

# Employment Observatory

## MISEP BASIC INFORMATION REPORT SWEDEN 1997

Employment & labour market



Employment & social affairs



European Commission

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Mutual Information System  
on Employment Policies (MISEP)

Basic Information Report

**SWEDEN**

Institutions, Procedures and Measures

1997

European Commission

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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 October 1997. 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".

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## BENCHMARK STATISTICS 1996

<b>THE LAND</b>	
Area	450,000 km <sup>2</sup>
<b>THE PEOPLE</b>	
Population	8,844,499
<b>PRODUCTION</b>	
Gross Domestic Product	SEK 1,678,111 million
<b>LABOUR MARKET</b>	
<b>Working age population (16-64 years)</b>	5,537,200
Of which:	
– women (16-64 years)	2,724,800
– men (16-64 years)	2,812,400
<b>Labour force (16-64 years)</b>	4,310,200
– Of which women (16-64 years)	2,060,200
<b>Activity rate</b>	71.6%
– women	69.9%
– men	73.2%
<b>Employment</b>	3,963,100
Of which	
– women	1,905,200
– under 25 years	393,800
By Sector:	
– agriculture, etc.	115,000
– manufacturing	809,100
– construction	225,400
– private service	1,495,100
– public service	1,316,000
Total	3,963,100
<b>Unemployment (16-64 years)</b>	347,100
Of which:	
– women	155,000
– under 25 years	73,100
<b>Unemployment by Education</b>	
– secondary education	188,800
– higher	47,100
– primary	107,500
Total	347,500
<b>Registered Unemployment (Sept 1997)</b>	310,000

Sources: Statistics Sweden and National Labour Market Board.

# CONTENTS

	Page
Chapter I	Institutions
	1
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 Cooperation and coordination with other bodies	2
1.7 International cooperation	2
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 nationwide 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	4
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> )	5
2.5 Employability Institutes ( <i>Ami</i> )	6
2.6 Working Life Services	6
Chapter II	Legal Framework and Procedures
	11
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 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 Safety at work, etc.	13
1.2.3 Codetermination	13
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 agreements	14
2.3 Industrial action	15
2.4 Collective agreements	15
2.5 The Labour Court	15

	Page
3. The Compensation System	16
3.1 Unemployment benefits	16
3.2 Social security	16
4. Labour Market Policy	17
4.1 The Employment Offices	17
4.2 Job-creation measures	17
<b>Chapter III Measures</b>	<b>19</b>
1. Overall Measures	21
2. Employment Maintenance	27
3. Aid to the Unemployed	29
4. Training, Retraining and Occupational Mobility	39
5. Job Creation	47
6. Special Categories of Workers	57
<b>Chapter IV Information and Research</b>	<b>67</b>
1. Statistics Sweden (SCB)	67
2. The National Labour Market Administration	67
3. The Delegation for Labour Market Research	67
4. National Institute for Working Life	68
5. Swedish Council for Working-Life Research	68
6. Other Matters	68
<b>Appendices</b>	
Appendix 1: Abbreviations	69
Appendix 2: National Correspondents	70

# CHAPTER I INSTITUTIONS

## 1. Ministry of Labour

### 1.1 Introduction

The Swedish Ministry of Labour deals with matters concerning labour market policy, questions relating to working life and equality affairs. The Ministry has two ministers – the Minister of Labour and the Minister of Equality Affairs. The Minister of Labour is the head of the Ministry and is responsible for issues concerning labour market and working-life policy.

### 1.2 Organisation charts

Cf. pages 7-8.

### 1.3 Working units and main responsibilities

Secretariat for Personnel and Administration:

- overall planning and coordination within the Ministry;
- staff administration.

Secretariat for International Affairs:

- coordination of EU affairs;
- *ILO* matters;
- labour counsellors for three Swedish Embassies (Bonn, Brussels and Washington);
- Nordic cooperation.

Secretariat for Labour Market Research:

- labour market policy analysis;
- evaluation of labour market policy measures;
- long-term forecasts;
- EU-related employment and labour market issues.

Legal Secretariat:

- Swedish labour legislation.

Division for Labour Market Policy:

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



Division for Working-Life Policy:

- occupational safety and health policy;
- security of employment and codetermination;
- vocational rehabilitation;
- working life research;
- working time.

Equality Affairs Division: cf. organisation chart.

Secretariat for Financial Management: cf. organisation chart.

## **1.4 Personnel**

The Ministry of Labour currently employs 130 persons, of whom around 19 are politicians and the remaining majority civil servants.

## **1.5 Budget**

The overall budget for the Ministry of Labour amounts to SEK 103,580 million for the fiscal year 1997.

## **1.6 Cooperation and coordination with other bodies**

The Ministry of Labour has close contacts with the boards and institutions listed below, (cf. organisation chart), all of which come under the jurisdiction of the Ministry.

Another characteristic is cooperation with the social partners, i.e. the Swedish Employers' Confederation (*SAF*), the Swedish Agency for Government Employers, the Swedish Federation of County Councils, the Swedish Association of Local Authorities, the Swedish Trade Union Confederation (*LO*), the Confederation of Professional Employees (*TCO*) and the 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 cooperation**

By tradition the Ministry is very much involved in international cooperation within the labour market field. The work is now influenced by Sweden's membership in the European Union. The Ministry is involved in the formulation of employment, labour market, working-life and equal opportunities policies. It also handles priority issues relating to 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 located in the Ministry.

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

The Ministry is also involved in the cooperation 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. There are also projects relating to occupational safety and health and equality affairs.

## **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 (*Arbetsmarknadsverket - AMV*) is the National Labour Market Board (*Arbetsmarknadsstyrelsen - AMS*). Each of the 23 counties has a County Labour Board, to which the Employment Service Offices (*Arbetsförmedlingar - Af*) and the Employability Institutes (*Arbetsmarknadsinstituterna - AMIs*) belong. From 1998 there will be only 21 counties. On the isle of Gotland, the County Labour Board will be incorporated in the County Administration Board. An overview of the Labour Market Administration is presented in the organisation chart on 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 on advisory councils and delegations at 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 prepare the individual.  
Make it easier for people wishing to work to enter the employment sector and find the right job.
- To stimulate demand.  
Supplement and influence labour demand, so that work will be available in the right place, at the right time and for the right person.
- To prevent redundancy and exclusion.  
Prevent redundancy and permanent exclusion and facilitate the return of unemployed persons to work, e.g. by selling Working-Life Services to employers and social insurance offices (cf. Chapter I, 2.6).

### 2.1.2 A nationwide organisation and "one-entry system"

The Swedish Labour Market Administration is a nationwide organisation which combines the strength of being small in the local perspective with the power and resources of a large organisation. There are 415 local employment offices, 116 Employability Institutes and Working Life Services spread throughout 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 is also responsible for the full range of labour market policy programmes, e.g.:

- I. employment training;
- II. activation programmes, such as jobseeking activities and on-the-job practice;
- III. programmes designed for groups with special needs;
- 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 1997 amounts to around SEK 76,017 million (approx. ECU 8 million). The total budget includes cash benefits for the unemployed.

The share of GDP for all labour market policy programmes in Sweden (including cash benefits) is 4.5%. About half of this expenditure was devoted to active measures. This is a higher proportion than in any other industrialised nation.

## 2.2 The National Labour Market Board (AMS)

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

### 2.2.1 The AMS Board and Directorate

The AMS is headed by the Director-General, who also chairs the AMS Board. In addition to the chairman, the Board has six members appointed by the government.

The AMS Directorate consists of the Director-General, the Deputy Director-General and six other Directors (Placement, Counselling, Labour market programmes, Planning and Regional Affairs).

The AMS Secretariat consists of 21 divisions, of which ten are divisions with a nationwide service (cf. organisation chart).

### 2.2.2 The AMS Advisory Council

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

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

The County Labour Board (*Länsarbetsnämnden - Lan*) is the regional authority dealing with general labour market affairs. The Board directs, coordinates 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 the different counties. There is a delegation for vocational rehabilitation and for other labour market policy measures for the disabled linked to every County Labour Board.

### 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 consultation with the employers' and employees' organisations.

## 2.4 The Employment Service (*Af*)

There are 415 Employment Service offices. The Employment Service offers placement services and 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 for disabled workers.

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 offices. There is also a Local Employment Service Committee in each community, which is a liaison body for local labour market affairs.

The Committee decides on the matters delegated to it by the County Labour Board. It consists of a senior officer from the County Labour Board and up to twelve other members. The Committee must include representatives of the Employment Service, the municipality and local labour market bodies. The chairman is appointed from among its municipality members.

## **2.5 Employability Institutes (AMIs)**

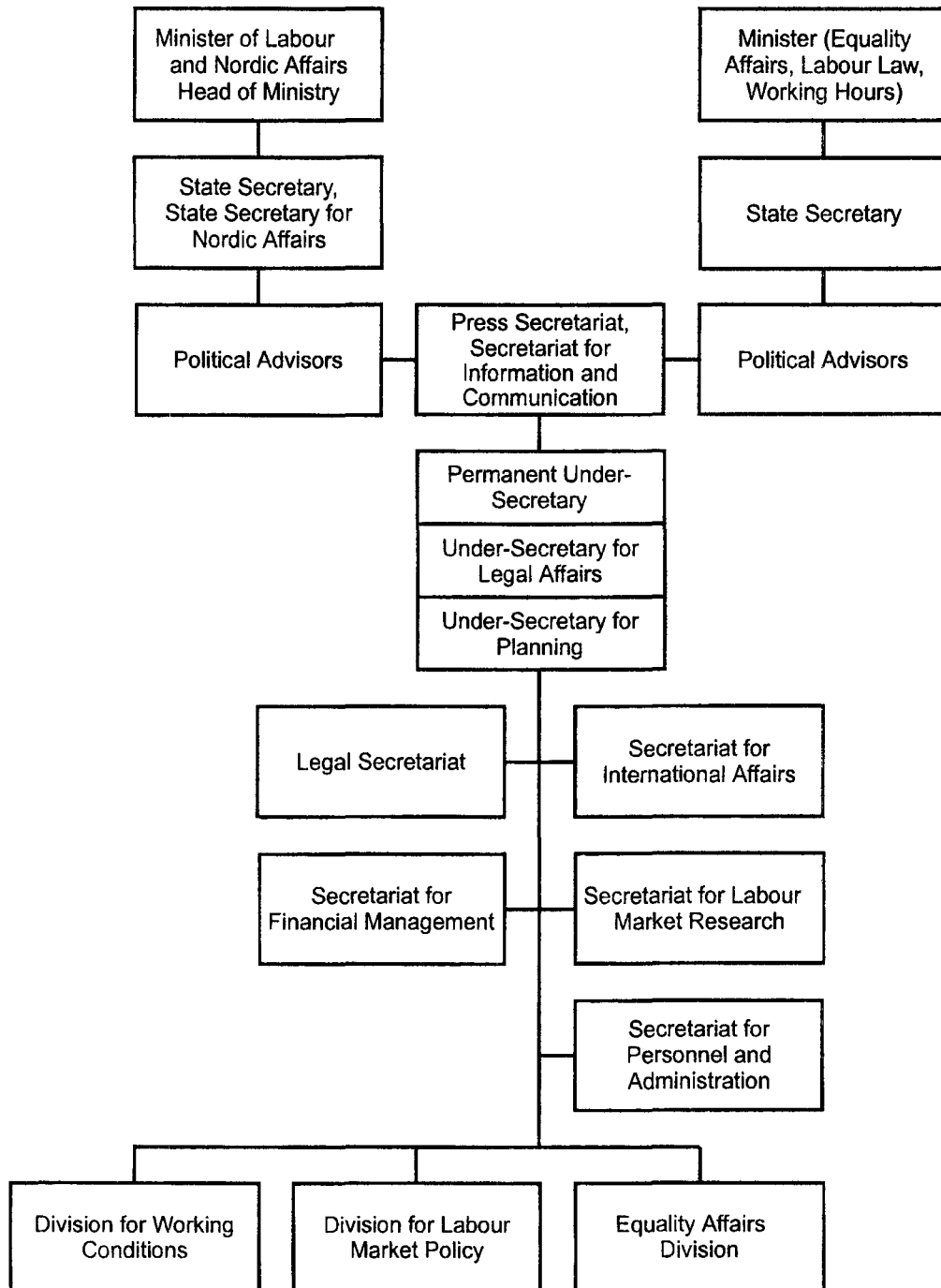
There are 116 Employability Institutes throughout the country. These institutes offer intensified counselling and vocational rehabilitation for jobseekers with special needs. About 50 institutes have specialist competence for persons with functional impairments: the visually disabled, the hard of hearing and deaf, the physically disabled and the intellectually, mentally and socio-medically disabled (cf. Chapter III, S-vi. 5).

## **2.6 Working-Life Services**

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

These services are aimed at preventing exclusion and helping employees on sick leave return to work. Working-Life Services are available in every county.

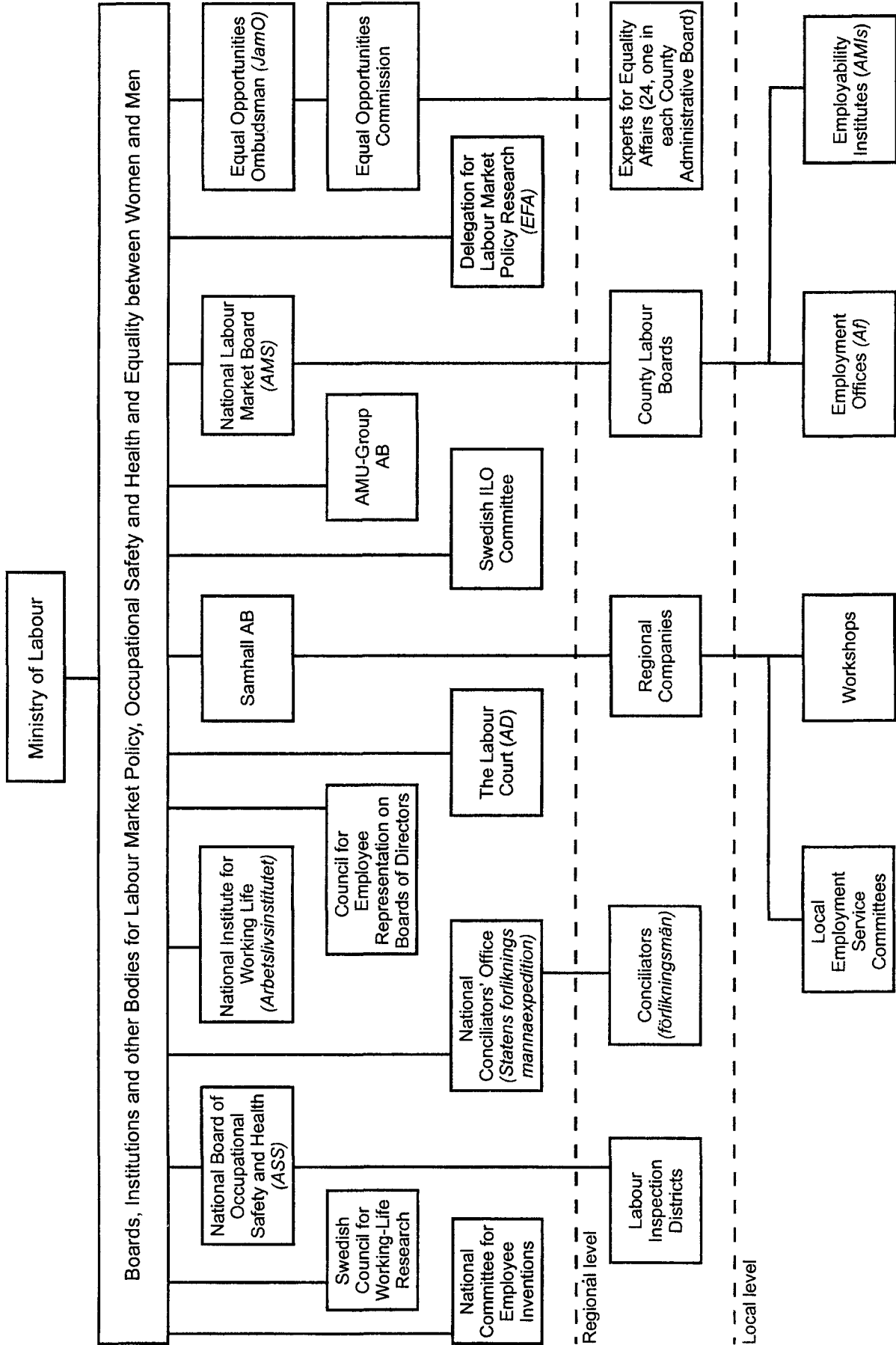
**The Ministry of Labour**



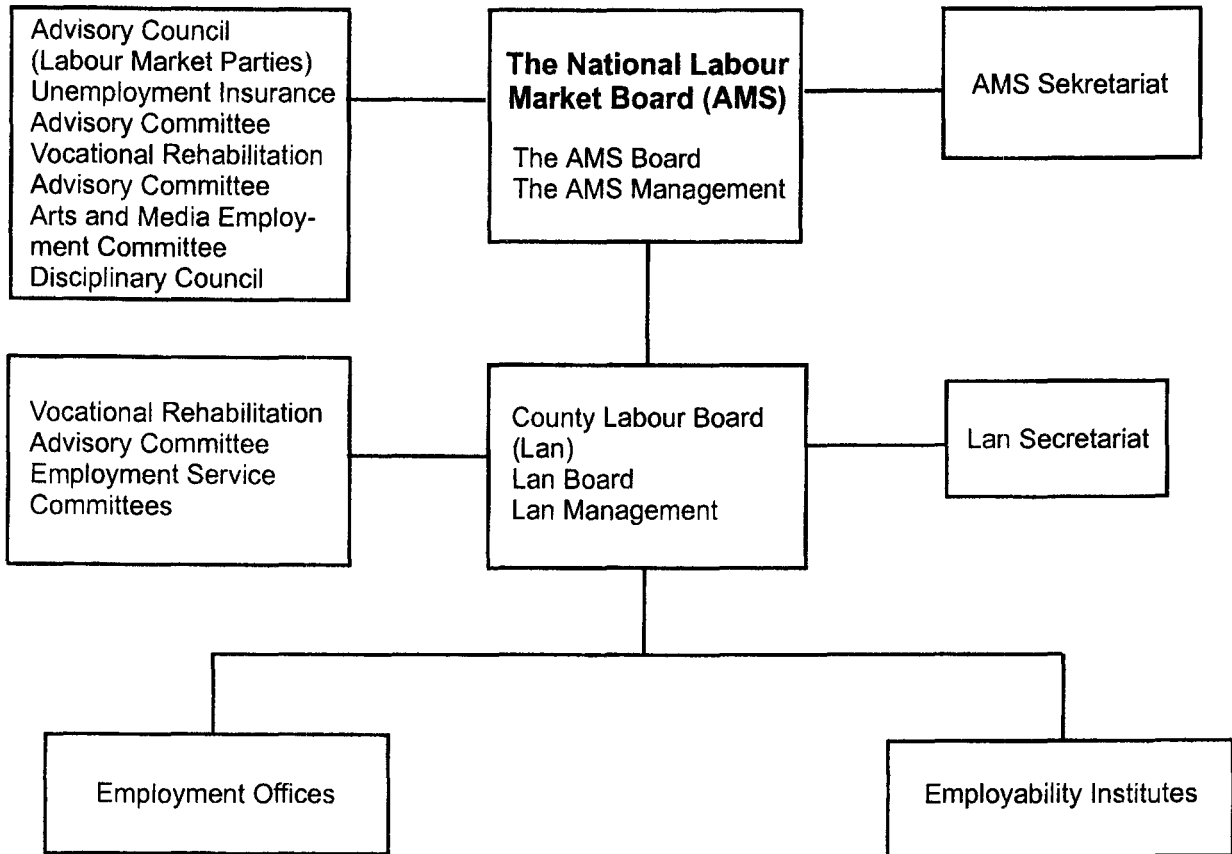
- Occupational safety and health
- Vocational rehabilitation
- Working-life research
- Working time
- Wage and salary negotiations
- Work organisation
- Skill development in working life

- Labour market and employment policy
- Employment training
- Temporary employment programmes
- Unemployment benefits
- European Social Fund

- Overall planning and coordination of equality affairs within the government



**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 wide range 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 have been incorporated into Swedish law since 1994.

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

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

#### **1.1.3      Employment legislation**

Swedish labour law incorporates regulations from both public and civil law. The public-law regulations are characterised by penal sanctions or the fact that their application is supervised by public authorities. They represent a large share of the legislation relating to the place of work.

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

#### **1.1.4      Collective agreements**

Collective agreements are an important source of norms within labour law. Agreements govern both the conditions relating to the employment relationship and the relationship between the organisations. Agreements often complement statutory regulations and, not infrequently, replace them. Their stipulations regulate a large part of the labour market.

By law, at those workplaces where the employer is bound by a collective agreement, the terms and conditions of the agreement apply directly to those employees who are members of the signatory trade union. The employer is deemed to have an obligation towards the trade union to apply the provisions of the collective agreement, also with respect to non-unionised employees, unless otherwise agreed. Collective agreements constitute a norm with regard to the relationship between employers and their employees also in those segments of the labour market where there are no collective agreements. Thus, in practice, Swedish collective agreements 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 last resort in all disputes relating to collective 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 the normal basis for determining the content of employment contracts for employees who are not members of a trade union which is party to a collective agreement. The court may, to a certain extent, allow customary agreements within the sector to supplement the employment contract where necessary.

### 1.1.7 EU Law

EU Law naturally constitutes a source of norms.

## 1.2 Legislation

### 1.2.1 Conditions of employment

#### *Employment Protection Act*

Employment contracts are normally valid for an indefinite term. Fixed-term employment contracts are only allowed in certain cases, for example for a period of one year 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 a fixed-term employment contract 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, adhere to a certain order when dismissing workers. A different order of dismissal may be agreed upon on the basis of a collective agreement. 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 is drawing a parental allowance (maximum 450 days), he or she is entitled to leave. Parents are also entitled to leave in order to take care of a sick child (60 days a year). The Act also contains special rules protecting female employees who are pregnant, nursing or have recently given birth, as well as stipulations relating to, inter alia, employment protection.

### *The Litigation in Labour Disputes Act*

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

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

This Act prohibits discrimination on the grounds of gender and also contains provisions for the monitoring of this prohibition. It also lays down regulations concerning the active furtherance of equal opportunities.

## 1.2.2 Safety 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 regulations on how employers and employees should cooperate on work environment matters. Under the terms of 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 the physical and psychological work environment. The National Board of Occupational Safety and Health and, under its supervision and direction, the Labour Inspectorate, shall supervise the observance of this Act and the instructions issued pursuant to the same.

### *The Working Hours Act*

The normal period of work may be up to 40 hours per week. Workers may not normally perform 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 rest periods.

## 1.2.3 Codetermination

### *Act on Board Representation for Employees in the Private Sector*

This Act applies to limited companies, banks, mortgage institutions and insurance companies. The employees enjoy representation by two representatives on the boards 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 agreements.

Similar provisions apply to the public sector.

#### *Act on Codetermination at the Workplace*

The Act contains regulations relating to the right of association, the right to negotiation, the right to information, to collective agreements, to the union right of veto in particular cases and to the right for trade unions to reach a temporary decision in the event of disputes regarding the 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 trade unions. On the employee side, the Swedish Trade Union Confederation (*LO*) is dominant. Most of the blue-collar workers in Sweden are members of the *LO*. At the white-collar level, the Swedish Confederation of Professional Employees (*TCO*) is the largest 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 public sector, collective 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 agreements**

A trade union which has entered into a collective agreement acquires a privileged position, as laid down in the Act on Codetermination at the Workplace and the Act on the Position of a Trade Union Representative at the Workplace. Under the terms of the latter Act, trade union representatives may perform work on behalf of the trade union relating to conditions at the workplace during working hours.

## 2.3 Industrial action

If the parties are unable to reach agreement in collective bargaining negotiations, 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 of work (lockout or strike), blockade, boycott or other industrial action against one another. There are, nevertheless, certain restrictions concerning the right to take industrial action.

The right to sympathy actions is extensive. Even organisations which are bound by collective agreements are entitled - despite the fact that such organisations are generally subject to an embargo on strikes, lockouts and other industrial actions - to take sympathy industrial action in order to support another organisation 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 relevant agreements which are intended to prevent labour conflicts from having a disruptive influence on socially important functions.

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 Collective agreements

A collective agreement is legally binding both for the signatory parties and for the members of the signatory organisations. It has a mandatory binding effect which takes priority over private agreements. Breach of a collective 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 agreement has been concluded, 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 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, however, the terms and conditions of the collective agreement are commonly applied to all the employees. This is usually a result of the fact that the collective agreement obliges the employer not to apply other terms and conditions of employment to employees not covered by the agreement.

## 2.5 The Labour Court

Cases involving employer and employee organisations who conclude collective agreements and cases involving employers having concluded collective agreements independently are tried directly and finally by the Labour Court.

Other labour disputes, e.g. when an individual employee is involved in a legal dispute without the support of his organisation 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 right of 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 approved 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; non-members may also be insured through a trade union.

Compensation is based on income, subject to certain limits. The rate of compensation had been 75% of the insured person's usual income prior to unemployment; as of September 1997, the rate increased to 80%.

A separate compensation system, known as cash labour market assistance, applies for employees who are not insured by an unemployment insurance fund. The system is administered by state authorities and compensation is not income based. A new unemployment insurance fund, founded by national employer and employee organisations, will begin to operate on 1 January 1998. The new fund will be open to employers and employees from all sectors and will provide income-based benefits to members. Non-members will be able to draw benefits not based on previous income.

#### **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 contributions 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, accidents at work, 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 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 responsible for labour market policy. Private employment agencies for the purpose of assistance and the hiring out of labour have now been legalised. However, the operators of such agencies are prohibited from requiring payment from employed or unemployed jobseekers.

### **4.2 Job-creation measures**

The state is pursuing an active labour market policy with a view to creating employment opportunities. Various state subsidies are available to employers who contribute to an increase in employment. The state also provides training measures designed to enhance the prospects of the unemployed for obtaining permanent employment.

There are also regulations pertaining to subsidies designed to facilitate the integration or reintegration of occupational invalids and the physically disabled.

Several of the labour market policy measures require the unemployed individual to undergo on-the-job training. During the course of the training period the unemployed person receives financial support 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 European Social Fund
- 1.4 Studies in the field 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 An active programme for the unemployed
- S-iii.4 Wage Guarantees
- S-iii.5 Training Allowance System
- S-iii.6 Study allowance for the unemployed
- S-iii.7 Relocation 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 Temporary trainee replacement scheme
- S-iv.5 Jobseeker activities

## 5. Job Creation

- S-v.1 Temporary public employment
- S-v.2 Resource work
- S-v.3 Recruitment subsidy
- S-v.4 Work-Experience Scheme
- S-v.5 Start-up grants
- S-v.6 REHAB projects and state utility investments

## 6. Special Categories of Workers

### *Youth*

- S-vi.1 Municipal follow-up responsibility for young persons
- S-vi.2 Computer centres/activity centres

*Disabled*

- S-vi.3 Wage subsidies
- S-vi.4 Sheltered work
- S-vi.5 Vocational rehabilitation

*Older workers*

- S-vi.6 Temporary public employment for older unemployed
- S-vi.7 Occasional resignation compensation

# 1. Overall Measures

## 1.1 Labour market policy in Sweden

### 1.1.1 Employment strategy

Labour market policy is an important and integral part of Sweden's economic policy. A well-functioning labour market is a prerequisite for sustainable economic growth and a high level of employment. The main task is to promote an efficient labour market by facilitating the balance between an 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 which stimulate labour supply and counteract exclusion from working life.

Labour market policy also has a distributive purpose. Among other things, this means that persons who, for various reasons, have difficulty competing on 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 employment 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 viable.

One important element in the implementation of this employment strategy is the obligation on the unemployed person to remain 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 the obligation 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 the balance between supply and demand are *placement* and *vocational guidance*. Sweden has a free, public Employment Service (ES) which is legally obliged to provide comprehensive information on vacancies. Employment offices in Sweden have, by international standards, large market shares of both job vacancies and jobseekers. There are 415 employment offices throughout the country. Private employment offices have been allowed to operate since 1 July 1993. Their market shares, however, are small, totalling just a few per cent.

The ES has two main functions: placement and counselling. Placement is the pivotal function of the Employment Service. In keeping with the "employment 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 functional area shared by the ES, the Employability Institutes (*AMIs*) and schools. The Employment Service has special counsellors whose task it is to strengthen and support those groups of jobseekers who have difficulty entering the labour market. Counselling is intended for those who are undecided about their future vocation, occupational invalids and persons intending to change their occupation.

### 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 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 entering the labour market. Other groups with problems are occupational invalids and older persons who have only had a brief formal education.

## 1.2 Economic policy in Sweden today

The first priority of the present government has been to get public finances under control. An improved financial situation, which would result in increased confidence, falling interest rates and low inflation, is the most important prerequisite for a better business climate and employment growth. With the budget now under control, the government's main aim is to cut unemployment by half to 4% by the year 2000.

### 1.2.1 Budgetary policy

The government launched a comprehensive consolidation programme in 1994. Extensive cuts on spending have been imposed in addition to tax increases which affect all areas of the economy. The efforts to gain control of the fiscal situation have been successful, and the budget is expected to shift from a deficit of over 12% in 1993 to balanced figures next year (1988). The aim now is to establish a long-term budget surplus of 2% of GDP over the business cycle and thus to gain greater freedom in policies to increase employment and reduce unemployment.

### 1.2.2 A policy for work and education

In line with the employment strategy adopted at the European Council in Essen and the strategy of lifelong learning, the Swedish employment strategy emphasises work, education and training. Sweden is to compete with a well-educated and trained labour force, as opposed to less productive and low-paid workers. A well-educated labour force is better equipped to adapt to a fast-changing economy and thus education is an important prerequisite for the attainment of sustainable growth.

Employment policy in Sweden is based on five premises:

- Unemployment shall be reduced primarily by more people obtaining work or education which enhances their ability to find employment. The work and education strategy shall be upheld.
- The major part of employment growth should be created in the private sector.
- In the public sector, active measures are to be given priority over passive transfers. Care, social services and education constitute the core of welfare.
- A better functioning system of wage determination is required if unemployment is to be halved.
- Central government finances must be sound and prices stable.

To further strengthen employment policy, in its Spring Bill the Swedish government announced the following five-point programme for work and education:

- Transfer of an additional SEK 8 billion per annum to the local authorities for care, education and social services in order to prevent further decreases in employment in the local government sector and to maintain the quality of public services.
- Extension for a further five years of the investment programmes for education.
- An investment programme at local and national level for environmental sustainability in order to achieve sustainable growth.
- A range of measures to improve conditions for small and medium-sized enterprises, including the introduction of the right to 6 months' leave of absence in order to set up a business.
- A reinforcement of labour market policy, including several measures of a more active character such as an increase in the quality of labour market training; "resource work"; temporary retirement schemes; and a more flexible use of unemployment insurance.

### **1.3 The European Social Fund**

Sweden became a member of the European Union on 1 January 1995. The Single Programming Documents for Objectives 3 and 4 in Sweden were concluded by the Commission at the end of 1995 and beginning of 1996. The programmes are described below.

#### **1.3.1 Objective 3**

Sweden has a number of clearly defined, strategically chosen goals 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 in order to essentially improve his or her job prospects. The target groups are:

- young persons aged between 18 and 24;
- registered long-term jobseekers;
- immigrants in cities and occupational invalids.

The first and most extensive priority is training. Through targeted measures in the education sector, the target groups are given the opportunity in various ways to improve their skills, pursue new careers and enhance their competitiveness on the labour market.

With a view to radically improving skills in the IT sector, computer centres will be set up throughout the country where jobless people can receive three months' part-time training including word-processing and database management. The activities are characterised by a high degree of

flexibility, affording scope for the jobless person's own initiative, and are to a large extent based on local ideas and local cooperation.

Counselling and guidance are an important instrument of labour market policy. This sector has therefore been chosen for the third priority. People's opportunities and possibilities for using their natural abilities and aptitudes are often adversely affected by unemployment. Through counselling and guidance many gain a new access to activities and employment.

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

#### *Financial resources*

Sweden must cofinance the various projects at the rate of 55%, the remainder coming from the European Social Fund. A total of SEK 6.6 billion are expected to be spent on Objective 3 during the programme period.

#### *Institutional support*

Objective 3 is administered by the National Labour Market Board and its regional organisations, the County Labour Boards.

#### *Duration*

The programme period lasts from 1995 to 1999.

#### *Effects*

From the commencement of the programme until May 1997 a total of 48,165 persons were registered as participants in projects.

### 1.3.2 Objective 4

The *overriding aim* of the programme under Objective 4 is to achieve a distinct increase in the readiness for change and in skill development on the part of employees and enterprises in Sweden. A *main thrust* of the programme is the belief that development of the employees' skills is a necessary precondition for the survival and competitive capacity of the enterprises concerned. The *strategy* of the programme is to strengthen the employees' position in the enterprise and in the labour market by linking together measures to stimulate skill development, the development of work organisation and corporate development.

Measures to improve the *supply* of labour are viewed as a precondition for a successful strategy. This means developing networks and external support for workers and enterprises and upgrading the quality and structure of knowledge transfer through cooperation and partnership at local, regional and national level.

The programme focuses primarily on a *target group* made up of workers in enterprises with 1-49 employees, but workers in companies with up to 250 employees are also given consideration. A substantial part of the resources in this programme are to be devoted to employees who are at risk of finding themselves in a weaker position in the enterprise or on the labour market. Special consideration in this respect should be given to the needs of employees whose basic training has been brief or is outdated and to women.

Nearly two-thirds of economically active women in Sweden are employed in the public sector, especially by municipalities and county councils. Medical care, care services for children and the elderly and certain technical activities are currently undergoing a radical structural transformation. 15% of the programme resources are allocated to projects within the public sector.

However, the bulk of the programme's resources are concentrated on measures to develop the vocational skills of employees within enterprises. The aim is to stimulate, in two stages, the commencement of development projects (Stage 1) and development-related skill enhancement (Stage 2). 80% of the total programme resources are earmarked for these two areas. Since June 1996 a total of 7,600 applications (142,000 employees) for Stage 1 have been approved (June 1997).

## **1.4 Studies in the field of labour market policy**

### **1.4.1 Studies on distance work**

The government has appointed a special investigator to ascertain the prevalence of distance work in Sweden. The task includes research into the consequences of distance work in terms of employment and working conditions. The conclusions of the study should include recommendations as to how Swedish legislation which would facilitate distance work should be designed. The investigator's task is to be completed in September 1998.

### **1.4.2 Study on the introduction of a general and comprehensive unemployment insurance system**

A new type of unemployment benefit is to replace Cash Labour Market Assistance (*KAS*). The government has appointed a special investigator who is to take the necessary action to ensure that the new benefit will enter into force on 1 January 1998. The investigator's remit is to be concluded in January 1998.

### **1.4.3 Implementation of the EC directive on transfer of workers**

The government has appointed a special investigator who is to propose necessary actions for the implementation of the EC directive on transfer of workers (96/71/EC). The investigator's task is to be concluded in April 1998.



#### 1.4.4 A reinforced national conciliation institute

A government-appointed investigator is to review the possibilities for establishing a more powerful national conciliation institute. The purpose of the institute is to create opportunities for a well-functioning system of wage determination in Sweden. The review is to be concluded in November 1998.

#### 1.4.5 Prohibition of discrimination in the working life due to sexual orientation

The government has appointed a special investigator who will examine the need for a new law prohibiting discrimination on the basis of sexual orientation. The investigation is to be concluded in December 1997.

#### 1.4.6 Prohibition of discrimination in the working life due to a physical disability

A special investigator has been appointed by the government who is to propose a new law prohibiting discrimination in working life of disabled workers. The task is to be completed in December 1997.

#### 1.4.7 Consequences of the expansion of the European Union

A government-appointed investigator is to examine the consequences of the expansion of the European Union for the labour market, working life and the social security system. The study is to be completed in November 1997.

## 2. Employment Maintenance

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 An active programme for the unemployed (*Aktivare användning av arbetslöshetsersättningen*)
- S-iii.4 Wage Guarantees (*Lönegaranti*)
- S-iii.5 Training Allowance System (*Utbildningsbidrag*)
- S-iii.6 Study allowance for the unemployed (*Särskilt vuxenstudiestöd till arbetslösa – SVUXA*)
- S-iii.7 Relocation grants (*Flyttningsbidrag*)

## **Unemployment Insurance (Arbetslöshetsförsäkring)**

### *Aim*

To compensate insured workers (members of an approved unemployment insurance fund) and self-employed persons who are unemployed. The insurance provides an income-related benefit.

### *Legal basis*

- Unemployment Insurance Act of 1973;
- Unemployment Insurance Ordinance of 1988.

As of 1 January 1998, the 1997 Unemployment Insurance Act and 1997 Unemployment Insurance Ordinance.

### *Contents*

Unemployment insurance in Sweden is based on a system of voluntary membership. Unemployment benefits are payable to an unemployed person who has belonged to an unemployment insurance fund for at least twelve months. In addition, the applicant must have fulfilled the work condition. This means that he or she must have worked for six months, at least 70 hours per month, normally during the 12-month period preceding unemployment. There is also an alternative work condition which stipulates that the unemployed person must have worked a total of 450 hours (and at least 45 hours per month) for a continuous period of six months. When the period of benefit expires, the claimant is eligible for a new period of 300/450 days if he or she again fulfils the work condition. Certain other activities, e.g. time spent on employment training and temporary replacement of persons undergoing training, can also be credited as time worked, thereby qualifying the claimant for compensation for retraining activities.

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 75% of previous income to a maximum level. From 29 December 1997 the maximum amount will be SEK 580 per day, five (working) days a week. The limit for a period of 450 days will be 57 years as of 1 January 1998. For those who are not members of an insurance fund the benefit will be SEK 240 per day from 1 January 1998. The compensation rate will be increased to 80% on 29 September 1997.

To receive unemployment benefit the unemployed person 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 system is financed by employer (payroll taxes) and employee contributions. Deficits are made up through government subsidies. In the 1993/1994 fiscal year, expenditure totalled SEK 37,000 million. In the 1997 fiscal year, expenditure will be approximately SEK 41,200 million. Of this 3.1% comes from employee contributions. In 1997, employer and employee contributions are calculated such as to cover total expenditure.

*Institutional support*

Unemployment benefits are administered by 40 approved unemployment insurance funds, which are closely linked to the trade unions. From 1 January 1998 a new fund will begin operating (see Chapter II, 3.1).

The Employment Service has an important monitoring function in the Swedish system of cash benefits for the unemployed. It is entrusted with the task of testing whether 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 job offer, the Employment Service shall notify the unemployment insurance fund.

*Duration*

Ongoing.

*Effects*

Fiscal year	Average beneficiaries per month	Total expenditure in SEK millions
1990/91	84,600	7,800
1991/92	159,400	16,500
1992/93	272,500	30,800
1993/94	337,700	37,000
1994/95	330,000	43,100
1995/96 (18 months)	237,400	75,400
1997 Approx.	252,700	41,200

### **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 who do not satisfy the unemployment insurance conditions for benefit.

#### *Legal basis*

- Cash Labour Market Assistance Act of 1973;
- Cash Labour Market Assistance Ordinance of 1994.

#### *Contents*

Apart from being a member of an insurance fund, the qualifying conditions for this type of support are the same as for unemployment benefit.

The daily cash benefit is substantially lower than the payment provided by the unemployment insurance funds: a maximum of SEK 230 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 the maximum duration is 450 days. *KAS* is payable for up to five days per week. From 29 December 1997 the rate of benefit will be increased to SEK 240.

#### *Financial resources*

Cash labour market assistance is financed by employer contributions and government funds (cf. Unemployment Insurance).

#### *Institutional support*

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

#### *Duration*

Cash Labour Market Assistance will cease to exist from 1 January 1998. However, a similar form of assistance, the so-called basic amount (*grundbelopp*), will replace it. The basic amount will be an integral part of the unemployment insurance system.

*Effects*

Year	Average beneficiaries per month	Total expenditure in SEK millions
1990	7,700	263
1991	20,500	713
1992	38,200	1,445
1993	38,100	2,014
1994	31,800	–
1993/94	34,900	2,100
1994/95	30,000	2,459
1995/96 (18 months)	31,800	3,714
1997 approx.	35,000	1,808



S-iii.3

**An active programme for the unemployed**  
**(Aktivare användning av arbetslöshetsersättningen)**

*Aim*

To make unemployment measures more flexible and to increase the local influence on labour market policy.

*Legal basis*

- Unemployment Insurance Act of 1973;
- Cash Labour Market Assistance Act of 1973.

As of 1 January 1998, the 1997 Unemployment Insurance Act.

*Contents*

Applicants are able, while receiving unemployment benefit, to be active by acquiring work experience, taking part in vocational training or studying. The permission to arrange this kind of project is given by the government.

*Financial resources*

In 1997, a maximum of SEK 500 million of unemployment insurance expenditure will be spent on this measure; in 1998, a maximum of SEK 1,000 million (cf. S-iii.1 "Financial resources").

*Institutional support*

Unemployment benefits are administered by 40 unemployment insurance funds, which are closely linked to the trade unions. A new fund will commence operations on 1 January 1998 (see Chapter II, 3.1 and Chapter III, S-iii.1 "Institutional support").

*Duration*

The programmes will be in the form of projects and the duration of the experiment is limited to 31 December 1998.

## **Wage Guarantees (Lönegaranti)**

### *Aim*

To compensate employees for the loss of salaries/wages in the event of their employer going bankrupt.

### *Legal basis*

Statutory Wage Guarantee Act of 1992.

### *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 under the terms of the Wage Guarantee Act. These payments can cover claims for the three months immediately preceding the petition for bankruptcy and for the period of notice of dismissal (maximum six months).

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

### *Financial resources*

The Wage Guarantee is financed by employer contributions (payroll taxes) Expenditure in the 1995/96 fiscal year (18 months) totalled SEK 2,817 million.

### *Institutional support*

The trustees in bankruptcy cases decide whether a claim against estates in bankruptcy shall be paid in accordance with the Guarantee. The payments are administered by the County Administration Boards.

### *Duration*

Ongoing.

### *Effects*

Year	Total number of beneficiaries*	Total expenditure in SEK millions
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
1994/95	35,000	2,008
1995/96 (18 months)	47,000	2,817

\* Number of employees affected by bankruptcy.

## **Training Allowance System (Utbildningsbidrag)**

### *Aim*

To provide training grants as an income and incentive for persons to take part in certain kinds of labour market policy programmes.

### *Legal basis*

- Employment Training Ordinance of 1987;
- Labour Market Policy Ordinance of 1987.

### *Contents*

Persons taking part in labour market policy schemes, such as employment training, vocational rehabilitation and training schemes of various kinds, receive a training grant. This is paid at the same rate as unemployment benefit, i.e. up to SEK 564 daily (SEK 580 from 29 December 1997), if the person is entitled to unemployment benefit. The rate is SEK 230 daily (SEK 240 from 29 December 1997) for persons entitled to cash benefit and SEK 103 daily for those without entitlement.

### *Financial resources*

For persons entitled to unemployment benefit, the training allowances are financed out of government funds.

### *Institutional support*

Training allowance payments are administered by the social insurance offices.

### *Duration*

Ongoing.

### *Effects*

Are shown for each labour market programme.

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

#### *Aim*

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

#### *Legal basis*

- Study Assistance Act of 1973;
- Study Assistance Ordinance of 1973.

#### *Contents*

SVUXA can be granted to persons who are unemployed and registered 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 three years prior to commencing studies. SVUXA can be awarded for studies at the 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 benefit rate for a person entitled to such compensation, or to the KAS rate 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 out of government funds. In the 1995/96 fiscal year, expenditure totalled SEK 1,977 million.

#### *Institutional support*

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

#### *Duration*

Ongoing.

#### *Effects*

In the 1995/96 fiscal year (18 months), 41,000 persons received SVUXA. The projected figure for 1997 is 57,000.

**Relocation grants  
(Flyttningsbidrag)***Aim*

To enhance mobility in the labour market by helping jobseekers to take up a job in a different community or region in the country.

*Legal Basis*

Travel Allowance and Relocation Grants Ordinance of 1994.

*Contents*

Different kinds of assistance such as commuting grants and grants to cover removal or travel costs in connection with jobsearch and starting a new job.

*Financial resources*

Relocation grants are financed out of the budget of the Labour Market Administration and thus entirely from government funds. Expenditure for the 1995/96 (18 months) fiscal year is estimated at SEK 339 million.

*Institutional support*

Relocation 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      Temporary trainee replacement scheme (*Utbildningsvikariat*)
- S-iv.5      Jobseeker activities (*Jobb-sökaraktiviteter – JSA*)

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

### *Aim*

To promote both occupational and geographical mobility and thus labour market adjustments, to prevent bottlenecks in labour supply and to facilitate 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*

Labour Market Training Ordinance of 1987.

### *Contents*

The Labour Market Administration provides employment training spanning virtually all occupational fields and all levels, ranging from preparatory courses and general theoretical training 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 17 weeks. In the 1993/1994 fiscal year, nearly 70% of employment training was vocational training.

Employment training is free of charge and participants receive a training allowance equal to unemployment benefit or another 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 from 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, both private and public. About half of the courses purchased are acquired by the Employment Training Group (*AMU*) and take place at special Employment Training Centres. The facilities of the regular education system can also be used.

### *Duration*

Ongoing.

*Effects*

AMS' follow-up of vocational employment training in 1996 shows that 36% of those completing their vocational training were in employment six months after doing so, as compared with 25% in 1993 and 74% in the boom year of 1989.

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1992/93	72,100	14,900
1993/94	54,479	10,800
1994/95	57,864	11,900
1995/96*	45,610	12,400

\* From July 1995 to December 1996 (18 months).



## **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; to introduce new technology and conditions, i.e. work organisation; and to train potentially redundant workers who would otherwise run an imminent risk of being laid off.

### *Legal basis*

On-the-job Training Grants Ordinance of 1984.

### *Contents*

State grants are payable, under certain conditions, to employers for 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 (maximum 920 hours) for each employee for a period of two years, from 1 July 1993.

### *Financial resources*

On-the-job training is financed out of the budget of the Labour Market Administration and thus entirely from government funds.

### *Institutional support*

Payment of the on-the-job training grants is administered by the Employment Service. The training provider is chosen independently by the employer.

### *Duration*

Ongoing.

### *Effects*

Fiscal year	Average beneficiaries per month	Total expenditure in SEK millions
1992/93	3,800	613
1993/94	2,900	419
1994/95	2,500	—
1995/96*	1,200	392

\* From July 1995 to December 1996 (18 months).

## **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*

- Workplace Introduction Act of 1995;
- Workplace Introduction Ordinance of 1995.

Both the Act and the 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 these 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 six 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 2,000 monthly. The participants are entitled to a training allowance.

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

### *Financial resources*

The training allowances are financed out of government funds. The employer pays a contribution fee of SEK 2,000 monthly.

### *Institutional support*

Workplace Introduction is administered by the Employment Service.

### *Duration*

From 1995.

### *Effects*

The estimated average number of participants in the programme amounts to 30,000 persons monthly for the 1998 fiscal year.

### **Temporary trainee replacement scheme (Utbildningsvikariat)**

#### *Aim*

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

#### *Legal basis*

Recruitment Subsidy Ordinance of 1996:1427.

#### *Contents*

An employer hiring a temporary replacement for an employee who is undergoing training can receive a daily subsidy from the state. This offer applies to all training as long as the temporary employee is hired after referral by the Employment Service.

An employer may receive a daily subsidy of up to SEK 350 towards the cost of the temporary employee's wages. In addition, a subsidy towards training costs is also available, amounting to up to SEK 40 per hour of training and employee, subject to a limit of SEK 20,000 per replacement.

#### *Financial resources*

The temporary trainee replacement scheme is financed entirely out of government funds.

#### *Institutional support*

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

#### *Duration*

Ongoing.

#### *Effects*

During the fiscal year 1994/95, about 40% of all participants in temporary replacement were in regular employment six months after concluding their temporary employment. Participation in the temporary replacement scheme has declined since 1995 due to lower levels of subsidies.

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1992/93	8,200	1,300
1993/94	11,600	1,900
1994/95	12,400	2,000
1995/96*	9,700	2,600

\* From July 1995 to December 1996 (18 months).

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

To teach successful methods of jobsearch and to activate jobseekers.

*Legal Basis*

Labour Market Policy Ordinance of 1987.

*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 jobsearch for the duration of the course. 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 out of the budget of the Labour Market Administration and thus entirely from government funds.

*Institutional support*

JSA are administered by the Employment Service.

*Duration*

Ongoing.

*Effects*

Altogether some 50,000 persons participated in JSA during the 1995/96 fiscal year.



## 5. Job Creation

- S-v.1 Temporary public employment (*Beredskapsarbete*)
- S-v.2 Resource work (*Resursarbete*)
- S-v.3 Recruitment subsidy (*Rekryteringsstöd*)
- S-v.4 Work-Experience Scheme (*Arbetslivsutveckling*)
- S-v.5 Start-up grants (*Starta-eget-bidrag*)
- S-v.6 REHAB projects and state utility investments (*ROT-projekt och tidigareläggning av offentliga investeringar*)

## **Temporary public employment (*Beredskapsarbete*)**

### *Aim*

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

It also provides jobs for persons whose unemployment insurance is about to expire and helps to reintegrate the long-term unemployed into the labour market.

### *Legal basis*

Temporary Public Employment Ordinance of 1987.

### *Contents*

Emergency work organised by the state and local authorities, but sometimes also by private employers. The unemployed individual must be at least 25 and be registered with the Employment Service. He or she should be unable to obtain any other job or training. The duration of temporary public employment is limited to six 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 amounts to a maximum of SEK 350 per day, but is limited to 50% of the total wage costs. In the past, these projects mainly consisted of public investments in infrastructure. During the past decade, however, there has been a gradual shift towards jobs in the service sector, i.e. temporary jobs in the care sector, education, administration, etc.

### *Financial resources*

The compensation for temporary public employment is financed from the budget of the Labour Market Administration and thus entirely out of government funds.

### *Institutional support*

Temporary public employment is administered by the Employment Service.

*Effects*

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

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
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	2,700
1995/96**	9,400	2,000

\* From July 1994 to March 1995.

\*\* From July 1995 to December 1996 (18 months).



## **Resource work (Resursarbete)**

### *Aim*

To establish efforts that improve the quality of workplaces and to give unemployed persons who are entitled to any kind of unemployment benefit an opportunity to work as an extra resource at a workplace.

### *Legal basis*

Temporary Public Employment Ordinance of 1987.

### *Contents*

The social partners at a workplace in the government sector, municipalities, county councils, church municipalities or social insurance offices can agree to establish resource work within all professional categories. People who have been registered as unemployed at an Employment Service for more than six months and who are entitled to unemployment benefit can be referred as an extra resource for regular work. They work 90% of full-time hours at the job and spend the remaining 10% in continuing vocational training, while looking for work at the same time in consultation with the Employment Service concerned. The participant receives a wage/salary paid by the employer, which may not exceed 90% of the unemployment benefit the participant is entitled to. The compensation to the employer covers the unemployment benefit the participant should have received and payroll tax based on the amount of the unemployment benefit.

The social partners must agree about the work duties concerned, the number of persons participating in the activity and the size of the basic staff. The employer is obliged to offer the participants in the measure any suitable temporary job becoming available.

The participant may not carry out resource work for more than six months. In special cases, the measure may be extended to a maximum of nine months.

### *Financial resources*

The participant's unemployment benefit is financed by the unemployment insurance and government funds pay the pay roll tax referring to this amount.

### *Duration*

Until December 1998.

### *Effects*

The programme was introduced on 1 July 1997 and 170 persons have started since then.

### **Recruitment subsidy (Rekryteringsstöd)**

#### *Aim*

To facilitate the recruitment of unemployed persons by subsidising employers for wage/salary costs. The measure is mainly designed to help the long-term unemployed.

#### *Legal basis*

Recruitment Subsidy Ordinance of 1986.

#### *Contents*

Recruitment support can be given after twelve months of continuous unemployment for a maximum period of six months. The subsidy amounts to up to 50% of the total wage costs, but is limited to SEK 350 per day. The employee must have been registered with the Employment Service and be at least 20 years old.

#### *Financial resources*

The recruitment subsidy is financed out of the budget of the Labour Market Administration and thus entirely from government funds.

#### *Institutional support*

Recruitment subsidies are administered by the Employment Service.

#### *Effects*

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

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1990/91	2,600	200
1991/92	10,100	900
1992/93	10,800	1,600
1993/94	14,600	1,600
1994/95*	24,900	2,700
1995/96**	13,500	1,700

\* From July 1994 to March 1995.

\*\* From July 1995 to December 1996 (18 months).

## **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*

- Work-Experience Scheme Act of 1992;
- Work-Experience Scheme Ordinance of 1992.

### *Contents*

The organisers 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 period may, in certain cases, be extended for another six months.

The programme should involve activities which promote the local community or businesses, and which would otherwise not have been carried out. The unemployed individual must be registered with the Employment Service, be at least 20 years old and unable to find another job or training measure. 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 out of 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 1997, but the government has proposed that the Work-Experience Scheme Act should be permanently extended.

*Effects*

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

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1992/93*	23,600	1,100
1993/94	48,300	5,700
1994/95**	37,600	4,900
1995/96***	48,200	7,900

\* From January 1993.

\*\* From July 1994 to March 1995.

\*\*\* From July 1995 to December 1996 (18 months).

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

#### *Aim*

To promote self-employment and business start-ups as an alternative to unemployment.

#### *Legal basis*

Start-Up Grants Ordinance of 1984.

#### *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 six months if the business venture concerned is expected to return an adequate profit and provide the jobless individual with permanent employment. The grant can, in special circumstances, be extended for a further six months. In order to promote female entrepreneurship, women can receive start-up grants for a period of twelve months. 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 out of government funds.

#### *Institutional support*

Payment of start-up grants is administered by the social insurance offices.

#### *Effects*

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1992/93	4,300	500
1993/94	7,900	900
1994/95	8,700	1,400
1995/96*	9,900	1,900

\* From July 1995 to December 1996 (18 months).

## **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 by promoting investment by state-owned utilities.

### *Contents*

The government can and has allocated special labour market policy funding for REHAB (conversion and renovation) projects and for promoting investment 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 incurred when investments are made earlier than planned. 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 from the budget of the Labour Market Administration and thus out of government funds. In 1993 and 1994, the government allotted a total of SEK 2,100 million 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 Municipal follow-up responsibility for young persons (*Kommunalt uppföljningsansvar för ungdomar*)

S-vi.2 Computer centres/activity centres (*Datortek*)

### *Disabled*

S-vi.3 Wage subsidies (*Lönebidrag*)

S-vi.4 Sheltered work (*Offentligt skyddat arbete – OSA – och Samhall*)

S-vi.5 Vocational rehabilitation (*Arbetsmarknadsinstitut – AMI*)

### *Older workers*

S-vi.6 Temporary public employment for older unemployed (*Offentligt tillfälligt arbete - OTA*)

S-vi.7 Occasional resignation compensation (*Tillfällig avgångsersättning*)



S-vi.1

### **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*

- Municipal Responsibility for Young Persons Act of 1995;
- Municipal Responsibility for Young Persons Ordinance of 1995.

#### *Contents*

The law enables the municipalities, by agreement with the state, to assume integral responsibility for jobless youngsters up to six months after they have reached the age of 20. Previously, it was the duty of municipalities to offer three 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 SEK 2.1 million was 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 entered into force on 1 October 1995.

#### *Effects*

During the first six months of 1997, on average almost 17,000 youngsters participated in this scheme.

### **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*

Youth Induction Ordinance of 1994.

#### *Contents*

Computer centres have been established in all municipalities in the country since 1 July 1995. These centres consist of computer workstations for each of the about 50 participants, with affiliated activity space. At the centres participants are given three months' basic training in the use of modern software for word-processing, spreadsheet work, database management, etc. Computer centre activities are combined with various types of jobseeking activities. The participants receive a training allowance.

#### *Financial resources*

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

#### *Institutional support*

The computer centres are the responsibility of the municipalities. 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*

Started 1 July 1995.

#### *Effects*

The average number of participants per month is estimated at 15,000 for the 1998 fiscal year.

## **Wage subsidies (Lönebidrag)**

### *Aim*

To facilitate the entry of disabled people into regular employment.

### *Legal Basis*

Wage Subsidies Ordinance of 1991.

### *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 the possibility of extension. The wage paid is in accordance with collective agreements. The subsidies compensate for the reduction in work capacity caused by a disability. They are flexible and amount to up to 80% of a monthly wage of SEK 13,700; payroll taxes and certain collective insurances are also covered. The subsidy may cover up to 100% of the wage costs for severely disabled persons.

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

### *Financial resources*

Wage subsidies are financed from the budget of the Labour Market Administration and thus entirely out of government funds.

### *Institutional support*

Wage subsidies are administered by the Employment Service.

### *Duration*

Ongoing.

### *Effects*

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
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	49,000	5,800
1995/96*	47,400	7,900

\* From July 1995 to December 1996 (18 months).

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

### *Aim*

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

Sheltered employment serves the dual labour market policy aim of safeguarding the entitlement of disabled 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*

- Labour Market Policy Ordinance (OSA) of 1987;
- Sheltered Public Employment (State Grants) Ordinance (OSA) of 1985;
- Articles of association (*bolagsordning*, Samhall);
- Contract between the state and Samhall AB.

### *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 regular 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 and amount to up to 100% of monthly wages plus corresponding payroll taxes. The wage paid is based on normal collective wage agreements.

### *Financial Resources*

Sheltered employment in the public sector and at Samhall is financed out of public funds.

### *Institutional support*

The Samhall group is a state-owned limited company with approximately 800 units in 300 locations nationwide.

*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 1996 was 776 (or 2.8% of the disabled employees), as compared with 1,301 (4.5%) persons in 1995 and 1,372 (4.7%) in 1994.

Fiscal year	Average number of beneficiaries	Total public expenditure in SEK millions
1992/93	28,700	5,000
1993/94	28,200	4,900
1994/95	28,900	4,900
1995/96*	27,500	6,800

\* From July 1995 to December 1996 (18 months).

*OSA:*

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
1990/91	5,500	400
1991/92	5,500	500
1992/93	5,700	600
1993/94	5,300	500
1994/95	5,500	600
1995/96*	5,300	900

\* From July 1995 to December 1996 (18 months).

### **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*

Labour Market Policy Ordinance of 1987.

#### *Contents*

The Employability Institutes, *AMIs*, 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 regular market. Job-testing is an important part of *AMI* activities. This can be conducted both at *AMIs* and at external workplaces in all sectors of the labour market. All jobseekers coming to *AMIs* are referred there by the ES staff. 77% of those who were given service in the fiscal year 1995/96 were disabled. The participants receive a training allowance. There are several different professional categories at each institute. Each institute, on principle, also has employment consultants, psychologists, social consultants, nurses and physiotherapists.

#### *Financial resources*

The *AMIs* are financed out of the budget of the Labour Market Administration and thus entirely from government funds. The training allowances are financed from 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 independent of the Employment Service. There are 116 institutes throughout the country.

#### *Duration*

Ongoing.

*Effects*

Fiscal year	Average number of beneficiaries	Total expenditure in SEK millions
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	8,000	1,300
1995/96*	6,400	1,900

\* From July 1995 to December 1996 (18 months).

### **Temporary public employment for older unemployed (*Offentligt tillfälligt arbete - OTA*)**

#### *Aim*

The purpose of the programme is to enable older long-term unemployed persons to work for a period longer than six months and to help improve quality in the public sector.

#### *Legal basis*

- Temporary Public Employment for Older People Act of 1996;
- Temporary Public Employment for Older People Ordinance of 1996.

#### *Contents*

People over the age of 55 who have been registered with an employment office for two years or longer who are entitled to unemployment benefits are to receive the opportunity to participate in a labour market programme which provides *OTA* within the government sector, the municipalities and county councils.

Compensation to unemployed people takes the form of training allowance and a supplement of SEK 45 per day.

#### *Financial resources*

Training allowances are financed out of government funds.

#### *Institutional support*

*OTA* 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 the end of 1998.



### **Occasional resignation compensation (Tillfällig avgångsersättning)**

#### *Aim*

Long-term unemployed persons aged 60 years or older can apply for a occasional resignation compensation. The rate of the compensation is equal to unemployment benefit and can be granted until the person reaches 65 years of age.

#### *Legal basis*

- Unemployment Insurance Act of 1973;
- Cash Labour Market Assistance Act of 1973;
- as of 1 January 1998: Unemployment Insurance Act of 1997.

#### *Contents*

Applicants may receive unemployment benefit without having to apply for jobs. One condition is that the person has received unemployment benefit or taken part in a labour market policy measure for at least twelve months between 1 January 1996 and 15 April 1997.

#### *Financial resources*

Cf. Chapter III, S-iii.1 "Financial resources".

#### *Institutional support*

Cf. Chapter III, S-iii.1 "Financial resources".

#### *Duration*

Applications can be submitted between 1 July and 31 December 1997. If the application is approved, the benefit will be paid until the person reaches the age of 65.

# 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 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 the work environment and accidents at work.

## 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 are 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 produces together with the 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 analyses and follow-up studies, initiated both by the Administration and the government.

## 3. The Delegation for Labour Market Research

The Delegation for Labour Market Research (EFA) initiates, finances and, with state grants, assists with 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. The 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, cost trends, resource utilisation, the dimensions and structure of labour market policy, its focus, implementation processes, steering systems, etc. One of the Delegation's aims is to pass on evaluation assignments as quickly as possible to one or more researchers as soon as a new policy measure has been introduced. The EFA consists of representatives of the Ministry of Labour, national authorities, the labour market parties and the research community.

#### **4. National Institute for Working Life (*Arbetslivsinstitutet*)**

A national centre for research and development related to working life and the labour market.

#### **5. Swedish Council for Working-Life Research (*Rådet för arbetslivsforskning*)**

Initiates and finances research and development work which promotes a good working environment, effective working regimes and a labour market which is accessible for everyone.

#### **6. Other Matters**

Research in the fields of labour market affairs and labour market policy plays an important role in 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 agency for administrative auditing, undertakes evaluation studies in the field of labour market policy and elsewhere, both on the government's behalf and on its own initiative.

## Appendix 1: Abbreviations

Af/ES	Employment Service <i>Arbetsförmedlingen</i>
AgV	Swedish Agency for Government Employers <i>Arbetsgivarverket</i>
AMI	Employability Institute <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 stödetsnämnden</i>
EFA	Delegation for Labour Market Research <i>Expertgruppen för arbetsmarknadspolitiska utvärderingsstudier</i>
ILO	International Labour Organisation
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	Sheltered public employment <i>Skyddat arbete hos offentliga arbetsgivare</i>
OTA	Temporary public employment <i>Offentligt tillfälligt arbete</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 the unemployed <i>Särskilt vuxenstudiestöd för arbetslösa</i>
TCO	Confederation of Professional Employees <i>Tjänstemännens centralorganisation</i>

## Appendix 2: National Correspondents

### *Belgium*

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### *Denmark*

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### *Germany*

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Claudine Elhaïk, Agence Nationale pour l'Emploi

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