

# THE SYSTEM OF LABOUR LAW AND COLLECTIVE AGREEMENTS IN SWEDEN

What are the fundamental principles of Swedish labour law and of what importance is really the collective agreement? We aim at explaining some of the questions raised by foreign representatives with a different background than the Swedish, regarding labour relations. The Swedish system is a part of the Nordic labour relations model. Although the Nordic countries have a lot in common, there are some distinctive features for Sweden. We will include an outline of the main characteristics of the Swedish system. Following that will be a short presentation of some of the most fundamental laws and regulations, regarding both collective and individual labour law. We also include a presentation and explanation to the Confederation of Swedish Enterprise and, of course, Almega. You will also find a useful redundancy checklist.

## SOME MAIN CHARACTERISTICS OF THE LABOUR MARKET

Sweden was in many ways a pioneering country in the sphere of labour relations in the 1950s and 1960s. "The Swedish model" (which can be defined in a number of ways) could not, however, survive the 1970s' ideological stalemates and years of economic difficulties.

In this decade, the majority of the labour laws that today regulate the labour market were enacted and this explosion of labour laws changed the tradition of regulating these matters between the parties. However, since the collective agreement by tradition has had a larger impact than individual regulations, a lot of the issues that in other countries are regulated by law are in Sweden still stipulated through the collective agreement. For example there are no laws on minimum wage. Another important political change and influence on Swedish labour law is the EU-membership since 1995.

Typical for Swedish labour market today is in short the following:

- Approximately 80 % of the labour force is a member of a union. The employers are highly organized too. This is a necessary condition for the possibility to regulate through collective agreements.
- The labour market is relatively homogenous.
- The right to negotiate is very wide and stipulated through law.
- Unions with a collective agreement are privileged.
- The collective agreement cannot be stretched to apply to all, it is only binding to the agreeing parties and their members (although they do have "normative effect").
- The right to industrial conflict is very wide and strongly centralized. The individual cannot decide by itself to go on strike. That decision lays on the organizations.
- The regulations are just about the same for both the public and the private sector.
- There are almost no special regulations for smaller companies.