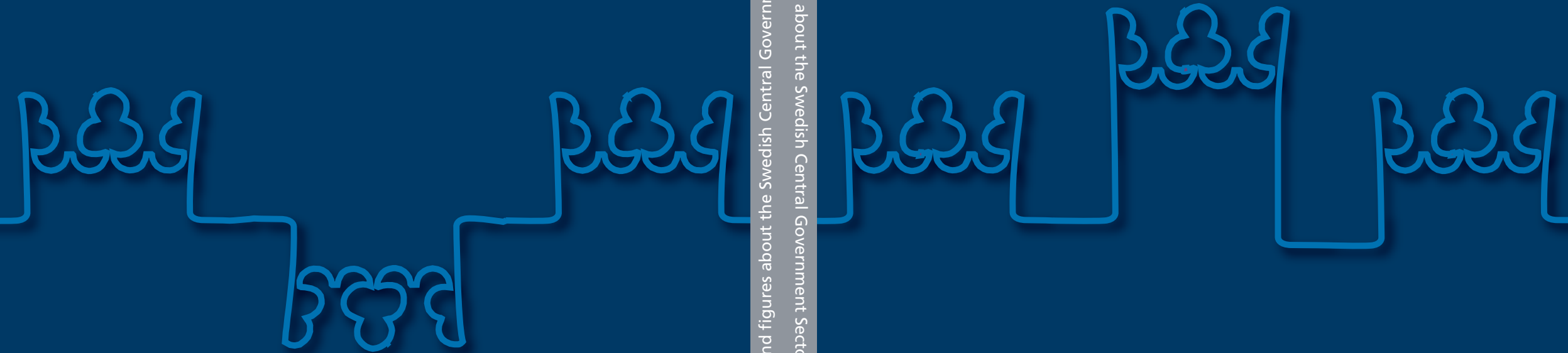


2009



Facts and figures about the Swedish Central Government Sector 2008

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Swedish Agency for Government Employers (SAGE)

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Foreword

How is the Central Government sector organised in relation to other sectors in the Swedish labour market? How has it changed in the past years and who works in the sector?

The Swedish Agency for Government Employers (SAGE) is an agency organised as a membership association – an organisation of employers. This brochure also briefly describes the members of the Swedish Agency for Government Employers, which have a combined total of approximately 240,000 employees. The majority of members are government authorities, agencies, all organised as autonomous employers. Also among the members are some non-government employers that have a natural connection with the Central Government sector.

Stockholm, July 2009

A handwritten signature in black ink, appearing to read 'Göran Ekström'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Göran Ekström

Director General

The Central Government sector

The Central Government sector comprises a relatively small part of the Swedish economy; the value the sector adds corresponded to approximately 4 percent of GDP in 2008. The Central Government sector also represents quite a small part of the public sector. For example, slightly more than 5 percent of the Swedish labour market works for the Government, while 25 percent works for municipalities or county councils.

However, the Government's expenses and revenues are large and the largest portion of this amount is not used for government operations but for transfer payments, that is to say, transferring funds to households, companies and municipalities.

This brochure presents the development and current status of the Central Government sector up to 2008. The brochure shows, for example, that central government employees are highly educated, have lower sickness absence and are on average slightly older than the labour market as a whole.

The Swedish government administration is organised as agencies. Small ministries are responsible for legislation, policy making and control, while agencies carry out most government business. The Central Government sector refers to the operations conducted by the government administration, meaning those for which the Swedish Government or the Swedish Parliament has direct responsibility and that are regulated in public law. Accordingly, the Central Government sector includes all government agencies, regardless of whether they are financed by subsidies or on an assignment basis.

The Central Government sector also encompasses government enterprises that are regulated under public law and, consequently, are considered to be part of the Central Government sector. Nevertheless, this is a broad definition of the concept of government. Conversely, the National Accounts of Sweden - where government consumption and government investments are re-

ported - deem government enterprises to be part of the private sector. The figures contained in this brochure include government enterprises in the Central Government sector.

Government-owned companies are not included in the government sector, but in the private sector. These 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 is the actual ownership structure.

Government foundations, like government-owned share-holding companies, are independent legal entities and are regulated under civil law. As a result, they are not included in the government sector. Only their responsibility links them to the Government.

Neither government-owned companies nor government foundations are included in the figures presented in this brochure.

Members of the Swedish Agency for Government Employers (SAGE)

The members of SAGE are the government agencies under the Swedish Government and some non-government employers affiliated with the government area. The non-government members include certain government foundations. The final chapter details the number of employees of members of SAGE. In all other respects, the figures contained in this brochure pertain to the Central Government sector as defined above.

Government expenditure, mostly transfer payments

In 2008, the Government's expenses totalled SEK 790 billion. The largest portion of these expenses was used for transfers of funds to households, companies and municipalities, known as *transfer payments*. In 2008, such transfer payments amounted to SEK 502 billion, corresponding to 64 percent of government expenditure. This is a slightly less proportion than last year.

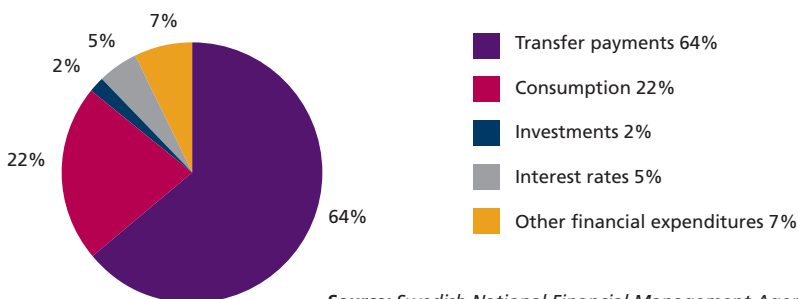
The Government's *interest payments* amounted to nearly SEK 40 billion, corresponding to 5 percent of government expenditure. This is an expense item that has declined substantially over the past decade, as a result of lower national debt and the improved interest-rate situation.

A total of 75 percent of the Government's expenses were financial transactions, including the "Other financial" item. The expenses for actual government business, consumption and investments comprised the remaining 25 percent.

Government investments amounted to slightly more than SEK 18 billion or 2 percent of expenditure.

Expenses for salaries, premises, and purchases of goods and services, and expenses for national defence purposes, known as government consumption, amounted to slightly more than SEK 176 billion, representing 22 percent of total government expenditure.

Government expenditure 2008



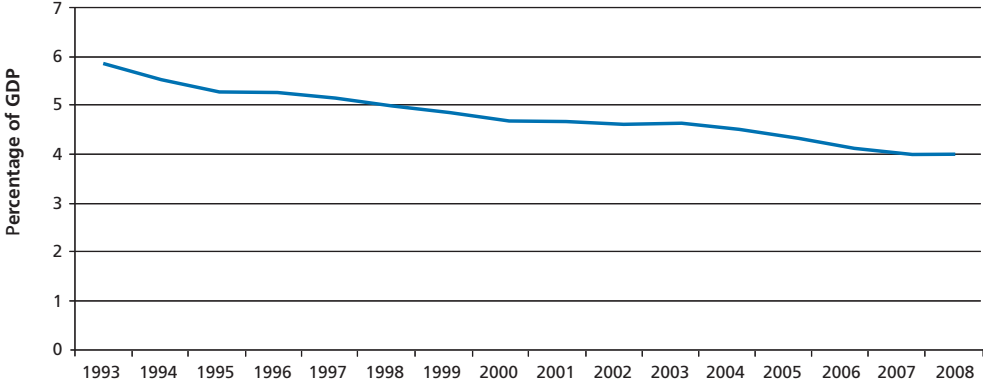
Source: Swedish National Financial Management Agency (ESV 2009:12)

Government share of GDP small

The government value added is the government sector's contribution to total production in society, GDP. This is calculated by adding the value of goods and services that the government sector sells to the private sector (households and companies) and to the remainder of the public sector (municipalities and county councils) to government consumption. Furthermore, costs for goods and services that the Government purchases are deducted from this amount. There is no market, in the standard sense of the term, for a large part of the government sector's production. The value of the Government's production is therefore calculated based on costs. The Government's value added primarily comprises labour expenses for central government employees.

The government value added, measured as a share of GDP, has declined since the Swedish economy started recovering after the crisis at the beginning of the 1990s. Since 1993 economic growth as a whole has been relatively high, on average 2.9 percent, while government value added has increased by an average of only 0.4 percent per year. Rationalisations of government companies have contributed to stifling growth in the government sector. This has led to government added value's share of GDP falling from 5.8 percent in 1993 to 4.0 percent in 2008. The total GDP decreased in 2008 for the first time during this period, by 0.2 percent, whereas the government value added increased by 0.7 percent.

The Government's added value as a percentage of GDP 1993-2008



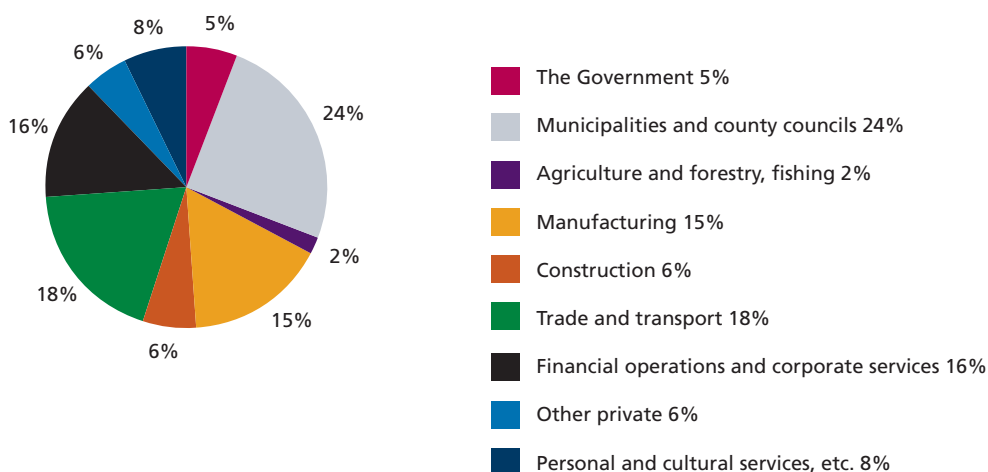
Source: Statistics Sweden, NATIONAL ACCOUNTS

Remarks: Since the autumn of 2007, Statistics Sweden has applied a new model for the calculation of the government's added value as a percentage of GDP. In the diagram above, the values for all years have been adjusted in accordance with the new calculation model. The adjustment involve a reduction by about 0.5 percentage points for all years.

Few employees

According to Statistics Sweden approximately 228 000 people were employed in the Central Government sector in 2008¹. This means that slightly more than 5 percent of the total number of employed persons in the labour market was working in the Central Government sector. The Government is a small part of the public sector. The municipalities and county councils jointly had more than one million employees or 24 percent of the total number of employed persons in the country. Nearly 70 percent of all employed persons work within the private sector, where the Trade and transport form the largest sub sector. The “Other private” sector, which encompasses such areas as private education and research, and private healthcare, has increased considerably since the end of the 1990s and now employs slightly more than 6 percent of all gainfully employed persons.

Number of employees by sector 2008, percent



Source: Statistics Sweden

¹ Statistics Sweden deems government enterprises to be part of the private sector.

Continued decrease in number of employees

The increase that occurred during the 2000s is now erased, and the total number of employees is back to the same level as in 2002. The number of employees in the Central Government sector has risen by nearly 10 percent or an average of 1.6 percent annually, in the period 2000-2006. The expansion in higher education in the 2000s is the primary reason for this increase. However, during 2007 the number of government decreased slightly and in 2008 by another 11,000 employees. In 2008 the number of employed were around 228,000 persons, according to Statistics Sweden.

The largest changes, though, took place at the beginning of the 1990s when a number of large government enterprises, the Swedish Postal office, the Swedish Telecommunications Administration and the electricity enterprise, Vattenfall, were converted into independent share-holding companies. These companies were subsequently no longer considered to be part of the government sector, but part of the private sector. In 2000, Swedish State Railways left the government sector, just like the Church of Sweden.

From 2001, minor adjustments have been made to Statistics Sweden's definitions of the labour-market sectors. The social insurance offices have been transferred from the local government sector to the Central Government sector, while the remaining public service companies have been moved from the government sector to the private sector. In terms of numbers, these changes practically cancelled each other out and the number of employees in the Government has not been affected. However, the personnel structure has been impacted with the number of male civil servants falling and the number of female employees rising.

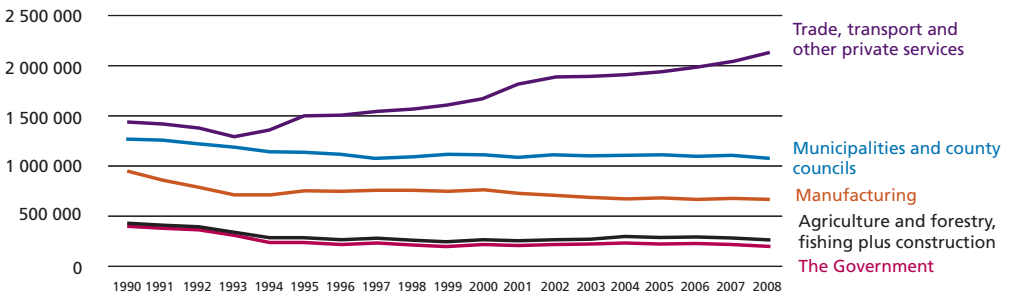
When the number of central government employees declined as a result of the conversions into independent share holding companies during the first half of the 1990s, the number of employees in the private services sector increased, although not

quite as much as expected, since major cutbacks were also made at this time. In addition, the number of employees in the other private services sector declined as a result of the deep recession in the early 1990s. During the latter half of the 1990s, employment in the private services sector rose, whereas this upturn tailed off at the beginning of the 2000s. The high growth in recent years has also meant a positive trend in employment in the private sector, but not in the *Manufacturing* industry.

The number of employees in the manufacturing industry declined every year since 1999, except for 2006. Employment increases mainly within the private services sector and within construction industry.

The number of employees working for municipalities and county councils fell during the first half of the 1990s. In the past decade, the number of employees in this sector has been relatively stable.

Number of employees in the government and other sectors 1990-2008



Source: Statistics Sweden, Labour Force Survey (LFS)

NB: The definition of the sectors were changed in 2001. The adaption of labour force surveys to EU standards from April 2005 entails a break in the statistics, which makes interpretations of trends from 2004 to 2005 more difficult.

Changes within the Central Government sector

Despite the total number of central government employees remaining relatively stable since the mid-1990s, many changes have taken place in the Central Government sector². The number of employees in *Universities and colleges* has grown by slightly more than 20 percent over the past decade. The upturn began in the mid-1990s and remained uninterrupted until 2005. This was the first year since 1994 that displayed a certain downturn in the number of employees. However, the figure increased again in 2006 and has continued so during the last two years. In 2008 the number of employees in the sector amounted to nearly 63,000 persons or more than one in four employees within the Central Government sector. Expansion since 2000 has mainly been seen in the smaller universities and colleges, while the trend in the larger schools has been more stable.

An area that has sharply declined since the early 1990s is *infrastructure*. Infrastructure includes the Swedish Road Administration, the Swedish Rail Administration, the Swedish Civil Aviation Administration, the Swedish Maritime Administration and the Swedish National Grid. In 2008, these had a combined total of slightly more than 20,000 employees. The decrease is primarily due to the operations being converted into independent share holding companies and subsequently not being considered government companies. The conversion of Swedish State Railways into an independent share holding company in 2000, for example, reduced the number of employees in infrastructure by slightly more than 10,000. Yet if we discount the effects of these conversions, the number of employees has fallen significantly.

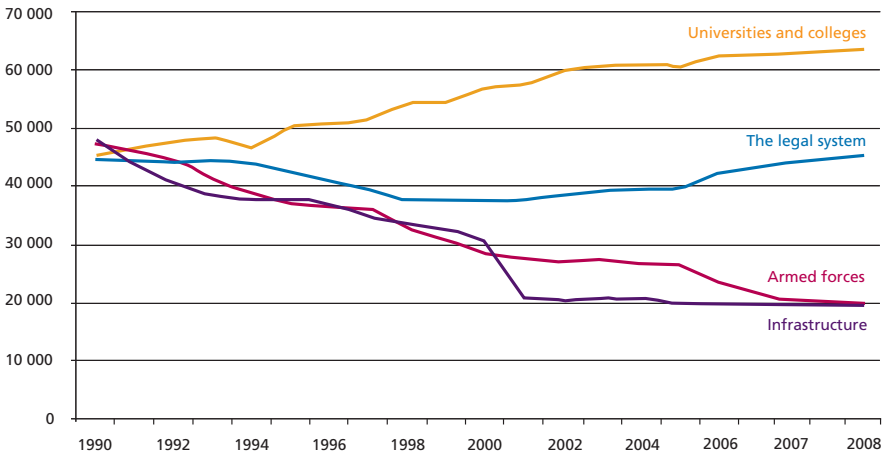
The *legal system* includes the police, the courts, the public prosecution office and correctional care services. The number of employees in the legal system fell substantially during the latter half

² The Central Government sector is limited here only to the mandatory members of SAGE, which have around 236,000 employees in 2008.

of the 1990s. In recent years, the number of employees has started to rise again and was up to 44,500 in 2008. Despite the upswings in recent years, the number of employees is nearly the same as it was in the early 1990s. Cutbacks have been made primarily to administrative personnel. However, the number of employees working for the police has risen to slightly more than 26,000 and has surpassed the Swedish Armed Forces as the government agency with the highest number of employees. The police is considered as one member of SAGE, although it really is 22 separate agencies.

The number of employees in the *Swedish Armed Forces* has also decreased considerably since the beginning of the 1990s. From 1990 until 2000, the number of employees declined by 40 percent. This trend has continued in the 2000s. In 2008, the Armed Forces had slightly more than 19,700 employees, which was more than 8,000 fewer or nearly 30 percent lower compared to the year 2000.

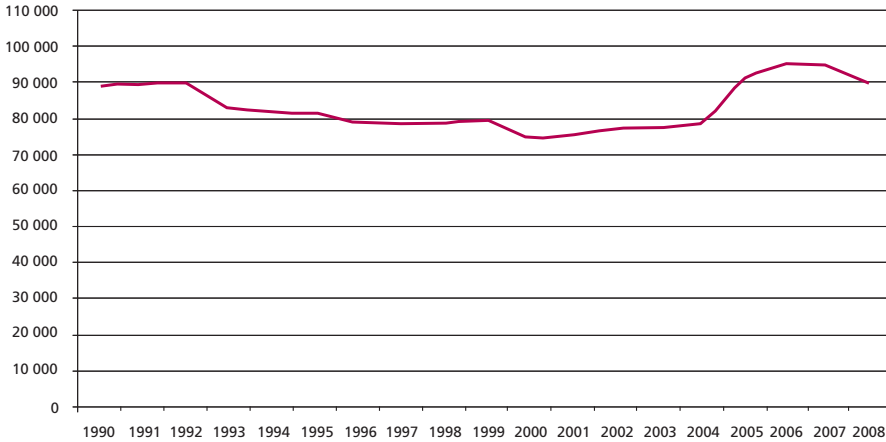
Number of employees in various Central Government businesses 1990-2008



Source: The Swedish Agency for Government Employers

The *other* areas of the Central Government sector include employees who work at the Swedish Tax Agency, the Swedish Customs Service, the Swedish Public Employment Service, Government offices, the county administrative boards, the Swedish Social Insurance Agency and more than 150 other agencies. In this part of the Central Government sector, the number of employees declined substantially up to 2000, although the figure has risen during the 2000s. The figure on the next page includes these other areas of the Central Government sector.

Number of employees in other areas of Central Government sectors 1990-2008



Source: The Swedish Agency for Government Employers

NB: The increase in 2005 was due to the Social Insurance Agency being transferred to the Central Government sector.

As illustrated in the figure, the number of employees in other areas of the Central Government sector increased strongly in 2005. This is explained by the Social Insurance Agency, with its 16,200 employees, becoming a government agency from January 1st, 2005. There was also a large increase the year after as a result of a rise in the number of employees working at Social Insurance Agency, Labour Market Administration, Tax Agency and Government offices by a total of 3,000 persons.

In 2007 there was a turn. Approximately 89,000 people were employed in other areas of the Central Government sector in 2008. This is nearly as many as in the beginning of the 1990s. Compared to 2007 the decrease is 3,600 persons. The Social Insurance Agency lowered their number of employees by nearly 1,100.

The downturn during the 1990s was mostly due to operations being transferred from the government area. The reduction also came about through rationalisations that were made when agencies were merged or operations were downsized. Agencies with large reductions in personnel since the early 1980s include the Swedish Customs Service, Statistics Sweden and the Swedish National Board of Health and Welfare. However, this is more than counterbalanced by the Social Insurance Agency becoming a government agency.

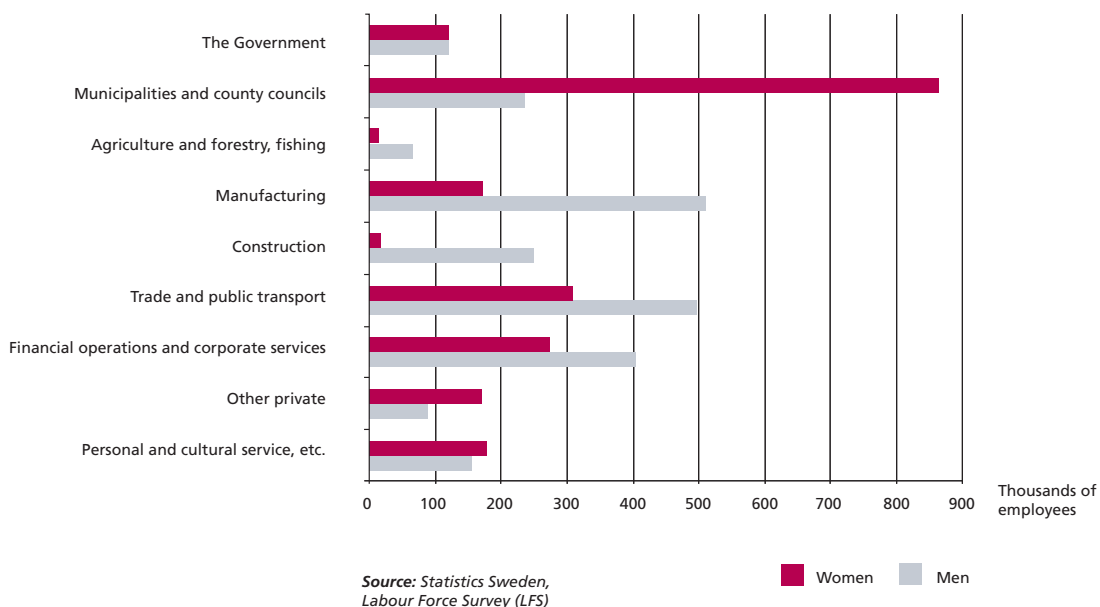
Even gender distribution

The gender distribution in the Central Government sector is even. 50 percent of central government employees were women and 50 percent were men. However, not all government operations have an even gender distribution. For example, within Defence, 78 percent are men, while nearly 70 percent of employees within Social protection and health are women.

Of municipality and county-council employees, who represent a total of approximately 25 percent of the entire the labour market, nearly four in five were women.

In the private sector, about 63 percent of employees were men and 37 percent women. In the manufacturing industry etc., the proportion of men was exceeding 75 percent. The construction industry is even more divided, where the share of men employed in the sector amounted to 93 percent.

Number of men and women employed in different sectors in 2008



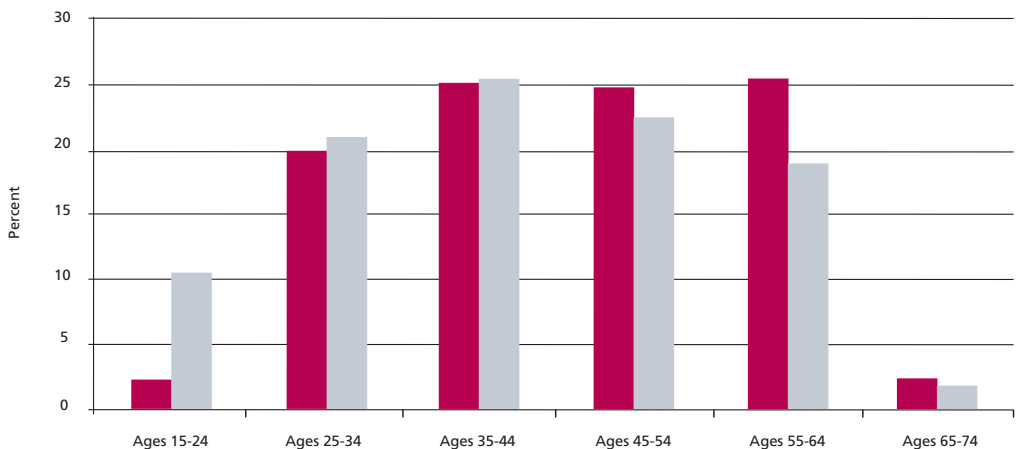
More older employees, fewer young

The age distribution among central government employees deviates in two respects from all other employees in the labour market.

Firstly, a higher number of older people work in the Government than in the labour market as a whole. Of the employees working in the Government in 2008, 51 percent were between the ages of 45 and 64 years old. For the entire labour market, the corresponding figure was only close to 42 percent. If the ages between 65 and 74, which since October 2007 are included in the Labour Force Survey by Statistics Sweden, are included, the figures are next to 50 percent and 41 percent respectively. Within the Central Government sector, people tend to stay employed after 65 years of age more frequently than within the labour market as a whole. The share of employees between 65 and 74 years of age is 2.4 percent for the Central Government sector and 2.1 percent for the entire labour market.

Secondly, the percentage of Central Government sector employees aged between 16 and 24 is lower than in the whole labour market, about 2.4 as opposed to 10.5 percent. The primary reason for this is that a very large number of the positions in the Central Government sector require post-secondary school education. Accordingly, few employees are younger than 25 when they are employed by the Central Government sector. In other age categories, the Government is not much different to the rest of the labour market.

Age distribution in the Central Government sector and the entire labour market, in September 2008



Source: Statistics Sweden and the Swedish Agency for Government Employers

■ The Government
■ The entire labour market

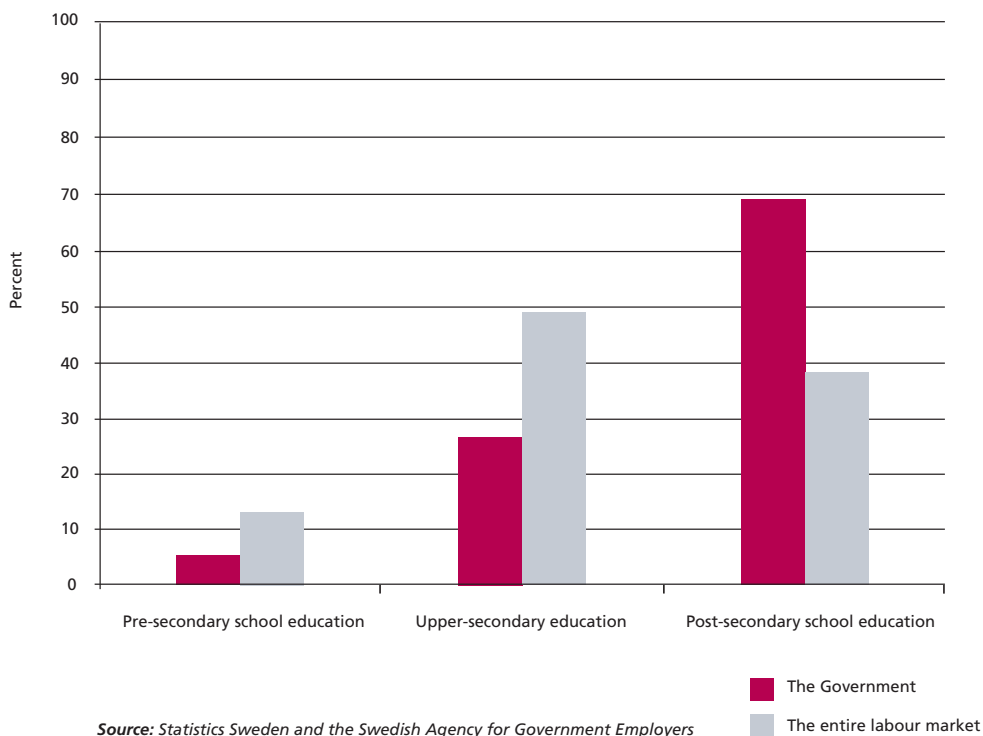
NB: Since October 2007 the Labour Force Survey includes ages between 15 and 74. The graph includes only employees of mandatory members of SAGE for the Central Government sector.

High level of education

The level of education among central government employees differs considerably from the labour market average. The percentage of employees in the Central Government sector with post-secondary school education is much greater than in the Swedish labour market as a whole. A total of 69 percent of Central Government sector employees have such an education, while the corresponding share for the entire labour market is 38 percent.

The opposite is true for people who have only pre-secondary school education. Of all employees in Sweden, 14 percent have only pre-secondary school education compared with 4 percent of central government employees.

The level of education in the Central Government sector and the entire labour market 2008

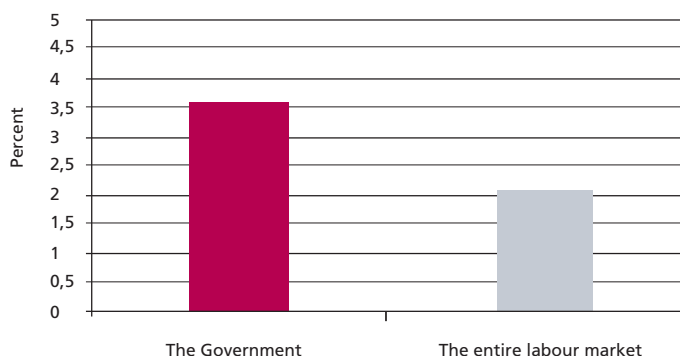


Extensive staff training

On average, Central Government sector employees receive more staff training than employees in the labour market as a whole. In 2008, 3.6 percent of the total working hours in the Central Government sector were spent on staff training, whereas the corresponding figure for the entire labour market was 2.1 percent. The number of employees who participated in training was also relatively high in the Central Government sector. About 57 percent of Central Government sector employees participated in staff training compared to 46 percent for the entire labour market. The average length of the staff training was 6 days in the Central Government sector and 4 days in the labour market as a whole.

Statistics Sweden publishes this survey only every other year, measuring the first 6 months of one year. Since 2006 the share of working hours, share of employees participating in staff training and the average length of the staff training, has decreased on average for all sectors of the labour market, except for the county councils.

Percentage total of working hours spent on staff training 2008



Source: Statistics Sweden, Staff training statistics

Central Government sector has the lowest sick leave

The Government has long been the labour market sector that has had the lowest sick leave. The average length of sick leave generally has been shorter in the Central Government sector than the private sectors. The municipality sector has long been the sector with highest average length of sick leave. The sick leave is measured as numbers of hours of absence due to illness, in percent of hours usually worked.

Women have on average higher sickness absence than men. This is true of both the Central Government sector and the labour market as a whole. However, comparisons have shown that female central government employees have lower sickness absence than women in the rest of the labour market. Self-employed persons are those who have the lowest sick leave and this is true both for men and women.

The average percentage of sick leave in the labour market as a whole was 3.5 percent in 2008. For women, the percentage was 4.4 percent, compared to 2.8 percent for men. Sick leave of Central Government employees was on average 1.1 percentage points lower than the average for the labour market as a whole. Hence, the average sick leave for women in this sector was 3.0 percent, and for men is was 1.9 percent during 2008.

On average, employees, i.e. workers with tougher jobs have higher sick leave than civil servants with mostly office work. A contributing reason for sick leave in the Central Government sector being so low is that the share of civil servants is higher in the here than in any other sector of the labour market.

Sick leave in the Central Government sector has continued to decline also during 2008. It has fallen every year since 2005 and in the past few years more rapidly in the Central Government sector. The decline yields both men and women, and is faster for

women than men both within the Central Government sector and in the labour market as a whole. Since 2005 the sick leave has fallen by 1.7 percentage points in all of the Central Government sector and for its women by 2.3 percentage points.

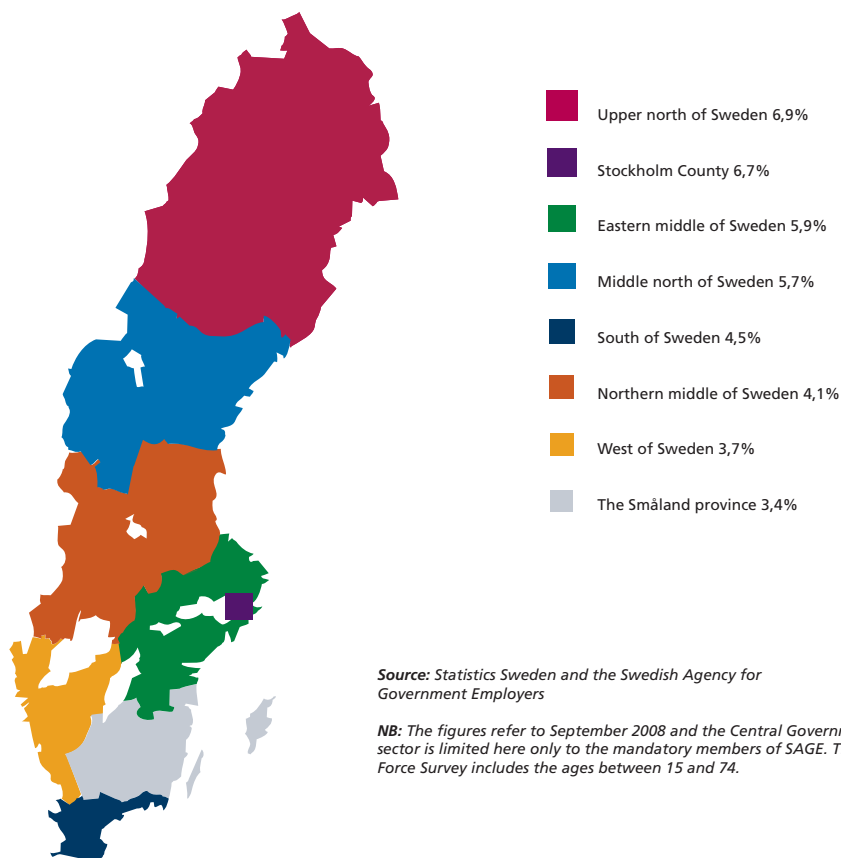
Sickness leave in the Central Government sector and the entire labour market 2008



Government business all over the country

Somewhat more than 70 000, or 30 percent, of the Central Government sector employees work in the Stockholm County. This means that close to 70 percent of the employees are located outside the capital, spread out fairly well all over Sweden. This is a reflection, in its turn, on the distribution of the Government's activities.

Another way to look at it is the Central Government sector employees as percentage of the total workforce in each region. In all the employees within the Central Government sector make up 5.1 percent of all persons in the labour market. Notably in the Upper north of Sweden and in the Stockholm County shares are 6.9 and 6.7 percent respectively. In the north of Sweden this is due to a large share of activities mainly within defence and higher education.



Source: Statistics Sweden and the Swedish Agency for Government Employers

NB: The figures refer to September 2008 and the Central Government sector is limited here only to the mandatory members of SAGE. The Labour Force Survey includes the ages between 15 and 74.

Members of the Swedish Agency for Government Employers

The members of the Swedish Agency for Government Employers are all agencies under the Swedish Government and some non-government employers that have a natural connection with the government sector. The authorities under the Swedish Parliament are not members but have signed service agreements with the Agency.

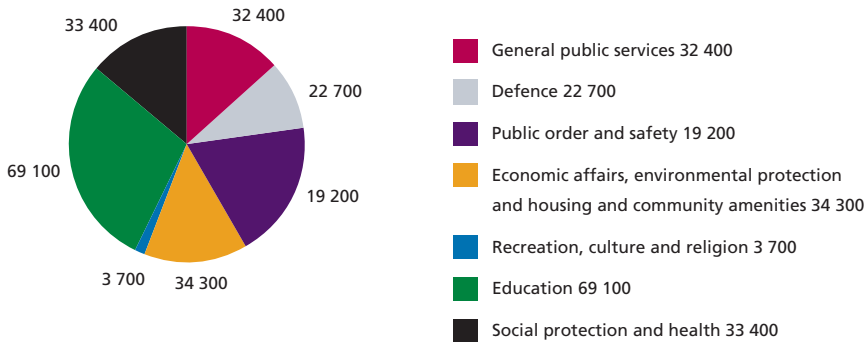
The Agency for Government Employers has approximately 250 government and 20 non-government members. The statistics from September 2008 shows a total of nearly 240,000 employees, representing more than 5 percent of all employees in the labour market. Non-government members, with a total of about 4,600 employees, include Chalmers University of Technology, Jönköping University and many museums.

The annual payroll expense for employees of the members of SAGE amounted to approximately SEK 76 billion in 2008. In addition to this amount, employer's contributions and fees for contractual insurance total approximately SEK 37 billion.

Activities within the public sector are classified according to the UN Classification of the Functions of Government, COFOG³, a means of assessing the efficiency and performance of public expenses according to its function or purpose. It is used by the National Accounts divided by sector and also for international comparisons of the activities of the public sector. It has originally ten divisions but for the Central Government Sector in SAGE statistics it is narrowed down to seven.

³ Classification of the Functions of Government, <http://unstats.un.org/unsd/cr/registry/regct.asp?Lg=1>

Number of employees by purpose among members of the Swedish Agency for Government Employers (SAGE) in 2008



Source: The Swedish Agency for Government Employers

NB: Numbers of employed in September 2008. Employees of Nordic institutions and authorities under the Swedish Parliament are not included.

General public services

There are among 50 different Government Agencies within the purpose General public service. Here are all of the 21 County administrative boards, with a total of 5,900 employees. Also the Swedish Tax Agency with its 11,000 employees, Government offices with 5,600 persons employed, Swedish Enforcement Authority with 2,400 employees and the Swedish Customs Service having close to 2,200 employees. The total number of employees within the purpose of general public services amount to 32,400.

Defence

For the purpose of Defence, the Swedish Armed Forces employ around 16,600 persons. To this group belongs among others also the Defence Material Administration who has 1,600 employees, Swedish Rescue Service Agency and the Swedish Defence Research Agency both having around 1,000 employees each. The total number of employees within the purpose of Defence is 22,700.

Public order and safety

This group contains the Police Departments having a total of 27,000 employees. It also includes the Swedish Prison and Probation Service with 10,300 employees, the National Courts Administration with 6,100 employees and the Swedish

Prosecution Authority with 1,150 employees. The total number of employees within the purpose of Public order and safety is 45,400.

Economic affairs, environmental protection and housing and community amenities

Within this group of proposes which has altogether 34,300 employees we find Government authorities dealing with many different subjects. Here are also the government enterprises. The three biggest authorities in this group are all government enterprises, the Swedish Road Administration having 7,600 employees, the Swedish Rail Administration with 6,700 employees and the Swedish Civil Aviation Administration with 3,700. Authorities having more than 1,000 employees include the National Land Survey, the Swedish Board of Agriculture, the Swedish Maritime Administration, the Swedish Meteorological and Hydrological Institute and the Swedish Forest Agency.

Recreation, culture and religion

This purpose encompasses central cultural institutions, who consist of many minor agencies such as museums and theatres. The largest ones are National Maritime museums and the Museum of Natural History having 300 employees each, and the Museum of Cultural History with 225 employees. Other agencies are for instance the National Heritage Board, having 490 employees, Swedish Arts Council and the University college of Radio, Film, Television and Theatre. This group of members, being the smallest one, have only 3,500 employees.

Education

Within the purpose of education the Central Government sector includes only higher level education such as universities and university colleges. This group has the biggest number of employees. Here are also government agencies administrating the higher education and some research institutes. In Sweden there are around 40 different universities and university colleges. 15 of those have more than 1,000 employees. The biggest universities are the University of Lund with 7,800 employees, Uppsala with 6,500 and Gothenburg with 6,000 employees. In the Stockholm County there are around 15,000 employees working in different universities and university colleges. The biggest authorities, not being an university or university college, are The National Agency for Special Needs Education and Schools which has

1,200 employees and the Swedish Board for Study Support with 975 employees. Altogether in the purpose of education there are 69,100 persons employed including the non-government universities Chalmers University of Technology and Jönköping University having 2,500 and 800 employees respectively.

Social protection and health

This purpose includes authorities of supervision of social protection and probation. Also those dealing with subjects like unemployment insurance and health insurance. The two biggest agencies are the Swedish Social Insurance Agency with 14,200 employees and the Swedish Public Employment Service with 9,200 employees. Here is also the National Board of Institutional Care, responsible for institutional care and treatment of young people and adult substance abusers, which has 4,300 employees and the Swedish Migration Board with 3,200 employees. Other authorities within this group are for instance the National Board of Health and Welfare, the Medical Products Agency, the Swedish Institute for Infectious Disease Control but also the Premium Pension Authority and the Office of the Children's Ombudsman. The total number of employees within the purpose of Social protection and health is 33,400.

