

Joint European Level Social Partners'  
Work-Programme 2006 – 2008

Joint Study on Restructuring in the “EU15”  
Phase one

Sweden

Summary note of the meeting that took place in  
Stockholm on 14<sup>th</sup> May 2008

ARITAKE-WILD  
June 2008



Project of the European Social Partners with the financial support of the European Commission

Joint European Level Social Partners'  
Work-Programme 2006 – 2008

Joint Study on Restructuring in the “EU15”  
Phase one

Sweden

Note of the meeting that took place in  
Stockholm on 14<sup>th</sup> May 2008

*Introduction*

The tenth seminar in the first phase of the joint European level social partners' project, “Joint study on restructuring in the EU15” took place in Stockholm, Sweden on the 14<sup>th</sup> May 2008. It was attended by the Swedish social partners, European social partners and experts – an attendance list is attached as appendix one.

The Project coordinator, Alan Wild, opened the meeting explaining the background to the new project in the context of the 2006 – 2008 social partners work programme and the work already undertaken by the European level social partners on restructuring in the 10 New Member States; capacity building for employers' organisations and trade unions for participation the European Social Dialogue in the new Member States and Candidate Countries; and the employers' and trade union resource centres. He explained that the current phase of the project would facilitate a review of restructuring that looked beyond “job losses” and stressed the importance of good and open debate in helping assure a high quality contribution to the overall project from Sweden.

*Sweden national dossier – section one*

In the absence of the project expert for Sweden (Mr Goran Hultin), Alan Wild presented the first section of the Swedish National Dossier – “A macroeconomic review of restructuring in Sweden” (slides attached as appendix two). At the end of the presentation he left the Swedish social partners with the following questions;

1. What have been the key components of Sweden's recent improvements in competitiveness?
2. How can the issue of public service productivity be addressed?
3. What steps can be taken to improve the rate of job creation in the economy?
4. What are the key pathways in Sweden to labour market solutions for people affected by restructuring, and how can these solutions be improved?
5. What areas will be the subject of future restructuring?
6. How can the country deal more effectively with “non economic” immigrants?

Following the presentation the points summarised below were made by those present to further explain the context in which the report had been drafted, to add new information and, to help shape conclusions in order to contribute to the content of the final national dossier;

- ◇ With minor technical amendments, the Swedish report as presented reflects a fairly good picture of the current macroeconomic Swedish context;
- ◇ On the issue of migrants and despite a very restrictive migration policy since 1960, Sweden has been a role model in welcoming non-economic migrants and in opening its labour market to the “2004 entrants”. In the event, Sweden received fewer new Member State entrants than other countries where restrictions had been applied;
- ◇ The majority of Swedish companies are small enterprises although the majority of people work for large companies. In general, larger companies find the Swedish employment related obligations relatively easy to deal with. By contrast, small companies find them burdensome and this was suggested as the reason why two thirds of small enterprises have no employees. Where small companies have a choice, they have replaced the employment relationship with a commercial relationship with another similar company in order to avoid the employers’ numerous obligations;
- ◇ The Swedish system invests heavily in R&D but the outcomes are not as good as they could be, notably in bringing new ideas and product to market.
- ◇ The core elements of the Swedish system are rapid economic development; a permanent state of change; a positive attitude toward globalisation and trade; publicly financed investments in the labour market facilitating transitions; laws that encourage flexible approaches; and the importance of large companies to the economy. Of more concern are the impact of high legal requirements on small enterprises and their ability and willingness to grow. A representative of SME employers stated: “unfortunately we had to take on more people”;
- ◇ An identified challenge for the future competitiveness of the country is the decline of young people’s interest in high tech subjects;
- ◇ A participant commented that it would have been useful in the dossier to see more detailed statistics on employment distribution rather than simply gross flows;
- ◇ The current economic position looks quite good, but the prospects for higher inflation in the near future give cause for concern..

*The Swedish national dossier – section two*

Alan Wild presented the second part of the Swedish dossier “The role of the social partners in restructuring” (slides attached as appendix three). The social partners were asked to consider the following questions;

1. What are the core elements of the Swedish system of flexicurity and what can be exported to other countries?
2. How important is the Swedish system of board level representation to enterprise success in dealing with restructuring?

3. Do relatively high rates of employment law rigidity contribute to Sweden's relatively poor performance on job creation?
4. How essential is a high level of employment regulation to the working of the Swedish model?
5. What will be the key issues in restructuring for the social partners in coming years, and what needs to be changed in order to tackle them?

Following the presentation, and in similar fashion to the discussion of section one above, the points summarised below were made by the seminar participants;

- ◇ Sweden became an advanced economy only recently and its entire history has been based on trading and constant restructuring. The country never really had a stable period as an industrial economy;
- ◇ Swedish wealth has been built on export activities and this plays an important role in the less negative way people approach restructuring compared to other countries.
- ◇ Swedish trade unions tend to engage positively in change. They do this not because either they or their members like change but that positive engagement produces better outcomes for them and the approach has become a source of competitive advantage;
- ◇ One of the main challenges according to the trade unions will be to find new high wage job opportunities and to create new productive jobs to compensate for the decline in manufacturing jobs
- ◇ Swedish trade unions tend to have been more positive about deregulation and privatisation for three reasons. Trade unions are just as strong in the private sector as in the public – so their interests are still taken care of; wages and benefits in the private sector are generally similar to public sector ones; and employees undergoing restructuring are helped to find other jobs through a combination of collective agreements and a good state welfare system;
- ◇ The decentralisation of Swedish public services combined with their low reliance on national funding offers a local independence of choice to authorities in the way they manage services that is important to restructuring;
- ◇ The high standard of content of Swedish collective agreements is based on the notion that if companies cannot afford decent employment standards then they should go out of business – it is important not to forget this notion;
- ◇ An essential part of Swedish employee relations is the combination of transparency and trust in both trade unions and in public services. 30 years experience with the Codetermination Act has helped build trust between the social partners;
- ◇ One exportable idea from Sweden could be the “security and transition” agreements. The Swedish presidency will arrange a major event around this in the second half of 2009 and the Swedish social partners will actively contribute to it;

- ◇ The report talks about the level of Swedish employment regulations, but the law puts tools into the hands of the social partners and encourages joint solutions and creativity. Application of the law is the penalty for not reaching joint solutions;
- ◇ There are some differences between the Danish and Swedish approaches. The Swedish tend to prefer retraining within enterprises, the Danes through more rapid mobility. The Danes have replaced the security of tenure protected in Sweden by LIFO, by portable seniority between employers;
- ◇ Employers highlighted some new trends in the Swedish employment situation such as the huge development of temporary work agencies, the decline of trade union representatives in companies due to the increase of SMEs, and the evolution towards new types of companies with a higher proportion of white colour workers
- ◇ The case studies presented in the seminar reflect good practice in major organisations. It should be recalled that when restructuring takes place in small enterprises the finance comes directly from the owner and results in a “different world of restructuring”.

#### *Joint EU social partners work relevant to restructuring*

Representatives from the European social partners presented their recent work in the area of restructuring focusing on their activities relating to lifelong learning; orientations for change; European Works Council best practice; and the restructuring studies (slides attached as appendix four).

#### *Case study one – Swedish Mail*

A trade union representative presented the Swedish Mail case study which will be described fully in the national dossier.

#### *Case study two Ericsson*

Representatives of the company management and from the trade unions presented the case study that will be described fully in the national dossier.

#### *Summary discussion*

Following the presentations, discussion and case studies, the European level social partners made the following broad observations;

- ◇ It was clear that trust, transparency, shared responsibility and responsible behaviour were important elements of the Swedish approach;
- ◇ The issue of lifelong learning was mentioned little in the discussion but it was clear that this was a part of normal everyday working life;
- ◇ The analysis of the single entrepreneur issue was interesting and it would have been interesting to learn more on the integration of non economic migrants;
- ◇ Positive learning experiences included the discussion and representation of job security councils; the high level of investment in public services and the Swedish Mail restructuring study. As far as the job security councils were concerned, the Swedish social partners were encouraged to follow up their suggestion to the Swedish

government to organise an event on this issue during the future EU Presidency. This could help reveal whether this model is “exportable”.

- ◇ It is clear that the Swedish social partners today reflect European best practice. Concerns for the future remain in the country’s ability to create jobs in a more difficult climate and the high levels of sickness absence and take up of disability pensions.

At the end of the meeting, the social partners were thanked for participation in the meeting and for their positive engagement in the process.

## APPENDICES

1. Attendance list for the seminar;
2. “A macroeconomic review of restructuring in Sweden” – Expert presentation;
3. “The role of the social partners in restructuring” - Expert presentation;
4. “Joint EU social partners work relevant to restructuring” - presentation by the European level social partners;



**AGENDA FOR THE SWEDEN RESTRUCTURING SEMINAR  
14 MAY 2008**

**VENUE: Symfonin, Olof Palmes Gta 17, Stockholm**

1000 - 1015	➤ Introduction to the programme	The expert coordinator
	➤ Expectations from the national seminar	EU social partners (BUSINESSEUROPE on behalf of the employers, ETUC on behalf of trade unions)
1015 - 1045	A factual macro-economic review of restructuring in the country; ➤ Key economic statistics; ➤ Key social statistics; ➤ Analysis of the nature and extent of restructuring from 1995 to date; ➤ Future prospects for further restructuring in the economy; ➤ The legal context against which restructuring has taken place.	Presentation by the expert of Section One of the national dossier
1045 - 1130	Discussion of the macro-economic review	Structured round-table discussion focussing on issues of fact - chaired by expert coordinator
1130 - 1145	Coffee Break	
1145 - 1215	Systems of social dialogue and employee relations A review of the role in restructuring of the social partners at national, sectoral and enterprise levels. The presentation will identify the main themes underlying social partner activities relating to restructuring in the country.	Presentation by the expert of Section Two of the national dossier
1215 - 1300	Discussion of the review on the role of the social partners in restructuring.	Structured round-table discussion focussing on the role of the social partners - chaired by expert coordinator.
1300 - 1430	Lunch Break	
1430 - 1500	Joint EU social partners work relevant to restructuring.	Presentation by the European social partner organisations.
1500 - 1530	Presentation of a first case study included in Section Three of the national dossier - Ericsson	Presentation by the social partners involved in the case study plus time for questions and comments.
1530 - 1600	Discussion	
1600 - 1615	Coffee Break	
1615 - 1645	Presentation of a second case study included in Section Three of the national dossier - Swedish Mail	Presentation by the social partners involved in the case study plus time for questions and comments.
1645 - 1715	Discussion	
1715 - 1745	Summary Discussion - round table discussion identifying the strengths and weaknesses of overall social partner performance in the area of restructuring covering both macro and micro interventions.	Structured round-table discussion chaired by expert coordinator
1745 - 1800	Reflections on the discussion and close of seminar	Expert coordinator and European level social partners.

CLOSE