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# Continuing Vocational Training in Sweden

## 1. Introduction

### Overview

The public system of continuing vocational training (CVT):

- Sweden lacks of a coordinated national CVT system (Brunk/Wahman 2009: Introduction).
- A law on building CVT funds does not exist. Decisions on CVT are up to the enterprises (Swedish Ministry of Education and Science 1997: 253).
- CVT is provided either at the work place or via external courses. These courses are organized by works councils, private or public bodies or trade/vocational organizations (Swedish Ministry of Education and Science 1997: 248).
  - Schools are run by municipalities, county councils, or AMU (*Arbetsmarknadsutbildning*, National Employment Training Board) centers, universities and university colleges, with private course organizers or as in-service-training in individual enterprises (Swedish Ministry of Education and Science 1997: 248).
  - Privately organized types are: continuing in-service training, private courses and courses organized by trade unions (Swedish Ministry of Education and Science 1997: 249).
  - The primary impact of the public sector is the partial or full subsidization of CVT in the private sector (Stenberg 2006: 1).

- During the 1980s, company based CVT provided by companies and public bodies expanded fast. Currently, it is still the prevailing CVT type. In 1997, about 95 per cent of the CVT expenditures were related to in-company training (ReferNet Sweden 2005: 20).
- The funding of in-company training is by definition financed by employers (ReferNet Sweden 2005: 20).
- Even though CVT activities are mainly publicly financed, user-payment is getting more and more common, often linked to public training programs (Swedish Ministry of Education and Science 1997: 249).
- Employees can get financial support or study loans for formal education up to the age of 45. However, to get this money the length of the education has to be at least 3 weeks (Brunk/Wahman 2009: Main Features of the National Continuous Vocational Training system, 3).

The role of collective labor agreements (CLAs) in CVT:

- In some sectors, CVT is regulated by collective bargaining. However, it is not of primary importance in collective bargaining (Brunk/Wahman 2009: Introduction).
- The degree of involvement of the social partners in CVT differs strongly between the sectors and, foremost, between the workplaces (Brunk/Wahman 2009: The Role of Social Dialogue and Collective Bargaining in the CVT system).
- There are no joint committees to monitor and follow up the CVT initiatives introduced by collective bargaining at sectoral level (Brunk/Wahman 2009: Collective Bargaining on CVT).

### **Levels of bargaining**

- CLAs on CVT exist at national and sectoral level:
  - At national level, the social partners often sign adjustment agreements referring to occupational groups, with the aim of advancing their employability (CEDEFOP 2009: 14). In some national CLAs, for example the publishing and engineering industries, employer paid training leave is negotiated (CEDEFOP 2009: 14). These adjustment agreements (*omställningsavtal*) are intersectoral agreements (Brunk/Wahman 2009: The Role of Social Dialogue and Collective Bargaining in the CVT System).
  - Furthermore, CVT occurs in sectoral CLAs and is often regulated in general terms (Frankelius 17.12.2009, interview).

## Actors

Trade unions:

- Swedish Trade Union Confederation (*Landsorganisationen i Sverige, LO*) with two million blue-collar members. The largest affiliated unions in the LO are the Municipal Workers' Union (*Kommunalarbetareförbundet*), the Swedish Metalworkers' Union (*Svenska Metallarbetareförbundet*) and the Swedish Industrial Labour Union (*Industrifacket*). The latter two merged in 2006 and became the Union of Metalworkers (*IF Metall*).
- Swedish Confederation of Professional Employees (*Tjänstemännens Centralorganisation, TCO*) for salaried employees.
- Swedish Confederation of Professional Associations (*Sveriges Akademikers Centralorganisation, SACO*) for the civil servants.
- Union of Private Salaried Employees (*Privattjänstemannakartellen, PTK*), a joint organization of 27 affiliated unions, representing 700,000 salaried employees in the private sector.
- Swedish Association of Graduate Engineers (*Sveriges Ingenjörer*).
- *Unionen*: a trade union for white-collar employees. It is the new union of the 2008 merger of the Swedish Union of Clerical and Technical Employees in Industry (*Svenska Industritjänstemannaförbundet, Sif*) and HTF (full name not found).
- Financial Sector Union of Sweden (*Finansförbundet*) (Brunk/Wahman 2009: Collective Bargaining on CVT; EIRO 2009: 4; Swedish Ministry of Education and Science 1997: 252; Unionen 2010).
- The Swedish Organization for Managers (*Ledarna*) (Ledarna 2008).

Employers' organizations:

- The most important employer organization is the Confederation of Swedish Enterprise (*Svenskt näringsliv, SN*) that was founded as a result of a merger of the Swedish Employers' Confederation (*Svenska Arbetsgivareföreningen, SAF*) and the Federation of Swedish Industries in 2001. The Confederation represents the private sector and has 50 member organizations (EIRO 2009: 5).
- *Teknikarbetsgivarna* is the bargaining body for employers in the engineering industry. The organization brings together the Association of Swedish Engineering Industries (*Teknikföretagen*) and the Steel and Metal Association (*Stål - och Metallförbundet*) (Berg 2004b).
- Employers' Association of the Swedish Banking Institutions (*Bankinstitutens arbetsgivarorganisation, BAO*) (Brunk/Wahman 2009: Collective Bargaining on CVT).

## Critical junctures

Definition: Critical junctures are years or time periods when important decisions on the development of the collectively negotiated CVT scheme were made.

- There are three critical junctures (Brunk/Wahman 2009):
  - First, the Educational Leave Act of 1975 introduced the 'individual right' on vocational training.
  - Second, in 2004, the blue collar workers were included in the adjustment agreements system.
  - Third, the period between 2000 and 2006 was marked by the failure of establishment of the individual competence savings scheme.

## 2. Important Collective Agreements (Examples)

- Since 1982 there exists an agreement on development (*Utvecklingsavtalet, UVA*) in the private sector between the SAF and the PTK. It is a general agreement regarding education and information for employees in the sections work, organization, technology and finance. Following this agreement, most areas of industry have settled agreements between partners (Swedish Ministry of Education and Science 1997: 252).
- In 1997, the new adjustment agreement for the members of the TCO and the SACO (white collar) was concluded between the PTK and the SAF (Berg 2004a). The white collar sector had already been covered by an adjustment agreement. This agreement reduced the costs for the employers and it introduced the opportunity of the employers and company trade unions to conclude local agreements (Ahlberg 1997). The insurance fund that is administering the redundancy payments for white collar workers is the *trygghetsradet* (see section 4).
- In 2004, after 3 years of negotiation, blue-collar workers got introduced in the adjustment agreements regime. They can now benefit from CVT in instances of redundancies (Brunk/Wahman 2009: Introduction). It was concluded between the SN and the LO (Brunk/Wahman 2009: The Role of Social Dialogue and Collective Bargaining in the CVT System). These workers will receive monetary support (*Avgångsbidrag, AGB*) when leaving their job. The company and the local trade union can apply for this payment (Berg 2004a). The insurance fund that administers the redundancy payments for blue-collar workers is the *Trygghetsfonden* (Bartmann 2005: 47).

### 3. Important Sectors

- The largest sectoral agreements for the blue-collar workers are the 'engineering agreements' that are concluded between *IF Metall* and the Swedish Association of Graduate Engineers and the Association of Swedish Engineering Industries (Brunk/Wahman 2009: Collective Bargaining on CVT).
- Framework agreements exist in the metal sector, with the purpose of concluding agreements at company level. These framework agreements do not contain funding provisions (Frankelius 17.12.2009, interview).
- There only exist a few collective agreements on in-company CVT. An exception is the teaching sector. Here, CVT is regulated by law and by collective agreements (ReferNet Sweden 2005: 20).

### 4. Structure, Organization, and Mode of Administration

- Through the adjustment agreements, insurance funds pay for adjustment measures for employees. These payments contain financial support and, if necessary, also funding for training (Brunk/Wahman 2009: The Role of Social Dialogue and Collective Bargaining in the CVT System).
- At the moment, 650,000 white collar workers are included in the adjustment agreement according the Swedish Safety Council (*Trygghetsradet*) and 900,000 blue-collar workers according the Swedish Safety Fund (*Trygghetsfonden*).
  - The foundation *Trygghetsfonden* that was setup in 1983 by the LO and the Swedish Employers' Confederation (predecessor of the SN) is responsible for the administration and the decision-making of the adjustment insurance for blue-collar workers. Employers and local trade unions can apply jointly for monetary support called *Avgångsbidrag (AGB)* at the *Trygghetsfonden* (Berg 2004a).

### 5. Role of the State: Financial Support, Legislation, and Extension Procedures

- In the Swedish labor law it is not stated that there is a principle of statutory extension of collective agreements to cover an entire industry (EIRO 2009: 5)
- Tax deductibility does not play an important role (CEDEFOP 2009: 6).

- There is a tax exemption for wage costs in the context of the replacement scheme. It entitles the employer to tax reduction for the training costs. There are no other tax policies concerning CVT for companies (Andersson 2000: 26).

## 6. Financial Structure of the Collectively Negotiated Schemes

- Adjustment Agreement 1997 (*Trygghetsradet*): The contributions of the employers are reduced from 0.55 per cent to 0.30 per cent. However, if a local agreement is signed by the employer and the company trade union, the employers' contributions will be reduced by at least an additional 0.12 per cent (Ahlberg 1997).
- Adjustment Agreement 2004 (*Trygghetsfonden*): Employers in the blue-collar sector pay to the insurance scheme a contribution that is based on the wage bill. The contribution was raised in 2009 from 0.03 per cent to 0.3 per cent (Berg 2004a).

## 7. Benefits and Measures of the Collectively Negotiated Schemes

- Usually, CLAs do not specify what type of CVT should be attended when referring to CVT. Consequently, the term is used in a wide way for many different types of CVT. And also the content of CVT initiatives is not regulated in agreements at sectoral level (Brunk/Wahman 2009: Collective Bargaining on CVT).
- In general, the employee can leave for studies if he wishes to do so. However, the employer can postpone this leave (Landsorganisationen i Sverige 2009: The Study Leave Act). The study content is decided by the employee. Benefits during this leave are not regulated, which means that it is not financed. Thus, the employee can compensate pay losses via an agreement with the employer. Alternatively, he can apply for financing by the adult assistance scheme (Swedish Ministry of Education and Science 1997: 250).
- Some sector agreements set the compensation of time spent on CVT. But many do not, such as the engineering agreements (Brunk/Wahman 2009: Collective Bargaining on CVT, 6).
- In some CLAs, CVT is regulated as an individual right by giving to all employees the right of individual development planning (*Individuell Utvecklingsplanering*) (Brunk/Wahman 2009: Collective Bargaining on CVT).
- Usually, in central agreements there are no provisions that specify a certain amount of days of CVT that the employee is entitled to. One of the exceptions is the agreement from 2007 between the Swedish Newspaper Publishers' Association (*Tidningsutgivarna*) and the Graphic and Media Workers Union (*Grafiska Fackförbundet Mediafacket*) that states

that the average time spent on CVT for all members from 2007-2010 should be at least five days and all employees are entitled to at least two days of CVT (Brunk/Wahman 2009: Collective Bargaining on CVT).

- Example of an engineering agreement (*Verkstadsavtalet*): the agreement settles that every employee should get access to CVT, particularly employees with short or inadequate education. Against most other agreements the engineering agreements mention the type of CVT that is intended. It can include internal or external education, participating in internal projects or work rotation. However, it does not mention regulations on compensation for time spent on CVT (Brunk/Wahman 2009: Collective Bargaining on CVT). In the engineering agreements CVT is included as an individual right and all employees can profit from individual development planning and employees can discuss their progress and increase competence (Brunk/Wahman 2009: Collective Bargaining on CVT).
- Another engineering agreement is the *Teknikavtalet* (collective agreement 2007-2010 for salaried employees between *Teknikarbetsgivarna* and Sif, *Sveriges Ingenjörer* and *Ledarna*). It is a mere framework sectoral agreement that states how the issue is to be approached at company level. There is no funding involved (Frankelius 17.12.2009, interview). The agreement settles goals, but the cooperation is in the foreground. The agreement is talking about the co-operation within the company (section 2, page 70) and the co-operation between the parties to the agreement (section 4, page 71).
- All metal agreements are framework agreements and are therefore not 'conventional' CVT agreements with funding (Frankelius 17.12.2009, interview).
- Adjustment Agreement 2004 (*Trygghetsfonden*): Employees have to be aged between 40 and 64 years and 11 months to get the AGB support. And the worker has to be employed at least 5 years in one or more employers covered by the AGB insurance (Berg 2004a).
- *Trygghetsradet*: The Council supports dismissed workers in two ways: On the one hand, it gives direct financial aid (redundancy pay) and, on the other hand, it provides several measures to help the workers finding new jobs. One of these measures is CVT (Berg 2004a)

## **8. Coverage Rates of the Collectively Negotiated Schemes**

- There are no official statistics on the amount of employees that use the different CVT types (Brunk/Wahman 2009: Main Features of the National Continuous Vocational Training System).

Table 1 General Participation Rates in CVT

<i>Worker Category</i>	<i>Women (%)</i>	<i>Men (%)</i>
Non qualified blue-collar	9.5	13.2
Qualified blue-collar	14.5	14.3
Low level white-collar	22.1	30.2
Middle level white-collar	31.0	35.6
High level white-collar	39.3	40.6
Self-employed	7.7	8.5
Total	22.1	23.8

Note: percentage of workers by different worker categories that attended at least five days CVT (any form) within the last 12 months, during paid working time. Not included: workers who went for unpaid educational leave.

Source: Brunk/Wahman (2009): Main features of the national CVT system.

## 9. The Politics around the Collectively Negotiated Schemes

### Linkages to Public Reform Policies

- During the 1970s, issues that were traditionally regulated by collective agreements got newly regulated by legislation. The reasons for this development were, on one hand, the increased interest of politicians in labor relations and the trade unions' demand for law-based influence of trade unions (Swedish Ministry of Education and Science 1997: 251)
- Thus, between 1973 and 1977, several laws were passed, for example the Educational Leave Act of 1975. This development boosted the opportunities for employees to be paid for absence from work related to long or short studies (Swedish Ministry of Education and Science 1997: 251). This act introduced the 'individual right' to vocational training as employees have the right to educational leave (Brunk/Wahman 2009: Main Features of the National Continuous Vocational Training System). For trade union related studies there are no requirements for employment duration. However, for other studies, the employee must have been employed continuously for six months or for twelve months within the last two years (Landsorganisationen i Sverige 2009: The Study Leave Act).



## **Linkages to Wage Agreements and Wage Policy (e.g. Wage Restraint, Tripartite Agreements) and Other Agreements**

- Some agreements relate the right to CVT with the right to income increase.
- In the agreement between the Financial Sector Union of Sweden (*Finansförbundet*) and the Employers' Association of the Swedish Banking Institutions (*BAO*) it is stated that an employee without adequate income increase is entitled to CVT (Brunk/Wahman 2009: Collective Bargaining on CVT).

## **Actors' Strategies and Conflicts among and between Them (State, Political Parties, Employers, Trade Unions)**

- In the question of decentralization of collective bargaining the Confederation of Swedish Enterprises is in favor of decentralized beginning, while the LO is more in favor of explicit statements in sectoral agreements (Brunk/Wahman 2009: Main Positions of the Social Partners on the CVT)
- For all major employers' associations and trade unions CVT is of importance. The present system is accepted and there are no tendencies to cut the influence of the social partners at the local level (Brunk/Wahman 2009: Main positions of the Social Partners on the CVT).
- Even though the introduction of the individual competence savings is not a topic for the current government, some unions as SACO and TCO are still in favor of the idea. On the other hand, LO and the Confederation of Swedish Enterprise are 'more sceptical'. The LO published a report in 2003 (only in Swedish) that suggests establishing a national system of education validation that would allow for a documentation for employees that underwent education outside the formal educational system (Brunk/Wahman 2009: Main Positions of the Social Partners on the CVT).
- According to an expert from the Swedish Association of Graduate Engineers (Frankelius 17.12.2009, interview), the association is, 'generally speaking, content with these agreements as such, i.e. they are in theory enough to support our local representatives in their work with training and competence enhancement for our members. In practice, however, we wish more activity in these matters at the company level, but for our members we also must note that very much of the competence enhancement is fostered in a dialogue between the individual member and his/hers manager.'

## 10. Recent Developments and Other Interesting Information

Recent developments:

- In 2000, the social democratic government initiated with an inquiry the debate about the establishment of so-called individual competence savings (*individuellt kompetens sparande*), which is a form of individual learning account. The government wanted to introduce a competence savings system. Employees and employers should contribute to a fund which was supposed to be tax deductible. However, the government had to leave in 2006 and the reform had not been realized at that point. The new centre-right government has not expressed any ambition to introduce a similar reform (Brunk/Wahman 2009: Main Positions of the Social Partners on the CVT).
- At the moment, there is a limited public debate on policy reform (Brunk/Wahman 2009: Main Positions of the Social partners on the CVT). There were not a lot of changes in CVT in Sweden in the last years. Since the vivid debate on the individual competence savings in the beginning of the decade the issue of CVT declined in importance. The social partners wanted to wait for the implications of the introduction of this scheme. However, at the moment it is unlikely that this suggestion will be realized soon, as the centre-right government does not seem to be willing to pursue the reform path of the previous social democratic government. This development might lead to new strategies of the social partners on improving the CVT system (Brunk/Wahman 2009: Commentary).
- The Swedish Employers' Confederation withdrew from all decision-making bodies of state organs apart from the labor court (EIRO 2009: 3).

## 11. Contacted Experts

We thank the following experts and colleagues for providing information and answering very specific questions:

- Frankelius, Camilla, 17.12.2009, Head of the Negotiation Team at the Swedish Association of Graduate Engineers, e-mail interview.

## 12. List of Abbreviations

- AGB: *Avgångsbidrag* (termination pay)
- AMU: *Arbetsmarknadsutbildning* (National Employment Training Board)
- BAO: *Bankinstitutens arbetsgivarorganisation* (Employers' Association of the Swedish Banking Institutions)

- CEDEFOP: European Centre for the Development of Vocational Training
- CLA: collective labor agreements
- CVT: continuing vocational training
- EIRO: European Industrial Relations Observatory On-Line
- LO: *Landsorganisationen i Sverige* (Swedish Trade Union Confederation)
- PTK: *Privattjänstemannakartellen* (Salaried Employees in Industry and Services)
- SACO: *Sveriges Akademikers Centralorganisation* (Swedish Confederation of Professional Associations)
- SAF: *Svenska Arbetsgivareföreningen* (Swedish Employers' Confederation)
- Sif: *Svenska Industritjänstemannaförbundet* (Swedish Union of Clerical and Technical Employees in Industry)
- TCO: *Tjänstemännens Centralorganisation* (Swedish Confederation of Professional Employees)
- UVA: *Utvecklingsavtalet* (Development Agreement)

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