



Industrial relations and social dialogue
**Sweden: Working life in the
COVID-19 pandemic 2021**

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Eurofound reference number: WPEF22029

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Introduction

Despite new COVID-19 waves, the Swedish society has remained open in 2021. Schools have remained open and even higher education institutes shifted from distance education to regular education in May 2021 (Ministry of Education, 2021). There have not been any lockdowns, but the Government and the Public Health Agency have encouraged for social distancing for instance by limiting the number of people participating in public gatherings or visiting restaurants or shops. Telework recommendation has been another central way of encouraging people to social distance (Ministry of Social Affairs, 2021a).

Vaccinations have been a central building block of the Swedish COVID-19 strategy. In December 2021, the percentage of people over the age of 12 with double vaccine reached 80.9% (The Public Health Authority, 2021a). Towards the end of the year, the use of vaccine certificate was broadened to events where more than 100 people participate and it can be used instead of applying other social distancing rules (The Public Health Authority, 2021b).

In 2021, the economy started to recover rapidly from the turbulence of 2020. The latest economic forecast of the Ministry of Finance is from September 2021. According to the forecast, in 2020, gross domestic product (GDP) decreased by 2.8%. In 2021, it increased by 4.4%. In September 2021, the Ministry forecasted the GDP to grow 3.5% in 2022 and 1.4% in 2023 (Ministry of Finance, 2021).

The COVID-19 pandemic has had a significant impact on the Swedish labour market. Before the pandemic, in 2019, the percentage of unemployed people aged 15-74 was 6.8% (Statistics Sweden, 2020). In 2020, unemployment in Sweden increased to 8.3% and in 2021 to 8.8% (Ministry of Finance, 2021). However, the positive development of the economy has been mirrored in the labour market - towards the end of 2021, the situation started to improve due to the boost given by the lifted restrictions and rapidly recovering world economy. In December 2021, the registered unemployed jobseekers were at the same level as prior to the COVID-19 pandemic (the Swedish Public Employment Service, 2021b). The Ministry of Finance estimated in September 2021 that the unemployment rate in 2022 will be 7.7% and 7.0% in 2023. A similar development is seen when looking at the employment rate: it is forecasted to increase from 67.2% in 2020 to 68.3% in 2022 and 68.9% in 2023. A significant factor explaining the relatively small changes in these figures is the broad use of the temporarily strengthened Swedish short-time work scheme (discussed with more detail in the text below).

However, the positive development in the labour market has been very uneven both in terms of sectors and different groups of jobseekers. While the number of unemployed jobseekers diminished rapidly towards the end of 2021 and the number of open vacancies has increased rapidly, the number of long-term unemployed (12 months or longer) was 181,000 in November 2021 which is 28,000 persons more than before the pandemic. In the end of 2021, the number of long-term unemployed formed 50% of the total number of unemployed (the Swedish Public Employment Service, 2021b).

Considering that one third of registered jobseekers in Sweden have not completed secondary degree and the Swedish skills of many of the jobseekers are low, the pandemic has pushed groups that were in vulnerable positions even before the pandemic further from access to the Swedish labour market and the boost witnessed by the labour market in 2021 has not led to employment of groups with

weaker connection to the labour market (the Swedish Public Employment Service, 2021b). Providing support and increasing employability to these groups through training, education and other support measures is thus an increasingly important priority for the Government as well as the social partners in Sweden.

Political context

The last general election was in 2018, meaning 2022 is an election year.

By regular Swedish standards, 2021 has been a year of political turmoil. The ruling coalition is a compromise between the Social Democrats and Green Party who have until the summer led with the support of two liberal parties, the Centre Party and the Liberals, and the Left Party. The cooperation was based on an agreement between the government and the liberal parties, known as the January agreement.

This fell apart during the summer 2021 due to proposed changes to the rent setting system for newly built housing stock. As it has fallen apart, the Liberals have instead joined the right-wing coalition of the Moderate Party, the Christian Democrats, and the Sweden Democrats. After new negotiations, Prime Minister Stefan Löfven stepped down, and the Social Democrats voted Magdalena Andersson to take over as party leader. Andersson was subsequently voted into the position of prime minister, by a majority of parliament, thanks to the support of the Centre Party, Left Party, and their government-forming partner, the Green Party. However, the government fell again after only 7 hours due to a vote on budget. The budget for the coming year was voted on the same day as the approval of Andersson as prime minister, where the Centre party did not vote with the government proposal. Like how a UK opposition proposes a “shadow budget”, each party or coalition can put forward alternative budgets. The right-wing bloc put forward a budget and without the support of the Centre party, this budget passed the parliament. The Green Party refused to be in government with a budget that reduces taxes on petrol, which led to the government falling again. The subsequent week the government concluded its negotiations, again forming a government of only the Social Democrats but with support from the Green Party, Centre Party, and Left Party and governing with a right-wing budget.

Governments and social partners response to cushion the effects

In 2021, the social partners in Sweden continued to support both employers and employees. During 2020 and 2021, the Government has supported businesses through various means. According to an estimate by the Confederation of Swedish Enterprise from May 2021, the total amount spent by the Swedish Government in 2020 and 2021 is SEK 180.5 billion (€18 billion) (Confederation of Swedish Enterprise, 2021).

Short-time work scheme (in Swedish 'korttidsarbete') has been, since the onset of the pandemic, one of the central ways to add flexibility on the Swedish labour market. In spring 2020, the Government introduced a temporarily strengthened short-time work scheme which allowed up to 60-80% working time reduction while the state assumed a larger share of the costs. At first, the temporarily strengthened scheme was supposed to be available only until the end of 2020 but the duration was extended until the end of September 2021 due to new COVID-19 waves.ⁱ As of December 2021, in total SEK 3.8 billion (approximately €380 million) had been granted for Swedish companies. (Swedish Agency for Economic and Regional Authority, 2021). The role of the social partners in the implementation of the short-time work scheme is important since it is implemented through collective agreements (although it is possible to use it even if the employer is not covered by a collective agreement.).ⁱⁱ

In spring 2020, in parallel to the temporary short-time work scheme, the Government introduced amendments to the permanent short-time work scheme, regulated by the Act (2013:948) on short-time work (Lag 2013:948 om stöd vid korttidsarbete). The central amendment introduced in 2020 was that the Government no longer must activate the short-time work scheme for it to be available for employers. Instead, employers can apply for the allowance if they face severe, temporary financial challenges caused by factors that could not be controlled or foreseen. When the temporarily strengthened scheme ended in September 2021, this permanent scheme entered in force. At the same time, the administrative responsibility shifted from the Swedish Agency for Economic and Regional Authority to the Tax Authority.ⁱⁱⁱ

Another central measure supporting employers in both in 2020 and 2021 has been **the reorientation support** (in Swedish 'omställningsstöd'). This is a subsidy available for businesses that lost a significant part of their turnover (30-50%, depending on the support period they apply for) due to the COVID-19 restrictions implemented by the Swedish state. The eligible businesses can use this support to cover for their fixed costs.^{iv} Reorientation support was available until the end of September 2021. A specific reorientation support for businesses significantly affected by certain restrictions has been available in parallel to the regular reorientation support.

Since sole traders are excluded from the reorientation support scheme, the Government introduced in 2020 a similar form of subsidy: **turnover-based support for sole traders**.^v The subsidy is available for sole traders whose turnover had decreased by 30%, 40% or 50%, depending on the support period they applied for (Government of Sweden, 2021a).

In addition to the measures targeting businesses, the Government continued to support employees in 2021. One of the most significant measures was the **temporarily strengthened unemployment**

allowance.^{vi} In the budget proposition for 2021, the Government proposed the following parts of this measure to be extended until the end of 2022:

- increased income ceiling.
- increased basic amount.
- a temporary minimum level of allowance.

The budget of the extension is approximately SEK 6 billion (€600 million) (Government of Sweden, 2021b).

In addition to these measures that seek to keep businesses afloat as well as support employees and jobseekers during the most turbulent period of the COVID-19 crisis, the Government has implemented several **measures with a long-term scope**. These measures include for instance an initiative called Naturnära jobb^{vii}, an initiative administrated by the Swedish Forest Agency. The aim of the initiative is to create easy ways to work in the forest industry, agriculture, and other so-called green industries (in Swedish 'gröna näringar'). The measure targets people that have recently migrated to Sweden as well as long-term unemployed (Swedish Forest Agency, 2021).

Another measure is the initiative aiming at **increasing competencies of the employees working with the elderly**. The employees can partake in training on their working time. In addition, the measure increases training of new personnel. The budget of this measure for 2021 was over SEK 3 billion (approximately €300 million) (the National Board of Health and Welfare, 2021a).

The Swedish **social partners** have not had a central role in the design or implementation of these measures although they are actively consulted by the Government. Overall, the social partners, or at least the peak-level partners, seem to be content with the way the Government has supported employees and employers during the COVID-19 crisis.

The main points on critique from the employer side seem to be the slow reactions of the Government. According to Confederation of Swedish Industries (2021), peak-level employers' organisation, the Government should have introduced support measures faster after having introduced restrictions and better communicated about the content of the measures. Another central point of criticism raised by the Confederation are unclear eligibility criteria.

The Swedish Trade Union Confederation LO, a peak level trade union representing blue-collar workers has supported the Government's measures strengthening unemployment allowance as well as measures strengthening the sick leave. They would like to make these measures permanent. In a report focusing on the impact of COVID-19 on women in blue-collar occupations, LO argues that the income of women in blue-collar positions has diminished both due to reduced working hours and due to lay-offs. According to LO, the short time working scheme has not been successful in supporting employees part-time or zero-hour contracts or other forms of non-standard employment (Swedish Trade Union Confederation LO, 2021).

ⁱ Eurofound (2020), [Short-time work allowance](#), case SE-2020-12/564 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2020), [Short-time work allowance](#), case SE-2020-12/564 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2020), [Short-time work allowance](#), case SE-2020-12/564 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2020), [Reorientation support for companies](#), case SE-2020-27/1257 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

^v Eurofound (2020), [Turnover-based support for sole traders](#), case SE-2020-46/1409 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

^{vi} Eurofound (2020), [Temporary reinforcement of the unemployment insurance](#), case SE-2020-16/557 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

^{vii} Eurofound (2022), [Governmental investments in green jobs](#), case SE-2022-1/2171, COVID-19 EU PolicyWatch, Dublin.

Adapting to the pandemic and the return to work: Policies and debates

New occupational health and safety rules

One of the early changes during the pandemic was a **temporary removal of the standard sick-pay deduction** (Swedish: *karensdag*). The deduction is for the first sick-day and is 20% of the regular sick-day pay. This measure was removed on the 30 September 2021, but then reinstated on the 7 December as fears of an increasing pandemic resurged. The removal of the first-sick-day deduction has been subject to further debate. It has been a demand since before the COVID-19 pandemic from the Left Party, and since the start of the pandemic for the blue-collar central union LO, to remove any deductions regarding first-day sick leave.¹

A similar approach has been taken with vaccinations as with the rules in general, nobody has technically been forced to take the vaccine, including all workers. However, there has been exceptions on local and employer level. These examples are in the minority of cases but is heavily debated in Sweden.

Several municipalities and regions have started to want a proof of vaccination for new hires in health and care services, and the ability to fire or reassign unvaccinated permanent staff. However, the Swedish constitution mandates that no employer can “force physical intervention” onto an employee. The interpretation that some of these regions do is however that employment in care services is optional, and therefore the vaccine should not be seen as a forced physical intervention. However, the law allows an employer to ask whether a potential recruit is vaccinated, but the interviewee can choose not to answer, or lie. In *Region Stockholm*, they have decided to reassign every employee who chooses not to answer the question to a position where they do not work close to patients. There is political will among some parties to allow employers to go further. For instance, the Liberal Party in Stockholm want to allow employers to be able to fire unvaccinated personnel. (Martinsson, 2021; Cederberg, 2021).

The Swedish Work Environment Authority has been given the task to perform inspections at workplaces with a heightened risk of COVID-19 spreading. As COVID-19 spread once again increased with the Omicron variant, this new measure was adopted to ensure employers proceed with the required precautions in the workplace. Primarily, they perform inspections in several high-risk sectors, which are:

- Primary and secondary schools.
- Stores.
- Train and ferry traffic.
- Dentists.
- Slaughterhouses.
- State Service Office.

¹ The Left Party election platform 2018 mentions removal of the *karensdag* https://www.vansterpartiet.se/app/uploads/2018/04/Valplattform_lattlast_A4.pdf, and in the beginning of the pandemic, LO <https://aktuelltfokus.se/lo-gar-pa-vansterpartiets-linje-avskaffa-karensdagen/>

- Major construction projects.
- Cleaning companies.
- Companies that work with property management
- Restaurants that sell takeaway food.

The primary legislation as a basis for the inspections is the regulation Systematic Work Environment Management (The Swedish Work Environment Authority, 2001). The regulation is quite flexible, as the second provision reads:

“...systematic work environment management means the work done by the employer to investigate, carry out and follow up activities in such a way that ill-health and accidents at work are prevented and a satisfactory working environment achieved.” (The Swedish Work Environment Authority, 2001, p. 5).

This regulation covers all types of work environment related risks, including COVID-19. There are additional guidelines in the Provisions of Contagious Disease (Swedish Work Environment Authority, 2018) which state:

1. The regulations on risk of infection are applicable to all workplaces where there is a risk of infection.
2. The risks look different in different workplaces, and thus also the risk assessments and measures.
3. Systematic work environment work takes place in four steps:
 - a. Examine the work environment
 - b. Assess the risks
 - c. Take action
 - d. Check that the measures have had the desired effect

These provisions cover all workplaces, not only those which are designated as high-risk and will be inspected. Each employer is required to assess the risk of spreading in written form, where they determine which specific tasks at work are subjected to heightened risk of being infected or infecting others and writing down which actions are taken to mitigate these risks. There is an “action ladder”, which begins with the first step to eliminate the risk altogether (such as changing a physical meeting to a digital meeting). If it is not possible to eliminate the risk completely, steps should be taken to reduce the risk. The examples listed include arranging break and lunchtimes to avoid gatherings, using digital tools when possible, having good and proper ventilation, and using barrier protection. The final step on the action ladder is employment of PPE, when contact with many people is necessary and the other tools are not sufficient. This should be documented in written form, signed, and dated by the employer and available to all affected by the actions (Swedish Work Environment Authority, 2021d).

New working arrangement policies

In March 2020 the Public Health Authority issued a recommendation for all employees to telework if they can, which has led to a broader shift toward telework. The recommendation was active until November 2021, and subsequently re-issued in late December 2021. (Swedish Public Health Authority, 2022) The shift towards teleworking has perhaps been easier in Sweden because teleworking was relatively common in pre-pandemic times, and that there is a high degree of connectivity in the country. The telework adaptations that happened since the beginning of the

pandemic were not a binding law, but a recommendation based on possibility. Regardless, compliance with the recommendations has been high in Sweden in general. Of the total workforce, about 30-40% has worked from home because of the recommendations. The recommendation to work was removed in November, but then reinstated as the Omicron variant was discovered in Sweden in early December (Swedish Agency for Work Environment Expertise, 2021b).

The Swedish Agency for Work Environment Expertise (MYNAK) conducted a survey in 2020 about the measures taken by businesses to prevent the spread of COVID-19 and released a report in 2021 titled "Occupational health and safety measures in the Swedish business sector during the coronavirus pandemic – a snapshot from 2020" (Swedish Agency for Work Environment Expertise, 2021a). The survey had 2,500 private sector businesses respondents and was conducted in the autumn of 2020. The survey asked which measures were taken as a response to the pandemic, why particular measures were adopted and how the company changed how they conducted business.

Teleworking was adopted by roughly 25% of the respondents, ranging from 70% in the information and communications sector to less than 10% in the agriculture, forestry and fishing sector, and accommodation and food service activities sector. In general, larger companies (50-199 and 200+ employees) more frequently adopted teleworking at about 40%, while only 20% of companies with 5-9 employees teleworked. **When breaking down by gender and age, the data showed that a higher proportion of women teleworked, and that teleworkers are likely to be younger** (Swedish Agency for Work Environment Expertise, 2021a).

In another MYNAK report, the prevalence of telework is estimated to have shifted over time but remained around 30-40%. This report takes note of some changes to the reality of telework. There is an increased individualisation of work, where each employee's housing and social conditions impact the work environment to a greater degree than during office work. Having functional tools for performing digital work and the skills to use them without colleagues in the same room has impacted employees differently. Many other factors have impacted teleworkers differently, from different family situations to varying quality and speed of internet connection. MYNAK points to several risks that have arisen from the shift to teleworking (Swedish Agency for Work Environment Expertise, 2021b):

- Teleworking is associated with deficient ergonomic conditions.
- Those with technological deficiencies, such as malfunctioning hardware or slow broadband connection, suffer increased stress.
- The distance between supervisor and employee has increased, making it difficult to tell how an employee is feeling. Informal meetings between supervisor and employee are difficult to arrange and less frequent.
- Certain job tasks are more difficult to carry out effectively, and certain personalities face more issues when teleworking. One example of a task in the report is a person who works with workplace inspections, who now is teleworking, and has a much more difficult time performing their job duties. An example of a personality that suffers during telework are those who frequently help their colleagues or relies on their charisma to be a positive influence in the workplace, which works less in the two-dimensional digital existence.
- Employees in a single-person household risk social isolation. There are fewer informal chats between colleagues.
- Working from home has blurred the lines between work and leisure.

Sweden has had no specific regulation on telework, and where mentioned, the overarching rule of thumb is that the policies for employees in the office should be the same for teleworkers. This means that teleworkers should have the same equipment provided by the employer, have the same access to training and development and have the same right to disconnect as office-based employees. Swedish labour regulation is often vague and open to interpretation, with a wider focus on continuous work to ensure good working environments. This approach applies to teleworking as well, exemplified in the regulation Systematic Work Environment Management (The Swedish Work Environment Authority, 2001).

Despite the broader shift to telework in 2020 and 2021, there are no new telework-specific regulations on the way, and neither is there a prominent public debate about the need for such regulation. However, in a document outlining the strategy for the work environment in 2021-2025, telework is mentioned. The Swedish Agency for Work Environment Expertise is tasked with investigating the needs for new tools to be able to deal with the new reality of teleworking. The strategy document contains no clear set of possible policy changes, except the need to clarify the responsibility of the employer during telework. (Arbetsmarknadsdepartementet, 2021).

Labour shortages

Like in many other EU Member States, the **COVID-19 pandemic increased labour shortages** in Sweden. According to Statistics Sweden, the vacancy rate (the share of open vacancies compared to number of employed in each sector) increased on aggregate from 0.9 to 1.2 between the first quarter of 2020 and the third quarter of 2021 (Statistics Sweden, 2021b). This means that the number of vacant jobs was 124,000 in September 2021 in the database of the Swedish Public Employment Service (Arbetsförmedlingen). This is significantly higher than in September of the previous year when number of vacant jobs was 60,000. The number of vacant jobs in 2021 is also significantly higher than before the COVID-19 pandemic – in September 2019 there were 80,000 vacant jobs (Swedish Public Employment Service, 2021a).

According to a survey-based study made by the Swedish Public Employment Service (2021) in fall 2021, **one third of employers in the private sector had problems recruiting** due to labour shortages. The average figure (since spring 2007) is around 26%. In the information and communication sector 48% of companies had experienced difficulties in fall 2021. In the construction sector the figure was 49% and in the manufacturing industry 39%.

As the economy started opening in 2021, **labour shortages intensified significantly even in the hard-hit sectors**: the number of companies that had experienced labour shortages in the restaurant hotel and restaurant sector was 45% higher in fall 2021 than spring 2021. In the transport sector the number was 31% higher and in the retail sector 21% (the Swedish Public Employment Service, 2021b). However, the labour shortage in these sectors is expected to be short-term as it is a result of many former employees switching to another sector or further education as well as a result of a large number of employers hiring at the same time as restrictions were lifted (the National Board of Health and Welfare, 2021a).

In the **public sector labour shortages were a common phenomenon** even before the pandemic. In the survey, 44% of employers reported labour shortages when recruiting. Although this figure is far from the record in 2017 when 65% of employers in the public sector had experienced labour shortages, it is causing significant challenges for the sector.

Furthermore, as pointed out by the Swedish Public Employment Service, labour shortages in the public sector will be a long-lasting phenomenon since the number of people getting an education is too low and the need for employees in the sector increases due to rapidly ageing population (the Swedish Public Employment Service, 2021b).

A report by the National Board of Health and Welfare (Socialstyrelsen) (2021), shows that all regions in Sweden estimate the demand for specialised nurses to be higher than access to competent nurses. Nineteen out of 21 regions estimate that there is a labour shortage of specialised medical doctors as well as midwives (National Board of Health and Welfare, 2021b). The shortage of legitimised midwives also made headlines in Sweden in 2021 since in the Stockholm region more than 40 midwives quit over the course of one week protesting the high labour burden and poor working conditions (SVT, 2021).

In Sweden, one third of registered jobseekers have not completed a secondary degree and the Swedish skills of many of the jobseekers are low (Swedish Public Employment Service, 2021a). These causes are hindrances for employment of these jobseekers. **Improving the matching of unemployed jobseekers with open vacancies is thus a key tool** for tackling labour shortages in Sweden. This is done through increased opportunities for education and training. One of the key measures taken by the Government were the investments in higher education. In 2020, the Government invested SEK 111 million (€11 million) in higher education. This created 1,300 additional positions for students. In 2021, SEK 222 (€22 million) were invested, creating 2,600 additional positions for students. The measure focused on creating additional positions for students in sectors where labour shortages are most intense (e.g., the social and healthcare sector) (Government of Sweden, 2020). Significant further investments are planned even in for 2022.

Another way to tackle labour shortages is **increasing the competency level of the already existing employees**. In 2020, the Government introduced a measure supporting training of employees covered by the short-time work scheme. Employers could compensate up to 60% of the costs of the training, up to SEK 10,000 (€1,000) or SEK 20,000 (€2,000). This measure was available until September 2021.^{viii} However, a survey carried out by trade union Unionen shows that only 20% of workplaces with a Union-affiliated employee representative had used this measure. One of the reasons behind the low figure is the difficulty to plan further training during a crisis that makes the situation of businesses so volatile (Unionen, 2021).

^{viii} Eurofound (2020), [Financial Compensation for short-time workers' training](#), case SE-2021-1/1726 (measures in Sweden), COVID-19 EU PolicyWatch, Dublin.

Wages and wage-setting

The Swedish National Mediation Office released a report titled “The Pandemic and the wage development” which maps the effects on wages of COVID-19. Their initial conclusion is that the wage development slowed down significantly in April 2020, primarily due to the postponed collective bargaining rounds. In 2020, the social partners postponed collective bargaining by six months due to the COVID-19 pandemic. These delays caused the wages to be lower than expected under several months in 2020 since retroactive wage increases were not introduced. However, this has been considered in many collective agreements in 2021. **Despite the labour shortages and the recession caused by the pandemic, the wage setting regime has remained quite stable throughout all sectors of the Swedish economy.** The slowdown in 2020 was due to the initial shock to the

economy and uncertain prospects. With a recovered wage increase rate in 2021, it looks like the wage rates were less affected than initially thought (Swedish National Mediation Office, 2021b).

According to the National Mediation Office, the wage setting has remained stable compared to previous years. As a benchmark for wage increases, the average over the years 2009-2021 has been 3.57%, with wage levels being higher in the earlier years, and over the past decade remained steady between 2-3%. **In 2021, the overall wage developments can be seen in the table below, showing that the total wage increase in 2021 was 2.7%. Importantly, the year prior the overall increase in wages was at 2.1%.** While these increases are lower than the overall average since 2009, in comparison with the two years prior, it shows that wage increases continued at similar pace as the pre-pandemic developments. The overall economy wage development in both 2018 and 2019 was 2.6%. During 2020, the wage increases were slightly higher for the public sector (2.3%) compared to the private sector (2.1%). In 2021, it is reversed, where the public sector increased by 2.1% and the private sector by 3% on average across all sectors (Swedish National Mediation Office, 2021a).

Looking at more specific statistics there are some interesting findings. The Municipal Workers Union (Municipal), which organises some health and elderly care staff for instance, demanded higher pay increases than during previous years, in part due to the pandemic and the extra pressure it has put on the care professions. Despite this, the wage increases in the Human Health and Social Work Activities sector is the lowest out of the sectors included in the table below. For context, most healthcare in Sweden is done in the public sector, although the share of healthcare clinics being privately run has increased a lot over the past decade, from 25% in 2007 to 40% in 2019 (Ekomonifakta, 2020). Looking instead at the municipal workers, they have seen the highest wage increases among the public sector workers, but lower than the overall private sector. Making comparisons with care workers in the private sector, they have seen a higher wage development. Looking at specific agreements for the healthcare sector, which Municipal negotiates, the wage increases are at 3% in 2021, and 2,4% in 2022. Comparing to other pay rises in the municipal and healthcare sectors below, it is above the average wage increases. (Kommunal, 2021) It is worth noting that the wage levels for the municipal sector below includes all types of workers for the municipalities: both blue and white collar, in a range of work activities.

Table 1: Wage developments in selected sectors

Sector	2021 average
Industry (BCDE)	2.9%
Construction (F)	3.0%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (G)	3.2%
Transportation and Storage (H)	2.8%
Accommodation and Food Service Activities (I)	2.7%
Information and Communication (J)	3.6%
Financial and Insurance Activities (K)	3.4%
Real Estate Activities (LN)	2.7%
Professional, Scientific and Technical Activities (M)	3.0%
Human Health and Social Work Activities (Q)	1.9%
Education, Arts, Entertainment and Recreation, Other Services (PRS)	2.9%
Other private sector (G-S)	3.0%
<i>Blue collar workers, all sectors</i>	2.7%
<i>White collar workers, all sectors</i>	3.2%

Private sector	3.0%
Municipal	2.6%
Region	2.2%
State	1.4%
Total	2.7%

Source: (Swedish National Mediation Office, 2021c) Authors own calculations

Impacts on the social dialogue and collective bargaining

2020 was a significant year in terms of collective bargaining in Sweden. Since a large majority of agreements signed in 2020 last 29 months, **2021 has been a quiet year in terms of collective bargaining in Sweden** (Swedish National Mediation Office, 2021d). COVID-19 has not had any significant impact on the negotiations regarding the few agreements that were renewed in 2021.

Instead of COVID-19 related processes, the central social dialogue process in 2021 has been the negotiations regarding **the agreement on Employment Protection Act** (known as LAS-avtalet in Sweden). The negotiations have long roots and the need to change the Employment Protection act was mentioned in the January Agreement from 2019 which set the basis for cooperation between the political parties forming the government and those supporting the government. The agreement that the social parties now bargain for will be the basis for legal amendments. The changes are expected to enter in force in October 2022 (Government of Sweden, 2021c).

The central changes include but are not limited to 1) new “rules of priority” which means that the order in which employees shall be laid off in case of layoffs for economic reasons, is changed; 2) Safer forms of employment: the current fixed-term employment (in Swedish ‘visstidsanställning’) will be replaced by ‘specific fixed-term agreement’ (in Swedish ‘särskild visstidsanställning’). This means that after 12 months (currently 24 months), the employment relation turns into an open-ended one; 3) Increased possibilities for further education. The signatories to this agreement agree that employees get a right to participate in training/educational programs of up to 44 weeks and get 80% of their salary paid as student allowance. This will be financed by increasing the current amount the social partners pay to organisations helping employees and employers in case of restructuring. And in turn, the state will decrease the employers’ social contributions (Government of Sweden, 2021c).

The negotiations have been very interesting since they have shed light on the gap between peak-level trade union LO, representing blue-collar workers and its members as some members have entered an agreement with the employer side while LO refrained from signing the agreement. In November 2021, LO changed its mind after having negotiated on the support for further education of employees with Confederation of Swedish Enterprises (Svenska Dagsbladet, 2021).

Labour disputes in the context of the pandemic

As stated in the above chapter on Impacts on the social dialogue and collective bargaining, 2020 was a calm year of negotiations in Sweden, with no lost days due to labour disputes, during a year of many collective agreement negotiations. The calmness continued in 2021, with no major strikes initiated.

Two central conflicts arose, where the unions gave notice for a strike, and in both cases an agreement was reached before the start date. The first one is particularly interesting to this report, which was a conflict between the Municipal Workers Union (Municipal) and the Association of Private Care Providers. The union demands were higher pay for all members, a special investment in vocational training for health and social care and higher compensation for unsocial hours and other variable pay. The strike would have covered 55,000 care workers, but the demands were met before the deadline (The Swedish Municipal Workers' Union, 2021).

The other central conflict was between the Transport Workers Union and the Swedish Confederation of Transport Enterprises regarding the conditions for taxi drivers. A notice was given regarding an industrial action, in which no drivers would work overtime, and new hires would be blocked. However, also here an agreement was reached before the industrial action was initiated (Svenska Transportarbetareförbundet, 2021; Transportföretagen, 2021).

There have been several local strikes in Sweden, where five out of the eleven were done by the Electricians Union. Seven of these eight are due to an employer not signing a collective bargaining agreement.

Importantly, one main industrial action has been regarding “agreement shopping” and the emerging *yellow unions* (unions partially or completely controlled by an employer), which has a background in a 2019 decision to change the law regarding the *peace obligation* (meaning no strikes or lockouts are legal after a collective agreement has been reached).

The law change has its background in a large strike in the Gothenburg docks in 2018 and 2019. This strike was initiated by the independent union The Swedish Dockworkers Union (SDU, Swedish: *Hamnarbetarförbundet*), but the employer had an agreement with another union, the Transport Workers Union, which led to a discussion about the *peace obligation*. The union believed they had no obligation to keep the peace, since they were not the bargaining partner with their employer. The law on co-determination in the workplace (which regulated the peace obligation) was expanded and added that the obligation to keep the peace is valid regardless of which union the employer has an agreement with; that should a similar situation arise where an independent union would strike despite the employer having an agreement with another union, such a strike would be illegal. In short, if a collective agreement is in place, the unions and employers have an obligation to keep the peace, regardless of their involvement in negotiating the agreement.

In 2021, the consequences of this law change showed that employers can engage in “agreement shopping”, where an employer can choose to sign an agreement with a *yellow union* and employees would not be allowed to strike against worsening conditions. A conflict between Svea Solar and The Swedish Electricians' Association arose in early 2021, where the employer signed an agreement with the Electricians in 2020 but stated that they did not have the intention of following the agreement. Instead, they signed an agreement with another, relatively unknown independent union, Tingvalla-

Bro Union, which the employer stated had better conditions for the unique aspects of the emerging solar market and the union claims is an attempt at dumping working conditions. So far, this is a new phenomenon that has appeared since the law change in 2019, and it remains to be seen if this will become more prominent in coming years or not (Von Scheele, 2021).

Commentary and outlook

The Swedish model has showed adaptability and resilience in the face of the pandemic. Despite the turbulence of the pandemic and the subsequent recession, the social partners have been able to continue dialogue and implement as well as prolong measures that have added flexibility to the Swedish labour market and boosted recovery and resilience. Due to these measures, as well as the rapid recovery of the economy, the Swedish labour market started to recover from the shock caused by the COVID-19 pandemic in 2021.

The feared wave of bankruptcies and large-scale unemployment did not realise in 2020 or 2021. However, the rapid increase of COVID-19 cases towards the end of the year has created some question marks regarding the future, especially in the hard-hit sectors, such as the HORECA sector regarding job safety and the healthcare care sector regarding work intensity.

Furthermore, as the COVID-19 crisis has prolonged, the effects of the uneven impact of the pandemic on different sectors and groups have become more evident. Especially the large number of long-term unemployed as well as the severe labour shortages in certain sectors and geographical areas will require the Government and the social partners to find new ways to facilitate labour market entry. The rapid increased of COVID-19 cases at the end of the year brings once again up the question regarding the high workload and labour shortages of personnel working in the healthcare sector across the country.

Telework has during 2020 and 2021 become an established part of the Swedish working life. While the shift to telework has generally been successful (estimates range from 25-40%, some sectors higher), the discussions on how to make telework a successful practice in the long-term are likely to continue both at organisational level as well as through the wider public debate and social dialogue. It is however too early to say how this will affect the upcoming collective bargaining rounds, which will be held in 2023.

2022 is also election year in Sweden and the outcome of the elections will certainly shape the debate on labour market issues. Polls from December 2021 have the right- and left-wing coalitions at even numbers.²

² Averages of polling hold the Left Party, Social Democrats and Centre Party at about 52%, source: <https://val.digital/>

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