

SWEDEN

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The enterprise structure in Sweden looks like the same structure in many other European countries. The so-called one-man-companies (*enmansföretag*) or solo companies dominate in number, 601,522 in 2000 and 628,033 in 2002. Around 200,000 companies are 1-249 employees' companies, (both years). The *total* number of companies was 814,733 (2000) and 842,358 (2002), the number of companies in agriculture and the like included. Agriculture, fishing and forest activities numbered 145,284 (2000) and 163,780 (2002). These activities excluded result in a total number of companies, 668,449 (2000) and 678,598 (2002).

(Professionals like doctors and lawyers are included in the official statistics). As for the number of establishments this follows quite close to the numbers and levels of companies, about 100,000 more in total.

All in all there were 4,201,000 (2000) and 4,230,000 (2002) employees in Sweden. Out of these there are about 1,400,000 employees in the public sector.

The Swedish official statistics from Statistics Sweden (*Statistiska Centralbyrån*, SCB) is not yet adapted to the European Union system in separating small and medium sized companies at the 249 employees level. The Swedish official statistical definition of SMEs halts at the 199-level. (According to Statistics Sweden the authority decides the employee levels in accordance with the demand of the national users. SCB does not produce EU harmonised statistics in their Company statistics /*Företagsregistret*/ says Henrik Romanov, Statistics Sweden, head of the company data division).

However, with the help of statistics from SCB processed by *Företagarna* ("Fakta om små och stora företag 2001, Fakta om små och stora företag, 2003") at the 249 level it could be stated that in 2000 there were 664, 721 SMEs in Sweden and 1,793,639 employees in companies 0 – 249. In 2002 the corresponding figures were 674,712 and 1,840,075.

Summing up, most of all enterprises in Sweden may be classified as SMEs. Sweden had about 675,600 companies in the private sector in 2002 and they employed almost 2.7 million workers. 99 % of these small companies had less than 50 employees. They constituted about 52% of the private employment and almost a third of the total employment in Sweden. Compared with the public sector (31%) 69% of all employees worked in the private sector (*ibid*, 2003).

Looking back in the associational history: In 1864 the Swedish Riksdag voted for a full freedom of trade. The earlier obligatory crafts associations ceased their activities. The craftsmen and the traders started new, voluntary organizations. In 1905 the first national crafts' association (*Sveriges Handtverksorganisation*) started, to be followed by many others. The Swedish yearn to form organizations is well known. Associations of any kind have for a long time played a great role in Swedish social and political life. The trade union movement starting around 1880 has had and still has a wide importance among workers of all kinds. The employers, coming together in *Svenska Arbetsgivareföreningen* (the Swedish Employers' Confederation, currently *Svenskt Näringsliv*) soon developed into a counter-part, which understood to treat the trade unions with respect (and vice versa). This kind of communication in collective bargaining has been labelled the "Swedish model" of industrial relations.

The legal and administrative frame work

All kinds of Swedish employer organizations, interest organizations, trade organizations etcetera offer membership on a voluntary basis. There are no statutory provisions either to support or inhibit SMEs to set up an association. The right to join and start an organization is laid down in the Swedish Instrument of Government (Regeringsformen, 1974). The right to conclude collective agreements is based on whether there is at least one trade union and the employer is a member of an employers' association. In this case any kind of local pay bargaining, most often following the directions of the national/sector agreement in the business, may take place.

The regulations about the right to negotiate collective agreements are stipulated in the Swedish Co-Determination Act (*Medbestämmandelagen*, MBL, 1976) following the LO-SAF Basic Agreement from 1938, the so-called Saltsjöbadsavtalet. MBL was completed in 1982 by the so-called Development Agreement (utvecklingsavtalet) between SAF, LO and PTK, the negotiation cartel for the white-collar trade unions. This is a basic agreement partly containing a participation agreement called the Development Agreement.

The Develop Agreement was received by the social partners with enthusiasm (Sweden Glossary). However it has not turned out to be very important in practical terms. As for the Act on Co-Determination (MBL) it developed and added, in reference to the Saltsjöbadsavtalet a broader adaptation to modern times in above all its regulations on information, co-operation and negotiation procedures between local employers versus employee/trade union representative and the employer/trade union procedure at the work place.

Saltsjöbadsavtalet is *the* basic agreement for the Swedish social partners as well as the people in general and has served as a model for the whole Swedish labour market. "It has also come to stand for a particular form of industrial relations, the so-called Saltsjöbaden spirit, marked by willingness to co-operate, mutual respect, the endeavour to arrive at peaceful solutions based on compromise and a sense of responsibility for developments in the labour market." (Sweden Glossary). The agreement was created in a situation where there was a threat of possible legislation. Certain forms of industrial action and their effects were causing great concern. The agreement thus also reflected the social parties' wish to control their freedom to regulate their own affairs without the interference of the Government and the governmental authorities.

(May be elaborated (Regelsystemet s,292 ,MBL sid 233)

The Co-Determination Act, short for Act on Employee Consultation and Participation in Working Life, aims at promoting employee decision-making on employment and working conditions in a broad sense. The rules in the Act, covering both the private and public sector can be divided into two main groups. The first group deals with provisions in the system of collective regulations in the labour market, carried over more or less unchanged from earlier legislation and covers the right to organize, general right to negotiate and to mediation, together with collective agreements and their legal effects as for example the peace obligation. There are also rules concerning damages and other remedies for breach of the rules in the Act and in collective agreements. The second group of rules concerns participative employer representation (with no equivalent in previous legislation) whose "introduction signalled what was essentially new in the Act". Their characteristic feature is that the rights to

participate in employer decision-making are mainly confined to trade unions that have concluded a collective agreement with the concerned employer.

(may be elaborated)

Other forms of employee influence opened up in MBL consist in established union's right to be provided by business information, and in event of certain disputes right to decide *ad interim* on the interpretation of contractual matters such as a member's duty to work. This right is called the *priority right of interpretation*. The rules include the union right to a veto with respect to an employer's plans to contract out work to an independent contractor.

In later years the Co-Operation Agreement on Industrial Development and Pay Determination, generally called the Industry Agreement (1997), followed by similar agreements in the private and public sectors regulates negotiation and strike procedures, applicable to modern conditions. These agreements have functioned quite well as yet during the three "big" bargaining rounds 1998, 2001 and 2004.

More of this, sid 174,175

Thus, according to the Swedish definition "a collective organization of employers is an organization formed for the purpose, in accordance with its internal rules, of protecting its member interests in dealings with employees (MBL)". These employers' associations are non-profit organizations, which according to praxis must be open to all applicants who meet their membership criteria. The principle of equal treatment within associations means that all members enjoy equal rights and status. Members are both protected against arbitrary expulsion from the organization and entitled to leave without stating any reason.

There is no public authority that oversees the employer associations (or the trade unions) and they are under no obligation to render accounts or otherwise report to any such authority.

Governmental organizations performing SME programs:

- The Ministry of Industry, Employment and Communications (*Näringsdepartementet*) has to further the development of companies, including "fostering entrepreneurship, regions and individuals in the labour market". The Ministry is responsible for many of the public authorities and organizations in the business development area, such as:
- NUTEK, the Swedish Business Development Agency (NUTEK), is the central public authority for enterprise and regional development, financed by the Government.
- ALMI Företagspartner AB, a publicly financed group with 21 regional companies and a parent company in Stockholm. ALMI offers financing and business development consultation focusing on innovators and new businesses.
- VINNOVA, the Swedish Agency for Innovation Systems, is responsible for developing problem-oriented research in for example biomedical engineering, innovation in foods, innovative systems in freight transport systems etcetera
- SIC, the Swedish Innovation Centre supports innovators in their earliest phases of development with financing, advice and network.
- The Swedish Industrial Development Fund (*Industrifonden*), founded in 1979 by the Government, offer loans of venture/equity capital to small and medium-sized companies

- The Simplex Team (within the Ministry) works since 1998 with different measures in order to facilitate the administration for small entrepreneurs

The BIAs, or regional representatives/offices take part in these programmes whenever it is convenient however not according to formal terms. This means, that the social partners are not automatically involved but welcome to take part. According to the Government SME policy (Nutek): "the Swedish SME policy is implemented by a number of organizations all over the country. Their mutual goals, whether they are governmental or private, national or regional, are to encourage individuals to become entrepreneurs, to create favourable conditions for business start-ups and growing enterprises, and to improve the competitiveness of SMEs." Many business organizations have SME programmes of their own, adapted to their different sectors.

Among *non-governmental* organizations may be mentioned:

- The Association of Co-operative Development Agencies, that serves 25 Co-operation Development Agencies in Sweden (within the Co-operation movement),
- Eleven Chambers of Commerce (*Handelskammare*), private business organizations, voluntary membership,
- The Confederation of Swedish Enterprise (Svenskt Näringsliv) and affiliates,
- The Federation of Private Enterprise (Företagarna),
- The Swedish Association of Ethnic Entrepreneurs
- The Foundation Jobs and Society
- Other business organizations

Must be dealt with after summer vacations, questions of state subsidies:

Hur deltar övriga BIAs i statsunderstödda program för SMEs? Nutek

Får de statsbidrag? ??? see Traxlers' questions

Olika sorts organisationer, olika sorts deltagande i program, försöker de samtidigt skaffa medlemmar till sina organisationer? NUTEK? Näringsdep?

Social Dialogue and Public Policymaking

In Sweden, the two sides of industry have a role in the social dialogue that is rooted since more than hundred years. SAF was founded in 1902, primarily as a form of defence against the Confederations of Trade Unions (Landsorganisationen LO), founded in 1898. Of course the pattern has changed in different ways over the years, especially concerning the bargaining levels but also considering policy- and decision making in government boards. The collective pay bargaining and bargaining of other working conditions like working time is currently concentrated to national/sector levels and local levels. Each business area/sector has its established employers' associations and established trade unions with which they bargain. There is hardly any competition between the employer associations, as they are all very specialized in their own areas. It happens very seldom that new organizations are created (beside mergers). One - natural - exception is Almega the Employers' Association of IT Trade and Industry (*Almega IT-företagens Arbetsgivarorganisation*), founded in 2000 and affiliated to Svenskt Näringsliv.

The former collective pay bargaining on the peak level in the private sector ceased in the end of the 1980s. (Obs ta med Albåges omedelbara avgång!) The former Swedish Employers' Confederation, (SAF, now Svenskt Näringsliv) left the three counter-parts, the trade union confederations the Swedish Trade union Confederation (*Landsorganisationen*, LO) the Swedish Confederation of Professional Employees (*Tjänstemännens Centralorganisation*, TCO) and the Swedish Confederation of Professional Associations, (*Svenska Akademikers Centralorganisation*, SACO) . SAF had the initiative of the development following its new policy of decentralised bargaining and of changing its role into a more independent and opinion forming lobbyist body. Was the decision of decentralization taken at about the same time as the leaving-the-boards-decision ? Check Pestoff 1995, Johansson

In 1991 SAF decided to withdraw all its representatives, about 6000 from the governing bodies of public administration at central, regional and local levels. A year later the bourgeois parliamentary majority in the Swedish Riksdag made a decision about reconstructing the government authority boards. The decision implied that the peak organizations LO and TCO no longer had the right to participate in those bodies from which SAF had withdrawn. The Labour Market Board (*Arbetsmarknadsstyrelsen*) and the Work Environment Authority (*Arbetsmiljöverket*) are two examples of important government authorities, which SAF left.

Nominerar SAF ledamöter i länsarbetsnämnder etc? About Svenskt Näringsliv possibly nominatingThe statutes of for example the Labour Market Board say that in the regional levels (länsarbetsmarknadsnämnder) there are seats for people from the trade unions and from the business life (business life in general, meaning....?) Explain more

SAF never left the Labour Court (*Arbetsdomstolen*) however and Svenskt Näringsliv has still representatives in the Labour Court and take part in the judging process.

Joakim Johansson is a political scientist at Uppsala University. His doctors' thesis in (2000), about SAF and the so-called Swedish model is a study in the break up from the administrative corporatism 1982 - 1981 (*SAF och den svenska modellen. En studie av uppbrottet från förvaltningskorporatismen 1982-1981*). According to Johansson SAFs decision was the result of a long-term strategic discussion. The SAF move was an intentional attempt aimed at altering the rules of the game from a corporatist regime to a pluralist regime. The intention was that of strengthening the relative power of organized employers versus the trade union movement, in influencing outcomes in political processes on labour market and work environment issues.

Many Swedish researchers have described the SAF decision to leave corporatism behind in terms like a "milestone", a "dramatic" change, a "lethal hit" to the Swedish corporatism. (Bo Rothstein, Nils Elvander, Victor Pestoff among others.) What made SAF change opinion in the corporatism issue? SAF was always - before the early 1980s - very positive to the system of organization representation in government authority - decisive - boards. However, in 1985 SAF in commenting a proposal from a governmental commission, proposed an abolishment of the Swedish interest representation. This was one of the first public steps towards the coming decision to withdraw.

The 1970s was a decade full of political drawbacks for the Swedish business life. In 1968 there were student revolts - like in other countries - and wild strikes in mining and other sectors. This was the beginning of a more radical political climate in Sweden. The radical tendency was maybe not as strong as in other Western countries but it lasted for a relatively

long time. There were many reforms introduced in the labour market area. The new legislation in the labour law area annoyed the employers, as the legislators were intruding in an area that up to now had belonged to the social partners - the collective agreements. The Employment Protection Act (*Lagen om anställningsskydd*, 1982:80), the Co-Determination in the Work-Place Act (*Medbestämmandelagen*, 1976:580) the Act on Board Representation (*Lagen om styrelserepresentation för de privatanställda*, 1987:1245), the Equal Opportunities' Act (*Jämställdhetslagen*, 1979, amended in 1991) and the Work Environment Act (*Arbetsmiljölagen* 1977:1160) are some examples of the new legislation. (footnote with more examples?)

There was a shift in governments in 1976, a Conservative, Liberal and Centre Government took over from the Social Democrats, which had been in power about thirty years. The employers, being traditionally orientated towards the political bourgeois side were hopeful to start with. They however ended up in disappointment finding the new government lacking decisive energy and will to change earlier policies, according to Johansson. During the 1970s, in line with the radical tendencies in society the trade union's hegemony had started to become stronger. They had achieved above all the privilege of formulating problems, SAF claimed. (se vidare s 67 ff)

(add the factors that led to the final decision, Johansson)

In the beginning of the 2000s the Government has contacts and communications with all kinds of business organizations. The communication with Svenskt Näringsliv goes on like before, with the exception for the representation in Government Boards. Representatives from as well the "peak" organization Svenskt Näringsliv as the interest organization Företagarna and other organizations may take part in working groups of any kind conducted by the Government in different issues regarding small and medium sized enterprises. One working group that Svenskt Näringsliv recently took part in was one that dealt with life long learning matters.

Also, Svenskt Näringsliv takes part as experts and the like in governmental commissions. In the process of a Governmental bill in labour law matters (as well as for example in tax and social insurance matters) and called to send in comments to the Government. There are tripartite talks arranged between the government, LO,TCO,SACO and Svenskt Näringsliv hitherto on subjects like mediation (before the new legislation on the establishing of a Mediation Office), measures for less sick leaves, and recently on the growth of the Swedish economy. Officials from Svenskt Näringsliv also take part in different informal meetings. The part taking is based on temporary needs of reassembling. When a project is finished, or a committee is presenting its final report the respective groups are dissolved.

(It is not possible to produce a list over projects, where BIAs are represented. This is a research project on its own!

There are also a row of institutions in which Svenskt Näringsliv work together with the trade union confederations, for example with Prevent (former Arbetarskydd), which deals with management and labour improvement in work environment issues.

Since 1 January 2004 there is an official from Svenskt Näringsliv seated at the Board of the Working Life Institute (*Arbetslivsinstitutet*), governmental research institute of working life. It is chief lawyer Anders Weihe from one of the more important Svenskt Näringsliv affiliates,

the Association of Swedish Engineering Industries (*Teknikföretagen*). Check if some of the other SN affiliates take part in other authority boards?)

Conclusion? So, even if Svenskt Näringsliv does not take place in the boards of labour market related authorities since 1991, the organization has not withdrawn from other levels, formal and informal and still does a great deal of part-taking and has a certain influence on different working life matters.

The most important issues on the agenda for Svenskt Näringsliv are by the way practically the same for all SMEs and their business organizations: fairer tax-rules for small enterprises, simpler administrative rules, decreased employer pay-rolls, decreased responsibilities for the employers concerning sick pay for their respective employees. Svenskt Näringsliv has also in its new role as an important and more focused lobbyist performed several campaigns as for example in 2003 pro-Euro campaign, and campaigns to monitor growth in SMEs.

The organizations also take part in the general lobbying around the Parliament and in other circles. When needed the Government talks with any business organization, interest organization, trade or branch organization and employer association at any level, asking them for opinions in a certain case. Organizations not being asked to give their opinion in for example a legislation matter can do that anyway. The communication between the Government and the organizations is not very formal. No particular organizations enjoy some kind of privileges in this aspect.

There are “official business” representatives in the social dialogue both in the private and the public sector. Svenskt Näringsliv has currently 46 affiliates: “pure” employer organizations (*arbetsgivarförbund*), “mixed” organizations, traditional pure trade organizations (*branschorganisationer*). The affiliate employer organizations are responsible at the first level for a vital part of the national/sector collective bargaining for pay, working time and other working conditions. Svenskt Näringsliv, however still takes care of the collective bargaining of collective insurances and pensions. The local employers negotiate with the local trade unions about local collective agreements, at the second level.

The Confederation of Swedish Enterprise (Svenskt Näringsliv) does not interfere in the national/sector pay bargaining rounds (see above). In 2003, 36 of its affiliates (i.e. 27 pure employer associations and 9 mixed organizations) were engaged in collective wage bargaining, whereas the other ten affiliates were pure trade associations.

The public sector has three head employer organizations, the Swedish Association of Local Authorities (*Kommunförbundet*), the Federation of City Councils (*Landstingsförbundet*) and the Agency of Government Employers (*Arbetsgivarverket*). They all conclude collective agreements with the trade unions at the national/central level.

Further, there are *independent* employer organizations, standing outside Svenskt Näringsliv, having no affiliates and being parties to collective bargaining in their respective area. Important examples are: the Employers’ Organization of the Swedish Banking Institutions (Bankinstitutens Arbetsgivar organisation) and the Swedish Newspaper Publishers’ Association (*Tidningsutgivarna*). Bankinstitutens Arbetsgivarorganisation covers banks and finance companies. The Swedish Newspaper Publishers Association covers newspaper and other media companies in for example television, radio and IT.

The independent employer organizations are generally “pure” employer associations. One out of several exceptions is the Målarmästarna (the master painters’ association) that is rather a mixed organization, both active in collective bargaining and trade interests. The independent employer organizations have the same functions as the associations within Svenskt Näringsliv. They provide services for their members, especially concerning collective bargaining and legal labour law advice, but also in further education, insurances and the like.

Peak, independent, cross-sector employer organizations with a role in social bargaining:

The Svenskt Näringsliv (bargaining through its employer affiliates)

Kooperationens förhandlingsorganisation (The cooperative movement bargaining organization)	
Arbetsgivaralliansen (Employer alliance for non-profit organizations and sports clubs)	
Bankinstitutens Arbetsgivarorganisation	<i>The Employers' Organization of the Swedish Banking Institutions (and finance companies)</i>
Tidningsutgivarna(M)	<i>The Swedish Newspaper Publishers' Association</i>
Kommunala Företagens Samorganisation	Municipality companies' co-organization
Svensk Industrieförening (M)	Organization for small enterprises in the sweets' manufacturing, electronics, software, food and grain industry.
Svensk Scenkonst (M)	Employer for music, dance and theatre.
Arbetarrörelsens Förhandlingsorganisation Idea	Employer for non-profit organizations in the labour movement

(The list is not complete, however it should give a fair view of the situation)

Besides, there are pure trade organizations (branschorganisationer) in Sweden, which do not take part in collective bargaining. The trade organizations promote the interests of their members, or company members in various trades and branches.

There are hundreds* of such very specialized trade/branch organizations in Sweden - including the 10 traditional trade organizations and 9 mixed organizations affiliated to Svenskt Näringsliv. Bil Sweden (*Bil Sweden*, car business), the Steel Producers’ Association (*Jernkontoret*), the Building Material Producers’ Association of Sweden (*Industrins Byggmaterialgrupp*) are some examples of the trade organizations within Svenskt Näringsliv (Note 1.) Currently 26 (2000) trade organisations are members in the Federation of Private Enterprise (Företagarna). Företagarna is an interest organization and the biggest ASME, organization for small companies. (F. is however not a social partner, see below).

The trade organizations take part in the public policymaking and the public discussions and offer various services as legal advice, vocational training and other education, information services about for example new tax reforms.

(*Nils Elvander has estimated the total number of interest organizations in Sweden to about 1.000 (1967), today it may be estimated to 900 organizations, according to Victor Pestoff)
Ask VP

According to Svenskt Näringsliv, the current trend is that its employer affiliates more or less are taking over the role from the trade organizations in the same business. In later years several employer associations and trade associations have merged. The result is a "mixed" organization, performing both the tasks of the employer affiliate and the trade organization affiliate. This trend will possibly continue in the future. The merging is a consequence of cost savings, partly in saving human efforts in double work, for the time being performed in both kinds of organizations.

The issue about possible *competition* between the peak interest organizations has been raised. As for Sweden there is not much competition about members in different kinds of interest organizations to speak of.

The Svenskt Näringsliv kind of mergers is not really an issue of competition between the two (even three?) parties as the employer organizations have a heavy advantage in their strong role as social partners and the trade organizations never had this role. The employer organizations have not as a rule competed with the trade organizations about members, as the former cannot give them any service about collective agreements. The largest trade organization within the private export industry sector, the Federation of Swedish Industries (Industriförbundet) merged in 2001 with Svenskt Näringsliv, and exists no more as an independent organization.

Please note. Even though the small and medium sized companies (SMEs) are dominating within Svenskt Näringsliv, its employer affiliates and trade organizations are not "peak" BIAs or ASMes according to your definition. The employer associations are however the main actors in the social dialogue. They also have larger companies than SMEs as members. The mother organization Sveriges Näringsliv is at the top. The employer associations are independent in the way that Svenskt Näringsliv does not interfere in the collective bargaining or any other issues regarding for example the right to express the associations' own opinion.

The Swedish Industry Association (Svensk Industriförening, SINF) is an interest organization of small and medium-sized Swedish industries. It informs and assists about 1,500 member companies in essential business matters like in for example labour law and contract law. The member companies are divided over twenty branch organisations, for which SINF performs the administration. Some examples from SINFs list of branch organisations: National Association of Conveyor Belt Companies, Swedish Association of Electronics Industries, Swedish Feed and Grain Association, Swedish Foundry Association, Swedish Moulding and Press Tools Association, Swedish Design Association, the Associations of Accredited Laboratories, of Crisp Bread Manufacturers and of Ready Made Clothing Industries.

Mer om Industriförbundet här?

REWRITE For example, all three organizations Svenskt Näringsliv, Företagarna and Svensk Industriförening covering a lot of small companies either in their difference of member numbers /or their competence of not being/being social partners. The organisations have one thing in common - they are very specialized and cover different kinds of sectors. Two, Svenskt Näringsliv and Svensk Industriförening are the only organization offering social partnership (through the employer affiliates) and access to collective agreements. Thus, 25% of the companies being members in Företagarna are also members in Svenskt Näringsliv. Why do they stay in Företagarna? Their kind of rural business does not "belong" in Svenskt Näringsliv, aimed at export and engineering industry. And, the fee is very low, in average SEK 2,500 per year. Write a little more

Conclusively, Swedish employer organizations are labour market organizations. The companies deal with product matters at company levels. "Mixed" organizations are both social partners and promote trade interests. "Pure" trade organizations promote trade interests and arrange education, discussions and give different kind of services as well as promote business development, on a general level.

The Associational System of Business. Svenskt Näringsliv and Företagarna.

The Swedish employer associations conclude collective agreements with the trade unions in different sectors. Interest organizations like Företagarna are not social partners, just interest organizations. The membership is overall voluntary.

I have selected Svenskt Näringsliv and Företagarna to be the two main examples of peak business organizations (BIAs) respective of peak interest organizations for small and medium sized enterprises (ASMEs) in this report.

The Confederation of Swedish Enterprise (Svenskt Näringsliv) is the largest head organization in the private sector. Svenskt Näringsliv gathers a large part of employer associations and trade organizations in the private industry and in other private business. 99% of its member companies are SMEs. Svenskt Näringsliv has about 60,000 (57,000 in the year 2002) member companies. Svenskt Näringsliv is the "mother"-organization on the top. The employer associations are independent: Svenskt Näringsliv does not interfere in the collective bargaining or any other business regarding for example the right to express the affiliates' (both categories) own opinions.)

The largest ASME is the Federation of Private Enterprise (*Företagarna*) (only the Federation of Swedish Farmers, *Lantbrukarnas Riksförbund*, LRF) is bigger in the sense that it has 157,000 members (not company members). LRF is an interest organization for all those in Sweden who own or work land or forestland and for their jointly owned companies in the Swedish agricultural co-operative movement. Företagarna has about 50,000 (52,000 in 2002) members, being company-owners and about 30,000 members through the 26 (check) trade organizations, linked to Företagarna, in all 80,000 members. About 25% of the members in Företagarna are also members to Svenskt Näringsliv.

As for *membership domain*, this is formulated, though not very clearly in the statutes of respective organization. For example, the statutes of Sveriges Näringsliv states that the aim of the organization is - among other items - to unite active companies and organizations of companies to a firm body, to reach cooperation in joint issues. As for membership it is stated that members of the organization are affiliated organizations of companies. Member companies are the companies that are members in an affiliated organization. As for Företagarna (please see below) its statutes say that membership in the organization may be received by company owners and other individuals sharing the values of the organization.

It is not difficult for an employer wanting to become a member of an employer organization to find an organization that suits him. The borders of different sectors of the labour market are clearly defined, in practise. The new-established employer wanting to be involved in the collective bargaining system in the engineering industry would probably choose to apply for membership in the Association of Swedish Engineering Industries (*Teknikföretagen*, until recently *Verkstadsindustrin*). There is a national/sector collective agreement concluded on basis of the national sector agreement (Verkstadsavtalet) in the engineering industry. To this pay agreement the new employer member will be automatically linked. The employer may also choose to stand outside the employers' association. However, he will probably be asked to conclude an application agreement, which will be forced upon him by the trade union/s unless he can show that he gives his employees better conditions than in the agreement. This pattern is the same in the whole labour market.

There are no official links to any *political party* among the BIAs (and the ASMEs). The Swedish tradition tells that there should be as little interference as possible with the labour market organizations and the Government and the political parties. Independency is very important, especially on the employer side. However there is communication between the political parties and the organizations. For example, the Swedish Social Democrat Party just invited Företagarna and its members to a discussion about enterprise issues 19 March 2004. However, Svenskt Näringsliv takes part in the public political debate. For example, in 2003 the organization carried out a campaign promoting yes to the Euro.

The member *services* are generally free to the members in all referred kinds of organizations. The member *fees* in the different affiliates in Svenskt Näringsliv vary. The members of the affiliates also pay a member fee to Svenskt Näringsliv (thus two different fees). The latter fee amounts since 2001 to 0.09 % of the wage sum in respective company).

Check and add

In Företagarna the solo-company owners pay the lowest fee, SEK 2000 yearly. The member fee is accounted on how many employees there are in the company, and is thus variable. That is, every member pays SEK 200 a year. Then there is a service fee, SEK1, 210 per year for solo-companies and SEK 3,400 for members in companies with more than 200 employees. The company owners in between pay fees varying from SEK 1,900 up to SEK 3,100 (50-199 employees). Then there are local fees between SEK50 and SEK500. In average a member in Företagarna pays SEK 2,500 per year. Svensk Industriförening has about 1,500 members, and covers x employees.

Svenskt Näringsliv has more than...medlemsavgift, serviceavgift - both included?

Företagarna is organized in three levels, local, regional and national/central. The company member is both locally and centrally linked to the organization. As for general voting rights in

Företagarna, the general principle is one company - one vote or rather, the company owners have one vote each and performs this right independent of size and number of employees at local level. The locally elected representatives for the regional organization in their turn elect the representatives for the Congress (kongressen), the highest decisive organ every second years.

In Svenskt Näringsliv, the affiliates and trade organizations choose one representative each to the Board of the head organization. Single company members do not vote in the head organization. Write more, FT:S questions The member companies within Svenskt Näringsliv have two memberships, in their respective association and in Svenskt Näringsliv itself. The associations have the right to vote in Svenskt Näringsliv, but not the single companies. One representative from each organization has a seat at the board of Svenskt Näringsliv.

Svenskt Näringsliv gives the employer affiliates *service* in the form of labour law consultations, collective agreements and home produced statistics for wage and working hours. It offers special collective insurances for pension and other insurances. The organization handles conflict pay. There are several yearly publications fabricated and a weekly member paper. Conferences, seminars and different kinds of vocational training are arranged.

Svenskt Näringsliv has 220 employees in its staff, out which 140 employees at the head office in Stockholm. There are about 80 employees in the office in Brussels and in the about 300 local organizations and in 25 district offices in Sweden.

Svenskt Näringsliv covers about 1,500,000 employees in all member companies (99% are SMEs). According to SN's statistic calculations for its own area, the member companies had (2002) 110,766 employees in companies with 0-9 employees, 255,299 employees in companies with 10-49 employees, 327,537 employees in companies with 50 -249 employees and 21,757 employees in companies with more than 250 employees.

Företagarna is organized in three levels, local, regional and national/central. The company member is both locally and centrally linked to the organization. As for general voting rights in *Företagarna*, the general principle is one company - one vote or rather, the company owners have one vote each and performs this right independent of size and number of employees at local level. The locally elected representatives for the regional organization in their turn elect the representatives for the Congress (kongressen), the highest decisive organ every second years. The affiliates and the trade organizations choose one representative each to the board of *Svenskt Näringsliv*. See FT questions

Here follow some examples of trade organisations linked to *Företagarna*. The names may tell something about the kind of organizations that are interested to be members of *Företagarna*: *Glasbranschföreningen* (the glass business), *Kommittén för Alternativ Medicin*, *Glasbranschföreningen* (glass business), *Kommittén för Alternativ Medicin*, *Sveriges Låssmedmästares Riksförbund* (the locksmith masters), *Sveriges Skorstensmästares Riksförbund* (the chimney-sweeper masters), *Optikerförbundet* are some examples of trade organizations within *Företagarna*. About 25% of the F. members are also members in *Svenskt Näringsliv*. (the committee for alternative medicine), *Sveriges Låssmedmästares Riksförbund* (locksmith masters), *Sveriges Skorstensfejarmästares Riksförbund* (the chimney-sweeper masters), *Optikerförbundet* (the opticians' organization), *Städ- och*

Fönsterputsföretagens Riksorganisation (the cleaning and window-cleaning national organization).

In *Företagarna* the solo-company owners pay the lowest fee, SEK 2000 per year. The others' member fee is accounted on the number of employees in the respective company. In average, a member of *Företagarna* pay, a local fee included, a yearly fee of SEK 2,500. Double info?

Företagarna has about 50,000 (52,000 in 2002) direct members and about 30,000 members through the 23 (in March 2004) trade organizations, which are linked to F, in all 80,000 members. *Företagarna* is a nation-spread organization, with traditions a long way back in the Swedish handicraft industry. It is organized in three levels, local, regional and national/central. As for voting rights, the general principle is one company - one vote, or rather the company owners themselves have one vote each and performs this right independently of number of employees at local level. The locally elected representatives for the regional organization in their turn elect the representatives for the Congress, the highest decisive organ that meets every second years.

The head office in Stockholm has 60 employees. There are 40 employees in 22 regional offices for the 21 regional organizations. There are 307 local associations. There are also about 3,000 voluntary workers, elected representatives all over the country, working without pay on the local level.

Check for double information, upwards and downwards

Table 1. Representation.

	(Svenskt Näringsliv)	(Företagarna)
1. Unions	Yes	No
2. Government	Yes	Yes
3. Customers	No	No
4. Suppliers	No	No
5. Market/state	No	No
6. Vocational training	Yes	Yes
7. Aid business	Yes	Yes
8. Standards	No	No

Företagarna are not social partners and do not make any collective bargaining. *Företagarna* gives service in the form of special entrepreneur insurances and other insurances. There is a telephone service for legal and economical matters. Special agreements exist that gives members favourable IT solutions, for example. Special networks programs for entrepreneurs are offered. A member newsletter is spread every month.

In *Företagarna* the services for the members are primarily free as for example in giving advice on the telephone on economical and legal matters. If a member wants negotiation support, he must pay for that though. A row of special enterprise and entrepreneur insurances are offered concerning for example sick care insurance. Special co-operation agreements, concluded by *Företagarna* and for example IT companies give the members cheaper IT solutions. Various kinds of education are offered. *Företagarna* runs a "folk high school"

(folkhögskola) for vocational training in Leksand (in the county of Dalarna, situated in the middle west part of Sweden). The local networks have been built out during the last ten years. Various kinds of IT networks have also been developed, for the use of individual members. A central quality certification system called FR 2000 has also been installed. A program for business development is also at hand, giving current information. A member newsletter is spread every month.

Svenskt Näringsliv gives the affiliates service in the form of labour law, collective agreements and statistical service, offers special terms for pensions and insurances. SN handles conflict remunerations and issues around member fees, informs about the development in wage and working time in yearly publications. /Double info, look above?/

Table 2.

Services in Svenskt Näringsliv Företagarna

1. IR	Yes	No
2. Advice grants	Yes	Yes
3. Suppliers	No	No
4. Customers	No	No
5. Vocational training	Yes	Yes
6. Staff training	Yes	Yes
7. Standards	Yes	Yes
8. Interest or service?	Both	Both

As for *potential* members the issue does not seem of importance to neither organization. A guess from the spokesman for Företagarna is at that at least 250,000 entrepreneurs might be members in Företagarna. The board of Företagarna has set a goal for 2004 to gain at least 3,000 new members. (move ?)

About 45% of the members in Företagarna are solo-entrepreneurs, (no employees). 38% of the F-members have 1 – 5 employees. (*Please note* that in Företagarna it is the entrepreneurs, not the companies that are members, direct members (check). Svenskt Näringsliv consists of company members, members in respective employer association)

Staff members. (Seak information for table of resources)

Svenskt Näringsliv has 220 employees, out of which 140 employees at the head office in Stockholm. There are about 80 employees in the office in Brussels and in the about 300 local organizations and about 25 district offices in Sweden.

Företagarna has 60 employees at the head office in Stockholm and 40 employees in 22 regional offices for the 21 regional associations. There are 307 local associations. Företagarna also has about 3,000 voluntary workers, elected representatives all over the country, that work for F. without pay mostly at local level.

Both Svenskt Näringsliv and Företagarna have undergone internal reforms aimed at economizing on resources since 1990. In 2001 Svenskt Näringsliv merged with the largest trade federation in the industry, the Federation of Swedish Industries (*Svenska Industriförbundet*). The driving force was bad economy. Also, there were two rather close organizations making double work in opinion making and public relation matters. There was a need of cutting down costs for both organizations. About 85 employees had to leave, those who were over 58 years of age were given an individual pension agreement corresponding 75 % of their salary until the age of 65 (the normal pension age). No important conflicts about the merger have been reported from the member groups.

In 1991 the two "ASMEs" Företagareförbundet and Småföretagens Riksorganisation merged, which was the latest merger in a row of mergers during the 1900s. *Företagarnas Riksorganisation* was the new name voted by the members. The organization added the

shorter, more practical name *Företagarna*. The reasons for the merger were about the same as for Sveriges Näringsliv. 148 employees were decreased to 119 in 1992.

4.6. Annual budget

In Svenskt Näringsliv as well as in *Företagarna* the different membership fees form the basis - about 99 % - of the yearly budget. Both organizations have a marginal income from the sale of various books and information material being produced by them. Other service is mainly free of charge (see above). (Have talked with Victor Pestoff 22/6 and taken notes. Will write later.)

Sources:

Sweden Glossary, 2001(European Employment Industrial Relations Glossary: Sweden)

The Swedish Instrument of Government (1974)

The Swedish Co-Determination Act (1976)

Statistics Sweden (Statistiska Centralbyrån)

Företagarna, yearly reports 2003 and 2001

Svenskt Näringsliv, member-company statistics, 2002

Interviews with officials at the two peak organizations, Per-Anders Westhed, *Företagarna* and Jens Hedström, Svenskt Näringsliv

"SMEs in Sweden. Structural Change and Policy Development", NUTEK, January 2004

Victor Pestoff

Nils Elvander

*

Footnote 1. The 10 "pure" trade organizations within Svenskt Näringsliv are currently:

Bil Sweden (Bil Sweden), car business

The Steel Producers' Association (Jernkontoret)

The Building Material Producers' Association of Sweden (Industrins Byggmateriellgrupp)

The Swedish IT and Telecom Industry (IT-Företagen)

The Swedish Plastics & Chemicals Federation (Plast- och Kemiföretagen)

The Swedish Flour Milling Association (Svenska Kvarnföreningen)

The General Department of the Confederation of Swedish Enterprise (Svenskt Näringslivs allmänna avdelning)

The Swedish Association of Management Consultants (Svenska Managementkonsulter)

The Swedish Shipowners' Association (Sveriges Redareförening)

The Swedish Recycling Industries' Association (Återvinningsindustrierna)