Job Security Councils in Sweden

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Job Security Councils. What do they do?

- Displaced workers
- Dismissal period

Employer

- Individual Coaching
- Financial support

Job Security Council

80-90% within 8 months

New Job

Public Employment Services

80-90% within 8 months
Job Security Councils: What are they?

Non-profit organisations

- Based on collective agreements between social partners
- Funded through social partner contributions (No direct state funding)
- The contribution is 0.3% of the company payroll
- VAT exemption for costs related to services provided to workers

Provide transition services in case of collective redundancy

- Not dismissal on personal grounds!
- Similar to an insurance
Number of employees covered by the five large job security agreements, 1970-2012
Job security councils: A good example?

• Early intervention

• An “insurance based” system that provide Individualized transition service to all redundant employees covered by the agreement

• Cover most sectors, industries, occupational groups and types of companies

• Provide advice to employers and trade unions

• Continuity

• Social partner involvement, self-determination, ownership and control
Job Security Councils: Policy implications

- An efficient system (80-90% within 8 months)
- A permanent system
- A flexible system
- A system producing “crowding out” effects
- A system dependent on having competitive advantages in relation to other actors (such as the public employment services)
- Collective bargaining instead of public policies?

No one knows (or are responsible for) how the Swedish system for dealing with restructuring really functions or even looks like