

The effects of pay reforms and procurement strategies on wage and employment inequalities in the Swedish public sector

National report

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1. Introduction¹

Over the past two decades, Sweden has undergone major structural and institutional reforms. Both fiscal and monetary policy has since the mid-1990s become more restrictive, leading to a historically low rate of inflation, significant improvements in public finances and declining public debt. A fiscal policy framework has been gradually introduced to limit the budget deficit and improve the conditions for long-term fiscal policy sustainability. The structural reforms undertaken have also included a wave of deregulations, liberalization and privatizations, aimed at exposing previously protected public activities to competition. The implementation of these reforms has, to a large extent, involved the dismantling of previously existing public monopolies and an increase in for-profit private suppliers. The striving for efficiency-enhancing competition has been manifested not only in a somewhat increasing role for private providers an increase outsourcing of welfare services and procurement contracts but also in organizational reforms intended to achieve more competition between different agencies within the public sector, for example between different schools, hospitals and universities, as well as productivity-enhancing organizational changes (rationalization, downsizing, management by objectives, new public management and so on). During the last two decades Sweden has also experienced major transformation in wage setting with a clear tendency to a decentralisation and individualisation of wages both in the private and public sectors, as well as the re-establishing of the pace-setting role of sectors most exposed to international competition.

In spite of the wave of privatisations/liberalisation of a large part of the service sector and the increased tendency to outsource public activities during the 1990s, Sweden remains, by international standard, a country with a large public sector reflecting a strong public and political involvement in the provision of a wide range of services. The tendency to a retrenchment of the Swedish public sector and the increased competition since the mid 1990s have entailed a decreased of public employment, but the share of public employees in total employment remains one of the highest among OECD countries (31 % in 2010).

The main objective of this report is twofold:

1. to analyse the main features and developments of the employment and wage formation systems in the Swedish public sector; and
2. to assess the impact of the structural reforms initiated in the public sector on the Swedish welfare state in general and wage and employment systems in particular.

After a description of the main characteristics of the Swedish public employment system we identify in section 3 the main reforms of the public sector undertaken during the last two decades and their implications for public employment and wage formation. Section 4 describes the main tendencies and features of the public-private pay determination system. As an illustration we focus on three bargaining areas, Police, Hospital (Nurses) and Education (teachers) and investigate the extent of wage differentials between private and public providers in these three areas. More globally, Section 5 attempts to assess the consequences

¹ We would like to thanks Matilde Tiozzo for excellent research assistance, in particular for conducting some of the interviews at the local level.

of the decentralisation and individualisation of wage formation in the public sector on wage dispersion and wage inequalities. In section 6 the results of two case studies conducted in two municipalities in 2012 are presented and analysed with a special focus on two publicly financed services at the local level homecare and cleaning. Finally, some conclusive remarks are provided in section 7.

2. The Swedish Public sector: definition and scope

2.1. Definition and delimitation

The public sector in Sweden is divided in two parts: The central government sector (Central Government, State) including the Swedish Parliament (*Riksdag*) and governmental authorities, responsible for the provision of public services such as police, defence, the judicial system, higher education (universities and colleges), infrastructure and central administration; the central government sector is organised in several agencies². Relatively small ministries are responsible for legislation, policy making and control, while agencies are responsible for conducting most government activities. The Central Government sector refers to the operations conducted by the government administration, i.e those for which the Swedish Government or the Swedish Parliament has direct responsibility and that are regulated by public law. Accordingly, the Central Government sector encompasses all government agencies, regardless the way they are financed. The Central Government sector embraces also government enterprises³ (*affärsverk*) that are regulated under public law and, consequently, are considered to be part of the Central Government sector⁴.

The second level comprises the local government sector including 290 municipalities and 20 county councils, responsible for education (from childcare to secondary educations), health care as well as the care of elderly and disabled. Local self- government and autonomy are stipulated and guaranteed by the Swedish Constitution. Municipal and county councils are the highest decision-making bodies at the local level and are composed of elected members⁵. In order to finance their activities the local authorities have the right to levy taxes. Municipalities, county councils and regions decide on their own tax rates. The average, overall local tax rate is 30 per cent⁶. A system of State grant as well as fees charged for the provision of public services complete the source of revenues for local authorities. In order to limit regional disparities and to guarantee citizen/residents equal access to public services a local government financial equalization system managed by the State redistribute revenues among municipalities and county councils on the basis of their tax base and level of

² Such as for example Swedish Tax Agency, the Swedish Customs Service, the Swedish Public Employment Service, Government offices, the Swedish Social Insurance Agency, The Swedish agency for education, and more than 150 other agencies.

³ For example the Swedish Road Administration, the Swedish Rail Administration, the Swedish Civil Aviation Administration, the Swedish Maritime Administration, The Swedish

⁴ According to National accounts and Swedish employment statistics, publicly owned companies along with those market-oriented activities that municipalities conduct are not included in the public sector. The main criteria for classification are the company main activity (for-profit market activities) and legal form (limited companies) and not ownership. Government-owned or municipally owned for profit companies are therefore not included in the public but in the private sector. These public-owned companies are independent legal entities and they comply with the same regulations as privately owned companies. The only link these government companies have with the Government regards the actual ownership structure. (SAGE, 2011)

⁵ General elections take place every four years. Parliamentary, municipal and county councils elections are held on the same day as the general parliamentary election.

⁶ Approximately 20 per cent goes to the municipalities and 10 per cent to the county. Income tax revenues are the primary source of income for Sweden's municipalities, county councils and regions and account for approximately two-thirds of their total income. Local authorities do not levy property taxes (State tax instead).

expenditure.

There are different ways of measuring the size of the public sector. In relation to Gross Domestic Product (GDP), the public sector's contribution (public consumption and investment) amounted to 30 per cent of GDP in 2011, a relatively high figure compared to many other European countries⁷. It should be noted that this contribution has remained relatively stable during the last two decades, oscillating between 29-32 per cent. The Central Government sector encompasses a relatively small part of the Swedish economy and a quite small part of the public sector. To illustrate: slightly more than 5 per cent of the Swedish labour force works for the Government, while 25 per cent works for municipalities or county councils. In 2010, among tax financed services, health care accounted for 26 per cent of total public consumption, education (inclusive day-care) for 24 per cent and elderly care and support to the disable, 19 per cent, while traditional collective public services such as Defence, Police and Justice accounted to only 6 per cent of public consumption.

2.2. Main Features of the Swedish Public Employment System.

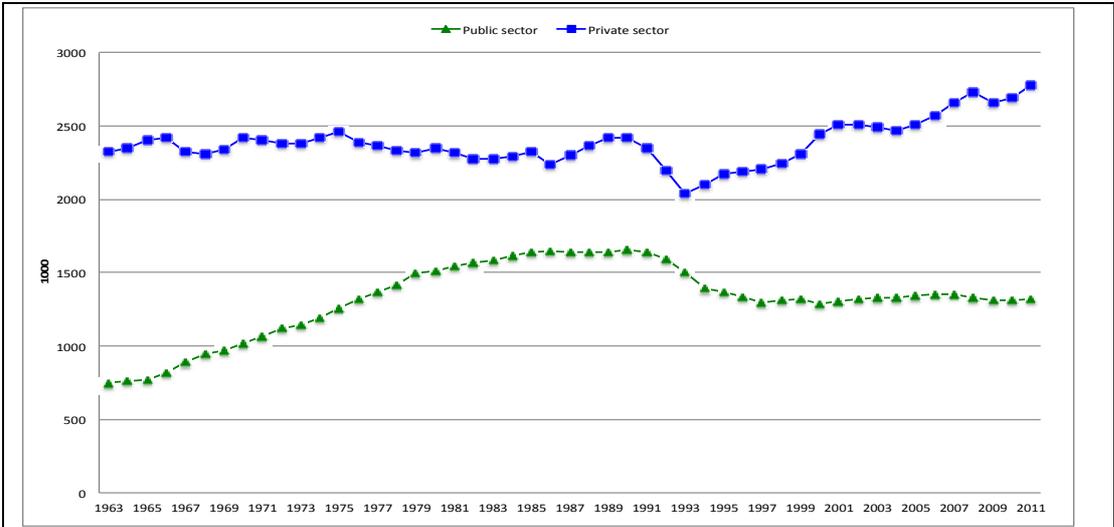
In contrast to other EU member states, such as France or Germany, there is no specific employment status for civil servants and Swedish public sector employees are subject to the same labour market regulations as private sector employees. Irrespective of sector, the legal status of employment is therefore similar and all Swedish employees, in both the private and public the sector, have legally guaranteed rights to bargaining and industrial actions (strikes, even the police). However, once an agreement is concluded industrial actions are forbidden and there is a legal obligation to maintain peaceful industrial relations throughout the period covered by the agreement.

The Swedish Model is characterised by the crucial role played by the social partners in mechanisms for regulating the labour market. In spite of a recent decline the average union density in Sweden remains above 70 per cent (above 80 per cent in the public sector) and the coverage rate of collective agreements is around 85 per cent in the private sector and 100 per cent in the public sector (see Tables A1 and A2 in the appendix). Swedish labour law is restricted by comparison with labour legislation in other Member States and is for the most part *'optional'*, that is to say most provisions of labour market legislation may be, wholly or partly, amended by collective agreements. Any assessment of the impact of labour market regulations in Sweden must therefore, in addition to statutory law, consider both the relationship between law and collective agreements and the content of collective agreements at both the industry/sector and even company/organisation level. In other words if labour market legislations and regulations treat public and private employees equally, working, pay conditions and extended rights to social protection (occupational pensions, parental leave for example) might differ between the two sectors.

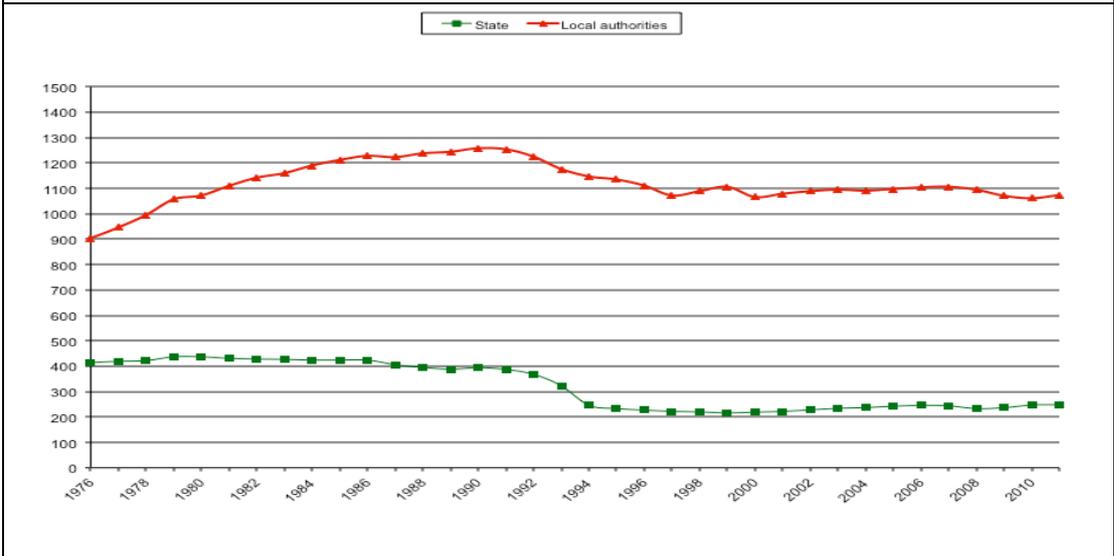
⁷ In 2009, the share of public sectors' value added (State and local authorities) amounted to 18 per cent. (4 % per cent for the State sector and 14 % for local authorities). At the same date public expenditures and revenues amounted to respectively 53 and 52 per cent of GDP.

Figure 1: Employment trends in the public and private sectors.

A. Public and private sectors, 1963-2011, (in '000s)



B. Employment trends in the state sector and local authorities, 1976-2011 (in '000s)



Source: Statistics Sweden (2010a)

In 2010, private sector employment accounted for about 68 per cent and the public sector (central and local authorities) for the remaining 32 per cent of total employment in Sweden. In 1965, the corresponding shares were about 85 and 15 per cent, respectively. As shown by Figure 1a, public employment increased continuously from the mid 1960s up to the early 1990s. During the same period the number of employees in local authorities increased significantly: by about 35 per cent while the number of public employees at the central government level remained almost unchanged (figure 1b). To a considerable extent, the good employment record experienced by the Swedish economy up to the early 1990s is clearly related to the creation of a modern welfare state, a strong public involvement in the

financing and provision of healthcare, social care and education and the related expansion of public employment. Obviously the development of public services at the local level contributed also to the strong expansion of female labour supply and the feminisation of the labour force; the female participation rate increased from about 67 per cent in the mid 1970s to about 78 per cent at the end of the 1980s.

However, in connection to the deep economic crisis in early 1990s, the number of employees in both central government and local authorities fall sharply. The decline of employment in the public sector as a whole during the last decade - a reduction of 291,000 employees between 1990-2008 or 19.6 per cent - can be ascribed to early fiscal consolidations during the first half of the 1990s, the waves of liberalisation/privatisation, increased outsourcing via procurement as well as rationalisation and downsizing processes initiated in the aftermath of the deep economic crisis of the early 1990s. It should be also noted that the decline of employment was stronger in the central Government sector compared to the female-dominated local authorities sector (respectively 40.1 and 13.0 per cent).

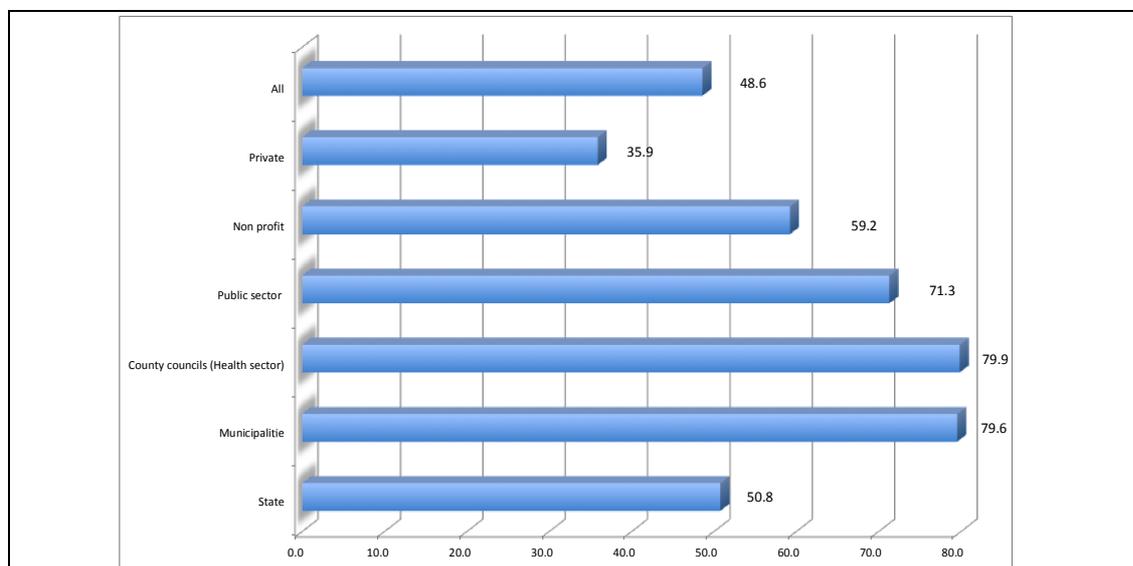
During the early phase of the current crisis (2008–2009), employment declined in the female-dominated public sector, in particular at the municipality and county levels, which, as mentioned previously, are in charge of the provision of social services, health care, primary and secondary education. However, the employment decline in the public sector was relatively short-lived and heavily concentrated on employees with fixed-term contracts (See Figure A3 in the appendix). At the end of 2011, public sector employment was almost at the same level as before the onset of the 2008s Great Recession (a decline of less than 0.5 per cent between 2008 and 2011). The temporary impact of the crisis on public sector employment might be ascribed to several factors. In comparison to the 1990s crisis, the room for manoeuvre in which to conduct a more expansionary macroeconomic policy was larger than during previous economic downturns, due to healthier public finances at the start of the recession. In order to mitigate the impact of the crisis on income development and employment the Swedish government implemented a package of recovery and countercyclical measures between 2008 and 2010, ranging from expansive fiscal and monetary policy to active labour market and education policy. In this context and in order to maintain and secure employment in the public sector the government also decided to increase central government grants to local authorities, as well as investment in infrastructure. These countercyclical policy measures have certainly had an effect in limiting the fall of employment in the public sector (see Anxo, 2012).

According to Statistics Sweden, approximately 248,000 people were employed in the Central Government sector in 2011 corresponding to slightly more than 5 per cent of total employment. The municipalities and county councils jointly had at the same date more than one million employees or 26 per cent of the total number of employed persons in the country. In addition, employment in public-owned companies amounted to around 5 per cent of total employment

One of the consequences of the development of public services at the local level and the related feminisation of the labour force during the 1970-1990s is that the Swedish labour market is and remains highly gender segregated (see Figure 2). In 2010, women held more

than 70 per cent of public employment; the corresponding figure in the private sector being 35 per cent. The share of female employees in the Central Government sector and local authorities in 2010 was around 50 and 80 per cent, respectively.

Figure 2: Share of female employment by sector, per cent, 2010.



Source: Statistic Sweden (2011d)

The level of educational attainment also differs significantly across the two sectors. The proportion of employees in the Central Government sector (State) and county councils (health sector) with post-secondary education is much higher than in municipalities and the private sector. In 2009, 70 per cent of employees in Central Government sector and 67 % in county councils had a post-secondary education, while the corresponding share for the municipality and the private sector was respectively 47 and 31 per cent. Conversely the share of employees with low educational attainment is much higher in private limited companies than in the public sector, namely 14.6 and 6.2 per cent (see Table 1 below and A3 in the appendix).

Table 1: Educational attainment by sector, in per cent, 2009

Sector	Compulsory education or less	Secondary education	Tertiary education
Public sector	6.2	38.7	54.9
Central Government	4.1	25.4	70.2
Municipalities	8.0	45.0	46.9
County councils	2.4	30.8	66.6
Private sector	15.1	53.5	30.8
Limited companies, private	14.6	54.6	30.2
Other companies, private	20.4	52.1	26.3
State- owned companies,	12.6	52.9	34.3
Public companies, local authorities	11.7	49.2	39.0

Source: Statistics Sweden (2011c)

It is also notable that the share of highly educated (low educated) employees in state-owned or municipalities-owned companies is lower (higher) than the corresponding share in the public sector as a whole but still higher (lower) than in private companies. Sweden exhibits therefore a higher polarisation of educational attainment in the private sector. Within the public sector, the female dominated municipal sector displays higher incidence of employees with low and medium education, compared to the Central government and county councils (health care).

The employment contract in Sweden is regulated by the 1982 Employment Protection Act (*Lagen om Anställningsskydd SFS 1982:80*). The law presumes that, unless otherwise stipulated, an employment contract is open-ended (permanent contract). The Employment Protection Act applies to all employees, (except managerial executives) and to both public and private employers. A fixed-term contract of employment can only be permitted according to specific regulations. Since 2007, an agreement referred to as general fixed-term employment can be allowed without specific reasons, a category which can comprise a large set of situations. However, such employment has to become permanent if the employee, during a five-year period, works for the same employer for more than a combined two years. In addition, fixed-term employment is lawful under certain conditions for temporary replacement of absent employees (substitute), seasonal work, employing persons above 67 years of age. International comparisons of employment protection indicate that Sweden has a fairly restrictive legislation, although it does not stand out as extreme by European standards. Sweden combines a rather stringent regulation of open-ended contracts with a relatively weak regulation of fixed-term contracts and temporary agency work. Actually, Sweden is the OECD country exhibiting one of the strongest duality and the highest disparity between the stringency of regulation for open-ended contracts and temporary jobs (see Cahuc, 2011).

In combination with the deregulation of the market of employment intermediation in the early 1990s, fixed-term contracts and agency work have significantly increased. In the aftermath of the early 1990s recession the share of fixed-term contracts increased by almost 40% between 1990 and 1995 (see Figure A2 in the appendix). Since then, and up to the current recession, this share has increased continuously, reaching 17% of total wage and salary employment at the onset of the current recession.

Table 2 displays the share of temporary contracts across broad sectors. Globally the incidence of short-term contracts is slightly higher in the public sector, especially at the local authority level.

TABLE 2: SHARE OF FIXED-TERM CONTRACTS PER SECTOR, 2011, 16-64 YEARS OLD.

<i>Sector</i>	<i>Men</i>	<i>Women</i>	<i>All</i>
Central Government	15.4	17.4	16.3
Local Authorities	19.9	15.8	16.7
Private	13.5	20.0	16.0
All	14.5	18.3	16.2

Source: Statistics Sweden (2011b)

Among women the share of temporary contracts is higher in the private sector. The higher incidence of fixed-term contracts among female employees is related to the higher need of substitutes linked to various form of legal absenteeism (in particular parental leave). It should, however, be noted that the share of male employees on fixed-term contracts is higher within local authorities.

3. Reforms of the public sector and their implications for public employment and wage formation.

3.1. Liberalisation and deregulation during the 1990s and 2000s

The Swedish welfare state and social protection system have since the end of the 1980s undergone a series of transformations and reforms. The structural reforms undertaken and the related relative retrenchment of the Swedish public sector have included a wave of deregulations, liberalization and privatisations aimed at exposing earlier protected activities to competition between different suppliers of goods and services, something that involved less secure employment and income conditions. Prominent examples of liberalisation/privatisation are:

- *railways* (1988);
- *domestic aviation* (1992);
- *postal services* (1993);
- *telecommunications* (1993);
- *energy* (1996);
- employment intermediation (employment services, 1993, private employment agencies);
- *health sector* (privatisations of some public hospitals during the second half of the 1990s);
- *education* (in 1995 a new law enabled local government to contract with private day-care centres and the late 1990s saw the introduction of a voucher system allowing private (publicly subsidized) schools to enter the market); and
- *elderly care* (privatisations and outsourcing through procurement to private providers during the 1990s, law on free choice between public or private providers in primary healthcare, social services and elderly care at the municipal level adopted in 2009, see below).

The implementation of these and other reforms have, to a large extent, involved the dismantling of previously existing public monopolies and a significant increase of private for-profit suppliers.

The striving for efficiency-enhancing competition has been manifested not only in a somewhat increasing role for private providers but also in organisational reforms intended to achieve more competition between different agencies within the public sector, for example between different schools, hospitals, universities and also productivity-enhancing organisational changes (rationalisation, downsizing management by objectives, New Public Management etc).

3.2. The Swedish System of Public Procurement

The entry of Sweden in the European Union has involved an adaptation of Swedish

legislation to EU directives regarding competition and public procurement. As a consequence of Sweden EU membership in 1993 the Swedish Parliament passed a new Competition Act primarily based on the EU's directive and rules regarding competition. The Swedish Law on Public Procurement (LOU (2007) *Lagen om offentlig upphandling* 2007:1091) adopted in 2007 is largely based on the EU directive on public procurement (2004/18/EC)⁸. According to the law, the contracting authority, i.e central and local authorities, has to treat suppliers in an equal and non-discriminatory manner. The contracting authority must also observe the principles of transparency, mutual recognition and proportionality during the procurement process. The Swedish legislation on public procurement reflects, "*the best value for money*" approach. Social clauses are rarely included in procurement due to a fear this would contravene the existing legal rules on competition. However, some contracts do include social clauses that the supplier has for example to recruit some targeted groups (youth, unemployed) or have to respect equality of treatment (regarding for example ethnic discrimination or gender equal opportunity) or have to conform with fundamental ILO conventions. However, the contracting central or local authorities cannot require that the supplier has concluded a collective agreement or has to follow the prevailing collective agreement in the relevant bargaining area regarding pay and working conditions. Wage differentials between private and public providers remain small, and if anything public sector pay tends to be slightly lower (see section 5.2 below for details).

The current right wing Government, taking office in 2006 and re-elected in 2011, took further measures for increasing the role of private sector through outsourcing, public contracting and more competition through the establishment of a choice system that allows service users to choose their providers among a list established by the public authorities. Against this background a new law, the Act on System of Choice in the Public Sector (LOV 2008:962), took effect in 2009. This Act applies when a contracting public authority decides to apply a system of choice regarding services within health and social services. According to this Act 'System of choice' means a procedure where the individual is entitled to choose the supplier (private or public) to perform the service and with which a contracting authority has approved and concluded a contract, within the framework of the above-mentioned Public Procurement Act.

The increased opening of the public sector to competition and the tendency to an increased outsourcing via public procurement as well as the introduction of the "free choice option" regarding health, welfare services and care activities has entailed an increase of private providers. While for Primary Healthcare (out-patient care, see below) , the choice of local health care centres⁹ is regulated by the law of free choice, and all municipalities have to comply with the law, the implementation of a "free choice" option for other welfare services and care activities, such as elderly care, is left to the discretion of the municipalities. In September 2011, 84 of the 290 Swedish municipalities (29 per cent) had implemented an

⁸ A separate law with slightly more flexible rules applies to procurement within the utilities sectors – Act on Procurement within the Water, Energy, Transport and Postal Services Sectors.

⁹ At the municipally level, the system of Primary Healthcare is responsible for all healthcare and medical treatment that does not require hospitals' special resources. Primary healthcare is mainly provided through the local healthcare centres.

extended system of free choice mainly for elderly care; at the same date, 69 municipalities intended also introduce it in a near future (Statstkontoret, 2012).

In 2009, public outsourcing via procurement in Sweden accounted for around 13 per cent of GNP (OECD, 2011). By international standards, the extent of public outsourcing in Sweden is slightly above the OECD average (10 per cent), at the same level as Germany but lower than in for example the Netherlands (21 per cent). Since the turn of the century, municipal and county council financed services (childcare, elementary and secondary schooling, health care, support to disable, elderly care etc.) have been increasingly provided by private actors, but the proportion of private suppliers remains, by international standards, relatively limited. In 2010, around 17 per cent of total employment in education, health care and social services (such as elderly care, support to disabled, etc.) could be ascribed to private companies (table 3). The highest proportion of employees in private companies is found in Health sector and care activities (see Table A4 and A5 in the appendix).

TABLE 3: EMPLOYMENT BY FORMS OF ORGANISATIONS WITHIN EDUCATION, HEALTH CARE AND SOCIAL SERVICES, 2010, IN PER CENT

Activity	State	County councils	Municipalities	State-owned	Private firms	Non profit
Education	11.8	0.6	68.2	2.1	12.4	4.9
Health	0.2	73.9	3.4	4.6	17.2	0.8
Social services	1.0	0.1	74.2	0.6	20.9	3.2
all	5.0	19.3	53.7	2.2	16.6	3.3

Source: Statistic Sweden (2011e):

The share of private employment in education, health care and social services has increased significantly from around 8 per cent in 2000 to around 17 per cent in 2010 (see Tables A5 in the appendix). Looking at the share of hours provided by private actors this share increased from 7 per cent at the turn of century to 12 per cent in 2010. County councils (hospitals, health care) have not experienced the same increase in the share of services provided by private providers. This share has been largely unchanged at around 10 per cent¹⁰. (SKL, 2011).

It should also be noted that there are large regional differences in the extent of outsourcing of traditional public activities. According to Statistics Sweden (SCB, 2011e) in 2010 for the country as a whole, municipalities and county councils purchased activities for 12 per cent of operational expenditures on average within education, health care and social services. In the Stockholm County, local authorities purchased activities for as much as 21 per cent of operational expenditures compared with 4 per cent for counties such as Norrbotten (North of Sweden), Dalarna (Middle of Sweden) and the county of Kalmar (Southern part of Sweden, Baltic sea).

¹⁰ The extent of outsourcing in terms of expenditures varies significantly by activity. In 2010, the share of purchased activities from private suppliers was 32% for primary healthcare, 30% for secondary school, 17 % for day-care and nursery schools, 15% for elderly care and 14% for primary school (Statistic Sweden, 2011e)

In case of transfers of activities from public to the private sector, the transfer of employees is regulated by the Transfer of Undertakings Directive (TUPE). Before the directive was incorporated in the Swedish legislation, no protection of employment contracts existed in the event of business transfers, even though agreements between transferor and transferees was not uncommon. Currently, transfers of activities are governed by the Swedish Employment Protection Act (*Lagen om Anställningsskydd SFS 1982:80, Article 6b, paragraph 4*). According to the Employment protection Act when public or private operations, or parts thereof, are transferred from one employer to another, the employment contracts in force at the time of the transfer are also transferred to the new employer¹¹. However, the individual employee may choose to stay with the employer transferring the operations¹². In other words, the Swedish legislation provides the employee with the right to refuse the transfer of the employment relationship, but it does not entail any specific protection for the employee's employment other than provisions regarding unfair dismissal (see Hartzen, et al., 2008). The Swedish Employment Protection Act (*Article 7*) also obliges the employer to redeploy those workers who refuse the transfer within the organisation and only in circumstances where this is deemed not possible can redundancy be considered just cause for dismissal.

In spite of the increase of the share of employees working in private firms in the welfare sector –education, health and social services- Sweden remains, by international standards, a country with a large public employment reflecting still a very strong public and political involvement in the provision of a wide range of services. For crucial service activities— notably childcare, elderly care health care, in schooling and in higher educations and also measures for the disabled—the public sector maintains its role as main provider.

A recent report (Hartman, 2011) provides background on the major restructuring of welfare services carried out in Sweden over the last 20 years. Up to now no scientific evaluations of the expected beneficial impacts of the increased competition on economic efficiency and growth have been undertaken. By analysing a range of studies that had investigated privatization and liberalization across several different services – pre-school and school education, individual and family care, health care, social policy and help for the elderly and disabled, the report concludes that the major challenge for researchers remain the difficulty to accurately measure the quality of service provided especially when assessing services dealing with different users who have different characteristics and requirements.

¹¹ For the employees accepting the transfer, wage and working conditions has to be the same as those stipulated by the relevant collective agreement during a period of 12 months. After 12 months this guarantee vanishes.

¹² The concept of transfer may include change of contractor.

4. Wage Formation in the public sector: Decentralisation and Individualisation

4.1 Main Features and Development of the Swedish wage bargaining system.

In order to understand the major developments and the main features of the changes in the Swedish wage formation system, it is necessary to take an historical perspective that stretches beyond recent years. From 1955 to 1983, the Swedish wage formation process was based on a highly centralized and coordinated bargaining system and the application of a wage norm, the so-called *solidarity wage policy* based on fairness (equal pay for equal work irrespective of sector and firms' profitability) and efficiency (i.e. a policy that fostered rationalization at the company level and promoted productivity-enhancing structural changes through the closure of unproductive plants). Until 1983 the bargaining cycle comprised three stages. At the first stage, the three trade union confederations and the employers' confederation (see box 1) agreed to recommend that their respective affiliates should conclude wage agreements within a specified economic framework/range. At the second stage, the employers' organizations and the various trade union federations negotiated and concluded collective agreements at the industry level, applying the recommendation stipulated in the central agreement. At the third stage, the industry-level collective agreements were translated into local, enterprise-level collective agreements. In 1983, however, the Engineering Employers' Organization concluded a separate agreement with the Metal Workers' Union, thus marking a break with over two decades of centralized and coordinated bargaining.

Box 1. Confederations of unions and employers in Sweden

The Swedish Trade Union Confederation LO, (*Landsorganisation*, blue-collar workers), counts 14 affiliates organising blue-collar workers within both the private and the public sectors. The 14 affiliates together count around 1.500.000 active members of whom about 770.000 are women. The Swedish Confederation of Professional Employees (*Tjänstemännens Central Organisation*, TCO, white collars) includes 16 affiliated trade unions. The around one million active members of these unions are professional and qualified employees working in a wide variety of industries (schools, healthcare, trade, manufacturing industries, etc) and occupations. Over 60 per cent of the members are women and approximately half of the members work in the private sector and half in the public sector. The Swedish Confederation of Professional Associations (*Sveriges Akademikers Centralorganisation*, SACO graduate professionals) comprises 23 affiliated associations which together count over 450 000 active members. Members are university graduates or professionals with a college degree. The three confederations are member of ETUC.

Sweden counts one major employer confederation for the private sector and two in the public sector. The Confederation of Swedish Enterprise (*Svenskt Näringsliv*, SN, former SAF) is Sweden's largest and most influential business federation counting 50 member organizations and 60 000 companies with over 1.6 million employees. It was founded in 2001 through the merger between the Swedish Employers' Confederation (SAF, founded in 1902) and the Federation of Swedish Industry (SI, founded in 1910). Regarding the public sector, the employer organization at the state level the *Swedish Agency for Government Employers*

(SAGE, *Arbetsgivarverket, Ag*) counts 250 member agencies and slightly over 240,000 employees in the central Government sector. At the local government level, the employer organization is The Swedish Association of Local Authorities and Regions (SALAR, *Sveriges Kommuner och Landsting, SKL*) representing 290 municipalities and 20 county councils employing more than one million people, corresponding roughly to 25 per cent of total employment in Sweden. Two other employers association organizes municipality and county councils owned enterprises : The Swedish Organization for Local Enterprises (*Kommunala Företagens Samorganisation, KFS*) and Pacta (*Arbetsgivareförbundet Pacta*). The last four employers organisations in the public sector are member of The European Centre of Employers and Enterprises providing Public services (CEEP). The Confederation of Swedish Enterprises ((*Svenskt Näringsliv, SN*) is affiliated to Business Europe.

During the 1980s, the erosion of the Swedish model of industrial relations, particularly the weakening of mechanisms for coordinating collective bargaining and the resurgence of industrial disputes, high wage inflation as well the explosion of unemployment during the dramatic recession of the early 1990s had a decisive impact on the emergence of new compromises on wage formation, the procedural framework of collective bargaining and the regulation of industrial disputes in the mid 1990s. After several abortive attempts in the early 1990s to set up new collective bargaining mechanisms, the prospect of further government interference in the labour market encouraged the social partners to start talks aimed at reforming the Swedish industrial relation system. The three main trade unions in the sector exposed to international competition asked their employer counterparts to consider the possibility of setting up a new collective bargaining system that fostered both industrial peace and wage increases guaranteeing balanced growth and a return to full employment. The ensuing talks culminated in the signing of an “Industry Agreement” on Cooperation on Industrial Development and Salary Formation on 18 March 1997, covering about 20 per cent of the gainfully employed population. In short, the spirit of the new Industry Agreement, still in force today, is to ensure industrial peace and promote more consensual industrial relations. Following the Industry agreement several other bargaining areas in both the public and private sector concluded similar cooperation agreement.

These changes in industrial relations re-established the pace-setting role of the sectors exposed to international competition. In other words, and in contrast to the mid 1970s, public sector wages since the second half of the 1990s have not had any effects as pattern setters on private sector wages. Also worth noticing is that these modifications in wage setting led to a perceptible increase in real wages, thereby contrasting with the previous situation (mid 1970s up to the end of the 1980s) that was characterized by a stagnation in real wages.

4.2 Decentralization, differentiation and individualization of wage formation

Following the abandonment of national inter-industry agreements in the mid 1980s, collective bargaining both in the private and public sectors is now carried out at two levels: industry/sector and enterprises/organisation level. This tendency to a decentralization was accompanied both in the public and private sector by a marked tendency towards differentiation and individualization of wages and terms and conditions of employment leading to a wider dispersion of the wage distribution and to a growing acceptance of a more

individualized type of wage formation based on individual skills and performance rather than on job characteristics, as had been the case in the past with the application of the *Solidaristic Wage* policy.

Several reasons may be advanced for this shift. Firstly, solidarity mechanisms and the general raising of low pay that characterized the LO wage strategy during the 1960-70s ran out of steam as growth slackened and imbalances linked to economic recession in the late 1970s increased. Secondly, major changes were under way in work organization, and tayloristic modes of production were gradually being abandoned. Generally speaking, growth in service-sector employment changes in work organization, and the introduction of new information technology blurred distinctions between white- and blue-collar workers. The growing acceptance by blue-collar federations of the principle of wage individualization and the gradual abandonment of the “solidarity wage policy” are partly related to these structural shifts. Since the mid 1990s, there has been therefore some convergence of views concerning wage structure between the various components of the trade union movement in the manufacturing industry. This consensus extended to other areas of collective bargaining, particularly state and local authorities and the wage of a large majority of public sector employees are now set locally and largely individualized, in contrast with the former pay-scale system mainly based on seniority. It should however be noted that the trend toward decentralised bargaining and individualisation has been more pronounced among white collars and high skilled workers than among manual workers and low skill employees, both in the public and private sector. It is important to stress that the above mentioned tendency to re-coordinate collective bargaining since the second half of the 1990s should not be seen therefore as a weakening of the role played by enterprise-level/organisation level negotiations: Negotiations at the local level play a central and growing role in the setting of wages and terms and conditions of employment, both in the private and public sectors. In fact, enterprise/organisation-level bargaining has tended to gather strength in the last decade, particularly in the public sector.

In Table 4 below, the various wage agreement models are ordered with respect to the influence given to local wage setting (decentralisation). At one end of the scale, model 1 gives complete freedom for unions and employers to negotiate wages at the company/organisation level while at the other end model 7 is characterised by an annual wage increase determined at the national sectoral level with no room for manoeuvre at the local level (leading to a uniform, undifferentiated wage increases). It should also be noted that a large number of agreements in between these two extremes incorporate some form of fall-back and/or individual wage guarantee, which limits the local parties’ freedom to distribute the wage increase¹³.

In the private sector, local-level negotiations are responsible for the whole of the wage increase and/or its distribution in 66 per cent of all agreements (agreement models 1–5). In the

¹³An explicit fallback in national sectoral agreement means that, in case of disagreement between local parties, the wage increase stipulated in the national sectoral agreement, often expressed in per cent of the wage bill, has to be enforced. Some collective agreements include also some individual guarantee of wage increase (minimum of pay rise for each employee). Other agreements do not include any individual guarantees of pay rise, implying that some employees might not receive any pay increase during the agreement period.

public sector, the local parties are allowed to decide the wage increase or its distribution in most cases, the differences between the wage formation models being the occurrence or not of a fall back or an individual guarantee of wage increase. As also shown by Table 4, in the central Government sector (State), all national agreements exclude any individual guarantees and 38 per cent of the agreements do not include any stipulated wage increase at the national sectoral level; this implies that for these bargaining areas, such as applies to wage-setting for police and nurses as we discuss below, wages and wage increases are fully determined and distributed at the local/organisational level. This kind of agreement is less common at municipality level (17 per cent of the agreements) where the dominant wage-setting procedure is a stipulated overall wage increase at the national level without an individual guarantee (Model 2, 42 per cent) or with individual guarantees of wage increase (Model 5, 40 per cent). Actually, compared to the private sector, the tendency to a decentralisation and individualisation of wages is therefore more pronounced in the public sector.

Globally the prevalence of fully individualized, performance-related wage formation without individual guarantees set nationally in the public sector remains higher among high skilled/high educated public employees than among low skilled/low educated public employees workers. To illustrate: at the local authority level, (municipalities and county councils) one of the major collective agreements between the Swedish Municipal Workers' Union¹⁴ and the Swedish Association of Local Authorities (Mediation Office, 2011b), which covers occupations such as auxiliary nurses, homecare workers, cleaners, childcare assistants etc., includes both a wage increase specified in the collective agreement at the national sectoral level and some individual guarantee of wage increase.

TABLE 4: MODELS OF COLLECTIVE AGREEMENT IN THE PRIVATE, STATE AND MUNICIPAL SECTOR, 2011

Agreement models	Percentage of employees, by sector (all economy within parentheses)			
	Private	Central Gov (State)	Municipal and county council	All sectors
1. Local wage formation without pre-determined wage increase at the national sectoral level and without any individual guarantee of wage increase.	8 (5)	38 (3)	17 (5)	13
2. Local wage formation with a fallback regulating the size of the wage increase at the national sectoral level but without any individual guarantee of wage increase	10 (6)	62 (5)	42 (12)	23

¹⁴ The Swedish Municipal Workers' Union (*Kommunal*) is affiliated to the Swedish Trade Union Confederation LO. With around 510 000 members it is the largest union within Confederation LO.

3. Local wage formation with a fall-back regulating the size of the wage increase and some individual guarantee of wage increase stipulated at the national sectoral level.	6 (4)			4
4. Pre-determined wage pot at the national sectoral level to be distributed locally without any individual guarantee of wage increase	15 (9)			9
5. Local wage formation with an individual guarantee or alternatively a fall-back regulating the individual guarantee	27(18)		40 (11)	29
6. General pay increase at the national sectoral level including a wage pot to be distributed locally	19 (12)			12
7. General undifferentiated overall pay increase at the national sectoral level	15 (10)		1	10

Source: Mediation Office (2012b)

It should however be stressed that in comparison with other countries with highly decentralised and individualised bargaining system such as the UK and the US, strong and powerful trade union organizations and high union density¹⁵ at company/organisation level in Sweden lead to the implementation of negotiated forms of individualization and differentiation (*negotiated flexibility*). There are strong reasons to believe that the individualization and differentiation of wages will continue, that collective and undifferentiated ways of setting wages are being gradually abandoned, and that individualized types of wage formation are being generalized across the labour market, implying some form of convergence between the private and public sectors. It would appear, therefore, that Sweden is likely to be characterized by a two-tier collective bargaining system with the sector exposed to international competition as a norm setter regarding wage developments.

4.3 Wage formation for Police officers, Nurses and Teachers.

4.3.1 Wage formation for police officers

The National Police Board (*Rikspolisstyrelsen*) is the supervising central administrative authority for the Swedish Police and the link between the Government and the police authorities. Looking at employment trends the number of police officers has increased during the last decade from around 15 600 in 2000 to 17 400 in 2010 (+ 11.6 per cent). Police

¹⁵ It should also be noted that in spite of an increase of wage dispersion during the last two decades wage and income inequalities is far less than for example in the US and the UK.

remains a male dominated activity even though the share of female police officers has steadily increased since the early 2000s (from 17.8 per cent in 2001 to 28.4 per cent in 2010). Created in 1903, the main trade union organisation, the Swedish Police Union (*Polisförbundet*) is affiliated to the Swedish Confederation of Professional Employees (*Tjänstemännens Central Organisation*, TCO) and member of the Public Employees' Negotiation Councils (OFR, *Offentliganställdas Förhandlingsråd*). In December 2011, the Police Union counted around 19,600 active members (14,100 men and 5,500 females). Union density among police officers is very high; in 2010 around 96 per cent of active police officers were members of the Police union. The coverage rate of collective bargaining is 100 per cent. Police officers have the right to take industrial action (strikes).

TABLE 5: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION BY GENDER. 2005, 2008 AND 2010. (1 SEK=0.12 €)

Year	Average wage		Median		P10		P90		P90/P10	
	M	W	M	W	M	W	M	W	M	W
2005	25800	24300	25800	24800	19800	19000	30700	29800	1.55	1.57
2007	27800	26200	27900	26600	21500	20600	33200	31900	1.54	1.55
2010	29500	27900	30100	28200	21800	21200	37000	35500	1.70	1.67

Source: Statistics Sweden

The National Police Board concludes a collective agreement for the sector with the Police Union. The last collective agreement was concluded in October 2010 and will last up to September 2012 (2 years).

According to the current collective agreement, the two sides of industry have agreed that individual wages for police officers have to be determined from objective criteria such as the degree of responsibility, the difficulties of the tasks to be performed, as well as employee's skill and performance. Wages are fully individualized and set at the local level through wage meetings between the employer and the employee. The head of a local police unit is obliged to have at least one wage meeting per year with each of the police officers on wage issues. If the employee wishes the trade union representative may also participate in the wage meeting. The collective agreement negotiated at the national level does not specify the rates of pay nor a figure for the percentage wage increase, with the exception of the entry wage (set at 21,300 SEK in 2010). In other words the wage formation system for police corresponds to Model 1 of the agreements listed in Table 4 (*Local wage formation without pre-determined wage increase at the national sectoral level and without individual guarantees*)

TABLE 6: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION BY SECTOR, ALL OCCUPATIONS AND POLICE OFFICERS, 2011

Occupation	Sector	Average	Median	P10	P90	P90/P10
All	Private	29 800	26 300	19 800	43 000	2.17

	Public	27 300	25 200	20 300	35 900	1.77
	State	31 500	29 000	21 900	44 100	2.01
Police	State	28 900	29 400	21 600	36 200	1.68

Source: Statistics Sweden (2012)

As shown in Table 6, Swedish police officers display a lower average wage compared to other occupations in the State and private sector. However, smaller wage dispersion for police officers leads to about the same median wage as other occupations in the state sector and a significantly higher median wage compared to the private sector.

4.3.2 Wage formation for nurses

Hospitals and local health centres in Sweden are administrated and financed by the regional County councils. The central government forms general legislation about the long-term development and organisation of the health care sector, while a government agency – the National Board of Health and Welfare (*Socialstyrelsen*) - is supervising, guiding, and evaluating the hospitals' medical practises. A national public insurance system covers the patients' expenditures of medical treatment. The county councils presently employ in total around 170 000 workers in the health care sector.

From the early 1970s, the local health centres for outpatient health care (*Vårdcentraler*) were mainly governed and run by the County councils. A gradual privatization started in 1994, as medical doctors were given the right to establish private local health centres and doctor's offices, and to receive the same reimbursement for treatment of patients, as was provided by the County councils to the public local health centres. The possibility to establish private clinics and doctor's offices (*Husläkare*) was withdrawn by the Social-Democratic Government in 1996. However, many County councils continued to employ via procurement private clinics on an entrepreneurial basis as providers of outpatient health care. A second step towards a more market oriented health-care sector was taken by the Centre-Right coalition government in 2007 and onwards when some County councils allowed their residents to choose between private and public health care centres (*Vårdvalssystem*). As mentioned previously, a new law (LOV SFS: 2008:962) adopted in 2008 took effect in 2010. The LOV law in primary care is mandatory and all local authorities have to implement the system of freedom of choice. The law stipulates how procurement of local health care services shall be handled in order to guarantee the citizens' right to choose among private or public providers. County councils have the right to devise the rules and modalities regarding the choice of private suppliers. In 2009, the County councils' purchase of out-patient healthcare services from private providers amounted to around 10 per cent of total net costs (excluding expenditures for subsidized medication, Anell, 2011). Until now, there is a substantial regional diversity in the share of private local health centres, with most clustered in the densely populated regions.

The privatization of in-patient health care (Hospitals) and the introduction of private ownership of hospitals has been less pronounced and is still a controversial issue on the political agenda. In Sweden, there are only a few privately owned hospitals. Privatization of public hospitals into privately owned hospitals, which has triggered a political conflict

between Social democrats and Conservatives (centre-right coalition, Alliance). Previous Social Democrat Government have legislated against privatization of hospitals, and centre-right coalition governments have favoured privatization. Until now, there are only few private hospitals in Sweden, the county councils purchasing their services via procurement.

A central issue is to assess the extent to which privatization and the increase of private providers have influenced the employment of nurses in the public and private sector. The total number of nurses without special qualifications has increased from around 62,900 in 2001 to 71,300 in 2010 (+13.4 per cent) (SCB, *Yrkesregistret 2011*). However, the share of nurses in the public sector (Municipalities and County councils) has remained constant around 87 per cent. On the other hand, nurses with special qualifications that require additional medical studies have remained constant around 30 000 during the same period, but their share in the public sector has decreased from 92 per cent in 2001 to 84 per cent in 2010.

It is also notable that the share of women in this highly female-dominated sector has slightly decreased during the period (from 91.6 per cent in 2001 to 90.3 per cent in 2010 for nurses without special qualifications, and from 93.1 per cent in 2001 to 89.9 per cent in 2010 for nurses with special qualifications).

Created in 1910, the trade union for nurses and midwives, the Swedish Association for Health Professionals (*Vårdförbundet*), is affiliated to the Confederation of white collars TCO and a member of the Public Employees' Negotiation Councils (OFR). In December 2011, the Swedish Association for Health Professionals counted around 91 200 active members. Union density among nurses in Sweden is close to 80 per cent.¹⁶ The coverage rate of collective bargaining is in the public sector is 100 per cent and like police officers, nurses are allowed to take industrial action (strikes).

The Swedish Association of Local Authorities and Regions (SKL) concludes collective agreements with the Swedish Association for Health Professionals. The current agreement was signed in April 2011 and will last two years (to March 2013), with a possibility of prolonging it for a further two years. Like for police officers, the agreement stipulates that wages should be fully individualized and set at the local level through yearly wage meetings, without fall-back regulating the size of the wage increase and without any individual guarantees of wage increase. According to the agreement, individual competence, work experience as well as level of qualifications should be the main criteria for wage setting and wage differentiation. The collective agreement states also that wage formation should help employers to reach their objectives, by stimulating improvements in operational efficiency, productivity and quality of the service provided. Therefore, the salary should be fully individualized and related to achieved goals, in order to create a process where the employee's wage is positively related to motivation, individual performance and results. It is therefore, according to the agreement of great importance to establish a dialogue between managers and the individual employees about objectives, expectations, requirements, performance and wage level (Annexe 1 to the collective agreement HÖK 11). It follows that the wage formation system for hospital nurses corresponds to model 1 of the agreements

¹⁶ According to statistics from the Swedish Association for Health Professionals (*Vårdförbundet*).

listed in Table 4 (*Local wage formation without pre-determined wage increase at the national sectoral level and without individual guarantee*).

TABLE 7: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION BY GENDER. 2005, 2008 AND 2010. NURSES (DISTRIKTSKÖTERSKOR SSK 2235) EMPLOYED BY COUNTY COUNCILS, (1 SEK=0.12 €)

	Average wage		Median		P10		P90		P90/P10	
	M	W	M	W	M	W	M	W	M	W
2005	24500	24200	24100	23800	22300	22300	27200	26400	1.22	1.18
2007	26100	25500	25800	25200	23300	23400	29700	28000	1.27	1.20
2010	29000	28900	28700	28500	26800	26500	31200	31500	1.16	1.18

Source: Statistics Sweden

Compared to the current collective agreement (2011-2013), the previous agreements contained a fallback regulating the size of wage increases negotiated at local level (*Local wage formation with a fallback regulating the size of the wage increase at the national sectoral level but without any individual guarantee of wage increase, Model 2 in Table 4*). The nurses' union motivated their willingness to accept a fully individualized wage formation without an explicit pre-determined wage increase at the national sectoral level by the fact that other unions' central agreements with the Swedish Association of Local Authorities and Regions (SKL) had resulted in a 1.5 percentage wage increase, which was considered too low by the Swedish Association for Health Professionals. It was therefore considered better to accept an agreement with fully individualized wage formation at the local level without fall back regulating the size of the wage increase at the central level and also to stipulate in the collective agreement that specialist knowledge should be valued. According to the trade union representative interviewed, the new set of principles increases opportunities for higher wage growth.

As shown by Table 7, male nurses have a slightly higher average and median wage than female nurses but the gender wage gap has shown a tendency to decrease. Wage dispersion, is clearly lower compared to wage dispersion for all occupational groups both in the public and private sectors. Wage dispersion has remained quite stable during the last five years among female nurses but has been decreasing among male nurses (see section 5.3 for further development).

4.3.3 Wage formation for teachers

During the last decade, the Swedish educational system has undergone major transformations with a particularly clear tendency towards an increasing role of private providers especially at the upper secondary level (*Gymnasium*). Parallel to the increase of private schools, Sweden also witnessed in the early 1990s a clear decentralization of governance. The decentralization reform of Compulsory and Upper secondary schooling from the Central Government sector

(State) to the local municipalities was launched by the Social-democratic government and implemented in 1991. The municipalities have subsequently been responsible for the running and financing of Compulsory schooling (9 years following entry at age 6) as well as upper secondary education (from 16-19 years old *Gymnasium*). Since 1992, local schools can also be owned and run by a private providers. The Swedish Parliament (*Riksdag*) and the Government set out the goals and guidelines for the preschool and school through the Education Act and the Curricula. A special agency, Swedish National Agency for Education (*Skolverket*) is responsible of the attainment of the stated goals. The Agency is also in charge of the accreditation/habilitation of the private school, as well as the follow-up and evaluation of school achievement.

Each municipality is obliged to finance each student by a voucher (*Skolpeng*). The parents are free to choose a school for their children based on a predetermined list managed by the Swedish National Agency for Education. This system has resulted in a tendency to increase competition between schools – both for the recruitment of pupils and teachers. The share of private schools has been increasing gradually, During the school year 2011/12, 16.5 per cent of all compulsory schools were owned and run by private firms/organizations, covering 12.6 per cent of children. For the upper secondary school, 49.6 per cent of the schools were privately owned, corresponding to 25.5 per cent of all high school students (The Swedish National Agency for Education, 2012).

Considering employment development, there has been a decreasing employment trend of teachers at the Compulsory school level from around 86 300 in 2001 to 78 100 in 2010, however the number of teachers per 100 pupils has remained fairly constant during the period (around 8 teachers per 100 pupils). During this period, the share of teachers employed in the public sector decreased from 93.2 to 85.8 per cent, which is reflecting the expansion of private schools. There is a majority of female teachers in the public compulsory school (76.0 per cent in 2001 and 79.6 per cent in 2010) as well as for private compulsory schools (70.2 per cent in 2001 and 71.8 per cent in 2010). Gender segregation is significantly less pronounced in upper secondary school (Public schools: 54.0 per cent in 2001 and 56.9 in 2010. Non-public/private schools: 51.2 per cent in 2001 and 52.3 per cent in 2010).

The largest trade union organization for teachers in compulsory school is the Swedish Teachers' Union (*Läraryrskörbundet*) which is affiliated to the Swedish Confederation TCO. Created in 1880 the present trade union LR is the result of a gradual merger of several unions. Teachers in upper secondary school (*gymnasium*) are mainly organized in another trade union, the National Union of Teachers (*Lärarnas Riksförbund*) which is affiliated to the Swedish Confederation of Professional Associations (SACO). The union density in the municipal compulsory schools is around 90 per cent while in the municipal upper secondary schools (theoretical studies) is around 84 per cent ¹⁷. The 170 000 active members in *Läraryrskörbundet* and 57 000 active members in *Lärarnas Riksförbund* conclude collective agreements with several employer organisations. In the public sector, their joint agreement with the Swedish Association of Local Authorities (SKL) was concluded recently (26

¹⁷ These figures are based on information collected from National Union of Teachers (*Lärarnas Riksförbund*).

September 2012) with a fallback wage increase of 4.2 per cent¹⁸. Compared to school providers in the private sector, a recent agreement between the trade union LR (*Lärarförbundet*) and the employer organisation for the Swedish service sector (*Almega*), organising among other thing private schools, resulted in a 4.1 per cent wage increase.

In common with the situation for nurses and police officers, wage formation is fully individualised throughout wage meetings at the school level between the teacher and the head of the school. The guiding principle for individualisation, as agreed by both parties, is individual performance and responsibilities. It is also important to note that the national collective agreement for teachers does not include any individual guarantee for a wage increase nor does it set a prescribed scale of pay rates. The wage formation system for teachers thus corresponds to model 2 of the agreements listed in Table 4 (*Local wage formation with a fallback regulating the size of the wage increase at the national sectoral level but without any individual guarantee of wage increase*).

TABLE 8: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION BY GENDER. 2005, 2008 AND 2010 TEACHERS IN COMPULSORY SCHOOL EMPLOYED IN THE PUBLIC SECTOR. (1 SEK=0.12 €)

	Average wage		Median		P10		P90		P90/P10	
	M	W	M	W	M	W	M	W	M	W
2005	23100	23100	23100	23000	18500	19400	27400	27000	1.48	1.39
2007	24100	24000	24100	24000	19500	20100	28400	28100	1.46	1.40
2010	25800	26000	26000	26000	20300	22000	30500	30100	1.46	1.37

As shown by Table 8, wage dispersion has remained quite stable during the last five years. While average pay does not differ significantly across genders, wage dispersion is slightly higher among male school teachers compared to their female counterparts.

There is also currently a public debate about the teachers' wage level. It is argued that teachers' pay has fallen behind other occupations, does not mirror the central importance of teachers in the society and does not create incentives for training and recruitment of young teachers. Reflecting this debate, the long-term objective of the teachers' trade unions is to increase the teachers' monthly wage by 10 000 SEK (around 1200 €).

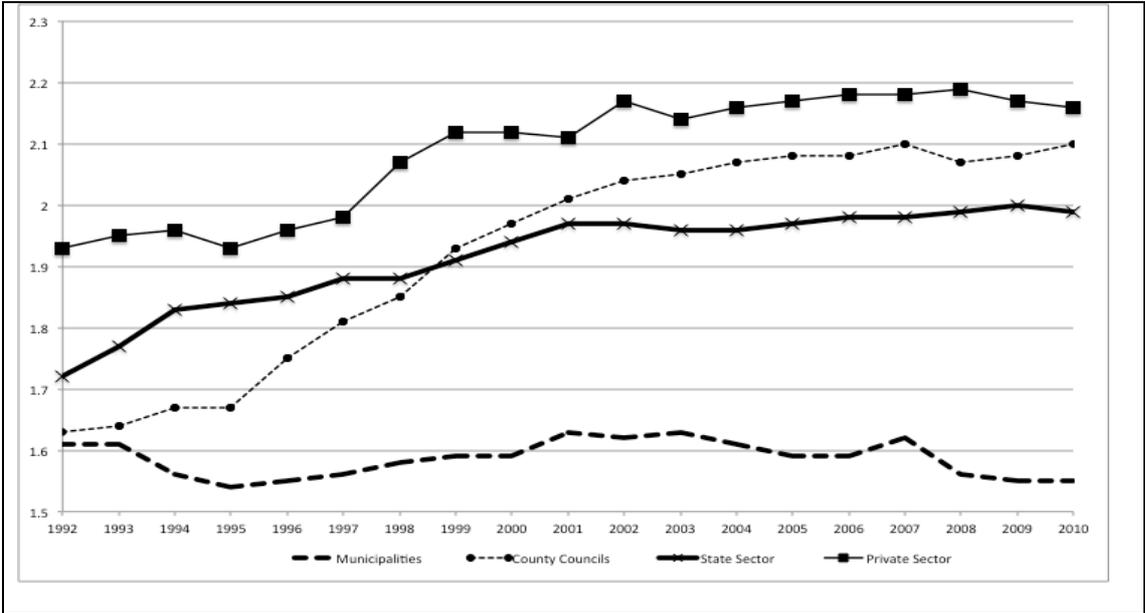
¹⁸ The previous agreement, concluded in May 2010, resulted in a fallback regulated wage increase of 2.0 per cent in 2010 and 1.5 per cent in 2011.

5. Development of wage dispersion and wage inequality

5.1 Global trends

As described above the tendency towards a re-coordination of collective bargaining at the industry level has co-existed with a marked tendency towards decentralization, differentiation and individualization in the setting of wages and working conditions. These two tendencies should not be interpreted as a weakening of Sweden’s collective bargaining tradition; they should rather be considered as a re-configuration and adaptation of the Swedish model of industrial relations in the light of the major structural transformations that have occurred during the past decades and also might correspond to normative changes regarding equity and fairness values. In our view, these developments do not call into question the basic features of the Swedish industrial relation system, namely, a strong contractual tradition based on the existence of powerful social partners who enjoy considerable autonomy from the public authorities; rather, they reflect a transition and adjustment of the Swedish model to the new challenges confronting post-industrial societies

FIGURE 3: DEVELOPMENT OF WAGE DISPERSION (P90/P10) IN THE PRIVATE, STATE AND LOCAL AUTHORITIES MUNICIPALITIES AND COUNTY COUNCILS), 1992-2010.



Source: Mediation Office (2011b)

Recent empirical evidence (see Nordström Skans, et al., 2006) reveals that although real wages have steadily increased during the past decade, Sweden has also experienced an increase of wage dispersion in particular the private sector, the central Government (State sector) and country councils (health sector). As shown by Figure 3 above, there are strong reasons to believe that the above-mentioned tendency toward more decentralized and individualized wage setting that was initiated during the early 1990s has increased wage dispersion

particularly for high skilled white collars *within* both the public (State, County councils) and private sectors. As also shown by Figure 3 wage dispersion at the municipality level has during the last decade been almost unchanged. Part of this stability might be ascribed to the more limited individualization in wage formation among manual and low skilled/educated workers in the municipal sector.

Regarding gender disparities, the increase of wage inequality during the last decade was higher for women than for men, except for manual workers in the private sector. The increase in wage inequality for women was particularly marked among white-collar employees in the private sector (an increase of almost 21 per cent) but also in the state sector (+15 per cent). Part of the increase in female wage dispersion might be ascribed to a compositional effect, that is, the increase of the share of females working in the private sector (in particular in white-collar jobs) and also to the above-mentioned tendency toward individualization of wage setting, in particular in the female dominated healthcare sector, implying greater wage differentiation.

5.2 The pay gap between public and private sectors.

As shown by Table 9, pay in the private sector is on average higher than in the public sector, particularly for non-manual workers. Globally, average pay tends to be higher among low skilled workers in the public sector compared to low-skilled workers in the private sector; the converse being true for high-skilled workers. As also shown by Table 9, the adjusted gender wage gap is also clearly lower in the public sector, in particular the female-dominated municipal sector, compared to the private sector.

TABLE 9: AVERAGE WAGE BY GENDER AND SECTOR, FEMALE WAGE IN PER CENT OF MEN, NON ADJUSTED AND ADJUSTED (AGE, EDUCATION, SECTOR, OCCUPATION AND WORKING TIME), SWEDEN 2010, (1 SEK=0.12 €)

Sector	Women	Men	All	Female wage in % of men	Female wage in % of men, adjusted
All sector	26 200	30 600	28 400	85,7	94,1
Private sector	26 700	30 700	29 200	87,2	92,7
Manual	22 100	24 600	23 800	90,0	96,0
Non manual	29 700	37 500	34 000	79,2	90,7
Public sector	25 600	30 000	26 800	85,4	97,1
Municipalities	24 200	25 700	24 500	93,9	99,6
County councils	28 300	38 500	30 300	73,5	95,2
Central Government	29 400	32 900	31 100	89,3	94,2

Source: Medlingsinstitutet (2011c)

Analysis of trend data suggest Sweden has also experienced a reduction in the adjusted gender wage gap between 2005 and 2010 (see Table 10). The reduction in the gender pay gap affected all industries but was particularly important in the public sector.

TABLE 10: TRENDS IN THE GENDER WAGE DIFFERENCES, ADJUSTED, 2005-2010

Sector	2005	2007	2008	2009	2010	Diff 2010-2005
All sector	93,2	93,5	93,4	94,0	94,1	0,9
Private sector	91,7	92,2	92,1	92,7	92,7	1,0
Manual	94,4	94,8	95,4	95,5	96,0	1,6
Non-manual	90,2	90,5	90,0	90,9	90,7	0,5
Public sector	96,5	96,6	96,6	97,0	97,1	0,6
Municipalities	99,1	98,8	99,2	99,4	99,6	0,5
County councils	94,7	95,2	94,6	95,3	95,2	0,5
Central Government	92,9	93,7	93,7	93,8	94,2	1,3

Source. Medlingsinstitutet (2011c)

The reduction in the gender pay gap might be ascribed to a relative increase of female educational attainment, the deregulation and privatization of part of the public sector, negotiated increase of female wage among low skilled workers in some bargaining areas (in particular the municipal sector) and also an increase in the share of women in managerial positions. Furthermore, the decentralisation of wage setting at the organisation /company level and the associated individualization of wage seems to have benefited women more than men explaining also a part of the reduction of gender gap (see Granqvist and Regner, 2011).

Following the major transformations of wage formation in the mid 1990s described above, in particular re-established the pace-setting role of the sector exposed to international competition, the Swedish economy has experienced a clear tendency to a convergence of wage growth among bargaining areas. According to the Mediation Office¹⁹, correcting for structural effects, such as the change in the age, gender, skill and occupational composition of the labour force, differential in wage growth across sectors has decreased significantly during the last decade (see Table 11).

TABLE 11: AVERAGE YEARLY WAGE GROWTH BY SECTOR, 2005-2009, CORRECTED FOR COMPOSITIONAL EFFECTS.

Sector	Average Wage growth 2005-2009
Private sector	
Blue collars	3,3
White collars	3,1
Municipalities	3,1
County councils	3,2

¹⁹ Since 2001, the National Mediation Office has been the government body responsible for public statistics on wages and salaries. These statistics are produced by Statistics Sweden. The description of the general wage trends of this section is mainly based on the publication of the Mediation Office (2001a and 2011b).

State (Central Government)	3,3
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Source: Mediation Office (2011a).

Another interesting comparison concerns the differences in wage level between private and public providers operating in specific tax financed sectors such as education, health care and social services. According to Statistics Sweden (SCB, 2011e), in 2010, municipal schools (compulsory and secondary education) employ a larger share of teachers with post-secondary education compared to private schools (70 per cent compared to 60 per cent). Within healthcare though, the share with tertiary education is as high between public and private providers, (68 per cent). Within social services the municipalities have 24 per cent of employees with post-secondary education, whilst the private companies have a slightly higher share, 29 per cent.

As shown by Table 12, there are minimal differences in average salary levels between public and private providers within educational sector, health care and social services. Employees in compulsory and upper secondary schools had an average monthly salary of just over SEK 24 000 in both private enterprises and in the municipalities (2009). Within health care, the average monthly salary was just over SEK 30 000 in private companies and just short of SEK 30 000 in county councils. Within social services the average monthly salary was SEK 23 500 in private firms- and just short of SEK 23 000 in the municipalities

TABLE 12: AVERAGE SALARY WITHIN EDUCATION, HEALTH CARE AND SOCIAL SERVICES 2010, SWEDISH KRONA, (1SEK=0.12 €)

Sector	Private firms	Municipalities	County council
Primary/secondary education	24 300	24 600	..
Healthcare	31 000	..	30 300
Care	23 600	23 300	..

Source SCB (2011e)

It is also worth noticing that the profitability (measured as returns on private equity) of private providers within education, healthcare and social services is clearly above the average returns for all private companies in Sweden (15 per cent in 2010 compared to 8 per cent for the economy as a whole, see Statistic Sweden, 2011e).

5.3 The pay gap between private and public providers for nurses and teachers

Turning now to wage differentials within and between occupations, focusing on two of the three selected occupational groups, nurses and teachers, Table 13 displays the average and median wages for the two occupational groups in the private and public sector as well for all occupations in 2011. Nurses in the private sector have a higher median wage and larger wage dispersion than in the public sector, which could indicate that private employers are recruiting nurses from the public sector by offering higher wages²⁰.

²⁰ Obviously the observed differences or absence of differences might conceal compositional effect that we do not control for.

TABLE 13: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION, ALL OCCUPATIONS, NURSES, TEACHERS, BY SECTOR, 2011. SWEDISH KRONA (1SEK=0.12 €).

Occupation	Sector	Average	Median	P10	P90	P90/P10
All	<i>Public</i>	27 300	25 200	20 300	35 900	1.77
	<i>Private</i>	29 800	26 300	19 800	43 000	2.17
Nurses¹	<i>County councils</i>	29 400	28 900	25 500	34 300	1.35
	<i>Municipality</i>	28 200	28 000	23 800	33 000	1.39
	<i>Private</i>	30 800	30 200	24 300	37 700	1.55
Teachers compulsory	<i>Municipality</i>	26 300	26 400	22 000	30 600	1.39
	<i>Private</i>	26 400	26 000	22 100	30 800	1.39
Teachers	<i>Municipality</i>	28 200	28 200	24 000	32 200	1.34
Gymnasium	<i>Private</i>	28 900	28 200	25 000	31 800	1.27

¹Nurses without special qualifications (SSYK = 323) Source: Statistics Sweden (2012)

It should also be noted that nurses in both public and private sectors have higher average and median wages than all occupations as a whole. Looking at teachers, the wage level in compulsory schools is similar in the municipalities and private sectors. A similar pattern exists at the upper secondary school (*Gymnasium*), but with slightly higher wage dispersion than in municipalities. This could indicate that teachers are less mobile between work places, and privatization of schools imply that teachers have not strengthen their bargaining position in wage negotiation to the same extent as seems to be the case for nurses. Teachers in compulsory schools have lower average wages compared to other employees in the public or private sectors as a whole. The converse is true for high school teachers displaying both a higher average and median wage compared to the public and private sector as a whole. The recent wage agreements (4.2 per cent in municipalities and 4.1 in private sector) indicate that teachers' wages will slowly catching-up, and the increase individualisation of wage bargaining could result in further increase of wage dispersion.

6. Pay settings and procurement strategies at the local government level: Lesson from two case studies

As mentioned above local government includes 290 municipalities and 20 county councils responsible for the delivery of a wide varieties of public services ranging from education (from childcare to secondary education), health care (primary and hospital care) and social services such as care of elderly (Residential and homecare) and support to the disabled and drug addicts.

The main objective of the two case studies conducted in 2012 in two Swedish municipalities, the municipality Växjö and the City of Goteborg was to illustrate the mechanisms and recent developments in pay settings and procurement strategies at the local level. The choice of the two municipalities has been essentially guided by two reasons. Firstly, the political composition of the municipality with a social democratic majority in the City of Goteborg and Right-Centre coalition in the municipality of Växjö, which might impact on both wage formation and the extent of procurement at the local level. The second reason is that the two local governments have contrasting approaches regarding outsourcing of homecare and cleaning activities. We focus therefore mainly on these two tax-financed services at the local level. Regarding homecare, one our selected municipality, Växjö, extended the 2008 Law on Free Choice (LOV) to include elderly care while Goteborg City limited the outsourced activities to only primary healthcare as required by the law.

In each municipality, semi-structured face-to-face interviews were conducted with both employer representatives, (Human resource managers, head of bargaining unit, persons in charge of procurement at the municipality) and employee representatives (trade unions).²¹

6.1 Employment, pay conditions and procurement practices in selected service areas: Local transport, school catering, cleaning and waste management²²

The main purpose of this section is to highlight the key features of five publicly financed local activities: local transport, elderly care, school catering, cleaning and waste management. During recent decades, the stronger local or regional autonomy in the administration of these services have entailed some regional variations in the provision of these services – some local authorities contracting out to private providers, while in some regions these services are still provided in-house by the municipality.

Until the late 1970s, public or private bus companies had exclusive rights to traffic designated areas. In order to improve regional co-ordination of traffic, municipalities and county councils in 1979 obtained responsibilities of administrating *local transport* through the creation of regional transport authorities. In 1989 it became possible to organize procurement of local transport by competitive bids from several operators. Presently, the market for bus operators is dominated by four major companies (*Nobina Sverige AB*, owned by an international

²¹ See Table A6 in the appendix for details, 16 face to face interviews were conducted (between 1 hour to 1.30 minutes each)

²² Elderly care is descibed in more details in section 6.3.1 below

investment funds, *Keolis Sverige AB*, owned by the French State, *Veolia Transport Sverige AB*, owned publicly and privately in France, and *Arriva Sverige AB*, which is owned by the German State). These companies account for around 47 per cent of total annual turnover. In total there are currently 309 bus companies, where 103 have no employees.²³ However, several municipalities choose to keep the carrier in municipality- owned limited companies.²⁴

A second example of gradual outsourcing of in-house services to private providers is ***school catering***. In Sweden, every school has the obligation to serve a free and nutritious meal for lunch. As described above (see Section 4.3.3), in 1991 the municipalities became responsible for administrating primary and secondary education, responsibility pertaining previously to the state. The decentralisation process leads also to an increasing share of private schools. The certified private schools receive the same public grants as public schools, implying that parents can choose schools independently of their ownership form. When school-ownership became more differentiated between municipalities and private organisations, it also opened up the procurement of school catering. The extent of procurement of school catering is presently unknown. A project by the National Food Agency is expected to present statistics in December 2013.

Also in ***waste management*** Sweden has witnessed a trend towards an increase of outsourcing via procurement. A large majority - 71 per cent - of Sweden's municipalities make use of private contractors for the collection of household waste, while 29 per cent carry the collection in-house. Currently, there are around 50 contractors in the market for waste collection. There are two dominating firms (*Rangsells* and *Sita*) with around 50 municipalities each, while 32 companies are operating in only one municipality each.²⁵

The ***cleaning*** of schools, hospitals and other workplaces has also been increasingly outsourced via procurement. It is difficult to access the national share of procurement in the municipalities, since there is often a combination of in-house and outsourcing provision. For example, in the City of Goteborg, around 25 per cent of the cleaning is outsourced. The share of employees in private suppliers has increased during recent years (see Table 14 below); the share of cleaners employed by municipal administrations having decreased from around 26 per cent in 2005 to 21 per cent in 2010.

During the last two decades, Sweden has been characterised by a gradual decentralization of governance from central government (State) to local authorities. Parallel to this decentralisation process and as a consequence of increased local autonomy, the extent of procurements and outsourcing, in our five selected activities varies across Swedish regions. The Swedish experience shows also a relatively slow and gradual outsourcing of public services. It seems therefore unlikely that this process will be reversed throughout a re-municipalisation

What have been the consequences for workers in these service sectors, with respect to employment conditions and pay? Up to now the effects of outsourcing on working and pay

²³ Statistics come from The Swedish Bus and Coach Federation (2012)

²⁴ The main reference for this paragraph is Nilsson (2011).

²⁵ Information is collected from Swedish Waste Management (2012), an industry organization for both private and public companies.

conditions have been limited, although Sweden has witnessed a global tendency to increase job insecurity and wider wage dispersion both in the public and private sectors. In our view, the main reason for these limited effects is related to the specificity of the Swedish industrial relation system and the above-described regime of *negotiated flexibility and individualisation* of wage setting and working conditions (see section 4.2). A relatively high union density and a high coverage of collective agreements, combined with increased tendency to local wage formation, have entailed some convergence of wage formation in public and private workplaces.

TABLE 14: PROPORTION OF EMPLOYEES (%) IN PRIVATE AND PUBLIC SECTORS. BUS DRIVERS, KITCHEN AND RESTAURANT HELPERS, CLEANING, WASTE MANAGEMENT WORKERS AND AUXILIARY NURSES, 2005 AND 2010.

	<i>Bus drivers</i> (SSYK = 8322)		<i>Catering</i> (SSYK = 9130)		<i>Cleaners</i> (SSYK = 9122)		<i>Waste management and recycling workers</i> (SSYK = 9150)		<i>Auxiliary nurses</i> (SSYK = 5133)	
	2005	2010	2005	2010	2005	2010	2005	2010	2005	2010
<i>Private limited companies</i>	79.4	87.3	50.2	59.5	57.2	64.2	61.2	63.8	14.4	29.7
<i>Other private companies</i>	1.9	1.2	4.8	6.3	3.8	4.8	2.1	2.6	1.8	2.7
<i>Municipal companies and organisations</i>	17.0	10.3	0.8	1.1	2.5	3.1	18.9	17.7	0.1	0.9
<i>Municipal administration</i>	0.5	0.1	38.6	25.9	26.5	20.6	13.7	14.5	80.8	60.5
<i>Other</i>	3.6	2.4	5.6	7.2	10.0	7.3	4.1	1.4	2.9	6.2

Note: SSYK is a Swedish standard classification of occupations, which is a national version of ISCO-88 (ILO).

Source: Statistics Sweden (2012a), *Yrkesregistret*

The various social partners concluding collective agreement and the coverage rate of collective agreements for our five selected occupational groups are displayed in Table 15. Collective agreements in private and public sectors are often concluded during the same period and the duration of agreement are similar. Unfortunately statistics on union density and coverage of collective agreements in the private sector are lacking for these activities, but the interviews conducted with union representatives tend to suggest that union density and coverage rate of collective bargaining is lower compared to public providers. The agreed wage increase is similar in two activities (there is a joint collective agreement for private and public employers in school catering and cleaning.) and differ in three bargaining areas (Elderly care, local transport and waste management), with a slightly higher wage increase in private sector. All agreements, except one, follow a system of local wage formation with a fallback regulating the size of the wage increase or a fallback regulating the individual

guarantee of wage increase (Model 5 in Table 4). For bus drivers with private employers, the collective agreement between the Swedish Municipal Workers' Union and the Swedish Bus and Coach Association follows a more centralised system of wage formation, namely, the General undifferentiated pay increase (Model 7 in Table 4). As also shown by Table A7 in the appendix, the pay gap between public and private providers are minor and, if anything, pay is slightly higher among private organisations.

TABLE 15: SOCIAL PARTNERS, COLLECTIVE AGREEMENTS, WAGE INCREASE, FOR FIVE TAX FINANCED SERVICES. ²⁶

		Trade unions	Employers' association	Date collective agreement	Wage increase
Local public transport	Public (Including public limited companies)	<i>The Swedish Municipal Workers' Union</i>	<i>Swedish Organization for Local Enterprises</i>	01/04/2012 – 31/05/2013	Wage frame of SEK 700 per employee
	Private		<i>The Swedish Bus and Coach employers' Association</i>	01/06/2012 – 31/05/2013	General pay increase 2.6 %
School catering and Cleaning services	Public and Private	<i>The Swedish Municipal Workers' Union</i>	<i>Swedish Association of Local Authorities and Regions / Pacta</i>	01/05/2012 – 31/03/2013	A wage frame SEK 650 per employee
Waste management	Public (Including public limited companies)	<i>The Swedish Municipal Workers' Union</i>	<i>Swedish Organization for Local Enterprises</i>	01/04/2012 – 31/03/2013	A wage frame SEK 654 per employee
	Private	<i>The Swedish Transport Workers Union</i>		01/04/2012 – 30/04/2013	A wage frame SEK 735 per employee and individual guarantee SEK 370
Elderly care	Public (Including public limited companies)	<i>The Swedish Municipal Workers' Union</i>	<i>Swedish Organization for Local Enterprises</i>	01/04/2012 – 31/03/2013	A wage frame SEK 607 per employee
			<i>Swedish Association of Local Authorities and Regions / Pacta</i>	01/05/2012 – 31/03/2013	A wage frame SEK 650 per employee

²⁶ The Association of Private Care Providers (*Vårdföretagarna*) is an employer association for companies providing private care services. The Swedish Bus and Coach Employers' Association (*Bussarbetsgivarna*), Brorganizes private companies in the local transport sector. Both employer associations are member of the Confederation of Swedish Enterprises. The Swedish Transport Workers Union is affiliated to the Confederation LO (see Box 1, above)

	Private		<i>The Association of Private Care Providers</i>	01/09/2012 – 31/10/2013	A wage frame SEK 655 per employee
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Source: Mediation Office (2012)

6.2. Presentation of the two selected municipalities

The Municipality of Växjö

Växjö is the 23th largest municipality in Sweden with a population of 83 710 (31 December 2011). The town is situated in the province *Småland* in south Sweden and has been a market place since the 11th century; it was granted city status in 1342. (Växjö means “road-lake”, or, a crossroad of lakes). Today, Växjö is the seat of *Kronoberg* County, and a diocese for the Swedish church. Forestry has been a central industry in this region, while recently engineering and electronics has been expanding. Trade and central warehouses are also leading business sectors. According to labour force surveys, the labour market in *Kronoberg* County is slightly stronger than in the nation as a whole: With a population of 136 100 (2011) in age 15 – 74 years, the unemployment rate was 6.9 per cent (7.5 per cent in Sweden) and employment rate 67.7 per cent (65.6 per cent in Sweden). The share of population in Växjö municipality below 18 years old was 20.7 per cent (20.2 in Sweden), while the population above 64 year-old was 17.7 per cent (18.8 in Sweden).

A coalition of centre-right parties holds the majority in the municipality’s City Council (*kommunfullmäktige*). The number of permanent staff in the municipality (excluding the group of municipally-owned companies) was 5 825 (with a proportion of full time employment equal to 96 per cent). During 2011, the total tax income (20.76 per cent municipality tax rate) amounted to SEK 3 030 million and total revenue reached SEK 5 063 million, which resulted in a positive result of SEK 61 million. The healthy financial situation of this municipality can be explained mainly by growing tax revenues and lower health insurance premiums.²⁷ Växjö has displayed a budget surplus during the last five years, which has been supported by a growth in population as well as a strong regional economic growth.

The City of Goteborg

Goteborg is the 2nd largest city in Sweden with a population of 520 374 (31 December 2011). The city was founded in 1621 as a strategically important harbour to the west seas. During the 18th century, the city flourished under a successful trade with East Asia. The city expanded as a trade and industry centre during the 19th century and became during the last century leading in shipbuilding, and in engineering such as bearings (SKF) and cars (Volvo). The shipyards closed down in the 1980s, but new pharmaceutical and telecommunication industries have expanded in recent years. Goteborg is also hosting many events in sports, popular music, tourism and culture. The labour force (15 – 74 years) amounted to 398 200 in 2011, with an unemployment rate 9.2 per cent (7.5 per cent in Sweden) and an employment rate of 65.9 per cent (65.6 per cent in Sweden). The share of population in Goteborg below 18 years old was

²⁷ Växjö Kommun (2011)

18.9 per cent (20.2 in Sweden), while the population above 64 year-old was 14.9 per cent (18.8 in Sweden).

A Left-Green coalition holds the majority in the City Council. The Goteborg municipality includes a management organization with 21 departments and 10 district committees, and a group of 32 municipality-owned companies. Number of permanent staff was 31 145 (the proportion full time was 83 %). The total municipal tax income (21.12 per cent municipality tax rate) during 2011 amounted to SEK 20 438 million and total revenue amounted to SEK 32 542 million, which resulted in result of SEK 411 million.²⁸ Like Växjö, the city of Goteborg has also displayed a positive result during recent years.

Both municipalities host a university and other higher educational institutions. There is an increasing population in both cities.

6.3 Focus on cleaning and homecare.

Before going into more details in our two selected activities, cleaning and home care, we start with some general feature regarding procurement and wage-setting principle in the two municipalities. Municipal budgets are usually voted in June each year. Regarding wage setting, the budget contains usually a general envelope for wage increase (in per cent of the wage bill) and also stipulate some extra wage increase/premium for specific occupational groups (such as for instance nurses or teachers or specific occupations that are difficult to attract and recruit, such as for example IT specialists). Of course, municipalities have to respect the collective agreed wage increase at the national sectoral level (particularly when the central collective agreement stipulates an explicit wage increase, see section 4.2 Table 5 with the various models of wage agreements). In contrast to Växjö²⁹ the city of Goteborg also makes use of a job evaluation system, BAS, used as an instrument to evaluate wage disparities across occupational groups. BAS is not used as a means to differentiate pay at the individual level but merely as an instrument for example to set up equal opportunity plans or to combat pay discrimination (age, ethnic or gender discrimination).

In contrast to Växjö Municipality, which has an internal administrative unit in charge of all procurement, the City of Goteborg has created a municipality-owned procurement limited company (*Göteborgs Stads Upphandlings AB*) that has the responsibility for the coordination of procurement of goods and services for all the City's administrative units.

6.3.1. Elderly care and Homecare

The choice of elderly care, in particular homecare, was guided primarily by the fact that it has over the past decade experienced major organizational changes regarding both the provision of services, with the expansion of private for-profit providers, and changes in work organization (rationalization of tasks). A growing share of municipalities gave up the previous system of direct administrative control of service provision and introduced a purchaser/provider system. It should, however, be noted that decisions about eligibility and

²⁸ City of Gothenburg (2011)

²⁹ According to the interview with the Human Resource Manager and the head of the bargaining unit, Växjö plans to introduce a similar Job Evaluation System in the near future

the amount of care granted remain the responsibilities of local authorities. The introduction of the Free Choice Act (LOV, see Section 2.2 above) in 2009 implies that once the care needs have been established and granted by the local authorities, senior citizens may choose between public and private homecare providers or residential care. In other words, actual care services are provided either by municipal employees or independent organizations (for-profit companies) on the basis of contractual agreements. During the past decade there has been a clear tendency to reduce the number of senior citizens in residential care and a corresponding increase in homecare services. While the reallocation of resources might be partly ascribed to changes in individual preferences for being cared for at home, this development responds also to cost minimizing considerations, the cost of homecare services being much lower than residential care. Between 2000 and 2009, the cost of elderly care fell by around 6 per cent, while the number of beneficiaries remained almost unchanged. During the past decade the share of elderly care hours provided by private companies has increased continuously (from 7 per cent in 2000 to 19 per cent in 2009, see Hartman 2011 and Szebehely (2011)). In 2010, the share of elderly care employees in private companies amounted to 10.4 per cent (5.4 per cent for homecare services and 15.8 per cent in residential care).

Homecare workers and cleaners: poor working environment

Regarding working conditions the elderly care and cleaning sector is characterized by a relatively high share of low skilled/low paid workers (auxiliary/assistant nurses) and a poor working environment with a high incidence of occupational diseases. The elderly care and cleaning sector has among the highest rates of sickness absenteeism. The Swedish Municipal Workers' Union (*Kommunal*, 2009) conducted a survey among its members in elderly care in 2008 to assess the development of working conditions in this sector.³⁰ The questionnaire covered, among other things, issues such as trends in working time, wages and work environment. Globally, the results of the survey show a high degree of dissatisfaction despite the fact that a large majority of the elderly-care employees/auxiliary nurses were proud of their job (92 per cent of respondents). Around 49 per cent said that they could not influence their working time, 48 per cent declared that they did not earn a living wage, 45 per cent believed that they would not be able to work until retirement, 37 per cent said that they were not allowed to work full-time and 27 per cent did not consider the working conditions as 'safe/secure'. If the results of the survey reveal a relatively high degree of dissatisfaction regarding working conditions among auxiliary nurses in the elderly care sector in general, one cannot infer that working conditions have deteriorated during the recession. In order to determine whether this is the case we now turn to the results of our case study.

Outsourcing of homecare to private providers: The case of Växjö municipality

During the past three years Växjö municipality has experienced an increase in the privatization and outsourcing of elderly care (both residential and homecare services) to private suppliers. Actually Växjö belongs to the 84 municipalities that have extended the Law of Free Choice (LOV) to encompass other social care services such as elderly care, while Goteborg city still provide in-house homecare services. The main motives among local politicians in Växjö for increasing outsourcing and contracting out to private providers are the

³⁰ The survey response rate was 79.5 per cent (871 individuals).

expected enhanced freedom of choice for senior citizens as well as the potential beneficial impact of increased competition on economic efficiency. Elected local politicians establish the selection criteria for the choice of private suppliers during the procurement process. In Växjö, the selection criteria of private providers are based solely on the quality of the service provided and not on price competition. The municipality conducts follow-up and evaluation studies each year to check whether these quality requirements are being respected. Currently, private for-profit companies provide around 30 per cent of residential and homecare services,³¹ the remainder being provided by the municipality. In 2010, around 1,200 employees worked in the municipal elderly care sector (1,100 auxiliary nurses and 100 nurses). Regarding the age and gender composition of the labour force a large majority of care personnel are women (90 per cent) and there is a tendency towards workforce ageing, which, according to the interviewees, might create recruitment difficulties in the future. The average level of educational attainment is relatively low, since the majority of employees in homecare services are auxiliary nurses with at most secondary education.

Wage setting for homecare workers

Regarding the age and gender composition of the labour force a large majority of care personnel are women (90 per cent) and there is a tendency towards workforce ageing, which, according to the interviewees, might create recruitment difficulties in the future. The average level of educational attainment is relatively low, since the majority of employees in homecare services are auxiliary nurses with at most secondary education. Both at Växjö municipality and the City of Goteborg, wages are set locally and individualized, with no seniority premium. The overall impression from the interviews is that even if it is true that the local trade union representatives of auxiliary nurses, the Swedish Municipal Workers' Union (*Kommunal*) in both municipalities are not explicitly opposed to the individualisation of wage, they are nevertheless less positive than the trade union representatives of more qualified occupations such as nurses (and the employer representatives interviewed). The trade union *Kommunal* and the representatives for homecare workers interviewed in Växjö and the City of Goteborg are also not in favour of a wage formation without pre-determined wage increase at the national sectoral level as for example the types of collective agreement for nurses and police officers (see section 4.3.1 and 4.3.2 above). The collective agreement at the sectoral level for auxiliary nurses contains also some individual guarantee of wage increase. The criteria guiding the individualization and differentiation of wages have been negotiated with the trade unions. The extent of individualisation is however lower regarding auxiliary nurses compared to more qualified health care employees such as nurses. The wage among municipal auxiliary nurses ranges between SEK 18,100 (wage at entry) to SEK 24,500³².

Compared to the municipal sector, the wage level in the private sector is slightly higher among auxiliary nurses and also among nurses. Even if, as previously mentioned, the sector exposed to international competition has nowadays a pace setting role for wage setting, we

³¹ Large capital venture multinational companies such as Attendo Care and Carema Care. These two companies account for 50 per cent of the market in Sweden.

³² 1 SEK=0. 12 euros.

cannot rule out that pay level in the municipalities serves as a benchmark for private suppliers and that they make use of a small wage premium to attract workers or reduce labour turnover. Up to now, the wage differential between public and private providers in Väckjö municipalities has remained stable with if any slightly higher wage among private providers. As stressed by the trade union representatives at Väckjö, while entry-level pay is on average slightly higher among private providers, wage progression can be lower. Furthermore, working conditions might be worse with higher workload (number of auxiliary nurses per client), lower entitlement for holidays and longer working times. As also mentioned during the interviews, the coverage rates of collective bargaining and union density among elderly care employees in the private sector are lower.

Budgetary constraints during the early phase of the crisis: implications for pay and working conditions for homecare workers.

According to the head of the elderly care unit at Väckjö, in the early phase of the crisis (2008–2009), due to budget constraints related to the reduction of tax revenue, the administrative department of the elderly care unit was restructured implying a slight decline in the number of employees (natural attrition, early retirement with no replacement). The number of municipal homecare employees has decreased during the past five years but mainly due to expansion of private providers. While it is difficult to accurately assess the employment trend for the whole elderly care sector, the fact that personnel intensity (number of personnel per patient) is on average lower among private providers indicates that total employment might have decreased during the past three years. According to the trade union representatives interviewed as well as the head of the elderly care unit in Väckjö municipality, the increased outsourcing of homecare services to private actors was not used as a downsizing device during the crisis, but rather reflects a propensity among local politicians to expand the share of private providers and increase competition. According to both the employers and trade union representatives interviewed, the impact of the crisis on employment in the homecare sector has been limited. The main adjustment during the recession concerns wage development, the last bargaining round being characterized by wage moderation. While on average the collective agreement for auxiliary and assistant nurses concluded in 2007 – in other words, before the crisis – gave a nominal annual wage increase of around 4.2 per cent, the collective agreement signed in the aftermath of the crisis (2010–2011) gave 2.2 per cent.³³ Obviously, the trade unions at the local and national level accepted a lower wage increase in order to limit the potential negative impact of decreasing tax revenue on the employment level. But it should be stressed that the wage adjustment implies a reduction of the wage increase and not a wage freeze or wage cuts, as in other member states.

6.3.2. Tax financed cleaning activities

While the outsourcing of cleaning activities since the early 2000s has continuously increased in our two selected municipalities, Väckjö municipality decided recently (June 2012) to commission the cleaning of all municipal schools to three private providers. In the city of Goteborg in 2003 around SEK 11 million was commissioned to private provider in 2011 the

³³ The rate of inflation was on average 1.4 per cent in 2007–2009 and 1.7 per cent during the period 2010–2011.

figure attained SEK 100 million. Public employees perform today around 75 per cent of all cleaning in Goteborg, 25 per cent being contracted out. The municipality-owned procurement company (*Göteborgs Stads Upphandlings AB*) concludes framework agreement with several private suppliers. The criteria for the selection of private cleaning companies are: 60 per cent the quality of service provided the remaining being price competition. According to the persons in charge of procurement in the two municipalities, the contracting central or local authorities cannot require that the supplier has concluded a collective agreement or has to follow the prevailing collective agreement in the relevant bargaining area regarding pay and working conditions. Regarding the inclusion of *social clauses*, the tenders for cleaning according to the head of the procurement unit at Växjö Municipality included some social clauses. Actually, Växjö municipality requires that the private suppliers (with more than 25 employees) provide a gender equality plan as well as to respect equal treatment (with the obligation to provide a declaration that the supplier fully respects the Swedish law on discrimination).

The Växjö case is also interesting and constitutes a valuable illustration of the application of TUPE regulation and the protection of employment conditions of workers affected by transfers of ownership. According to the interviews performed, the transfer of cleaning activities to private providers in the municipality went smoothly without negative consequences on employment. A majority of cleaners accepted the transfer and for those preferring to stay a combination of replacement and early retirement were used. Following the law, the private suppliers had to respect the pay and working conditions stipulated in the collective agreement during a period of 12 months.

Regarding wage formation both in Växjö municipality and the City of Goteborg, since the same collective agreement at the national sectorial level applies for cleaners and auxiliary nurses (HÖK-agreement) wage formation is similar and no differences could be identified between our two selected activities. However, as stressed by the two interviewed trade union representatives from The Swedish Municipal Workers' Union (*Kommunal*), union density is particularly low among cleaners in the private sector. Unfortunately, wage differences for cleaners between private and public providers within the two municipalities could not be assessed, but as shown by table A7 in the appendix average and median wage among private and public providers are similar.

7. Conclusions and lessons for policy and practice

Over the past two decades, Sweden has undergone major structural and institutional reforms. Early fiscal consolidations, rationalisation and downsizing processes initiated in the aftermath of the deep economic crisis of the early 1990s as well as a wave of liberalisation/privatisation and the increase tendency to an outsourcing of public activities have negatively affected public employment. During the last two decades, the number of employees in both central government and local authorities fall sharply (a decline of almost 20 % between 1991-2010). In spite of this marked tendency to a retrenchment of the public sector, Sweden remains, by international standards, a country with a large public sector reflecting a strong public and political involvement in the provision of a wide range of services.

Sweden has also experienced major transformations in wage setting with a clear tendency to a decentralisation and individualisation of wages both in the private and public sector as well as the re-established of the pace-setting role of the sector exposed to international competition. There are strong reasons to believe that these tendencies toward more decentralized and individualized wage setting that was initiated during the early 1990s has increased wage dispersion particularly for high-skilled white collars *within* both the public (State, County council) and private sectors. Even though wage inequalities have increased during the last two decades, the Swedish wage distribution remains by international standards relatively compressed.

The main objective of the case studies conducted in 2012 in two Swedish municipalities was to illustrate the recent developments in pay settings and procurement strategies at the local level. The choice of the two municipalities has been essentially guided by the fact they have contrasting approaches regarding procurement strategies, in particular regarding outsourcing of homecare for elderly and cleaning activities. We therefore decided to focus mainly on two publicly financed services at the local level, elderly care and cleaning. Regarding homecare, one municipality, Växjö, extended the 2008 Law on Free Choice to include elderly care while the other municipality (the City of Goteborg) limited outsourced activities to only primary healthcare as required by the law. This difference in procurement policy at the municipality level illustrates that the extent of outsourcing of social services reflects more political and ideological choices than the pure search for economic efficiency. It should be noted that in the case of elderly care, the private providers can not compete on price since the unit cost for the homecare services is determined by the local authority. The municipality conducts a yearly follow-up survey among public and private providers as well as among the customers to insure that the quality of service provided is respected. The main concern and potential drawbacks of private care expressed by the persons interviewed were the fear of a lack of continuity in the provision of services.

Regarding wage level and the integration of a social clause in public procurement, the contracting central or local authorities, according to the legislation, cannot require that the supplier has concluded a collective agreement or has to follow the prevailing collective agreement in the relevant bargaining area regarding pay and working conditions. Our case

studies confirm, however, that wage differentials within elderly care or cleaning activities between private and public suppliers are small, and if anything at the advantage of private providers. While, the sector exposed to international competition has a pace setting role for wage setting, we cannot rule out that pay level in the municipality serves as a benchmark for private suppliers and that they make use of a small wage premium to attract workers or reduce labour turnover. While the increase of private suppliers did not seem to have worsened pay conditions for cleaners or homecare workers, the trade union representatives interviewed stressed that wage developments and working conditions (workload, working time, holidays) could be less beneficial compared to public employees.

While the outsourcing of cleaning activities since the early 2000s has continuously increased in the two selected municipalities, one of the surveyed municipalities decided recently (2012) to commission the cleaning of all municipal schools to three private providers. Regarding social clauses, the municipality required in the tenders that the private suppliers (with more than 25 employees) have to provide a gender equality plan as well as to respect equal treatment (with the obligation to provide a declaration that the supplier fully respects the Swedish law on discrimination). This case is also interesting by constituting a good illustration of the application of TUPE regulation and the protection of employment conditions of workers affected by transfers of ownership. According to the interviews performed, the transfer of cleaning activities to private providers in the municipality went smoothly without negative consequences on employment. A majority of cleaners accepted the transfer and for those preferring to stay a combination of replacement and early retirement were used. Following the law, the private suppliers had to respect the pay and working conditions stipulated in the collective agreement during a period of 12 months.

Since the pressures for fiscal consolidation at the start of the recession were negligible in Sweden, the global crisis did not entail an increase of outsourcing, new waves of privatization or the selling of municipal assets in order to cope with budget unbalances. The two municipalities surveyed had a good financial situation at the start of the recession and even if the crisis led to a momentary decline of tax revenues and an increase of expenditures, the temporary grants allocated by the Government to local authorities helped to alleviate the negative effects of the crisis on local budget, the provision of public services and public employment. In other words, the two municipalities were in the aftermath of the crisis not obliged to lay-off employees and the main instrument of adjustment used to preserve budget balance and employment stability was essentially wage moderation (and not wage freeze or wage cuts) as shown by the collective agreements concluded in the public (and private) sector during the recession.

Regarding pay setting, the two case studies confirm the overall tendency towards decentralisation and individualisation of wage formation. The social partners interviewed, both the trade union and employer representatives are in favour of the prevailing differentiation/individualisation of wages and see in the pay reforms initiated a clear improvement compared to the previous rigid pay grid/scale based on seniority. For the employers, individualisation of wages remains an instrument for achieving overarching goal such as economic efficiency while for the trade union representatives local wage setting and

individualisation is a way of improving relative wages and the pay development of their members. It should also be noted that, compared to other Member States, both wage setting at the local level (the use for example of job evaluation system) and the individualisation process (the criteria guiding the individualisation) are the outcome of bargaining between the social partners and reflect a regime of negotiated individualisation and flexibility.

Finally, our research evidence draws four main lessons for policy and practice:

1. The Swedish public sector benefited from a healthy fiscal position at the start of the recession and thereby was able to implement countercyclical macroeconomic policy to limit the negative effects on public services and to safeguard jobs.
2. On-going public sector pay reforms in Sweden follow a long-term trend towards more decentralisation and individualisation of wage setting. The reforms have increased wage dispersion, but levels remain very low by international standards.
3. The specificity of the Swedish industrial relations system (high union density, high coverage of collective bargaining and a relative balance of power between social partners) largely explain why increased outsourcing of public services has not lead to a deterioration in pay, or increased labour market segmentation, as in other Member States.
4. Regional variation in municipalities' use of outsourcing seems to reflect political and ideological choices rather than a quest for economic efficiency *per se*. There is an urgent need for empirical evaluation of procurement of public services in order to assess the implications for costs, productivity and service quality, including the specific criteria of equal treatment (of workers and service users), continuity of provision, affordability and universal accessibility.

Appendix

TABLE A1: TRENDS OF UNION DENSITY BY INDUSTRIES AND SECTORS, 1990-2009

<i>Blue collars</i>	1990	1993	1996	1998	2002	2006	2009
Manufacturing industries	89	92	92	91	91	87	81
Construction	90	89	90	90	86	82	73
Retail	68	74	74	73	68	66	56
Private service	70	75	77	75	74	70	56
State	92	96	96	95	94	89	82
Local authorities	87	93	94	93	91	88	82
All	84	87	87	86	83	79	70
<i>Non-Manual</i>							
Manufacturing industries	82	84	83	81	80	81	76
Construction	80	79	81	81	77	72	n.a
Retail	60	65	63	61	63	63	58
Private service	66	71	73	69	67	67	63
State	94	93	93	92	90	89	85
Local authorities	93	94	95	95	92	90	85
All	81	84	83	81	79	77	72
<i>All</i>	82	85	85	83	81	78	72

Source: Statistics Sweden (2011) and Kjellberg (2010).

TABLE A2: COVERAGE RATE OF COLLECTIVE BARGAINING, IN PER CENT OF EMPLOYEES

<i>Sector</i>	1995	2005	2007	2009
Private	95	90	87	85
Public	100	100	100	100
All	94	94	91	90

Source. Mediation Office (2011b)

TABLE A3: EDUCATIONAL ATTAINMENT BY SECTORS AND GENDER, IN PER CENT, 2009

Sector	Compulsory education or less		Secondary education		Tertiary education	
	Men	Women	Men	Women	Men	Women
Public sector						
Central Government	3.2	4.5	21.6	28.5	75.1	67.0
Municipalities	8.7	7.3	39.3	47.1	52.0	45.6
County councils	3.3	2.2	23.8	32.4	73.0	65.3
	Men	Women	Men	Women	Men	Women
Private sector						
Manual workers	21.6	20.6	68.6	64.0	9.7	15.3
White collars	7.1	6.0	45.7	41.4	51.5	48.3

Source: Mediation Office (2011d)

TABLE A4: EMPLOYMENT BY ACTIVITY AND GENDER WITHIN EDUCATION, HEALTH CARE AND SOCIAL SERVICES, IN PER CENT, 2009.

All						
Activity	State	County Councils	Municipalities	State-owned	Private firms	Non profit
Education	10.7	0.6	70.5	1.5	11.6	5.0
Heath	0.2	73.8	4.5	4.1	16.6	0.8
Care	1.0	0.2	76.0	0.6	18.9	3.3
all	4.6	19.7	55.0	1.9	15.5	3.3
Women						
Education	7.5	0.5	75.6	1.1	10.9	4.6
Heath	0.2	74.2	5.1	4.2	15.5	0.8
Care	0.6	0.1	78.8	0.6	17.1	2.9
all	3.0	20.0	58.0	1.7	14.4	2.9
Men						
Education	20.4	1.0	55.3	2.9	14.0	6.4
Heath	0.3	71.9	2.2	3.5	21.4	0.7
Care	3.4	0.3	61.0	0.8	29.1	5.4
all	10.8	18.7	43.4	2.5	19.9	4.7

Source: Statistics Sweden (2011d)

TABLE A5: EMPLOYMENT BY SECTOR AND GENDER WITHIN EDUCATION, HEALTH CARE AND SOCIAL SERVICES, IN PER CENT, 2000-2010

Sector	All				
	2000	2005	2007	2008	2010
Central Gov.	4.0	4.5	4.3	4.4	5.0
County councils	21.6	20.6	20.3	20.2	19.3
Municipalities	60.3	58.5	57.6	56.5	53.7
State-owned corporation	2.0	1.5	1.8	1.8	2.2
Private firms	8.7	11.4	12.7	13.9	16.6
Non profit	3.5	3.5	3.3	3.3	3.3

Women

Sector	2000	2005	2007	2008	2010
Central Gov.	2.5	2.9	2.8	2.9	3.3
County councils	21.6	20.8	20.5	20.4	19.6
Municipalities	63.1	61.3	60.2	59.2	56.7
State-owned corporation	1.8	1.3	1.6	1.7	2.0
Private firms	8.0	10.5	11.9	12.9	15.5
Non profit	3.1	3.1	2.9	2.9	2.9

Men

Sector	2000	2005	2007	2008	2010
Central Gov.	10.3	11.1	10.3	10.5	10.9
County councils	21.4	19.6	19.3	19.1	18.8
Municipalities	48.3	47.0	46.6	44.9	43.6
State-owned corporation	2.7	2.2	2.3	2.4	2.5
Private firms	12.0	15.1	16.7	18.4	19.6
Non profit	5.3	5.1	4.7	4.6	4.7

Source: Statistics Sweden (2011d)

TABLE A6: CASE STUDIES, CONDUCTED IN THE MUNICIPALITY OF VÄXHÖ AND THE CITY OF GÖTEBORG. 15 FACE TO FACE INTERVIEWS WITH EMPLOYER AND EMPLOYEE REPRESENTATIVES

	Municipality of Växjö	City of Göteborg
Human resource manager	1	-
Bargaining, head employer	1	1
Procurement unit, head	1	2
Trade Unions representatives	1 Teachers' unions 1 Health professional 1 Municipal workers' union 1 Administrative personnel	1 Teachers's union 1 Health professional 1 Municipal workers' union
Elderly care (head of unit)	1	1

TABLE A7: AVERAGE WAGE, MEDIAN WAGE, FIRST DECILE AND 9TH DECILE, WAGE DISPERSION BY SECTOR, BUS DRIVERS, KITCHEN AND RESTAURANT HELPERS, CLEANERS, WASTE MANAGEMENT AND RECUICLING WORKERS AND AUXILIARY NURSES, 2011.

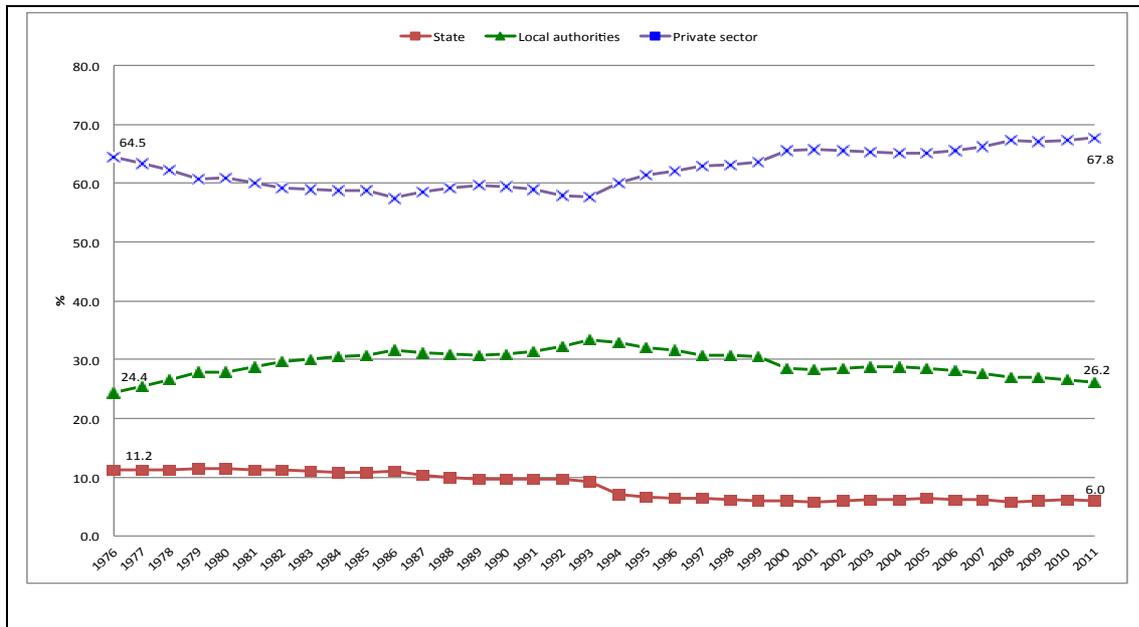
Occupation (SSYK)	Sector *	Average	Median	P10	P90	P90/P10
<i>Bus drivers**</i>	Private	24 600	24 200	22 500	27 600	1.23
<i>Kitchen and restaurant catering</i>	Private	20 200	20 000	17 700	22 800	1.29
	Public	20 400	20 600	17 700	22 700	1.28
<i>Cleaners</i>	Private	20 200	20 000	17 700	22 800	1.29
	Public	20 300	20 500	17 800	22 100	1.24
<i>Waste management and recuicling workers</i>	Private	24 200	24 000	19 800	28 700	1.45
	Public	23 100	23 100	19 100	26 100	1.37
<i>Auxiliary nurses</i>	Private	22 700	22 300	18 900	26 900	1.42
	Public	22 500	22 500	18 700	26 300	1.41

*The private sector includes private and public limited companies, cooperative societies and trusts, limited partnerships and certain other companies similar associations, financial companies and institutions, such as banks and insurance companies. The private sector also includes non-profit organizations. The public sector is includes the state sector, primary and county councils.

** For the bus drivers wage statistics are not available for the public sector since all local transport organisations are municipality-owned companies that are considered as private companies

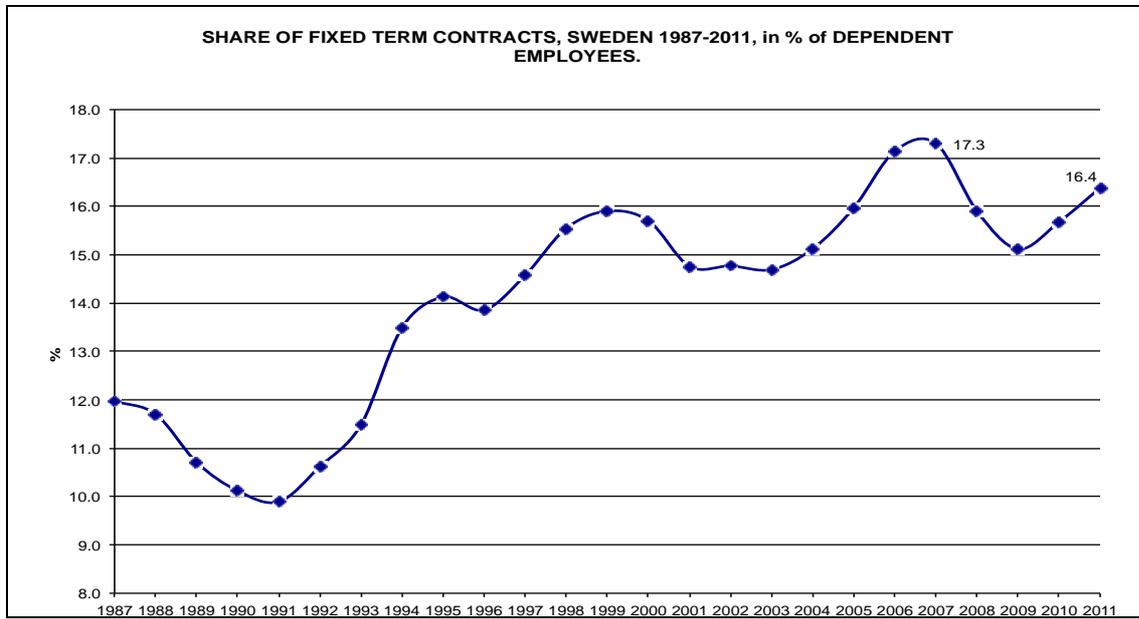
Source: Statistics Sweden (2012b).

FIGURE A1: DISTRIBUTION OF EMPLOYMENT BY BROAD SECTORS, 1976-2010, IN PER CENT



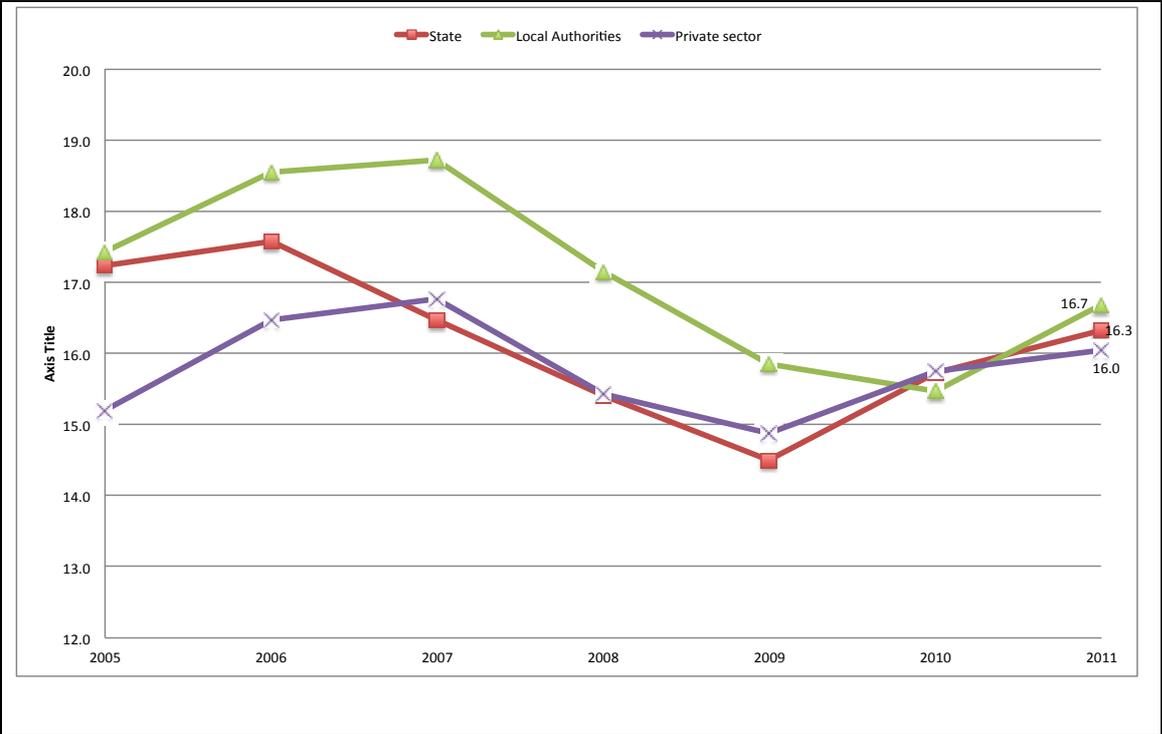
Source: Statistics Sweden (2011b).

FIGURE A2: DEVELOPMENT OF SHORT-TERM CONTRACTS 1987-2011, IN PER CENT OF DEPENDENT EMPLOYEES



Source: Statistics Sweden (2011b).

FIGURE A3: DEVELOPMENT OF SHORT-TERM CONTRACTS IN THE CENTRAL GOVERNMENT (STATE), LOCAL AUTHORITIES AND PRIVATE SECTOR 2005-2011, IN PER CENT OF DEPENDENT EMPLOYEES.



Source: Statistics Sweden (2012)

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