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DECLARATION OF INTENT between the Government, the Swedish Trade Union Confederation (LO), Unionen and the Confederation of Swedish Enterprise

The Government, the Swedish Trade Union Confederation (LO), the Confederation of Swedish Enterprise and Unionen agree that entry agreements should be introduced. The aim is to help newly arrived immigrants and long-term unemployed to become established in the labour market, and to facilitate future skills provision for employers.

The Swedish labour market is strong. Employment rates are increasing and unemployment is decreasing. Long-term unemployment has decreased and is the lowest in the EU. But far too many people still have trouble finding work, particularly those who were born outside Europe. An increasing number of sectors and regions are experiencing labour shortages. For Sweden to be able to maintain its competitiveness, it is important that skills provision is improved. Labour market matching must therefore be improved.

The basic premise is that entry agreements should make it possible for newly arrived immigrants and long-term unemployed people to get a job with an employer covered by a collective agreement on entry agreements. The intention is to ensure that newly arrived immigrants and long-term unemployed people have opportunities to acquire knowledge and experience that are sought after in the labour market. A position under the scheme should generally be able to lead to a permanent, full-time position with the employer. The employee will be given the opportunity to take part in Swedish for Immigrants and other short training courses as agreed on by the employer and the employee. Among other things, the Government is carrying out an initiative in the area of regional vocational adult education that improves skills provision and creates opportunities for individuals who have entry agreements. In addition, funds will be available for adult vocational places on training courses that are relevant to both parties. Regular application processes will, however, apply. The social partners agree that the intention is not for employers to use entry agreements primarily for the purpose of reducing their labour costs.

Entry agreements are a completely new model to stimulate employment for newly arrived immigrants and long-term unemployed people. In 2019, an employer's total payroll expenses for a position of this kind will amount to SEK 8 400 per month. In addition, the employee will receive a tax-free, individual state benefit amounting to at most SEK 9 870 per month in 2019. The Government and the social partners agree that the salary and the individual benefit will follow wage developments. The individual state benefit can be claimed for no more than two years. The basic premise is that the size of the individual benefit should mean that there is an incentive for the individual to obtain regular employment.

The social partners and the Government intend to work together to ensure that when fully implemented, the scheme will cover at least 10 000 individuals.

The intention of the Government and the social partners is that external actors will provide the major part of the matching for entry agreements. Therefore, Arbetsförmedlingen (the Swedish Public Employment Service), together with the social partners, will be tasked with analysing the conditions for a model for procured matching for entry agreements, and examining its detailed design.

The social partners agree that they will establish a joint committee for the application of, and compliance with, union agreements on entry agreements.

The following are the conditions for entry agreements:

- there must be an appropriate control structure that minimises the risks of incorrect payments and repayment demands;
- the salary for an entry agreement must be covered by current regulations for employers' social security contributions and income tax;
- the salary must form the basis for social security benefits, and it is therefore necessary to examine how protection, e.g. in the event of illness, could be designed, while ensuring that controls are in place; and
- the social partners' final agreement will be valid for five years following its adoption, subject to notice of termination in accordance with the social partners' agreement of principle.

The ambition is to introduce entry agreements during the second half of 2019. It should be possible to provide the individual state benefit for an entry agreement even if the model for procured matching has not yet entered into force. In light of this, the Government intends to:

- draft a proposal regarding the design of the individual state benefit for state aid notification to the European Commission; and
- draft proposals for necessary legislative amendments and refer them for consultation.

There is also a need for measures so that Swedish for Immigrants and other regular training courses, and industry validation and validation in the regular education system, can supplement entry agreements. The Government therefore intends to review this together with the social partners.

The scheme requires that:

- the model for entry agreements is compatible with existing regulations in the area of labour law;
- the model with multiple matching actors is feasible in practice;
- no obstacles arise in terms of state aid law; and
- the Riksdag takes necessary decisions.