



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW



Job Security Councils in Sweden

Lars Walter

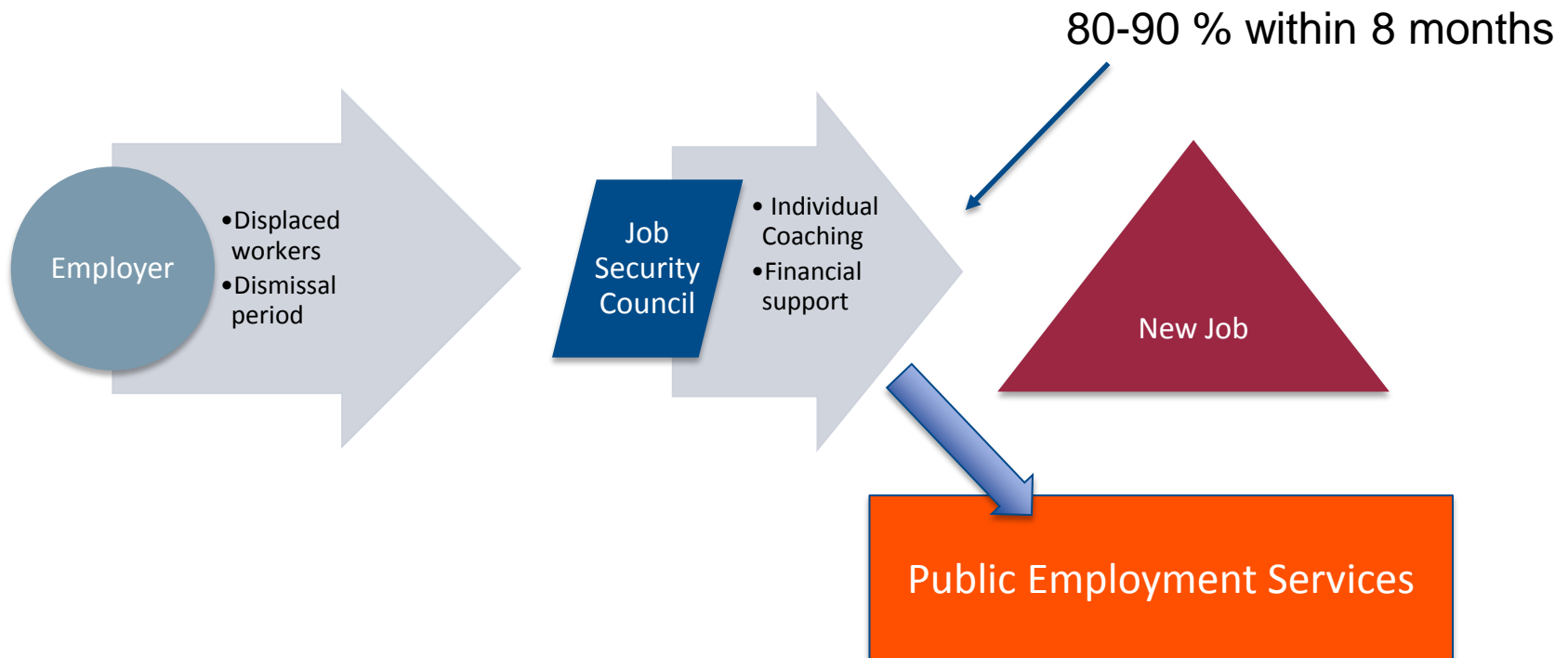
School of Business, Economics and Law

Lars.walter@handels.gu.se





Job Security Councils. What do they do?





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

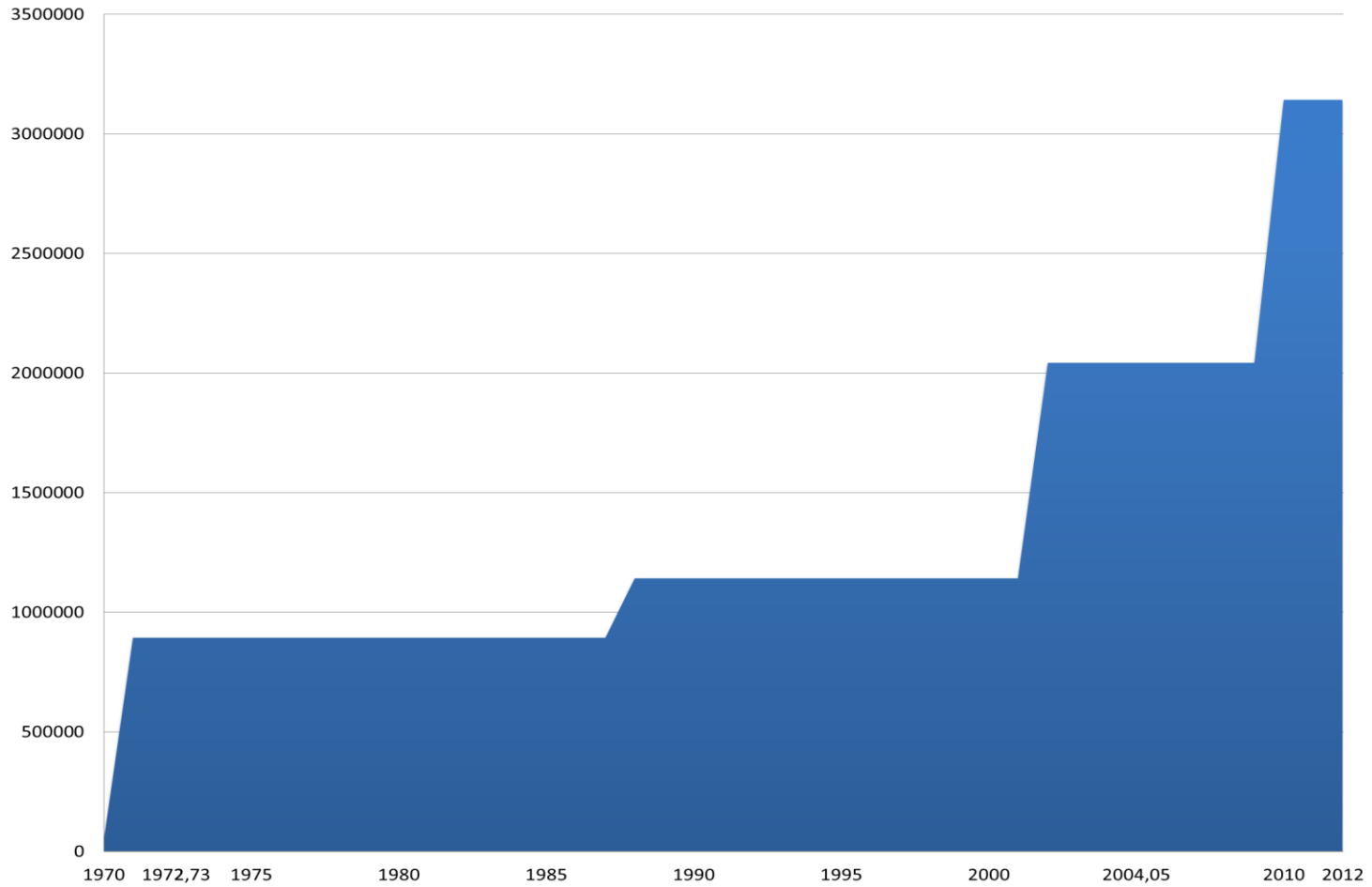
Provide transition services in case of collective redundancy

- Not dismissal on personal grounds!
- Similar to an insurance



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Number of employees covered by the five large job security agreements, 1970-2012





UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

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 “crowing 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