



Independent Workers and Industrial Relations in Europe

WP3. Country case study: Sweden

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General overview of Sweden and new autonomous workers

Introduction

Within the Swedish institutional labor market context, distinctions are made between permanent employment, temporary employment and self-employed with, or without, employees. None of these categories covers or could fully include the concept of autonomous workers which is the focus of this text. On the other hand, and with the exception of the category self-employed with employees, autonomous workers could potentially be included in, and have overlaps, with all categories. However, to what extent and to what category may, on an individual level, vary over time and between different work contexts. The problem of making the concept of autonomous workers fit with the existing institutional framework should, however, not be seen as an indication of this being a non-existing or irrelevant phenomenon within a Swedish context, instead it is a phenomenon that appears to grow rapidly, gaining increased attention in the public debate and to some extent starts to challenge some of the existing understandings of how the Swedish labor market is organized. As an indication of the phenomenon's growing importance in everyday practice and in public debate, is the range of labels attributed to autonomous workers, such as freelancers, kombinatorer (combinators, indicating their pattern of combining different institutional and legal categories in the professional occupation), or "F-skattare" (firm-tax permit holders), a name that puts emphasis on the particular tax status given to self-employed without employees within Sweden to which many (but not all) autonomous workers periodically belong. The focus of this text is to describe the increased presence of autonomous workers on the Swedish labor market, their characteristics, and the organizational efforts made to, in various ways, integrate or include them in the Swedish institutional setting. In the first section of the report the institutional framework of Sweden is introduced, including a description of the legal and organizational context, historical developments, key characteristics and statistical accounts of labor market compositions. The later section of the report includes three case studies, conceptually representing three different types of initiatives to organize and address the specific needs of autonomous workers. The first case - Self-employment companies - is an initiative organized "outside" the established institutional framework; the second case - the freelance section of the Swedish Journalist union - is on the other hand an initiative aiming at *extending* established institutional boundaries; and the third case - the job security council for public

employees - is instead an example of an initiative that aims to include autonomous workers *within* the established framework.

Institutional and legal framework

Since the economic crisis of 2008 the Swedish labor market has developed relatively well compared to most European countries with a continually decreasing unemployment rate, from a ratio of over 9% 2010 to around 6 % the year 2017, and are expected, however slowly, to further decline the coming years (SCB, 2017). The employment rate in Sweden is 80%, compared to the EU-average of around 70%. (Ekonomifakta, 2017) The differences could partly be explained by an increasing number of elderly workers choosing to continue working and postpone their retirement. However, a more significant explanation for the differences is the comparatively high ratio of women present on the labor market. Table 1 shows an overview of Sweden in relation to a few other countries.

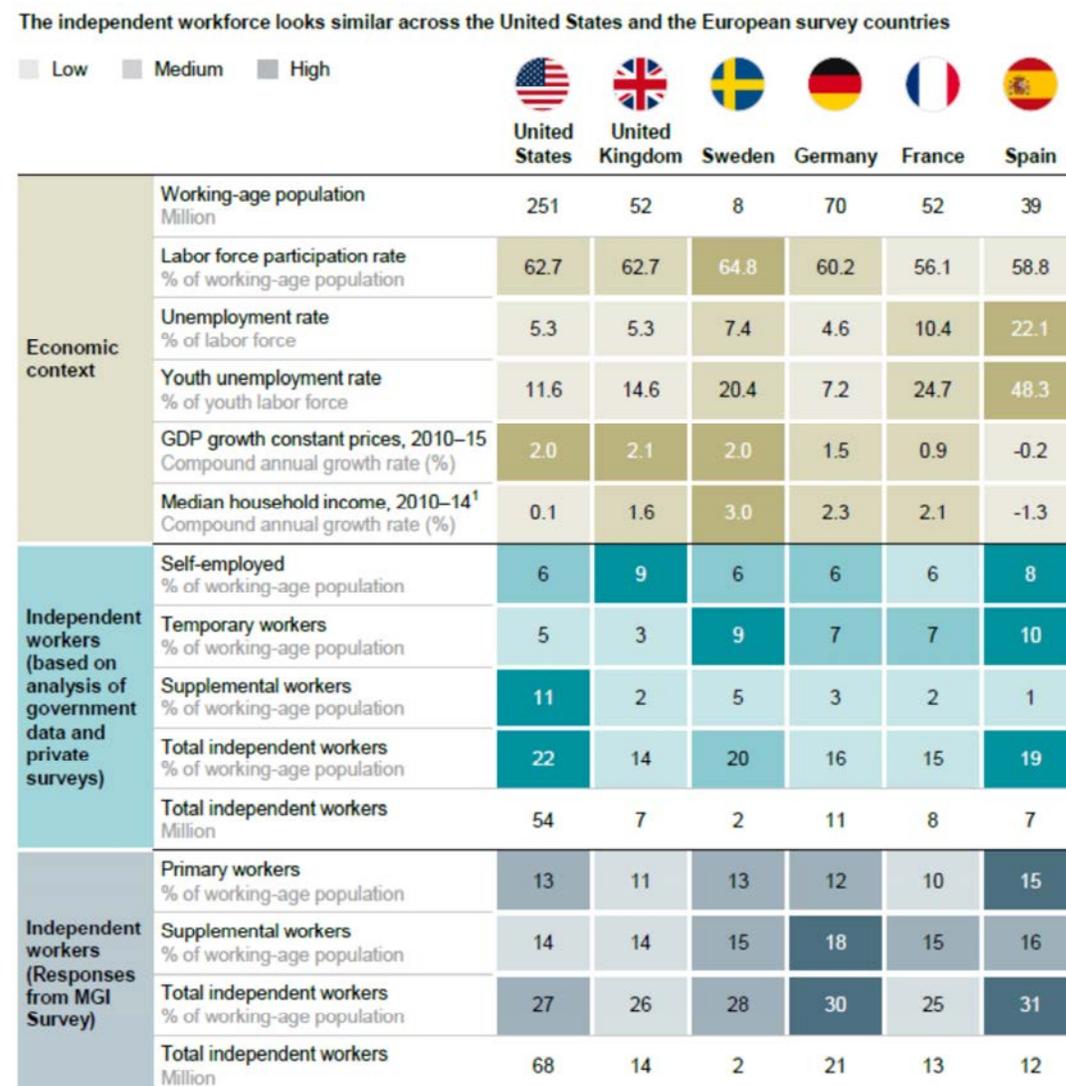


Figure 1: Overview of economic context and independent workers: US; UK; Sweden; Germany; France; Spain (source McKinsey report, 2016)

The number of temporary employed workers on the Swedish labor market rose sharply during the dramatic economic crises that Sweden faced in 1993 from around 8 % up to between 14-17 %. Since then the ratio has been relatively stable with only small cyclic variations. By the end of the year 2016 14 % of the Swedish workforce were temporary employed.

| Working force, 1000s | | | | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Permanent employm. | 75,2% | 75,7% | 74,4% | 74,4% | 74,9% | 74,3% | 74,0% | 74,3% |
| Temporary employm. | 14,4% | 13,6% | 14,6% | 15,2% | 14,7% | 15,1% | 15,7% | 15,4% |
| Entrepreneurs | 10,4% | 10,7% | 11,0% | 10,4% | 10,5% | 10,6% | 10,3% | 10,3% |

| | | | | | | | | |
|----------------------------|------|--------|--------|--------|--------|--------|--------|--------|
| Total working force | 4593 | 4498,7 | 4523,7 | 4625,9 | 4657,1 | 4704,7 | 4772,3 | 4837,2 |
|----------------------------|------|--------|--------|--------|--------|--------|--------|--------|

Table 2 – This table presents the composition of the work force (permanent, temporary and entrepreneurs) between 2008 and 2015. This composition remains stable over time.

Around 70% of the total work-force is members of a trade union (Kjellberg, 2013). In addition to this, the so called “Ghent-system” in place in Scandinavia, where the unions are responsible for administrating the unemployment insurance has led to a high level of union membership. Even so, when the new center-right government in 2007 considerably raised the fees for the union unemployment funds it caused big losses in membership (from 77% to 71% in two years), both for the unemployment funds as well as for the trade unions (Kjellberg, 2011).

Sweden is often described as a small, open and export-oriented economy which, more than many other countries, is dependent both on developments in the wider world and on being able to compete on a global market. This is a description which, in many respects, has influenced the formulation of both Sweden’s trade and industry policy and its labour market policy, and the institutionalized forms of collaboration between the social partners on the labour market, called the *Spirit of Saltsjöbad* (Thullberg and Östberg 1994), providing the foundation of what was later labelled as “the Swedish model”. The main element in this institutional model is the emphasis put on social partners to organize and regulate Sweden’s labour market via collective agreements. The regulating role of the government is thus limited. Problems and conflicts arising on Sweden’s labour market are dealt with in ways which each respective constellation of social partners agrees upon. This means that what is perceived as a problem, in addition to which solutions can be deemed suitable and desirable, can vary between the different areas of agreement and sectors. Following this, Sweden’s labour market is regulated by both legislation and collective agreements. There are no rules regarding, for example, minimum wages or other forms of remuneration. These are regulated via collective agreements. The government assumes no responsibility for ensuring that collective agreements are valid. The trade unions are responsible for each individual employer signing collective agreements. In practice, collective agreements are also prescriptive for workplaces not entering into them. Collective agreements have a special status as a source of legislation in the sense that they can replace certain rules as binding legislation – such rules are called semi-dispositive and limit the role of labour law and the level of detail in which

legislation is used to regulate the Swedish labour market. Instead, the legal framework is characterised by its generic approach and uniformity where different groups of workers (such as private/public, blue-collar/white-collar, etc.) are treated equally.

The two central acts of Swedish employment law are the Employment Protection Act (SFS 1982:80) and the Employment (Co-Determination in the workplace) Act (SFS 1976:580). Together, they provide the legal framework for employees working in Sweden. The laws contain, among other things, a set of formal requirements regulating the process of how to give notices in case of termination and the right for trade unions to negotiate on matters that affect employees (such as downsizing). Within legislation, there are no clear legal distinctions made between being an employee and being a self-employed worker in the law. Instead, judgements are dependent on praxis developed by labor courts, in which the relation between the worker and the employer is evaluated against a set of prerequisites in order to determine whether a particular contractual arrangement is to be defined as an employment relation or not. The list of prerequisites includes criteria such as to what degree a worker is doing the majority of his or her work on behalf of the same principal, if the worker is to be seen as an integrated part of the organization and managed by the principal. However, this is not to be interpreted as this distinction is less relevant or without implications, quite the opposite, the ability to make a distinction between the two categories is imperative to the Swedish legislative framework. The Swedish social security has a uniform characteristic that covers all categories: permanent and fixed term employees as well as self-employed. However, employees with fixed term contracts, as well as self-employed, may, for a variety of reasons, find it more challenging to fulfil the requirements needed to be qualified for different types of social security measures, such as unemployment benefits. As a consequence, the distinction between being considered an employee and being self-employed may have important legal implications. For example, as an employee the employer carries the responsibility to administer and pay income tax, social security fees and pension contributions, etc. If you are self-employed this responsibility is carried by the individual, as an independent legal entity.

Employment in Sweden is either permanent or a fixed term. After the 1990s, the growth in fixed term contracts had slowed down and stabilized, however, on much higher levels compared to the period before the 1990s. This development was the starting point for a still ongoing debate regarding the Swedish legislation on fixed term contracts and to what extent the legal framework provides a legitimate balance between, on the one hand, employers'

perceived demand for flexibility in staffing arrangements and on the other hand, employees' need for security in their employment relations. One of the consequences of this debate is that the legislation has undergone a series of changes during the last 15 years. Present legislation defines five legitimate forms of fixed term contracts. The first and most commonly used category is defined as general fixed term contracts. In addition to this, there are temporary substituted employment, seasonal employment, fixed term contracts for employees above the age of 67 years, and probationary employment. If an employee has been employed by the same employer - in any type of fixed term employment - for two years during the last five year period, the contract, by default, is converted in to a permanent employment contract.

Labor market intermediaries

In comparison with most other OECD countries, the use of labor market intermediaries is a fairly new phenomenon in Sweden. However, there has been stable and continuous growth of this type of organizations. When the legislative framework was eased in 1993, the development of non-public labor market intermediaries has much been conditioned and shaped by the specific institutional framework of the Swedish labor market. (Bergström et.al, 2007) This included introduction of open-ended contracts for workers employed by the LMIs and guaranteed salaries regulated through collective bargaining, both aspects aimed at strengthening employees' positions and rights to a level (almost) comparable with the conditions of any other Swedish employees holding open-ended contracts. Furthermore, the conditions stipulated in the collective agreements impact on the distribution of costs and risks connected with any employment of temporary agency workers in such a way that the conditions enabling LMI:s to operate within a Swedish context become distinctively different to those in other countries (Walter 2011). A direct result of these conditions was the development of a 'Swedish' type of labor market intermediaries. Furthermore, within a labor market framework that is largely shaped by collective agreements and comparatively strong unions, the issue of being regarded as a legitimate actor is a constant and crucial challenge facing any LMI operating in Sweden (Walter, 2015). A consequence of this development is that the employment relations in place within the Swedish LMIs' industry much reflect the more general conditions on the labor market. This in turn suggest that LMI:s employees should not automatically be defined as autonomous workers and that they are not likely to provide conditions that would incentive the specific employment of autonomous workers. The specific institutional framework in which the Swedish LMI industry is embedded, would then

suggest that LMI: s designed to provide for the needs and demands of a specific group of autonomous workers would face problems in developing functional and legitimate organizational solutions within an Swedish context, as any development in such direction is likely to challenge the establish institutional framework.

Autonomous workers in Sweden

One of the problems of discussing Autonomous workers within a Swedish context is lack of sources and relevant data. On exception is a recent report from the consultancy and research firm McKinsey Global Institute (here forth called MGI) (McKinsey, 2016) deals with what they refer to as “independent work”. The study has surveyed a total of 8000 workers in the US, the UK, Germany, Sweden, France and Spain. According to the study, the survey panel aimed at a representative sample of the working age population in these countries, where it was controlled for age, gender, and income. The respondents were asked about the sources of income over the past year: both primary income source as well as any additional income-generating activities. The survey also asked about work life satisfaction.

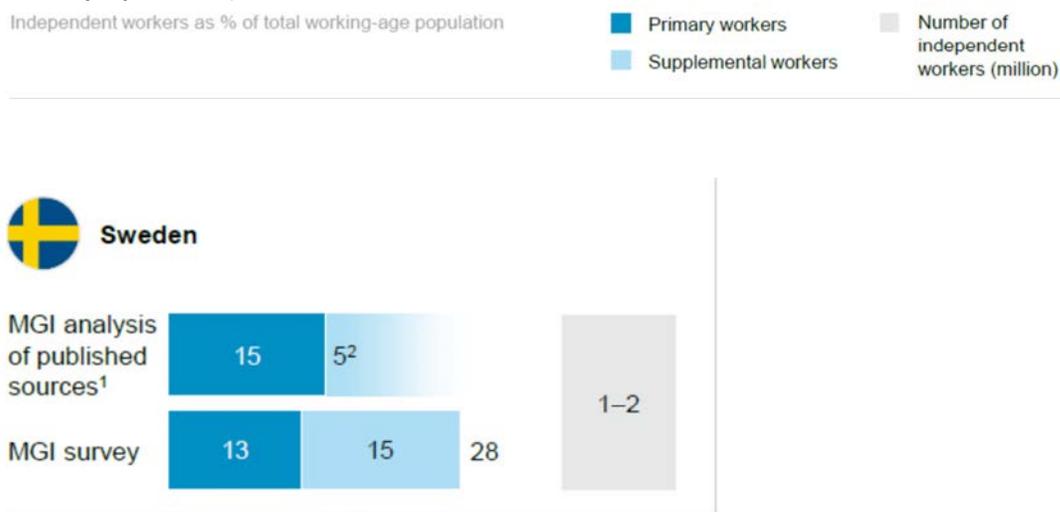
The definition for “independent work” (which we in this report call “autonomous work”) used by MGI focuses three key aspects:

- A high degree of autonomy in terms of work load and work portfolio.
- Payment by task and assignment.
- Short term relationship between worker and customer (assignments that last less than 12 months)

In the survey, three main categories of independent workers were distinguished: those who provide labor services, those who sell goods, and finally those who rent out assets. The majority of the surveyed independent workers in the EU sold their labor: 82 percent of the independent workers who defined themselves as such sold their labor (12 % sold goods, and 6% rented out assets). A great majority of surveyed independent workers were thus the kind of workers that sold their expertise and labor as such. However, the survey does not tell us how big the percentage of the kind of professional, highly skilled “white-collar” workers were in comparison to more low skilled “blue collar” workers. However, why the MGI survey is of interest to report is that it aims to capture what most official national statistics (including Swedish data) often do not show, namely how many people engage in what the report calls “supplemental” work: that is workers that do not work independently as their primary source

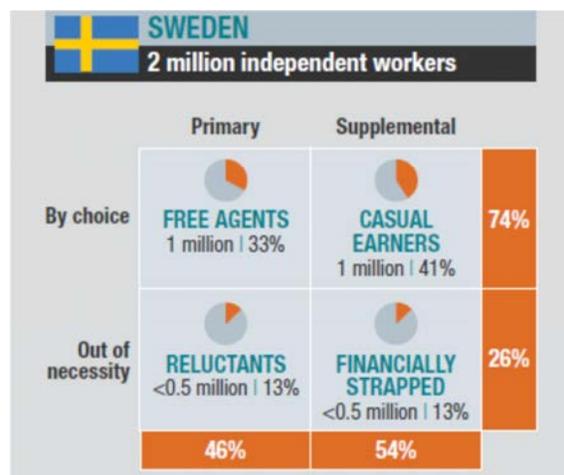
of income, but as a supplement to other types of income (be it pensions, wage, unemployment benefits or study support). This is illustrated in figure 3.

Figure 3: Percentage of primary and supplementary workers of the total working age population (Source McKinsey report, 2016)



The MGI report conceptualizes the estimated 2 million Swedish independent workers in four categories: firstly those who work as independent workers as a primary income source are categorized as either workers who do independent work voluntarily (“Free agents”) or those who do independent work by necessity because of lack of employment options (“Reluctants”). Secondly, those who work independently as a supplement to other activities are categorized as either those who supplement their income by choice (“Casual earners”) or those who do it because they feel they have to in order to make ends meet (“Financially strapped”). These four categories are illustrated in figure 4.

Figure 4: The independent workers of Sweden divided by MGI category (source McKinsey report, 2016)



The MGI report also studied the level of job satisfaction in these four different category groups of independent workers. Not surprisingly, those independent workers who report that they work independently by choice report that they are significantly happier than those who feel that they work in this mode out of economic necessity. This indicates that work satisfaction as an autonomous worker has very much to do with whether one feels that the working form is a choice one has made out of free will or whether it has been made because there are no other alternative mode of work available. It resonates with what other studies of independent workers, like Barley and Kunda’s (2004) study of independent IT-contractors in Silicon valley, also have shown: that there is a great difference between different categories of independent workers when it comes to job satisfaction, earnings, and “choice”. Barley and Kunda conceptualized their studied workers into three categories: “Gurus”, “Hired guns” and “Warm bodies”, where the two first categories were workers who most often had made an active choice of working independently (compared to being employed) since they argued that they could both earn more money and achieve more freedom and more interesting work-tasks as an independent contractors. The third category however, consisted of people who felt they were forced to work independently since they could not find any permanent employment. These three categories also illustrate how different skills are valued in the labor market: those individuals with skills that are scarce and much sought after in the labor market will have the choice of choosing in which mode they wish to work. Those individuals whose skills are less sought after and where competition for work is tough will often be forced into self-employment since employment opportunities are scarce.

As previously mentioned, the MGI-survey does not differentiate between what kind of work the independent workers engage in (whether skilled or non-skilled, white collar or blue collar

work). The report states that independent work (generally, not only in Sweden) is found in both high- and low-skilled professions. However, the report shows the most common industries for independent workers as: Education and training (11%); sales and marketing (9%); artists, designers and entertainers (6%); health-care professions (6%); personal care and services (5%); and management professions (5%) (percentage of the whole population of independent workers). However, there are some entire sectors where independent work is the main mode of work. The MGI- report states that: “Several occupations are predominantly composed of independent workers. For artists, designers, content writers and translators, building and maintenance workers, and small-business owners in agriculture and farming, three out of four earners are independent. In other occupations within education and training, sales and marketing, food service, construction and installation, transportation, and social science, one in two earners are independent.” (McKinsey, 2016:43)

Distribution and demographics of the autonomous workers in Sweden

The following tables are more specific about independent workers. As no specific statistical category exists gathering all independent workers, data can be found under different category. The first one is the so-called “self-employed” (in Swedish *egna företagare*): These are people working on their own, often times having a business number (what in Italian is called “Partita IVA”). The second one is the so-called “temporary workers”. Many independent workers in fact work on a project basis without being registered as individual firms. The third one is the so-called “Registered companies with zero employees”. These are independent workers having registered a firm, but without any employees. For each of these categories, we report here statistical data about the development per age, gender and sector over time, considering the available data. Unfortunately no data broken by education has been found.

Table 3 – This table presents the development of self-employed over time per sector (2010-2013)

| Self-employed (egna företagare) | | | | | |
|--|-------------|-------------|-------------|-------------|-------------------------|
| | 2010 | 2011 | 2012 | 2013 | Change 2010-2013 |
| A Agricultural | 43527 | 62852 | 63098 | 63764 | 46,49% |
| B+C Manufacturing and mining | 12320 | 13752 | 13573 | 13316 | 8,08% |
| D+E Energy and environmental work | 230 | 267 | 258 | 262 | 13,91% |
| F Construction | 33104 | 34841 | 34173 | 33628 | 1,58% |
| G Retail | 28171 | 30580 | 29603 | 28726 | 1,97% |

| | | | | | |
|--|-------|-------|-------|-------|---------------|
| H Transport | 10197 | 10500 | 10170 | 9772 | -4,17% |
| I Accommodation and food services | 12633 | 12837 | 12685 | 12513 | -0,95% |
| J Information and communication services | 9202 | 10292 | 10302 | 10387 | 12,88% |
| K Financial and insurance activities | 359 | 440 | 453 | 488 | 35,93% |
| L Real estate services | 3863 | 4871 | 4957 | 5034 | 30,31% |
| M+N Industrial services | 42411 | 48323 | 48410 | 48324 | 13,94% |
| O Public and military services | 30 | 36 | 32 | 31 | 3,33% |
| P Education, | 3924 | 4689 | 4821 | 5104 | 30,07% |
| Q human health and social work activities | 8638 | 9401 | 9480 | 9471 | 9,64% |
| R+S+T+U Culture services | 37194 | 40331 | 41123 | 41525 | 11,64% |
| 00 Other | 19552 | 25486 | 24640 | 23340 | 19,37% |

Table 4 – This table presents the development of self-employed per age and gender between 2010 and 2013. Overall the self-employed increased by 15%, with women increasing by 20% and men by 12%. The biggest increase has been seen among 65+.

Self-employed (Independent Workers – Eгна Företagare) – Age and Gender 2010-2013.

| Age | Gender | 2010 | 2011 | 2012 | 2013 | Change |
|----------|--------|--------|--------|--------|--------|---------------|
| 16-24 | Men | 4814 | 4733 | 4639 | 4481 | -6,9% |
| | Women | 3028 | 2935 | 2851 | 2755 | -9,0% |
| 25-34 | Men | 21369 | 20403 | 19590 | 19061 | -10,8% |
| | Women | 12511 | 12559 | 12581 | 12577 | 0,5% |
| 35-49 | Men | 57479 | 54241 | 51331 | 49029 | -14,7% |
| | Women | 33653 | 32480 | 31562 | 30852 | -8,3% |
| 50-64 | Men | 69380 | 66101 | 64707 | 63128 | -9,0% |
| | Women | 34996 | 33874 | 33527 | 33354 | -4,7% |
| 65+ | Men | 21064 | 55421 | 58222 | 60364 | 186,6% |
| | Women | 7061 | 26751 | 28768 | 30084 | 326,1% |
| All Ages | Men | 174106 | 200899 | 198489 | 196063 | 12,6% |
| | Women | 91249 | 108599 | 109289 | 109622 | 20,1% |
| Total | | 265355 | 309498 | 307778 | 305685 | 15,2% |

Table 5 – This table presents the composition (in percentage) of the totality of self-employed by age groups and gender between 2010 and 2013

| Age | Gender | 2010 | 2011 | 2012 | 2013 |
|-------|--------|------|------|------|------|
| 16-24 | Men | 2% | 2% | 2% | 1% |
| | Women | 1% | 1% | 1% | 1% |
| 25-34 | Men | 8% | 7% | 6% | 6% |
| | Women | 5% | 4% | 4% | 4% |
| 35-49 | Men | 22% | 18% | 17% | 16% |
| | Women | 13% | 10% | 10% | 10% |
| 50-64 | Men | 26% | 21% | 21% | 21% |
| | Women | 13% | 11% | 11% | 11% |
| 65+ | Men | 8% | 18% | 19% | 20% |

| | | | | | |
|--|-------|----|----|----|-----|
| | Women | 3% | 9% | 9% | 10% |
|--|-------|----|----|----|-----|

Table 6 – This table presents the development of self-employed per age, sector and gender between 2010 and 2013.

Table 9 – This table presents the total distribution of employments per age and gender in percentage.

| | | Total employed | | | | | | | | | | | |
|-------|----------|----------------|------|------|------|------|------|------|------|------|------|------|------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Men | 15-24 år | 11% | 11% | 12% | 12% | 11% | 11% | 12% | 11% | 12% | 12% | 11% | 11% |
| | 25-54 år | 70% | 70% | 69% | 69% | 70% | 69% | 69% | 69% | 69% | 69% | 70% | 70% |
| | 55-74 år | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 20% | 19% | 19% | 19% | 19% |
| Wom | 15-24 år | 11% | 11% | 11% | 12% | 11% | 12% | 12% | 12% | 12% | 12% | 12% | 11% |
| | 25-54 år | 70% | 69% | 69% | 69% | 69% | 69% | 68% | 68% | 68% | 68% | 68% | 69% |
| | 55-74 år | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Total | 15-24 år | 11% | 11% | 12% | 12% | 11% | 11% | 12% | 11% | 12% | 12% | 12% | 11% |
| | 25-54 år | 70% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% |
| | 55-74 år | 19% | 19% | 19% | 19% | 20% | 20% | 20% | 20% | 20% | 20% | 19% | 19% |

Table 10 – This table present the distribution of non-permanent employed (temporary employed) per age and gender. This table has been gained by subtracting permanent employments to all employments, as no direct statistical data were given per age and gender on temporary employed.

| Non permanent employed | | | | | | | | | | | | | |
|------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Men | 15-24 år | 98,1 | 116 | 116,7 | 111 | 100,9 | 116,2 | 123,2 | 110,9 | 114,1 | 122,5 | 124,9 | 120,4 |
| | 25-54 år | 142,4 | 147,1 | 148,4 | 129,4 | 121,8 | 137,9 | 144,7 | 142,9 | 146,6 | 155,2 | 162,4 | 162,4 |
| | 55-74 år | 32,6 | 36,3 | 34 | 31,2 | 30,1 | 35,8 | 38,4 | 38,7 | 43,1 | 49,4 | 46,6 | 46,8 |
| | Total 15-74 | 273 | 299,4 | 299,1 | 271,6 | 252,7 | 289,9 | 306,3 | 292,5 | 303,8 | 327,2 | 333,9 | 329,6 |
| Wom | 15-24 år | 129,1 | 143,3 | 151,9 | 147,7 | 135,5 | 143,3 | 154,1 | 153,1 | 156,6 | 155,8 | 153,8 | 151,1 |
| | 25-54 år | 186,8 | 199,9 | 210 | 193,5 | 179,5 | 181,2 | 191,8 | 187,5 | 197,2 | 207,7 | 202 | 197,8 |
| | 55-74 år | 27,1 | 30,1 | 34,9 | 34 | 32 | 35,2 | 39,9 | 40,6 | 41,5 | 46 | 47,4 | 53,1 |
| | Total 15-74 | 343,1 | 373,4 | 396,7 | 375,3 | 347 | 359,6 | 385,7 | 381,1 | 395,2 | 409,4 | 403,2 | 402,1 |
| Total | 15-24 år | 227,1 | 259,3 | 268,6 | 258,7 | 236,4 | 259,5 | 277,3 | 264 | 270,7 | 278,3 | 278,6 | 271,5 |
| | 25-54 år | 329,3 | 347 | 358,3 | 322,9 | 301,3 | 319,1 | 336,5 | 330,4 | 343,7 | 362,9 | 364,4 | 360,2 |
| | 55-74 år | 59,7 | 66,4 | 68,9 | 65,3 | 62,1 | 70,9 | 78,2 | 79,3 | 84,6 | 95,4 | 94 | 100 |
| | Total 15-74 | 616,1 | 672,9 | 695,8 | 646,8 | 599,7 | 649,6 | 692 | 673,7 | 699 | 736,7 | 737,1 | 731,7 |
| Total 16-64 | | 596,3 | 645,9 | 672,6 | 623,9 | 571,7 | 616 | 657 | 633,1 | 654,2 | 683,9 | 689,4 | 684,3 |

Table 11 – This table presents the same development as table 10 in percentage.

| Non permanent employed | | | | | | | | | | | | | |
|------------------------|----------|------|------|------|------|------|------|------|------|------|------|------|------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| män | 15-24 år | 36% | 39% | 39% | 41% | 40% | 40% | 40% | 38% | 38% | 37% | 37% | 37% |
| | 25-54 år | 52% | 49% | 50% | 48% | 48% | 48% | 47% | 49% | 48% | 47% | 49% | 49% |
| | 55-74 år | 12% | 12% | 11% | 11% | 12% | 12% | 13% | 13% | 14% | 15% | 14% | 14% |
| kvinnor | 15-24 år | 38% | 38% | 38% | 39% | 39% | 40% | 40% | 40% | 40% | 38% | 38% | 38% |
| | 25-54 år | 54% | 54% | 53% | 52% | 52% | 50% | 50% | 49% | 50% | 51% | 50% | 49% |
| | 55-74 år | 8% | 8% | 9% | 9% | 9% | 10% | 10% | 11% | 11% | 11% | 12% | 13% |
| totalt | 15-24 år | 37% | 39% | 39% | 40% | 39% | 40% | 40% | 39% | 39% | 38% | 38% | 37% |
| | 25-54 år | 53% | 52% | 51% | 50% | 50% | 49% | 49% | 49% | 49% | 49% | 49% | 49% |
| | 55-74 år | 10% | 10% | 10% | 10% | 10% | 11% | 11% | 12% | 12% | 13% | 13% | 14% |

Table 12 – This table present the distribution of temporarily employed men and women in percentage per age group and in total.

| | | Total employed | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------|-----|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2005 | | | | | | | | | | | |
| 15-14 | Men | 43,2% | 44,7% | 43,4% | 42,9% | 42,7% | 44,8% | 44,4% | 42,0% | 42,1% | 44,0% | 44,8% | 44,3% |
| | Wom | 56,8% | 55,3% | 56,6% | 57,1% | 57,3% | 55,2% | 55,6% | 58,0% | 57,9% | 56,0% | 55,2% | 55,7% |
| 25-54 | Men | 43,2% | 42,4% | 41,4% | 40,1% | 40,4% | 43,2% | 43,0% | 43,3% | 42,7% | 42,8% | 44,6% | 45,1% |
| | Wom | 56,7% | 57,6% | 58,6% | 59,9% | 59,6% | 56,8% | 57,0% | 56,7% | 57,4% | 57,2% | 55,4% | 54,9% |
| 55-74 | Men | 54,6% | 54,7% | 49,3% | 47,8% | 48,5% | 50,5% | 49,1% | 48,8% | 50,9% | 51,8% | 49,6% | 46,8% |
| | Wom | 45,4% | 45,3% | 50,7% | 52,1% | 51,5% | 49,6% | 51,0% | 51,2% | 49,1% | 48,2% | 50,4% | 53,1% |
| Total | Men | 44,3% | 44,5% | 43,0% | 42,0% | 42,1% | 44,6% | 44,3% | 43,4% | 43,5% | 44,4% | 45,3% | 45,0% |
| | Wom | 55,7% | 55,5% | 57,0% | 58,0% | 57,9% | 55,4% | 55,7% | 56,6% | 56,5% | 55,6% | 54,7% | 55,0% |

Table 13 – This table presents the increase between 2010 and 2013 in the most relevant sector for our project, divided in the three statistical categories.

| Most relevant chosen sectors | Increase in self-employed | Increase in temp workers | Increase in 0-employees companies |
|--|----------------------------------|---------------------------------|--|
| J information och kommunikation | 12,88% | 8,15% | 24,64% |
| K finans- och försäkringsverksamhet | 35,93% | 3,51% | 82,59% |
| P utbildning | 30,07% | 28,97% | 54,20% |
| R+S+T+U kulturella och personliga tjänster m.m. | 11,64% | 14,47% | 44,25% |

Case I - Self-employment companies in Sweden: A case study of a new kind of labor market intermediary

Statistics from Statistics Sweden (SCB, 2015) show that there are about 600 000 firm-owners without employees in Sweden, a country with 10 million inhabitants. This amount has doubled during the last 15 years. During this period of time, there has also been a growth of a new phenomenon in the Swedish labour market: the Self-Employment Company (from now on called SEC). Other terms used are platform-companies, umbrella companies, and invoicing companies (Arvas, 2012). SECs are for-profit firms that employ individuals during the duration of an assignment. The self-employed are responsible for generating and marketing her/his services, while the SEC, holding the firm-tax permit required by the Swedish tax authorities, is responsible for the administration, such as invoicing, paying taxes and social fees, paying the self-employed’s salary and insuring the self-employed during the length of the assignment. In 2012, eight of the Swedish SECs (among which the biggest firms are represented) formed an industry organization (The Self-Employment companies/”Egenanställningsföretagen”). According to the industry association’s numbers, 18500 people were during one time “employed” in this form in 2015 (Egenanställningsföretagen, 2015). This means that over the course of the year, this many people used the services of a SEC, which is something quite different from full-time employments. The industry organization’s member companies have together a turnover of around 75 million Euros (740 million SEK). The average invoicing per self-employed is around 4000 Euros (40 000 SEK), which indicate that only a small part of the *totality* of work of every Swedish self-employed is organized via a SEC. The individual worker thus would normally get the main part of her or his total income through more traditional employments or other means. Thus, the amount of the totality of all labour in Sweden that is conducted via

SECs is still small, even though it is growing. Data from the SEC industry association show that their turnover of self-employment work has doubled since 2011 (albeit from a low previous level).

The services that a SEC offers their workers are thus that the individual worker does not have to acquire a firm-tax permit (f-skatt in Swedish) in order to work as a contractor. A self-employed worker thus does not have to have any knowledge about how to calculate or pay taxes or other required social fees, since the SEC handles this. The SEC also sends invoices and handles any eventual collection of unpaid debts, thus taking the business risks of the transaction (since, at least in theory, the SEC must pay the self-employed salary even if the client doesn't pay the invoice). Most Swedish SECs charge around 5-6% of the total invoiced amount for their services. SECs are thus commercial operations, and make their money on the percentage that they charge the self-employed.

The Swedish SECs industry organization is active in lobbying in order to make self-employment (the way the term is interpreted and practiced by them) an accepted and recognized way of working in Sweden. This is done by advertising, writing debate-articles in the national press, and working actively towards politicians and policy makers. The Swedish SECs that are members of the industry organization claim to be employers and they do act as an employer in several aspects: they insure the employee for the duration of the assignment, and they pay salary and social fees for the duration of the assignment. However, there are several important aspects that differentiate SECs from “traditional” employers. Most importantly, since it is the task of the self-employed to find work, pitch work, market one's services and negotiate fees, the way work is conducted is much more like the work of freelancers, than most traditional employments. Work security is thus non-existent, since the employer has no hand in finding the self-employed continuous assignments. Neither is the employer active in terms of “leading and delegating work” (“leda och fördela arbetet”), as Swedish labour law stipulates is the right and task of the employer. The SEC usually also does not engage in the continuous training and education of their employees, something that thus falls on the individual worker, as with other autonomous workers.¹ Also, as with autonomous workers that own their own firm, workers that use SECs are setting their own fees and rates without being able to benefit from any collective bargaining system. Taking

¹ It should however be noted that the biggest Swedish SEC called “FrilansFinans” are actively offering different kinds of workshops and courses aimed at freelancers. These initiatives are usually focused on the “business side” of being a freelance, and not on specific *professional* training and education. FrilansFinans employs an estimated 75% of the self-employed in Sweden and is responsible for 75% of the industry turnover.

these things into account, the SEC are thus from the perspective of this research project to be considered as a new sort of Labour Market Intermediary, providing autonomous workers with administrative services that lower the barriers of entry into autonomous work in all sectors.

Self-employment: a contested concept

From an EU-perspective, self-employment companies are not a particular Swedish phenomenon, but they are prevalent throughout Europe under various terms such as umbrella companies, platform companies, and invoicing companies. The term “self-employment” (egenanställning) is not a legal or official term in Sweden, even though the Swedish tax agency used it for the first time in 2015 when giving tax information about this type of work. The SEC industry organization has been the driving force behind the work to make the term a recognized and well-known term that policy-makers, potential self-employed workers, and the public in general will associate with the kind of services that they provide. The Swedish SEC industry organization has in their lobby-work been trying to create a comparatively “socially conscious” image of a SEC: underlining that they should be regarded as employers with a far reaching responsibility for work environment, insurance etc. However, as discussed by the Swedish labour unions, it could be questioned whether the SECs truly have the capacity and possibility to live up to these highly set claims.

As we have seen in the rest of Europe, self-employment as a form of organizing labour is not without its critics. The Swedish labour unions are critical towards this growing form of work. They see it as a way to hollow out and create loopholes in the Swedish labour laws (Engblom, 2014). Instead of offering individuals a traditional employment with the security and long-sightedness that entails, companies can buy these individuals’ services in the market, leaving the individual to bear the risk of work shortage, sickness, parenting and so forth. Some unions argue that these firms should be called invoice-services, and that they are in fact employers for rent. The labour unions are also painfully aware that when the amount of self-employed and freelancers in a buyers’ labour market (where there is an excess of supply in relation to demand) increases, there is an unavoidable downward pressure on rates, which eventually will also effect the pay-levels of employed workers in the same professions (Thörnquist, 2013). Since self-employed are not covered by the Swedish collective bargaining agreements where minimum wages are stipulated, the collective agreements will therefore run the risk of becoming hollowed out. The labour unions are also questioning

whether the SEC can really offer individuals the kind of “secure” employment as they claim to do (Wingborg, 2017). Firstly, unions question whether SEC really has the resources and competencies to engage in the kind of rehabilitation that the Swedish labour law requires of employers if their employees fall ill. Secondly, the unions fear that traditional employment agencies will transform into SECs in order to avoid paying their employees the guaranteed minimum wage during the periods their employees have no assignments. Thirdly, since the SEC in reality have very little insight and influence over the working environment of their employees, it is difficult to see how they will be able to work responsibly and proactively with the working environment of their employees, as is required by employers under Swedish labour law. One example is the biggest SEC in Sweden, “FrilansFinans”, which keeps a “black-list” of commissioners from whom they refuse to assign their employees work. Work on oil-platforms for example, is blacklisted because of the hazardous working conditions. However, at the same time they have employed freelance reporters going to Afghanistan to work as correspondents there, a place where many Swedish media organizations have decided to not send their employees on account of the dangerous conditions for journalists there.

Type of workers using Self-employment companies

As previously stated, the SEC industry organization is much engaged in trying to create an increased awareness and acceptance for self-employment as a new form of work in the Swedish labour market. To summarize the arguments the industry organization uses in their opinion-and lobby work, the self-employment companies are portraying themselves as important actors in a changing labour market. They thus see themselves as a solution that caters to the needs of certain specific (and growing) groups that find themselves in-between employment and traditional firm ownership. Based on both the arguments put forward by the SEC industry-association and the few empirical studies available of individuals using SECs, we can outline five different categories of ways in which the services of self-employment companies may be used:

- 1) As a stepping stone job towards a traditional employment, for people that are far away from the labour market, such as foreign-born, long term unemployed, and young people without previous work experience.

- 2) To test the market for one's services as a first step towards starting a company of one's own (and thus applying for firm-tax permit).
- 3) As a way to exit the labour market, for people that are getting ready to retire and want to stop working successively.
- 4) As an alternative for those who want to combine traditional employment (or are occupied in other ways, studying or similar) and self-employment, so called "combinators".
- 5) As an alternative for independent professionals (Leighton, 2013) in the knowledge and creative industries where there are few traditional employments and where one has lesser tax advantages of owning one's own company (that is having a firm-tax permit).

As seen from the worker groups mentioned above, most workers that work full time as autonomous workers do not use a SEC, since the employment status limits the possibility to subtract costs for their work on their taxes as well as purchase goods and services without paying VAT, something that persons owning their own firms can do. Hence, by the proponents of SECs, these companies play a vital role for a number of groups of workers who don't "fit" in the traditional labour market division of employees on the one hand and firm-owners on the other.

Since SECs in Sweden is a relatively new phenomenon with a massive growth during the past five years (Palmberg and Bjerke, 2014), and since many of these workers are combinatorics who get their main source of income from traditional employment or other types of occupations, there is very little statistical data to be found on the *type* of workers using SECs. However, one study surveyed 160 self-employed that use a SEC (Palmberg and Bjerke, 2014). The data is not sufficient to make any generalizable conclusions, but can still be interesting (especially since it is the only survey data available to date.) This study shows that even though workers from all sectors use SECs, ranging from the low-end to the high-end of the labour market, including both blue collar, white collar and pink collar workers, most workers are professionals in the creative sectors working with culture, media and design. According to the survey, this group amounts to one third of the surveyed workers. These are thus the kind of professional autonomous workers that this research project targets. The second largest group of workers define themselves as "other". The third, fourth, fifth and sixth most common sectors are: IT; arts and crafts; sales and marketing; and construction work. The survey also confirms what we discussed previously, that 60 percent of the self-

employed had other forms of occupations and income. Most of these had a traditional employment at the same time as being self-employed by a SEC. Interviews conducted for a report by a Swedish union-think tank (Futurion, 2016) as well as interviews conducted by the researchers of this project, confirm this image. These interviewees combine traditional employment with self-employment (often in the same sector, doing the same kind of tasks, sometimes for the same firm that employs them, sometimes for other clients). Other interviewees are students working on assignments on the side of their studies, or people that have retired from traditional employment that do assignments for clients both in their previous sectors as well as sectors that are new to them. Other interviewees used SECs in order to test the market to see if their services were required before they went on to set up their own firms. According to information from the SEC industry organization, given in an interview with its president (who also is CEO for the biggest Swedish SEC, FrilansFinans) and its executive assistant (Wingborg, 2017), the gender balance of self-employed workers seems to be fairly equal. At FrilansFinans, the self-employed are 58% men and 42% women. Most workers are young, between 25-35 years. At FrilansFinans half of the workers are below 30 years.

To conclude, most workers using a SEC do so because they lower the barrier of entry into working on assignments by lowering the administrative burden (doing paper work, paying taxes, adhering to and keeping up with regulations asf). In this sense, working via a SEC is an alternative that more resembles that of being a traditional self-employed rather than being a traditional employee.

Self-employed workers in a grey-zone between employee and contractor

In the Swedish legal system there is no “third” or “middle” category between employee (“worktaker”/arbetstagare) and contractor (“assignment-taker”/uppdragstagare). For the different Swedish laws concerning unemployment insurance, social insurance, and tax, each have different definitions of what constitutes an employee and contractor respectively. In the tax law, there is a clear difference between rules for employees versus contractors, concerning the responsibility for payment of taxes and VAT. In the social insurance law, there is a difference between those who have income from employment and those who have income from other sorts of labour. Amongst other things, there are different rules for how to calculate the income that sick pay is based upon (“sjukpenninggrundande inkomst”), which can cause problems especially for combinatorators who combine short employments with self-employed work. This means that the individual freelancer could thus be regarded as

employee in regards to one law, and contractor as defined by another law. This is since the laws were written for specific purposes, and the definitions reflect this. However, it is especially in relation to the unemployment insurance law that self-employed and other autonomous workers find themselves in an insecure situation. There is currently a grey zone when it comes to whether workers employed by SECs are in fact entitled to unemployment benefits or not.

A report from the Swedish Inspection for the unemployment insurance (Inspektionen för arbetslöshetsförsäkringen, 2016) surveying all Swedish unemployment funds state that they all report problems with deciding whether workers working on assignments (“assignmenttakers”/contractors) should be entitled to unemployment benefits or not. According to Swedish unemployment insurance law, whether the worker should be considered employee (arbetstagare) or firm-owner (företagare) is the basis on which they should be entitled benefits or not. The most important criteria for defining a worker as one or the other is her/his *independence* in relation to the client. If the worker is seen as *dependent* upon the client, then she *is* entitled benefits; if she is regarded as *independent* she *is not* entitled to unemployment benefits.

When deciding whether a person (self-employed via a SEC or holding firm-tax permit) is a dependent or independent contractor, the unemployment funds must make an individual judgement for each case. Factors that are taken into account are (among other things): if the worker does her own marketing, if she pays her own taxes and social fees, if she gets paid per hour or per commission, if the person uses her own equipment, and if the work takes place at the site of the client. The unemployment funds reported that it was especially difficult to administer applications for unemployment benefits where the applicant had been working through a SEC. For the workers, both self-employed and firm-tax permit holders, this creates a great uncertainty as to whether they will be covered by unemployment benefits, since this is decided from case to case, and first when the workers has applied for it. The report from the Swedish inspection for the unemployment insurance states that the applications from workers working on assignments (both self-employed via a SEC and others) will probably continue to increase in the future, and that there is a great risk that the decisions whether workers are entitled to benefits or not will vary depending on which employment fund and which individual administrator it is making the judgement.

So far there have only been a few cases concerning the right to unemployment benefits tried in the Swedish courts. One has been tried in a higher/second instance (Kammarrätten) concerning a photographer employed by a SEC who applied for unemployment benefits from his unemployment fund. He was initially denied unemployment benefits since his unemployment insurance fund argued that he could not be regarded to be a *dependent* contractor and thus considered him to be in fact an autonomous worker. The worker won in the legal second instance 2015, and was thus granted unemployment benefits. There is however special circumstances in this case (e.g the fact that the worker used work equipment that he had not bought specifically for his autonomous work) that made the court rule in favour of him being considered eligible for unemployment benefits. It is still very unclear if other self-employed could be seen as employees, and thus not at all the “default” for workers employed by SECs.

Self-employment companies and minimum fees

Since the self-employed worker is responsible for negotiating the assignments with the client, the SECs have no hand in setting the wages. This means, that unlike most other workers employed by employers in Sweden who are bound to minimum wages by collective agreements, workers using SECs in principle can work for rates significantly lower than their employed colleagues in the same profession. In an interview the president of the SEC industry association (who is also CEO of FrilansFinans) says that they in principle turn down assignments where the fee is less than 7 Euros/70 SEK per hour. He also argues that they protest when self-employed invoices less than this. However, the hourly rate of 7 Euros (which should be considered low to very low in a Swedish context, depending on sort of work) indicate that self-employment (both via SECs and via firm-tax permit holders) can be used by clients as a way to cut labour costs.

Future unionization of self-employed workers?

The strategy of the SEC industry-organization is to work with its member companies to develop common policies regarding their employer-responsibilities. The SEC industry association is thus engaged in “institutional work” (Lawrence, Suddaby & Leca, 2009) to legitimize their form of self-employment by aiming to take on the responsibilities of an employer. However, according to Swedish labour and social insurance law, it is not up to the

SECs to decide whether a self-employed person should be regarded as an employee or not. Nor it is something that the labour market actors can negotiate, since the legal definition of employee is part of the Swedish binding legislation and cannot be waived. In addition to this, some of the Swedish labour unions fear that other SECs (that are not members of the industry association) might in the future aim to compete using lower fees, which may lead to the necessity to take on less employer-responsibility.

In an interview with a Swedish professor of labour law that we conducted for this study, he argued that formation of SECs could be a window of opportunity for the Swedish labour unions, as they could negotiate collective agreements with the SECs. The workers using a SEC could theoretically form a union of their own, i.e a “self-employed workers’ union”, that could bargain on their behalf. The professor reasoned that for the Swedish unions it ought to be better to have a few employing organizations, such as SECs, to negotiate with, than to try to negotiate directly with the many, often small, client organizations that buy work from autonomous workers. In his understanding, from the perspective of unions, it ought to be seen as a better solution for workers to use a SEC than to be firm-tax holders, as it would seem even more difficult to stop “wage dumping” when the workers are seen as completely independent firm-owners.

However, the Swedish unions do not currently seem to foresee this as a promising way to move ahead, and seem rather at all costs to try to protect workers’ right to permanent employments (Wingborg, 2017). Our analysis is that the Swedish unions consider all “new” ways to organize work as a threat to the fundamental principle of all workers’ right to permanent employments, and are therefore also ambivalent to organize self-employed workers, for whom they argue that it will be very difficult to bargain collectively. The principle of collective bargaining is, as we have concluded in our country overview, the foundational way that Swedish labour unions historically have been able to ensure fair working conditions for the workers. From the perspective of the Swedish unions, the workers using SEC’s could be seen as “sham-employees” in the same ways as many of the firm-tax permit holders who have become freelancers unwillingly could be seen as “sham-entrepreneurs”.

When assessing the probability of unionization of the workers using SEC’s we argue that as long as most workers using a SEC do so only for work that is not their main source of income, the probability that they will become organized as self-employed is fairly small. It is

also a problem that the workers using SECs are varied across professions and industries, and therefore ought to have relatively little sense of community or “solidarity” with each other. However, some workers using SEC’s are part of existing professional associations and trade unions (such as for example freelance journalists using SECs). More and more of the Swedish trade unions are now working on behalf of also freelance members to ensure working conditions also for this member group, even though it varies between unions to which degree they devote their time and resources to this.

Case II - The freelance section of the Swedish Journalist union: A case study of how the trade union works with freelance issues

Unions and freelancers in the Swedish context

In many Swedish trade unions there is currently an ongoing debate about whether the unions should extend its services and membership to organize not only traditionally employed workers but also firm-tax permit holders (so called “f-skattare”) - who traditionally has been regarded as firm owners (according to the institutional structure of the Swedish labour market, including tax-law, unemployment benefits law and social insurance law). Hence they have, at least historically been seen as the very opposite of the kind of employed workers that they unions historically were formed to protect. However, following the transformation of the labour market where the amount of workers working as self-employed firm-owners are increasing in all sectors (albeit with a different speed) most unions are now beginning to realize that this group of workers are important to reach and “get onboard”, for the sake of all workers within the trade. For example, during the past years the Swedish trade union *Unionen* (organizing white collar workers) which by membership is now the biggest union in Sweden, has worked intensely to organize firm-tax permit holders and lobby for a reformation of the Swedish social security systems so that they cover also firm-owners and so called “combinators”.

History of the Swedish journalist union and its freelance section

The Swedish trade union organizing journalists, the Journalist Union (from now on JU) has for a long time organized freelance journalists. The first freelance section was formed in the end of the 1960’s, which is the foundation of the current freelance section, called Freelance

National (Frilans Riks). Since the 1960's more and more freelancers have gone from working on "employee-tax", where the commissioner pays the workers' social fees and taxes, to working on "firm-tax" (so called f-skatt) where the individual is responsible for paying taxes and social fees - thus according to Swedish tax law taking on the status of "firm-owner". This development has been led primarily by the client organizations which by using the services of firm-tax permit holders can avoid much of the responsibilities and legislation that employing workers entails. Initially JU tried to block this development by refusing to cater specially to freelance members working on firm-tax, as they were seen as firm-owners and not "workers" in the traditional union-sense. However, during the 1990's the JU realized that this development would be hard to stop, and that for the good of the whole journalist profession they needed to try to organize all journalists, independent of employment status (Werne, 2015). The Swedish journalist union has since then developed a "service-company" catering to freelancers by providing legal and professional advice, support with taxes and administration, customized insurance for freelance-journalists and professional development courses.

[Freelance members of the Swedish journalist union](#)

The union currently organizes around 1800 freelance members, which amounts to around 15% of all its members (Werne, 2015). According to the JU membership-statistics, 56 % of the freelance members are women and 44% are men (compared to 51% women and 49% men of the employed members). There is no data available on how many out of all working Swedish freelance journalists that are members of the JU. In an ongoing qualitative study of Swedish journalists/writers and photographers, about half of the interviewees (35 in total) were members of JU (Norbäck, 2017). Those that were members said that they were so because they thought it was important to work together to improve the conditions for freelance journalists, and that membership was important for the identity-aspect of being a journalist. Many had previously been employed and had become members then. Out of those that were not members, many said that they didn't consider themselves "proper" journalists as the kind of content they produced veered more towards commercial content and advertorials and less "editorial and journalistic" content. Other said that they perhaps ought to be members, but they hadn't "gotten around to it". Some said that they made too little money to afford the membership-fee. The JU fee for freelance journalists depends on income; the

monthly fee for a freelance journalist making 1800-2000 Euros a month is about 30 Euros (SJF.se, 2017).

[A buyers' market for journalism](#)

The media industries have been markedly affected by the digital transformation. This technological change, together with other social and cultural changes, has led to the economic crisis in especially print media. The problems for the magazine and newspaper industry has been ascribed to several factors: the drop in circulation associated with the rise of the online 'for free' culture, the slump of advertising sales, loss of classified advertising to specialized internet actors, previously high profit margins of which owners have become accustomed, and the failure of traditional newspapers and magazines to charge for their online content (Mierzejewska and Shaver, 2014; Picard, 2014). This development has led to a situation in the Swedish media sector where the amount of permanent employments has been severely reduced. This has happened either due to media companies going out of business, or because of downsizing and outsourcing, where more services and production has been taken over by content bureaus, news agencies and freelancers. Many previously employed journalists have therefore become freelancers in order to continue to practice their profession. However, there has not been enough outsourced work to provide "enough" work for all freelance journalists. In addition to this, there has also been a constant inflow of new journalism graduates to the labour market (Werne 2016). This development has led to a labour market for journalism where there are many sellers looking for work but only a few buyers having work to offer. The result is that there is currently a buyers' market for journalism in Sweden, which has resulted in a downward pressure on especially freelance fees. So far the wages for employed journalists have been relatively protected from this pressure, as the wages are set in collective bargaining that in certain ways (at least from a shorter perspective) safeguards them from the immediacy of the market mechanism. However, this increasing divide between the wages of employed journalists and freelance journalists are surely fuelling the outsourcing of content production, as media houses recognize opportunities for cutting labour costs this way.

[The freelance fees the most important issue for the Journalist union](#)

For the JU and especially the freelance section, efforts to raise freelance fees are number one on the agenda. The JU has been working actively trying to combat the stagnating and often decreasing freelance fees. Their most important strategy has been to establish a "freelance

recommendation fee” which is communicated to both freelancers and commissioners of freelance work. This fee is based on the idea that about 50% of freelance work constitutes “billable” hours (Evans, Barley, and Kunda 2004) and the rest is time that is spent on what Standing (2014) calls “work for labour”, ie work that is necessary to get new assignments, such as pitching and coming up with new ideas, doing administration, and continuous professional education. The JU freelance recommendation fee is based on the average salary for employed journalists, and is set to about 100 Euros per hour. Out of this, about half will be paid in taxes and social fees, and the rest can be used by the freelancer as wage-money, paying rent for office-space, pension savings, vacation wages, and funding for continuous professional development. Freelancers should thus calculate how many working hours are needed for an assignment, and then set their fee for the assignment according to this. This freelance recommendation fee was introduced by the union in the 1990’s as a way to prevent freelancers from working for too low fees as well as to educate and put pressure on commissioning clients to pay sufficient fees. The recommendation was in 1994 investigated by the Swedish authority for competition (Konkurrensverket) to see whether the recommendation in fact violated Swedish competition law, and was found that it did not.

However, a recent study commissioned by the union (Werne, 2016) shows that many freelance journalists are far from being able to charge fees according to the recommended freelance fee. Many journalists, especially in such genres where competition for work is fierce and resources for production is scarce – such as editorial, investigative journalism and culture journalism (Norbäck, 2017) – work for substantially lower fees. Figure 1 shows how much freelance journalists that are members of the journalist union make after taxes each month.

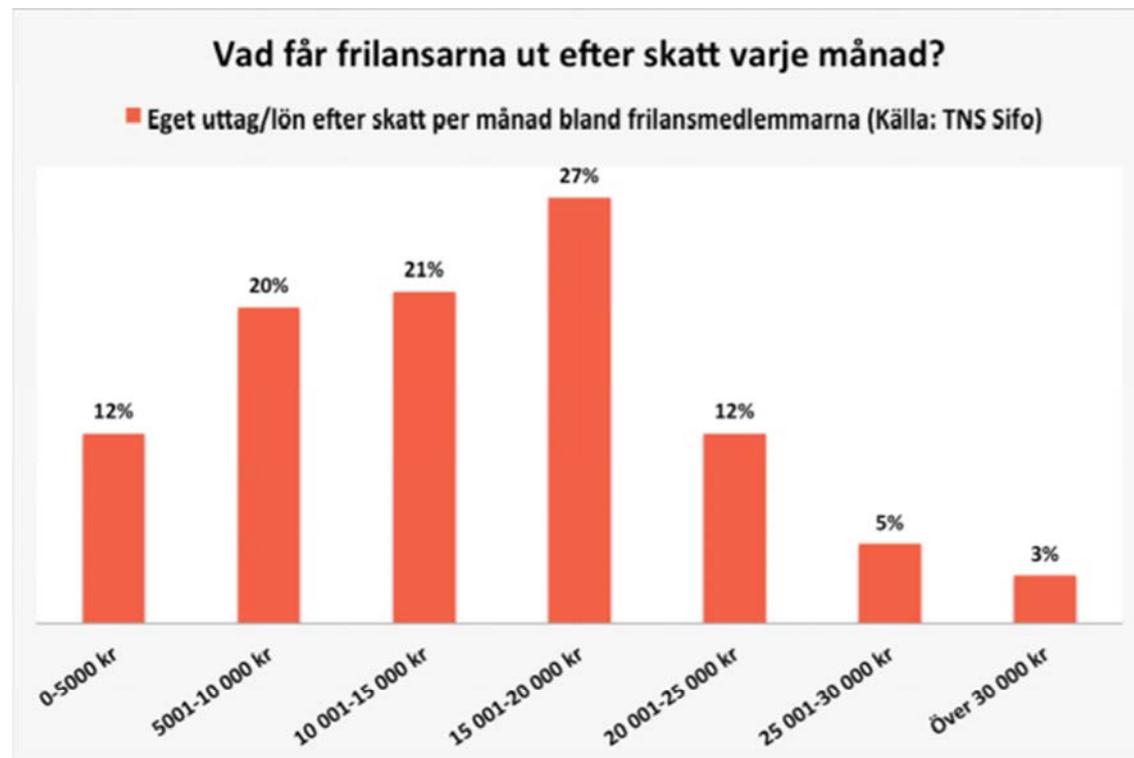


Figure 1. The amount of money freelancers make after taxes each month. Source: Werne, 2015

The study by Werne (2015) thus shows that half of the surveyed freelancers make less than 1500 Euros a month after taxes, which in a Swedish context is comparatively low for professional work, especially in relation to the average wage of *employed* Swedish journalists. The study also shows that only half of the surveyed journalists put aside money for pension (in the Swedish system where firm owners are individually responsible for saving up most of their own pension). In addition to this, a fourth of the surveyed freelance journalists could not even take two weeks' vacation (compared to Swedish vacation law that stipulates the all employees are entitled to at least 5 weeks per year.)

As a part of the work by the JU to instigate a recommended freelance fee, information material has been produced by the union which the freelancers can use to “educate” clients about how much of the fee goes to actual wages for the freelancer and how much goes to taxes etc (see an example in Figure 2, an information image called “The freelancer’s 100 Euro bill”/Frilansarens tusenlapp).



Figure 2. “Frilansens tusenlapp” (The Freelancer’s 100-Euro bill). Source: sjf.se

Another initiative by the JU is the fee-guide (“Arvodesguiden”), a web-archive where all freelance members are encouraged to report their commissions and fees. This database thus provides an overview of how the freelance fees have developed over the years. As figure 3 shows, there has been an increased gap between the union’s freelance recommendation (the dotted line) and the average fee reported in the fee-guide (the bottom line).

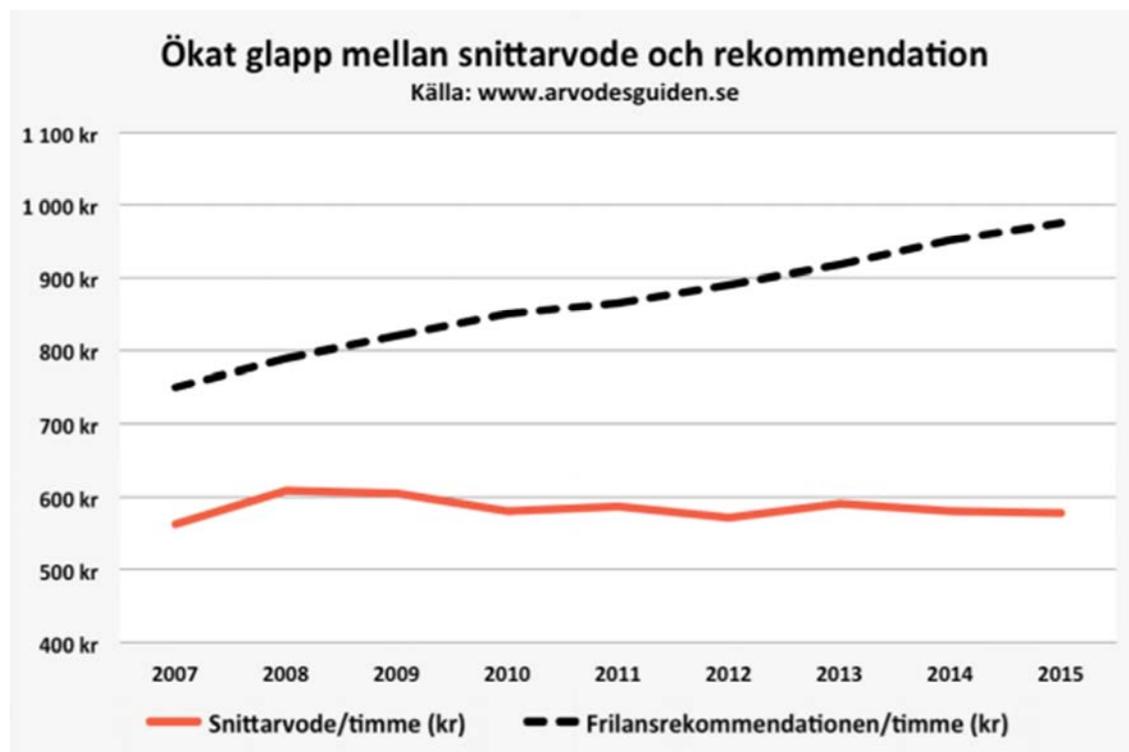


Figure 3. Widened gap between average freelance fee and recommended fee. Source: Werne, 2015)

As this data on freelance fees show, the work done by the union has so far not been able to raise the fees in the freelance journalism field: in fact the fees seem to have stood still, and even been slightly reduced over the past ten years (at the same time as inflation and other costs have risen). The problem of the low level of freelance fees is thus deemed by the JU as the biggest problem for freelance journalists. The union has therefore been trying to get also the local journalist clubs including its employed members to join forces with their freelance colleagues, to get their employers to raise freelance fees. This has been put forward as being also in the interests of the employed journalists, as the level of pay will lead to a downward pressure on all wages in the industry, and thus sooner or later affect also employed journalists. However there are not many reports from successful negotiations where freelancers and employed journalists have joined forces and brought about some real change in the freelance fees on the local level. The freelance section of JU however talks about one successful case where a group of freelancers (without the support of the employed journalists at the local employer) joined forces and collaboratively worked to raise the freelance fees- in fact a sort of informal “collective bargaining” directly with the commissioning client organization. In this case it was the freelance radio reporters working for a particular documentary programme on

the Swedish public service radio that managed to raise the freelance fees for this particular programme. As it is described, the deal from the commissioning organization was then that this would entail that less work would be commissioned (as they had a strict budget to adhere to), but that the jobs that were commissioned would be better paid (JU webcast, 2017).

In the report commissioned by the Journalist union the author gives a few recommendations as to how the union should work in the future to strengthen the position of its freelance members (Werne, 2015). One proposal is that the union should work to investigate the so far “untested” but often implicitly assumed understanding that “collective bargaining” on the part of the freelance collective would be a formation of cartels, which is illegal under Swedish competition law. The report argues that competition law is designed in order to protect the (most often) weaker part in the market, namely consumers, against the stronger part of big corporations. In the case of freelance journalists, even though they are indeed suppliers, the stronger market actors are in this case the buyers of content. Also, according to the Swedish MBL-law (the Co-determination at Work Act) contractors that are “equal” or dependent on the commissioning client have the right to engage in collective bargaining, which is in fact a way to sidestep the competition law in terms of allowing cartels for those selling their labour. According to the law, “equal or dependent” contractors are those that do work for another part and is not employed but have a standing which is “in all intent and purpose is that of an employee”. Thus, one way forward for the JU could be to collectively encourage the freelance journalists, members as well as non-members, to solidarize by refusing to do work for a fee that is below a certain agreed upon level. This ought not to be an easy task, considering how the “oversupply” of freelance journalists and the low demand on their labour is what make freelance journalists accept low fees in order to get any work at all. However, as the history of the labour movement shows, it has historically been done in similar situations.

Other freelance union issues: copyright agreements and “false” freelancers

During the past two years the JU has been actively engaged in trying to combat the introduction and spread of a new sort of copy rights agreement for freelance content. This work has been conducted together with the International Federation of Journalists and the European Journalist Federation. The agreements have been put forward by the biggest media houses in Sweden and, according to the union, will lead to deteriorated terms for the freelancers. The agreements stipulate that the media houses will get full users’ rights for commissioned freelance work. Under the agreement, the media houses can use bought content

in any of their current or future platforms, in all outlets owned by the company. The union argues that this is very problematic, since this takes away the freelancers control over their own material, as well as creates problems for the actual freelance work (for example when freelancers interview people for a specific story and outlet, but where this story might show up in another outlet in the future, in a context which the interviewee did not agree to be a part of, thus creating ethical problems.) Together with three other professional organizations; the Swedish association of professional photographers, the Swedish picture suppliers' association, and the association of Swedish illustrators and graphic designers, the Journalist union have dissuaded their members to sign the agreement. This seems to have been somewhat successful, in the sense that many freelancers have until now refused to sign the agreements (Norbäck, 2017), leading to a loss of future work since the refusal will hinder the client to use the freelancer's services in the future.

Another issue that the JU has been actively working with is what is usually denoted as the problem of "bogus" or "false" freelancers (Thörnquist, 2013). This phenomenon occurs when employers are trying to avoid the responsibilities that come with being an employer, by having freelancers doing work in a manner that is similar to the way employees would conduct work. In 2012, JU won a case in the Swedish labour court, where one of their members who had previously been working for the Swedish public service radio during 8 years on various temporary contracts, started working on assignments as a freelancer. The court ruled in favour of the freelancer, stating that she according to the Swedish labour law, based on her previous temporary employments, in fact should be considered as an employee.

Future union work: reduce the "oversupply" of journalists

In order to improve conditions for all journalists in a longer time perspective, the journalist union grapples with the issue of how to more fundamentally change the dynamics in the labour market. According to the union, the essential issue is that of an "oversupply" of journalists compared to the demand level of their services in the market. As there seems little JU can do about the lack of demand of journalism (due to newspaper death, decline of traditional media, failing traditional business models), they instead focus on the supply side. The JU has therefore investigated what could be done about the number of journalist students that graduate from the country's universities and journalism schools yearly. Their analysis is that the education-system is an important factor to why there are so many journalists competing for the same jobs and assignments. Since the amount of places in journalism

programmes are regulated only by demand, and many young people are interested in pursuing a career in journalism, this has led to a plethora of journalism programmes. According to the annual labour resource report issued by Statistic Sweden (*Arbetskraftsbarometern*, 2016), one of the occupations that are in “great oversupply”, both in terms of experienced as well as newly educated professionals, is journalism. Journalism is even deemed as the occupation where the surplus supply is deemed the biggest.

The Swedish higher educational system is organized on the principle of *students’ demand*. There is thus very little control or regulation from the government and state in terms of the dimension of the educations in relation to *labour market* demands (SOU, 2015). The overarching idea behind this construction is that the demand of the students controls the amount of places in university programs. And since journalism is a popular choice, there are many applicants for journalism programs - and hence many such programs given. In a report on this issue (Werne, 2016) JU argues that there is little they can do in order to change the whole educational system in Sweden. However, their strategy for the future will be to initiate a dialogue with the “suppliers”, i.e. the educational institutions, as well as policy makers and politicians, in order to shed light on the “oversupply” of journalists and put the issue on the public agenda.

Case III - The Job Security Foundation for public employees: an example of quasi-unions, collective agreements and the use Job Security Councils

In Sweden, social partners have developed and financed a system job transfer support, generally via collective agreements – known as the Job Security Agreement. The purpose of the Job Security Agreement was (and is) to facilitate transitions on Sweden’s labour market by actively helping laid-off co-workers into new jobs or other relevant occupations, e.g. studies as well financial support such as *savarins* pay and income insurance This is particularly important in the Swedish context, where a continuous structural transformation of the country’s economy was considered desirable. The so-called Rhen-Meidner model, which, according to Norfors (2006), can be described as a summary of much of the labour market policy and the trade and industry policy characterizing Sweden up until the mid-1960s, continues to exert a major influence on how Sweden’s labour market is organised and shaped (Bergström, 2009). One principal component of this model is the notion of a solidarity-based wage policy, based on the principle of equal wages for equal work. The purpose of this was

partly to keep wage levels up for the most vulnerable groups and partly to stimulate structural rationalisation through facilitating the closure of unprofitable companies and industries. The ongoing and continuous structural transformation of Sweden's economy was considered necessary, both by the parties on the labour market and by many political representatives, in order to safeguard Swedish competitiveness in the long-term, even if it simultaneously ran the risk of leading to people being laid off and companies and industries disappearing. Changes are primarily expected to occur through the rationalising of operations, or alternatively through laying staff off and then helping them to find a new occupation. It was however deemed important that adaptation to structural changes must *not* occur at the expense of poorer working conditions or reduced wages. On the contrary, the solidarity-based wage policy involves consciously putting pressure on companies and industries with low productivity, since it makes unproductive companies experience problems with labour costs when wages are increased (Larsson et al. 2011).

In total, there are 10 Job Security Councils² in Sweden 2014 covering most of labour market. These are all a result of all-party collective agreements. The Job Security Agreement covers the members in the respective areas of agreement and constitute the frameworks for designing the transition support. The agreements reciprocally show relatively large variations as regards content, extent and organisation (see Sebardt, 2006). A feature common to all Job Security Agreements, however, is that they stipulate the establishment of special collective agreement trusts that are responsible for administering, developing, and in several cases, providing the support stipulated in the agreement. All the Job Security Councils on Sweden's labour market are, in the legal sense, collective agreement trusts, which is a special type of association which, for certain operations, can involve, as an organisation, having a restricted tax liability. This restricted tax liability was previously limited to different types of severance payments to those being laid off due to a lack of work, and to support efforts and activities aiding those who had been laid off. The various Job Security Agreements have emerged over a period of 40 years, varying in size and focusing on groups with varying needs, prerequisites and interests. One advantage of this system is that these solutions could thus be adapted to the concerned parties' needs and prerequisites. All Job security councils were initially developed and designed to meet the needs and expectations of permanent workers. However, over time and reflecting the changing characteristics of the labour market, the focus of the Job security

Councils, especially those that provide support for employees in the culture sector, media sector and public sector (for example PhD-students post-Doc), were also to include workers with fixed term contracts. This in turn made the support of Job Security Councils cover also some groups of autonomous workers.

The Job Security Foundation for public employees

Historically, the Swedish state has unilaterally been responsible for the employment security of its staff, something that has meant that the state, in principle, never laid staff off due to a shortage of work (Swedish Government Reports 2002:59). However, in conjunction with the major economic crisis that Sweden was facing at the start of the 90s, this changed when considerable demands for the rationalization of state-run operations were also emanating from both government and parliament requesting shrinking of all operations by 10 percent over a period of 3 years (Expert Group for Studies in National Economics, 2006, pp. 20-21), something that led to a major restructuring of the Swedish public sector. In that context, the continuing wide-reaching responsibility of the state for its employees' job security was being perceived as increasingly problematic and counterproductive, both for the various state-run operations and for the individuals concerned. In 1990, consequently, the parties entered into a job security agreement whereby the employees, in exchange for a weaker form of employment security, were awarded the most generous job security agreement on Sweden's labour market. As a consequence of the agreement, the Job Security Foundation for public employees was also formed, in 1990. The foundation was created as a tool for ensuring that the services stipulated in the new agreement would be developed and provided to employees falling under the adaptation agreement and who were in need of support. Similar to other job security councils in Sweden, the Job Security Foundation's for public employees operations are based on an insurance solution regulated via collective agreements, and are owned and governed by the social partners operating in the public sector. Just over 250,000 employees fall under the state adaptation agreement (2012). Since its inception in 1990, just over 96,000 people have received support, with the organisation, during the period 2011-2014, having an average inflow of around 3,000 people. The Job Security Foundation's operations are financed by means of state employers falling under the agreement allocating 0.3 percent of overall labour costs.

The agreement covers all civil servants with a permanently employment (more than 12 months) and temporary employed (if they have had one or more public sector jobs during at least 3 of the last 4 years.). Most of the workers supported by the job security council for

public employees comes from the university sector and lion share of those are PHD-students in the later phase and post-docs that have been in one or a series of temporary employment contracts de facto operating as autonomous workers. The support can schematically be divided up into two types; the first of which is aimed at facilitating clients' direct job-seeking and their route into new forms of self-support, e.g. by means of the Job Security Foundation providing advice concerning applications, drafting CVs, the development of individual action plans, the arrangement of job-seeking activities etc. The Job Security Foundation also has the possibility of offering some financial support on condition that this is deemed to facilitate a client's possibilities of progressing into a new job. This can, for instance, mean that the Job Security Foundation pays wages during an introduction period, offers financial support in connection with the transition into self-employment, or provides compensation in connection with specific training endeavors. According to the Job Security Foundation's own statistics for 2013, 77.9 percent of those coming from temporary employment in government administration obtained work or some other solution prior to the expiry of their period of notice. Of temporary employees, 85.2 percent obtained work or some other solution within 9 months during the same period (Job Security Foundation annual report for 2013).

As the Job Security Foundation's main task is to convert the content of the state job security agreement into a functioning support adapted to clients' individual needs and preferences, the access to their services could provide an advantage and a useful tool for the autonomous worker included in the agreement, not only for finding new work opportunity in general, but also with a focus that the support should take into account and be in line with their preferences and skills. The Job Security Foundation's work on adaptation support has a strong focus on the relationship between the Foundation's advisors and its clients. It is a relationship, repeatedly described as characterised by continuity and a high degree of autonomy, which is deemed to provide significant opportunities for advisor and client to jointly make decisions and adapt efforts based on how private individuals' needs and preferences have been perceived. It is also a relationship characterised by the advisor, within certain frameworks, independently being able to make decisions about which types of resources and efforts can be of relevance and to what extent.

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