



Central government and delegated employer responsibility

– the Swedish Model

Central government administration | Rights and obligations of central government employees | The System of Negotiation | Joint bodies | International issues

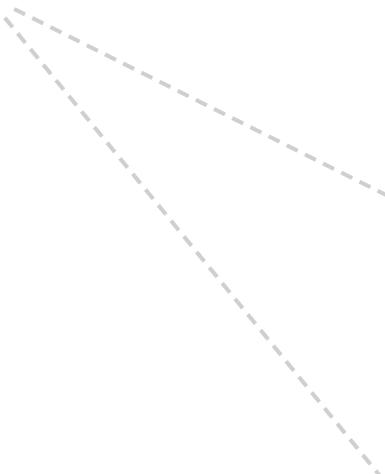
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Introduction

This brochure describes how the Swedish government employer system is structured and how government agencies create their employment policies.

Unlike the majority of European countries, the Swedish central government administration comprises agencies which are, in principle, autonomous of the Government. Each year the Government takes decisions on agency preconditions, carried out through appropriation directions and Ordinances. Based on this, agencies carry out their tasks and missions autonomously. This principle of autonomy for central government authorities was introduced as early as the seventeenth century when the foundations of today's civil service were laid.

However, modern public administration has been influenced by international trends in both the public and private sectors. For many years, delegation and decentralised decision making have been regarded as the ideal. Sweden has introduced wide-ranging reforms in this respect and the structure of Swedish central government administration is extremely decentralised compared to most other countries. As a consequence, employer responsibilities have largely been delegated to the heads of agencies. The aim has been to improve efficiency by ensuring that most decisions are made as close as possible to the operational level.

Similarly, social dialogue in the Swedish central government administration consists of several levels of negotiation and exchange of information. Working conditions and pay are negotiated at agency level or lower, while overall procedures, job security and pensions are set in national collective agreements.

Central government administration

Central government employees – numbers, gender distribution and educational level

Some 240,000 of an approximate total of 1.3 million public sector employees are employed by the central government administration.

The public sector in Sweden makes up one third of the labour market while staff in central government administration account for approximately five percent. There are approximately 250 agencies, ranging in size from a handful of employees to a staff of 26,000.

Fifty percent of central government employees are women. Almost half of the staff have completed at least three years of academic education, while almost seventy percent have completed some form of higher education.

In recent decades Sweden's central government administration has undergone major structural changes. Expenditure cuts and redundancies, privatisation and other changes in the overall responsibilities of government agencies have halved the number of central government employees since 1985.

Autonomous status of agencies

Central government administration in Sweden is primarily governed by decisions on objectives and funding

passed by the Government and the Swedish parliament, the Riksdag, and by the evaluation of results. Both the Government and the parliament monitor government agency operations through their respective audit authorities.

The Swedish government offices (ministries) employ only a small number of staff and, compared to other European countries, government agencies enjoy a relatively autonomous status. Under the Swedish Constitution, individual ministers are not permitted to intervene directly in the day-to-day operations of government agencies.

During the latter part of the twentieth century, the Government has increasingly delegated responsibility and authority to individual agencies with the aim of improving efficiency in operational and financial decision making. Each agency is free to use its resources as it sees fit within the framework of the Ordinances and appropriation directions, where the agency is notified of what is to be done but not how it is to be carried out in detail.

Frame appropriations

In the appropriation directives the Government sets out objectives for agencies and allocates a direct budget within which these objectives

are to be achieved. Each agency is allocated funds to cover administrative expenses such as payroll costs and premises. These funds are adjusted in line with price and productivity developments in the private sector and are not automatically increased as a result of new pay agreements.

All agencies produce budget proposals for the next three financial years on which the Government bases its assessment of the agency's activities and resources. The Government may also decide that an agency is to produce more comprehensive documentation for in-depth examination. Each year, agencies submit reports to the Government, which cover performance and financial statements as well as details on human resources. If agencies exceed their framed appropriations they have a limited possibility to take a loan, but they are not provided with any new money.

Government monitors agencies' employment policy

The Government continuously monitors the agencies' employment policy. Information is obtained from the agencies' annual reporting concerning their competence planning, pay level development, gender distribution, age structure and staff turnover. Some information is reported directly to the Government and some to the Swedish Agency for Government Employers (SAGE) as a basis for annual statistics on the central government sector. In addition, each agency also reports mea-

asures taken to promote diversity among its staff and its efforts to develop a creative workplace with a good working environment.

Rights and obligations of central government employees

Employment conditions in the Swedish central government sector are very similar to those of employees in other sectors of the labour market. Virtually all staff are employed on a permanent contract basis. Any differences are primarily due to the agencies', and thus the employers', exercise of public authority. The exact legal position of central government employees in other respects than those set out in the Constitution must therefore be legally established.

The principle of public access to official documents ensures transparency

The principle of public access grants the general public and the media access to documents held by central and local government. This principle is enshrined in the Swedish Constitution and is one of the cornerstones of the Swedish legal and administrative systems.

Public access to official documents means that everyone is entitled to read documents received or drawn up by a government agency.

Public sector employees are entitled to give out information

The provision on freedom of speech

in principle means that public sector employees are entitled to give out information in their possession to third parties. In addition, they may openly voice their own opinions, which may differ from those of their employers. There are normally no restrictions that prevent them from partaking in political life.

Prohibition on investigation into information source

The freedom to give out information also means that, where other recipients of information may be subject to a confidentiality commitment, in most cases public sector employees are permitted to give out information to the media anonymously. No official investigation as to the source of such information may be carried out.

The principle of public access may be legally restricted

The principle of public access to official documents is not entirely unrestricted. Restrictions may be imposed, for example, concerning matters of national security and protection of the personal and financial circumstances of individuals. For the same reasons, restrictions may also

be placed on the freedom of speech of public sector employees in the form of a confidentiality commitment. The underlying criteria governing restrictions on the principle of public access are set out in the Swedish Constitution. These are very narrow in scope and, in principle, such restrictions may only be imposed by law.

Employment regulations generally apply to the entire labour market

In principle the same overall labour law applies to the public sector as to other sectors in the labour market. Certain separate regulations do exist, for example concerning the responsibilities of particular posts or industrial disputes in certain government agencies, but in general the underlying regulations are identical.

There is no life-long employment guarantee in central government posts. If redundancies become necessary, permanent employees may also be laid off.

However, certain very small groups do enjoy greater employment security, for example higher judges, who may only be removed from their posts if they commit a crime or otherwise have shown to be obviously unsuitable.

Co-determination Act also applies to government agencies

The Act on Co-determination at Work also applies to the Government and government agencies. Consequently, as is the case with all other Swedish employers, govern-

ment agencies are obliged to regularly brief the relevant unions on how the agency is developing in terms of its production and finances as well as its staff policy guidelines. The relevant unions in this case are those to whom the employer is bound by a collective basic agreement.

Government employers are also obliged to consult the unions before taking decisions on significant changes in agency activities or the working conditions of employees. However, having followed this procedure, there is then nothing to prevent employers from taking unilateral decisions in line with their previously expressed intentions.

The obligation to negotiate applies to the Government and government agencies when decisions concern their activities as employers in relationship to their employees.

All sectors of the labour market are governed by agreements between employers and unions as a complement to the Co-determination Act. The Co-operation for Development agreement is valid for the central government sector. The aim of this agreement is to promote efficiency by stimulating development in the workplace. The underlying concept is that everyone at a workplace shares a common interest in handling its operations as efficiently as possible.

Agencies recruit all staff except senior management

The Government appoints heads of agencies and, in a few cases, other

senior officials while all other staff is recruited by each individual agency. Consequently there is no central recruitment procedure into a civil service career as such. Instead, each agency determines the staff it requires. Careers in the traditional sense still exist for groups such as judges, prosecutors, the police and Foreign Service staff. In these cases the respective agency is still responsible for appointments and training. The previous distinction between statutory civil servants, white-collar and blue-collar workers no longer exists.

Competence – the most important criterion when recruiting

The Swedish Constitution sets out the criteria for selecting staff to central government posts. Merit and competence and other reasonable objective grounds are to be decisive. Competence however is now given precedence. What competence consists of in each individual case is determined by the agency concerned and is defined by the requirements of each post.

Career development

Career development for central government employees is often achieved through the development of his or her duties within in the same position. Responsibilities are often broad and include considerable opportunity to improve both competence and pay levels. Evaluation dialogues between managers and individual staff members are generally used to review perfor-

mance and potential future duties, results and training needs.

It is also possible, of course, to change job. Central government employees are given no precedence when applying for vacant posts within the administration and compete on equal terms with applicants from other sectors. It is often beneficial for employees to change jobs within the same agency or move between different agencies or sectors of the labour market, as new tasks in a new environment tend to contribute to the development of individual members of staff and of the organisation.

Transparent recruitment process

The employment process is transparent in the sense that applications and underlying documentation in the form of specification profiles, required competence etc. are public documents. This material is accessible to the public. A decision may be appealed to the Government or to a central authority.

The System of Negotiation

Civil servants' negotiation and strike rights

Since 1965, in principle all central government employees have the right to negotiate and to take industrial action in the same way as other groups on the Swedish labour market. The authority to conclude collective agreements on behalf of the State has been delegated to the Swedish Agency for Government Employers (SAGE), which in turn may delegate this authority to other government agencies.

Procedures for negotiations, disputes and industrial action are regulated by collective agreement. The question of whether a labour dispute is damaging to society is also dealt with according to collective agreement. In addition, the parliament may pass legislation ordering the cessation of a labour dispute considered dangerous to society, irrespective of labour market sector. In practice, the parliament very rarely exercises this right.

Pay levels and other employment conditions

Pay levels and other employment conditions for central government are established in collective agreements or in individual agreements between employer and employee, based on central collective agreements. Employment conditions are largely similar to those valid for the rest of the labour market.

SAGE has, to an increasing extent, delegated the authority and responsibility to negotiate and decide on employment conditions to the individual agencies. The aim is the efficient use of the agencies' resources by adapting conditions to the requirements of each individual agency. The starting point for this development was the Personnel Policy Bill adopted by the parliament in 1985. The bill decreed that government staffing policy was to be simplified, decentralised and adapted to market conditions.

As mobility between different sectors of the labour market is desirable, it is necessary to harmonise terms of employment in the public and private sectors. Employment conditions in the central government sector must therefore be adapted to market conditions with the proviso, however, that this sector does not set the trend for pay increases on the labour market as a whole.

In 1989, a system of individual pay was introduced to replace the former system where posts were positioned in pay grades. Individual pay is set on the basis of the difficulties and responsibilities inherent in the post, the performance of the employee and the impact of the market situation on employment conditions.

The most common method applied is for the immediate superior to evaluate results attained by the employee and his or her performance

in conjunction with an annual pay review. The new pay level is then confirmed in a pay-setting dialogue between employer and employee, or after negotiations between the employer and the local trade union.

The method of a direct pay-setting dialogue between employer and employee has proved very successful as it increases the employee's understanding of the connection between results and pay. It also puts emphasis on leadership and makes the role of the employer more visible.

Individual pay is also set on the appointment of new staff when the employer determines the level. An agreed procedure of negotiation regulates when and how pay is to be revised.

The Swedish Agency for Government Employers – an organisation of and for members

SAGE is an employers' organisation and, in formal terms, a government agency. SAGE's members are the government agencies and membership is compulsory for all agencies.

The members are organised into a number of sectors which reflect their operations. These sectors are represented within SAGE by sector delegations. These act as advisory bodies to the Board of SAGE and through their council of chairpersons to its Director General.

The supreme governing body of SAGE is the Employers' Council, which meets annually. The 250 heads of government agencies constitute the council. The Employer's Council decides the aim and emphasis of negotiations and issues of major financial or other importance. The Council elects the 15 members of the Board of the SAGE. The result of the election is confirmed by a government decision.

The Board acts as the executive body of SAGE between the meetings of the Employers' Council and decides on more detailed matters concerning negotiations, etc. The Board appoints the Director-General of SAGE.

Negotiations based on members' requirements

The work of SAGE is governed by the requirements and preferences of its members. Collective agreements on pay and employment conditions must be designed so as to promote the business operations of the agencies and ensure that they are able to obtain competent personnel. Government agencies must be able to employ, develop and retain the expertise required for the tasks they are commissioned to perform.

Prior to a round of negotiations, SAGE therefore needs to acquire the agencies' views on existing agreements and possible amendments or adjustments. This information is obtained through the advisory delegations and meetings with directors-general and HR managers. A round of negotiations is prepared over a period of several months where the list of possible changes in the agreements is reduced to a number of prioritised issues that all members support. The Board draws up an initial offer based on an analysis of members' views. As a result of this decision, SAGE is commissioned to negotiate on behalf of the Board.

Basic Agreement and Co-operation Agreement

The Basic Agreement and the Co-operation Agreement are established between SAGE and the unions for the central government sector, and must be approved by the Government. These agreements regulate the pro-

cesses of negotiating pay levels and general conditions of employment and set out how the parties may act in the event of industrial action. The agreements also establish basic regulations to govern such action.

Negotiations at central level

Within the agreed framework negotiations are first carried out at central level between SAGE and the unions, i.e. OFR/S, P and O, Saco-S and SEKO, as described below. The parties conclude a central collective agreement, which sets out the framework and preconditions for local pay negotiations for the relevant period. Central agreements are also concluded covering job security, pension systems, working hours, holidays and other general employment conditions. Central agreements provide a wide scope for parties at agency level to adapt the terms to their own conditions in local collective agreements.

With the signing of the central agreement, the parties undertake to refrain from industrial action.

Negotiations at agency level

The conclusion of the central agreement is followed by local negotiations between the employer and the local unions. No industrial action may be taken while these negotiations are underway. New pay levels for individual employees are decided in a pay-setting dialogue between employer and employee, or after negotiations between the employer and the local trade union. Furthermore, other employment conditions may be adapted to local conditions through collective agreements, e.g. working hours, health benefits, etc.

Local collective agreements specifying forms of co-operation between the employer and the local unions in more detail may also be concluded.

| Main unions | Approximate number of members |
|--|--|
| <p>OFR/S, P and O, The Public Employees' Negotiation Council</p> <p>Saco-S, the negotiating body of the Swedish Confederation of Professional Associations</p> <p>SEKO – The Union for Service and Communication Employees</p> | <p>90,000 government employees as members, primarily administrative staff, administrative officers, middle management, police and military officers.</p> <p>Members include 80,000 government employees holding university degrees and other higher education qualifications. Lawyers and economists form a significant proportion of this group.</p> <p>15,000 government employees as members, primarily in the prison and probation service and public enterprises.</p> |
| <p>approximately 50,000 government employees are not union members</p> | |

Joint bodies

Sweden has a long tradition of management and union co-operation in social partnership. In the field of public sector agreements this is manifested by a number of joint bodies.

The Cooperation Council

The Cooperation Council was established in conjunction with the signing of the Co-operation Agreement. The aim of the Cooperation Council is to support the realization of the intentions of the central agreements at the local level.

The Job Security Foundation

The Job Security Foundation was established in 1990 under the Job Security Agreement for Government Employees. The activities of the Foundation are based on the agreement and financed by fees paid by the employers, i.e. the government agencies. The fees are regulated by a collective agreement. Representatives of the social partners who entered the Job Security Agreement constitute the board of the Foundation.

When a government employee is given notice due to redundancy, it is the Foundation's task, as far as possible, to see to it that he or she does not become unemployed. This is also the case when an employee does not accept relocation. This also applies for those who finish a temporary employment of at least three years.

The Foundation cooperates as a partner to the workplace and as a complement to general societal support resources like the public employment service. The redundant person has to take responsibility for the situation and make an active effort to achieve a solution. The Foundation works mainly along the following lines:

When there is a risk of redundancy, the Foundation can take preventive measures and support training and other activities which can qualify the employees for new tasks with the same employer.

After an employee is given notice supportive measures take place. The objective is, through individual support, to ensure that an employee given notice finds a new job as quickly as possible. The Foundation helps to prepare an employee profile and individual activity plan, arrange job-seeking activities and facilitate contacts with other employers. Decisions on individual action plans are often made directly at a meeting at the workplace. Financial support may also be given, e.g. a salary during introductory training at a new workplace, support for business starts, various courses, additional training or retraining. Each case is evaluated and decided individually according to the person's needs. Individual support can be provided during the period of notice or after it.

The Central Government Social Partners' Council

The Central Government Social Partners' Council is a non-profit association. Its members are SAGE, OFR/S, P and O, Saco-s and SEKO, who jointly form the Board of the Council. The main task of the Council is to support social partners at agency level with implementation of core issues in central agreements or joint positions. The work in the council is based on a principle of consensus. Since the mid 1990s the council has successfully worked in a number of development areas including:

- Development and cooperation at agency level
- Work environment
- Gender equality
- Diversity
- Ethics and transparency
- Pay formation

The Swedish Pension Insurance Society for Government Employees

The society administers a supplementary retirement pension for government employees. It also offers a voluntary pension scheme.

International issues

The Social Dialogue is an important aspect of EU social policy. This process, which is supported in the Treaty of Rome, means that the social partners at European level are given the opportunity to contribute to the design of the EU's social dimension. The Social Dialogue is not only a platform for exchange of experiences between employees and employers, it also provides an opportunity for the social partners at European level to conclude framework agreements on certain social issues.

SAGE is a member of the European Centre of Employers and Enterprises Providing Public Services (CEEP), one of the social partners at European level. Through its membership of the CEEP, SAGE takes part in the European cross-sectoral Social Dialogue.

At Nordic level, government employers meet regularly to discuss current issues and exchange experience in the field of employment policy.

Within the scope of the European Public Administrations Network (EUPAN), SAGE takes part in the meetings and work processes of Directors-General with responsibility for employer issues. One aim is to further the understanding of various government employment conditions in EU member states. SAGE carries the full responsibility for Sweden's positions on EUPAN

issues related to cooperation with European trade unions.

As one of the parties on the Swedish labour market, safeguarding the interests of central government employers, SAGE regularly participates in consultations with the Government on EU related issues. These consultations include discussions on how EU directives and regulations are to be incorporated into Swedish legislation. SAGE also regularly provides responses to documents circulated by the Government for comment and also to other enquiries from international organisations.

The Swedish Agency for Government Employers also takes part in various working parties initiated by PUMA/OECD.

The public sector

| State | Municipalities | County councils |
|---|--|---|
| 250 agencies 5,6 percent of the labour market | 289 municipalities 20 percent of the labour market | 21 county councils 6,2 percent of the labour market |
| Areas of responsibility | Areas of responsibility | Areas of responsibility |
| <ul style="list-style-type: none"> – Courts – Customs – Defence – Development, supervision and evaluation of public services – Employment service – Foreign service – National cultural institutions – National road network and long-distance communications – Police – Prosecution authorities – Social insurance – Tax administration – Universities and colleges | <ul style="list-style-type: none"> – Care of the elderly – Childcare – Comprehensive schools and upper secondary schools – Fire and rescue services – Library and leisure facilities – Local transport – Planning permission, local planning – Social benefits – Water and waste disposal | <ul style="list-style-type: none"> – Health – Public dental health service – Regional planning – Regional transport |

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