

Sweden's National Reform Programme 2018

Europe 2020 – the EU's strategy for smart, sustainable and
inclusive growth



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1. Introduction

The Europe 2020 Strategy is the EU common strategy for growth and jobs that has been in place since June 2010. It is based on the integrated economic and employment policy guidelines under the Treaty.¹ The aim of the strategy is to improve the conditions for full employment and inclusive sustainable growth up to 2020. The strategy is based on three priorities that are intended to reinforce one another:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource-efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering economic, social and territorial cohesion.

In April each year, Member States submit a national reform programme to the Commission, describing their implementation of the Europe 2020 strategy in national policies. The programmes report on achieved results over the past year, as well as planned measures. The programmes are to reflect the overarching priorities for the European Semester, which is the framework for economic policy coordination in the EU.

Sweden's national reform programme for 2018 is mainly based on the initiatives and reform ambitions proposed by the Government in the Budget Bill for 2018 and the Spring Fiscal Policy Bill for 2018. It also reflects the policy priority areas in the Commission's Annual Growth Survey, as endorsed by the European Council on 22–23 March 2018:

- Boosting investment to support the recovery and to increase long-term growth.
- Structural reforms for inclusive growth, upward convergence and competitiveness.
- Responsible fiscal policies to support sustainability and convergence.

An appendix to this year's programme also presents materials received from social partners, regional and local entities and organisations in civil society. The Government has not taken a position on these materials.

¹ Council recommendation (EU) 2015/1184 of 14 July 2015 on broad guidelines for the economic policies of the Member States and of the European Union. Council Decision (EU) 2016/1838 of 13 October 2016 on guidelines for the employment policies of the Member States for 2016.

1.1 Reform policy

The task of politics is to find solutions to social problems and lay the foundation for a better future. During this electoral period, reforms have been implemented to increase security, sustainability and equality throughout the country. The Government is now concluding the work of this electoral period with further proactive investments. Equality must increase. The welfare system must be expanded throughout the country. Sweden will be the world's first fossil-free welfare nation. The introduction of newly arrived immigrants needs to proceed at an even faster pace. Concerted national efforts are needed to deter and prevent crime, and strengthen our democracy.

Firm political will can help ensure that our growing prosperity benefits everyone in the country. Sweden's collective strength can increase by prioritising joint investments for our future over major tax cuts. Policies that reduce economic disparities between different groups provide the conditions needed for a free and equal society. This is how our security and confidence in the future can grow.

When the Government took office, the general government deficit amounted to a total of SEK 60 billion. Youth unemployment was very high and learning outcomes in schools were deteriorating. Growing gaps, a housing shortage and a lack of investment in education were hampering growth. For many years, jobs, welfare and the climate had to take a back seat in favour of unfair and unfunded tax cuts.

Since 2014, this Government has taken Sweden in a different direction. Tax cuts have been replaced by investments in building our society. Reform policies have been characterised by responsibility for central government finances. These major deficits have been turned into a surplus of more than SEK 50 billion. The central government debt-to-GDP ratio in 2018 is expected to be at its lowest level since 1977. Migration policy has been changed. School performance has been turned around. An additional quarter of a million people in Sweden now have a job to go to. Youth unemployment is at its lowest level since 2003. Sweden is leading climate adaptation. Developments are now moving in the right direction. The prospects are good for solving today's social problems and bolstering the welfare system ahead of any future economic downturns. With the Swedish model as a foundation and modernisation as a tool, a secure and sustainable society can be built.

During this electoral period, a number of redistribution reforms have been implemented. These efforts must continue, and Sweden must be a nation of

equality. Investments and reforms that strengthen redistribution and give everyone opportunities to take part in the labour market reduce gaps, increase trust among citizens and strengthen the economy. Equality and development are mutually reinforcing.

More people must get into work. The Government's objective that Sweden will have the lowest unemployment rate in the EU by 2020 guides our economic policy. Swedish employers stand ready to employ 100,000 people if they can find people with the right skills. This is why the Government is expanding the Adult Education Initiative by adding more places in vocational municipal adult education, folk high schools, vocational higher education institutions, and universities and higher education institutions. The Government is also creating opportunities for more extra jobs and is introducing an education and training obligation for newly arrived immigrants. All women and men must have the opportunity to enjoy the freedom and self-determination afforded by an earned income of their own. Knowledge, not low wages, is the way forward. Fair competition and fair working conditions in the labour market, including good working conditions and job security, are a prerequisite for the Swedish model. The Government supports the social partners' ambition to jointly develop the labour market through entry agreements. Investments in roads and railways, housing construction and broadband will enable companies to grow and people to live and work throughout the country.

Welfare services must be available where people live, and must be reliable regardless of location in Sweden. More and more children are being born in Sweden and, thanks to better public health, we are living longer. For this reason, health care, schools, child care and elderly care need to be expanded throughout the country, working conditions improved and new smart solutions created to meet future staffing needs. At least 200,000 more people will therefore need to be employed in the welfare sector in the coming decade. This expansion has begun. There are already more than 100,000 more people working in the welfare sector than when this Government took office. The positive trend of improved learning outcomes for Swedish pupils must be reinforced. Elderly people who have contributed to building our country should not pay higher taxes than wage earners. The strength of Sweden's economy must benefit everyone. Publicly financed welfare has a strong redistributive power. Sweden must continue to be a leading welfare nation. Economic inequality must be combated through active redistributive policy. The Government has also introduced new indicators of wellbeing that complement GDP and provide a broader measure of societal development.

The Government has made the largest investments in the environment and climate in Sweden's history. Emissions from industry, housing and the transport sector are falling. The pace of investment in solar cells, wind, bioenergy and new technologies has increased to enable Sweden to achieve the goal of 100 per cent renewable electricity production by 2040. It is possible to combine reduced greenhouse gas emissions with economic development. Sustainability in trade must increase, and consumption-based emissions must fall. Sweden's valuable natural environment must be managed and protected for both outdoor activities and biodiversity. This is the right path to take. The Riksdag has adopted a climate act that forms the basis of the Government's climate policy efforts. Sweden is now leading climate adaptation. The environmental problems of today cannot be handed down to future generations to deal with.

Security is a cornerstone of the Swedish model, and a sustainable society is the path forward. Concerted efforts are also necessary to deter crime and uphold security and democracy. Total defence must be reinforced. Security must increase in residential areas, hospitals and schools, and at bus stations. The Swedish Police Authority and Swedish Customs will receive increased resources. Emergency services staff must be protected. Sweden's contingency for terrorist attacks must be further strengthened. Drugs and weapons must be stopped at the border. The capacity to tackle organised crime must increase and penalties be made tougher. Police capability to investigate sexual offences must increase. Preventive efforts to combat sexual harassment, violence and abusive treatment must be strengthened through education and information initiatives in the judicial system, schools and social services, and through enhanced support to regional safety representatives. Society must become much better at preventing violence against women and honour-related violence.

In a new era when fake news, threats, hate, racism and intolerance are poisoning the democratic dialogue, the infrastructure of government agencies, courts, journalists, teachers and librarians that safeguard our legal rights, factual knowledge and freedom of speech must be safeguarded. Sweden must be a nation of social cohesion, where freedom of expression is strong.

A secure and sustainable Sweden is the path this Government is choosing.

2. Macroeconomic situation and scenario

The Swedish economy has shown strong growth in recent years. Since 2014, Sweden has had higher growth than most other comparable countries. Growth in 2018 is also forecast to be high.

Table 1. Macroeconomic key indicators

Percentage change unless otherwise indicated. Outcome 2017, forecast 2018-2021.

	2017	2018	2019	2020	2021
GDP ¹	2.4	2.8	2.2	2.1	1.8
GDP, calendar-adjusted ¹	2.7	2.9	2.2	1.9	1.7
GDP gap ²	0.7	1.4	1.3	1.0	0.5
No. of employed, 15-74 years	2.3	1.4	0.6	0.5	0.3
Employment rate ³ , 15-74 years	67.8	68.4	68.5	68.6	68.6
Employment rate ³ , 20-64 years	81.8	82.3	82.5	82.6	82.6
Number of hours worked ⁴	1.9	1.7	0.8	0.4	0.1
Productivity ^{4, 5}	0.8	1.3	1.4	1.5	1.5
Unemployment ⁶ , 15-74 years	6.7	6.2	6.2	6.1	6.1
Hourly wage ⁷	2.5	2.8	3.1	3.4	3.4
CPI	1.8	1.6	1.9	2.8	3.4
CPIF	2.0	1.7	1.7	2.0	2.1
GDP abroad, KIX-weighted ^{1,8}	2.8	2.7	2.5	2.3	2.2
Income distribution ⁹	0.275	0.272			

¹ Real GDP.

² The difference between actual and potential GDP as a percentage of potential GDP. Potential GDP is an estimate.

³ Per cent of the population in each age group.

⁴ According to the national accounts, calendar-adjusted.

⁵ Value added to base price per hour worked in the entire economy.

⁶ Percentage of the labour force.

⁷ Hourly wage according to the short-term wage statistics is also a forecast for 2017.

⁸ GDP forecasts for abroad weighted with KIX weights, a measure of the significance of each country to Sweden's foreign trade.

⁹ Gini coefficient of equivalised disposable income excluding capital gains.

Projection from outcome 2016. The Gini coefficient can have a value between 0 and 1. A coefficient of 0 expresses maximal economic equality (where everyone has the same income). A coefficient of 1 expresses maximal inequality (only one person has all the income).

Note: The forecast and projection are based on policy adopted and proposed thus far.

Sources: Statistics Sweden, National Financial Management Authority, Macrobond and own calculations.

Economic policy is governed by the Government's objective of having the lowest unemployment in the EU by 2020. According to the climate policy framework, climate policy and budget policy targets shall be provided with conditions to work together. Since the Government took office, employment has increased by 250,000 individuals, just over half of whom work in the private sector. The strong labour market growth has continued in the past year, with the employment rate for the age group 20-64 amounting to 81.8 per cent in 2017, 79.8 per cent for women, and 83.8 per cent for men. This is the highest employment rate ever measured by Eurostat in an EU country. Because of the upswing in the economy and the Government's reforms, workforce demand will remain high, and unemployment is expected to drop to 6.2 per cent in 2018. Because of the strong growth, resource utilisation in

the economy, measured using the GDP gap, is expected to be higher than normal in 2018 and 2019. The economy is subsequently expected to gradually head towards balanced resource utilisation.

Inflation, measured using the consumer price index with a fixed interest rate (CPIF), rose to 2 per cent in 2017. Expansionary monetary policy, a strong economy and factors of a more temporary nature contributed to this. Inflation is expected to be somewhat curbed in 2018, not reaching the 2 per cent target again until 2020.

Public finances have shown a surplus since 2015. The public sector financial balance was over 1.1 per cent of GDP in 2017. The surplus in public finances is expected to be approximately 1 per cent of GDP in both 2018 and 2019, and to subsequently rise through 2021. The structural balance is also expected to be above the new level for the surplus target, and strengthen at the end of the forecast period.

The recovery in the global economy, which has long been uneven and weak, has broadened in the past year, gaining strength. All the major economies are growing at a healthy rate. The euro area, which is Sweden's most important export market, has enjoyed a particularly high increase in growth. A strong end to 2017, and sustained high confidence indicators, suggest that growth abroad will remain high in 2018. Furthermore, growth composition abroad is expected to be more favourable for Swedish exports than it has been in the past few years.

In the advanced economies, growth is expected to slow down in 2019, in line with resource utilisation in many countries heading towards a balanced level as monetary policy is gradually normalised. This is particularly the case for the United States, which has had a faster economic recovery than many other countries.

In 2018 growth is expected to increase in many of the emerging economies, one reason being higher commodity prices. The Chinese economy is undergoing a transition, from having export- and investment driven growth, to growth largely driven by domestic consumption. This is expected to cause growth in China to slow down again, after it temporarily increased in 2017.

Aggregate GDP growth in the countries of importance to Sweden's foreign trade is expected to be 2.7 per cent in 2018, and subsequently slow down somewhat.

3. Initiatives and measures in response to main economic challenges

This section provides a general account of the initiatives and measures the Government has undertaken and intends to undertake in areas considered to pose the main economic challenges for Sweden's economy and which were identified in the country-specific recommendation to Sweden within the European Semester.

The Commission's proposed country-specific recommendations published on 22 May 2017 state in summary that Sweden is expected to comply with Stability and Growth Pact rules. The Commission points out a number of challenges that Sweden needs to address. One of these challenges is high and increasing household indebtedness, which is considered a risk to macroeconomic stability. A related challenge is the Swedish housing market, which, according to the Commission, demonstrates structural inefficiencies and remains a potential source of macroeconomic instability.

In the formal Council Decision of 11 July 2017, the Council recommends that Sweden take action in 2017 and 2018 to:

Address risks related to household debt, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, while constraining lending at excessive debt-to-income levels. Foster investment in housing and improve the efficiency of the housing market, including by introducing more flexibility in setting rental prices and revising the design of the capital gains tax.²

On 7 March 2018 the Commission presented its winter package within the European Semester containing country reports with further analysis of Member States' economies and social status. For the twelve Member States reviewed as part of the Macroeconomic Imbalance Procedure, the Commission's in-depth analyses are also reported, i.e. their assessment of whether or not macroeconomic imbalances exist in these Member States.

In the country report for Sweden³, the Swedish economy is assessed in light of the Commission's Annual Growth Survey⁴, presented on 22 November 2017 and containing proposals for policy priority areas and direction of

² 2017/C 261/26

³ SWD(2018) 225 final

⁴ COM (2017) 690

economic policy and employment policy in the EU in the next 12 months (see Section 1).

In the country report for Sweden, the Commission points out that household indebtedness has continued to rise from an already elevated baseline, and that Swedish banks are well-capitalised, but that there are risks in their growing exposure to households' mortgages. Furthermore, the Commission draws attention to a number of structural inefficiencies in the Swedish housing market, which are considered to have an adverse impact on housing supply. Sweden is considered to have made limited progress in implementing the country-specific recommendation from 2017.

Other important challenges for the Swedish economy highlighted in the country report concern establishing newly arrived immigrants in the labour market, and the widening gaps in educational outcomes between different groups in society.

In terms of progress in national target attainment in the Europe 2020 strategy, the Commission finds that Swedish shows good results in terms of employment rate, greenhouse gas emissions, share of renewable energy, rate of early school leaving, tertiary education attainment and poverty risks. The areas in which progress is still considered relatively weak are energy efficiency and R&D targets. Furthermore, the report sets out that Sweden is considered to be performing well in terms of the social scoreboard indicators that complement the European pillar of social rights.

The Government welcomes the reviews conducted within the framework of the European Semester. In the Government's view, the work performed in the European Semester serves to encourage responsible economic policy and attainment of the targets the Member States have jointly agreed. Reviews that are well-founded, treat the Member States equally and take country-specific conditions into account are a central and important aspect of the European Semester and thus economic policy coordination at the EU level.

Out of the challenges to the Swedish economy highlighted in the country report for Sweden, household indebtedness and the housing market are addressed in this section. Other challenges are addressed in Section 4.

3.1 Household indebtedness

Summary – examples of initiatives and measures

- The amortisation requirement for mortgages has been tightened, as of 1 March 2018, for households taking out new mortgages that are large in relation to their income.
- Finansinspektionen's mandate to undertake macroprudential measures was strengthened through legislative amendments that came into force on 1 February 2018.
- Aimed at increasing mobility in the housing and labour markets, the rules on deferred capital gains upon sale of a private home were changed for sales during the period 21 June 2016 to 20 June 2020.
- An amortisation requirement has been instituted for new mortgage loans. The relevant regulations came into force on 1 June 2016.
- Finansinspektionen decided in 2015 and 2016 to increase the countercyclical capital buffer.
- The Basel III accord was implemented in Sweden in 2014. As a result, a larger share of institutions' capital must be of higher quality. Capital buffer requirements have also been introduced, entailing higher capital adequacy requirements for Swedish institutions.
- The risk weight floor of 15 per cent for Swedish mortgages that was introduced by Finansinspektionen in 2013 was raised to 25 per cent in 2014.
- A mortgage loan-to-value limit was instituted in 2010, by which new loans must not exceed 85 per cent of the market value of the property.

The Government's view on the recommendation

The Government shares the assessment that increasing household indebtedness poses a risk to macroeconomic stability. A sharp rise in household debt has often tended to precede deeper and more persistent economic downturns. House prices and household debt have risen at a relatively fast rate in Sweden since the mid-1990s. Prices also increased in many other OECD countries in the 1990s, and at the beginning of the 2000s, but unlike the trend in such countries, there was no substantial price decline in Sweden in connection with the 2008–2009 financial crisis. Household lending has increased rapidly in recent years, and the year-on-year growth rate was 7.0 per cent in February 2018. The growth rate has stabilised at this level in the past year. It is primarily loans collateralised by a home that are the growth driver. Housing prices increased sharply over several years, particularly

for tenant-owned apartments. However, at the end of 2017 and beginning of 2018, house prices recoiled somewhat, resulting in a negative year-on-year growth rate.

A large part of the increase in house prices and household indebtedness since the mid-1990s can be explained by structural and macroeconomic factors. Increasing numbers of households own their homes. The supply of housing, especially in large cities, has however grown more slowly than the population and housing-related taxes have been lowered, especially in connection with the state property tax being replaced by a municipal property charge in 2008. In parallel, household incomes have increased at a healthy rate and the real interest rate has dropped. A sharp downturn in house prices can have substantial impact on household wealth. If real household wealth declines, there is risk that households will opt to reduce their consumption, which in turn poses a risk to macroeconomic stability.

In its yearly report *The Swedish Mortgage Market*, Finansinspektionen, (the Swedish FSA), determines that households generally have sufficient financial margins to cope with interest rate increases and loss of income. The survey also shows that households are paying down their mortgages to a greater extent than before, and that the trend has been broken of households taking out bigger and bigger loans in relation to their income over time. This is considered to reduce the risk that banks and other credit institutions will sustain credit losses on household mortgages.

The Government also shares the view that the structure of the tax system can influence household indebtedness. However, it is important to maintain stable and predictable rules for decisions as important as the one to buy a home. The need for measures in this area must be viewed from a long-term perspective and managed with due care. This applies in particular to the question of tax relief on interest payments.

In addition to phasing out interest deductibility, the Commission recommends higher taxation of privately owned property. However, there is no political support in Sweden for shifting taxation in such a direction. The former state property tax was changed to the present system of municipal property charges due to criticism that it was unfair and because it lacked popular support.

Initiatives and measures

A number of measures have been taken to bolster the resilience of the financial system. To ensure that banks maintain sufficient capital to cover the

risks in the Swedish mortgage portfolio, Finansinspektionen introduced a risk weight floor of 15 per cent for Swedish mortgages in May 2013. Finansinspektionen then raised the risk weight floor to 25 per cent in September 2014. Higher risk weights mean that banks, given existing lending, need to fund themselves with more own funds. The measure is estimated to increase the cost of bank funding to some extent. On 28 March 2018, Finansinspektionen announced that it proposes to amend the method for applying the current risk weight floor for Swedish mortgages, which is currently applied in Pillar 2, by replacing it with a requirement within the bounds of Article 458 of the Capital Requirements Regulation.⁵ According to the proposed measure, the capital requirement formerly set through the risk weight floor for Swedish mortgages in Pillar 2 will now be set in Pillar 1. The overall capital need of credit institutions will not be affected to any significant extent by the proposed measure.⁶

The Basel III accord was implemented in the EU in 2014 when the Capital Requirements Regulation (CRR) went into force, and the Fourth Capital Requirements Directive (CRD IV) was transposed into Swedish law. The new regulatory framework means that a greater proportion of capital requirements must be filled by higher-quality capital; that is, capital with better loss-absorbing capacity. Through the new regulatory framework, capital buffer requirements have also been introduced, which have entailed higher capital adequacy requirements for Swedish institutions, particularly systemically important institutions. In June 2015, Finansinspektionen decided to increase the countercyclical capital buffer from 1.0 per cent to 1.5 per cent, starting in June 2016. Then, in March 2016, Finansinspektionen decided to increase the countercyclical capital buffer further, to 2.0 per cent. The latest increase in the countercyclical capital buffer took effect in March 2017.

The Government believes it is crucial to take carefully considered measures to check the rate of growth in household indebtedness, so that the measures do not trigger a rapid and uncontrolled downturn in house prices with serious adverse impact on economic growth and employment. In this context, the Government wishes to emphasise the importance of following up on the effects of measures taken. In the autumn of 2010, Finansinspektionen decided on general guidelines for mortgages collateralised by a home; under the mortgage loan-to-value limit, new loans may not exceed 85 per cent of the

⁵ In the capital requirement regulations, the capital requirement is divided up between Pillar 1 requirements, which cover minimum capital requirements for credit risk, market risk and operating risk, and Pillar 2 requirements, which address capital requirements for other risks not included in Pillar 1.

⁶ https://www.fi.se/contentassets/11fa1b82c138409b8a0d6c66e954b17c/remisspromemoria_artikel458.pdf

market value of the home. Finansinspektionen's annual mortgage survey has shown that the proportion of new mortgages with LTV above 85 per cent has declined sharply since 2010.

Increased amortisations will reduce household indebtedness over the long term, which improves households' resilience to shocks. The proposed legislation on the amortisation requirement, which gives Finansinspektionen a mandate to issue regulations concerning amortisation requirements for new mortgage loans, entered into force on 1 May 2016. Thereafter, Finansinspektionen, following the Government's approval, decided regulations on the amortisation requirement, which entered into force on 1 June 2016. Finansinspektionen's analysis shows that the amortisation requirement has led to households purchasing cheaper homes, and taking out smaller mortgages than would have been the case had the amortisation requirement not existed. However, even after the introduction of the amortisation requirement, household indebtedness has continued to increase at a high rate. On 1 March 2018, the amortisation requirement for households taking out large mortgages in relation to their income was tightened. The measure is considered to affect just shy of 15 per cent of new mortgage borrowers currently.

Through legislative amendments that came into force on 1 February 2018, Finansinspektionen has possibilities, following the Government's consent, to take further macroprudential measures to counteract imbalances in the credit market. These measures ought to pose different types of limitations in terms of lending to households and companies, such as limits on the extent of loans and interest expense that borrowers can be considered able to cope with in relation to their finances. The legislative amendments are based on a political agreement entered by the Government with the centre-right parties and the Left Party in October 2016.

The Government also shares the assessment that the tax system may affect mobility in the housing market. Changes in real estate taxation in recent years have moved towards lower ongoing taxation and higher taxation in connection with transactions. Aimed at increasing mobility in the housing and labour markets, the rules on deferred capital gains upon sale of a private home were changed from 1 January 2017. The cap on deferred capital gains was abolished for sales of private homes during the period of 21 June 2016 – 30 June 2020. In addition, the method for calculating the size of the deferral upon purchase of a less expensive home has been changed so that it is more generous, other than in exceptional cases.

3.2 The housing market

Summary – examples of initiatives and measures

- The Government has proposed clarifications of the requirement for detailed development plans in the Planning and Building Act to make it easier to judge when a detailed development plan is needed.
- With the aim of creating incentives for keeping to deadlines that apply for decisions, the Government has proposed introducing into the Planning and Building Act a system of reducing fees when deadlines for decisions in cases of permits and advance notice, and starting clearance following notification, are exceeded.
- To promote digital developments, the Government has proposed an amendment to the Planning and Building Act enabling the Government, or its designated agency, to issue regulations on standards, and assign special tasks to the National Board of Building, Planning and Housing and the Swedish mapping, cadastral and land registration authority.
- The Government has decided on changes in investment aid for arranging rented homes and student accommodation with a view to further increasing the housing supply that more households will be able to demand.
- The County Administrative Boards have received a standing contribution of funds for processing and advisory tasks related to meeting housing needs. Furthermore, instructions for the County Administrative Boards have been amended with the addendum that, in their operations, they shall work on facilitating that the housing needs are met.
- A coordinator has been instructed to facilitate large, integrated developments to create the prerequisites for new, sustainable cities. A coordination function for complex planning conditions has subsequently been established.
- Akademiska Hus will contribute in enabling the construction of 28,000 new homes until 2028.
- The system of credit guarantees for housing construction has been assessed and the need for other central government mechanisms has been reviewed with a view to improving financing conditions. The report 'Loans and guarantees for more homes' (*Lån och garantier för fler bostäder*) (SOU 2017:108) has been referred for consultation.

The Government's view on the recommendation

The Government agrees that there are substantial challenges in the Swedish housing market. Further reforms are required to increase housing supply by means such as creating favourable conditions for a higher rate of new construction and promoting greater mobility in the housing market. The rent-setting system is designed to strike a balance between the right to security of tenancy and reasonable rents for both tenants and property owners. Increased rents in the existing holding would probably not appreciably affect the supply of newly constructed rental homes. In order to improve predictability and facilitate new construction projects, around ten years ago the exemption rule for presumptive rent was introduced. Presumptive rent enables the parties, when negotiating rent for newly constructed rental homes, to diverge from utility value-based rents.

Initiatives and measures

Housing construction, measured as the number of housing units completed, has been lagging population growth for 20 years. However, in the past few years, the number of housing units completed has increased sharply, amounting to around 53,500⁷ homes in 2017 – a level not exceeded since 1991. The number of housing starts has also sharply increased. In 2013 there was a total of 33,400 housing starts, including the net contribution from conversions. In the following year there were 39,400 housing starts, 51,300 in 2015, 63,300 in 2016 and almost 68,000 in 2017. In 2018 the number of housing starts is expected to decrease for the first time since 2012. A sustained high construction rate requires production to largely focus on households with lower purchasing power.

In 2016, investment aid was introduced for arranging new rental properties and student accommodation. The aid is subject to a number of conditions; for instance, a certain maximum rent level, which is to apply for 15 years in accordance with the rules in the Tenancy Act regarding presumptive rent. Another condition is that the recipient of the aid may not, when renting out properties, impose conditions regarding tenant income other than those set out in the regulations of the National Board of Housing, Building and Planning. Until March 2018, investment aid had been granted for arranging more than 11,000 homes.

⁷ Source: The Swedish National Board of Housing, Building and Planning.

The Government has proposed certain clarifications of the requirement for detailed development plans in the Planning and Building Act, whereby it will be easier to judge when a detailed development plan is needed and not needed (Govt. Bill 2017/18:167). It is proposed that the amendments come into force on 1 July 2018.

The Government has proposed, through amending the Planning and Building Act, the introduction of a system of reducing fees when deadlines for decisions in cases of permits and advance notice, and starting clearance following notification, are exceeded (Govt. Bill 2017/18:210). Through the bill, it is clarified when a deadline period commences, when it ends, and what the conditions are for extending it. The purpose of the bill is to create incentives for keeping to the deadlines applicable to decisions. It is proposed that the amendments come into force on 1 January 2019.

A central government coordinator has been instructed to identify municipalities that have completed plans for large-scale housing construction that cannot be implemented for some reason, as well as areas that are not included in existing plans and where there is long-term potential for building entirely new cities. Agreements have been entered with three municipalities regarding six areas, and letters of intent have been entered with two more municipalities. In January 2018 a coordination function was established for complex planning conditions.

The Government has commissioned The Swedish National Board of Housing, Building and Planning to set up and manage a website with information that enables, in particular, foreign building contractors and construction companies to easily find information about building regulations, information about the planning process, work environment regulations, contractual terms, etc. in the labour market. The purpose is to make it easier for foreign companies to establish themselves and operate in Sweden to build homes. The website, which will be in English, will be launched in the summer of 2018. It will be investigated whether the website needs to be available in languages other than English.

The Building Rights Inquiry (N2017:06) has been commissioned to identify the possibilities of municipalities to ensure that existing building rights are taken in claim in accordance with prevailing detailed development plans. If there is a need to improve the possibilities of municipalities in this respect, the inquiry will put forth proposals that fulfil the need. The purpose of the inquiry is to enable municipalities, to a greater extent than currently, to ensure that

building rights created in detailed development plans are taken in claim without undue delay. It is estimated that the work of the inquiry will be completed by 31 May 2018 at the latest.

The ability of private individuals to let out their own homes is an important complement to the regular housing market. The Committee for Modern Building Rules will study how building regulations can facilitate adapting homes and stimulate newbuilds with rental space

Inquiries and directives

An inquiry has been commissioned to evaluate the system of credit guarantees for housing construction, to propose if needed how these can be developed to improve financing conditions for home newbuilds and conversions, and to review the need for other central government mechanisms aimed at improving financing conditions (Dir. 2017:1). The outcome of this work were presented in December 2017 and the report 'Loans and guarantees for more homes' (*Lån och garantier för fler bostäder*) (SOU 2017:108) has been referred for consultation.

Comprehensive planning will be improved. A special inquiry will study and put forth proposals for how comprehensive planning can be improved to facilitate subsequent planning, etc., and how the dialogue between the central government and municipalities on physical planning could be managed to a greater extent within the framework of comprehensive planning (Dir. 2017:6). Interim reporting will be performed in June 2017 and May 2018, and the final report will be submitted in January 2019.

A special inquiry will identify the possibilities of municipalities to ensure that existing building rights are taken in claim in accordance with prevailing detailed development plans. If there is a need to bolster the possibilities of municipalities in this respect, the inquiry will put forth proposals that fulfil the need. The purpose of the inquiry is to enable municipalities, to a greater extent than currently, to ensure that building rights created in detailed development plans are taken in claim without undue delay. A report will be presented by 31 May 2018.

The Swedish National Board of Housing, Building and Planning will describe the state of competition in the construction and construction materials industries in other countries, especially in the EU, in terms of competition and cost trends in the construction and construction materials industries, particularly with regard to housing construction. These efforts also include reporting on how sound competition in the sector is promoted in these

countries. The results of this work will be presented to the Government Offices no later than 30 November 2018.

Special information on digitalisation

Efforts to devise base maps, detailed development plans and plan provisions have become increasingly digitalised. At the same time, there is a lack of uniform standards for these efforts. A consequence of this is that possibilities to manage information flows between agencies and to make compilations of current detailed development plans are deficient. It is therefore important to prepare such standards. To lay down the conditions for this, the Government has proposed an amendment to the Planning and Building Act enabling the Government, or its designated agency, to issue regulations on standards on devising base plans, detailed development plans and plan descriptions (Govt. Bill 2017/18:132). It is proposed that the amendments come into force on 1 July 2018.

The Government has commissioned the Swedish National Board of Housing, Building and Planning to promote effective and uniform application of the Planning and Building Act in a digital environment (N2017/07543/PBB). This includes promoting digital planning and construction information, standards, interfaces and information flow between entities involved in community development. The Swedish National Board of Housing, Building and Planning will, if needed, put forth proposals for regulations that set requirements for digital planning and construction information, standards, interfaces and information flow between entities involved in community development. The Government's overarching objective is a more effective Planning and Building Act that can help lead to greater housing construction and societal development that is sustainable in the long term. A report will be presented by 31 August 2020.

The Government has commissioned the Swedish mapping, cadastral and land registration authority, for a period of three years starting in 2018, to run a skills programme on the opportunities presented by digitalisation in the planning and construction process (N2017/07544/PBB). The objective of these efforts is to help attain a more effective and uniform digitalised planning and construction process, which forms part of the overarching objective to establish more homes. A report will be presented by 1 December 2020.

4. Progress towards the targets of the Europe 2020 strategy

The Member States have set national targets in the same areas as the overall Europe 2020 targets, taking into account their relative baselines and national circumstances and in accordance with their national decision-making processes.

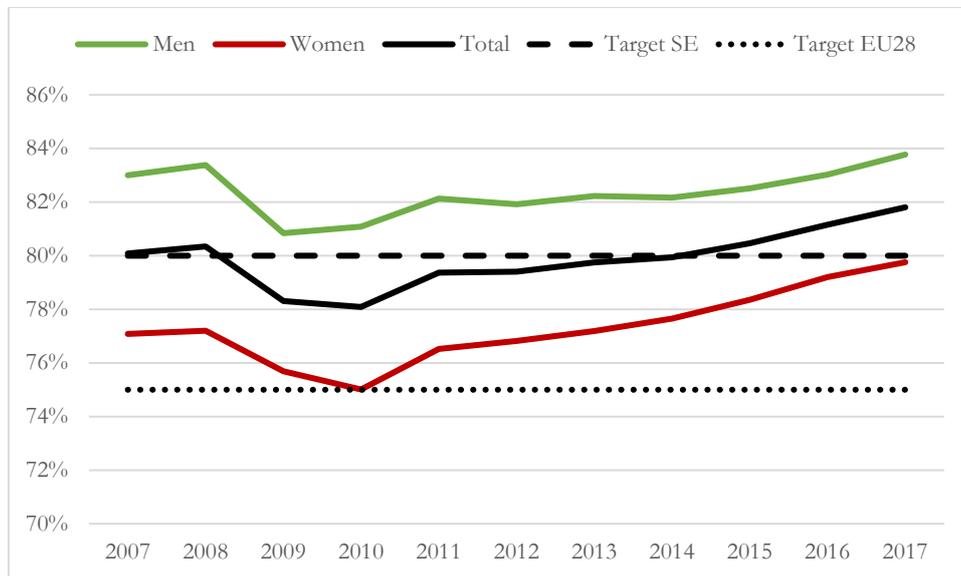
4.1 Employment target

Sweden's national target

To try to increase the employment rate to well over 80 per cent for women and men aged 20–64 by 2020.

The increase is mainly to be achieved among groups with weak foothold in the labour market, such as young people and people born outside Sweden, by counteracting long periods without work. The difference in employment rates between women and men must be reduced by increasing the employment rate of women.

Figure 1. Progression of the employment rate for women and men aged 20–64 in Sweden 2007–2017 compared with the Europe 2020 target for Sweden (well over 80 per cent) and the entire EU (75 per cent).



Source: Statistics Sweden, labour force surveys (LFS)

Current status

The employment rate for people in the 20–64 age group was 82 per cent on average in 2017 (80 per cent for women and 84 per cent for men). The employment rate has increased by 1.7 percentage points since 2007 (2.7 percentage points for women and 0.8 percentage points for men). With the exception of 2009, Sweden has had the highest employment rate in the EU throughout the past decade. According to Eurostat, the employment rate was 10 percentage points higher in Sweden than the average in the EU28 in 2016.

In the past decade, the progression in Sweden has been particularly strong in the upper age group (55–64 years), with the employment rate rising 6.4 percentage points to 77 per cent in 2017. Although youth and foreign-born people in particular were adversely affected by the financial crisis, the employment trend has been positive since then. Overall, the employment rate rose by 2.9 percentage points to 45 per cent for youth (aged 15–24) and by 3.2 percentage points to 70 per cent for people born abroad (aged 20–64).

It has taken up to ten years for half of newly arrived immigrants to become established in the labour market. According to the latest annual statistics from Statistics Sweden, things are now moving faster. Almost half – 48.5 per cent – of people received in 2011 had jobs after five years. Out of recently arrived men, one in two – 49.3 per cent – were working after three years. For women, however, it takes ten years for at least half to get a job.

The Government has also introduced an unemployment target whereby Sweden shall have the lowest unemployment in the EU in 2020. The target shall be attained by means of an increase in the number of working women and men, and the number of hours worked in the economy.

Initiatives and measures

Everyone who is able to work shall work

The Swedish Government is focusing on strengthening initiatives in the labour market area and in establishing newly arrived immigrants. The number of types of subsidised employment has been slimmed down, simplified and made stronger, and new regulations will come into effect on 1 May 2018. There will be one form of subsidised employment instead of five – Introduction jobs. Introduction jobs target people who are long-term unemployed or newly arrived immigrants. They can be flexibly combined with education and training, both to empower the individual, and to meet the skills requirements of employers.

Far too many people with disabilities that impair their capacity to work, are not in employment. Samhall AB plays an important part in helping people with disabilities that impair their capacity to work to be able to get a job, and who cannot get a job through other measures. The Government has decided to increase funds to the company in order to enable more people to get a job, improve possibilities to fulfil the labour market policy assignment, and create more transitions to employment positions outside the company. To improve the conditions for increased employment improved labour market participation, in February 2017, the Government increased the wage subsidy cap for people with disabilities that impair their capacity to work. The cap will also be increased gradually in 2018, 2019 and 2020.

Six out of ten people with disabilities that impair their capacity to work, and who have been granted wage support (wage subsidy and sheltered employment) are men. In 2015 the Public Employment Service performed an in-depth analysis of gender distribution in wage subsidies, and further analyses and activities will be carried out to help achieve equality in all means of support.

The Government has intensified its focus on measures to continue to create sustainable reception and effective establishment of newly arrived immigrants. As part of the Government's initiatives to encourage more unemployed people to make the transition to education and training, it has introduced an education and training obligation, which came into force on 1 January 2018. Under this obligation, all newly arrived immigrants who benefit from the Public Employment Service's Introduction Programme, and who are considered to be in need of education or training to get a job, can be referred to apply for, and undergo, education and training.

The Government and some of the social partners agree that entry 'agreements' should be introduced. Entry agreements' are to enable newly arrived immigrants and the long-term unemployed to gain employment from an employer covered by a collective agreement on entry agreements. Entry agreements are based on a proposal from the social partners and will entail an entirely new model for getting newly arrived immigrants and the long-term unemployed into work. The purpose is for more people to become established in the labour market, and to ease future skills supply for employers.

The establishment period tends to be particularly protracted for women, and especially women with short education and training. Also, women participate in labour market policy measures to a lower extent than men while they are in

the Introduction Programme. The Public Employment Service works according to an action plan, prepared as commissioned by the Government, to reduce unemployment among foreign-born women.

Good working conditions and opportunities for professional development for both women and men

The Government has implemented several measures to enhance work environment efforts and prevent exclusion from working life. In 2018, a midterm progress review of the Government's work environment strategy is being performed.

An agency for work environment awareness will be established on 1 June 2018. The agency will collect and disseminate knowledge and research findings in the field of work environment, and evaluate work environment policy.

The Government is conducting a three-year initiative in agency-wide control to counteract fraud, breaches of rules and crime in working life. Eight agencies have been commissioned, and received funds, to develop appropriate and effective working methods. The Swedish Work Environment Authority will coordinate methodology development and consult with social partners in order to develop ways to benefit from their knowledge and experience.

4.2 Education target

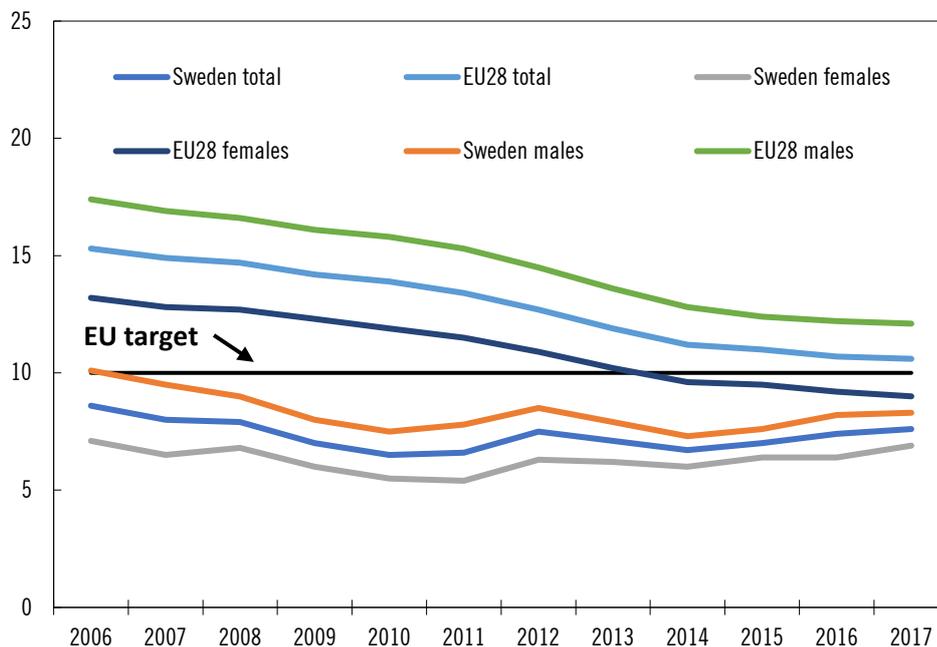
Sweden's national targets

- The share of people aged 18–24 who have not completed at least two years of upper secondary education and are not participating in any form of study is to be less than 7 per cent in 2020.
- The share of people aged 30–34 with at least two years of tertiary education is to be 45–50 per cent in 2020.

Current status

The share of people aged 18–24 who have not completed two years of upper secondary education and who are not in education has continually increased since 2014, amounting to 7.6 per cent in 2017 (8.3 per cent for men and 6.9 per cent for women), which is better than the EU target. The increase compared with 2014 is just shy of 1 percentage point, although Sweden has not yet reached its national target of 7 per cent.

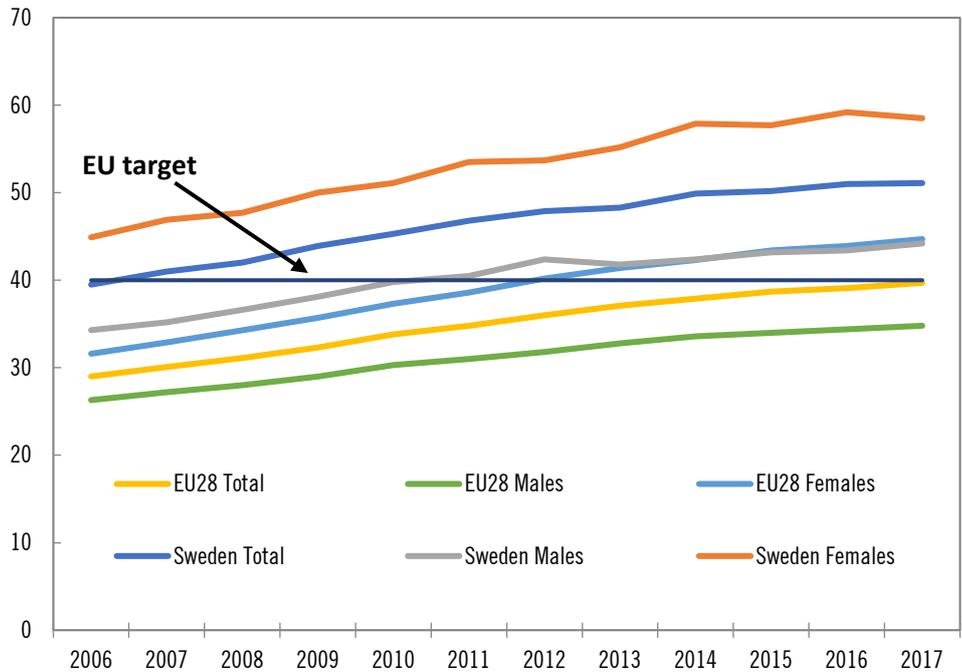
Figure 2. Share of women and men aged 18–34 who have not completed two years of upper secondary education and who are not in education (2017)



Source: Eurostat.

The percentage of people aged 30–34 with at least two years of tertiary education was 51.1 per cent in 2017 (44.2 per cent for men and 58.5 per cent for women), which is above the EU target and Sweden’s national target.

Figure 3. Share of women and men aged 30–34 with at least two years of tertiary education (2017)



Source: Eurostat.

Initiatives and measures

Initiatives aimed at increasing the number of youths who complete upper secondary education

The Government has maintained focus on increasing the level of knowledge, improving the quality of teaching and increasing equality in Swedish schools. However, equality in schools has deteriorated over time, and the gap in results between schools has widened. Socioeconomic factors have a bearing on results, and the Government has therefore decided to firmly bolster state funding for preschool classes and compulsory school. This state grant – which, after a three-year phase-in period, is expected to be SEK 6 billion annually – is distributed to the organisers based on pupils’ socioeconomic background. The Government has also proposed that it be set out in the Education Act that the organisers of preschool classes, compulsory school and upper secondary school shall actively seek to promote a balanced social composition of pupils in their schools.

The Government has also appointed an inquiry on regional planning and dimensioning of upper secondary education. Its aims include improving access to a comprehensive and extensive supply of high-quality educational programmes, promoting equality in education and reducing segregation in upper secondary schools.

The Government continues to implement measures to improve teaching and study outcomes for newly arrived pupils. The National Agency for Education has a comprehensive mandate to carry out systematic initiatives aimed at improving the capacity of organisers of schools to offer newly arrived students education of high and equal quality. Newly arrived pupils entering the upper grades of compulsory school are a particularly vulnerable group. The Government therefore sets forth several proposals aimed at providing newly arrived pupils entering school at the secondary level with better opportunities to meet the entry requirements for national upper secondary school programmes. For instance, the right to study mentorship in their native language will be strengthened.

The Government also wants more youths to commence and complete upper secondary education, and therefore, in the Upper Secondary Schooling Bill (Govt. Bill 2017/18:183), proposes a number of improvements for upper secondary schools, and upper secondary school for pupils with learning disabilities. The proposals are largely about focusing more on pupils' education as a whole, and sharper demands on introductory programmes. The National Agency for Education has been commissioned to support organisers of schools, and school principals, in improving conditions for pupils in introductory programmes to proceed to upper secondary school or other educational programme. Also, SEK 300 million per year for 2018–2020 is allocated to reinforcing the upper secondary school introductory programmes.

To provide better conditions for youths who neither work nor study to return to studies and work, in 2015 the Government devised the 'Paths Ahead Strategy' for youths who neither work nor study, and appointed a coordinator for this target group. The coordinator has been tasked with promoting cooperation in initiatives for youths who neither work nor study between various entities at national, regional and local level, and submitting proposals for future initiatives. The final report of the coordinator was submitted to the Government in February 2018. The Swedish Agency for Youth and Civil Society has been tasked with providing further support to municipalities working with the target group, and continuing to work with the coordinator's proposals.

In 2017, a new form of financial aid for recruiting to studies was introduced – ‘Education entry grant’, with the aim to make it easier for people with brief education and substantial educational needs to study at basic or upper-secondary level, hence improving their prospects of becoming established in the labour market. Participation in studies with Education entry grant is not increasing at the rate estimated in the Budget Bill for 2018. In the Spring Budget, the Government therefore sets forth proposals for information initiatives to prompt more people in need of adult education to commence studies.

Initiatives aimed at increasing the percentage of the population with tertiary education

The Government is carrying out a Knowledge Boost initiative to provide people with a greater opportunity to obtain an education and a job. Altogether, Knowledge Boost will by 2021 equal around 100,000 study slots in higher vocational education, regional adult vocational education, folk high school, universities and other higher education institutions. The initiative includes higher education programmes in fields crucial to society, such as engineering and medicine.

4.3 Target for increased social inclusion

Sweden’s national target

To improve social inclusion by reducing the percentage of women and men aged 20–64 who are not in the labour force (except full-time students), the long-term unemployed or those on long-term sick leave to well below 14 per cent by 2020.

Current status

The percentage of women and men aged 20–64 who are not in the labour force according to Sweden’s national targets continues to decline, amounting to 11.4 per cent in 2017, which is a reduction of 137,000 people since 2010. The percentage of women and men at risk of poverty according to the overall EU indicator was 16.2 per cent in 2016 (17.3 per cent for women and 15.2 per cent for men).

Table 2. Percentage of women and men aged 20–64 outside the labour force (excluding full-time students), long-term unemployed or on long-term sick leave

	2010	2011	2012	2013	2014	2015	2016	2017
Total	14.4%	13.4%	13.1%	12,7%	12.6%	12.4%	12.0%	11.4%
Women	17.3%	15.9%	15.5%	15.0%	14.8%	14.5%	14.7%	13.4%
Men	11.6%	10.9%	10.7%	10.5%	10.4%	10.3%	9.4%	9.4%

Source: Eurostat and own calculations.

Initiatives and measures

Apart from that presented below, several reforms mentioned in Sections 4.1 and 4.2 have a major bearing on the national target for increased social inclusion. For example, increased employment for women and men is highlighted in Section 4.1, and increased equality in schools in Section 4.2. Measures are also described below that are considered to help attain the Europe 2020 strategy targets for social inclusion.⁸

Central government grant for free school holiday activities

The Government is investing SEK 200 million a year in the period 2016–2019 in summer holiday activities that are free of charge for children aged 6–15. In 2017, all municipalities requisitioned funds. The general view is that, so far, the funds have helped serve the purpose of the grant – providing stimulus and personal development, equal treatment, participation of both genders, boosting integration and creating new points of contact.

The Government has also decided to invest SEK 250 million over the period 2018–2020 for free activities for children aged 6–15 during other school holidays. The school holiday activities can be seen as a complement to the leisure activities provided by municipalities at leisure-time centres and youth clubs. The aims include stimulating the participation of both boys and girls, promoting integration, counteracting segregation and creating new points of contact between children of varying social background.

⁸ The Europe 2020 strategy targets for social inclusion are: To promote social inclusion – primarily through poverty reduction – by trying to lift at least 20 million people out of a situation in which they risk being affected by poverty and social exclusion.

Increased national standard in maintenance support for children

The Government has decided on an increased national standard for 2018 of SEK 200 per month for children and youths in upper secondary school. The increase will mean that the most financially vulnerable families with children can also benefit from the increased standard of living obtained by other families with children when child allowance and study allowance is increased on 1 March 2018.

Combating homelessness

The Government has invested SEK 120 million per year for three years to support non-profit organisations in their efforts to combat homelessness among young adults, whose homelessness may have been caused by psychological ill health to some degree. The National Board of Health and Welfare has also been commissioned by the Government to allocate SEK 25 million to the municipalities with the highest number of acutely homeless people in Sweden in 2018. The funds are to strengthen the municipalities' efforts to counteract homelessness and exclusion from the housing market, with a focus on improving the situation for acutely homeless women and men.

Reforms aimed at financially disadvantaged households

In January 2018, maintenance support was differentiated according to age, entailing an increase in the support of SEK 150 per month for children who are 15 or older. In January 2017 and in March 2018, the ceiling amounts for consideration of the level of housing allowance for families with children was increased, and will be further increased over a four-year period. Of the parents who receive housing allowance, 68 per cent are single parents with children, of whom 85 per cent are women and 15 per cent are men. Access allowance for parents whose children stay with them occasionally was also increased in March 2018.

In January 2017 the Government increased the large-family supplement for the third child within the child allowance framework. In March 2018, child allowance was increased by SEK 200 per child and month. Families with children, particularly those with lots of children, make up a relatively large proportion of financially disadvantaged households. By increasing the large-family allowance, these families are given better financial conditions.

Improvements to reduce sick leave

Since 2015, the Government has been working on implementing an action programme aimed at better health and reduced sick leave. This has led to

increased awareness and mobilisation among various entities, and it can now be ascertained that the trend of rising sick leave has been broken.

In order to attain a level of sick leave that is stable and low in the long term, the Government has commissioned the Swedish Social Insurance Agency with intensifying efforts to provide support for the individual in the sick leave and rehabilitation process. Furthermore, the Government has commissioned the Swedish Social Insurance Agency and the National Board of Health and Welfare to work towards improved cooperation and dialogue. The Government has also commissioned the Swedish Social Insurance Agency and the Public Employment Service, in cooperation, to take enhanced measures to make it easier for people who have been on sick leave to return to work.

Improvements for pensioners and an increased minimum age for drawing the national pension

An action plan has been drafted aimed at achieving more equal pensions. The action plan contains an oversight of basic cover in the retirement pension system. In December 2017 a broad political agreement was reached regarding increased and secure pensions in the long term. Under the agreement, the minimum age for drawing national pension will be gradually increased from 61 currently to 64 by 2026.

Disability policy

On 30 November 2017, the Riksdag decided on a new national target for disability policy, and a new approach for implementing disability policy. The objective of disability policy is, proceeding on the basis of the UN Convention on the Rights of Persons with Disabilities, to attain equal standards of living and full inclusion in society for people with disabilities, in a society based on diversity. The target will contribute to improving equality and to the due consideration of the children's rights perspective. The Government also described a number of measures aimed at helping attain the national target for disability policy, in fields such as labour market and education.

Increased equality and equal treatment in health, and access to high-quality health and medical care

To enable more efficient resource utilisation, increased quality and better access, the Government is carrying out extensive structural reform of the health and medical care sector. The Government also has a major focus on bolstering skills supply in the healthcare sector, which also has the purpose of

improving access to care. In 2017 the Government decided that SEK 3 billion will go towards stimulating good conditions for healthcare employees.

4.4 Research and development target

Sweden's national target

– For public and private investment in research and development to correspond to about 4 per cent of GDP in 2020.

Current status

On the whole, the central government's investments, and other public investments, in research and development (R&D) are estimated at SEK 42.9 billion for 2017. That equates to a share of GDP of approximately 0.98 per cent, which can be compared with 2015 and 2016, when the figures were 0.94 per cent and 0.95 per cent, respectively. Corporate investments in R&D amounted to SEK 95.6 billion in 2015, which is an increase of SEK 9.6 billion compared with 2013. Together with public funding of 0.94 per cent in 2015, approximately 3.24 per cent of GDP was allocated to R&D in 2015.

Initiatives and measures

In 2017, one third of central government funds for research and development was distributed through calls for applications via the research funding agencies: the Swedish Research Council, Vinnova (the Swedish Governmental Agency for Innovation Systems), Formas, Forte (the Swedish Research Council for Health, Working Life and Welfare), the Swedish National Space Board and the Swedish Energy Agency. Distribution through calls for applications fosters competition and elevates the quality of Swedish research. Direct funding to universities and higher education institutions accounted for 50 per cent of total central government research and development funding in 2017. The Government has appointed a commission of inquiry on the public funding and governance of Swedish universities and other higher education institutions, with the final report due in December 2018.

EU-SAM has the task of coordinating the central government research funding agencies in the funding of European partnership programmes. In 2017, Swedish funding of partnership programmes was an estimated SEK 436 million.

Sweden continues to allocate substantial resources to building research infrastructure. The European Spallation Source (ESS), is since 2015 an 'ERIC' (European Research Infrastructure Consortium). A special national

coordinator for ESS was appointed in 2016 with the task to develop a national ESS strategy, which will be presented in 2018.

In the Research Policy Bill (Govt. Bill 2016/17:50) the Government has set a target that research results produced through public funding should be made accessible immediately upon publication, while observing the principle of researchers' own choice on how to publish their results. This shall apply to both publications and research data by 2026 at the latest. Career paths for researchers will be made more secure and attractive, and a national objective has been formulated to bring about more equal gender distribution among professors: 50 per cent of newly recruited professors in 2030 shall be women.

The Research Policy Bill proposes the establishment of a coordinating secretariat for funding of international research collaborations outside the EU. The secretariat will coordinate the international collaborations of central government research funding agencies. Through the secretariat, SEK 65 million will be dedicated to joint international research collaborations by 2020.

4.5 Climate and energy targets

Sweden's national targets

The Riksdag has adopted climate and energy policy targets for 2020, three of which also constitute Sweden's national targets within the Europe 2020 strategy.

– 40 per cent decrease in greenhouse gas emissions relative to 1990. This target applies to the activities not covered by the EU Emissions Trading System (EU-ETS). The reduction will be accomplished through emission reductions in Sweden and in the form of investment in other EU countries or international carbon credits. The Government's ambition is to attain the targets through national initiatives to the extent possible.

– The share of renewable energy shall be at least 50 per cent of total energy use by 2020.

– 20 per cent more efficient energy use by 2020. The target is expressed as a cross-sectoral target of a 20 per cent reduction in energy intensity by 2020 relative to 2008.

According to the EU's allocation of responsibilities, Sweden is to reduce greenhouse gas emissions by 17 per cent by 2020 relative to 2005 and increase the share of renewable energy to 49 per cent by 2020.

Current status

The emission reduction and energy efficiency targets are considered attainable with existing policy instruments. The renewable energy target was reached already in 2012.

Greenhouse gas emissions in the non-trading sector had decreased by 30 per cent in 2016 compared with 1990. Thus, the target level by 2020 has already been attained if emission reductions in other countries are used for the remaining 10 percentage points. The Government's ambition is however to attain the target through domestic measures to the extent possible. Emissions have dropped by 22 per cent compared to 2005, so the target according to the EU's allocation of responsibilities has already been met. Energy and CO₂ taxes, as well as tax reductions and exemptions for biofuels, have had a crucial effect on reducing emissions from the transport sector, district heating, and industry in the non-trading sector.

The share of renewable energy in Sweden in relation to final energy use has steadily increased since the early 1970s, reaching 54 per cent in 2016. The share of renewable energy is therefore both above Sweden's obligation until 2020

according to the directive of 49 per cent, and above the national target of a minimum 50 per cent share of renewable energy by 2020. Bioenergy and hydropower account for the majority, but heat pumps and wind power have made significant contributions.

As regards more efficient energy use, energy intensity (measured as the ratio between gross inland consumption of energy and real GDP) had declined by just over 15 per cent by the end of 2016 compared with the base year of 2008.

Initiatives and measures

Greenhouse gas emission reduction measures

In its Budget Bill for 2018, the Government presented further climate initiatives: a bonus-malus system for new light vehicles, fuel exchange that promotes the share of renewable fuels, and an increase in the Climate Leap – an investment programme for concrete climate initiatives. These initiatives are mainly expected to affect the emissions trend after 2020, but nevertheless have a slight effect on emissions until 2020. The Government has also established the Industrial Leap, designed to support the development of climate-smart solutions to reduce process-related emissions from industry, to reach the target of net-zero emissions by 2045 at the latest. The target covers activities both within and outside of the EU Emissions Trading System.

Renewable energy measures

In 2017 the Riksdag approved a new target for the electricity certificate system of a further 18 TWh renewable electricity production by 2030. This is a linear escalation from 2022 by 2 TWh annually through 2030.

In 2009, the Government instituted a state aid scheme for investments in solar cells. In the Spring Adjustment Budget Bill for 2018, the Government proposes that further funding of SEK 170 million be allocated to strengthen the state aid scheme for investments in solar cells, and to enable county administrative boards to process and decide more quickly on applications in this respect. Aid for energy storage investments was introduced in 2016. The Government has gradually increased the aid, and for 2018 the initiative amounts to SEK 1,145 million, while for 2019–2020 the initiative amounts to SEK 975 million annually. Where wind power is concerned, in 2018 the Government has commissioned the Swedish Energy Agency to distribute SEK 70 million annually in wind power premiums to municipalities in Sweden to increase the establishment of wind power.

The Government has established a forum for smart electricity networks. Its task is to promote the development of smart electricity networks using tools that can create an efficient electricity market with active customers, and which can facilitate the transition to a renewable energy system. To facilitate the connection of renewable electricity production to the electricity grid and enable the elimination of the problems with threshold effects that create connection bottlenecks, an ordinance was implemented in 2015 concerning advance sharing of grid reinforcement costs (Ordinance 2015:213).

Energy efficiency improvement measures

The Government is implementing several initiatives to foster efficient energy use. In August 2017 the Swedish Energy Agency was commissioned to devise sector strategies for energy efficiency. In January 2018 the agency presented the sector distribution it has selected for further strategy preparation efforts in cooperation with the industry. The Swedish Energy Agency has also been commissioned to establish a programme for energy efficiency at industrial companies. The programme covers companies that have carried out energy audits according to the Energy Audits at Large Companies Act. The companies can apply for aid for environmental studies or the additional cost of investing in energy efficiency measures. On the whole the initiative amounts to SEK 125 million and runs between 2018 and 2020.

5. European structural and investment funds 2014–2020

5.1 Partnership agreement

Sweden has entered into a partnership agreement intended to function as an overall strategy and improve coordination among the four European structural and investment funds: the European Regional Development Fund; the European Social Fund; the European Agricultural Fund for Rural Development; and the European Maritime and Fisheries Fund. The main purpose of the partnership agreement is to help achieve the Europe 2020 targets and strengthen European and Swedish competitiveness. The agreement is also aimed at promoting synergies and avoiding overlaps between the Funds and improving conditions for coordination using instruments at EU and national levels.

The partnership agreement was drawn up in broad partnership with agencies and other entities concerned. The Swedish Agency for Economic and Regional Growth, the Council for the European Social Fund in Sweden and the Swedish Board of Agriculture have commenced in-depth cooperation on common Fund issues. One of the initiatives is to establish a network for relevant entities within a Fund Coordination group. The Funds will invest in projects working towards Sweden's attainment of the Europe 2020 targets.

5.2 Investments for growth and employment 2014–2020

The Regional Development Fund

Implementation of Regional Development Fund initiatives began in 2015. Sweden has succeeded well in turning available resources into concrete actions. Almost 60 per cent of the programmes' total budget was granted at the end of 2016, equalling SEK 4.7 billion. Including co-funding, almost SEK 10 billion has been invested in 407 joint development projects in the country. The share of granted funds in the programmes indicates sound possibilities for attaining the targets. The initiatives are aimed at strengthened regional competitiveness and sustainable growth. The point of departure is that national and regional initiatives should complement each other, generate added value within regional growth policy and promote structural change in the priority areas of innovation, entrepreneurship and the green economy. About 80 per cent of the total funds of about SEK 16 billion are therefore estimated to go to these three priority areas. Other funds mainly go to the areas of information and communications technology and sustainable

transport. In total for all nine programmes, funds (including co-funding) will be allocated in the following areas:

- Innovation, research and technical development – SEK 4.5 billion.
- Entrepreneurship – SEK 5.1 billion.
- Energy efficiency and green economy – SEK 2.9 billion.
- Increased access to and use of ICT – SEK 1.6 billion.
- Sustainable transport – SEK 1.3 billion.
- Technical support – SEK 0.6 billion.

European Territorial Cooperation 2014–2020

The programmes form part of the EU cohesion policy aimed at strengthening competitiveness in EU countries and regions through cross-border cooperation. Sweden participates in a total of thirteen different cooperation programmes. The first decisions were taken in 2015. All counties in Sweden are affected by at least one of these programmes. The total scope, including EU funds, third-country funds and public and private national co-funding of the six cross-border regional programmes and the three transnational programmes in which Sweden is participating, amounts to around SEK 13.7 billion. The main orientations and allocations of funds, including national co-funding, are as follows:

- Strengthen research and innovation – SEK 3.5 billion.
- Environmental protection and sustainable use of resources – SEK 2.3 billion.
- Support the transition to a low-carbon economy – SEK 1.6 billion.
- Increase competitiveness of small and medium-sized enterprises – SEK 1.3 billion.
- Promote sustainable transport – SEK 2.3 billion.
- Labour force mobility and lifelong learning – SEK 0.9 billion.
- Adaptation to climate change – SEK 0.7 billion.
- Technical support and institutional capacity – SEK 1.1 billion.

The European Social Fund

Furthermore, the Swedish national Social Fund Programme 2014–2020 is being implemented within the Investments for growth and employment objective. The programme, which covers around SEK 13 billion, of which half consists of national co-funding, is intended to contribute to a well functioning labour market and a sustainable long-term increase in employment. An important starting point for the programme is to strengthen and develop

national labour market policy and contribute to achieving the Europe 2020 strategy targets. The measures are aimed at stimulating skills development to strengthen individuals' position in the labour market, strengthen the link between education and working life, increase transitions to work among people who are far removed from the labour market and facilitate young people's establishment in working life and participation in education and training. The EU Youth Employment Initiative is being implemented within the framework of the national Social Fund Programme. The initiative is intended to supplement and extend existing labour market policy measures for young people in the regions of Southern Sweden, Northern Central Sweden and Central Norrland.

In 2017, 107 applications to the Social Fund Programme were granted to a total budget of about SEK 1.3 billion. Since the start of the programme in 2014 and to the end of 2017, a total of 367 project applications have been granted and 67 per cent of programme funds assigned. Initially, the main focus of implementation of the Social Fund Programme was on measures aimed at youth, including the Youth Employment Initiative. In 2018–2020, initiatives will mainly focus on newly arrived immigrants with no or only short education and training, and who are not covered by the Public Employment Service's Introduction Programme. Other prioritised target groups are youths who receive activity grant, young foreign-born women aged 15–24, women with disabilities that impair their capacity to work aged 45 and older, and long-term unemployed aged 55 and older.

The Agricultural Fund for Rural Development

The Agricultural Fund for Rural Development is being operationalised in Sweden through the Rural Development Fund, whose total budget for the 2014–2020 programme period is approximately SEK 37 billion. These funds are allocated to programme priorities as follows: Knowledge and innovation form the first priority of the programme, which is horizontal and does not have a separate budget. Instead, innovation and knowledge transfer will be promoted in all parts of the programme. As in previous programme periods, the focus of the programme is on compensation for environmental initiatives. The Rural Development Programme for 2014–2020, as in previous programme periods, has a broad profile of measures that are, in various ways, promoting rural enterprise, both within and outside the farming sector, and initiatives to facilitate living and running a business in rural Sweden. Knowledge transfer and innovation remain important priorities in the programme.

Table 3. Rural Development Programme priorities 2014–2020

Priority	Share of budget expressed as a percentage
2. Agricultural competitiveness	7.9
3. Food chain and animal welfare	4.2
4. Environment	60.6
5. Climate	1.6
6. Social inclusion and economic development in rural areas	21.8
Technical implementation funds	4.0

The Maritime and Fisheries Fund

The three overall objectives of the Maritime and Fisheries Programme that are directly connected to the Europe 2020 targets are:

- Increase the competitiveness of small and medium-sized enterprises
- Protect the environment and promote sustainable use of natural resources
- Promote employment

The priorities of the Maritime and Fisheries Programme enable development support for environmentally, economically and socially sustainable fishing and aquaculture. The Government expects this to provide the conditions for growth, stronger competitiveness and increased employment in the sectors concerned without compromising environmental protection and sustainable use of natural resources. The programme covers around SEK 1.5 billion and demand for aid has been high since the programme was started. 365 applications have been granted to a total of approximately SEK 495 million through December 2017.

Community-led local development (CLLD)

Community-led local development (CLLD) has been carried out in all four ESI funds through integral multi-fund strategies, which the Local Action Group (LAG) has prepared, and is responsible for implementing. Community-led local development has been written into three programmes: The Rural Development Programme (of which CLLD forms part), the Maritime and Fisheries Programme (of which CLLD forms part) and the Regional Development and Social Fund Programme for Community-Led Local Development (funded by both the Social Fund and the Regional

Development Fund). The budget for Community Led Local Development is approximately SEK 1.27 billion (the figures only refer to EU funds). All four ESI Funds allocate funding for community-led local development. The majority, 80 per cent, consists of funds from the Agricultural Fund for Rural Development, however.

6. Institutional issues and participation of relevant parties

6.1 Institutional issues

Sweden's national reform programme 2018 is mainly based on the initiatives and reform ambitions proposed by the Government in the Budget Bill for 2018 and the Spring Fiscal Policy Bill for 2018. The country-specific recommendation to Sweden within the framework of the European Semester 2017 was taken into consideration in the preparation of the national reform programme, which also reflects the policy priority areas in the Commission's Annual Growth Survey, as endorsed by the European Council on 22–23 March 2018. The Riksdag Committee on Finance has been informed of the national reform programme. In the course of the Council's preparation of the country-specific recommendations in the summer of 2017, the Government informed and consulted with the Riksdag on several occasions.

6.2 Consultations with the social partners

To enhance the dialogue with the social partners within the European Semester and the national decision-making process, the Government has established a reference group with representatives of the ministries concerned in the Government Offices of Sweden and of the social partners (the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO), the Swedish Confederation of Professional Employees (TCO), the Swedish Confederation of Professional Associations (SACO), the Swedish Association of Local Authorities and Regions (SALAR), the Swedish Agency for Government Employers) and the Swedish Federation of Business Owners. The reference group holds regular meetings at strategic points over the year for discussions and consultations on the implementation of the strategy in Sweden. As part of the Government's ambition to strengthen participation in EU-related affairs, a new approach to consultations has been introduced called '*EU-sakråd*' (Thematic Consultation Forums on EU Affairs). The aim of the Thematic Consultation Forums on EU Affairs is to systematically draw benefit from the expertise about various issues that is present in civil society and possessed by other public entities, hence improving the quality of the Government's basis for making decisions. Since the completion of the 2017 national reform programme, three Thematic Consultation Forums on EU Affairs have taken place regarding the national implementation of the Europe 2020 strategy for partners at senior official level.

The Prime Minister has also initiated meetings known as *EU-råd* as an aspect of the Government's efforts to strengthen participation in EU-related matters. At the Prime Minister's EU-råd in October 2017 and March 2018, representatives of central labour market organisations at the chair level participated.

The social partners were invited, as in previous years, to contribute texts to this year's national reform programme. In the appendix with external contributions there are contributions from the partners that describe examples of the work the partners are carrying out in accordance with the strategy guidelines and objectives.

6.3 Local and regional support

Local and regional support for the Europe 2020 strategy's targets and intentions, and thus for the regional and local growth process in Sweden, is vital to successful implementation. The Government's national strategy for sustainable regional growth and attractiveness 2015–2020 contains priorities for regional growth policy during 2015–2020 and guidelines for e.g. regional development strategies, structural fund programmes and other relevant regional growth strategies and programmes.

The national strategy, together with the regional development strategies, creates the conditions for increased interaction between the national and regional level and more effective and results-oriented regional development. Regional entities thus play a role in implementing the Europe 2020 strategy based on their particular conditions and priorities within the framework of regional development. In light of local self-government, the local level has a central role in implementing some of the targets set by the Government, including through cooperation with the regional level on various projects and initiatives in the county.

To enhance the dialogue between national, regional and local levels on issues of importance to regional growth, the Government has set up a National Forum for Sustainable Regional Growth and Attractiveness 2015–2020. The Forum consists of a political group and a civil service group, each of which meets with the Government for dialogue four times a year. The premise is that shared responsibility between the regional and national levels for implementing the regional growth policy is predicated on close dialogue and cooperation concerning vital development issues.

The appendix also includes the contribution received from the Swedish Association of Local Authorities and Regions (SALAR), as the representative of the local and regional levels, giving an account of examples of work being conducted in accordance with the strategy's guidelines and targets.

6.4 Consultation with interest organisations and civil society organisations

At present, there are numerous consultation procedures, which also cover issues that concern the Europe 2020 strategy. Stakeholders are often included in reference groups within the public inquiry system and are given the opportunity to present their views on inquiry proposals through the consultation process in their specific areas. Occasionally, the Government also issues invitations to hearings in order to engage in dialogue on specific topics. Furthermore, there are continual discussions in various consultation bodies.

Following requests that the dialogue with civil society organisations on the implementation of the Europe 2020 strategy be developed, an initial horizontal consultation with civil society took place in the autumn of 2011. This approach was welcomed by the participants and consultations have since taken place annually. On 8 March 2018, relevant organisations were invited to a Thematic Consultation Forum on EU Affairs regarding the national implementation of the Europe 2020 strategy. The organisations concerned were also invited to contribute texts to the national reform programme that highlight good examples of how Swedish civil society is contributing to the implementation of the Europe 2020 strategy in Sweden. Following the Thematic Consultation Forum on EU Affairs, the Government Offices received materials from Vetenskap & Allmänhet (Public & Science), Famna (Embrace), Lika Unika (Equally Unique), the National Council of Adult Education and the European Youth Parliament. The materials are presented in the appendix.

Appendix with external contributions to Sweden's national reform programme 2018

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1. Contributions from social partners

1.1 Introduction

The central labour market organisations in Sweden – the Swedish Trade Union Confederation (LO), the Confederation of Professional Employees (TCO), the Swedish Confederation of Professional Associations (Saco), the Confederation of Swedish Enterprise, the Swedish Association of Local Authorities and Regions (SALAR) and the Swedish Agency for Government Employers – provide below examples of activities that we believe contribute to attainment of the targets for the Europe 2020 strategy.

The examples do not give a comprehensive account but are only a selection. Some of them are based on common agreements with all the organisations; others are agreed between some of the organisations. Other examples are unilateral measures by one of the central labour market organisations and/or their member organisations.

1.2 A brief description of wage formation in Sweden

The social partners are responsible for wage formation on the Swedish labour market, and they safeguard their autonomy as a party. The fundamental components of the model include trade unions with a high organisation rate, employer organisations with broad membership, the strong status of collective agreements, workplace representatives with a mandate to negotiate, as well as the independence of the social partners from central government.

Among other things, independence is manifested in the fact that the majority of the labour market is regulated by a number of principal agreements met at the central level between employers and trade unions that regulate aspects including negotiation procedures, dispute procedures and development issues. At present there are about 680 central collective agreements on wages and general terms and conditions of employment in Sweden.

1.3 Examples of the partners' activities that contribute to attaining the targets of the Europe 2020 strategy

1.3.1 Employment – 80 per cent of women and men aged 20–64 are to be in work

Integration of young people in the labour market

Vocational introduction agreements

Vocational introduction employments are based on collective agreements signed independently between the social partners. The target group for the agreements comprises certain young people, the long-term unemployed and recently arrived immigrants. At present, many of the existing agreements cover only certain young people. It is likely that more agreements will be extended in the future to also cover the long-term unemployed and recently arrived immigrants. How the agreements are devised varies between industries, but common to all of them is that work is combined with education (the education component is restricted to a maximum of 25 per cent of working hours). The education can be either at the workplace or supplied by an external provider through the employer. The education period does not carry any wage entitlement. Central agreements on vocational introduction have been signed in most industries.

Entry agreements under way – prompt notification crucial

The Government, LO, Unionen and the Confederation of Swedish Enterprise agree that entry agreements should be introduced. The premise is that entry agreements are to serve as a measure to enable recent arrivals and the long-term unemployed to gain employment from an employer covered by a collective agreement on entry agreements. The measure is to enable recent arrivals and the long-term unemployed to procure the knowledge and experience demanded in the labour market. Normally, the employment is to lead to a full-time, permanent position with the employer. The employee is to be given the possibility of attending Swedish for Foreigners (SFI) and other short-term training programmes, as agreed between the employer and employee. The total payroll expense of the employment will amount to SEK 8,400 per month in 2019. In addition, the employer receives a tax-free, central-government payment per individual. The intention of the Government and social partners is for external entities to be responsible for a substantial part of matching for entry agreements. Social partners agree that they are to set up a partner-wide body for application of and compliance with trade union agreements on entry agreements. The measure assumes that no obstacles are posed by state-aid law-related issues.

Student employees

For several years, a collective agreement on ‘student employees’ has been in place in the private, municipal and central-government sectors. The private sector agreement refers to the real estate industry. The agreements vary, but target students at universities, other higher education institutions or in post-secondary education and refer to qualified work with a clear link to ongoing studies. The jobs are temporary positions of various durations, ranging from

employment for a single term (SALAR) to a maximum of four terms (central government) with weekly working hours of 10 to 15 hours per week on average. For employees, the agreement provides an opportunity to work with qualified tasks and facilitates the transition from studies to working life. Employers gain the opportunity to utilise the competence of students in tertiary education while at the same time having the chance to showcase their business with a view to attracting a competent workforce. The partners have produced informational materials for distribution to employers and local employee organisations.

Introduction jobs

The collective agreements for employees in trainee jobs, which used to apply, will cease in practice when they switch to Introduction jobs as of 1 May 2018. The Government has made the decision to reform the system of subsidised jobs and to introduce a new form of aid – Introduction jobs. The introduction jobs brings about the disappearance of former types of aid – step-in jobs, special employment support, enhanced special employment support, Trainee Jobs Welfare and Trainee Jobs Shortage.

Introduction jobs target people who are long-term unemployed or newly arrived immigrants. The Government finds that step-in jobs, targeting newly arrived immigrants, can use introduction jobs instead. The wage subsidy for introduction jobs will be capped at a gross salary of SEK 20,000 per month. The subsidy limit in introduction jobs will be 80 per cent, and uniform supervisor support is introduced. It will be possible to combine the new form of support flexibly with training, both to empower the individual, and to meet the skills requirements of employers. Introduction jobs will be introduced in the spring of 2018, while cap and subsidy levels in existing types of support were increased in the autumn of 2017.

New and wider recruiting paths

Swedish municipalities, county councils and regions will need to increase employee numbers by almost 200,000 people by 2026, if no changes are made. In addition, around 300,000 employees are expected to retire during the period. The number of retirements is however lower than in SALAR's previous forecast. The increased need and retirements until 2026 add up to 508,000 people. The greatest increase in needs is in elderly care and upper secondary school. Employers have the possibility of influencing future skills supply by altering and developing working methods, organisation and staffing. Through the "Sweden's Most Important Jobs" initiative, SALAR has identified nine strategies for overcoming the recruiting challenges. The

solutions include widening the recruitment base and using skills the right way. This involves utilising the skills of recent arrivals and people with disabilities, as well as breaking gender norms. SALAR is continuing this effort in partnership with trade unions and other entities, government agencies and interest organisations through a pre-study, “More Pathways to Entry”, financed by the European Social Fund. The objective is to create sustainable and common structures and strategies for widened recruitment to the welfare sector.

In 2017, SALAR arranged about 85,000 holiday jobs for young people who are to start or are already studying at upper secondary school. These holiday jobs are the first contact with the labour market for many young people and provide valuable experiences and references for the future. SALAR would now like to expand holiday jobs so that more young people can have the opportunity of a holiday job and more employers can contribute while gaining an opportunity to market themselves and their industry. This work includes the SALAR initiative Sweden’s Most Important Jobs in which holiday jobs are a way of marketing jobs in municipalities and county councils/regions.

The work will continue during the year to highlight the vocational introduction agreements as a possibility for municipalities to simultaneously recruit and train young people who are interested in working in the municipal sector. SALAR’s work with upper secondary school drop-outs is still ongoing in the Plug In 2.0 project and will focus even more on developing methods in upper secondary school that prevent drop-outs.

Guidance for young people

The Swedish Confederation of Professional Associations (Saco) issues a number of publications annually on the theme of study choices and studies. These mainly target students who will soon complete their upper secondary school studies. These documents are: ‘Choose a profession’ – a fact book on higher education professions issued every autumn; ‘Future prospects’ about labour market forecasts for a selection of higher education professions in a five-year horizon; ‘The art of choosing an education’ which provides suggestions and study choice inspiration; and ‘How do you study?’, an inspiring guide to effective study techniques. Young people can take a personality test, obtain planning support and ask questions related to occupations via www.saco.se/studieval. Saco Student Fairs are arranged every year in Stockholm and Malmö. Representatives from Swedish and international education providers, future employers and several agencies and organisations including Saco’s affiliates, who are specialists in the occupational

groups they represent, attend these fairs. Saco also runs skill development programmes for study advisors, at which Saco member organisations share their knowledge about graduate occupations.

Cooperation and quality assurance

It is crucial that upper secondary school maintains high quality and relevance to enable pupils to get their first job or make a smooth transition to further study. For companies, skills supply is one of the most pressing challenges. Consequently, many industries are highly involved in various projects aimed at increasing the quality and relevance of upper secondary schooling. An example of this is the involvement in technical colleges (*Teknikcollege*) that leading representatives of Swedish employer and employee organisations in the industrial sector have had since 2004. At present there are 26 regions with almost 150 technical college-certified education providers and more than 2,000 participating companies from north to south. Within the construction industry, it is possible for upper secondary schools offering the construction and civil engineering programme to apply for quality labelling. Schools that meet the criteria are regarded as being in a position to provide basic vocational education and training that fulfil the requirements of the construction industry, and become recommended by the industry. There are similar arrangements in HVAC with the concept “first class school”.

Integration of foreign-born people in the labour market

Fast track for recent arrivals

Fast tracking for recent arrivals is aimed at more efficient pathways into the labour market for recent arrivals with occupational and academic backgrounds that are in demand in Sweden. All fast tracks are aimed at professions that are in great need of skills supply. The objective of the fast tracks is to identify and utilise the skills of recent arrivals at an earlier stage, whereby the social partners, together with the Swedish Public Employment Service, come to agreement on a chain of initiatives. These may include professional skills assessment, instruction in Swedish for professional purposes and supplementary labour market training programmes. A fast track may involve several initiatives in parallel, such as a combination of language instruction (Swedish for professional purposes), work experience placement and validation of foreign education. The remit of the Swedish Public Employment Service is to coordinate the fast tracks and carry out agreed measures jointly with the social partners.

Thus far, 14 agreements on fast tracks have been negotiated between the social partners and the Public Employment Service for several different occupations:

chefs; HGV drivers; licensed healthcare professions (doctors, nurses, dentists and pharmacists/dispensers); teachers and preschool teachers; painters; butchers and slaughterers; technicians and engineers in the real estate sector; non-manual workers in the construction sector (building engineers, distribution electricians and electrical engineers); social scientists including economists and lawyers; social workers; veterinary nurses; and occupations in the wood products industry.

In terms of the fast track for teachers and pre-school teachers, a total of 985 people have commenced the labour market training provided at six higher education institutions since the start in April 2016 through February 2018. 510 people have now completed the training, and 390 people are in training. 85 people have dropped out of the training.

The social partners applied for funding in 2017 for special promotion and development initiatives to speed up labour market entry for recently arrived immigrants. A number of different partner-wide initiatives were carried out using these funds, which totalled SEK 35 million. These included investigating support needs for the target groups within the fast tracks, developing skills mapping, developing communication activities, developing and availing of supportive measures. The budget for promotion funding, and applications from the partners, has increased each year since inception. For 2018 the budget appropriation for promotion funding is SEK 55 million, and SEK 6 million remains to be applied for currently (March). A new feature this year is that the partners can apply for promotion funding for activities relating to strengthening knowledge of Swedish.

As regards the central government sector, the Swedish Agency for Government Employees, OFR/S, P, O, Saco-S, Seko and the Public Employment Service have jointly developed fast tracks for social scientists, economists, lawyers and veterinary nurses. In 2017, 33 people commenced a fast track-related initiative in the veterinary nurse track. 38 people underwent the social scientist track, 28 of whom also had a work experience placement at government agencies, and two gained modern relief works jobs.

Council for Integration in Working Life

The Confederation of Swedish Enterprise, SALAR, the Swedish Agency for Government Employers, the Confederation of Professional Employees (TCO) and Saco together run the Council for Integration in Working Life (Ria). The purpose of the Council is to support, follow up and further develop efforts towards integration in working life. Ria's work is aimed at bringing

about working life that utilises the qualities of every human being, regardless of ethnic background, and that is non-discriminatory. In 2017 Ria published the report ‘Fast track into working life?’, which took a closer look at fast tracking for teachers and pre-school teachers, engineers and chefs. Ria can see that, while everything does not work equally well, fast tracks are nevertheless worth developing. Cooperation is a good way of better matching the skills supply needs of industry with the skills of recent arrivals. Ria sees that they can provide an arena for exchanging experiences between the social partners working with fast tracking. In October 2017 and March 2018, Ria arranged an Exchange Workshop for parties engaged in fast tracking. Fast tracking was also the theme of a seminar arranged by Ria during Almedalen Week, in which Minister for Employment and Integration Ylva Johansson participated. In 2017 Ria also met with the government inquiries, the Labour Market Inquiry and the Reception Inquiry. The discussions focused on how the future proposals of the inquiries can contribute to effective and swift participation in the labour market for asylum seekers and new arrivals. All of Ria’s activities are compiled on www.integrationiarbetslivet.se.

Modern relief works jobs in the central government sector

The Government has mandated central government agencies to employ individuals who are far removed from the labour market by means of temporary, ‘modern relief works jobs’. Modern relief works jobs are central government jobs with low skills requirements and tasks that are not currently performed, or performed to an inadequate extent. As the social partners had already entered into the special conditional agreement (‘VASA’) in 2013, aimed at facilitating employment that furthers general labour market, social and employment policy objectives, the work with modern relief works jobs could begin immediately after the mandate took effect in January 2017. The target is for the modern relief works jobs programme to cover at least 5,000 people in 2020; in January 2018, 1,066 people were employed.

Work experience placements in central government

The Government has commissioned most agencies, during 2016–2018, to put work experience placements at the disposal of the Public Employment Service and accept jobseekers and people with disabilities, as well as recently arrived jobseekers, for work experience placements. The Swedish Agency for Government Employers, The Agency for Public Management and the Public Employment Service have been given a special responsibility as commissioned by the Government, and have deepened their cooperation. The remit of the Swedish Agency for Government Employers is to provide such information, advice and training as the agencies require. The website of the Swedish Agency

for Government Employers gathers relevant information, irrespective of which of the three authorities is responsible. The website serves as a meeting place and information source for people seeking a work experience placement in central government, and for members that have a work experience placement to offer. The content of the website is also developed in cooperation with members that contribute inspiration and knowledge about being a receiving agency, and with interns who have held work experience placements, who relate their experiences. The online supervisor training that has been developed has been appreciated, and information regarding the training during the year has been provided through meetings and mail-outs. During the year, work has also focused on meeting member representatives at various member meetings in order to generate support for, discuss and disseminate good examples about taking on interns.

Mentoring programmes

Several Saco associations have mentoring programmes for recently arrived university graduates. In the programmes, a recently arrived university graduate will be paired with a colleague in the same profession. The objective is for immigrant university graduates to expand their professional networks and boost their self-confidence in their career efforts. The Swedish Agency for Government Employees has been running a mentoring programme for recently arrived university graduates since 2016. The aim is to facilitate labour market establishment and social integration for recent arrivals. Recently arrived university graduates are paired with employees of central government agencies whose professional fields match the skills of the individuals who are new to Sweden. The mentors are then tasked with supporting and guiding their mentorees in their respective skills areas as well as in the role of a civil servant in the central government sector.

Enterprise for Newcomers

Företagarna – the Swedish Federation of Business Owners – is the largest business organisation in Sweden. It has been running the Enterprise for Newcomers (*Nyanlänt företagande, NF*) programme since the autumn of 2015 in partnership with organisations including the Migration Agency, the Public Employment Service, and the growing number of local authorities and county administrative boards where the programme is operating. The programme aims to provide newcomers who have experience of enterprise and entrepreneurship with the right conditions to be successful, sustainable business operators in Sweden. Programme participants learn the basics of running a business in Sweden and are supported by experienced mentors who are themselves established entrepreneurs. Local sections of Företagarna

arrange workshops to which participants, mentors and other relevant entities are invited and at which the ‘NF entrepreneurs’ can present and obtain feedback on their business ideas and the most urgent challenges, and network both professionally and socially. The programme objective is for newcomers to learn the specific features involved in running a business in Sweden. In so doing, integration in the labour market through self-employment and business ownership is facilitated.

TSL social security fund – a new operational model for a changing labour market

TSL is a readjustment insurance scheme that helps private sector workers to find new employment, while at the same time making it easier for social partners to manage change on the Swedish labour market. As of 1 November 2017, TSL (*Trygghetsfonden Svenskt Näringsliv LO* – Social security fund, Confederation of Swedish Enterprise and LO) works according to a new operational model that enables enhanced support for persons who have been made redundant, in the form of brief vocational training and validation initiatives.

Social security fund TSL was formed by the Confederation of Swedish Enterprise and LO. TSL’s task is to ensure that a person who has been made redundant rapidly gains new employment. The intention is for work to commence swiftly, i.e. there should be no need for the participant to wait an unnecessarily long period of time to obtain support in their readjustment.

Integration of individuals with a weak foothold in the ordinary labour market

Special conditional agreement in the central government for certain fixed-term employment contracts

In the central government sector, a special conditional agreement for certain fixed-term employment contracts has existed since 2013. The agreement regulates terms of employment for contracts of a maximum of 12 months, which the employer considers justified within the framework of a labour market policy objective; that is, temporary employment of individuals covered by labour market policy measures. The agreement conditions have been devised to give the employer, when deciding on such employment contracts, greater opportunities to design the job to suit the individual employee’s needs as regards support, development and experience. Through the agreement, the parties accept joint responsibility for providing relevant terms of employment for the employees to whom the agreement may apply. Individuals can thus gain professional experience and hence increased employability. In response to the special Modern Relief Works Jobs initiative, the social partners in the

central government area have agreed an amendment to the special conditional agreement so that it permits employment contracts for such jobs of up to 24 months.

Gender equality in the labour market

Gender mainstreaming

The portal www.jamstall.nu is a national resource for equality and gender mainstreaming. The portal has facts and news about gender equality, practical examples and concrete tools for gender mainstreaming. Jämställ.nu is currently operated as a unique collaborative initiative between the Swedish Secretariat for Gender Research, the County Administrative Boards, the Swedish ESF Council, SALAR and VINNOVA.

Transition

Transition agreements

The first 'security agreements', or transition agreements, were reached in the 1970s when non-manual workers were, for the first time, made redundant and unemployed to a wider extent. Over the years, agreements have been reached for new contractual areas and existing agreements have been renegotiated. Most employees in the Swedish labour market are covered by transition agreements. Such agreements are intended to make it easier for employees whose jobs have been, or risk being, terminated, to obtain help in finding a new job through active transition processes and financial benefits on termination due to shortage of work. The social partners in the Swedish labour market have transition agreements in the private sector, the central government sector and the municipal sector. Sweden is unique in that the social partners assume responsibility in this way for such a major part of active employment policy measures.

There are two new transition agreements, effective since 2015, that support effective transition in the central government sector based on a holistic perspective: The Agreement on Local Transition Funds, aimed at strengthening proactive transition by the respective employers, and the Agreement on Local Transition, which regulates the conditions for individual support that employees can utilise in the event of termination due to shortage of work or when a fixed-term employment contract of at least two years expires. As of early 2015, there are new agreements with the Swedish Performing Arts Association, the Swedish Union for Performing Arts and Film and the Swedish Union of Professional Musicians concerning transition and career switching for the artistic professions. This provides comprehensive

support for employees who need to switch professions after their artistic careers come to an end.

SALAR/Pacta have, with the Swedish Municipal Workers Union, the Alliance of Graduates, Vision and the Union of Professionals (SSR), the Swedish Association of Health Professionals and the Swedish Association of Physiotherapists et al, negotiated the addition of two new appendices concerning early local transition (TLO-KL) to the KOM-KL transition agreement. The agreed amendments will be applied during a trial period of three years, 2017–2019. Before the end of the period, a joint evaluation between the parties will be carried out. The implementation of TKO-KL will make local transition funds available for early transition measures. The main objective will be to avoid future redundancies due to shortage of work, but also in the event of rehabilitation. It provides an opportunity for all employers to claim 0.3 per cent of the wage bill for affected organisations for local transition measures during the period 2017–2019.

1.3.2 Education – The proportion of pupils without upper secondary grades is to be less than 10 per cent

Fewer upper secondary school drop-outs and Plug In 2.0

The ESF-financed project Plug In, which has, since 2012, been headed by the Swedish Association of Local Authorities and Regions (SALAR) in cooperation with eight regions and over 70 municipalities, will come to an end at the turn of 2018. During the first project period (2012–2015), five success factors were identified in efforts to counteract discontinuing studies. When Plug In 2.0 commenced in 2015, as a direct continuation of the first project round, the primary focus was on developing, implementing and disseminating these successful methods.

Gainful activity for young people under the municipal scheme to ensure gainful activity

Clear progress can be seen among project participants under the municipal scheme to ensure gainful activity (*'kommunala aktivitetsanvaret – KAA'*), with a sharply increased rate of gainful activity. The share of people not engaged in any gainful activity has decreased from 64 per cent prior to participation in Plug In, to 10 per cent after the initiative. Many participants have progressed to other studies, or switched to work. The trend is the same for both boys and girls.

SALAR will build on the experience and knowledge accumulated during Plug In by establishing a centre of knowledge regarding discontinuing studies. The purpose of this is to meet continuing needs for and support local efforts in

preventing dropping out of studies and promoting school attendance. In terms of preventive efforts at several levels surrounding PlugInnovation and surrounding the proportion of discontinued studies in the project Plug In 2.0, for more detailed information see SALAR's contribution to NRP from the local and regional level.

2. Contribution from SALAR (Swedish Association of Local Authorities and Regions) – as representative of regional and local levels in Sweden

2.1 Local and regional work with the Europe 2020 strategy

The Swedish Association of Local Authorities and Regions, SALAR, the member organisation for all of Sweden's municipalities, county councils and regions, largely shares the view expressed by the Commission in the Country Report for Sweden regarding the opportunities and challenges of the Swedish economy for sustainable growth and employment.

Sweden's municipalities, county councils and regions are faced with rising costs to fund welfare in the coming years. The county councils and regions are planning major investments in the form of hospital construction and investments in public transport and infrastructure. The municipalities are faced with investments in pre-schools, compulsory schools and upper secondary schools, homes for the elderly and sporting facilities, in order to meet the welfare needs that follow from demographic developments. Municipal and regional operations require a greater focus on factors such as the use of new technology, new working methods, and a focus on preventive care to address the gap that could otherwise emerge between costs and revenues for funding welfare. Efforts are also needed to get more people into work, and for improved integration.⁹

The operations of the municipalities, county councils and regions make up around 20 per cent of Sweden's GDP, 70 per cent of public consumption, and the sector employs 25 per cent of the working population, just over one million Swedes. The Europe 2020 strategy affects several policy areas which, in Sweden, fall within the responsibility of municipalities, county councils and regions. In this context, it is emphasised that, for the regions and county councils that are responsible for regional development, their basic remit includes working on and driving many of the issues highlighted in the strategy. The majority of the core activities of Sweden's 290 municipalities are also clearly linked to the objectives of the Europe 2020 strategy.

⁹ The Economy Report, October 2017 <https://webbutik.skl.se/sv/artiklar/ekonomirapporten-oktober-2017.html>

The importance of long-term and cohesive growth and development efforts

The Europe 2020 strategy has set a credible and appropriate framework for the European structural and investment funds and contributed to focusing measures in the Member States. SALAR finds that the European structural and investment funds not only contribute great economic resources, but also a more structured approach to overcoming identified problem scenarios and challenges through initiatives that utilise regional strengths and opportunities. This approach now characterises the implementation of essentially all policy at the local and regional level.

Many of Sweden's municipalities, county councils and regions have integrated the Europe 2020 targets into their development plans, operational plans and annual budgets, and strategic follow-up efforts linked thereto are in place. SALAR and our members therefore wish to see a continuation of the Europe 2020 strategy, with a new cohesive employment and growth strategy based on the guiding principles smart, sustainable and inclusive, which will govern priorities in future programmes and funds. A subsequent strategy should have a holistic sustainability focus, a clear equality perspective and the social issues should be higher up on the European agenda. A future strategy in line with Agenda 2030 and the global targets is both reasonable and relevant.

The importance of the European structural and investment funds to implementing the strategy

SALAR and our members see that the cohesion policy can help overcome the challenges described by the European Commission in its Country Report for Sweden 2018. The cohesion policy is the EU's most important instrument for reducing regional differences and creating growth, employment and social inclusion in all EU regions. In light of the perceived discord in the EU at present, a strong policy of cohesion is more critical than in the past. The cohesion policy links municipalities and regions to the European project and legitimises the EU at the local and regional level.

The European structural and investment funds provide conditions for our members to work with long-term initiatives to create regional development, growth and employment. Primarily, the structural and investment funds contribute to a strong innovation climate, clusters and access to research resources for industry. Besides the research and innovation efforts, initiatives are financed in terms of energy transition, climate adaptation and extending broadband. The policy also helps to counteract exclusion and create social

cohesion, for instance by means of getting young and foreign-born people into employment, and by strengthening the ability of individuals to adapt in the labour market.

On the whole, the cohesion policy creates better conditions for municipalities, county councils and regions to contribute to attaining the national targets of the Europe 2020 strategy. It also helps overcome the challenges regarding sustainable employment and growth pointed out by the Commission in its Country Report for Sweden. The cohesion policy also paves the way for initiatives in line with the objectives and principles set out in the European pillar of social rights.

2.2 Regional and local examples of projects contributing to attaining Sweden's national targets

Sweden's municipalities, county councils and regions are contributing to target attainment in their ordinary work in a variety of ways. In addition, numerous projects and initiatives are in progress at the local and regional levels with the aim of attaining the Europe 2020 targets for smart, sustainable and inclusive growth. The examples presented below should be seen as a small selection of the many good examples of successful efforts under way in various parts of the country. The selection this year focuses on projects that address some of the challenges to which the Commission draws attention in its 2018 Country Report for Sweden, with a particular focus on integration and inclusion.

2.2.1 Employment, education, social inclusion and reducing poverty

In its Country Report for Sweden, the Commission notes that, although Sweden is a top performer in the EU in terms of employment and is below the EU average for total unemployment, there are major challenges in the labour market, such as establishing low-skilled people and non-EU migrants in the labour market and reducing the substantial employment gap for non-EU-born women. Attention is also drawn to the relatively high level of unemployment among young people in certain groups. The Swedish municipalities, county councils and regions play a crucial role, both as employers and as purchasers and providers of welfare services, in addressing these challenges. A number of municipalities, county councils and regions are conducting projects financed through the European Social Fund (ESF) to create employment, social inclusion and contribute to better integration.

Plug In

The ESF-financed project *Plug In*, which has, since 2012, been headed by SALAR in cooperation with eight regions and over 70 municipalities, will come to an end at the turn of 2018. During the first project period (2012–

2015), five success factors were identified in efforts to counteract discontinuing studies. When *Plug In 2.0* commenced in 2015, as a direct continuation of the first project round, the primary focus was on developing, implementing and disseminating these successful methods.

Preventive efforts at several levels

PlugInnovation is a knowledge hub developed within the project to collect, generalise and disseminate the knowledge generated by the project regarding dropping out of studies. In the case studies carried out by PlugInnovation in nine local sub-projects, it has become clear that effective preventive work needs to occur at the *individual level*, *organisation level* and *system level* in parallel. This three-pronged model sets a framework for the initiatives carried out within Plug In 2.0. It encompasses both a broad ‘full-school approach’ and specially targeted support measures for pupils exhibiting varying degrees of risk behaviour.

Drop-out rate in the project

10 per cent of the participants in Plug In 2.0 actively dropped out of studies during the course of the project. This is somewhat lower than the national average for introduction programmes, and higher than the average for national programmes. However, it is difficult to make a direct comparison of the results with the national data regarding discontinued studies, because both the measurement methodology and population differ. Plug In is intended for pupils selected for the very reason that they are considered to be in the drop-out risk zone. Therefore, the risk of actively dropping out of studies can be considered higher among these pupils than the national average. In light thereof, a 10 per cent drop-out rate can be considered a good result.

Gainful activity for young people under the municipal scheme to ensure gainful activity

Clear progress can be seen among project participants under the *municipal scheme to ensure gainful activity* (*kommunala aktivitetsamvaret – KAA*), with a sharply increased rate of gainful activity. The share of people not engaged in any gainful activity has decreased from 64 per cent prior to participation in Plug In, to 10 per cent after the initiative. Many participants have progressed to other studies, or switched to work. The trend is the same for both boys and girls.

SALAR will build on the experience and knowledge accumulated during Plug In by establishing a centre of knowledge regarding discontinuing studies. The

purpose of this is to meet continuing needs for and support local efforts in preventing dropping out of studies and promoting school attendance.

Blekinge youth lift, BUL 2.0, Region Blekinge

The Blekinge Youth Lift ('Blekinges Unga Ljfter') BUL 2.0 is a collaborative project between Blekinge Region, Blekinge municipalities and the Public Employment Service, co-financed by ESF during 2015–2017. The project has developed the previously successful efforts made in the 'Blekinge model', in which entities in the county cooperated across geographical, systemic and organisational boundaries to offer youths/young adults a point of entry and several paths into the entire Blekinge labour market.

The project has included 2,500 young men and women aged 16–24. The objective has been for all young people to progress onto studies, a work experience placement, employment, or setting up their own business. The project has resulted in Blekinge municipalities being able to bring together assistance and guidance for the future of young adults and the labour market under a shared umbrella, with the formation of a 'Navigator Centre' in each municipality, bringing together all the agencies concerned.

Job Forum 2.0, City of Helsingborg

The Job Forum ('Jobbtorget') 2.0 is an ESF project within the gainful activity initiative for young people. Through the project, more young people are to be given the opportunity to establish themselves in the labour market, start their own business or commence regular studies. Furthermore, the project is to contribute to increased mobility among jobseekers in north-west Skåne. The Labour Market Administration of the city of Helsingborg is the project owner. Other partners are the Public Employment Service in Helsingborg and the municipalities in Båstad, Åstorp, Ängelholm and Höganäs. The objective of the project is to increase the degree of financial autonomy of the individual.

The Job Forum is to serve as a forum in which the youths themselves choose and decide what they need and, alongside a coach, prepare an individual plan. Through the individual support format of the project, social exclusion and poverty will decrease among vulnerable young people, gainful activity will increase and the level of education will improve. Based on the Motivation 3.0 method and labour market coaching, participants proceed on the basis of their own responsibility and inner motivation. They are given the opportunity to get involved in creating and developing activities, and being empowered. So

far, the project has resulted in just over 250 young people gaining employment and just over 100 commencing studies.

Quality-assured inclusion in health and social care (KIVO-C), Uppsala county

The project *KIVO-C* stands for *'Kvalitetssäkerad inkludering i vård- och omsorg'*, meaning 'Quality-assured inclusion in health and social care'. It is carried out with funding from ESF during the period 2016–2019 and is based on the tremendous future recruitment need in the health and social care sector. During the project, structures and methods will be developed to support learning Swedish in order to enable broader recruitment in health and social care, and to capitalise on the skills of foreign-born people. The project is carried out in cooperation with the municipality of Uppsala, other municipalities in the county, the Public Employment Service, municipal adult education (Komvux), trade union Kommunal, the Health and Social Care College of Uppsala, and employers in the health and social care sector.

The project includes training language representatives and inclusion supervisors who are to improve the language skills of people already in employment, students, interns and so on. The objective is training and activity for reduced social exclusion and to overcome the recruitment need in the sector.

A way in, Hedemora

A way in ('En väg in') is a three-year project financed by the Asylum, Migration and Integration Fund, AMIF, running to 31 October 2019. The project owner is the municipality of Hedemora and partners are the Red Cross, Almi GävleDala, IUC Dalarna, the County Administrative Board, Hedemora Näringsliv and region Falun Borlänge. The project targets recently arrived immigrants and asylum seekers on the one hand, and on the other hand employers, civil servants in public administration, and the general public.

The objective is to develop new sustainable methods and tools for new enterprise, establishment through work experience placements or work, and to attain a change in attitudes to help new Swedes in Hedemora, regardless of gender, into work and enterprise.

The project seeks to facilitate social and professional networking for employers and employees, make it easier for employers and employees to find each other, overcome prevailing obstacles and create the best possible

conditions for integration. An important condition for attaining the targets is to proceed from an equality and diversity perspective. Ultimately, *A way in* seeks to counteract racism and discrimination, and improve integration in society.

An example of an initiative in the project is skills development within equality and integration for all employees in the municipality of Hedemora. On eight occasions, the employees and elected representatives of the municipality of Hedemora were offered the opportunity to undergo training in equality and integration. Upon completion, over 1,000 people out of 1,300 employees had undergone the training. The training was carried out by *A way in* together with the EU project of the County Administrative Board of Dalarna 'Equality throughout' (*Jämställt hela tiden*), also co-financed by ESF. The next stage of the work is, together with the County Administrative Board of Dalarna, to launch materials for workplace meetings for continuing work on equality and integration, and launch an online training course focusing on prejudice and treatment.

E-resource, municipality of Örebro

Like many other municipalities in Sweden, the municipality of Örebro wishes to improve integration and boost enterprise. In that spirit, the municipality has devised a new model – a cross-functional approach – that can work with entrepreneurship and enterprise within the administration for education, livelihood and labour market. This cross-functional approach goes by the working name E-resource (*E-resurs*) and aims to ensure that the administration can use entrepreneurship and enterprise as a tool for improving integration and reducing exclusion. Previously, the municipality mainly relied on two different paths for resolving these issues – study and employment. E-resource is to open up a third path – entrepreneurship and enterprise.

The overarching objective of the project, which is co-financed by ESF, is to establish a structure in which entrepreneurship and enterprise form a realistic livelihood option – one that leads to employment and financial autonomy for users of the administration. The objective is for more businesses to be set up by target groups that would not otherwise have started up a business.

Integration Halland, Halland

Integration Halland is a collaborative project with the Halland municipalities Falkenberg, Halmstad, Hylte, Kungsbacka, Laholm and Varberg together with the Public Employment Service, the Country Administrative Board and

Region Halland. The project is co-financed by ESF and runs from 1 September 2015 to 30 June 2018.

The purpose of Integration Halland is to improve, bolster and supplement efforts already made as part of establishing newly arrived immigrants. The overarching purpose and objective of the project is help shorten the path to education and/or employment for recently arrived women and men, and to help increase the proportion of newly arrived immigrants who, after having participated in establishment activities, make the transition to education and/or employment. These overarching aims shall be attained through initiatives in the change areas *innovative methodology development for supporting the establishment process and individual goal attainment of project participants, improved resource coordination* from the private sector, public sector and the third ‘social sector’, *work for an equal labour market* and *common learning*. All activities are developed from the local context of each municipality, but lessons learned are disseminated and utilised in all activities through learning networks at all levels between all municipalities and regional agencies in Halland.

YFI, City of Stockholm

YFI is a collaborative project between adult education, SFI and vocational upper secondary schools in the City of Stockholm, and a number of companies in the construction industry, restaurant industry and elderly care, and is co-financed by ESF. YFI aims to shorten the path to work by developing integral language and vocational training aimed at the target group foreign-born adults. The project background is that it currently takes too long for studying adults who lack vocational training to enter working life. By combining language and vocational training into one cohesive training programme, YFI seeks to make this process shorter and more efficient.

YFI is based on *Vocational training with integral language learning* and is aimed at participants whose educational background consists of compulsory school or upper secondary school. Participants are offered training in three sector lines – chef, assistant nurse and construction. One of the objectives of the project is to devise a working method in which teachers of Swedish as a second language, and vocational teachers, cooperate from day one of the training. The vocational focus sets a concrete end target for the language training and enables the teachers to set sub-goals that the student finds possible to attain. Language training that is linked to real life and which focuses on the end goal – vocational training and a job – motivates adults who are learning Swedish as

a second language. The common theme from beginning to end is vocational training and work.

Upon completion of the project, around 160 people in the target group will have obtained formal vocational skills, the amount of time between starting a course at SFI and financial autonomy will be reduced, and it will be possible to provide the target group with a greater educational offering.

Sfi – Ready, steady, go, municipality of Umeå

Sfi – Ready, steady, go! (*Sfi – Klara, färdiga, gå!*) is a three-stage project with the primary aim of helping newly arrived immigrants with a limited educational background to be more efficient in learning Swedish and facilitate entry into the labour market and towards financial autonomy. The project, which runs during the period 2016–2018, is co-financed by ESF. In 2017 the project was awarded the European Language Label. The three words of the project name also symbolise three steps for attaining the project goals:

1. *Ready*: Broadened teaching with topic integration in SFI's study track 1, with Swedish, maths, life in Sweden, labour market, health, equality, creative and physical activities – to create a basis. The aim is to increase participants' knowledge in the aforementioned topic areas, improve general physical and psychological health of participants, reduce sick leave, and to make participants aware of the equal worth of men and women through a tangible focus on equality. There is a great focus on students not only learning in the classroom, but using all their senses during outings and study visits. For instance, there is a difference between looking at pictures of pines and spruces in a book, and an outing to a forest, where participants can use their senses of touch, smell and taste. Focus is also on the participants' own stories, which often emerge during a study visit, and in the classroom during follow-up of the outing.
2. *Steady*: Vocational training during the summer at youth hostels, cafés and plant nurseries, and during the academic year, at different locations so that participants feel ready. Continual follow-up and support are also provided here outwardly to the workplace.
3. *Go*: the participants are ready to leave the project for further studies, or for work/work experience placements. The goal is for participants to be equipped with the requisite 'tools' for working life in Sweden, both theoretical and practical.

Newcomer Driving Force, municipality of Torsås

In the ESF-financed project *Newcomer Driving Force (Nyanländ Drivkraft)*, the municipality of Torsås works on improving opportunities for recently arrived immigrants with some kind of residence permit to get closer to the labour market. Through Newcomer Driving Force, the municipality seeks to improve the possibilities for newcomers to get closer to the labour market which, in turn, paves the way for successful integration efforts. If the project fulfils its goal, it will be possible for newly arrived immigrants to feel confident in the future and hopefully wish to remain and build their future in the provincial municipality, which will contribute to the local labour market.

The project is based on the ‘Torsås model’, meaning that the municipality can offer several different possibilities for the individual to get closer to the labour market. The model proceeds on the basis of work with individual guidance and action plans to provide each individual with the skills and experience they request. Improving the skills of newcomers based on individual needs is fundamental to their ability to enter the open labour market. This approach strengthens possibilities for newcomers to integrate into society and establish themselves in the labour market, which in turn also increases the chances that the person will reside in the municipality. At the same time, the labour market will be able to benefit from the newcomer’s skills.

The Torsås model is based on several entities cooperating such that their various inputs optimally complement each other. The municipality finds that the key for a provincial municipality like Torås is to build up a working method in the long term that enables the entire municipality to contribute to improving the situation and establishment, within the private, non-profit and public sectors. Several different initiatives, which can be matched with individual needs, are the success factor in this approach.

Project CHANGE, County of Jönköping

CHANGE is a skills development project, funded by ESF, aimed at the staff of municipalities of the county and their collaborative entities. The overarching objective of the project is for the County of Jönköping to contribute to the development of a society that is inclusive and discrimination-free. The objective is for diversity to be considered an asset, and to capitalise on and strengthen the capabilities of newcomers and foreign-born girls, boys, women and men, so as to increase participation in society and attain swifter establishment in the labour market.

By increasing knowledge, developing skills and changing the attitudes of staff in the county who meet newcomers and foreign-born people in different ways in their work, the project aims to strengthen the integration efforts of the municipalities. Skills improvement forms part of strengthening the organisational capabilities of the municipalities and collaborative entities in terms of working more strategically towards increased integration. The project helps boost learning about which methods work, and the exchange of experience and sharing of innovative solutions, which is expected to contribute to the development of the operations concerned. Increased networking promotes opportunities for better coordination, which in turn further enhances efficiency in the work of the municipalities and collaborative entities.

Integration skills, municipality of Örebro

The municipality of Örebro wishes to improve its efforts for more successful establishment, and overcome the challenge of higher unemployment among foreign-born people (particularly newcomers with a non-European background) than among other citizens, and has therefore launched the two-year project *Integration skills* (*Integrationskomptens*), which is co-financed by ESF.

The project purpose and objective is to better coordinate reception initiatives so that newcomers can enter working life sooner. Focus on developing the skills of the various staff categories that meet newcomers daily has been identified as a key for improving integration and creating more effective newcomer reception. Training across operational boundaries is to provide staff with a common knowledge base that improves conditions for inter-operational cooperation, and for staff to gain an increased understanding of their own role in integration efforts. It is considered that the newcomer target group would be better received if the various administrations were more familiar with each other's remits, responsibilities and the initiatives offered.

A number of areas have been identified in which the municipality should offer administration-wide skills development: training in intercultural skills, training in the migration process, training in treatment through motivational discussions, communication in straightforward Swedish, communication with people who cannot read or write, training in working with interpreters and training with a focus on health, including preventive efforts through early detection, trauma-aware care and LGBTQ certification. In order for the training initiatives to be implemented in the ordinary operations, one

suggestion is to offer brief training sessions to all staff. A handful of people from each administration will also be offered more extensive training so that they can in turn become educators responsible for ensuring ongoing skills development following project completion.

Cultivation and green environments for health, municipality of Härryda

In the municipality of Härryda, a project is under way that is co-financed by Leader, within the *Agricultural Fund for Rural Development*, to devise a working method regarding cultivation and green environments in health and social care, in cooperation with companies, municipalities, user and interest organisations, education and research and other parties with an interest in cultivation. The primary objective is to create a sustainable working method for gardening and cultivation at homes for the elderly within health and social care, and daytime activity within disability, for improved health and wellbeing for both the individual and staff.

The project is to help boost knowledge and increase awareness about sustainable cultivation and locally produced food, and to use grown produce in food preparation at the care facilities for increased attractiveness and participation for residents. Cooperation with adult education and Swedish for Immigrants (SFI) will take place through part of the work experience placement period being allocated to the cultivation environments, and to a residence for newcomers at which kitchen gardens will be set up. Experience from the project is being compiled in a handbook on how cultivation can be carried out within health and social care. The handbook can be used by both public and private homes for the elderly to integrate green activities into the ordinary operations.

Young Force Arena, Sundsvall

Young force (*Ung kraft*) is a collaborative venture between the municipality of Sundsvall, the Public Employment Service, the Swedish Social Insurance Agency and the County Council of Västernorrland, co-financed by ESF. The project targets young people aged 18–29 who suffer from psychological ill health or a neuropsychiatric impairment. The objective is for participants to discover and experience new possibilities, and have the chance of approaching work, studies or a work experience placement.

The purpose of the project is to develop a tailored arena to meet a target group that is far removed from labour market measures, work and studies. The arena will enable a place in which participants can grow and practice, providing them

with the right conditions for entering work or studies and breaking their exclusion.

2.2.2 Climate change and sustainable energy supply

Sweden has set ambitious national energy efficiency targets and sustainable energy supply targets for 2020. In its Country Report for Sweden, the Commission states that Sweden is faring well in terms of national target attainment for greenhouse gas emissions and share of renewable energy. However, further efforts are needed to fulfil the indicative national targets for energy efficiency. Local authorities and regions in several areas of the country are running projects funded by the European Regional Development Fund, ERDF to contribute to attaining Swedish targets for energy efficiency and renewable energy.

Energy and climate coaches

The project 'Energy and climate coaches' (*Coacher för energi och klimat – CEK*) is co-financed by ERDF and is to help SMEs with low energy consumption to improve their energy efficiency. The aid entails that municipalities in Sweden can apply to the Swedish Energy Agency for grants for coaches in their municipality/region. The intention is for the aid to be spread across Sweden, and there are currently coaches available in around 130 municipalities. The project term for the coaches is 2017–2019.

In the project, individual coaching is combined with group lectures and inter-company experience exchanges. The coach performs a review of the company's energy consumption. Proposals for measures are then prepared that have the potential to reduce energy consumption. In the next step, the coach and the company concerned go through how the proposed measures can be implemented. The aim is for the companies to reduce their energy costs, improve profitability and reduce climate impact.

Cleantech TIPP, City of Helsingborg

The City of Helsingborg, energy company Öresundskraft and waste management company NSR are participating in the Interreg project *Cleantech TIPP*, which also includes partners from several municipalities of eastern Denmark and Skåne. The project runs through 2019. Cleantech TIPP aims to promote the development of innovative solutions by improving interaction between demand from the public sector with the range of solutions on the market. In the project, public-sector entities in both Denmark and Sweden seek innovative solutions within waste, industrial symbiosis and climate adaptation.

The project is to stimulate innovation processes and facilitate, in concrete terms, procurements so that they are consistent with the municipalities' visions for new sustainable solutions. At the same time, opportunities improve for companies and other organisations to develop and market new sustainable solutions. The objective is to contribute to sustainable transition, needs-driven demand from the public sector, and business promotion through increased demand for innovation.

Reduced climate impact from plastic in municipal operations, municipality of Uppsala

Plastic is one of our greatest environmental concerns. In order to reduce the use of plastic, and its climate impact, the municipality of Uppsala – together with the larger municipalities of East Central Sweden (municipalities of Linköping, Norrköping and Eskilstuna), academia and industry – is running an ERDF-funded project with the purpose of devising new requirements in procurements to stimulate the development of biobased plastic and alternative products.

Currently, the operations of the largest municipalities in the East Central Sweden region cause carbon emissions of approx. 4,000 tonnes per year solely through their use of disposable products. By setting stricter requirements in procurements and finding alternatives to many of the fossil plastic products that are used daily in the municipalities' operations, the adverse climate impact can be reduced. Through dialogue with academia and the manufacturing industry, the municipalities intend to find alternatives to plastic products and stimulate development of biobased plastic.

Civitas Eccentric, City of Stockholm

Civitas Eccentric is a project under the EU-financed Civitas initiative. The project comprises several different sub-projects with the aim of reducing the adverse effects of extensive use of cars, and promoting sustainable transport. Madrid, Munich, Stockholm, Åbo and Rusa in Bulgaria are carrying out similar measures in their respective cities and exchanging experience and comparing successes and setbacks to determine success factors for the different measures. Madrid is the project coordinator.

In Stockholm, seven parties are participating – the City, the Royal Institute of Technology and five companies. Aims include reducing carbon emissions and sustainable energy consumption by, for instance, increasing the use of electric bikes and improved charging infrastructure for electric vehicles. The project

also enables the possibility of showcasing new automotive technology, combining mobile services and testing new methods to monitor vacancy and occupancy levels in car parks. The project highlights measures that can be implemented in the close suburbs of the five cities. In Stockholm, the cluster Hammarby Sjöstad – Årsta – Liljeholmen is the designated pilot area in which some of the sub-projects will be concentrated.

2.2.3 Research and development

In the Country Report for Sweden, the Commission finds that Sweden has not reached the national R&D target of 4 per cent. The Commission finds that competitiveness and innovative capacity of the economy could be held back by factors such as a short supply of highly qualified personnel within science and engineering, particularly ICT. In the area of R&D and ICT, measures have been carried out at the local and regional level mainly through the European Regional Development Fund, ERDF.

Digital SME, Västra Götaland Region

In the Västra Götaland Region, there are several small and medium-sized enterprises in industry and the industry-related service sector, with employees in great need of digital expertise. As part of the project *Digital SME*, one project, co-financed by ESF, focusing on the skills development of staff, and one project focusing on the digital transition of SMEs and co-financed by ERDF, have been rolled out. The companies need knowledge about the opportunities presented by digitalisation, and a strategic plan for the digitalisation of their operations. Employees need training to become more empowered in an increasingly digitalised labour market. In order to offer all of this to companies and individuals throughout the region, the Gothenburg Technical College (GTC) has initiated close cooperation with four Industrial Development Centres in the region (Sjuhärad, West, Skaraborg and Halland).

The overarching objective of the projects is for industrial SMEs to increase or maintain their competitiveness, bolster their profitability and stand strong in the increasingly tougher global competition. The project seeks to help Swedish industry assume digital leadership.

Even though industry in the Västra Götaland Region and Halland Region is high-class in terms of manufacturing and quality, there is great room for improvement in terms of enhancing the efficiency of the operations through digitalisation, in order to become even more competitive. The overall view in terms of SMEs in the manufacturing industry is that greater IT investments are needed for generating added value and working more with knowledge-

oriented IT. IT needs to be switched from being a low-priority necessity to forming part of the companies' value creation. In order to do so, there is a need for strategic IT expertise, cohesive investments and, not least, heightened knowledge about how digitalisation can be used in more areas than business-critical and administrative IT.

The part of Digital SME funded by ESF intends to develop the expertise of 2,577 employees at 100 SMEs in industry and the industry-related service sector in Västra Götaland and Halland. The overarching objective is to enhance the digital expertise of individuals, and hence bolster their position in the labour market. Furthermore, the project intends to improve the working conditions of under-represented groups and increase the number of women in the manufacturing industry. As an effect of this, the companies' digital expertise will also improve.

ASSAR Industrial Innovation Arena, Västra Götaland Region

ASSAR Industrial Innovation Arena is a platform for exchanging knowledge with national and international companies, knowledge hubs and institutions. The initiators of the venture are Gothia Innovation AB, the University of Skövde, Industrial Development Center West Sweden AB, the Volvo Group and Volvo Car Corporation. The project is financed by ERDF, Västra Götaland Region, Skaraborg Association of Local Authorities and the municipality of Skövde.

The objective of the initiative is to establish a world-leading integral physical and virtual development environment for research, technological development, innovation and training in Skövde. ASSAR will be a physical meeting place and an extension of Gothia Science Park. The purpose of the arena is to support research, facilitate and develop cooperation between various entities, contribute to the development of the manufacturing industry and an increased inflow of knowledge and expertise to industry, and to accumulate knowledge that is rooted regionally and nationally. More specific to the manufacturing industry is the aim for ASSAR to help strengthen competitiveness and profitability of manufacturing industrial companies in Skaraborg, focusing on SMEs.

A national cultural heritage incubator, Region Gotland

The Swedish National Heritage Board has, together with Region Gotland, Uppsala University and Science Park Gotland, embarked on a project co-funded by ERDF and running until the spring of 2021. The purpose is, over

three years, to test an incubator that is to stimulate innovation and entrepreneurship linked to the cultural heritage sector and with a digital focus. Archives, libraries, museums and cultural environments depend on innovative and sophisticated solutions to preserve, research, avail of and mediate their cultural heritage plethora. Yet, the current offering of services and products is limited.

By linking together the needs of public institutions, research and expertise held by the agency with innovators and future entrepreneurs, the aim is to test and launch new digital services. This can span everything from services that make it easier for the general public to experience and understand cultural heritage, to technical solutions that facilitate museums' work on digitalisation and availing of their collections.

3. Contributions from civil society organisations

3.1 Public and Science (VA)

Public and Science (*Vetenskap & Allmänhet – VA*) is a non-profit association with the objective of promoting openness and dialogue between researchers and the surrounding community. To achieve the objective, we work to bring about discussions in new forms on research and to increase cooperation between researchers and the surrounding community. We also develop new knowledge through opinion surveys and studies. The association was formed 16 years ago and now has about 80 affiliated organisations, such as agencies, higher education institutions, companies, adult education organisations and research financiers. Our activities are funded by membership fees, project funds and a grant from the Government (Ministry of Education and Research).

To start with, we wish to draw attention to the fact that the total R&D investments' share of Sweden's GDP is decreasing, and neither Sweden nor the EU will attain the targets set in the Europe 2020 strategy. Investments in R&D are crucial to Sweden's ability to continue being a prominent knowledge nation, so the trend is concerning, even though public investments remain strong. In Sweden's national reform programme for 2017, there is no information regarding the declining private R&D investments. VA would have liked more developed rationale and proposals for potential measures. In the context, an initiative can be mentioned from the Royal Academy of Engineering Sciences to create an annual R&D index of the R&D investments of business and industry in order to better monitor developments.

VA's operations are linked to many of the Europe 2020 strategy's headline targets, such as the *social inclusion* target and the *education* target. The *Research and development target* is the one with paramount focus. We wish to provide examples of operations conducted by VA and which, in our opinion, contribute to attaining the targets.

The VA barometer

Since 2002, VA has been conducting an annual opinion poll among the general public in Sweden on their view of confidence in researchers and science. Over the years, we have queried the population about which areas they believe should receive state research funding. We have also queried about interest in research, and knowledge about it acquired through personal experience. The VA barometer is unique in Sweden and provides valuable data about how the

general public views research. There is a political consensus about the value of extensive public investment in research and development, and public support for such political prioritisation is of course important.

Citizens' research

For ten years, VA has been coordinating an annual mass experiment as part of “Research Friday”, which in turns forms part of the Swedish element of European Researchers' Night. In the experiment, school classes throughout Sweden are invited to work with researchers. The 2017 mass experiment, *The News Evaluator*, was conducted in collaboration with researchers at Uppsala University. A total of 6,000 secondary and upper secondary school pupils took part in the project, which was about testing a tool to study which news items appear in the news flows of young people, and teaching pupils about source evaluation in digital media. Through the mass experiments, which are an example of citizens' research, pupils participate in real research and contribute to developing new knowledge. The results are returned to the schools in the form of popular science reports. Several mass experiments in previous years have also resulted in scientific publications and have been presented at scientific conferences.

VA is also involved in devising a national online portal that is to serve as a resource and hub for citizens' research with advice and guidelines, as well as a compilation of current projects. The portal is a collaborative initiative between the University of Gothenburg, the Swedish University of Agricultural Sciences, Umeå University and VA.

March for Science

Last year, VA coordinated the Swedish arm of the global manifestation *March for Science*. A full 80 organisations supported the initiative in Sweden, and 2,500 people took part in the manifestation in Stockholm. In 2018, a continuation is planned; a campaign to boost knowledge among Swedish politicians and the general public about what science is, the research procedure, how various research findings can be evaluated, and why research-based knowledge is needed as a basis for decision-making and for positive social development. The objective is for scientific facts to be highlighted more than previously when political proposals are debated during the 2018 election year.

Responsible Research and Innovation, RRI

VA works with Responsible Research and Innovation, RRI, which plays an important part in Horizon 2020, the EU framework programme for research

and innovation. Under RRI, all the parties concerned are involved in research and innovation in order for the findings to be as usable, acceptable and sustainable as possible. In 2017, three EU-financed projects commenced with VA as partner; for several years, these will work to bring research and society closer together, and realise change in researching and research-funding organisations.

Advocacy platform for increased Swedish participation in Horizon 2020

VA coordinates a national advocacy platform: *Consult, Collaborate, Contribute – A platform to support greater Swedish impact in Science with and for Society*, which brings together some fifty Swedish organisations, research centres and individual researchers from various social sectors. The platform is specifically geared to the sub-programme of Horizon 2020, *Science with and for Society, SwafS*. However, since one of the horizontal dimensions of H2020 is RRI which, in turn, is a pillar of the SwafS programme, the platform also has activities that concern other elements of Horizon 2020. Besides RRI, special focus is given to *science education, open access/open science, gender equality, ethics and public engagement*. The activities in the advocacy platform are directed at both the European and Swedish levels. All Swedish advocacy platforms are funded by Vinnova and aim to make Sweden more active in the European research collaboration and increase Swedish participation in Horizon 2020.

3.2 Equally Unique

Equally Unique (*Lika Unika* – URL: www.likounika.org) is a federation to promote human rights for people with disabilities in Sweden. The member organisations are: The Association for Sweden’s Deaf-Blind (FSDB), the National Association for the Hearing Impaired (HRF), the National Association for Disabled Children and Young People (RBU), Neuro Sweden, the Swedish National Association for the Deaf (SDR) and the Swedish Association of the Visually Impaired (SRF). We work daily with opinion-leading and advocacy in order for Sweden to fulfil the UN convention on the Rights of Persons with Disabilities, which is also a convention endorsed by the EU. Equally Unique is also driving Swedish efforts with Agenda 2030 for Sustainable Development, which is aimed at creating societies that are economically, socially and environmentally sustainable.

As underscored by the World Bank during the UN negotiations on what resulted in Agenda 2030, the sustainability targets can only be attained if people with disabilities are included. It is therefore clear to us that the Swedish reform programme for Europe 2020 and the EU’s work with the strategy are linked to Agenda 2030, with a clear disability perspective. This also includes the importance of designing society based on human diversity. This requires a universal design, and constant consideration for accessibility and usability – both physical accessibility, and accessibility to information and communication.

In that context, Equally Unique wishes to emphasise that it is crucial that Sweden’s measures set out in the national reform programme also proceed on the basis of the European Pillar of Social Rights, principle 17:

Inclusion of people with disabilities

People with disabilities have the right to income support that ensures living in dignity, services that enable them to participate in the labour market and in society, and a work environment adapted to their needs.

The three target documents with Agenda 2030, the reform programme and the social pillar all have a clear human rights perspective as a condition for sustainable development. That must also have an impact in Sweden’s work with Europe 2020.

Agenda 2030, Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Stronger initiatives will be required to attain the target of inclusive and equitable education., This primarily involves improving conditions for students with disabilities to acquire basic education in preparation for later life. Today, follow-up shows that the proportion of people aged 16–64 with post-secondary education is 34 per cent for people with disabilities. For the rest of the population, the figure is 46 per cent.

In spite of the education gaps, many students perceive support and adaptations as inadequate and that accessibility still needs to be improved. At present, the school choice rights of many students with disabilities are restricted because, for example, they are not granted subsidised transport to a school other than the one the local authority is prepared to accept.

In the *Rivkraft* survey of the Swedish Agency for Participation, inadequate accessibility emerges as a decisive obstacle to education, such as difficulty in moving around, hearing in teaching situations and ability to utilize teaching materials. The follow-up from the agency also highlights the lack of school staff with knowledge of sign language as an obstacle to hearing-impaired pupils obtaining a good education.

A condition for providing all pupils with solid fundamentals for attaining the school's targets is that education policy includes a clear disability perspective – a factor that we find entirely absent in many contexts today. Based on a special school platform, Equally Unique is working to promote conditions for students with disabilities that are equal to those for other students. *Full accessibility and inclusion, A good and learning school environment and Student focus–All children* are three important headings in the school platform, along with the right of a student to choose to attend a specially adapted school in order to obtain an education.

Agenda 2030, Goal 8: Promote enduring, inclusive and sustainable economic growth, full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

The goal should be viewed in light of the fact that unemployment is higher among people with disabilities. At the same time, social measures – using wage support, through the company Samhall or through work experience placements with government agencies – focus almost entirely on increasing

gainful activity among our member groups. Based on the report of Equally Unique, 'See the Ability', we work intensively for changed values to take effect in Swedish politics: It must be self-evident to see the merits, skills and experience of people with disabilities in search of work.

The Swedish reform programme must proceed on the basis of people's abilities. The term 'impaired capacity to work' must be phased out. Instead, we must dismantle the barriers that exclude people, such as deficient information, preconceptions and prejudices. Aids and adaptations must work, and work-oriented rehabilitation must be reinstated. Employers in the public sector must act as role models in employing disabled people in their ordinary operations. At the same time, this is an obligation for Sweden because the UN Convention on the Rights of Persons with Disabilities includes such an article.

Europe 2020 can serve as an engine in efforts for smart and sustainable growth. Just like Agenda 2030, it requires a clear disability perspective. This is fundamental to the inclusion of all, and the exclusion of no-one.

3.3 Swedish National Council of Adult Education

The National Council of Adult Education is a voluntary association with certain public assignments given by the Riksdag and the Government. The National Council of Adult Education's remit is to allocate and monitor the central government grant to study associations and folk high schools. We have also been tasked with evaluating whether the central government appropriation for liberal adult education has been met. The National Council of Adult Education has three members that together represent Swedish liberal adult education. They are:

- The Swedish Adult Education Association – representing the ten study associations.
- The Swedish Association of Local Authorities and Regions (SALAR) – representing folk high schools, of which county councils and regions are the principal organisers.
- The interest organisation for popular movement folk high schools (RIO) – representing folk high schools, of which popular movements and other organisations are the principal organisers.

There is a total of 154 folk high schools and 10 study associations. Formal and liberal adult education engages large parts of the adult population every year. In all, more than 1.1 million people participated in long courses offered by folk high schools, study circles offered by study associations and other non-formal adult education activities in 2017.

The contribution of non-formal and liberal adult education to fulfilling the Europe 2020 strategy

Non-formal and liberal adult education is a significant initiative for the priorities of the Europe 2020 strategy and Sweden's targets within the strategy. In Sweden, the Government has had a great focus on non-formal and liberal adult education with, for instance, 5,000 new study slots in 2018. This is an acknowledgement of the important role of non-formal and liberal adult education in offering paths into education and work, and in enabling deepened interests and culture throughout Sweden. However, attention should be drawn to the fact that the situation in Sweden is a stark contrast to the rest of Europe, where organisers of adult education are generally suffering from funding shortages.

Non-formal and liberal adult education is a condition for the ability to maintain a high level of learning and education in Sweden. The study associations and folk high schools provide society with hundreds of thousands of study and educational opportunities each year. One of the main strengths

of folk high school is its empowering and study-motivating efforts. Folk high schools give participants a thirst to learn more and the courage and capacity for further study. The Folk High School Study-Motivating Course is a successful example.

Liberal adult education is an important force for a democratic society, cementing together, empowering and developing Swedish society and democracy. It is also completely crucial in availing of different types of culture throughout Sweden.

Paths to employment and study for the people farthest removed from education and the labour market

Liberal adult education activities in Sweden are mainly conducted in the framework of the central government adult education appropriation, but also with other financing in the form of assignments and projects.

Study-motivating folk high school courses (3 months) are aimed at jobseekers who lack leaving certificates from compulsory school or upper secondary school. Around 40 per cent of participants in the study-motivating courses of folk high schools progress to further studies at the folk high school. This shows the success of the study-motivating courses in motivating and creating onward paths for the people farthest removed from education and the labour market.

From the folk high school's general course, just over 3,200 participants progress from folk high school to university each year. In 2018, the folk high school issued 1,796 certificates of general eligibility for university studies, and 419 certificates of eligibility for studies at vocational colleges. This shows that folk high school is an important gateway to further studies, not least among the groups and individuals farthest removed from the labour market and education.

Many participants get to experience being seen and heard at folk high school and, combined with a positive study environment, this bolsters self-confidence and belief in the participants' own ability to study and succeed. Ultimately, such developments give better fundamentals for having the courage to take the step to further studies.

Adult education for a cohesive Sweden

Liberal adult education is an important infrastructure for democracy and enlightenment and for the sense of community that characterises our democratic society. In 2017, liberal adult education encompassed just over 1.1 million participants of different age, gender, background, conditions and experience. The extensive activity under way each day of the year, the hundreds of thousands of people brought together in discussions, provide study associations and folk high schools with unique conditions to help bolster, stabilise and develop democracy.

For many participants in this type of education, learning often occurs alongside people who they know or with whom they have shared experiences or interests. In such contexts, liberal adult education works cohesively – it strengthens participant identity, and hence also their self-esteem. Cohesion in the study circle or course serves as support, empowering participants to open up towards society.

Successful work with disadvantaged youth and people born abroad is crucial to social cohesion, stability and increased employment. Education is a key measure to prevent unemployment and the marginalisation that people excluded from working life may suffer. This is the case not least for individuals with disabilities and those born abroad, who have difficulty in establishing themselves in the labour market. In this respect, liberal adult education has a unique role.

Looking at the EU level, it is clear that recent years have featured rapidly growing social and political tensions in many EU Member States, expressed in xenophobic and non-democratic movements gaining a foothold, even as more people are turning to EU countries to seek protection from wars and conflicts in other parts of the world. Democracy and social cohesion are being challenged and put under pressure both in Sweden and other EU countries. In this context, adult education and liberal adult education have an important part to play both in terms of education and labour market, and in spreading humanitarian and democratic attitudes. It is therefore crucial that funding for the sector is long-term and at a sufficient level to attain the goals of life-long learning and education prevailing in the European collaboration and expressed in the Europe 2020 strategy.

3.4 Famna – the national organisation for values-based health and social care

Famna (*Embrace*) is a member organisation for entities in values-based welfare. It is foundations, non-profit associations, economic associations and limited liability companies run on a non-profit basis. Famna currently has just over 75 members.

Europe 2020

Values-based welfare operations contribute to the EU 2020 strategy and Sweden's national targets in a number of ways: The strategy is summarised as: Smart, sustainable and inclusive growth for everyone. Similar guiding principles characterise values-based welfare, which encompasses social support, health and social care, education and employment.

Sweden's national targets concern e.g. employment, inclusion and security, as well as knowledge-based education in equal schools.

Working life, employment – initiatives and measures

Values-based organisations work with empowering groups with a weak position in the labour market and increasing social inclusion through reduced unemployment.

- Social enterprises. Kugghjulet (*the Cog*) is a project run by Famna to strengthen social enterprises, for a long-term and sustainable labour market that also includes weak groups in the labour market, such as people with language difficulties or disabilities.
- Healthcare, social care and IT, eHealth and digital work environment. A dozen values-based enterprises are working with developing digital skills among health and social care staff. In IT, the care sector is an underdeveloped area, with groups of staff – mainly women – having been neglected in IT developments. This eHealth initiative boosts the skills of individuals. They gain greater employability and become attractive in the labour market. Workplaces are being renewed.

Many values-based organisations and enterprises focus on employment and social inclusion for young people, such as *Reningsborg* which has second hand stores, youth community centres, help with homework and teaching support aimed at helping young adults gain eligibility for higher education. Parts of the operations also serve as vocational training – an entry point into working life.

Advice and assistance enabling individuals to work and be included in society:

Mobilitetscenter ('Mobility Centre') in Gothenburg is proficient in the area of disability and driving, with for instance car adaptation. *BOSSE Råd, Stöd och Kunskapscenter* (advice, support and knowledge centre) and *LaSse Brukarstödcenter* (user support centre) provide advice and developmental assistance for people with disabilities. *IFS/CS* runs the Step by Step operation, whereby people with psychological impairments are offered work, gainful activity and studies. *Mogård* has operations for people with hearing impairments and deaf-blindness and other disabilities. The National Knowledge Centre for deaf-blindness issues is also an affiliate.

Security, increased inclusion, against segregation and disparities – initiatives and measures

The *Stadsmission* organisations, *Skyddsvärnet – anno 1910* and *Skyddsvärnet Gothenburg* are examples of organisations working with support for financially weak households, the homeless, refugees, women, children and youths, and actively work for integration, with a focus on, for instance, ex-convicts and other socially excluded people.

Women's refuges such as *Unizon*, *Ersta Diakoni* and *Unga Kvinnors Värn* provide women with support, counteract violence and insecurity, and provide protection for women and children.

- Values-based organisations provide both direct support for the vulnerable, and in parallel act as an opinion-leading voice for the weak, influence policy and society and help individuals with agency contacts.

Knowledge-based education in equal schools – initiatives and measures

Several Famna members run educational programmes, for example:

Stadsmissionen in Stockholm has taken over parts of a school group that went bankrupt. *Sociala Missionen* runs an upper secondary school. *Valjeviken* is a folk high school, rehabilitation and course centre, as well as a sports and leisure facility. It is attended by course participants both with and without disabilities. Famna and many of its member organisations run courses and developmental initiatives for groups that would have difficulty finding an appropriate school in other contexts. The list is long, but to name a few: *Dormsjöskolan* runs courses for boys with neuropsychiatric impairments and psychosocial difficulties. *Hem för vård eller boende* (Care or residency homes) – *HVB* has a home *Guldfällan*, which cooperates with the *Novalis* upper secondary school.

Famna also cooperates with the national association of values-based schools, in which some 50 values-based independent schools are gathered.

How can national efforts within the Europe 2020 strategy be strengthened?

- More flexible procurement rules – similar to those in other EU countries.
- Framework legislation for values-based public partnership for better forms of cooperation.
- Breakdown of all national statistics into three sectors – public, private and values-based sector.
- Support for research on values-based welfare and its role in society.

3.5 European Youth Parliament

European Youth Parliament Sweden is a youth organisation independent of party politics and religion, represented across Sweden. European Youth Parliament Sweden is the perfect platform for young Europeans wishing to build a European network, develop their knowledge linked to European issues and bolster their role in civil society. Its vision is a Sweden in which young people are able to form their own opinions about European issues and engage in social matters in an independent, intercultural, creative and prejudice-free environment through formal and informal learning. It is the obvious alternative for engaging in European issues and is present in all Swedish cities through young people's own organisation. The organisation forms part of the international network European Youth parliament (EYP) founded in 1987 and currently present in 40 countries. Within the international network, around 600 events are organised annually, gathering 35,000 participants in total. In Sweden, around 40 schools and 160 pupils participate each year.

The activity of the European Youth Parliament contributes to informal learning. We do this by arranging conferences at which young people, through a tried-and-tested, interactive approach, get to discuss and deal with problems through simulations of the working procedure of the European Parliament. Experience from participating in these conferences does not replace formal education, but can supplement it in many ways. Primarily, we are of the opinion that our activities help increase engagement, linked to the teaching carried out at upper secondary school, and pave the way for interest in and motivation for higher education. This is because, in many instances, classroom teaching needs to be supplemented to create an understanding of textbook content. By participating in our activities, pupils can gain a concrete understanding of parliamentarism, decision-making and how a legislative institution works. Learning through active participation helps many gain a concrete sense of how society works.

The European Youth Parliament also contributes to boosting knowledge linked to social sciences teaching carried out in upper secondary schools, and improves language skills – particularly in English. The teachers who are engaged and involved in our organisation find that the topics discussed at our conferences, in many areas, fulfil the targets set out in upper secondary school curricula.

The most important aspect of our activities is that they are entirely run by young people. As a member of our organisation, opportunities are opened up

for arranging and project-managing conferences or other events, being part of a regional board and developing knowledge related to voluntary club and association activities. We are convinced that there are many different arenas for acquiring knowledge, and that our organisation stimulates school learning, thanks to the fact that participants get to apply their knowledge in a concrete context, and also practice at gathering, analysing and discussing current topics together with others.

We are therefore of the opinion that the European Youth Parliament, through its activities, helps improve the educational level, dissuades pupils from dropping out early, and increases the chances of participants progressing onto higher education. We believe that the informal knowledge amassed through our activities increases the chances that participating upper secondary school pupils will want to complete their upper secondary school education. In a long-term perspective, we are therefore part of helping to attain increased social inclusion and lower unemployment.

On the whole, the European Youth Parliament contributes to the targets of the Europe 2020 strategy through the informal learning that supplements classroom teaching, and because it gives the upper secondary school curriculum a concrete form – mainly linked to teaching in social sciences. Through our activities, we also endeavour to build up specialised knowledge in different subjects, since the subjects discussed at our conferences are always of a highly topical nature. The participants get to discuss and draft resolutions in for instance equality, climate and law based on the same procedure that takes place in the actual European Parliament. We are therefore convinced that we contribute to Sweden's goals in the climate and energy area in many ways. Besides participating pupils having the opportunity to discuss the climate targets, they are also often tasked with reflecting on emissions and renewable energy. We also believe that an elevated level of education in society leads to increased awareness regarding these issues. We see great engagement in these areas, and we are pleased to be stimulating them.

Furthermore, one of the most important factors in our view is the network of contacts created between the pupils, both in Sweden and internationally. Being part of a network consisting of 40 countries, both in the EU and beyond, creates opportunities for discussing and exchanging experiences which, in future, could lead to valuable collaborative initiatives. We find that increased knowledge about the European collaboration leads to heightened interest in engaging in cross-border issues.

In our view, the key to increased social inclusion and an improved climate, as elements of Sweden's targets linked to the Europe 2020 strategy, is based on contact networks and cooperation. It pleases us that we can contribute to this through the activities of our organisation.

We believe that the national efforts concerned with the Europe 2020 strategy can be strengthened through informal knowledge accumulation and increased civic engagement. It is important to underscore that the acquisition of knowledge that leads to an increased level of education can occur in many venues – not just in the classroom. It would be our pleasure to raise more specifically the issues brought up in the reform programme with our members, and we would be pleased to open up for cooperation with the Ministry of Education and Research.

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