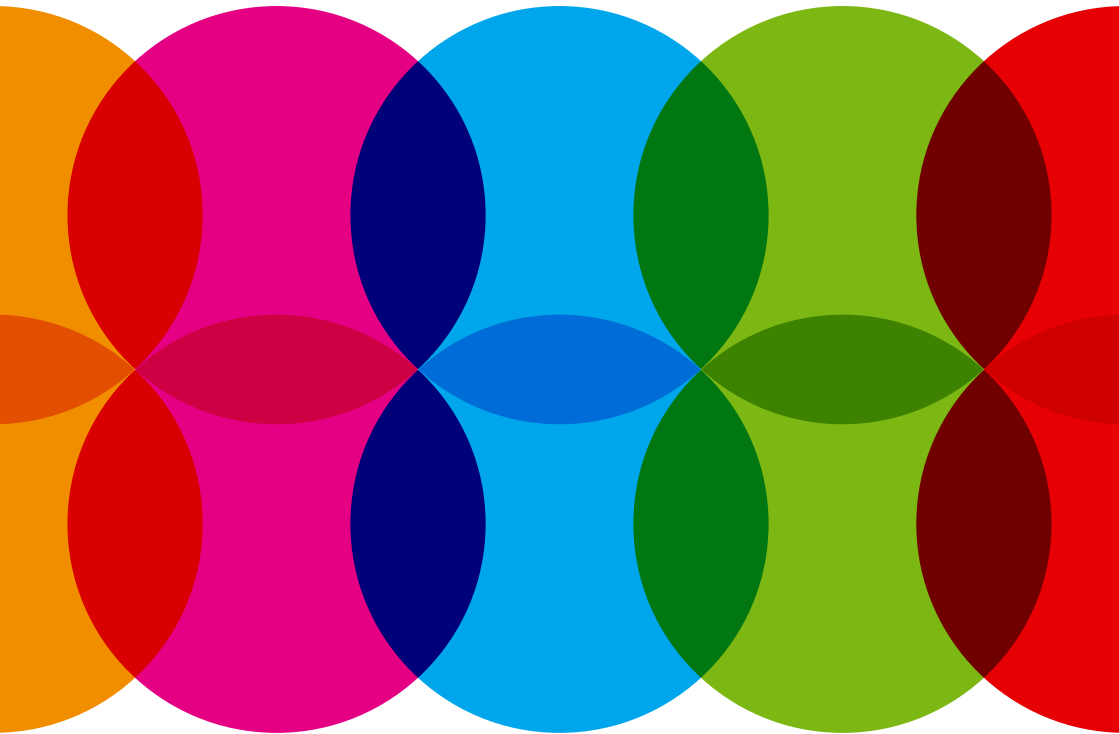


Collective Bargaining in the State Sector in Sweden



The labour market parties in Sweden have a long tradition of co-operation regarding the responsibilities they have been entrusted by the legislators. In the middle of 1970s a lot of new labour legislation were launched in order to strengthen the rights of individual employees. That made an important impact on the industrial relations in our country.

The private sector gained the right to collective bargaining, collective agreements and right to industrial actions if needed in the famous Agreement of Saltsjöbaden. Thirty years later the civil servants got the same rights which gave a strong signal to the civil servants to organize themselves. The unionization degree among the civil servants grew to 95 % and the average on the whole labour market was 80 - 85 %.

The labour market parties have used the basic mean – collective agreement – in order to regulate the terms of employment, pay, superannuation schemes etcetera for the employees. This is the heart of the Swedish Model and we will defend any threats to it with all legal means we can use.

What does
Collective Bargaining
Mean in Sweden?

Negotiation Parties in the State Sector

A reform on the right to collective bargaining for the state sector was made in 1965. This reform had been subject to discussions during many years. The main objective was to confirm the negotiation practice that had been developed in the field. The reform mainly contained a general right for civil servants to negotiate and to take industrial actions.

The right to collective bargaining within the state sector is based on the tradition that it is the sector-level trade unions' federations which enjoy this right. This was confirmed in a basic agreement, which was incorporated as an annex to the proposal on the right to collective bargaining in the state sector. This agreement stated that negotiations were to be conducted between the newly formed institution, the National Collective Bargaining Office, and the sector-level trade union organizations, and that decisions on industrial actions could only be made by these organizations.

In the early stages of the right to collective bargaining, the government and the Swedish parliament had a strong influence on the negotiations. The National Collective Bargaining Office was created by the old negotiation department at the Ministry of Interior and the parliament established a special wage delegation that was to approve the agreements.

Today, the government and the parliament are not involved as they were earlier. No wage agreement is approved by the Swedish parliament, and the government is only responsible for setting the wages of the directors general and a limited number of civil servants in leading positions.

This has also implied changes in the state employers' organization. The Swedish Agency for Government Employers was created in 1994 and the main objective was to create an organization that was independent from the state authority.

The Swedish Agency for Government Employers is financed through charges from the government agencies and is working by order of the agencies.

The Relation Between Legislation and the Collective Agreement

All issues concerning wages and conditions of employment are governed by collective agreements. In some cases concerning conditions of employment, the collective agreement is the progress of a legislated issue. This is the case for the number of holidays with pay, supplementary sickness allowance and parental benefits.

The Development of Collective Agreement

As a consequence of the reform on the right to collective bargaining, earlier rules were transferred into collective agreements. The bargaining parties saw the state as a whole in their negotiations. The agreements were applicable to all employees, irrespective of them being blue or white collar workers and irrespective of where in the state sector they were working. The wage formation was handled on a central level only and the negotiations concerned changes in salary grades and changes in promotion scales for some groups of services. On a central level, the wage rates were also negotiated for individual civil servants.

A first step towards decentralization

The wage formation and the setting of wage rates slowly started to change during the 1980s, towards an increased responsibility for the local parties.

In the year 1985, the Swedish parliament adopted a Personnel Policy Act. One of its important features was the delegation of responsibility and powers to the government agencies. The Swedish parliament also expressed that the wage formation in the state sector should be compatible

with national economic balance and that the determination of wages should be based on the individual government agency's prerequisites, demands and adapted to market conditions.

The individualization of the wages continued, amongst other, through the fact that different forms of wage supplements were becoming more common. In the middle of the eighties, a market wage supplement was incorporated in the central agreements in order to increase the agencies' possibilities to recruit and keep the personnel. The parties on a central level also started to use pay tools for selective measures on a larger scale.

Individual Wages

The development towards a local wage formation continued. In 1990, the individual wage is introduced. The former system where posts were positioned in salary grades was replaced by a system of individual salary setting. Individual salaries are set on the basis of the difficulties and responsibilities inherent to the post and the performance of the employee.

The central collective agreement that was concluded 1990 had for the first time the possibility to increase the scope in the central agreement on local level.

Current Collective Agreements

Collective bargaining on a local level has continued to win greater importance and the agreements on a central level are nowadays framework agreements that need to be complemented with local agreements. The central parties conclude a collective agreement, which sets out the minimum scope for local salary negotiations for the duration of the agreement. Central agreements are also concluded covering job security, pension systems, working hours, holidays and other general employment conditions. Central agreements provide possibi-

lities for parties at local level to adapt the terms to their own conditions in local agreements.

When the central agreement is signed the parties undertake to refrain from industrial action.

The conclusion of the central agreement is followed by negotiations at agency level between the employer and the local unions.

Collective bargaining within the government agencies is carried out on different levels depending on the composition and organization of the agency. In the state activities with a central agency, negotiations are generally first carried out at a central level. Thereafter, the parties delegate the power of negotiation to a regional, local and even a working place level.

What concerns the collective bargaining within the government agencies on a local level, the parties come to an agreement and bargain for which increase in pay each and every member will receive. It is also possible to agree to use part of the negotiated scope for other issues, such as shorter working hours, more holidays with pay or remuneration for official journeys.

It is today possible to come to an agreement locally on all issues except from pensions.

The negotiations and wage formation in the state sector are currently carried out in the same way as on the rest of the labour market.

Cooperation Between the Labour Market Parties

Sweden has a long tradition of cooperation between the parties and this is confirmed by the existence of various joint bodies.

One example is the Job Security Foundation, which was created in 1990 as a support for state employees who lost their employment or were at risk of being unemployed when government agencies suffered cut backs or privatization.

The Development Council is another joint body, which works with development projects within areas such as working environment, gender equality, diversity and ethics.

The parties also founded the Insurance Association for the State Sector (FSO), which deals with parts of the state sector pension agreement.

A working method for negotiations on a central level has also been developed. It implies that the parties find solutions in smaller joint bodies rather than resolve all problems at the negotiation table.

Right to Industrial Action and Dispute Resolution

Since 1965, civil servants have the same right to take industrial actions as all other employees on the labour market in Sweden.

Rules on bargaining, rules on dispute resolution and the right to take industrial actions are governed by collective agreements.

The Special Basic Agreement

The parties of the public sector made a special basic agreement in 1976 to protect the social interest. According to this agreement, the parties shall strive for peaceful solutions and avoid taking industrial actions in issues which could infringe on the political democracy. The Public Sector Special Committee was founded through the same agreement. Its role is to consider if certain agreements infringe on the political democracy. The committee is composed of thirteen members, three from the employers and the employees each, and seven from the parliament. The latter are appointed by the government.

The committee has only handled one question since its creation.

The Cooperation Agreement

The parties of the state sector made a cooperation agreement in the year 2000. One objective of this agreement is that the parties, both centrally and locally, shall strengthen the negotiation process and carry out constructive negotiations while maintaining industrial peace. The parties also take a joint responsibility for the wage formation in the state sector. The agreement states that the collective agreement is a superior means to settle and develop the relations between responsible parties.

A Cooperation Committee was established to promote constructive negotiations to make central agreements. The cooperation committee is composed of eight members. The three central organizations appoint one each; the Swedish Agency for Government Employers appoints three. Two members are appointed by the parties for a limited period of time, of which one is president and the other vice president.

The parties also established a Cooperation Council in order to facilitate the implementation of the agreed issues on a local level. The council is composed of twelve members. The Swedish Agency for Government Employers and the central organizations appoint half of them each. The parties alternate the task of being convener every six months. The council works to achieve consensus.

After a new central frame agreement is concluded, the cooperation council shall establish an activity plan for support, information and follow up.

The cooperation agreement includes rules on bargaining which, amongst others, state that the parties shall agree on a time schedule for negotiations three months before an agreement expires.

If one of the parties demands mediation, the cooperation committee shall appoint impartial advisors (mediators) with the task to mediate between the parties.

If the impartial advisors fail, each one of the parties can give notice of their intention to take industrial actions. The notice must always be in writing and be delivered to the opposite party and the cooperation committee. The cooperation committee can postpone the notice for a maximum of fourteen days in order to find a negotiated solution.

The Basic Agreement

The basic agreement in the state sector states the rules of bargaining and determines the parties of collective bargaining in different levels.

The basic agreement is connected with the cooperation agreement in the way that the first regulates the procedure for taking industrial actions in detail. Strike, lock out, refusal to work overtime, refusal to travel on an official journey outside of working hours as well as union ban on applying for work are all legal industrial actions.

Industrial action is only possible when negotiating new central agreements. When entering a new framework agreement, the peace obligation sets in. This means that negotiations wage on a local level are carried out during the peace obligation.

The parties agree to avoid conflicts that are dangerous to society. A special board, the Board of Civil Servants, was established to determine if an industrial action is a public danger. The board is composed of eight members. The central organizations appoint one each, and the state appoints three. The parties appoint two members; the president and the vice president.

If an industrial action is forwarded to the board, it may not be put into action. In case the board has not expressed a statement within two weeks, the parties may take industrial action. The decision of the board is made by ordinary majority. In case of equality of votes, the president has the casting vote.

The parties have decided to exclude certain employments from the industrial actions.

Disagreement During Negotiations on the Local Level

The central framework agreement includes a procedure in case the local parties disagree in the negotiations on the revision of wages. If the negotiations on the local level end in disagreement, a pay board shall be selected. The board consists of an impartial president appointed by the parties in joint agreement, a representative of the government agency and a representative of the trade union in question. The chairperson of the board enjoys the casting vote.

Usually the local parties succeed in reaching collective agreement and the system with pay board is seldom used.



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