unemployment reduced without the occurrence of inflationary bottlenecks. This can also be achieved by labour market and working life policies stimulating labour supply and counteracting rejection from working life.

Labour market policy also has a distributive purpose. Among other things this means that persons who, for various reasons, have difficulty in asserting themselves in the labour market must have access to supportive measures which will offset or reduce the impediments to their obtaining and keeping a job.

Labour market policy in Sweden puts a great deal of emphasis on the work strategy, which means that active measures for giving the unemployed individual a job, training, work experience or access to other forms of vocational preparation take priority over passive handouts of unemployment benefits whenever this is suitable and economically possible.

One important element in the maintenance of the work strategy is the duty of remaining at the disposal of the labour market. Labour market policy programmes must be designed so as not to immobilise labour and delay entry into the regular labour market. Another element is the short duration of unemployment insurance benefits. The benefits are combined with a duty to accept a suitable job or policy programme when it is offered.

### 1.1.2 Employment Service

The main instruments of labour market policy for facilitating adjustment in the labour market are *placement* and *vocational guidance*. Sweden has a free, public Employment Service (ES) and also legislation on the universal reporting of vacancies. Employment offices in Sweden have, by international standards, large market shares of both job vacancies and jobseekers. There are 380 employment offices with nationwide coverage. Private employment offices have been allowed since 1 July 1993. Their market shares, however, are small, totalling just a few per cent.

The ES has two main functions, job exchange and job counselling. Job-placement is the pivotal function of the Employment Service. In keeping with the "work strategy", the matching process – i.e. helping the unemployed to find a suitable job and shortening the duration of vacancies – has top priority with the ES.

Vocational counselling is a task area shared by the ES, the Employability Institutes (AMI) and schools. The Employment Service has special counsellors whose task it is to strengthen and support those groups of jobseekers who have difficulty in entering the labour market. Counselling is intended for the vocationally undecided, for the occupationally handicapped and for job-changers.

### 1.1.3 Preventing long-term unemployment

Labour market policy puts great emphasis on the prevention or reduction of long-term unemployment. This is done by giving resource-wise priority to those who are long-term unemployed or run a high risk of becoming long-term unemployed due to their weak position in the labour market. Young jobseekers and immigrants with little or no work experience often have difficulties in entering the labour market. Other groups with problems are occupationally handicapped persons and older persons who have only had a short formal education.

## 1.2 Economic policy in Sweden today

Following the change of government in autumn 1994, the present Government put forward a programme of economic policy based on three cornerstones: the reform of government finance, measures to combat unemployment, and a fair distributive policy.

### 1.2.1 Budgetary policy

Considerable budgetary reinforcements have been made in order to strengthen confidence in the Swedish economy, reduce interest rates and bring about an increase in growth and employment.

Together with the measures decided by the previous administration, the present Government's programme for the reform of national government finance is estimated at a total of MSEK 118,000 or 7.5% of GDP. The budget reinforcements were presented in three rounds: in the Government's Economic Policy Bill in autumn 1994, in its Budget Bill in January 1995, and in the Supplementary Budget Bill in April 1995. In this way, public sector financial saving is expected to decline from minus 13.4% in 1993 to about minus 5% in 1996 and to barely minus 1% in 1998. In this case the national debt, as a percentage of GDP, will be stabilised in 1996.

### 1.2.2 A policy for growth, employment and welfare

At the same time, a growth in employment and a reduction in unemployment are necessary means of coping with the budgetary deficit and the national debt. The cost of unemployment, in terms of reduced taxation revenue and expenditure on labour market policy, is one of the main reasons for the rapid deterioration of national government finance during the 1990s. To bring down interest rates, a vigorous policy of growth and employment is needed, so as to reduce unemployment.

In January 1995, the Government put forward an action programme to combat unemployment. The programme is a co-ordination of labour market policy, enterprise policy and education policy, aimed at promoting and facilitating expansion and renewal in private enterprise, stimulating investments and new hirings, putting greater emphasis on education/competence and jobs in the regular labour market, and reducing dependence on passive measures and temporary employment outside the regular labour market. The action programme are fully in line with the five points of the Council of Europe meeting in Essen in 1994.

The programme contains measures in five main fields: measures for an active enterprise policy for small and medium undertakings; measures to encourage hirings; measures to increase the competence of the labour force; measures to mobilise the unemployed, and measures for the reduc-



tion in unemployment among disadvantaged groups in the labour market, such as young persons, immigrants and the long-term unemployed.

### **Labour market policy**

The emphasis is on measures of a more active character to strengthen the competence and competitive capacity of the labour force, facilitate expansion and hirings, enhance geographical and occupational mobility in the labour market, etc. The policy does not include more defensive measures such as job-sharing, employment growth in low-paid occupations, unilateral deregulation of industrial relations, etc. This strategy is backed up by the trade unions in Sweden.

The Bill introduced by the Government in April 1995 proposes a change in the focus of labour market policy, so that policy measures will focus even more on the long-term unemployed. The long-term unemployed are now the most important target group for the ES.

### **Enterprise policy**

The conditions for small and medium-sized enterprises and their prospects of expanding are crucial for both economic growth and increasing employment in Sweden. Small and medium-sized firms are important for generating new employment, and the Government has therefore proposed measures to provide them more adequately with risk capital and to facilitate their expansion.

The Government has reinforced the funding of special loans for women entrepreneurs, to devote special efforts to transfers of knowledge to small and medium-sized enterprises and to encourage foreign start-ups in Sweden.

### **Education policy**

Comprehensive measures of training and competence improvement in response to the ever-increasing demands for competence in working life play an important part in the Government's action programme for growth, employment and welfare. The programme includes a number of measures relating to upper secondary school (high school), adult education and higher education. Special measures have been started up with regard to science and engineering study programmes as well as language studies. Admissions capacity in the regular education system will be increased by about 90,000 student equivalents during 1995.

## **1.3 The Working Life Fund (*Arbetslivsfonden*)**

The creation of the Working Life Fund was a further stage in an offensive for the renewal of working life. Great efforts were made to reduce illness at work and transform the organisation and content of work so as to make better use of people's knowledge and competence. The Fund has transformed opportunities for raising the level of aspiration in undertakings and administrative organisations with regard to changes in working life and the prevention of occupational failure.

The task of the Working Life Fund is to contribute in various ways towards the renewal of working life and towards better working environments with fewer work injuries, less sickness absence and less early retirement. In this way too, the productivity and profitability of Swedish working life can

be improved. In addition to financial support for various workplace measures, the Fund assists the distribution of knowledge and experience to and between undertakings and administrations.

The Working Life Fund was set up, by resolution of the *Riksdag* (parliament), in April 1990. Activities began in 1990 with a central office and an office in every county. Previously the *Riksdag* had resolved that employers were to pay a special work environment charge equalling 1.5% of the wage bill for the period September 1989-December 1990. These charges were paid into the Working Life Fund. The *Riksdag* has resolved that activities are to be concluded by 30 June 1995. By the end of its five-year career, the Fund will have distributed some MSEK 11,000.

Evaluations of the Fund's activities hitherto have shown it to have played an important part in inducing undertakings and administrations to develop competence in the working life area, to improve their work organisation and elevate their productivity. In this connection, the Fund's holistic approach to activities – treating the working environment, production, finance, etc. as parts of a single entity – has been a recipe for success.

## 1.4 Plan for European Social Fund

Sweden became a member of the European Union on 1 January 1995. During the spring, Sweden has prepared its application for European Social Fund, Objectives 3, 4 and 6. The direction and intentions of the Swedish programmes for objectives 3, 4 and 6 are in line with the Government's action programme for growth, employment and welfare (described above). They are also very much in line with the 5 conclusions of the EU Essen summit.

### 1.4.1 Objective 3

Sweden proposes a number of clearly defined, strategically chosen priorities concentrating on a number of priority target groups. The sub-programmes have a supply focus and are aimed at strengthening the competence of the individual and in this way essentially improving his or her job prospects. The target groups are:

- young persons between 18 and 24;
- long-term registered jobseekers;
- immigrants in cities and occupationally handicapped persons.

The first and most extensive priority is training. Through targeted measures in the education sector, the target groups can in various ways be given the opportunity of competence build-up, new careers and better competitive capacity.

To achieve a vigorous uplift of competence in the IT sector, computer centres will be set up throughout the country where jobless youngsters can receive 3 months' part-time training ranging from word processing to database management. The activities should be characterised by a high degree of flexibility, affording scope for the young persons' own initiatives and to a great extent be based on local ideas and local co-operation.

Counselling and guidance are an important instrument in labour market policy. This sector has therefore been chosen for the third priority. People's opportunities and possibilities of using their innate powers and capacity are often adversely affected by unemployment. Through counselling and guidance many can find new ways to activities and employment.

The fourth priority is concerned with reinforcing and developing support in connection with entrepreneurial start-ups in various forms. This can mean training, mentorship, systematic testing of business ideas, etc. Sweden needs new job opportunities in enterprise. The main task now is to create opportunities for enterprise to expand. To make this possible, more enterprises and entrepreneurs will be needed.

#### 1.4.2 Objective 4

Within the framework of the guidelines and directives of the European Social Fund, Sweden proposes the following programme under Objective 4.

The *overriding aim* of the programme is to achieve a distinct growth in readiness for change and in competence development on the part of employees and undertakings in Sweden. A *main line* of the programme is that development of the employees' competence is a necessary precondition for the survival and competitive capacity of the undertakings concerned. The *strategy* of the programme is to strengthen the employees' position in the undertaking and in the labour market by linking together measures to stimulate competence development, the development of work organisation and corporate development.

Measures on the *supply side* to develop tools are viewed as a precondition for a successful strategy. This means developing networks and external support for the employees and undertakings, and upgrading the quality and structure of knowledge transfer through co-operation and partnership at local, regional and national levels alike.

The programme will focus primarily on a *target group* comprising employees and undertakings with 1-49 employees, but employees of companies up to 250 strong will also be considered. A substantial part of programme inputs should be devoted to employees who otherwise risk finding themselves in a weaker position in the undertaking or in the labour market. Special consideration in this respect should be given to the needs of employees whose basic training has been brief or is obsolescent, certain office employees with occupational handicaps, and immigrants.

Nearly two-thirds of economically active women in Sweden are employed in the public sector, especially by municipalities and county councils. Medical care, caring services for children and the elderly and certain technical activities are currently passing through a radical structural transformation.

Since a dominant proportion of gainfully employed women in Sweden work in the public sector, various alternative ways should be considered for involving in the programme such parts of public sector activities as are exposed to structural change.

The bulk of the programme's resources will be concentrated on measures within the undertaking itself to develop the employees' competence. This part will be used for stimulating, in two stages, the commencement of development projects (Stage 1) and development-related competence development (Stage 2). 80% of total programme resources will be reserved for these two inputs.

Incentives to undertakings for starting up development projects and for competence development are to take the form of special competence vouchers. These will cover about one-third of the employer's expenses and input respectively.

A substantial part, 15%, of programme resources will be applied to facilitating the development of networks and external resources in support of measures for development and competence development. 5% of programme resources will be set aside for supporting implementation of the programme.

#### 1.4.3 Objective 6

Objective 6 Region mainly consists of the top priority aid area for regional policy. The geographical region comprises 55% of Sweden's area, which has 5% of the national population. The following programmes are part of the Objective 6 plan:

- |                  |  |
|------------------|--|
| Programme 1      | Development of employment and enterprise.  |
| Sub-programme 1: | Measures to achieve an efficient labour market:<br>Priority groups are jobless youngsters, long-term registered jobseekers and disadvantaged groups, e.g. the occupationally handicapped. The sub-programmes proposed are training at computer centres combined with activity centres, other training, start-ups and counselling and guidance. |
| Sub-programme 2: | Small and medium-sized undertakings, including agriculture. Measures to this end: competence development in enterprise, women's enterprise and new enterprise/start-ups.   |
| Sub-programme 3: | Development of tourism. Measures to this end: competence development, knowledge development and activity developments, with special emphasis on smallness of scale.  |
| Programme 2      | Reinforcement of the infrastructure.   |
| Sub-programme 2: | Training. Measures to this end: basic training with a wider selection and better availability, together with distance training.  |
| Sub-programme 3: | Information technology. Measure to this end: IT use.   |
| Programme 3      | Harnessing and developing human resources.   |
| Sub-programme 1: | Support for and reinforcement of culture and local and regional identity. Measures to this end: local and regional cultural investment.  |
| Sub-programme 2: | Social economy and local development. Measures to this end: village and community developments together with equal opportunities and competence centres for women.   |
| Programme 4      | Careful use of natural resources.  |
| Sub-programme 1: | Upgrading of timber resources. Measures to this end: training and competence development.  |
| Sub-programme 2: | Soil and water. Measures to this end: agriculture and combined employment.   |
| Programme 5      | Development of Lapp culture.   |
| Sub-programme 1: | Culture.   |
| Sub-programme 2: | Enterprise development with special emphasis on reindeer herding.  |

Objective 3 inputs in the Objective 6 region are to be financed with the MECU 252 existing for Objective 6 inputs. It is important that measures of an Objective 3 character should support all sub-programmes proposed in the Objective 6 region.

## **1.5 Committees in the fields of labour market policy**

### **1.5.1 Labour Market Policy Committee**

In November 1993, the then Government appointed a committee to investigate the role, scope, direction and delimitation of labour market policy. The Committee's final report is due before the end of 1995.

Developments in recent years have meant new and heavy demands on labour market policy. Dramatic developments in the labour market have subjected labour market policy to considerable strain. At the same time, international experience shows that unemployment, once it has climbed to high levels, is difficult to reduce and long-term unemployment increases. Long-term unemployment is liable to become permanent unless active measures are taken to deal with it. This necessity has prompted a review of labour market policy.

One important task for the Committee is to analyse the role of labour market policy in social development and the allocation of responsibilities between labour market policy and other policy fields. The Committee's recommendations should encourage the development of co-operation and networks between different public bodies, at central and local levels.

### **1.5.2 Working Hours Committee**

The Government has appointed a special Working Hours Committee whose remit includes an investigation of the consequences of alternative working hours reductions and the way in which Swedish law can be made to include flexible rules on working hours. The committee's deliberations are to be concluded before the end of 1995.

### **1.5.3 Labour Law Committee**

The Government has appointed a Labour Law Committee to review the possibilities, through agreements between the labour market parties, of finding appropriate solutions for small and medium-sized businesses within the framework of existing labour law. The committee includes the social partners. The committee's deliberations are to be concluded in March 1996.



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## 2. Employment Maintenance

S-ii.1      On-the-job training (*Företagsutbildning*) (cf. S-iv.2)

S-ii.1

**On-the-job training (*Företagsutbildning*) (cf. S-iv.2)**



### 3. Aid to the Unemployed

- S-iii.1 Unemployment Insurance (*Arbetslöshetsförsäkring*)
- S-iii.2 Cash Labour Market Assistance (*Kontant arbetsmarknadsstöd – KAS*)
- S-iii.3 Wage Guarantees (*Lönegaranti*)
- S-iii.4 Training Allowance System (*Utbildningsbidrag*)
- S-iii.5 Study allowance for unemployed (*Särskilt vuxenstudiestöd till arbetslösa – SVUXA*)
- S-iii.6 Relocation grants (*Starthjälp*)
- S-iii.7 Commuting grants (*Pendlingsstöd*)

## **Unemployment Insurance (*Arbetslöshetsförsäkring*)**

### *Aim*

To compensate insured workers (members of an approved unemployment insurance fund) and self-employed who are unemployed.

### *Legal basis*

The 1973 Unemployment Insurance Act, the 1988 Unemployment Insurance Ordinance.

### *Contents*

Unemployment insurance in Sweden is based on a system of voluntary membership. Unemployment insurance compensation is payable to an unemployed person who has belonged to an unemployment insurance fund for at least 12 months (self-employed: 24 months). In addition, the applicant must have worked for at least 80 days, spread over at least five months of a 12-month period immediately preceding unemployment. Certain other activities, e.g. time spent on employment training and temporary replacement for persons undergoing training, can also be credited as time worked, thereby qualifying for compensation.

The maximum compensation period is 300 days for a person aged under 55. Above this age the maximum is 450 days. The rate of compensation may not exceed 80% of previous income, pension or other incomes, to a maximum level. From 1 July 1993 this maximum amount comes up to SEK 564 per day, five days (working days) per week. The compensation rate will be reduced to 75% from 1 January 1996.

To receive unemployment benefit the unemployed must be registered as a jobseeker at an employment office and be prepared to accept suitable work or a labour market policy measure.

### *Financial resources*

The unemployment insurance is financed by employers' contributions (payroll taxes) and employees' contributions. Deficit is made up through Government subsidies. In the 1993/1994 fiscal year, expenditure totalled MSEK 37,000. Of this 3.1% came from employees' contributions. About 60% were financed by Government subsidies. In 1997 employers' contributions and employees' contributions are calculated to cover total expenditures, due to reinforcement of the revenues.

### *Institutional support*

Unemployment insurance compensation is administered by 40 approved unemployment insurance funds, which are closely linked to the trade unions.

The Employment Service exercises an important monitoring function in the Swedish system of cash benefits for the unemployed. The Employment Service has the task to test if an applicant for unemployment insurance is willing and able to accept a job or a labour market policy measure. If an unemployed person refuses an joboffer the Employment service shall report to the unemployment insurance fund.

Duration

Ongoing.

Effects

Fiscal year	Average recipients per month	Total expenditure in MSEK
1990/91	84,600	7,800
1991/92	159,400	16,500
1992/93	272,500	30,800
1993/94	337,700	37,000

S-iii.2

## Cash Labour Market Assistance (*Kontant arbetsmarknadsstöd – KAS*)

### *Aim*

To provide income compensation for persons who are unemployed but not a member of an unemployment insurance fund or do not satisfy the unemployment insurance conditions for benefit.

### *Legal basis*

- The 1973 Cash Labour Market Assistance Act;
- the 1994 Cash Labour Market Assistance Ordinance.

### *Contents*

To qualify for this type of support, the applicant must have been employed for at least five out of the twelve months immediately preceding his or her unemployment. Only a month in which the applicant has worked for at least 75 hours can be credited. The rules for equating certain other time inputs with employment are essentially the same as for unemployment insurance.

The daily cash benefit is substantially smaller than the payment provided by the unemployment insurance funds. A maximum of SEK 245 is payable. Persons aged under 55 can receive KAS for up to 150 days. For those aged between 55 and 60, the maximum benefit period is 300 days. From age 60 onwards it is 450 days. KAS is payable for up to five days per week. The Government has proposed a decrease of the compensation to SEK 230/day from the 1 of January 1996.

### *Financial resources*

Cash labour market assistance is financed by employers' contribution and government funds (cf. Unemployment Insurance).

### *Institutional support*

Cash Labour Market Assistance is administered by the Employment Service, which has a monitoring function in the same way as it has with voluntary unemployment insurance. The KAS payments are administered by the social insurance offices.

### *Duration*

Ongoing.

### *Effects*

Year	Average recipients per month	Total expenditure in MSEK
1990	7,700	263
1991	20,500	713
1992	38,200	1,445
1993	38,100	2,014
1994	31,800	–

S-iii.3

**Wage Guarantees (*Lönegaranti*)***Aim*

To compensate employees on certain conditions, for loss of salary/wages in the event of their employer going bankrupt.

*Legal basis*

The 1994 State Wage Guarantees Act.

*Contents*

In the event of an employer being declared bankrupt and his assets being insufficient to cover the employees' salaries and wages, the State answers for payments by the Wage Guarantee Fund. These payments can cover claims for the 12 months immediately preceding the petition for bankruptcy and for the period of notice of dismissal (maximum 6 months).

The total claims payable are limited to a maximum of SEK 100,000.

*Financial resources*

The wage guarantee is financed by employers' contributions (payroll taxes) to the Wage Guarantee Fund. Any deficit in the Fund is made up by Government subsidies. Expenditure in the 1993/1994 fiscal year totalled MSEK 2,044. The Government has proposed that the Wage Guarantee Fund be abolished from 1 July and its revenues and expenditures transferred to the budget estimates.

*Institutional support*

Payments from the Wage Guarantee Funds are administered by the County Administrative Boards.

*Duration*

Ongoing.

*Effects*

Year	Total number of recipients*	Total expenditures in MSEK
1989/90	17,400	628
1990/91	47,000	1,880
1991/92	78,000	4,347
1992/93	59,600	4,452
1993/94	37,700	2,044

\* Number of employees affected by bankruptcy.

S-iii.4

**Training Allowance System (*Utbildningsbidrag*)***Aim*

To provide training grants as an income compensator and motivator for persons taking part in certain kinds of labour market policy programmes.

*Legal basis*

The 1987 Employment Training Ordinance, the 1987 Labour Market Policy Ordinance.

*Contents*

Persons taking part in labour market policy schemes, such as employment training, vocational rehabilitation and trainee schemes of various kinds, receive a training grant. This is paid at the same rate as unemployment insurance benefit, up to SEK 564 daily, if the person is insured (belongs to an unemployment insurance fund) and is entitled to unemployment benefit. Otherwise the rate is SEK 245 daily for five days a week.

*Financial resources*

For persons entitled to unemployment insurance benefit, the training allowances are financed by Government funds.

*Institutional support*

Training allowance payments are administered by the social insurance offices.

*Duration*

Ongoing.

*Effects*

Are shown for each labour market programme.

S-iii.5

**Study allowance for unemployed (*Särskilt vuxenstudiestöd till arbetslösa – SVUXA*)***Aim*

To provide study allowances for unemployed persons wishing to improve their job prospects by studying.

*Legal basis*

The 1973 Study Assistance Act, the 1973 Study Assistance Ordinance.

*Contents*

SVUXA can be applied for persons who are unemployed and enrolled with the Employment Service but unable to find suitable work. The applicant must be at least 21 years old and must have been gainfully employed for not less than 3 years before studies begin. SVUXA can be awarded for studies at compulsory school and upper secondary (high school) level.

This study assistance consists of a grant (65%) and a repayable loan (35%). It corresponds to the daily unemployment insurance benefit rate for a person entitled to such compensation, or else to KAS for persons entitled to cash labour market assistance. Otherwise a grant of SEK 4,830 and a loan of SEK 1,950 are payable monthly.

*Financial resources*

SVUXA is financed entirely from Government funds. In the 1993/94 fiscal year, expenditure totalled MSEK 1,950.

*Institutional support*

SVUXA payments are administered by the Swedish National Board of Student Aid, CSN.

*Duration*

Ongoing.

*Effects*

In the 1993/94 fiscal year 45,500 persons received SVUXA.

S-iii.6

**Relocation grants (*Starthjälp*)***Aim*

To enhance mobility in the labour market by assisting jobseekers who relocate in order to take up a job in a different region of the country.

*Legal Basis*

The 1994 Travel Allowance and Relocation Grants Ordinance.

*Contents*

Persons relocating to obtain employment can receive relocation grants, for example, to cover removal or travel costs in connection with jobseeking and starting the new job. One condition being, that the new job must last for at least 6 months. The grant for removal costs equals SEK 10,000.

*Financial resources*

Relocation grants are financed by the budget of the Labour Market Administration and thus entirely by Government funds. Expenditure for the 1994/95 fiscal year is estimated at MSEK 188.

*Institutional support*

Relocation grants are administered by the Employment Service.

*Effects*

Relocation grants are awarded to an estimated 15,000 persons annually.



**Commuting grants (*Pendlingsstöd*)***Aim*

To enhance mobility in the labour market by giving commuting assistance to jobseekers who can obtain employment within commuting distance.

*Legal basis*

The 1994 Travel Allowance and Relocation Grants Ordinance.

*Contents*

The Government has proposed introducing commuting grants from 1 July 1995. These grants will be offered to unemployed persons obtaining employment at a travelling distance of more than 1,5 hours in each direction. The grant will equal SEK 1,200 monthly for up to 6 months.

*Financial resources*

Commuting grants are financed by the budget of the Labour Market Administration and thus entirely by Government funds. Expenditure for the 1995/96 fiscal year is estimated at MSEK 177.

*Institutional support*

Commuting grants are administered by the Employment Service.



4. Training, Retraining and Occupational Mobility

- S-iv.1 Employment training (*Arbetsmarknadsutbildning*)
- S-iv.2 On-the-job training (*Företagsutbildning*)
- S-iv.3 Workplace introduction (*Arbetsplatsintroduktion*) (cf. S-vi.2)
- S-iv.4 Trainee temporary replacement scheme (*Utbildningsvikariat*)
- S-iv.5 Jobseeker activities (*Jobb-sökaraktiviteter – JSA*)

## **Employment training (*Arbetsmarknadsutbildning*)**

### *Aim*

To facilitate both occupational and geographical mobility and thereby adjustments in the labour market, prevent bottlenecks in labour supply and ease processes of structural change in the economy. Employment training helps to limit unemployment during a downturn in the economy and to promote labour recruitment during an upturn. It also strengthens the position of disadvantaged groups in the labour market.

### *Legal basis*

The 1987 Labour Market Training Ordinance.

### *Contents*

The Labour Market Administration provides employment training spanning virtually all occupational fields and all levels, ranging from preparatory courses and general theoretical studies to, in some cases, courses at university level. Courses vary in duration from a few weeks to several months and the average duration is about 5-6 months. In the 1993/1994 fiscal year, nearly 75% of employment training was vocational training.

Employment training is free of charge and participants receive training allowance equal to unemployment benefit or a special amount (cf. Chapter III, S-iii.5).

### *Financial resources*

Employment training is financed from the Labour Market Administration budget and thus entirely from Government funds. For persons entitled to unemployment insurance benefit, the training allowances are financed by Government funds.

### *Institutional support*

Employment training courses are specially purchased by the County Labour Boards and/or the Employment Service from various institutions or firms, private or public. About half of the courses purchased are acquired by the Employment Training Group (*AMU*) and take place at special Employment Training Centres. The capacity of the regular education system can also be used.

### *Duration*

Ongoing.

### *Effects*

AMS' follow-up of vocational employment training in 1994 shows that 38% of those completing their vocational training are employed six months after doing so, as compared with 25% in 1993

and 74% in the boom year of 1989. Meanwhile the proportion completing their training has risen since 1989, from 81 to 89%.

Fiscal year	Average recipients	Total expenditure in MSEK
1990	44,000	7,500
1991	77,800	13,700
1992	73,700	15,000
1993	50,700	10,800
1994*	51,800	—

\* From July 1994 to March 1995.

S-iv.2

### **On-the-job training (*Företagsutbildning*)**

#### *Aim*

On-the-job training can be used for three purposes: bottleneck training, i.e. training for skilled jobs where there is a shortage of skilled personnel, in order to introduce new technology and changing conditions i.e. work organisations and training for potentially redundant workers who would otherwise run an imminent risk of being laid off.

#### *Legal basis*

The 1984 In-house Training Grants Ordinance.

#### *Contents*

State grants are payable, on certain conditions, to employers in connection with employment training for existing employees and for the hiring of new employees. The State grant paid to the individual company covers the actual cost of the training course, up to a maximum of SEK 60 per hour up to 920 hours from 1 July 1993.

#### *Financial resources*

On-the-job training is financed by the budget of the Labour Market Administration and thus entirely by Government funds.

#### *Institutional support*

Payments of the on-the-job training grants are administered by the Employment Service. The training provider is freely chosen by the employer.

#### *Duration*

The Government has proposed that on-the-job training be abolished as from 1 January 1998.

#### *Effects*

A follow-up of on-the-job training by AMS (the National Labour Market Board) in 1993 showed that 83% of the persons completing this training were employed at the time of follow-up (3-6 months later), and 85% of these with the same company. The follow-up also showed that in 75% of all cases the training would not have materialised without the grant and had been mainly provided for employees with little formal education but long work experience. 31% of the on-the-job trainees felt that the training had improved both their skills and the skill content of their jobs. 35% felt that the training had improved their skills only, i.e. had not led to more difficult tasks, while 32% felt that neither their skills nor their tasks had become more advanced.

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Fiscal year	Average recipients per month	Total expenditure in MSEK
1990/91	3,000	200
1991/92	5,600	677
1992/93	3,800	613
1993/94	3,000	419
1994/95*	2,400	—

\* From July 1994 to March 1995.

## **Workplace introduction (*Arbetsplatsintroduktion*)**

### *Aim*

To provide work experience and practice within enterprises for the unemployed. This measure is intended to replace other kinds of work experience programmes, such as the Youth Training Scheme, Work Experience for Foreign Nationals, Work Experience for University Graduates, Work Capacity Assessment, etc.

### *Legal basis*

- The 1995 Workplace Introduction Act;
- the 1995 Workplace Introduction Ordinance.

Both Act and Ordinance came into force on 1 July 1995.

### *Contents*

A variety of work experience programmes for specific target groups have been in operation for some time now as part of Swedish labour market policy. Workplace introduction is a new work experience scheme to replace those programmes and to give the Employment Service a more flexible instrument. The new scheme is, in principle, open to all unemployed persons who are registered with the Employment Service as jobseekers. The ES judges whether a person is in need of a work experience measure. This is flexible in the sense of the ES being able to decide the content and duration (up to 6 months) of the individual programme.

This measure is defined as on-the-job training and the jobseeker is not employed by the employer. No salary or payroll tax has to be paid but – with the exception of older jobseekers, foreign citizens and disabled persons – the employer pays a contribution fee of SEK 1,000 monthly. The participants are entitled to training allowance.

In the case of younger persons, aged 20-24, the programme must be followed by at least 6 months' employment, with or without recruitment support, except in the case of municipal authorities and non-profit associations (cf. Chapter III, S-vi.2).

For foreign nationals, the programme can be combined with Swedish language instruction.

### *Financial resources*

The training allowances are financed by Government funds. The employer pays a contribution fee of SEK 1,000 monthly.

### *Institutional support*

Workplace introduction is administered by the Employment Service.

### *Duration*

From 1995.



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*Effects*

The estimated average number of participants in the programme amounts to 34,000 persons monthly, 24,000 of whom refer to youth induction, for the 1995/96 fiscal year.

S-iv.4

**Trainee temporary replacement scheme (*Utbildningsvikariat*)***Aim*

To enable both private undertakings and the public sector to invest in personnel education and to provide unemployed persons with temporary employment and, accordingly, necessary work experience.

*Legal basis*

The 1994 Act Suspending the 1981 Social Security Contributions Act.

*Contents*

An employer hiring a temporary replacement for an employee who is undergoing training, can receive a payroll levy reduction. This offer applies to all training as long as the temporary employee is hired after referral by the Employment Service. In addition, the Employment Service is able to sanction payroll levy reductions to meet costs of the training thus given.

For the cost of the temporary employee's wages an employer can deduct SEK 510 daily from the payroll levy. The deduction for training costs is up to SEK 75 per hour of training and employee, subject to a limit of SEK 40,000 per employee.

The Riksdag has resolved that small undertakings with no more than 4 employees and not paying sufficient payroll levy to claim the full deduction for trainee replacements are to be awarded a grant of SEK 500 daily and up to SEK 75 per hour for the cost of training. This is conditional on employees being allowed to take part in training at the same time as an unemployed person, referred by the Employment Service, is hired to replace them. The Ordinance will enter into force at Government's discretion.

*Financial resources*

The trainee temporary replacement scheme is financed entirely by Government funds.

*Institutional support*

The trainee temporary replacement scheme is administered by the Employment Service.

*Duration*

Ongoing.

*Effects*

In 1994, about 40% of temporary replacements were in regular employment three months after concluding their temporary hiring. This percentage, which has been relatively constant, can be considered satisfactory in view of the slackness of labour demand during the period in question. Follow-up studies have also shown that, in the normal instance, the employee obtaining training has a low level of formal vocational education but long work experience, whereas the temporary replacement has formal training but little or no work experience.

Fiscal year	Average recipients	Total expenditure in MSEK
1991/92*	8,500	360
1992/93	8,200	2,300
1993/94	11,600	2,700
1994/95**	11,800	2,900

\* From October 1991.  
\*\* From July 1994 to March 1995.

S-iv.5

**Jobseeker activities (*Jobb-sökaraktiviteter – JSA*)***Aim*

To teach successful methods of jobseeking and to activate the jobseekers.

*Legal Basis*

The 1987 Labour Market Policy Ordinance.

*Contents*

The content and design of these activities vary from one employment office to another, ranging from short-term courses lasting for a few days to "job clubs" in which unemployed persons, under supervision, look for jobs on a full-time basis.

The purpose of the Job Clubs for the participants is to learn the technique of filling in applications and phoning up employers about job openings. Sometimes the activities also include simulation of job interviews, etc. Participation must involve active jobseeking while the activity lasts. Contact is maintained with the participants until they have found work or have been referred to some kind of labour market policy programme.

*Financial resources*

JSA are financed by the budget of the Labour Market Administration and thus entirely by Government funds.

*Institutional support*

JSA are administered by the Employment Service.

*Duration*

Ongoing.

*Effects*

Altogether some 60,000 persons participated in JSA during the 1993/94 fiscal year. About 65% of these were young persons aged 18-24.

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## 5. Job Creation

- S-v.1      Public temporary employment (*Beredskapsarbete*)
- S-v.2      Recruitment subsidy (*Rekryteringsstöd*)
- S-v.3      Work experience scheme (*Arbetslivsutveckling*)
- S-v.4      Start-up grants (*Starta-eget-bidrag*)
- S-v.5      REHAB projects and State utility investments (*ROT-projekt och tidigareläggning av offentliga investeringar*)

S-v.1

**Public temporary employment (*Beredskapsarbete*)***Aim*

The purpose of public temporary employment is to counteract cyclical or seasonal unemployment, or to provide employment for elderly, geographically immobile workers, refugees and immigrants and occupationally handicapped unemployed workers.

It also provides jobs for persons whose unemployment insurance is about to expire, and, a means of breaking long-term unemployment.

*Legal basis*

The 1987 Public Temporary Employment Ordinance.

*Contents*

Relief works arranged by the State and local authorities, but sometimes also by private employers. The unemployed individual must be at least 25 and registered with the Employment Service. He or she should be unable to obtain any other job or training. The duration of public temporary employment is limited to 6 months and the wages/salaries and other employment conditions comply with collective agreements. Wages/salaries are paid by the employer.

The compensation paid to the employer covers up to 50% of total wage costs per month, but is limited to SEK 7,000. In some fields, such as nature conservancy, the grant can cover up to 100% of costs. For temporary employment entailing public investments, the grant is usually SEK 1,500 per day, but in some areas up to SEK 2,500 per day.

In the past, these projects mainly consisted of public investments in infrastructure. During the past decade, however, there has been a gradual shift towards more jobs in the service sector, i.e. temporary jobs in the care sector, education, administration, etc.

*Financial resources*

The compensation for public temporary employment, is financed by the budget of the Labour Market Administration and thus entirely by Government funds.

*Institutional support*

Public temporary employments are administered by the Employment Service.

Effects

In 1994, according to AMS statistics, some 20% had regular jobs three months after completing their temporary public employment.

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	8,700	1,200
1991/92	13,950	1,800
1992/93	15,300	2,900
1993/94	14,600	2,300
1994/95*	15,800	—

\* From July 1994 to March 1995.

S-v.2

## Recruitment subsidy (*Rekryteringsstöd*)

### *Aim*

To facilitate employment for unemployed persons by compensating employers for wage/salary costs. The measure is mainly designed to break long-term unemployment.

### *Legal basis*

The 1986 Recruitment Subsidy Ordinance.

### *Contents*

Recruitment support can be given after 6 months' continuous unemployment (after 4 months for youths) for a maximum period of 6 months. The subsidy is up to 50% of the total wage costs, but limited to SEK 7,000 monthly. Small firms hiring a university graduate can receive recruitment support for 12 months, subject to certain conditions. This support is mainly confined to private enterprise.

### *Financial resources*

Recruitment subsidy is financed by the budget of the Labour Market Administration and thus entirely by Government funds.

### *Institutional support*

Recruitment subsidies are administered by the Employment Service.

### *Effects*

In 1994, according to AMS statistics, some 70% had regular jobs three months after completing their employment with recruitment subsidy.

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	2,600	200
1991/92	10,100	900
1992/93	10,800	1,600
1993/94	14,600	1,600
1994/95*	19,700	—

\* From July 1994 to March 1995.



S-v.3

**Work experience scheme (*Arbetslivsutveckling*)***Aim*

The purpose of the programme is to give people living on unemployment benefit the opportunity to participate in activities that promote the local community or businesses with the intention of activating the unemployed and helping them to remain in contact with working life.

*Legal basis*

The 1992 Work Experience Scheme Act. The 1992 Work Experience Scheme Ordinance.

*Contents*

The organiser of the scheme can be non-profit organisations, associations, local authorities, trade unions, private enterprises, etc. The work experience scheme lasts for a period of six months and may not be used to replace regular employees.

The programme should be involved in activities that promote the local community or businesses, and which would otherwise not have been realised. The unemployed individual must be enrolled with the Employment Service, be at least 20 years old and unable to find another job or training. The participant must be entitled to unemployment benefit (member of an unemployment insurance fund) or KAS (cash labour market assistance). Training allowance is paid at the same rate as unemployment benefit or KAS.

*Financial resources*

Training allowances are financed by Government funds.

*Institutional support*

The Work Experience Scheme is administered by the Employment Service. Training allowance payments are administered by the unemployment insurance funds for those entitled to unemployment benefit, otherwise by the social insurance offices.

*Duration*

Until end of 1996.

*Effects*

In 1994, according to AMS statistics, some 20% had regular jobs three months after completing a Work Experience Scheme.

Fiscal year	Average recipients	Total expenditure in MSEK
1992/93*	23,600	1,100
1993/94	48,300	5,700
1994/95**	37,600	—

\* From January 1993.

\*\* From July 1994 to March 1995.

**Start-up grants (*Starta-eget-bidrag*)**

*Aim*

To promote self-employment and new entrepreneurs as an alternative to unemployment.

*Legal basis*

The 1984 Start-Up Grants Ordinance.

*Contents*

Jobless people wishing to start their own businesses can obtain financial support from the Employment Service. The grant is intended to help cover living costs during the start-up phase.

Start-up grants are payable to people aged at least 20 years who are registered as unemployed. A start-up grant can be provided for up to 6+6 months if the business venture concerned is expected to return an adequate profit and provide the jobless individual with permanent employment. Start-up grants are payable at the same rate as training allowance. Disabled persons entitled to start-up grants for the disabled can combine them with this grant.

*Financial resources*

The start-up grants are financed by Government funds.

*Institutional support*

The training allowance payments are administered by the social insurance offices.

*Effects*

Fiscal year	Average recipients	Total expenditure MSEK
1991/92	–	300
1992/93	3,100	500
1993/94	7,300	900

S-v.5

**REHAB projects and State utility investments**  
**(ROT-projekt och tidigareläggning av offentliga investeringar)***Aim*

To create employment by stimulating and promoting REHAB (i.e. conversion and renovation) projects and bringing forward investments by State-owned utilities.

*Contents*

The Government can and has allocated special labour market policy funding for REHAB (conversion and renovation) projects and for bringing forward investments by State-owned utilities. The incentive grant has been variously structured, but usually it takes the form of a percentage of the investment or labour cost of the project. The grant can be seen as a compensation for costs which are due to bringing forward investments. The general rule is that labour employed on the project must be referred or approved by the Employment Service. These measures bear a close resemblance to temporary public employment but have a wider focus and can serve other purposes besides those of labour market policy. At the beginning of the 1990s, for example, heavy investments were made in infrastructure and in the refurbishment of homes and schools.

*Financial resources*

The State grants are financed by the budget of the Labour Market Administration and thus by Government funds. In 1993 and 1994, the Government allotted a total of MSEK 2,100 for REHAB project grants and investments by State-owned utilities.

*Institutional support*

The State grants are administered by the Labour Market Administration.

*Duration*

These projects have been used during several recessions as a temporary instrument to create employment.

*Effects*

A total of 7,700 persons (annual personnel equivalents) are estimated to have obtained work as a direct consequence of these measures.

## 6. Special Categories of Workers

### *Youth*

- S-vi.1 Youth Training Scheme (*Ungdomspraktik*)
- S-vi.2 Workplace introduction – youth induction (*Arbetsplatsintroduktion – ungdomsintroduktion*) (cf. S-iv.3)
- S-vi.3 Municipal follow-up responsibility for young persons (*Kommunalt uppföljningsansvar för ungdomar*)
- S-vi.4 Computer centres/Activity centres (*Datortek*)

### *Disabled*

- S-vi.5 Wage subsidies (*Lönebidrag*)
- S-vi.6 Sheltered work (*Offentligt skyddat arbete – OSA – och Samhall*)
- S-vi.7 Vocational rehabilitation (*Arbetsmarknadsinstitut – AMI*)

S-vi.1

## **Youth Training Scheme (*Ungdomspraktik*)**

### *Aim*

To provide young people aged 18-24 with useful and necessary vocational training, practice and work experience.

### *Legal basis*

- The 1992 Youth Training Scheme Act;
- the 1994 Youth Training Scheme Ordinance.

### *Contents*

This measure provides young persons with meaningful work experience and practice within firms, including introduction and guidance for up to 6 months. The measure is defined as on-the-job training and the young persons taking part do not have employee status. No salary or payroll tax has to be paid but the employer pays a contribution fee of SEK 1,000 monthly. The programme may not be used to replace regular staff.

The young person is entitled to a training allowance from the Employment Service.

### *Financial resources*

The training allowances are financed by Government funds. Employers pay a contribution fee of SEK 1,000 monthly.

### *Institutional support*

The Youth Training Scheme is administered by the Employment Service.

### *Duration*

The Youth Training Scheme will be replaced as from 1 July 1995 by Workplace Introduction/Youth Induction (cf. S-vi.2), which is reserved for young persons aged 20-24. The main responsibility for those aged under 20 will be devolved for the municipalities.

### *Effects*

Previous follow-up studies of the Youth Training Scheme have shown it to be successful in that the absolute majority of those taking part have been satisfied with the arrangement and their work experience has been compatible with the occupational choices they can imagine themselves making in future. In 1994, according to AMS statistics, some 30% were employed three months after concluding their Youth Training.

Fiscal year	Average recipients	Total expenditure in MSEK
1992/93	56,000	4,600
1993/94	56,100	4,500
1994/95*	42,400	—

\* From July 1994 to March 1995.

S-vi.2

**Workplace introduction – youth induction**  
**(Arbetsplatsintroduktion – ungdomsintroduktion)***Aim*

To promote the integration of young people into working life by providing work experience and practice within enterprises for young unemployed.

*Legal basis*

The 1995 Workplace Introduction Act, effective from 1 July 1995.

*Contents*

Youth induction is a special kind of Workplace Introduction designed for young persons aged 20-24. The programme consists of an on-the-job traineeship lasting up to 4 months followed immediately by paid employment lasting at least 6 months with the same employer. The employment can be with or without recruitment support. During the traineeship period, the youngsters receive a training allowance of at least SEK 338.

The youngsters taking part do not have employee status during the traineeship period. No salary or payroll tax is payable, but the employer pays a contribution fee of SEK 1,000 monthly.

*Financial resources*

The training allowances are financed by Government funds. Employers pay a contribution fee of SEK 1,000 monthly.

*Institutional support*

Youth Induction is administered by the Employment Service. The training allowance payments are administered by the social insurance offices.

*Duration*

Starting 1 July 1995.



S-vi.3

**Municipal follow-up responsibility for young persons**  
**(Kommunalt uppföljningsansvar för ungdomar)***Aim*

To give the municipalities integrated responsibility for young persons, so as to create wider opportunities for designing, together with the young persons themselves, measures which can lead to employment in the regular labour market.

*Legal basis*

- The 1995 Municipal Responsibilities for Young Persons Act;
- the 1995 Municipal Responsibilities for Young Persons Ordinance.

*Contents*

The law enables the municipalities, by agreement with the State, to assume integral responsibility for jobless youngsters up to 6 months after reaching the age of 20. Even before this, it was the duty of municipalities to offer 3 years' upper secondary schooling to all young persons up to the year of their 20th birthday.

Each individual municipality has the option of signing an agreement with the State on municipal follow-up responsibility. These activities must have the purpose of preparing young persons for entrance into the regular labour market or into education in the regular education system. The municipalities must adapt the activities to local conditions, in consultation with local enterprise.

The municipalities are entitled to compensation from the State for the activities, subject to the existence of an agreement. Young persons taking part in these activities are entitled to payment. The rate of payment is decided by the municipalities, but it must be sufficient to provide an incentive for training or work.

*Financial resources*

The municipal follow-up responsibility is State-funded. An allocation of MSEK 2.1 has been made for the 1995/96 fiscal year (up to and including December 1996, 18 months).

*Institutional support*

Through the agreement, the municipalities incur the main responsibility for jobless youngsters under 20. The activities, however, can be planned jointly with the county labour board and the Employment Service, the local labour market parties, local enterprise, etc.

*Duration*

The Act enters into force on 1 October 1995.

*Effects*

It is estimated that, on average, some 24,000 young persons will be affected monthly by the municipal follow-up responsibility during 1995/96.

S-vi.4

**Computer centres/Activity centres (*Datortek*)***Aim*

The purpose of these centres is to, above all, improve opportunities for jobless youngsters to avail themselves of the possibilities created by the development of information technology. Better knowledge of IT can give them a better start in the labour market.

*Legal basis*

The 1994 Youth Induction Ordinance.

*Contents*

Computer centres will be introduced in all municipalities in the country from 1 July 1995. These centres consist of computer workstations for about 50 participants each, with affiliated activity space. At the centres, three months' basic training in the use of modern software for word processing, spreadsheet work, database management, etc. will be given primarily to jobless youngsters aged 18-24. Computer centre activities will be combined with various types of jobseeking activities. The participants will receive training allowance.

*Financial resources*

The computer centres are financed by the budget of the Labour Market Administration, and thus by Government funds and partly by municipalities.

*Institutional support*

The computer centres fall under municipal mandatorship. The Labour Market Administration will be responsible for investments in computer hardware, etc. The Employment Service will be responsible for guidance and jobseeker activities and for the entire programme content for the unemployed.

*Duration*

Starting on 1 July 1995.

*Effects*

The average number of participants per month is estimated at 30,000 for the 1995/96 fiscal year.

S-vi.5

**Wage subsidies (*Lönebidrag*)***Aim*

To facilitate the entry of occupationally handicapped people into regular employment.

*Legal Basis*

The 1991 Wage Subsidies Ordinance.

*Contents*

Wage subsidies are paid to employers hiring jobseekers who are physically, mentally, intellectually or socio-medically handicapped. The duration of wage subsidies is four years with a possibility to prolong. The wage paid follows the collective agreements. The subsidies compensate for the reduction in work capacity caused by a disability. They are flexible up to 80% of a monthly wage of SEK 13,700 with a corresponding coverage of pay-roll taxes and certain collective insurances. The subsidy may cover up to 100% of the wage cost for severely disabled persons.

The subsidisation rate is settled by agreements between the employer, employee, trade union representative and the Employment Service.

*Financial resources*

Wage subsidies are financed by the budget of the Labour Market Administration and thus entirely by Government funds.

*Institutional support*

Wage Subsidies are administered by the Employment Service.

*Duration*

Ongoing.

*Effects*

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	45,100	4,500
1991/92	43,600	5,200
1992/93	42,500	5,000
1993/94	42,900	5,100
1994/95*	45,500	—

\* From July 1994 to March 1995.

S-vi.6

**Sheltered work (*Offentligt skyddat arbete – OSA – och Samhall*)***Aim*

To offer employment, with the State-owned Samhall Corporation, to occupationally disabled persons unable to find work in the open labour market. In addition, public sheltered work (OSA) is organised, mainly by municipal authorities.

Sheltered employment serves the dual labour market policy aim of safeguarding the entitlement of occupationally handicapped people to paid work and providing rehabilitation opportunities with a view to the disabled person ultimately finding work in the regular labour market.

*Legal Basis*

- The 1987 Labour Market Policy Ordinance;
- the 1985 Sheltered Public Employment (State Grants) Ordinance.

*Contents*

Samhall's operating concept is to provide meaningful and vocational employment for persons with occupational disabilities wherever the need exists. This is accomplished through the production of goods and services. Job opportunities with Samhall are at the disposal of the Employment Service, which also assists Samhall employees in transferring to the open labour market. At least 40% of all recruitment for Samhall must involve severely disabled persons.

State grants are paid to public employers hiring jobseekers who suffer from socio-medical impairments or other severe disabilities and have not been in contact with working life previously or for a long time. The subsidies are flexible up to 100% of monthly wages and corresponding payroll taxes. The wage paid is based on normal collective wage agreements.

*Financial Resources*

Sheltered work in the public sector and at SAMHALL is financed by public funds.

*Institutional support*

The SAMHALL-group is a state-owned limited company with approximately 630 units in 320 locations nationwide. Job opportunities with Samhall are at the disposal of the Employment Service. OSA is administered by the Employment Service.

*Effects***SAMHALL:**

One important yardstick of activities is the number of transitions from employment with SAMHALL to employment in the regular labour market, with or without wage support. The number of transitions in 1994 was 1,372 (or 4.2% of the labour force), as compared with 650 persons in 1992 and 984 in 1993.

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	30,100	4,200
1991/92	29,300	4,600
1992/93	28,700	5,000
1993/94	28,200	4,800
1994/95*	28,900	—

\* From July 1994 to March 1995.

OSA:

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	5,500	400
1991/92	5,500	500
1992/93	5,700	600
1993/94	5,300	500
1994/95*	5,000	—

\* From July 1994 to March 1995.

**Vocational rehabilitation (*Arbetsmarknadsinstitut - AMI*)**

*Aim*

To provide vocational guidance and rehabilitation for jobseekers who need more support than the Employment Service can give in order to enter the labour market.

*Legal Basis*

The 1987 Labour Market Policy Ordinance.

*Contents*

The Employability Institutes, Ami, provide vocational guidance and rehabilitation for jobseekers who need more support than the ES can give in order to enter the labour market. This may be due to occupational indecision, limited work capacity on account of a disability or other adjustment problems and special difficulties encountered in the labour market. The aim is for jobseekers to find, obtain and keep a job in the open market. Work testing is an important part of AMI activities. This can be conducted both at AMI and at external workplaces in all sectors of the labour market. All jobseekers coming to AMI are referred there by the ES staff. 70% of those who were given service in the fiscal year 1993/94 were occupationally disabled. The participants receive training allowance. There are several different professional categories at an institute. Each institute, in principle, has employment consultants, psychologists, social consultants, nurses and physiotherapists.

*Financial resources*

The AMIs are financed by the budget of the Labour Market Administration and thus entirely by Government funds. The training allowances are financed by Government funds.

*Institutional support*

The AMIs and the ES have the joint task of finding a solution for jobseekers with disabilities or other difficulties. Though part of the Labour Market Administration the AMIs are from the Employment Service separated institutions. There are 110 institutes in the country with nationwide coverage.

*Duration*

Ongoing.

*Effects*

Fiscal year	Average recipients	Total expenditure in MSEK
1990/91	6,700	1,200
1991/92	7,200	1,500
1992/93	8,100	1,600
1993/94	6,500	1,300
1994/95*	7,700	—

\* From July 1994 to March 1995.

# CHAPTER IV INFORMATION AND RESEARCH

## 1. Statistics Sweden (SCB)

SCB is a government authority which collects, compiles, analyses and publishes public national statistics relating to various aspects of the social and economic life. Labour market statistics published by the SCB are:

- Labour force survey;
- yearly employment statistics;
- wages, salaries and employment in the different sectors of the economy;
- statistics relating to work environment and work injury.

## 2. The National Labour Market Administration

Labour market policy measures are continuously followed up and evaluated within the National Labour Market Administration. Sweden's national administration practises management by objectives and results, which means that activities are governed by overall objectives defined by the Government and *Riksdag* (parliament), instead of by detailed regulations and directives. Advanced, systematic monitoring of results is a very important part of management by objectives and results. Every month, a large number of result indicators are compiled and distributed inside and outside the Administration. These have been developed by the National Labour Market Board (AMS), the central administrative authority for labour market affairs.

Among other things, the result indicators form the basis of the quarterly reviews which the Ministry of Labour conducts together with AMS, in order to follow the progress of activities. The result indicators are supplemented by random sample surveys, statistics from Statistics Sweden (SCB) and other follow-up studies and follow-ups, initiated both by the Administration and by the Government.

## 3. The Delegation for Labour Market Research

The Delegation for Labour Market Research (EFA) initiates, finances and, with State grants, assists evaluation studies in the field of labour market policy. Part of the Delegation's work is to ensure that evaluation findings are publicised and made available. EFA's work includes evaluations of effects and outcomes of both individual labour market policy programmes, policy fields and the role of labour market policy in a wider context. These studies can also include research inputs relating to wage formation, the movement of costs, resource utilisation and the dimensioning of labour market policy, its focus, implementation processes, steering systems, etc. One of the Delegation's aims concerning an evaluation assignment is to hand it over to one or more researchers as soon as a new policy measure has been introduced. EFA consists of representatives of the Ministry of Labour, national authorities, the labour market parties and the research community.

## 4. Other Matters

Research in the fields of labour market affairs and labour market policy occupies a strong position at many of Sweden's universities. Labour market policy and its effects are a subject for comprehensive research within many institutions. This research is partly funded from special labour market policy research programmes and through commissions from Ministries and national authorities.

*The National Audit Bureau*, which is the Government's agency for administrative auditing, undertakes evaluative studies in the field of labour market policy and elsewhere, both on the Government's behalf and on its own initiative.



# Appendix 1: Abbreviations

AFA	Labour Market Insurance Company <i>Arbetsmarknadens Försäkringsaktiebolag</i>
Af/ES	Employment Service <i>Arbetsförmedlingen</i>
AgV	Swedish Agency for Government Employers <i>Arbetsgivarverket</i>
Ami	Employability Institutes <i>Arbetsmarknadsinstitut</i>
AMS	National Labour Market Board <i>Arbetsmarknadsstyrelsen</i>
AMU	Employment Training Group <i>AMU-gruppen AB</i>
AMV	National Labour Market Administration <i>Arbetsmarknadsverket</i>
CSN	Swedish National Board of Student Aid <i>Centrala studiestödsnämnden</i>
EFA	Delegation for Labour Market Research <i>Expertgruppen för arbetsmarknadspolitiska utvärderingsstudier</i>
IUP	Institute for Redundancy Payment Compensation, Ltd. <i>Institutet för utbetalningar av partsavtalade ersättningar AB</i>
JSA	Jobseeker activities <i>Jobb-sökar-aktiviteter</i>
KAS	Cash Labour Market Assistance <i>Kontant arbetsmarknadsstöd</i>
Lan	County Labour Board <i>Länsarbetsnämnden</i>
LO	Swedish Trade Union Confederation <i>Landsorganisationen i Sverige</i>
OSA	Public sheltered work <i>Skyddat arbete hos offentliga arbetsgivare</i>
PLE	Redundancy payment compensation <i>Permitteringslöneersättning</i>
SAF	Swedish Employers' Confederation <i>Svenska arbetsgivareföreningen</i>
SACO	Swedish Confederation of Professional Associations <i>Sveriges akademikers centralorganisation</i>
SCB	Statistics Sweden <i>Statistiska centralbyrån</i>
SVUXA	Study allowance for unemployed <i>Särskilt vuxenstudiestöd för arbetslösa</i>
TCO	Confederation of Professional Employees <i>Tjänstemännens centralorganisation</i>

## Appendix 2: National Correspondents

### *Belgium*

Joseph Remy, Ministère de l'Emploi et du Travail

### *Denmark*

Karen Thryssøe, Arbejdsministeriet

### *Germany*

Jochen Jahn, Bundesministerium für Arbeit und Sozialordnung

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### *Greece*

Ekaterini Kritikou, Ministry of Labour

### *Spain*

Delmira Paz Seara Soto, Ministerio de Trabajo y Seguridad Social

### *Finland*

Tuuli Raivio, Ministry of Labour

### *France*

Henri Roux, Ministère de l'Emploi

Claudine Elhaïk, Agence Nationale pour l'Emploi

### *Ireland*

Vincent Landers, Department of Enterprise and Employment

### *Italy*

Mariarosaria Damiani, Ministero del Lavoro e della Previdenza Sociale

### *Luxembourg*

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### *Netherlands*

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### *Austria*

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Marius Wilk, Arbeitsmarktservice

### *Portugal*

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### *Sweden*

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### *United Kingdom*

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### *European Commission*

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