

Sweden's National Reform Programme 2017

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



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1. Introduction

The Europe 2020 Strategy is the EU common strategy for growth and jobs that has been in place since June 2010. The aim of the strategy is to improve the conditions for full employment and inclusive sustainable growth up to 2020. The strategy is based on three priorities that are mutually reinforcing:

- Smart growth: developing an economy based on knowledge and innovation,
- Sustainable growth: promote a more resource-efficient, greener and more competitive economy, and
- Inclusive growth: stimulating an economy with high employment and social and territorial cohesion.

In April each year, Member States submit a national reform programme to the Commission, which reports on implementation of the Europe 2020 strategy in national policies, undertakings implemented and progress achieved over the past year, as well as a description of planned measures. The Europe 2020 strategy is based on the integrated economic and employment policy guidelines.¹ The reporting shall also reflect the overarching priorities for the European Semester, which is the framework for economic policy coordination in the EU.

Sweden's national reform programme for 2017 is mainly based on the initiatives and reform ambitions proposed by the Government in the Budget Bill for 2017 and the Spring Fiscal Policy Bill for 2017. It also reflects the policy priorities in the Commission's Annual Growth Survey, in accordance with the conclusions of the President of the European Council of 9 March 2017:

- boosting investment;
- pursuing structural reforms;
- and ensuring responsible fiscal policies.

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

Reform policy

The Government's objective is to achieve equality, development and cohesion throughout the country. Sweden shall remain a pioneering country that takes international responsibility for the climate, gender equality and democracy. Sweden is presently in a favourable position to grasp the opportunities presented by globalisation, the knowledge-based economy and technical progress. The Government's ambition for building society is universal participation as we build the future. Education, a job, a home, preschools where children are happy and develop, experiencing the beauty of nature with the right of public access and public services including good and accessible healthcare, police services

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

and long-term care. This shall not remain a dream; it shall be the reality for everyone in the entire country. For Sweden shall be a country of work and cohesion, of equality and of sustainable development. On the foundation of the Swedish Model and using the toolbox of modernisation, we are building a sustainable society where no one is left behind – and no one is held back.

Presented below are the areas that affect the Europe 2020 strategy and are included in the Spring Fiscal Policy Bill of 18 April as regards the focus of economic policy in coming years.

The strength of public finances must be maintained

Economic development in Sweden has been among the most outstanding in Europe in recent years. Responsible fiscal policy and favourable growth in employment turned the former government's deficit – the largest since the economic crisis in the 1990s – into surpluses in both 2015 and 2016. On the heels of somewhat subdued economic development elsewhere in the world, outlooks are beginning to brighten in several areas. Sustained favourable growth is expected in Sweden in 2017 and the public finances are strong. The Government's economic policy is based on the fiscal policy framework. Sound public finances secure the investment climate, jobs and welfare.

Unemployment must fall

Economic policy is governed by the Government's objective of having the lowest unemployment in the EU by 2020. The Swedish labour market is continuing to show strong growth. Unemployment has fallen by about 1 percentage point since 2014 and 150 000 more people are in work. The decline in youth unemployment has been especially strong. Sweden's employment rate is the highest ever measured in the EU. Unemployment is expected to decrease in 2017 and subsequent years due to strong demand and the reforms that have been implemented to get more people in work. Nevertheless, the Government takes the view that unemployment is far too high and will continuously present further reforms to help more people into work and to lower unemployment.

The central government will continue to support job growth with a carefully considered fiscal policy. The Government's job agenda comprises investments in improving skills and an active labour market policy, investments in housing and infrastructure and an active business policy. As well, additional staff are needed in the welfare sector. The redirection of policy from unfunded tax cuts to investments and stronger welfare has made it possible for thousands of people to secure employment in vital social functions. The transition to a fossil-fuel free country is also leading to more jobs through, for example, investments in railways and trains, expansion of green city districts and public transport and rising exports of Swedish environmental technology. Strengthening schools, healthcare and the police is not only good policy for knowledge, health and security. It is also a policy that creates more jobs.

Consequent upon the reception of a large number of people seeking asylum, particularly in 2015, many newly arrived migrants will be received by the municipalities in 2017 and future years, and will enter and become established in the labour market. Arranging effective reception and planning for services including schools, housing and healthcare presents challenges to municipalities and county councils. The Government has implemented several measures during the current term in office to improve and hasten the

establishment of newly arrived migrants, but further action is needed to address the challenges and benefit from the opportunities inherent in the many people of working age who migrate to Sweden and are able to contribute to welfare. Not least importantly, employment must increase among foreign-born women, particularly women with short education.

Knowledge-based education in equal schools

The schools are critical to social cohesion in Sweden. It is in the schools that the foundations are laid for building society, as well as individual development. Pupils are given the resources they need to meet life and work head on, thus assuring future skills supply and Sweden's position as a competitive country of knowledge. Academic performance in Swedish schools has weakened over a long period of time, although the negative trend was reversed in the latest PISA assessment. But inequality is rising in the schools. Knowledge outcomes are still unsatisfactory. To sustain progress in knowledge, we must eliminate inequality in the school system. The Government's objective is knowledge-based education in equal schools for all. To achieve this goal, resources must be allocated according to need to a greater extent, support interventions must be established earlier and we must further enhance the attractiveness of the teaching profession. The additional allocation of SEK 10 billion to welfare is supporting local authorities, along with the Government's investments in smaller classrooms, more staff in the early years of compulsory school, a reading-writing-arithmetic guarantee, reinforced special needs education, leadership in the classroom, teacher training and teacher pay. The Government is investing a total of SEK 11 billion in the schools in 2017.

A leading role in the climate transition

Climate change is one of the most important challenges humanity is facing and the defining issue of our time. Global capacity to transition to sustainable solutions is crucial to future economic development. The Paris Agreement must be implemented. The Government has presented a new climate policy framework to guide the climate efforts of this and future governments. All policy areas must contribute to a just and sustainable world. The instrumental effect of environmental taxes must increase and encourage more climate-smart transport and energy sources in order to attain set targets in a cost-effective way. The environment and the climate still need to be integrated in policy areas where the driving forces and the solutions to environmental problems are found.

Sweden must be safe

Sweden shall be a country where everyone can feel safe and secure. Society must therefore stand up to criminality through fighting crime, preventing crime and prosecuting individuals who commit crimes. Police resources will be further reinforced. Organised crime must be fought. At the same time, segregation and economic gaps must be counteracted by getting more people into work, carrying out initiatives for equal schools, building away the housing shortage and investing in safe neighbourhoods.

Building our society must increase equality and cohesion

Although Sweden is still a relatively equal country by international comparison, the wealth gap has been widening for a long time. Growing inequality tends to impair cohesion and social trust among citizens, which can lead to increased social problems and undermine trust in public institutions. Redistribution of resources is therefore important. A central objective of the economic policy is that the growing prosperity of Sweden must

benefit everyone. This is a prerequisite for citizens to feel continued trust that society is working. The income distribution trend is expected to reverse in 2016 and 2017 to instead show narrower income distribution compared to the year before. This is due to lower unemployment and a more distributive policy. The measures taken by the Government, including lower taxes for pensioners, higher sickness and activity compensation, a higher ceiling in unemployment insurance and a higher basic level of parental benefit, have contributed to this development.

2. Macroeconomic situation and scenario

On the heels of somewhat subdued economic development elsewhere in the world in 2016, outlooks are beginning to brighten in several areas. Rising demand and stronger business and consumer confidence suggest higher world economic growth in 2017. However, considerable uncertainty remains about developments abroad.

The Swedish economy grew rapidly in 2015 and 2016, based among else on favourable development of investments in housing, strong public consumption with more employees in the welfare sector and good household consumption and exports. For the past two years, Sweden has had one of the highest growth rates in Europe and this is expected to remain high in 2017. In addition to strong domestic demand, stronger international economic activity is also expected to drive high growth, which will need to be distributed in a sustainable manner. The Government estimates that resource utilisation in the economy will be somewhat strained in 2017, and subsequently approach balance. The period of 2018–2020 will be characterised by normal growth.

Economic policy is governed by the Government's objective of having the lowest unemployment in the EU by 2020. Employment has risen by 150 000 people since the Government took office. The employment rate for people aged 20–64 is the highest ever measured in the EU. Youth unemployment is at its lowest level in 13 years. Combined with the Government's reforms, the strong demand in the economy is expected to help sustain the favourable employment trend and reduce unemployment to 6.4 per cent in 2018. The Government nevertheless takes the view that unemployment is far too high and will be presenting further ongoing reforms to help more people into work and to lower unemployment. According to the latest calculations, the public finances will show a surplus from 2015 and subsequently. There will be a slight downturn in net lending in 2017 compared to 2016, however, mainly due to factors that temporarily constrain development of the public finances. The Government has estimated that the previously existing deviation from the surplus target has been eliminated. Both net lending and the structural balance are estimated as in line with the surplus target from 2016 and forward.

Inflation has shown a rising trend since mid-2015, underpinned by an expansionary monetary policy. Inflation is expected to be close to the target of 2 per cent in the years ahead.

Sweden is a small, open economy with a large export sector. Our economic growth is highly dependent upon global developments. The recent upturn in growth abroad is relatively widespread and indicates rising activity in several countries and several segments of the economy. Growth is rising in the euro area in 2017. The US economy is estimated to be close to full resource utilisation and tightening of the monetary policy has begun.

Considerable uncertainty persists, however. The outcome of coming negotiations on the United Kingdom's exit from the European Union is highly uncertain. The effects on the world economy of the new US administration's policies are also uncertain. Among else, the new administration is signalling deregulation of the financial services sector, which would entail higher risks. Greater protectionism could moreover constrain development in world trade and thus growth. In addition, parts of the European banking sector are being affected by weak profitability and a large proportion of doubtful loans. The risk of a sharp slowdown in the Chinese economy persists.

Table 1 Macroeconomic key indicators*Percentage change unless otherwise indicated. Outcome 2016, forecast 2017-2020.*

	2016	2017	2018	2019	2020
GDP ^{1, 2}	3.0	2.9	2.2	2.0	2.2
Output gap ³	-0.1	0.5	0.4	0.1	0.0
Labour market gap ⁴	-0.7	0.0	0.1	0.1	0.0
Number employed ⁵	1.5	1.8	1.0	0.7	0.7
Employment rate ⁵	67.1	67.6	67.7	67.8	67.9
Hours worked ²	1.7	1.5	0.9	0.7	0.7
Productivity ^{2, 6}	1.0	1.4	1.3	1.3	1.5
Unemployment rate ⁷	6.9	6.6	6.4	6.3	6.2
Hourly wage ⁸	2.5	2.9	3.2	3.4	3.4
CPI ⁹	1.0	1.5	1.6	2.2	2.7
CPIF ⁹	1.4	1.7	1.7	1.9	2.0
Income distribution ¹⁰	0.266	0.267			

¹ Real GDP.² Calendar adjusted.³ The difference between actual and potential GDP as a percentage of potential GDP. Potential GDP cannot be observed and is estimated.⁴ The difference between actual and potential hours worked as a percentage of potential hours worked. Potential hours worked cannot be observed and is estimated.⁵ Aged 15-74.⁶ Value added to base price per hour worked.⁷ As a percentage of the labour force aged 15-74.⁸ Measured according to the short-term wage statistics.⁹ Annual average.¹⁰ Gini coefficient of equalised disposable income excluding capital gains. Projection from outcome 2015. The Gini coefficient can have a value between 0 and 1. A coefficient of 0 expresses maximal economic equality (where everyone has the same income). A coefficient of 1 expresses maximal inequality (only one person has all the income). Note: The forecast and projection are based on policy adopted thus far.

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

3. Initiatives and measures in response to main economic challenges

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

The Commission's proposed country-specific recommendations published on 18 May 2016 state in summary that Sweden can be expected to comply with Stability and Growth Pact rules. The Commission points out a number of challenges that Sweden still needs to address. One of these challenges is high and increasing household indebtedness, which is assessed as a risk to macroeconomic stability. A related challenge is the Swedish housing market, which, according to the Commission, demonstrates structural inefficiencies and remains a potential source of macroeconomic instability. In the formal Council Decision of 12 July 2016, the Council recommends that Sweden take action in 2016 and 2017 to:

Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes. Ensure that the macro-prudential authority has the legal mandate to implement measures to safeguard financial stability in a timely manner. Foster investment in housing and improve the efficiency of the housing market, including by introducing more flexibility in setting rental prices and by revising the design of the capital gains tax to facilitate more housing transactions.²

Within the framework of the European Semester, the Commission published a country report for Sweden on 22 February 2017.³ The country report assesses Sweden's economy in the light of the Commission's Annual Growth Survey published on 18 November 2016, which recommends priorities for the economic and employment policy for the next 12 months.⁴ The country report focuses on issues including household indebtedness, the housing market and the labour market situation for foreign-born people and people with limited education as key challenges for the Swedish economy. This section addresses household indebtedness and the housing market. The other challenges are addressed in subsequent sections.

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

² Council Recommendation of 12 July 2016 on the 2016 National Reform Programme of Sweden and delivering a Council opinion in the 2016 Convergence Programme of Sweden. (2016/C 299/13)

³ Country Report Sweden 2017 Including an In-Depth Review on the prevention and correction of macroeconomic imbalances. (SWD(2017) 92 final)

⁴ Annual Growth Survey 2017. (COM(2016) 725 final)

and important aspect of the European Semester and thus economic policy coordination at the EU level.

3.1 Private debt

Summary - examples of planned and undertaken measures

- In accordance with a broad political agreement, the Ministry of Finance has referred for consultation a proposal for legislative amendments aimed at extending Finansinspektionen's mandate to take macroprudential policy measures. It is proposed that the legislative amendments should come into force on 1 February 2018.
- Aimed at increasing mobility in the housing and labour markets, the rules on deferred capital gains upon sale of a private home were changed for sales from 21 June 2016 and thereafter.
- An amortisation requirement has been instituted for new mortgage loans. The relevant regulations came into force 1 June 2016.
- Finansinspektionen decided in 2015 and 2016 to increase the countercyclical capital buffer.
- The Basel III accord was implemented in Sweden in 2014. The implications include that a larger share of the banks' capital must be of higher quality. Capital buffer requirements have also been introduced, entailing higher capital adequacy requirements for Swedish institutions.
- The risk weight floor of 15 per cent for Swedish mortgages that was introduced by Finansinspektionen in 2013 was raised to 25 per cent in 2014.
- A mortgage loan-to-value limit was instituted in 2010, by which new loans must not exceed 85 per cent of the market value of the property.

The Government's view of the recommendation

The Government shares the assessment that increasing household indebtedness poses a risk to macroeconomic stability. A sharp rise in household debt has often tended to precede deeper and more persistent economic downturns. House prices and household debt have risen at a relatively fast rate in Sweden since the mid-1990s. Prices also increased in many other OECD countries in the 1990s and early 2000s, but unlike development in these countries, there were no significant price corrections in Sweden in connection with the financial crisis of 2008 and 2009. Lending to households has rapidly increased in recent years and the annual growth rate was 7.2 per cent in February 2017. Loans secured by residential property are the primary growth drivers. House prices have also risen sharply in recent years, especially for tenant-owned apartments.

A large part of the increase in house prices and household indebtedness since the mid-1990s can be explained by structural and macroeconomic factors. Increasing numbers of households own their homes. The supply of housing, especially in large cities, has grown more slowly than the population and housing-related taxes have been lowered, especially in connection with the introduction of a municipal property charge in 2008. In parallel, household incomes have increased at a healthy rate and the real interest rate has dropped. Rapidly rising house prices exacerbate the risk of a price downturn. A sharp downturn in house prices can have substantial impact on household wealth. When real household

wealth declines, there is risk that households will also reduce consumption, which in turn poses a risk to macroeconomic stability.

In its annual mortgage survey in 2017, Finansinspektionen determined that households have good financial margins for handling both interest increases and loss of income. This reduces the risk that banks and other credit institutions will sustain credit losses on household mortgages.

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

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

Initiatives and measures

Several measures have been taken to strengthen the resilience of the financial system. To ensure that banks maintain enough capital to cover the risks in the Swedish mortgage portfolio, Finansinspektionen (the Swedish FSA) introduced a risk weight floor of 15 per cent for Swedish mortgages in May 2013. Finansinspektionen then raised the risk weight floor to 25 per cent in September 2014. Higher risk weights mean that the banks, given existing lending, need to finance themselves with more capital. The measure is estimated to increase the cost of banks' financing to some extent. The Basel III accord was implemented in the EU in 2014 when the Capital Requirements Regulation (CRR) went into force, and the Fourth Capital Requirements Directive (CRD IV) was transposed into Swedish law. The new regulatory framework means that a greater proportion of capital requirements must be filled by higher-quality capital; that is, capital with better loss-absorbing capacity. Through the new regulatory framework, capital buffer requirements have also been introduced, which have entailed higher capital adequacy requirements for Swedish institutions, particularly systemically important institutions. In June 2015, Finansinspektionen proposed raising the countercyclical capital buffer from 1.0 per cent to 1.5 per cent starting in June 2016. In March 2016, Finansinspektionen subsequently proposed further raising the countercyclical capital buffer to 2.0 per cent. The latest increase in the countercyclical capital buffer took effect in March 2017.

The Government believes it is crucial to take carefully considered measures to check the rate of growth in household indebtedness, so that the measures do not trigger a rapid and uncontrolled downturn in house prices with serious adverse impact on economic growth and employment. In autumn 2010, Finansinspektionen adopted general guidelines for mortgages secured with the home as collateral. The mortgage loan-to-value ceiling meant that new loans should not exceed 85 per cent of the market value of the property. Finansinspektionen's annual mortgage survey has shown that the proportion of new mortgages with LTV above 85 per cent has declined sharply since 2010.

Increased amortisations will reduce household debt over the long term, which improves households' resilience to disruptions. The proposed legislation on the amortisation requirement, which gives Finansinspektionen a mandate to issue regulations concerning amortisation requirements for new mortgage loans, entered into force 1 May 2016. Thereafter, Finansinspektionen, following the Government's approval, decided regulations on the amortisation requirement, which entered into force 1 June 2016.

Furthermore, in October 2016 the Government, the centre-right parties and the Left Party reached a broad political agreement to extend Finansinspektionen's mandate to take macroprudential policy measures. The Ministry of Finance then referred a memorandum, *Further Tools for Macroprudential Policy*, for consultation. The memorandum is based on the political agreement and the main proposal is that Finansinspektionen should be given a stronger basis in law for, upon Government approval, taking measures to counteract financial imbalances in the credit market. It is proposed that the legislative amendments should come into force 1 February 2018.

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

3.2 The housing market

Summary - examples of planned and undertaken measures

- The Government has referred a proposal on measures to streamline the Planning and Building Act to the Council on Legislation.
- The Government has proposed amended, more effective rules on temporary building permission for portable buildings for housing purposes.
- A coordinator has been appointed and instructed to facilitate large, integrated developments to create the prerequisites for new, sustainable cities.
- A committee has been appointed, whose purpose is to conduct a thorough review of certain parts of the Planning and Building Act, the Planning and Building Ordinance and building rules and regulations issued by the National Board of Building, Planning and Housing (Boverket).
- A special inquiry has been instructed to propose how assessments of the housing construction requirement should be allocated among local authorities and to propose amendments to the Housing Supply Act and the Planning and Building Act to clarify that municipal housing construction requirements should be reflected in the comprehensive plan.
- A special inquiry has been instructed to propose improvements to comprehensive planning.
- The system of credit guarantees for housing construction is being evaluated and the need for other central government mechanisms aimed at improving financing conditions is being reviewed.
- A review of certain matters pertaining to rents is ongoing, including the model for setting rents in connection with new production of rental housing.

The Government's view of the recommendation

The Government agrees that there are substantial challenges in the Swedish housing market. Further reforms are required to increase the housing supply by means including creating favourable conditions for a higher rate of new construction and promoting greater mobility in the housing market. The rent-setting system is designed to strike a balance between the right to security of tenancy and reasonable rents for both tenants and property owners. It has been judged that a transition to more market-based rents would not increase the supply of housing within the reach of economically disadvantaged households.

Initiatives and measures

Institutional conditions significant to housing construction

Ongoing reform efforts

The National Negotiation on Housing and Infrastructure (NNHI) is drafting proposals to enable rapid implementation of high-speed rail projects between Stockholm and Gothenburg and between Stockholm and Malmö. The remit includes increasing public transport, improving accessibility and increasing housing construction in the three metropolitan regions of Stockholm, Gothenburg and Skåne (including Malmö). These three regions are growing rapidly and the long-term continuation of this trend will

require infrastructure that provides high accessibility and more housing. This makes it possible for people to move to and within the regions, which facilitates and promotes labour market matching. This is also a starting point for the direction of investments in transport infrastructure for the period of 2018–2029 that the Government presented in October in ‘Infrastructure for the future – innovative solutions for strengthened competitiveness and sustainable development’ (Govt Bill 2016/17:21). In this bill, the Government emphasises the connection between infrastructure and housing construction and the need to make it possible for more people to reach new job markets and, in so doing, to make land available for more cost-effective housing developments.

The Government has taken several measures to streamline the Planning and Building Act. In February 2017 a proposal was presented to the Council on Legislation in which several amendments to the Planning and Building Act are proposed, aimed at making the planning process more efficient through, for example, making it possible to determine, early in the planning process, whether there is reason for central government intervention in planning. Other proposals are to institute a deadline of two months for county administrative boards to decide to reverse municipal decisions to adopt, amend or rescind a detailed development plan or area regulations, upon reconsideration; to make it possible for more plans to be adopted by municipal executive boards or building committees; and to amend the criteria for building permission due to measures exempt from building permission. The proposal calls for these changes to enter into force 1 July 2017.

Temporary building permissions for housing are instituted through a special regulation in the Planning and Building Act on temporary building permissions for portable building for housing purposes (Govt Bill 2016/17:137). This makes it possible to use temporary housing to augment permanent construction when the housing need cannot be fully met through ordinary planning and building processes. Opportunities for more efficient land use, for example in connection with ongoing planning and building processes, will increase. Temporary building permissions may, according to the proposal, be issued for a total of no more than 15 years. It is proposed that the amendment should come into force 1 May 2017 and cease to apply 1 May 2023.

Ongoing processes

The Commission of Inquiry on Matters of National Interest has reviewed whether the current ‘national interests’ correspond to present and future needs (SOU 2015:99). The report has been referred for consultation and the matter is currently being prepared by the Government Offices. The inquiry’s proposals pertaining to certain matters of appeal relating to the Planning and Building Act have been referred for consultation. Consultation responses must be received by the Ministry of Enterprise and Innovation no later than 25 April 2017.

A central government coordinator has been instructed to identify municipalities that have completed plans for large-scale housing construction that cannot be implemented for some reason, as well as areas that are not included in existing plans and where there is long-term potential for building entirely new cities. The coordinator is to present one or more appropriate housing developments that the central government can help realise over the long and short terms by 30 June 2017.

The Government has carried out a review of the legal prerequisites for the reconversion to housing of premises currently used for other purposes. A new provision in the

Building and Planning Act is proposed in a memorandum, by which residential design and characteristics requirements will be set for housing created through changed use of space in multi-family dwellings based on the design and characteristics of existing residential units in the building. Thus, the rules applicable to new construction will not be applied when these matters are considered by the building committee. The memorandum has been referred for consultation and is currently being prepared by the Government Offices.

Opportunities to increase competition in the building sector have been studied. The Construction Market Competition Inquiry's report (SOU 2015:105) was submitted to the Government in December 2015 and has since been referred for consultation. The Inquiry's proposals are currently being prepared by the Government Offices.

Inquiries and directives

The Government has directed a committee to carry out a systematic and thorough review of Chapters 8 and 10 of the Planning and Building Act, Chapters 3–5 and 7 of the Planning and Building Ordinance, Boverket's regulations on application of European construction standards and the standards to which these refer. The scope, suitability and effectiveness of the regulations will also be examined. Reports will be presented in December 2017, November 2018 and December 2019.

Municipal housing planning must be improved. A special inquiry will be proposing how assessments of the housing construction requirement should be allocated among local authorities, as well as amendments to the Housing Supply Act and the Planning and Building Act to clarify that municipal housing construction requirements should be reflected in comprehensive plans (Dir. 2017:12). A special negotiator will be working to promote housing construction on state-owned properties (Dir. 2017:7).

Comprehensive planning will be improved. A special inquiry will study and submit proposals for how comprehensive planning can be improved to facilitate subsequent planning, etc., and how the dialogue between the central government and municipalities on physical planning could be managed to a greater extent within the framework of comprehensive planning (Dir. 2017:6). Reports will be submitted in June 2017, March 2018 and November 2018.

The system of credit guarantees for housing construction will be assessed with a view to improving financing conditions for new construction and rebuilding of housing (Dir. 2017:1). An inquiry will, as needed, propose how these might be developed to create improved financing conditions for new housing construction and rebuilds. The inquiry will also review the need for other central government mechanisms aimed at improving financing conditions. The report is due 1 November 2017.

The Government has also issued several directives to Boverket:

- Study conditions for the developer or real property owner, in accordance with Chapter 6, section 40 of the Planning and Building Act (2010:900) (PBA), to take measures for the construction of streets, roads and other public spaces, etc., without preceding negotiation in cases where the facilities will be handed over to the municipality upon completion. (Report due 31 October 2017.)

- Study the need to regulate the standard applicable to the technical presentation of detailed development plans with a view to simplifying digital exchange of information concerning detailed development plans. (Report due 31 August 2017.)
- Carry out skills initiatives during the period of 2017-2020 to foster more uniform and effective application of PBA. (To be reported annually.)
- Evaluate application of the provisions of PBA by municipal building committees, including the review of deadlines for consideration of certain matters by building committees. (Report due 18 April 2017.)
- Present proposals that foster uniformity in the characteristics of standardised houses.
- Present proposals by which building works that are similarly designed in all material respects are assessed in the same way upon application of certain requirements set forth in PBA. (Report due 30 June 2017.)

Institutional conditions significant to the rental housing market

Inquiries and directives

A committee of inquiry has reviewed how the status of tenants can be strengthened so that rental housing will be an attractive and secure form of housing in the future (Dir. 2015:83). A report was submitted to the Government 25 April 2017.

A committee of inquiry is reviewing the model for rent-setting in connection with new production of rental housing units (Dir. 2016:100), aimed at creating better conditions for building such units in the parts of the country where there are housing shortages. The directive calls for analysis of how opportunities to contractually agree presumptive rents would affect new production and for a position on how the presumptive rent model could be developed to promote the construction of rental housing. The inquiry has been instructed to present proposals for improving the effectiveness of the model. The report is due 31 July 2017.

Boverket has been directed to evaluate application of the Municipal Housing Companies Act (2010:879) and the amendments to Chapter 12 of the Land Code (the Tenancy Act) and the Rent Negotiation Act (1978:304) that went into force 1 January 2011. Boverket has been instructed to draw attention to any problems arising from shortcomings in the legislation or in application of the law and to propose measures as needed. The report is due 30 November 2017.

Boverket has been directed to study the option for real property owners to apply partial rental agreements; that is, rental agreements that provide security of tenancy for part of a home, for both newly produced and existing housing. The report is due 30 June 2017.

A special inquiry has been directed to propose measures to counteract illegal trade in rental housing and contribute to increasing the number of rental apartments offered to prospective tenants on acceptable terms (Dir. 2017:9). The report is due by 2 November 2017.

The Swedish Agency for Public Management has been directed to study the possibilities of increasing rentals of private homes or part of a home. The remit includes examining what is needed to create the conditions for more effective letting procedures and whether there are structural barriers that make it more difficult for people to rent private homes or

part of a home. The Agency for Public Management will also study whether there is a need to improve incentives to, for example, carry out conversions and additions to create a rental space in a private home. The report is due 30 June 2017.

4. Progress towards the targets of the Europe 2020 strategy

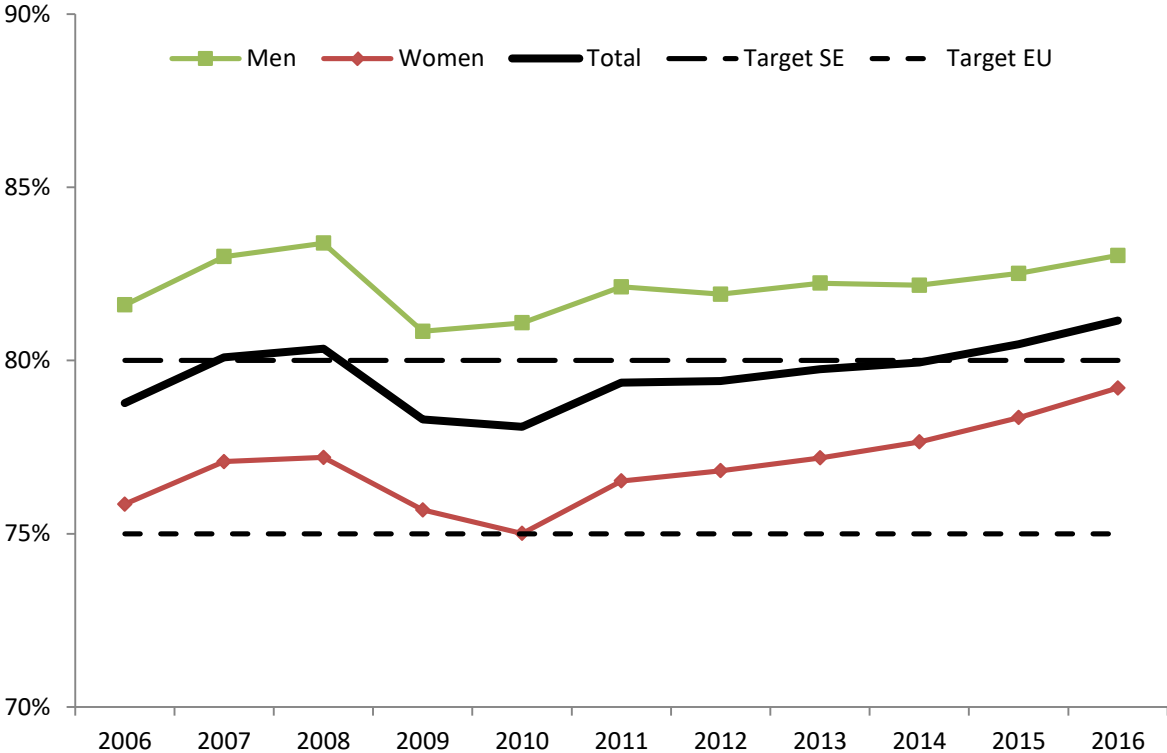
The Member States have set up national targets in the same areas as the overall Europe 2020 targets taking into account their relative baselines and national circumstances and in accordance with their national decision-making processes.

4.1 Employment target

Sweden's national targets
To try to increase the employment rate to well over 80 per cent for women and men aged 20–64 by 2020. The increase is mainly to be achieved among groups with a weak foothold in in the labour market, such as young people and people born outside Sweden, by counteracting long periods without work. The difference in employment rates between women and men must be reduced by increasing the employment rate of women.

Current situation

Figure 1. Employment rate development for women and men aged 20–64 in Sweden, 2006–2016, compared with the Europe 2020 target for Sweden (well over 80%) and the entire EU (75%).



Source: Statistics Sweden.

Sweden has by and large had the highest employment rate in the EU for the past decade. The employment rate for people aged 20–64 has increased by 2.4 percentage points since 2006 (3.4 percentage points for women and 1.4 percentage points for men). The total

employment rate was 81 per cent in 2016 (79 per cent for women and 83 per cent for men). In 2015, the employment rate was about 10 percentage points higher than the EU28 average, according to Eurostat.

The trend in Sweden has been especially strong among older workers (aged 55–64), where the employment rate has risen 5.8 percentage points, reaching 76 per cent in 2016. Although youth and foreign-born people in particular were negatively affected by the financial crisis, the employment trend has since been positive. Overall, the employment rate rose by 2.8 percentage points to 62 per cent for youth (aged 20–24) and by 3.7 percentage points to 68 per cent for people born abroad (aged 20–64).

The Government has also introduced an unemployment target according to which Sweden shall have the lowest unemployment in the EU by 2020. The target will be attained by increasing the number of women and men in work and the number of hours worked in the economy.

Initiatives and measures

Labour market matching must be improved

There are large labour shortages in several parts of the Swedish labour market. The supply of workers with the right training is critical to Swedish growth, jobs and welfare. The large investments in the Knowledge Boost and the focus on matching are important to Sweden. The Government is proceeding with initiatives aimed at improving matching and reinforcing skills supply. The Government's actions to address future challenges in skills supply include dialogue with the social partners and industries on how measures within education and labour market policy can be further developed.

Unemployment must continue to fall.

Although Sweden has the lowest share of long-term unemployed people in the EU, long-term unemployment remains a challenge. Unemployed people for whom it is difficult to meet requirements in the labour market are at risk of remaining in unemployment. This applies primarily to people who have not finished upper secondary school, who were born outside Europe, who have a disability that impairs their capacity to work, or who are older. Ongoing labour market policy reform and reinforcement of education and training initiatives are intended to make it possible to offer unemployed people active labour market policy measures or education and training, based on their individual needs, in order to improve their potential to find a job or begin to study.

To make it easier for people with limited education and profound educational needs to study at the compulsory school or upper secondary level and thereby strengthen their opportunities to become established in the labour market, the Government has submitted a proposal to introduce a new recruitment financial aid for studies: 'The Start Studying Support'. As proposed, this will enter into force at mid-year 2017. The Government has taken several measures that cover newly arrived migrants to Sweden, but more needs to be done so that newly arrived migrants will be able to study. The introduction of the Start Studying Support will help increase financial incentives to study for newly arrived migrants with limited education.

Subsidised jobs are one of several important labour market policy instruments. The Government reformed the 'New Start Jobs' scheme on 1 February 2017 to make the

support scheme more accurate and effective. The changes include increasing subsidy levels in relation to the duration of absence from the labour market. The rules for 'Extra Jobs' were also enhanced as of 1 December 2016, including with regard to newly arrived migrants. The Government has also commissioned several central government agencies to offer 'Modern Public Sector Jobs' to long-term unemployed people and newly arrived migrants. An oversight committee has been appointed to revise the current system for subsidised employment. The committee has been asked to submit proposals for how the forms of support can be simplified and their structure clarified. A report will be presented by 31 August 2017.

The Government is also reviewing subsidised employment for people with disabilities that impair their capacity to work. This is intended to clarify the legal framework with a distinct focus on the opportunities of all individuals to further develop their work capacity. The cap on wage subsidies was raised in February 2017. There has also been an initiative involving Development Employment with Samhall AB. The Government has furthermore commissioned government agencies to make work experience placements available to the Public Employment Service.

Faster integration of newly arrived migrants

The Government's integration measures for newly arrived migrants are aimed at giving newly arrived migrants and their family members the conditions they need to establish themselves in society and working life. Work is the key to the integration of newly arrived migrants in Swedish society. Labour market establishment must therefore become more effective for newly arrived women and men, both those who have skills in demand in the labour market and those who lack basic education.

Therefore, the Government is making continuous efforts to improve opportunities for newly arrived women and men to become established in the labour market. For instance, the Government intends to introduce a new legal framework for the Public Employment Service's Introduction Programme from 2018, aimed at enhancing its efficiency and flexibility. In particular, a substantial increase in transitions from the Introduction Programme to regular training/education is required. A large share of participants needs regular training/education initiatives over several years to become established in the Swedish labour market. Others need supplementary training/education in order to secure a job.

Achieving faster establishment in the labour market and society in general for recently arrived migrants requires, among else, cooperation among relevant government agencies and other actors. The Youth Employment Delegation (Dua) has experience working with local agreements between the Public Employment Service and local authorities as a tool for cooperation aimed at reducing youth unemployment. The Government has therefore decided to expand Dua's remit to promote cooperation between various stakeholders that are important for the integration of newly arrived migrants in working life. In relation to this, Dua has changed its name to Delegation for the Employment of Young People and Newly Arrived Migrants.

The establishment period tends to be particularly protracted for women, and especially women with short education. Also, women participate in labour market policy measures to a lower extent than men while they are in the Introduction Programme. In the light of this, the Government has, among else, proposed changes to parental insurance that

particularly concern parents who come to Sweden with their children. As commissioned by the Government, the Public Employment Service has also drafted an action plan aimed at reducing unemployment among foreign-born women.

In order to facilitate and hasten future establishment in the labour market and society for people granted residence permits, it is also important to take advantage of and use the time during which the individual is in the asylum process in a meaningful way. The need for early measures for asylum seekers and people who have been granted residence permits but are living in accommodation centres for asylum seekers has increased, in part due to the sharp increase in the number of asylum seekers and longer processing-times at the Migration Agency. The Government has therefore allocated additional funding for early measures aimed at giving asylum seekers and others Swedish language skills, understanding of Swedish society and other actions to promote integration.

A work environment strategy for modern working life

The goals of the working life policy are good working conditions and opportunities for professional development for both women and men. The Government has implemented several measures to enhance work environment efforts and prevent exclusion from working life. Among else, the Government has drafted a work environment strategy⁵ in consultation with the social partners.

The Government is also reviewing whether current statutes concerning responsibility for the work environment are fit for purpose, as well as the rights of access and authority of regional health and safety representatives.⁶ The Government also intends to establish a national centre of work environment expertise to collect and disseminate knowledge and research results and for evaluation of work environment policy.⁷ The Government has also allocated earmarked funds to promote skills supply in occupational healthcare and to finance research on matters including the work environment in female-dominated sectors and women's work-related illness.

⁵ Government Communication 2015/16:80 *A work environment strategy for modern working life, 2016–2020*.

⁶ Work environment regulations for modern working life, Dir. 2016:1

⁷ National centre for work environment expertise and evaluation, Dir. 2016:2

4.2 Education target

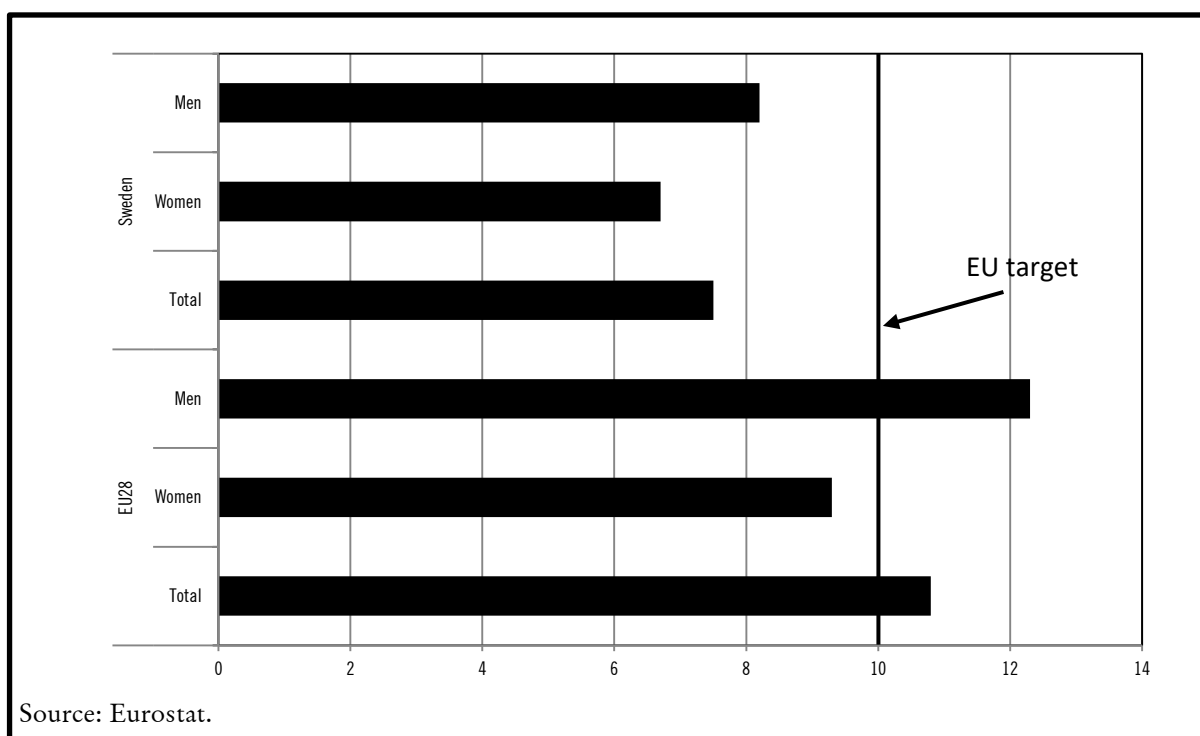
Sweden's national targets

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

Current situation

The share of people aged 18–24 who have not completed two years of upper secondary education and who are not in education increased slightly to 7.5 per cent in 2016 (8.2 per cent for men and 6.7 per cent for women), which is better than the EU target, but falls short of Sweden's national target of 7 per cent.

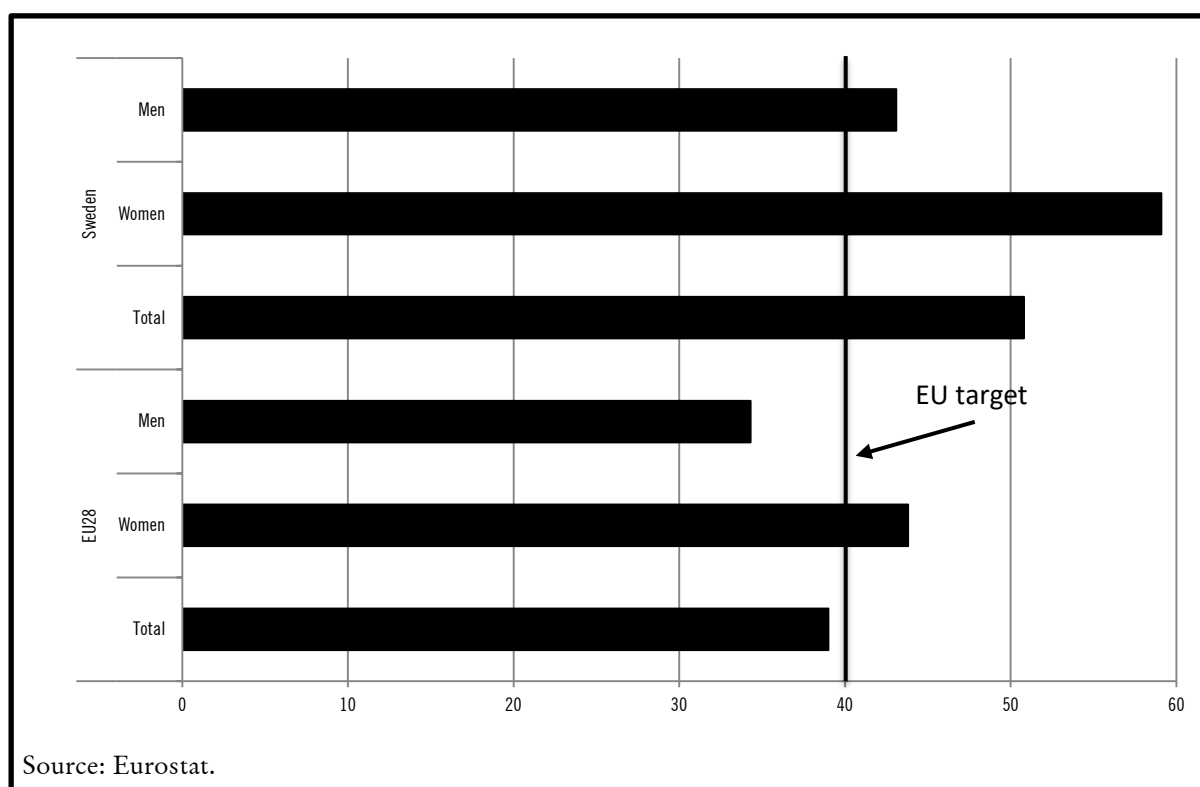
Figure 2. Share of Swedish youth aged 18–24 who have not completed two years of upper secondary education and who are not in education (2016)



The share of people aged 30–34 with at least two years of tertiary education in 2016 was 50.8 per cent (43.1 per cent for men and 50.1 per cent for women), which is above the EU target and Sweden's national target. The share of the population with tertiary education has increased steadily over the past ten years, but the rate of increase declined in the past

year. Tertiary education includes university education, advanced vocational training⁸ and higher vocational education.⁹

Figure 3. Percentage of women and men aged 30–34 with at least two years tertiary education (2016)



Initiatives and measures

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

The Government has maintained focus on increasing the level of knowledge, improving the quality of teaching and increasing equality in Swedish schools. Fundamental starting points will be high-level school performance, equal schooling and an attractive teaching profession. In order to reverse the trend of declining academic performance, school reforms are necessary with four main orientations: early intervention, a more attractive teaching profession, knowledge-based education in equal schools where teachers have time for every student, and that all students should be equipped to begin and complete upper secondary education. To make it possible for all students to complete upper secondary school, it is critically important to identify students at risk of not attaining

⁸ A tertiary vocational education programme that ended 31 December 2013. The programme has been replaced by the programmes included in higher vocational education.

⁹ Source: Eurostat, Labour Force Survey, preliminary data.

educational targets at an early stage so that relevant supportive services can be initiated when necessary.

The Government has implemented major education initiatives to ensure access to special education needs support, especially in the preschool class for six-year-olds and the early years of compulsory school. Moreover, an initiative has been carried out to further develop general special education skills among teachers. These initiatives contribute to delivering the reading-writing-arithmetic guarantee, which the Government has begun implementing in 2017. The Government has also introduced a central government grant of SEK 2.3 billion aimed at increasing staff numbers so that teachers in preschool classes for six-year-olds and the early years of compulsory school can devote more time to each pupil. Parts of the central government grant are earmarked to support schools with especially high needs and to foster equality in Swedish schools. Accordingly, certain principal organisers of schools that have received a large share of recently arrived pupils, or where special initiatives are required to raise the quality of education and pupils' academic outcomes, are receiving a share of a special fund totalling SEK 329 million. Starting in 2016, the initiative also covers after-school centres, which will receive about SEK 500 million for additional staff.

The Government is implementing further initiatives aimed at pupils' earliest years in school with special focus on the fundamental skills of reading, writing and arithmetic. Knowledge requirements in reading comprehension and compulsory assessment support in reading and writing development and arithmetic in year 1 were introduced in autumn 2016. The compulsory assessment support provides greater opportunity to institute early intervention and support for pupils otherwise at risk of not reaching knowledge requirements in year 3 and helps identify pupils who need extra challenges to attain their full potential. The Government is also implementing targeted measures for schools with poor study outcomes and tough conditions. The National Agency for Education has, for example, been given a mandate called 'Cooperation for the Best School System', by which the central government is cooperating with and supporting principal organisers of underperforming schools where conditions are particularly difficult. Assessment of which schools should be given priority and which areas of potential improvement are relevant is being made based on data from the Swedish Schools Inspectorate. Possible initiatives are thereafter identified in cooperation with the principal organisers of schools concerned. The initiative covers preschool, compulsory school, upper secondary school and equivalent school forms.

The Government will also continue to implement various measures to improve teaching and study outcomes for recently arrived pupils. The National Agency for Education has a comprehensive mandate to carry out systematic initiatives aimed at improving the capacity of principal organisers of schools to offer recently arrived students education of high and equivalent quality in the short and long terms. As of 2017, the target group for these initiatives was expanded to include upper secondary school as a whole as well as Upper secondary school for students with learning disabilities.

The committee of inquiry on upper secondary school appointed by the Government in March 2015 presented numerous proposals in autumn 2016, most of which include measures aimed at ensuring that all young people begin and complete upper secondary school. The inquiry has mainly presented general proposals to benefit all students. Some

proposals, however, refer to special education for recently arrived students or can be expected to benefit these students to a particularly high extent. The proposal is currently being prepared by the Government Offices. Aimed at rapidly reversing the trend and improving academic performance in struggling schools, the Government is proposing in the Spring Adjustment Budget Bill for 2017 allocation of SEK 500 million to compulsory schools with a low share of pupils who attain eligibility for a national programme in upper secondary school. An additional SEK 150 million is allocated to reinforcing the upper secondary school introduction programme.

In November 2015, the Government adopted the 'Paths Ahead Strategy – A strategy for young people who are not in, employment, education or training'. The strategy provides an overview of measures the Government has taken or intends to take during the period of 2015–2018 to improve the prospects of these young people to become established in working life and the community.

On 1 December 2015, the Government appointed a national coordinator for youth who are not in education, employment or training. The coordinator's remit is to promote better cooperation among government agencies, municipalities, county councils and organisations at the national, regional and local levels concerning initiatives for NEETs. The coordinator will work closely with Delegation for the Employment of Young People and Newly Arrived Migrants (Dua). See also section 4.1.

The Government is stepping up investments in a persistent Knowledge Boost with more permanent student places in adult education. The aims of the initiative include reaching people who lack upper secondary school education. The Government is, among else, further developing forms of regionalised vocational education with the investment in regional vocational education that the Government proposed in the Spring Budget Bill for 2017 (*regionalt yrkesvux*). The central idea of regional adult education is that it should contribute to meeting the needs of regional labour markets to a higher extent. Through joint efforts among local authorities, regional adult education reinforces regional collaboration in planning and delivering the educational programmes.

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

The Knowledge Boost is intended to give people the chance to educate themselves so that they can secure a job, retrain for a new occupation, gain eligibility for admission to higher education, acquire advanced education to improve their career opportunities and to enlighten and empower themselves for fuller participation in society or for personal development. With this initiative, the Government continues to increase its investments in a persistent Knowledge Boost with permanent student places in higher education institutions, vocational higher education, liberal adult education (*folkhögskola*), adult vocational education and apprenticeship education for adults (*lärlingsvux*).

Effective 2017, the Government has instituted a right to municipal adult education (*komvux*) courses that confer eligibility for admission to other studies. The decision gives adults the right to study within municipal adult education to attain general and specific entry requirements and prerequisite knowledge requirements for higher education and higher vocational education. Widening the path to higher vocational education is one of the many initiatives the Government is taking to promote matching and strengthen skills supply in the labour market. Aimed at giving more people the opportunity to apply to

higher vocational education, an option to offer preparatory courses that confer eligibility for admission has been introduced within higher vocational education.

The fundamental idea behind higher vocational education is to ensure that tertiary education that meets labour market needs is provided. The Government is continuing the expansion of higher vocational education. As of 2017, the Government estimates the initiative will amount to SEK 360 million annually, corresponding to 6 000 new student places per year.

To make it possible for more people to pursue university education, the Government began a phased expansion in 2015 that is estimated to provide additional resources to higher education corresponding to about 14 600 full-time students by 2019. Further quality improvements, such as more teacher-led instruction, can contribute to improving opportunities for more people to successfully complete their education. The Government has allocated SEK 250 million for increased funding in 2016 and 2017 for the humanities, social sciences, law and theology, as well as education and placement studies. The Government expects to allocate the equivalent sum for 2018.

Sweden needs to put the skills of all individuals to good use, whether the skills were acquired in Sweden or elsewhere in the world. The Government has therefore allocated SEK 30 million in 2016 and 2017 – and expects to allocate that sum in 2018 – to support the work of higher education institutions to develop processes and structures for assessing prior learning when considering eligibility for admission to an academic study programme and for credits transfers once the applicant has been accepted. In order to reinforce the work of the Council for Higher Education with recognition of skills acquired abroad and otherwise with the assessment of prior learning in higher education, the Government has proposed additional funding of SEK 17 million to the Council for Higher Education in 2017.

4.3 Target for increased social inclusion

Sweden's national target

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

Current situation

The percentage of women and men aged 20–64 who are outside the labour force according to the Swedish national target is still falling and was 12.0 per cent in 2016, which is a reduction by around 107 000 people since 2010. The percentage of women and men at risk for poverty according to the overall EU indicator is declining and was 16.0 per cent in 2015 (17.3 per cent for women and 15.6 per cent for men).

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

	2010	2011	2012	2013	2014	2015	2016
Total	14.4%	13.4%	13.1 %	12.7 %	12.6 %	12.4 %	12.0 %
Women	17.3 %	15.9 %	15.5 %	15.0 %	14.8 %	14.5 %	14.7 %
Men	11.6 %	10.9 %	10.7 %	10.5 %	10.4%	10.3 %	9.4 %

Source: Eurostat and own calculations.

Initiatives and measures

Apart from that presented below, several reforms mentioned in Sections 4.1 and 4.2 have a bearing on the national target for increased social inclusion. Measures are also described below that have been assessed as contributing to the Europe 2020 strategy targets for social inclusion at the EU level.¹⁰

Clarification of requirements on applicants for economic assistance

A new provision was inserted into the Social Services Act on 1 July 2016 that clarifies the requirements that must be imposed on applicants for economic assistance. This means that applicants who are unable to support themselves but are capable of working have a right to economic assistance as long as they are available for employment.

Combating homelessness

A home is a key prerequisite for social inclusion. The National Board of Health and Welfare has therefore been instructed by the Government to perform a national survey in 2017 to acquire better understanding of the extent of homelessness and exclusion from the housing market.

Reforms aimed at economically disadvantaged households

A step towards an improved standard of living has been taken with an increase in maintenance support of SEK 300 per child and month and an increase in the basic level of parental benefit to SEK 250 per day. These reforms went into force in 2015 and 2016. This measure is particularly important to single parents, of whom the majority are women.

New provisions were also introduced in 2016 that increase incentives for parents living apart to settle the maintenance obligation for children in a civil law agreement or decision, rather than applying for maintenance support. This reform means that children living in economically disadvantaged households can receive higher maintenance payments because the financial surpluses of both parents can be taken into account. Further, in January 2017, the income limit applicable to consideration of the right to housing allowance for families with children was increased. As many economically disadvantaged children live in households that receive housing allowance, it is sound distribution policy to increase the

¹⁰ To promote social inclusion, primarily through poverty reduction, by trying to lift at least 20 million people out of a situation in which they risk being affected by poverty and social exclusion.

income limit. Of the parents who receive housing allowance, 68 per cent are single parents with children, of whom 85 per cent are women and 15 per cent are men.

Beginning in January 2017, the Government has also increased the large-family supplement for the third child within the child allowance framework.

More gender-equal parental leave insurance

A new provision went into force in 2016, by which a third month of parental benefit is reserved for each parent. The reform is expected to lead to a more gender-equal claims of parental benefit, which may contribute to more equal division of unpaid housework and childcare between women and men. More gender-equal claims of parental leave insurance will also promote more gender-equal conditions in the labour market and strengthen children's rights to relationships with both of their parents.

Fund for European Aid to the Most Deprived

The target group for the measures in Sweden comprises socially and economically vulnerable EEA/EU citizens when they are in Sweden temporarily, that is, for a maximum of three months, without the right of residence. Five projects have received grants from the fund and efforts are currently ongoing. Sweden is focusing on two areas: social orientation and health promotion.

Improvements to reduce sickness absence

The Government has been working since 2015 to implement an action programme based on seven areas of development. This has led to greater awareness of the gravity of the sick leave issue and thus to greater mobilisation among various actors to stop the increase in sickness absence. The action programme is estimated to have contributed to slowing the rate of increase in sickness absence, but stopping the increase and reversing the trend towards a stable and low sickness absence rate remain to be achieved. The Government has determined that the action programme requires further development to attain that end. It will be particularly important to further develop workplace-based initiatives, healthcare initiatives and initiatives for young people with disabilities that entail impaired capacity to work.

Improvements for the most financially disadvantaged pensioners

A comprehensive analysis of disparities in pension benefits between women and men has been performed and a report was presented in June 2016. The report sheds light on the disparities from nine different perspectives. Based on the report, an action plan was drafted aimed at achieving more gender-equal pensions. Most economically disadvantaged pensioners are women. Accordingly, an initiative for more gender-equal pensions is an action for the people who are the most economically deprived. The actions are aimed at both long-term and short-term improvements. An oversight of basic protection in the old-age pension system is part of the action plan. A committee of inquiry has been appointed to study this matter and the plan is for a politically supported proposal to be submitted 1 February 2018.

Increased health equality and access to high quality healthcare

The healthcare system fosters good public health and promotes social participation and active social inclusion. A new objective for the healthcare policy was decided in conjunction with the Budget Bill for 2016. The population shall be offered high-quality healthcare that is efficient and adapted to their needs. Such healthcare must be equitable,

gender-equal and efficient. The Government undertook a number of different measures in 2016 to improve care. Through an allocation of SEK 1 billion ('the healthcare professionals billion'), the Government provided support for better resource utilisation in healthcare, whose objectives include strengthened skills supply and improved access.

4.4 Research and development target

Sweden's national target

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

Current situation

The Government's objective for the research and innovation policy is for Sweden to be one of the foremost research and innovation countries in the world and a leading country of knowledge where high-quality research, higher education and innovation lead to social development, welfare and business competitiveness, and which corresponds to the societal challenges we are facing in Sweden and globally.

Every other year, Statistics Sweden publishes official statistics on expenditure on research and development (R&D) in Sweden. The latest official statistics for higher education institutions and private enterprises refer to 2015, while the central government statistics apply to 2016. Total expenditure on R&D in 2015 was just under SEK 137 billion, which is an increase by SEK 7 billion since 2013 calculated at 2015 prices. The R&D expenditure share of GDP in 2015 was 3.28 per cent, a slight decline compared with previous years. Central government allocations in 2016 amounted to SEK 34.4 billion, an increase of SEK 747 million over 2015. Business investments in R&D amounted to SEK 95 billion in 2015, which is an increase of SEK 6 billion compared with 2013. Companies with 250 or more employees accounted for 78 per cent of total R&D expenditure in the business sector in 2015, but small and medium-sized enterprises accounted for the greatest increase in R&D expenditure.

Initiatives and measures

The Government presented its research policy bill 'Collaborating for knowledge - For society's challenges and strengthened competitiveness' (Govt Bill 2016/17:50) in November 2016, in which objectives and initiatives in the research and innovation policy area are described. The bill takes a ten-year perspective, with focus on measures during the period of 2017–2020. Central government R&D resources, mainly at higher education institutions, have increased substantially since 2009. Combined, the increases implemented during this eight-year period amount to an addition of approximately SEK 9 billion for Swedish research and innovation. A further addition of approximately SEK 2.9 billion is planned for the next four years. Overall, central government and other public investments in R&D amount to 0.95 per cent of GDP.

Measures to realise the European Research Area

More efficient national research systems

In 2016, 37 per cent of central government funds for research was distributed through calls for applications via the research funding agencies: the Swedish Research Council, Vinnova (the Swedish Governmental Agency for Innovation Systems), the Swedish Research Council Formas, Forte (the Swedish Research Council for Health, Working Life and Welfare), the Swedish National Space Board and the Swedish Energy Agency. Distribution through calls for applications fosters competition and elevates the quality of Swedish research. Direct funding to universities and higher education institutions accounted for 50 per cent of total central government research funding in 2016.

The Government considers it important to create incentives for increasing the quality of research. Since 2014, 20 per cent of existing direct funding is allocated based on quality criteria. The Government has further announced that it intends to appoint a committee of inquiry on the financing and governance of Swedish higher education institutions. In the research policy bill, the Government has also proposed the establishment and funding of several national research and innovation programmes. These are aimed at addressing a number of societal challenges through a multidisciplinary approach to integrating research and proceeding from a strategic research agenda drafted jointly by programme committees made up of several research funding organisations.

Optimal transnational cooperation and competition

The EU-SAM function was established in 2014 for prioritisation of Swedish participation in European partnership programmes.¹¹ EU-SAM coordinates central government research funding organisations in programme funding. In 2016, Swedish funding of partnership programmes was an estimated SEK 485 million.

Sweden is strongly committed to involvement in the ERA and participates at various levels in all ten Joint Programming Initiatives (JPI) and coordinates one programme on antimicrobial resistance (JPIAMR). Sweden continues to allocate substantial resources to building research infrastructure. The Government previously decided in favour of membership in a European Research Infrastructure Consortium (ERIC) for the construction and operation of the European Spallation Source (ESS). The consortium was established in August 2015 with, at present, twelve Founding Members and four Founding Observers. A special national coordinator has been appointed for ESS. Substantial central government resources are also being allocated to finance the Max IV facility and SciLifeLab.

In its research policy bill, the Government has proposed initiatives to increase access to and usage of research infrastructure. The bill also includes proposals to reinforce data-driven research and biobanks and register research.

¹¹ ERA-Net Art 185, Art 187, Joint Programming Initiatives, COFUND.

An open labour market for researchers

Aimed at assuring the regrowth of outstanding young researchers, the Government decided in 2015 to task a special committee of inquiry to review conditions and career paths for young researchers. The committee submitted its report, *Secure Conditions and Attractive Career Paths for Young Researchers*, to the Government in March 2016 (SOU 2016:29). The committee presents several proposals for how conditions for doctoral students could be improved and how career paths for young researchers could become clearer and more attractive. The committee's proposals have been referred for consultation and the Government is currently preparing several of the proposals in the Government Offices.

Gender equality

In the research policy bill, the Government proposes a number of measures to strengthen gender equality in research. Career paths for researchers will be made more secure and attractive, and a national objective has been formulated to bring about more equal gender distribution among professors: 50 per cent of newly recruited professors in 2030 shall be women. In order to achieve goals including more gender-equal allocation of research funding, the Government intends to clarify and in some cases strengthen and expand gender mainstreaming directives to higher education institutions and research funding agencies.

Optimal spread, access to and transfer of research-based knowledge

In the aforementioned bill, the Government has set a target that research results produced with public funds should be immediately accessible upon publication, while observing the principle that researchers must be free to choose how their research results will be published. This will apply to both publications and research data by 2026. Idea banks established at the holding companies of all universities are continuing to develop.

Proof-of-Concept within life science was introduced for the first time in 2016. This allows researchers to apply for grants to take their results further in a commercialisation process. Pre-incubation, or in-depth commercial verification, in life science was also launched, under which a number of innovation offices were tasked with establishing pre-incubation at the innovation offices.

International cooperation

The research policy bill proposes the establishment of a coordinating secretariat for funding of international research collaborations outside the EU. The secretariat will coordinate the international collaborations of central government research funding agencies. Up to 2020, SEK 65 million will be allocated via the secretariat for joint international research collaborations.

The research funding agencies are required under their appropriation directions to report on their international activities and cooperation. The special assignments to deepen cooperation with China and India are progressing well. Joint committee meetings were held with India during 2016–17.

In 2017, the Government intends to appoint a committee of inquiry to review and propose measures to strengthen the internationalisation of Swedish higher education institutions.

4.5 Climate and energy targets

Sweden's national targets

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

- *The share of renewable energy shall be at least 50 per cent of total energy use by 2020.*
- *20 per cent more efficient energy use by 2020. The target is expressed as a cross-sectoral target of a 20 per cent reduction in energy intensity by 2020 relative to 2008.*
- *40 per cent decrease in emissions of greenhouse gases relative to 1990. This target applies to the activities not covered by the EU Emissions Trading System (EU-ETS). The reduction will be accomplished through emission reductions in Sweden and in the form of investment in other EU countries or flexible mechanisms such as the Clean Development Mechanism (CDM). The Government's ambition is to attain the targets through national initiatives to the extent possible.*

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

Current situation

The Government has carried out a checkpoint to monitor climate and energy policy targets up to 2020. In the Checkpoint (Government Communication 2015/16:87) it is assessed that the three national targets for emission reductions, renewables and energy efficiency improvement will be attained using existing policy instruments.

The share of renewable energy in Sweden in relation to final energy use has steadily increased since the early 1970s, reaching 54 per cent in 2015. Bioenergy and hydropower account for the largest part, but heat pumps and wind power have also made significant contributions. As regards more efficient energy use, energy intensity (measured as the ratio between gross inland consumption of energy and real GDP) had declined by just over 15 per cent by the end of 2015 compared with the base year of 2008.

The national target for reducing emissions of greenhouse gases by 2020 (in the non-trading sector) corresponds, in a preliminary estimate, to an emissions level of 28.8 million tonnes.¹² Emissions are forecast to reach 29.6 million tonnes in 2020, which leaves a gap of 0.8 million tonnes. According to the target, the gap can be filled by emission reductions in other countries, but the Government's ambition is to attain the target through domestic measures to the extent possible. Emissions in the non-trading sector were 34 million tonnes in 2015. According to the EU's allocation of responsibilities, Sweden is to reduce emissions of greenhouse gases by 17 per cent by 2020 relative to 2005, which entails an emissions level of 37.2 million tonnes in 2020. That level has thus already been achieved.

¹² Report for Sweden on assessment of projected progress, March 2017, Swedish Environmental Protection Agency, 2017.

As regards attainment of the national energy and climate targets within Europe 2020 and targets at the EU level, Sweden has already attained some targets and is well on the way to attaining the others. The Government has however moved forward and is working on developing new long-term targets and measures. In 2014, the Government instructed the Cross-Party Committee on Environmental Objectives (Dir. 2014:165) to propose a climate policy framework. Based on the Committee's report, the Government adopted a new climate policy framework in March 2017 comprising new climate targets, a climate act and a climate policy council. As a long-term climate target, the Government is proposing that Sweden should have zero net emissions of greenhouse gases to the atmosphere by 2045. According to the Government's proposal, the new climate act is to enter into force on 1 January 2018.

Furthermore, the Government appointed a Parliamentary Commission in 2015, instructed to submit a basis for a broad political agreement on the long-term energy policy. A cross-party framework agreement among the Social Democratic Party, the Moderate Party, the Green Party, the Centre Party and the Christian Democrats was presented in June 2016. The agreement also establishes that Sweden should have zero net emissions of greenhouse gases to the atmosphere by 2045 and should thereafter achieve negative emissions. It was further established that the target for 2040 is 100 per cent renewable electricity production. A proposed target for energy efficiency improvement in Sweden by 2030 was added to the agreement in November. The target states that Sweden should by 2030 have 50 per cent more efficient energy use than in 2005. The Energy Commission submitted its report to the Government in January 2017, based on the cross-party framework agreement. A parliamentary implementation group has been appointed to take the effort further.

Initiatives and measures

Renewable energy measures

The electricity certificate system is an effective instrument for achieving an increased share of renewable energy. The ambition within the electricity certificate system has been escalated through a higher target for development of renewable electricity production. The national target is that Sweden should finance 30 TWh of new renewable electricity production by 2020, relative to 2002. In the cross-party agreement, the parties have agreed to extend the electricity certificate system and to further increase renewable electricity production within the system until 2030. The proposal entails a linear escalation of 18 TWh. It is proposed that the linear escalation should begin in 2022, at 2 TWh per year to the end of 2030.

The Government is working with a number of measures to further advance the ongoing transformation of the energy system. In 2009, the Government instituted a state aid scheme for investments to install solar cells. The Government increased the state aid for solar investment to SEK 225 million in 2016 and thereafter to SEK 390 million per year 2017–2019. As regards wind power, the Government's measures include facilitating the processing of wind power matters. Smart electrical grids contribute to efficient utilisation of renewable electricity production, energy efficiency improvements and reduced total energy use. The Government has established a forum for smart electricity grids tasked with promoting their development in broad cooperation among affected government agencies, industry players and consumer representatives. To facilitate the connection of

renewable electricity production to the electricity grid and enabling the elimination of the problems with threshold effects that create connection bottlenecks, an ordinance was implemented in 2015 concerning advance sharing of grid reinforcement costs (Ordinance 2015:213). In the advance cost-sharing system, Svenska kraftnät will, during a transition period, cover customer-specific costs for grid reinforcements that will subsequently be charged to renewable electricity production plants that are not yet connected.

Energy efficiency improvement measures

The Government is implementing several measures to foster efficient energy use. These include an initiative to promote climate-friendly lighting in Sweden. The goal of the initiative is to realise existing savings potential and halve the electricity requirement for lighting in Sweden. The Energy Agency has the primary responsibility for implementing the initiative.

In order to pick up the pace of renovations and improve energy efficiency in the existing housing stock, the Government has introduced grants for energy efficiency improvement and renovation of multi-family dwellings in socio-economically challenged areas. In all, the Government is investing SEK 1 billion annually 2016–2019. Aimed at contributing to higher energy efficiency in the existing housing stock, the Government has also allocated funds to establish an information centre for sustainable building.

Carbon dioxide reduction measures

Energy and CO₂ taxes as well as tax reductions and exemptions for biofuels have had critical effect on reducing emissions from the transport sector, district heating, and industry outside the EU ETS etc. In connection with the Budget Bill for 2016, the Government increased the energy tax on petrol and diesel fuel. At present, sustainable biofuels are partially exempt from energy tax in Sweden and entirely exempt from CO₂ tax. The EU Commission considers the tax exemption as a whole is operational aid according to the state aid rules under EU law. The state aid must be approved by the Commission to be applied. Sweden has received the approval of the Commission to apply tax relief to sustainable fuels to the end of 2018 and to biogas until the end of 2020. The short-term state aid approvals pose a risk of creating uncertainty for biofuel producers and constraining long-term investments. The Government therefore intends to introduce compulsory reduction for suppliers of petrol and diesel by 1 July 2018. It is proposed that biofuels used to meet the quota to be taxed in the same way as the fossil fuels replaced. It is also proposed that high-blend and pure biofuels should be exempt from the compulsory reduction and continue to enjoy a reduced tax rate. The proposed indicative reduction level of 40 per cent for the compulsory reduction means that a blend of about 50 per cent biofuel in petrol and diesel will be required in 2030. According to the climate reporting method used, emissions from petrol and diesel fuel can thus be reduced to a similar extent by 2030. The Ministry of the Environment and Energy circulated a memorandum for consultation on 17 March 2017 containing proposals for compulsory reduction and tax changes.

The Government also intends to institute a bonus-malus system for passenger cars, light goods vehicles and light buses (light vehicles) effective 1 July 2018. A memorandum containing a proposal for a bonus-malus system for new light vehicles is presently in the consultation process ((Fi2017/01469/S2). The system entails a substantial increase in ambition as regards the instrumental environmental effect compared to the current

system. The main objective is to increase the share of green vehicles with lower CO₂ emissions by rewarding buyers of vehicles with relatively low carbon emissions with a bonus (bonus = good in Latin), while vehicles with relatively high carbon emissions are charged higher tax (malus = bad in Latin). The Government also intends to change the calculation of taxable car benefits to adjust it to the new bonus-malus system by 1 July 2018. Among else, the Government has proposed inclusion of vehicle tax, including the malus portion, in the calculation. On 27 March 2017, the Ministry of Finance referred a memorandum for consultation containing proposed changes to car benefits.

In addition to energy and CO₂ taxes, the Government is working with a number of mechanisms that are contributing to reducing emissions in Sweden. Some of these are presented below.

In order to provide continued support for low-emissions cars, the Government has also extended the ‘super-green car premium’ and the temporary reduction of the benefit value of certain green cars to the end of 2017. The super-green car premium is aimed at increasing sales and use of electric cars and plug-in hybrids. Further, the Government introduced an electric bus premium in 2016 aimed at promoting the market introduction of electric buses. Aimed at promoting sustainable urban environments, the Government is offering state co-funding to municipalities and county councils for local and regional investments in public transport in urban areas, known as Urban Environment Agreements. The Government’s investment in Urban Environment Agreements amounts to SEK 500 million per year 2015–2018.

Within agriculture, increased anaerobic digestion of manure is contributing dual environmental advantages: first, through reduced emissions of methane and second through the production of biogas that can replace fossil fuel-based energy. The Government is therefore investing a total of SEK 60 million per year 2016–2019 to promote such development, thus increasing the existing methane reduction support by SEK 30 million per year.

The Government has taken several steps to facilitate climate actions by businesses, local authorities, regions and organisations. The Government has created a platform for dialogue and cooperation through the Fossil Free Sweden initiative. The Government has also appointed a national coordinator that will support the Government in reinforcing and expanding the work within the initiative. The Climate Leap investment support scheme has been introduced to enable concrete climate investments. Municipalities, companies, organisations, etc., can apply for investment support for measures that reduce climate impact, such as investments in biogas or charging stations for electric vehicles. Through the Climate Leap programme, the Swedish Environmental Protection Agency had granted investment support of about SEK 1.3 billion by 11 April. The Government had previously extended the Climate Leap to 2020 and increased it to SEK 700 million per year. In the Spring Adjustment Budget Bill for 2017, the Government proposes an additional allocation of SEK 500 million to the initiative this year.

Additional reform measures

The Government intends to develop a framework for welfare measurements that augment GDP in order to shed light on the long-term sustainability of the economy and people’s quality of life. A set of new welfare indicators is therefore presented in the Government’s

Spring Fiscal Policy Bill for 2017. At the same time, an environmental annex was presented containing two areas of in-depth focus: consumption-based climate emissions and the environmental impact of the transport system.

The Government is also implementing initiatives in other areas that affect the energy and climate transition. Measures are being carried out, for example, in the areas of sustainable consumption and environmental technology. In March 2017, the Swedish Environmental Protection Agency presented a report of progress made by the agency within its area of operations towards implementation of the Europe 2020 strategy. One example from this report is the SEK 68 million that the agency will be allocating during the period of 2016–2019 for initiatives to increase the use of best available techniques and advanced system solutions in urban environments. The Government also intends to continue its work with initiatives in relation to environmentally harmful subsidies. Another example is that Sweden has made sustainability reporting compulsory for large companies.

The Government has also adopted a number of strategies and collaborative initiatives that may have positive impact on the climate transition, such as collaborative innovation programmes in areas including ‘next-generation travel and transport’, ‘smart cities’ and ‘the circular and bio-based economy’, as well as the ‘Smart Industry Strategy’ and ‘A Food Strategy for Sweden’.

5. European structural and investment funds 2014-2020

Partnership agreement

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

The Swedish Agency for Economic and Regional Growth, the Council for the European Social Fund in Sweden and the Swedish Board of Agriculture have commenced in-depth cooperation on common Fund issues. One of the initiatives is to establish a network for relevant actors within the framework of a Fund Coordination group. The Funds will invest in projects working towards Sweden's attainment of the Europe 2020 targets.

Investments for growth and employment 2014–2020

The Regional Development Fund

Implementation of Regional Development Fund initiatives began in 2015. Through the end of 2016, decisions have been taken for approximately SEK 4.8 billion in EU support in the nine Regional Development Fund programmes within the investment for growth and employment objective. The initiatives are aimed at strengthened regional competitiveness and sustainable growth. The point of departure is that national and regional initiatives should complement each other, generate added value within regional growth policy and promote structural change in the priority areas of innovation, entrepreneurship and the green economy. About 80 per cent of the total funds of about SEK 16 billion are therefore estimated to go to these three priority areas. Other funds mainly go to the areas of information and communications technology and sustainable transport. In total for all nine programmes, funds (including co-funding) will be allocated in the following areas (SEK):

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

European Territorial Cooperation 2014–2020

The programmes are a part of the EU cohesion policy aimed at strengthening competitiveness in EU countries and regions through cross-border cooperation. Sweden participates in a total of thirteen different cooperation programmes. The first decisions were taken in 2015. All counties in Sweden are affected by at least one of these

programmes. The total scope, including EU funds, third-country funds and public and private national co-funding of the six cross-border regional programmes and the three transnational programmes in which Sweden is participating, amounts to around SEK 13.7 billion.

The main orientations and allocations of funds, including national co-funding, are as follows (SEK, all figures approximate):

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

The Social Fund

Further, the Swedish national Social Fund Programme 2014–2020 is being implemented within the *Investments for growth and employment* objective. The programme, which covers around SEK 13 billion, of which half is made up of national co-funding, is intended to contribute to an efficient labour market and a long-term and persistent increase in employment. An important starting point for the programme is that it is to strengthen and develop national labour market policy and contribute to achieving the Europe 2020 strategy targets. The measures are aimed at stimulating skills development to strengthen individuals' position in the labour market, strengthen the link between education and working life, increase transitions to work among people who are far removed from the labour market and facilitate young people's establishment in working life and participation in education and training. The EU employment initiative for young people refers to the period 2014–2018 and is being implemented within the framework of the national Social Fund Programme. The initiative is intended to supplement and extend existing labour market policy measures for young people in the regions of Southern Sweden, Northern Central Sweden and Central Norrland.

In 2016, 130 applications to the Social Fund Programme were granted to a total budget of SEK 2.7 billion. Since the inception of the programme and to the end of 2016, a total of 261 project applications have been granted and 46 per cent of programme funds assigned.

Initially, the main focus of implementation of the Social Fund Programme on measures aimed at youth, including the employment initiative for young people. In 2017, as in 2016, measures relating to labour market establishment for recent arrivals to Sweden will be a special priority. Recently arrived individuals with residence permits are one of the target groups of the Social Fund Programme.

The Agricultural Fund for Rural Development

The Agricultural Fund for Rural Development is being operationalised through the Rural Development Fund, whose budget for the 2014–2020 programme period is approximately SEK 36 billion. These funds are allocated to programme priorities as follows:

Table 3. Rural Development Programme priorities 2014–2020

Priority	Share of budget expressed as a percentage
2. Agricultural competitiveness	8.3
3. Food chain and animal welfare	4.4
4. Environment	61.0
5. Climate	1.8
6. Social inclusion and economic development in rural areas	20.8
Technical implementation funds	3.6

Knowledge and innovation is the first priority of the programme, which is horizontal and does not have a separate budget. Instead, innovation and knowledge transfer will be promoted in all parts of the programme.

As in previous programme periods, the focus of the programme is on compensation for environmental initiatives. The Rural Development Programme for 2014-2020, as in previous programme periods, has a broad profile of measures that are, in various ways, promoting rural enterprise, both within and outside the farming sector, and initiatives to make it easier to live and run a business in rural Sweden. Knowledge transfer and innovation remain important priorities in the programme.

The Maritime and Fisheries Fund

Maritime and Fisheries Programme

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

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

The priorities of the Maritime and Fisheries Programme are enabling development support in several segments of the blue economy. The Government expects this to provide the conditions for growth, stronger competitiveness and increased employment in the sectors concerned without compromising environmental protection and sustainable use of natural resources.

The programme covers about SEK 1.5 billion allocated among the six EU priorities of the programme: fostering sustainable fishing; fostering sustainable aquaculture; increasing employment; increasing territorial cohesion; fostering marketing and processing; and fostering implementation of the Integrated Maritime Policy. There has been high demand for support since the programme started and 97 applications had been granted by December 2016 to a total budget of about SEK 88 million.

Locally managed development through the Leader Method

Opportunities were provided in connection with the new programme period to work in an integrated manner with locally managed development within several funds. Efforts with the Leader Method, which is based on a bottom-up perspective and tri-sector partnership among the private, public and non-profit sectors, has previously occurred within the Agricultural and Rural Development Fund and the Maritime and Fisheries Fund. In the new programme period, Sweden has chosen to take an integrated approach to all four ESI funds: the Agricultural and Rural Development Fund, the Maritime and Fisheries Fund, the Regional Development Fund and the Social Fund. Forty-eight local development areas around Sweden have drafted local development strategies aimed at determining how local challenges can be optimally resolved at the local level. Based on these strategies, the projects to be implemented are decided locally. The Board of Agriculture is the administrative agency in charge of the entire effort.

6. Institutional issues and participation of relevant parties

6.1 Institutional issues

Sweden's national reform programme 2017 is mainly based on the initiatives and reform ambitions proposed by the Government in the Budget Bill for 2017 and the Spring Fiscal Policy Bill for 2017. The country-specific recommendation to Sweden within the framework of the European Semester 2016 were taken into consideration in the preparation of the national reform programme, which also reflects the policy priorities in the Commission's Annual Growth Survey, in accordance with the conclusions by the President of the European Council of 9 March 2017. The Riksdag Committee on Finance has been informed about the national reform programme. In the course of the Council's preparation of the country-specific recommendations in summer 2016 the Riksdag was informed on several occasions.

6.2 Consultations with the social partners

To enhance the dialogue with the social partners within the European Semester and the national decision-making process, the Government has established a reference group with representatives of the ministries concerned in the Government Offices of Sweden and of the social partners (the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO), the Swedish Confederation of Professional Employees (TCO), the Swedish Confederation of Professional Associations (SACO), the Swedish Association of Local Authorities and Regions (SALAR), the Swedish Agency for Government Employers and the Swedish Federation of Business Owners). The reference group, which was established several years ago, holds regular meetings at strategic points over the year for discussions and consultations on the implementation of the strategy in Sweden. As part of the Government's ambition to strengthen participation in EU-related affairs, a new approach to consultations has been introduced called *EU-sakråd* (Thematic Consultation Forums on EU Affairs). The aim of the Thematic Consultation Forums on EU Affairs is to improve the quality of the Government's consultation with wider society and strengthen participation.

The Prime Minister has also initiated meetings called *EU-råd* as an aspect of the Government's efforts to strengthen participation in EU-related matters. In March 2017, the Prime Minister invited the central labour market organisations at the chair level to the first *EU-råd*. Matters discussed at the meeting included the wider growth issues ahead of the meeting of the Council of Europe on 9 March, as well as those related to the ongoing discussion of the future of the EU. Consultation meetings have also taken place at senior official level on three occasions since the presentation of the NRP 2016.

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

6.3 Local and regional support

Local and regional support for the Europe 2020 strategy's targets and intentions, and thus for the regional and local growth process in Sweden, is vital to successful implementation. The Government has now adopted a new national strategy for sustainable regional growth and attractiveness 2015-2020. The strategy contains the Government's priorities for the regional growth strategy during the 2015–2020 period and guidelines for, among else, regional development strategies, structural fund programmes and other relevant regional growth strategies and programmes. The national strategy, together with the regional development strategies, creates the conditions for increased interaction between the national and regional level and more effective and results-oriented regional development. The regional actors thus play a role in implementing the Europe 2020 strategy based on their particular conditions and priorities within the framework of regional development. In the light of local self-government, the local level has a central role in implementing some of the targets set by the Government, including through cooperation with the regional level on various projects and initiatives in the county.

To further develop the dialogue between national, regional and local levels on issues of importance to regional growth, the Government has set up a National Forum for Sustainable Regional Growth and Attractiveness 2015–2020. The Forum consists of a political group and a civil service group, each of which meets with the Government for dialogue four times a year. The premise is that shared responsibility between the regional and national levels for implementing the regional growth policy is predicated on close dialogue and cooperation concerning vital development issues. It is also one way of increasing opportunities for local and regional influence and responsibility. Examples of matters discussed at the latest forums in autumn 2016 and spring 2017 include innovation, the Government's work with a food strategy, skills supply, rural development issues, transport issues, international cooperation, the cohesion policy after 2020 and environmental and climate issues.

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

6.4 Consultation with interest organisations and civil society organisations

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

Following requests that the dialogue with civil society organisations on the implementation of the Europe 2020 strategy be developed, an initial horizontal consultation with civil society took place in the autumn of 2011. This approach was welcomed by the participants and consultations have since taken place annually. Accordingly, the Prime Minister's State Secretary again invited the relevant organisations to an annual horizontal information and consultation meeting on the Europe 2020

strategy on 3 March 2017. The meeting was carried out as a Thematic Consultation Forum on EU Affairs and the objective was to invite the organisations to engage in dialogue concerning how implementation of the Europe 2020 strategy can be strengthened and to inform those present about the Government's work, not least importantly with respect to how participation, knowledge and involvement in EU affairs can be reinforced in Sweden. The organisations concerned were also invited to contribute texts to the national reform programme that highlight good examples of how Swedish civil society is contributing to the implementation of the Europe 2020 strategy in Sweden. Following the consultation, the Government Offices received contributions from Civos, the Swedish Disability Federation, Verdandi, the National Council of Adult Education, Equally Unique, Public and Science (VA) and EAPN Sweden. The contributions are presented in the appendix.

Appendix with external contributions to Sweden's national reform programme 2017

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1. Contributions from social partners

Introduction

The central labour market organisations in Sweden – the Swedish Trade Union Confederation (LO), the Confederation of Professional Employees (TCO), the Swedish Confederation of Professional Associations (Saco), the Confederation of Swedish Enterprise, the Swedish Association of Local Authorities and Regions (SALAR) and the Swedish Agency for Government Employers – give the following examples of activities that we believe contribute to attainment of the targets for the Europe 2020 strategy. The examples do not give a comprehensive account but are only a selection. Some of them are based on common agreements with all the organisations; others are agreed between some of the organisations. Other examples are unilateral measures by one of the central labour market organisations and/or their affiliates.

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A brief description of wage formation in Sweden

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

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

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

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

1.1 Integration of young people in the labour market

Vocational introduction agreements

Vocational introduction employments are based on collective agreements signed independently between the social partners. The target group for the agreements comprises certain young people, the long-term unemployed and recent migrants to Sweden. At present, many of the existing agreements cover only certain young people. It is likely that more agreements will be extended in the future to also cover the long-term unemployed and recent migrants. The construction of the agreements varies between industries but common to all of them is that work is combined with education (the education component is restricted to a maximum of 25 per cent of working hours). The

education can be either at the workplace or supplied by an external provider. The education period does not give any wage entitlement.

Central agreements on vocational introduction have been signed in the following industries: The retail sector (Swedish Trade Federation and the Swedish Commercial Employees' Union), the local government sector (SALAR/Pacta and the Swedish Municipal Workers' Union), the sawmill industry (Swedish Forest Industries Association; TMF, Swedish Federation of Wood and Furniture Industry; SLA, Federation of Swedish Forestry and Agricultural Employers; GFF, Swedish Graphic Industries Federation and GS, Swedish Union of Forestry, Wood and Graphical Workers), parts of the manufacturing industry (the engineering companies' employer organisation (Teknikarbetsgivarna; IKEM, Innovation and Chemical Industries in Sweden; Swedish Association of Industrial Employers, GAF and Svemek; Steel and Metal Employers Association and IF Metall), the construction sector (EIO, Swedish Electric Contractors' Association and SEF, Swedish Electricians Union), food production (Swedish Food Federation and Swedish Food Workers Union) and the property industry (Almega – the Employers' Organisation for the Swedish Service Sector and the Building Maintenance Workers' Union). The local government sector (SALAR/Pacta, the Municipal Workers' Union and the Alliance of Graduates) has also signed an agreement (BAL13) aimed at groups including unemployed young people and recent migrants to Sweden with no previous experience in the sector. This is a temporary job format.

The Government supports the parties' signing of vocational introduction agreements for unemployed young people aged 19-25 through support structures for the agreements:

- Wage subsidy equivalent to an ordinary employer's contribution (31.42 per cent).
- Supervisor support equivalent to SEK 2 500 per month and employee.
- Financial support for special information campaigns on vocational introduction jobs and student employee jobs.

Student employees

In 2014, a collective agreement on student employees was signed in the private, municipal and central government sectors. The private sector agreement refers to the property industry. The agreements vary, but target students at universities, other higher education institutions or in post-secondary education and refer to qualified work with a clear link to ongoing studies. The jobs are temporary positions of various durations, ranging from employment for a single term (SALAR) to a maximum of four terms (central government) with weekly working hours of 10 to 15 hours per week on average. For the employees, the agreement provides an opportunity to work with qualified tasks and facilitates the transition from studies to working life. The employers gain the opportunity to utilise the competence of students in tertiary education while at the same time having the chance to display their business in order to attract a competent workforce.

The partners have produced informational materials for distribution to employers and local employee unions. Continued information campaigns aimed at spreading knowledge about the various agreements have occurred within the scope of both central government (Swedish Agency for Government Employers, Saco-S and OFR/S,P,O) and local government agreements (SALAR/Pacta, the Alliance of Graduates and the OFR's union affiliates category General Municipal Operations). The partners in the local government area have also produced a website aimed directly at students via www.pluggjobb.se.

Rules for employees in trainee jobs

In November 2015, SALAR/Pacta signed an agreement with the Swedish Municipal Workers' Union on the rules for trainee jobs. Based on the Ordinance on Special Employment Support, young people who meet the criteria set out in the ordinance and who have been unemployed for six months (for trainee jobs in certain areas of the welfare sector) or three months (for trainee jobs in vocations that have a shortage of employees) can be offered trainee jobs.

Special employment support is provided for a defined portion of the job. The positions are temporary, up to a maximum of two years. Employers are compensated for 85 per cent of the wage cost if the employee has a half-time trainee job in the welfare sector. If the trainee job in the welfare sector is extended after 12 months so that the employee can complete their studies, the employer receives 50 per cent of the wage cost. The supervision grant is not paid during the period of the extension.

New and wider recruiting paths

Swedish municipalities, county councils and regions are facing future recruiting challenges. All told, 530 000 new employees will need to be recruited by 2023. Employers have the opportunity to affect future skills supply by altering and developing working methods, organisation and staffing. Through the Sweden's Most Important Jobs initiative, SALAR has identified nine strategies for overcoming the recruiting challenges. The solutions include widening the recruitment base and using skills the right way. This involves utilising the skills of recent arrivals and people with disabilities, as well as breaking gender norms. SALAR is continuing this effort in partnership with trade unions and other actors, government agencies and interest organisations through a pre-study, "More Pathways to Entry", financed by the European Social Fund. The objective is to create sustainable and common structures and strategies for widened recruiting to the welfare sector.

In 2016, SALAR arranged about 90 000 holiday jobs for young people who are about to enter or are already in upper secondary school. These holiday jobs are the first contact with the labour market for many young people and provide valuable experiences and references for the future. SALAR would now like to expand holiday jobs so that more young people can have the opportunity of a holiday job and more employers can contribute while gaining an opportunity to market themselves and their industry. This work includes the SALAR initiative Sweden's Most Important Jobs in which holiday jobs are a way of marketing jobs in municipalities and county councils/regions.

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

Guidance for young people

The Swedish Confederation of Professional Associations (Saco) issues a number of publications annually on the theme of study choices and studies. These mainly target students who will soon complete their upper secondary school studies. A fact book about some higher education professions, Choose a Profession, is published every autumn. It includes information on work content, required training, salary levels, etc. The Future

Prospects report contains five-year forecasts for the labour market for a selection of higher education professions and is also updated annually. The Art of Choosing an Education provides tips and study choice inspiration, while How do you study? is an inspiring guide to effective study techniques intended to help more young people take the step to higher education.

Young people can also take a personality test, get planning support and ask questions related to occupations via www.saco.se/studieval. The site had about 2.5 million page views during 2016.

Saco Student Fairs are arranged every year in Stockholm and Malmö. Representatives from Swedish and international education providers, future employers and several agencies and organisations including Saco's affiliates, who are specialists concerning the occupational groups they represent, attend these fairs. In 2016 the fairs were visited by just over a quarter of all final year upper secondary pupils in Sweden, total of about 26 000 people. Saco also runs skill development programmes for study advisers, where Saco member organisations share their knowledge about graduate occupations.

Cooperation and quality assurance

It is crucial that upper secondary school maintains high quality and relevance to enable pupils to get their first job or make a good transition to further study. For companies, skills supply is one of the most urgent challenges. Consequently, many industries are highly involved in various projects aimed at increasing the quality and relevance of upper secondary schooling.

An example of this is the involvement in technical colleges (Teknikcollege) that leading representatives of Swedish employer and employee organisations in the industrial sector have had since 2004. At present there are 26 regions with almost 150 Teknikcollege-certified education providers and more than 2 000 participating companies from north to south. Within the construction industry it is possible for upper secondary schools offering the construction and civil engineering programme to apply for quality labelling. Schools that meet the criteria are regarded as being in a position to provide basic vocational education and training that fulfils the requirements of the construction industry and become industry recommended. There are similar arrangements in HVAC with the concept "first class school".

1.2 Integration of foreign-born people in the labour market

Fast track for recent arrivals

Fast track for recent arrivals is aimed at shortening pathways to the labour market for recent arrivals with occupational and academic backgrounds that are in demand in Sweden. All fast tracks target occupations where there is a substantial or severe labour shortage. The objective of the fast tracks is to identify and utilise the skills of recent arrivals at an earlier stage, where the social partners come to agreement on a chain of initiatives. These may include professional skills assessment, instruction in Swedish for professional purposes and supplementary labour market training programmes. A fast track may involve several initiatives in parallel, such as a combination of language instruction (Swedish for professional purposes), work experience placement and validation of foreign education. The remit of the Public Employment Service is to coordinate the fast tracks and carry them out jointly with the social partners.

Thus far, 13 agreements on fast tracks have been negotiated between the social partners and the Public Employment Service for several different occupations: chefs; HGV drivers; licensed health care professions (doctors, nurses, dentists and pharmacists/dispensers); teachers and preschool teachers; painters; butchers and slaughterers; technicians and engineers in the property sector; non-manual workers in the construction sector (building engineers, distribution electricians and electrical engineers); social scientists including economists and lawyers; social workers; veterinary nurses; and occupations in the wood products industry.

As regards the fast track for teachers and preschool teachers, a total of 430 recently arrived teachers began the fast track process in various areas of Sweden. The plan is for an additional 720 to begin in 2017. The ambition is to offer fast tracks to the majority of the more than 3 000 recently arrived teachers who are registered with the Public Employment Service. The social partners applied for funding in 2016 for special promotion and development initiatives to speed up labour market establishment for recently arrived migrants to Sweden. Several joint initiatives were carried out with these funds, which amounted to SEK 10 million all told, such as coordination and development of work experience and supervision in the fast track for teachers and preschool teachers, a compilation of health care training assignments in the fast track for licensed health care professions, etc. The budget appropriation for promotion funding has increased to SEK 35 million for 2017, with priority given to fast track-related initiatives.

As regards the central government sector, the Swedish Agency for Government Employees, OFR/S,P,O, Saco-S, Seko and the Public Employment Service have jointly developed two fast tracks: one for social scientists, economists and lawyers and one for veterinary nurses. Among else, the fast tracks include better combinations of training initiatives, language instruction and work experience placements. No clear results of these fast tracks emerged in 2016 and are not expected until 2017.

Council for Integration in Working Life

The Confederation of Swedish Enterprise, SALAR, the Swedish Agency for Government Employers, the Confederation of Professional Employees (TCO) and Saco together run the Council for Integration in Working Life (Ria). The purpose of the Council is to support, follow up and further develop efforts towards integration in working life. Ria's work is aimed at bringing about working life that utilises the qualities of every human being, regardless of ethnic background, and which is non-discriminatory. Ria published the report "Establishment and career paths for people born abroad" in spring 2016. The report was presented and discussed by researchers at a filmed seminar in May 2016. Ria arranged a well-attended seminar on 5 July 2016 during the Almedalen Week political conference event. At this seminary, Ria and attendees including Minister for Employment and Integration Ylva Johansson discussed where the challenges exist for effective establishment and career development in the Swedish labour market for people born abroad. The message was that every individual's resources must be utilised. Good integration requires early action. The skills of all individuals must be identified early on and everyone must get started with Swedish studies from an early stage while awaiting a decision concerning asylum. All of Ria's activities are compiled on www.integrationiarbetslivet.se. In 2017, the Council will produce a new report on fast tracks for recent arrivals and arrange a new seminar on the theme during Almedalen Week.

Modern relief works jobs in the central government sector

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

Work experience placements in central government

The Government has also mandated central government agencies to provide work experience places during the period of 2016-2018 for recently arrived jobseekers and people with disabilities that reduce their capacity to work. The remit of the Swedish Agency for Government Employers is to provide such information, advice and training as the agencies require. Towards that end, the Agency for Government Employers has produced an open website that works as a source of information and meeting place for people in work experience (“interns”) and agencies that have work experience places to offer. Material is provided on the website that the Agency for Government Employers has produced to support the agencies in their efforts to accept people for work experience placements. The supportive materials include a web-based supervisor training course, introductory information about the central government sector in various languages and templates for work experience assessments and non-disclosure agreements. The website will be further developed in 2017 to improve accessibility and the information will be augmented with additional videos, animations and articles. In addition, two experience and inspiration meetings are planned for agencies that accept interns to foster continued engagement.

Mentoring programmes

Several Saco associations have mentoring programmes for recently arrived university graduates. In the programmes a recently arrived university graduate will be paired with a colleague in the same profession. The objective is for immigrant university graduates to expand their professional networks and gain improved self-confidence in their career efforts.

The Swedish Agency for Government Employees has been running a mentoring programme for recently arrived university graduates since November 2016. The aim is to facilitate labour market establishment and social integration for recent arrivals to Sweden. Recently arrived university graduates are paired with employees of central government agencies whose professional fields match the skills of the individuals who are new to Sweden. The mentors are then tasked with supporting and guiding their mentorees in their respective skills areas as well as in the role of a civil servant in the central government sector.

Enterprise for Newcomers

Företagarna, the Swedish Federation of Business Owners, is the largest business organisation in Sweden. It has been running the Enterprise for Newcomers (Nyanlânt företagande, NF) programme since the autumn of 2015 in partnership with organisations

including the Migration Agency, the Public Employment Service, the National Council of Adult Education and the local authorities and county administrative boards where the programme is operating. The programme aims to give newcomers with experience of enterprise and entrepreneurship the right conditions to be successful, sustainable business owners in Sweden. Programme participants learn the basics of running a business in Sweden and are supported by experienced mentors/advisers. The mentors, who are established business owners, support and assist the participants with the practical elements so that they will have the best possible conditions for starting successful and sustainable businesses. Local chapters of Företagarna arrange workshops to which participants, mentors and other relevant actors are invited and where the “NF entrepreneurs” can present and get feedback on their business ideas and the most urgent challenges. The NF entrepreneurs are also invited to the local chapters’ other activities/meeting places for networking of both a business and social nature. The programme objective is for newcomers to learn the specific idiosyncrasies involved in running a business in Sweden. Therewith, integration in the labour market through self-employment and business ownership is also facilitated.

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

Special conditional agreement in central government for certain fixed term employment contracts signed by the employer within the framework of labour market policy objectives

In the central government sector a special conditional agreement for certain fixed term employment contracts has existed since 2013. The agreement regulates terms of employment for contracts of a maximum of 12 months, which the employer considers justified within the framework of a labour market policy objective; that is, temporary employment of individuals covered by labour market policy measures. The agreement conditions have been formulated to give the employer, when deciding on such employment contracts, greater opportunities to design the job to suit the individual employee’s needs as regards support, development and experience. Through the agreement the parties accept joint responsibility for providing relevant terms of employment for the employees the agreement may apply to. Individuals can thus gain working life experience and increased employability. In response to the special Modern Relief Works Jobs initiative (see section 1.2), the social partners in the central government area have agreed an amendment to the special conditional agreement so that it permits employment contracts for such jobs of up to 24 months.

1.4 Gender equality in the labour market

Gender mainstreaming

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

Jämställ.nu was financed in 2011–2013 through funds from the SALAR programme for sustainable gender equality (HåJ). The portal has been funded by the Government since 2014.

1.5 Transition

Transition agreements

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

There are two new transition agreements effective 2015 that support effective transition in the central government sector based on a holistic perspective: The Agreement on Local Transition Funds, aimed at strengthening proactive transition by the respective employers, and the Agreement on Local Transition, which regulates the conditions for individual support that employees can utilise in the event of termination due to shortage of work or when a fixed term employment contract of at least two years expires. The agreements are based on labour market needs and together form a transition chain that supports the work-first principle, the individual’s possibilities of a longer working life and the change and development of central government operations required at all times.

As of early 2015, there are new agreements with the Swedish Performing Arts Association, the Swedish Union for Performing Arts and Film and the Swedish Union of Professional Musicians concerning transition and career switching for the artistic professions. This provides comprehensive support to employees who need to switch professions after their artistic careers come to an end.

Effective January 2017, SALAR/Pacta have agreed with the Swedish Municipal Workers Union, the Alliance of Graduates, Vision and the Union of Professionals (SSR) et al., the Swedish Association of Health Professionals and the Swedish Association of Physiotherapists on two new appendices concerning early local transition (TLO-KL) to the KOM-KL transition agreement. The agreed amendments will be applied during a trial period of three years, 2017–2019. The outcome will be evaluated jointly by the parties before the end of the period. The implementation of TKO-KL will make local transition funds available for early transition measures. The main objective will be to avoid future redundancies due to shortage of work. It provides an opportunity for all employers to claim 0.3 percent of the wage bill for affected organisations for local transition measures during the period of 2017-2019.

2. Education – The proportion of pupils without upper secondary grades is to be less than 10%

Fewer upper secondary school drop-outs and Plug In 2.0

Plug In 2.0 is a direct extension of SALAR’s multi-year Plug In initiative - the largest collaborative project in Sweden aimed at preventing drop-outs from upper secondary school. The main focus of the new project is to work further with and develop the areas identified as success factors in Plug In. The ambition is to achieve strategic influence both

nationally and internationally. On the local level, it is hoped that the project will also play a positive role in the lives of individual young people. An estimated 3 000 young people in some 50 municipalities are expected to be reached during the project period. Like its predecessor, Plug In 2.0 is financed by the European Social Fund (ESF) with co-financing from the municipalities and regions involved. The project is managed by SALAR in cooperation with eight regions.

It is more difficult for young people who have not completed their upper secondary school studies to establish themselves on the labour market, compared with those who have. SALAR's report *Education - The Key to Work* shows that it is considerably more difficult for people who have not completed upper secondary school studies to secure and retain a job, even at the age of 29. This increases dependency upon economic assistance and the risk of social exclusion.

SALAR is also working actively to spread knowledge and lessons learnt concerning the drop-out issue, primarily through the digital platform PlugInnovation.se. Visitors to the site can read about and be inspired by how the municipalities involved in the project are working. There are examples concerning everything from how they are reducing school absenteeism and finding more effective study paths for recent arrivals to supporting young men and women who have quit school to return to their studies or other occupation.

The work is carried out partly through the Sweden's Most Important Jobs communications initiative to encourage young people to choose upper secondary programmes that lead to jobs, with the goal of recruiting to the welfare sector.

Comments on the National Reform Programme

Comments from the Swedish Trade Union Confederation (LO), the Confederation of Professional Employees (TCO) and the Swedish Confederation of Professional Associations (Saco)

For several years, Sweden has received a high number of refugees compared to most other countries in the European Union. Short-term, this entails certain challenges for the Swedish labour market, as a large number of people need to be afforded the opportunity to establish themselves. We are seeking wide-ranging initiatives to raise the level of education among people who come to Sweden so that more of them can quickly become established on the labour market.

We share the Commission's concerns about a housing bubble that is at risk of bursting in Sweden. The fundamental problem is that housing construction starts have been far too low. It is therefore important that the present rate of new construction is maintained. It is crucial that the Government removes the obstacles that are delaying the necessary increase in housing production, among else as regards to bottlenecks in planning processes. The steep increase in household indebtedness is also worrying. It is therefore important that the Government, the Riksbank and Finansinspektionen jointly seek to restrain the macroeconomic risks associated with the high debt. The macroprudential supervision measures that Finansinspektionen has in its toolbox are probably insufficient. The Government should also review how the tax system is contributing to higher indebtedness and the Riksbank should review how the monetary policy has contributed to the current situation. This requires better dialogue among the concerned government agencies in the Financial Stability Council; as well, the macroprudential supervision tools should be concentrated in a single institution and the framework needs to be developed.

We welcome an additional month of parental leave insurance set aside for fathers. But further steps are necessary to achieve a gender-equal labour market in which women have equal career opportunities and opportunities to earn equal pension rights to men. The Government should proceed with a division of parental leave insurance into thirds and promote a more equal division of part-time work after parental leave ends.

Large investments in occupationally relevant language instruction, validation, work experience placements and basic education for people who are newcomers to the Swedish labour market. LO has presented the Training Jobs model, wherein regular work is combined with regular education for adults who lack sufficient knowledge and skills to establish themselves in the Swedish labour market.

Conversely, we categorically reject legislation permitting lower entry-level wages for people born abroad. This utterly contravenes the Swedish model in which wages are set by the social partners. Regulation via collective agreements is more flexible and adaptable to various industries than legislation could ever be. The social partners are those who are, as a group, best equipped to determine the total scope for wage increases and how wages should be balanced against other terms of employment such as working hours, annual leave, pension provisions, etc. Thanks to responsible wage formation, Swedish competitiveness has not been impaired despite large increases in real wages over the past twenty years.

We are seeking oversight of the tax system resulting in lower tax on labour and higher taxes on consumption and environmentally harmful activities. A reform is required to address all of the opportunities for tax avoidance that arose when the earlier tax reforms were gradually undermined. The total tax levy can hardly be further reduced. On the contrary, the challenges that central government expenditures are now facing as regards to, among else, refugee reception, increased sick leave rates and the national security situation, indicate that there is upwards pressure on central government expenditures.

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

Local and regional work with the Europe 2020 strategy

The activities of municipalities and county councils constitute about 21 per cent of Sweden's GDP and account for about 30 per cent of employment. The Europe 2020 strategy affects several policy areas that in Sweden fall within the responsibility of municipalities, county councils and regions. In this context, it is emphasised that for the regions and county councils that are responsible for regional development, their basic remit includes working on and driving many of the issues highlighted in the strategy. As well, the majority of the core activities of Sweden's 290 municipalities are clearly linked to the objectives of the Europe 2020 strategy.

In the autumn of 2016, the Swedish Association of Local Authorities and Regions (SALAR), the Government Offices and the Commission's representation in Stockholm arranged a conference on implementation of the Europe 2020 strategy in Sweden. The conference, which was directed at elected representatives and civil servants at the local and regional levels, focused on labour market establishment of recent arrivals as an important aspect of attaining the Europe 2020 strategy's headline targets of employment and poverty/social exclusion. This type of event heightens the sense of participation among all actors in the implementation of the Europe 2020 strategy and contributes to target attainment.

The importance of multi-level governance and the European structural and investment funds for implementation of the strategy

The Europe 2020 strategy has set a credible and appropriate framework for the European structural and investment funds and contributed to focusing measures in the Member States. SALAR considers that the funds are the most important tool and an important force for mobilisation to achieve attainment of the targets for the Europe 2020 strategy.

The European structural and investment funds not only contribute great economic resources, but also a more structured approach to overcoming identified problem scenarios and challenges through initiatives that utilise regional strengths and opportunities. This approach now characterises the implementation of essentially all policy at the local and regional level.

There are solid strategic efforts at the local and regional level in Sweden to follow up on the targets and indicators set in accordance with the strategy. Many of Sweden's municipalities, county councils and regions have integrated the Europe 2020 targets into their development plans, operational plans and annual budgets. Several SALAR members are currently reviewing their regional development plans and strategies and are seeking information about the issues that will govern the next programme period. In the absence of concrete EU initiatives, several have also drafted development plans based on the targets of the global sustainability objectives and Agenda 2030, which takes a more distinct and holistic approach to sustainability issues than in the current growth strategy. SALAR would therefore welcome the drafting of a similar long-term growth and

employment strategy ahead of the next programme period when the Europe 2020 strategy ends.

The European structural and investment funds are the EU's most important investment tool for creating growth and employment locally and regionally across Europe. The Regional Development Fund and the Social Fund have the greatest impact on the local and regional level. In the light of the perceived discord in the EU at present, a strong policy of cohesion is more critical than in the past. The cohesion policy links municipalities and regions to the European project and legitimises the EU at the local and regional level. The cohesion policy is highly significant to creating growth and employment locally and regionally in Sweden and thereby contributing to attaining the targets of the Europe 2020 strategy.

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

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

Examples from SALAR

1. Employment, social inclusion and reduction of poverty

In Country Report Sweden 2017, the Commission notes that although Sweden is a top performer in the EU in terms of employment and long-term unemployment rates, challenges remain, for example, integrating low-skilled people and non-EU migrants into the labour market and reducing the substantial employment gap for non-EU-born women. In this context, the Swedish municipalities, county councils and regions play a critical role, both as employers and as purchasers and providers of welfare services.

New and wider recruiting paths

Swedish municipalities, county councils and regions are facing future recruiting challenges. All told, 530 000 new employees will need to be recruited by 2023. Employers have the opportunity to affect future skills supply by altering and developing working methods, organisation and staffing. Through the "Sweden's Most Important Jobs" initiative, SALAR has identified nine strategies for overcoming the recruiting challenges. The solutions include widening the recruitment base and using skills the right way. This involves utilising the skills of recent arrivals and people with disabilities, as well as breaking gender norms. SALAR is continuing this effort in partnership with trade unions and other actors, government agencies and interest organisations through a pre-study, "More Pathways to Entry", financed by the European Social Fund, ESF. The objective is to create sustainable and common structures and strategies for widened recruiting to the welfare sector.

In 2016, SALAR arranged about 90 000 holiday jobs for young people who are to start or are already studying at upper secondary school. These holiday jobs are the first contact with the labour market for many young people and provide valuable experiences and references for the future. SALAR would now like to expand holiday jobs so that more young people can have the opportunity of a holiday job and more employers can contribute while gaining an opportunity to market themselves and their industry. This work includes the SALAR initiative Sweden's Most Important Jobs in which holiday jobs are a way of marketing jobs in municipalities and county councils/regions.

Human Resources and Inclusion Skills – HRIS

Blekinge is one of the counties that has accepted the highest number of refugees in relation to the population. This entails great challenges – but also opportunities – for municipal administrations and companies. In response, the HRIS project was started in September 2016 in partnership among the municipalities of Sölvesborg, Karlshamn, Olofström and Karlskrona. The project will run through August 2018.

HRIS, which stands for Human Resources and Inclusion Skills, is an ESF project whose aim is to increase and secure *inclusion skills* among civil servants in Blekinge County. This involves increasing the skills of staff as regards inclusion and integration of recently arrived migrants in the county so that civil servants can meet human needs with no effect of fear, prejudice or personal values on the service provided.

The objective is to increase skills related to Swedish laws and regulations, norm-critical thinking and individual-specific dilemmas in order to foster inclusion of recent arrivals. Project activities are giving various groups the opportunity to work together in new networks. This is making it possible to spread knowledge and experience while giving people the opportunity to express their views and their needs as regards skills initiatives.

New approaches to getting recent arrivals in work sooner – IBIS

The IBIS (“Integration Building in Sörmland”) project, which is funded via ESF, is meant to develop a new approach and methods that make a lasting contribution to improving establishment efforts in Sörmland and shortening the path of recent arrivals from residence permit to a first job, studies or self-support. The project is further developing methods in three identified areas: *The significance of health to faster integration; pedagogical development of language instruction, among else through the suggestopedia teaching method; and cooperation among the Municipality, Public Employment Service, County Council, business/employers and the voluntary sector.* The project extends from March 2016 to the end of December 2018, involves the municipalities and county councils of Sörmland and the Public Employment Service in joint learning and is organised in four geographical sub-projects.

The project focuses on the three identified areas of development above and the initiatives must be based on analyses where gender equality, accessibility and non-discrimination are included in the assessments. New methods will be developed in the project that permanently reduce the time necessary for recently arrived women and men who are in the beginning of their integration process, to obtain a job and become self-supporting.

The establishment remit is complex and requires extensive cooperation among multiple actors. The organisations that work with this remit possess a high level of expertise and experience, but it does not suffice for each actor to develop its work alone. The actors with remits in the field must also find new ways to cooperate with each other to a greater

extent. It is important to develop and apply methods and tools, learn and exchange experience, while putting the needs and circumstances of the individual first. There are significant opportunities to involve voluntary organisations in the effort.

Integration in the workplace – IW

The Integration in the Workplace) project (IW) is run by Region Gotland in close cooperation with the Public Employment Service. The project is being carried out with funding from the European Social Fund and will be ongoing in the period of 2016–2018.

The project proceeds from Region Gotland’s labour market policy strategy. The labour market initiatives for which Region Gotland is responsible must be designed with an inclusive approach so that people’s unique knowledge, experience and talents are utilised to increase workplace diversity on Gotland.

The aim of the project is for workplaces on Gotland to be norm-critical and imbued by a culture that is inclusive for everyone, regardless of ethnicity or gender. IW is intended to influence structures at the strategic and individual levels. The objectives are for workplaces to increase their knowledge about attitudes, values and the positive effects of integration; to give participants who are far removed from the labour market greater opportunities to secure their own support, receive inclusive treatment and improve their Swedish language skills through alternating work experience placements and language instruction; and for the local adult education and skills centre, *Kompetenscentrum Gotland*, to implement a model for working systematically to provide integration support to workplaces in Region Gotland.

Integration in Western Sweden - InVäst

The InVäst project, Integration in Western Sweden, is aimed at strengthening the skills of organisations concerning the reception of recent arrivals so that staff can use greater knowledge, a stronger work organisation and collegial learning to contribute to improving conditions for recent arrivals to become successful and active participants in society. The project focuses on three main areas: language skills as a key to active participation in society, knowledge assessment for relevant further education and new encounters - treatment and approach.

The project began in September 2016 and will continue for three years. Aimed at creating a cohesive project that can impact reception organisations across Western Sweden (55 municipalities, Region Västra Götaland and Halland), the Göteborg Region Association of Local Authorities (GR) is the project owner, while two sub-regions in Region Västra Götaland, Skaraborg and the Borås Region, are participating as partners. The Fyrbodal Regional Association of Local Authorities is following the project and will be given the opportunity to participate in initiatives. Halland County is represented in the project through the Municipality of Halmstad, which is a project partner and has assumed overall responsibility for Halland.

The Economic Outlook Package

Gislaved Municipality in partnership with a number of actors, has been running the Economic Outlook Package (*Konjunkturpaketet*), an ESF-funded labour market and business project, since the autumn of 2015. The aim of the project is to test and implement a method for faster transition in the labour market. The method is based on a number of success criteria derived from research and some 200 earlier projects.

The success criteria are not individually unique, but have never before been tested simultaneously. The initiatives are concrete, affirmative and non-locking, and are aimed at strengthening participants' positions in the labour market. The method is based on providing short-term, targeted initiatives such as supplementary education, work experience and personal development to individuals and is aimed at sectors where there is clear demand for labour. Initially, the individual meets with a thematic expert, that is, a working professional in a particular industry, for a direct comparison against requirements and opportunities in the labour market. Thereafter, a short, targeted package of initiatives is provided with a view to making participants a better match to demand in industries where opportunities for various forms of employment are good.

The project is meant to create preparedness for economic fluctuations by building up collaborative procedures between municipal administrations and participating actors to become part of ordinary activities. Recently arrived migrants to Sweden are one of the target groups. The project also covers young people and people aged 30-50 who became unemployed after the industrial crisis of 2008-2009. The circumstances of the target groups vary widely and there are also differences between individuals in the same group. Consequently, it is essential that the initiatives are based on the individual's needs and circumstances.

A Healthy Workplace

High sickness absence rates are a challenge for many local authorities and county councils. Through the ESF project "A Healthy Workplace", the City of Göteborg will be addressing the challenges faced by municipal operations as regards skills provision and increased rates of psychological illness. The project is aimed at developing the City of Göteborg's strategic health-promoting, preventive and rehabilitation efforts at the organisational level. The aim is to develop a model for structured job rotation for employees with stress problems and repeated absence, as well as for structured return to work for employees who have been away on sick leave.

2. Project to prevent drop-outs from upper secondary school and initiatives for youth who are not in education or employment

Sweden is presently close to attaining the national target for reducing the number of students who do not complete upper secondary education, but there is a significant difference between students born in Sweden and students born abroad. The municipalities are working with these issues as part of their core activities. Many municipalities are contributing to attainment of Europe 2020 targets in the area, among else through participation in ESF-funded projects.

Plug In 2.0

The work of SALAR and affiliates to reduce upper secondary school drop-outs continued during 2016 through the project start for Plug In 2.0, among else. The project is a direct extension of Plug In - the largest collaborative project in Sweden aimed at preventing drop-outs from upper secondary school.

The main focus of the new project is to work further with and develop the areas identified as success factors in Plug In. The ambition is to achieve strategic influence both nationally and internationally. On the local level, it is hoped that the project will also play a positive role in the lives of individual young people. An estimated 3 000 young people in some 50 municipalities are expected to be reached during the project period.

Like its predecessor, Plug In 2.0 is financed by the European Social Fund (ESF) with co-financing from the municipalities and regions involved. The project is being managed by SALAR in cooperation with the Göteborg Region Association of Local Authorities (GR), Region Jämtland Härjedalen, the Regional Council in Kalmar County, Region Västerbotten, Region Östergötland and the Skåne Association of Local Authorities.

It is more difficult for young people who have not completed their upper secondary school studies to establish themselves on the labour market. SALAR's report *Education - The Key to Work* shows that it is considerably more difficult for people who have not completed upper secondary school studies to secure and retain a job, even at the age of 29. This increases dependency upon economic assistance and the risk of social exclusion.

SALAR is also working actively to spread knowledge and lessons learnt concerning the drop-out issue, primarily through the digital platform PlugInnovation.se. Visitors to the site can read about and be inspired by how the municipalities involved in the project are working. There are examples concerning everything from how they are reducing school absenteeism and finding more effective study paths for recent arrivals to supporting young men and women who have quit school to return to their studies or other occupation.

TRIA – Investing in youth who are not in education or employment

The ESF-funded project TRIA is being carried out in the Municipality of Kramfors. The project began in January 2016 and will run through the end of December 2017. The target group comprises young adults aged 15-24 who are not in education or employment and who have been assessed as unable to benefit from Public Employment Service programmes or initiatives. The project combines initiatives for learning and personal development in individual action plans, which may include, for example, coaching dialogues, study and career guidance, group activities, work experience/follow-up and health-promoting activities.

Incomplete schooling is one of the largest contributing factors to difficulties entering the labour market. Accordingly, study-motivating initiatives characterise efforts with all participants in TRIA. Supportive activities are carried out aimed at resumption of compulsory school or upper secondary school studies, studies in municipal adult education (Komvux), vocational training and other training and education programmes that may be appropriate for the individual.

Young people who have incomplete schooling and, for various reasons, do not return to compulsory/upper secondary school or go on to higher education are given concrete help and tools to create stronger connections to working life and the labour market.

Many of the young people registered in TRIA live in economically problematic social contexts. Initiatives are therefore carried out to improve participants' understanding of everyday finances and how society is structured and to provide support in interactions with government agencies, health care and other relevant actors, aimed at establishing a sustainable financial situation.

#jagmed – Young people to education and employment

The #jagmed (#metoo) project is a comprehensive initiative to prevent students from dropping out of upper secondary school. For the individual, leaving school prematurely often leads to unemployment and health problems, which can entail higher costs for the local authority. All counties in East Central Sweden are cooperating in the #jagmed

project, whose aims include developing methods to identify risk of drop-out and academic failure at an early stage. The project is funded by ESF and will be carried out during the period of 2015–2018. The initiative covers more than 40 municipalities and builds further on a national model for cooperation that has been further developed and improved. The project structure ensures learning and everyday support in a manner that is unique compared with earlier initiatives and projects.

Methods will be developed in the #jagmed project to encourage students to complete their upper secondary qualifications. The initiatives include, for example, individualised study plans, personal contact with youth coordinators, building further on aspects of school that are going well, finding solutions to aspects that are not going well, and cooperation with actors outside the schools, such as the local Youth Clinic and the Social Services Office.

SUSA and SUVAS – projects to promote youth employment and reduce drop-outs

Two ESF-funded projects began in the summer of 2016: SUSA (Stockholm’s Youth in Education or Employment) and SUVAS (Stockholm’s Young Adults in Education or Employment).

SUSA is a collaborative project between the (Stockholm) Education Administration and the Labour Market Administration that is aimed at young people living anywhere in Stockholm but with particular focus on residents of the boroughs of Rinkeby, Husby, Tensta, Rågsved, Skärholmen and Hässelby. The objective is for more young people to finish upper secondary school.

Three sub-projects will be carried out within the framework of SUSA to give more young people better conditions for completing their upper secondary education. The project will supplement and/or further develop existing initiatives in the regular operations of the Education Administration and the Labour Market Administration. In addition to method development, one of the project goals is to develop and clarify collaborative structures connected to the target group who are at risk of not finishing upper secondary school. This involves building bridges between compulsory school, upper secondary school and Labour Market Administration programmes. The project will continue for three academic years starting in the summer of 2016. The aim is for the initiatives to reach 450 young people.

SUVAS, Stockholm’s Young Adults in Education or Employment, is aimed at developing and expanding existing outreach programmes in the Stockholm area. Young adults, aged 20-29, who are not in education or employment and are lacking known activity are the target group for the project. At present, the project is nearing the end of the analysis phase and is expected to begin its implementation phase soon.

The Labour Market Administration has been tasked with finding new methods to reach and motivate people who need support to attend the city’s Job Square. Outreach efforts will be aimed at everyone in the target group in Stockholm, but with particular focus on developing and reinforcing the work in socio-economically deprived areas.

The initiatives are aimed at a target group who are the furthest removed from the labour market and will provide information and personalised support to individuals who are at risk of long-term exclusion from the labour market. As the target group is very

heterogeneous, methods will be developed that are adapted to reaching young adults of varying needs and backgrounds.

The Future of Värmland, The Youth of Värmland and Newcomers to Värmland

Several different projects funded by the European Social Fund are ongoing in Värmland, aimed at counteracting exclusion, increasing employment, reducing upper secondary school drop-outs and helping recently arrived young people aged 15-24 successfully meet academic targets in compulsory and upper secondary school. The three projects, Newcomers to Värmland, The Future of Värmland and The Youth of Värmland, are part of a county-wide development effort aimed at reducing social exclusion among young people in Värmland.

The Future of Värmland project is aimed at counteracting social exclusion and reducing unemployment among young people in Värmland. The target group are young people aged 15-24 who are not in education or employment. The project is being run in all 16 municipalities in the county in cooperation with the County Council, the Social Insurance Agency and the municipal cooperative body *Samordningsförbunden i Värmland*. The project owner is the Karlstad Labour Market and Social Services Administration. The young people who participate are given access to personal coaching, group activities, short-term training programmes and health and wellness activities, etc.

The Youth of Värmland project is aimed at counteracting school drop-out among young people in Värmland. The target group are young people aged 15-24 who are at risk of quitting school. The project is being run by eight municipalities in the county in cooperation with the County Council, the Social Insurance Agency and the municipal cooperative body *Samordningsförbunden i Värmland*. The project owner is the Karlstad Labour Market and Social Services Administration. The project is working at both the organisational and individual levels, based on five identified success factors: client service and treatment, monitoring and follow-up, flexibility, cooperation and person-centred methods.

The Newcomers to Värmland project is aimed at developing and applying methods for academic support in compulsory and upper secondary school so that more recently arrived young people, aged 15-24, meet academic targets and achieve as much as possible in all subjects based on their circumstances. Young people born abroad who do not have upper secondary leaving certificates are the group in society that are furthest from the labour market by far. Even though the labour market situation in Sweden and Värmland is currently good, these young people end up in long-term exclusion with little opportunity to become established in the labour market. The municipalities in Värmland have received a large number of recently arrived young people of school age in recent years. Many young people have also arrived while in later school age and have particular difficulties achieving eligibility for admission to upper secondary school.

The Newcomers to Värmland project covers a total of 13 municipalities that will, in a county-wide effort, cooperate concerning joint areas of development such as digital solutions and remote teaching. Nine of the municipalities will also be working with activities for about 600 young people. Initiatives and application of methods are based on knowledge found in research, proceeding from an individual-based method with a holistic perspective on youth. The project will also inform recently arrived young people about

needs for workers in the region so that more of them are given the opportunity to make choices that lead to a successful working life and match labour needs in the county.

3. Climate change and sustainable energy supply

Sweden has set ambitious national energy efficiency targets and a sustainable energy supply objective for 2020. In the Country Report for Sweden, the Commission finds that more efforts are needed to meet the indicative national 2020 targets. Local authorities and regions in several areas of the country are running projects funded by the European Regional Development Fund, ERDF to contribute to attaining Swedish targets for energy efficiency and renewable energy.

The solar energy of the future

A major transition effort is ongoing in Sweden towards a fossil-free society. Solar energy is one of the components that can help meet these targets, as the sun has massive potential as an energy source. Solar energy is not only important from the energy and climate perspective: the industry as such also creates jobs.

The aim of the Solar Energy of the Future Project is to markedly increase the rate of investment in solar energy by small and medium-sized enterprises in East Central Sweden and thus contribute to reducing carbon emissions and improving business competitiveness. The goal is to promote investments by small and medium-sized enterprises through various development initiatives, increase all relevant actors' knowledge about solar energy and build up a solar energy network in East Central Sweden.

The work will primarily be performed by county coordinators, whose tasks will include carrying out concrete initiatives towards companies to demonstrate opportunities to invest in solar energy, either as a business idea, for consumption, or as a selling point to use in marketing and as a brand-building initiative. Other target groups for these initiatives include municipal civil servants and politicians, banks and business promotion organisations. The aim of these initiatives is to get better at meeting the needs of business concerning sustainability issues, and specifically solar energy, in order to stimulate higher use of solar energy by enterprises.

The project, which is funded by the ERDF, began 1 October 2015 and will end 30 September 2018 and involves the counties of Uppsala, Södermanland, Västernmanland, Örebro and Östergötland.

The Low-Carbon Place

Umeå is to become a place with the lowest possible carbon emissions. In the *Low-Carbon Place* project, the Municipality of Umeå and Umeå University in partnership will determine the climate impact of Umeå residents and develop methods and tools for reducing carbon emissions. The aim is to make it possible to plan and develop a city in a better way with the lowest possible carbon emissions by changing consumption, travel and housing patterns in Umeå, spreading knowledge about sustainable consumption and sustainable lifestyles and by producing better input and statistics to be used when the climate impact of travel, housing and consumption is studied. The project is funded by the ERDF and will continue for three years. The project is being implemented in partnership among the Municipality of Umeå, Sliperiet at Umeå University, Umeå Energi and UPAB and several other partners.

The project has three main parts: *Decision support*, where new survey methods concerning travel, housing and consumption will be developed to obtain a better picture of Umeå's climate impact and thus a sounder basis for low-carbon social planning. *Gathering and spreading expertise* where leading experts from academia, business and the public sector are attached to the project and information and knowledge are spread. Through *testing and development methods to facilitate sustainable choices* based on the results of the *Decision support* and *Gathering and spreading expertise* components, the conditions for low-carbon living and travel in Umeå will be created. The actual results of the effort to achieve a sustainable city and reduced climate impact will be created by the habits and actions of its residents.

Energy efficient enterprise in East Central Sweden

The Energy Efficient Enterprise project in East Central Sweden (ECS), which has received funding via ERDF, provides help and support concerning energy issues to small and medium-sized enterprises in the counties of Uppsala, Västmanland, Örebro and Östergötland. The project is a major effort to get companies in ECS to increase energy efficiency and business competitiveness while reducing climate impact.

The tremendous potential for energy efficiency improvements in Swedish enterprise is the rationale behind the project. Energy costs have historically been low in Sweden. As a result, Swedish companies have not made energy efficiency a priority to the same extent as competing companies in other countries. At the same time, many small and medium-sized enterprises lack time, money and knowledge about how to improve energy efficiency in practice. The goal is to bring at least 200 participating companies into the project that will be implementing or are planning to implement energy efficiency actions during the project period. The project also involves coordinating public actors and improving their joint efforts towards companies in the energy and climate area.

Smart Green Region Mid Scandinavia

Sundsvall, Östersund and Trondheim have been cooperating around several joint development areas. The results include the Green Highway and the St Olavsleden pilgrim trail. Developed during the previous programme period, the Green Highway is intended as a fossil-free transportation corridor between Sundsvall, Östersund and Trondheim, where both people and goods are transported by road, sea or rail without fossil fuels.

The three municipalities are now building further on the work begun during the previous programme period. Smart Green Region Mid-Scandinavia is funded via ERDF and is owned by the municipalities of Östersund and Trondheim. The project is aimed at utilising and reinforcing the combined resources of the border regions, reducing border barriers and fostering sustainable growth and development in the border areas by linking the research community and public and private actors from both sides of the border. The project began in May 2015 and will run through the end of April 2018. The aims of the project include promoting the continued development of goods and services linked to electric-powered traffic, performing an in-depth prestudy of the conditions for producing hydrogen gas and for at least one production site for hydrogen gas to exist in the Green Highway area, while ensuring that hydrogen gas filling stations are available in Sundsvall, Trondheim and Östersund. Additionally, the project aims to contribute to achieving an efficient value chain for liquefied biogas (LBG) as a renewable fuel for heavy transports in

the Green Highway area by means of knowledge dissemination, networking and development of cross-border business relationships.

Fossil Free Energy Districts - A new way to trade in energy

Fossil Free Energy Districts, the FED project, is aimed at testing new solutions that advance the transition to the fossil-free society. The project is funded via the new European Urban Innovative Action initiative. The City of Göteborg will be cooperating with academia and property owners in tests of fossil-free, small-scale system solutions that take advantage of primary and secondary electricity production in the local market and contribute to commercial viability through the development of business plans.

A system is being developed at Chalmers University Campus Johanneberg that will during 2017 enable testing of transmission and trade in surplus energy in order to capture and transmit it among about 50 different buildings on the campus. As a result, there will be no need to add primary energy; the surplus found in the building, which would otherwise have gone to waste, will be used instead. What makes the project unique is that a marketplace will be created. This means that a value will be assigned to the energy that is shared, which is positive because a financial incentive is necessary.

4. Transport and infrastructure

In the Country Report, the Commission finds that given Sweden's geographical location, all transport modes are important to support future export performance, and potential capacity bottlenecks need careful consideration. The Commission also finds that there has been insufficient investment in cross-border connections. Swedish regions are addressing these challenges through projects funded via the European Regional Development Fund and INTERREG.

Mid Nordic Corridor

The municipalities of Åre, Krokom, Östersund, Bräcke, Ånge and Sundsvall, Västernorrland County Council, Region Jämtland Härjedalen, the Swedish Transport Administration and the Västernorrland County Administrative Board are cooperating in the Mid Nordic Corridor project. Begun in 2015, the project is co-funded by ERDF and will end in 2019. The overall target is to strengthen the Mid Nordic Corridor as an efficient and sustainable cross-border transport route that promotes Mid Nordic development. The objectives of the project are to strengthen the sustainability of the Mid Nordic Corridor by assuring shorter travel time and increased capacity for freight, improved road safety and increased collaboration.

Accordingly, six local authorities, two counties and the Transport Administration - supported by the EU - are joining forces to improve the traffic situation in a unique collaborative project across municipal and county lines. Across the entire Mid Nordic Corridor, in more than fifteen local and regional projects, small, locally adapted traffic solutions are being built together with larger infrastructure investments in roads and railways. Investments that are removing barriers and connecting people, businesses and communities.

5. Research and development

In the Country Report for Sweden, the Commission finds that Sweden made no progress in 2016 towards the national R&D target of 4 per cent, primarily due to a decline in business expenditure on R&D. The Commission also finds that there is a risk that Sweden may suffer

from a shortage of highly skilled human resources in science, technology and engineering, as the number of new graduates in science and engineering has declined. This could negatively affect the productivity and innovation performance of the country, ultimately becoming a barrier to R&D investments.

Technology Education of the Future

Technology Education of the Future is a skills supply project in the Municipality of Hässleholm that is funded by ERDF. The project is aimed primarily at tech companies that need greater access to technical skills, but also at schools, as there is a need to assure the quality of education programmes in line with the needs of companies. The gender equality perspective is a main focus of the project, as less than 10 per cent of students in practically oriented technical programmes in Hässleholm are women.

The project is an extension of a prestudy performed at the initiative of local businesses during the period of 2013–2014. Four work areas were recommended through the prestudy, aimed at identifying a better structure and methods for meeting the skills supply requirement. The work areas include accreditation of *Teknikcollege*, bringing higher education programmes with a technical orientation to Hässleholm, introduction of a coordinator for collaboration between school and working life, and to revise and further develop marketing of academic programmes and professional opportunities in technology.

The Technology Education of the Future project began in September 2015 and will run to the end of December 2018. The project is being implemented collaboratively by Region Skåne, Teknikcollege Skåne, Yrkehögskolan Syd (higher vocational education), Jacobskolan (upper secondary school), Hässleholms Tekniska Skola (technical upper secondary school) and local and regional tech companies.

Academy for Smart Specialisation in Region Värmland

The Academy for Smart Specialisation was established as part of the implementation of Region Värmland's research and innovation strategy. The Academy for Smart Specialisation is funded via ERDF and is intended as a tool for transformation and renewal of business and the public sector in Värmland and to strengthen research at Karlstad University.

Six potential areas have been identified as focus areas in Värmland's research and innovation strategy for smart specialisation: forest-based bioeconomy; digitalisation of welfare services; advanced manufacturing and complex systems; digitalised experience of nature, culture and place; and systems solutions with solar energy.

These six areas are the foundation of the Academy for Smart Specialisation. Karlstad University and Region Värmland will run the Academy jointly for the purpose of serving as a meeting place for researchers, companies, public actors, financiers and entrepreneurs. By linking research innovation and education, the Academy will also prepare Karlstad University students for employment and as drivers of development in the six prioritised areas in Värmland.

The Academy for Smart Specialisation will contribute to innovation by taking a longer-term approach to collaboration and clarification of priorities, increasing the involvement of business and public-sector operations and by increasing capacity to be part of international research and innovation projects.

Rural Innovation Centre

In cities, innovations are often developed jointly with customers, suppliers, partners or competitors, alongside universities and other public support functions. Aimed at giving entrepreneurs who live and work in rural Sweden the same opportunities, the municipalities of Simrishamn, Sjöbo, Tomelilla and Ystad are collaborating in the Rural Innovation Centre project, funded by the European Agricultural Fund for Rural Development (EAFRD).

The Innovation Centre has been developed into a hub and meeting place for local entrepreneurs and innovators. The availability of support close at hand provides the prerequisites for innovators to work in the countryside. Sjöbo was internationally recognised in the autumn of 2015 when it received the EPSA European Public Sector Award 2015 Best Practice Certificate for the Rural Accelerator, the prestudy upon which the Innovation Centre was based.

Reciprocal Access for Innovation Performance

The Access project (Reciprocal Access for Innovation Performance) is working in close dialogue with the incubators in the counties of Uppsala, Västmanland, Örebro and Östergötland. The overall objective is to strengthen innovative capacity in small and medium-sized enterprises and participating universities in East Central Sweden. The three-year project (2016–2019) is developing, implementing and providing access to cross-regional structures and processes to achieve sustainable and regular partnerships among academia, business and government.

Leading innovation offices are included in collaborative efforts within the project. In addition to the developed channels that are making it easier for small and medium-sized enterprises to establish contacts with academic researchers, the innovation offices are testing an arsenal of innovative, business-oriented tools that are being utilised in their regular operations.

INTERREG projects enabling cross-border research collaboration

The ESS & Max IV: Cross Border Science and Society project that began in September 2015 and ends in September 2018 involves a broad partnership among 27 organisations in Sweden, Norway and Denmark. Regions, local authorities, universities, marketing organisations and research facilities are working together in the project towards maximising social benefit and growth based on the geographical locations of ESS¹³ and MAX IV¹⁴ in the region. The project takes a comprehensive approach to the potential of the research facilities, among else by strengthening the user skills of young researchers in the region so that they are prepared to use the facilities when they are finished. This will be accomplished through stronger cross-border partnership among ESS, MAX IV and eight universities in the Öresund-Kattegatt-Skagerrak area. Region Skåne is the owner of the project, which is funded by Interreg Öresund-Kattegatt-Skagerrak.

¹³ The European Spallation Source (ESS) is a European Research Infrastructure Consortium (ERIC), a multi-disciplinary research facility based on the world's most powerful neutron source.

¹⁴ MAX IV is a Swedish national laboratory for accelerator physics and research using synchrotron beams.

For the universities, the project makes it possible for other research funding, primarily from the national level, to be geared up and enable larger initiatives. The universities involved in the project have expressed that the cross-border research collaboration would not have been possible without the opportunities provided by the EU programme.

Test Arena Göteborg

Solar panels, food waste services and self-driving cars. There are many ideas for overcoming the challenges of climate change, migration and widening socio-economic disparities in society. Through the Test Arena Göteborg project, which is aimed at small and medium-sized enterprises, the City of Göteborg's aim is to give more innovative ideas the opportunity to begin the journey from thought to reality. Ideas and inventions need to be tested "in the real world" to be developed, implemented and utilised and to create added value. Social problems are very serious today. As the city is very attractive to both residents and various skills, the city has the potential to be a natural test environment.

A comprehensive strategic effort is ongoing in Göteborg, aimed at systematically utilising the innovative ideas of companies and universities in the region to overcome major social challenges in urban development. In this initiative, Test Arena Göteborg is a component intended to promote the eventual realisation of more numerous sustainable innovations.

3. Contributions from civil society organisations

Civos – Civilsamhällets organisationer i samverkan

Civos (Civil Society Organisations in Partnership) is a national umbrella organisation whose mission is to strengthen and expand opportunities for civil society organisations. Aimed at realising the vision of a strong and independent civil society, Civos engages in dialogue with decision-makers, acts as an opinion leader and consultation partner and acts to bring to the fore the significance of the civil society to the lives of individuals and social development. The organisation was formed in 2009 and its current members are some fifteen national umbrella organisations.

The contribution of civil society to Sweden's growth

Statistics Sweden reports satellite accounts on the civil society in accordance with ENS2010.¹⁵ The satellite accounts show that total production for the civil society in 2014 was worth SEK 216 billion or 3.1 per cent of Sweden's total production. The amount includes payments from public administrations of SEK 35 billion. Value added in the civil society amounted to SEK 126 billion and the contribution of the civil society to the GDP of Sweden was 3.2 per cent. The scope is stable compared with 2013, which was the first year that Statistics Sweden reported statistics specific to the civil society. This is being accomplished in a total of 238 000 organisations, of which 92 000 were economically active.

As Civos primarily constitutes the voice of the civil society as regards its conditions, we provide status reports on the national targets for the sector, as well as proposals for measures that we recommend to the Government. For examples of the operational activities of the sector, we refer to the other contributions in the appendix to the Swedish National Reform Programme.

Employment target

Current situation

The total number of gainfully employed persons in the civil society amounted to roughly 183 000 people in 2014, of whom women comprised 59 per cent. Approximately 71 000 people, or 39 per cent of this group, were employed by voluntary associations. In addition, 6.2 million people, or 77.5 per cent of the Swedish population aged 16 and older, were members of one or more associations. Of these, a large share performed voluntary, unpaid work that does not directly contribute to attaining the employment target but often indirectly contributes, in that people who are far removed from the labour market gain experience, networks and a path into society through civic engagement.¹⁶

¹⁵ ENS 2010 – An adjustment of the Swedish national accounts to new EU regulations, translated from the European System of National and Regional Accounts.

¹⁶ SCB, *The civil society in 2014 – satellite accounts*

Initiatives and measures

The Government should recognise the civil society as a strategic resource for further increasing the employment rate, especially for women, who are the predominant group employed in the civil society. Civos recommends the following reforms, which we will be advocating during 2017 as part of our contribution:

- The Government should extend the exemption concerning employers' social security contributions below half of one price base amount that applies to the popular sports movement to the entire civil society, and also include office staff, porters, security guards, board members, sales staff and comparable.
- The Government should facilitate a national agreement or new form of employment for civil society organisations via the Public Employment Service.
- The Government should introduce an exception in the new Public Procurement Act so that procurements of social services below EUR 750 000 are not covered by the Act. As well, voluntary/public partnerships should be reinforced as an alternative to procurements under the Public Procurement Act.

Education target

Current situation

Civil society organisations today play an important role in helping Sweden reach the target of more young people completing their upper secondary education. Research shows that young people who participate in voluntary clubs and associations perform better in school than young people who do not participate, and are less likely to end up marginalised or to commit crimes. Last year, Swedish youth organisations gathered 676 000 young members, a membership increase of about 83 000.¹⁷ All told, the sports movement's activities for children and youth bring together roughly 1 224 000 members.¹⁸ The independent organisation of youth makes a strong contribution to non-formal learning and the formal compulsory school education system and should therefore be stimulated and facilitated.

Of the 154 folk high schools in Sweden, 112 are owned by a popular movement, meaning that the principal organiser of schools is a popular movement organisation, foundation or association. From 2010 to 31 December 2013, 13 512 unemployed young adults completed a folk high school study-motivating course. Of those who participated in 2013, 52 per cent went on to further education or employment. About 25 000 students participated in the folk high school General course in 2016 and 36 200 in longer courses, which are designated as special courses. In addition, 272 500 study circles were arranged by study associations in the civil society, with 1.7 million group-reported participants, of whom 56 per cent women and 44 per cent men. Almost 13 million study hours were reported.¹⁹

¹⁷ The National Council of Swedish Youth Organisations (LSU), *Ungdomsrörelsen i siffror 2016 (Youth organisations in figures 2016)*.

¹⁸ The Swedish Sports Confederation, *Idrotten i siffror 2015 (Sports in figures 2015)*.

¹⁹ National Council of Adult Education, *Årsredovisning med verksamhetsberättelse 2015 (Annual Report 2015)*.

Initiatives and measures

- The Government should make it possible for more young people who are far removed from the labour market (NEET) to participate in voluntary clubs and associations. Increase incentives for youth organisations to widen their membership base by indexing the central government grant, introducing a national standard for subsidies and providing additional funding as more organisations and/or members are added.
- The Government should study the financial circumstances of popular movement and county council folk high schools as regards the principal organiser grant.
- The Government should make it possible for young people to choose folk high school as their preferred form of education earlier than is now permitted, as an alternative to other upper secondary schools.
- The Government should reform the Swedish For Immigrants programme so that SFI can be combined with other studies, work experience and employment, and can also be combined with participation in study circles or folk high school education.
- The Government should make study-motivating folk high school courses (3 months) permanent and ensure funding for participating folk high schools. At present, students are assigned late, which makes it difficult for school administrators to plan staffing.
- The Government should begin the process of Sweden's national implementation of validation of non-formal learning in accordance with Council Recommendation 2012/C 398/01.

Target for increased social inclusion

Current situation

The civil society is making substantial contributions towards helping Sweden attain the targets for increased social inclusion. Civos will continue to remind the Government of the need to facilitate conditions for people's freedom of organisation and democratic rights to civic engagement.

Initiatives and measures

- The Government should strengthen the knowledge of the Social Insurance Agency concerning the right to engage in voluntary activity with no effect on sickness benefits, from the perspective of democracy but also as a method of rehabilitation.
- The Government should allocate funds to the National Board of Building, Planning and Housing so that the civil society can seek funds to make their meeting premises accessible. The investment grant to public assembly premises has been cut back in favour of funding the agency's administration. This needs to be changed.
- The Government should continue to spread EoP (Exercise on Prescription) and further develop Culture on Prescription and Outdoor and Club Life on

Prescription, as this has been proven to have positive impact on health, stress and well-being.

- The Government should establish an independent human rights institution that also has particular focus on monitoring the child, gender equality and disability perspectives.

Research and development target

Current situation

Civos is part of the Swedish Agency for Youth and Civil Society's reference group for research and knowledge about the civil society. Otherwise, there is presently no nationally established research field within the research policy for civil society research, other than a minor assignment to Statistics Sweden to report satellite accounts.

Initiatives and measures

- The Government should establish a new area in the research policy that includes structural support for environments that have contributed to the growth of civil society research in Sweden. Of the national target of 4 per cent of GDP to R&D, support to civil society research should correspond to the sector's contribution to GDP. This would equal 0.132 per cent of GDP (SEK 5.1 billion).
- The Government should establish a number of international professorships for civil society research.
- The Government should establish an independent research institute with focus on civil society issues.
- The Government should expand the assignment of the Agency for Youth and Civil Society with regard to civsam.se as an integrating portal for spreading civil society research in the agency's appropriation directions.

Verdandi

Verdandi – the workers’ socio-political organisation, works with moulding public opinion, peer support, networking and work-integrating social enterprises and activities. Verdandi works for social justice and a society free of alcohol-related harm by organising vulnerable groups to fight for better conditions. Verdandi has no party political or religious affiliation. The key issues we work with are fighting poverty, fighting substance misuse, fighting for a universal welfare policy of solidarity, fighting racism, xenophobia and homophobia and fighting for gender equality.

An important part of Verdandi’s work is to promote the increase of social cohesion in society and to prevent segregation and exclusion. We do this through our social contact activities that offer meeting places and support for everyone, regardless of gender, age and ethnic origin, and through studies and moulding political opinion. An important part of Verdandi’s work is also supporting people in becoming employable through concrete activities and projects, as well as contributing to the creation of employment and work. Verdandi also promotes development in the social economy and social innovations, which contributes to social cohesion and seeking new solutions to social problems in accordance with the Europe 2020 strategy. Verdandi is found in about 40 places in Sweden.

The examples provided here are only a selection of Verdandi’s efforts in line with the Europe 2020 strategy. We have previously reported our work to create employment in more specific terms.

There are five Swedish national targets within the framework of Europe 2020 – the EU’s common growth and employment strategy. A few examples of how Verdandi is working in accordance with the general target of promoting social cohesion and increased social inclusion and to attain two of the national targets are given below:

1. “To try to increase the employment rate to well over 80 per cent for women and men aged 20-64 by 2020. The increase is mainly to be achieved among groups with a weak foothold in in the labour market, such as young people and people born outside Sweden, and by counteracting long periods without work. The difference in employment rates between women and men must be reduced by increasing the employment rate of women.”
2. “To improve social inclusion by reducing the percentage of people who are not in the labour force (except full-time students), the long-term unemployed or those on long-term sick leave to well below 14 per cent by 2020.”

The objective of Verdandi’s participation-creating and work-integrating activities is that everyone should be given influence over their own lives, full inclusion in society and the opportunity to work to 100 per cent of their own ability. This is an important starting point to give more people who are outside the labour market, due to such things as long-term unemployment, substance misuse, foreign origin or discrimination, an opportunity to enter the labour market, but also to increase social cohesion.

Based on our assessment that the need for stronger social cohesion and social inclusion is one of our most important social challenges and a fundamental condition for successfully

attaining the targets in the EU 2020 strategy, we have intensified our efforts in recent years to develop methods and programmes that contribute to strengthening social cohesion and social inclusion. User influence and user involvement in social and welfare services is one of the most important areas of development to attain this target.

We have observed that demands for user involvement and user influence are growing:

- Greater personalisation is leading to demands for influence.
- We are seeing greater support in legislation, regulations and guidelines.
- User involvement has gained important legitimacy and recognition as a source of knowledge from the scientific and professional perspectives.

Society has limited resources for service and care. Involving service users and their opinions enables better service and higher efficiency. User-controlled evaluations provide an important tool with the power to effect change in care and service.

User involvement also contributes to improving the social dialogue, increasing social cohesion and providing opportunities for democratic influence at several levels. By extension, this also contributes to greater legitimacy for policies and prioritised social initiatives. User involvement in the form of user-controlled evaluations and user councils are also powerful instruments for empowering the individual. Speaking out is a first step towards greater self-esteem and employable skills and thus a pathway out of unemployment and social exclusion.

Verdandi has been working for many years to develop user involvement and consumer power, which increase citizens' opportunities to choose and exert an influence on the supply of publicly financed welfare services - including those under private management. This opportunity to exert an influence is an important basis for between-election democracy and social inclusion and to be a subject in the design of initiatives intended to help, rather than an object. For the citizen, this is a journey from recipient to co-creator.

Verdandi has developed concrete tools towards this end in the form of user-controlled evaluations of programmes, services, etc., from the user perspective and support for building local and regional user councils, particularly within addiction care and psychiatric services provided by the local government sector. The Swedish Board of Health and Welfare has chosen to highlight the method in its quality indicator system, "Open comparisons", in the care areas of substance misuse/addiction care and psychiatry.

We have built a national resource centre, *Brukarkraft* (User Power) to spread the results of this work. Via *Brukarkraft*, we provide assistance with organisational development, information and training in working methods, as well as support to user groups, service providers and public administrations.

Local government activities in the areas of support, health care and social care have much to gain by taking into account the experiences, knowledge and commitment of users, patients and family members. This creates the conditions for values-based development and is also a prerequisite for evidence-based practice. This increases citizens' opportunities to be actively involved in their own rehabilitation as well as collective influence on the development of publicly financed welfare, and provides an instrument of democracy that promotes the involvement of marginalised groups in social development - a vital prerequisite for increased social inclusion.

The gains may be seen on both the collective and individual levels and can be simply described as the levelling of power. Ongoing measures towards systematic user influence of this kind change how people think and work, which is the foundation of cultural change that can contribute to a levelling of power between professionals and users. This involvement may occur in management contexts and developmental activities at all levels. The goal is for the knowledge, experience and opinions of users, patients and family members to be used as a resource for inclusion and development of social services that focus on quality, which adds value for the user/patient and contributes to social inclusion.

Swedish National Council of Adult Education

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

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

Together, the members represent 154 folk high schools and 10 study associations. Formal and liberal adult education engages large parts of the adult population every year. All told, more than 1 090 300 people participated in long courses offered by folk high schools, study circles offered by study associations and other non-formal adult education activities in 2016.

Non-formal and liberal adult education is contributing to fulfilling the Europe 2020 strategy

Non-formal and liberal adult education is a significant initiative in relation to the priorities of the Europe 2020 strategy and Sweden's targets within the strategy. This applies not least to social cohesion and strategies for increased employment. Both of these are, of course, prerequisites for the third priority, economic growth.

The central government has four aims for its grant to liberal adult education: the democracy aim, the influence aim, the cultural aim and the education and enlightenment aim.

It is easy to see that the last, the education and enlightenment aim, clearly contributes to the priorities of Europe 2020. As more people progress towards enlightenment and learning, establishment on the labour market eventually leads to economic growth. This conclusion is further supported by the great success of liberal adult education at reaching groups that are often far removed from the education and labour markets: young people and people born abroad.

Paths to employment and education

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

Study-motivating folk high school courses (3 months) are aimed at jobseekers who lack leaving certificates from compulsory school or upper secondary school. Study-motivating courses are provided in partnership with the Public Employment Service. Establishment courses (6 months) are aimed at recently arrived migrants. The programme includes Swedish-language studies as well as job preparation and orientation initiatives.

As regards special programmes for disadvantaged youth and applicants for asylum, we were able to report in 2016 that the study associations had 19 848 participants in “Conversational Swedish” and 61 891 participants in *Swedish from Day One*. The folk high schools had 3 436 participants in *Swedish from Day One*, 3 476 participants in the *Folk High School Establishment Course* and 3 290 participants in the *Folk High School Study-Motivating Course*.

Folk high schools and study associations both work with the target group of disadvantaged youth and we clearly see that the group of young people with limited experience of earlier studies are participating in liberal adult education to an increasing extent. The same applies to the major efforts ongoing in liberal adult education for people born abroad and recent arrivals to Sweden.

Research, evaluations and follow-ups agree that restorative and study-motivating efforts are one of the main strengths of the folk high schools. Folk high schools give participants a thirst to learn more and the courage and capacity to take the next step. Every year, several thousand participants progress from folk high school to university.

Adult education for a cohesive Sweden

Liberal adult education helps keep Sweden together. This is possible because it is available throughout the country. In 2016, the study associations were active in all Swedish municipalities and the folk high schools in nearly half of them. In relation to the population, the study associations are most strongly represented in rural Sweden. In some small towns, the study associations are the only organisations to offer cultural and educational opportunities.

Successful work with disadvantaged youth and people born abroad is critical to social cohesion, stability and increased employment. Education is a key measure to prevent unemployment and the marginalisation that people who are outside working life may suffer.

But it is important to note that the other aims of the central government appropriation for liberal adult education are also important to social cohesion and stability, participation, citizenship, critical thinking and arts and culture in various forms throughout Sweden. Liberal adult education is a counter balance to contempt for knowledge, xenophobia, marginalisation and socio-economic exclusion. Study associations and folk high schools are meeting places that foster diversity, conversation among equals, knowledge, enlightenment and insight.

If we lift our gaze to the EU level, it is clear that recent years have been characterised by rapidly growing social and political tensions in many EU Member States, expressed in xenophobic and non-democratic movements gaining a foothold, even as more people are turning to EU countries to seek protection from wars and conflicts in other parts of the world. Democracy and social cohesion are being challenged and put under pressure both in Sweden and other EU countries. There is risk that society will be pulled apart, structures challenged and disparities exacerbated.

Liberal adult education is an important infrastructure for democracy and enlightenment and for the sense of community that characterises our democratic society.

Liberal adult education contributes to a great extent to Sweden, along with the other Nordic countries, being at the top in Europe as regards participation in adult learning. In many other EU countries, participation is worryingly low. Liberal and formal adult education play an important role in equipping people for further studies, establishment in the labour market and the role of citizen in a democratic society.

Swedish liberal adult education is a key piece of the jigsaw of various efforts made locally, regionally and nationally to attain the targets encompassed in the Europe 2020 strategy.

The Swedish Disability Federation

The Swedish Disability Federation is an umbrella organisation for 39 disability organisations in cooperation, which together represent about 400 000 individuals. Our goal is a society for all. Our work is based on human rights as we advocate for disability rights for our members; that is, the rights of people with disabilities to function on equal terms in all parts of society. We will be changing our name to Funktionsrätt Sverige (Disability Rights Sweden) on 18 May 2017.

We cooperate actively with European organisations that represent 80 million Europeans with disabilities, 150 million older people and consumer organisations.

Our contribution is based on Universal Design

We are advocating the implementation of Universal Design, UD, which is defined in the UN Convention on the Rights of Persons with Disabilities²⁰ and is obligatory for the more than 170 states that have ratified the convention to ensure that all new products, etc., that are created are based on people's various needs and circumstances and that existing environments and services are gradually made accessible. The EU and Sweden have ratified the CRPD and have committed to this. The UN recommends a twin track approach: mainstreaming in parallel with supporting the empowerment of persons with disabilities. In order to attain targets related to education, employment, inclusion and R&D, policy must be designed based on the principles of Universal Design and ensure the inclusion of the excluded.

We are actively involved in standardisation of sustainable procurement ISO20400²¹, social responsibility ISO26000, European Commission mandates related to procurement (Mandates 376²² and 420²³), processes for ensuring universal design of products, services and systems in management systems (Mandate 473)²⁴ and European legislation in several areas. We are, for example, engaged in the effort towards a European Accessibility Act²⁵ and recently participated in a workshop on accessibility in Brussels.²⁶ The objectives adopted by our annual congress are related to many of the areas prioritised in Europe

²⁰ The UN Convention on the Rights of Persons with Disabilities, UNCRPD, Article 2 <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html>

²¹ ISO 20400, the first international standard for sustainable procurement
<https://www.iso.org/news/2016/08/Ref2105.html>

²² EU mandates and standards for accessibility requirements in IT procurements
<https://www.cencenelec.eu/standards/Sectors/Accessibility/eAccessibility/Pages/default.aspx>

²³ EU mandate for accessibility requirements in procurements related to the built environment
<https://www.cencenelec.eu/standards/Sectors/Accessibility/BuiltEnvironment/Pages/default.aspx>

²⁴ EU mandate 473 Design for all, Cen Cenelec
<https://www.cencenelec.eu/standards/Sectors/Accessibility/DesignForAll/Pages/default.aspx>

²⁵ EU Commission's proposal for a European Accessibility Act
<http://ec.europa.eu/social/main.jsp?catId=1202&langId=en>

²⁶ Presentations from the workshop on accessibility arranged by the EU Commission, 2-3 February 2017
<http://ec.europa.eu/social/keyDocuments.jsp?pager.offset=0&&langId=en&mode=advancedSubmit&advSearchKey=EAAworkshop>

2020²⁷ and the UN 2030 Agenda,²⁸ including health, employment and income, education and inclusive social planning.

Our understanding of the background and current situation

Society is becoming increasingly segregated. People who fall outside the system are more often overlooked. People with disabilities are overrepresented among those who have dropped out of school, lack employment and are socially excluded. There is a dearth of socially oriented research and development. In spite of legislation that has been in force since the 1960s and 1970s concerning accessibility in the built environment and public transport, the laws have had no effect due to inadequate enforcement. Public procurement as an instrument has been successfully prioritised in terms of monitoring and environmental sustainability initiatives, but, in spite of criticism from the UN in April 2014, no corresponding initiatives have been taken concerning accessibility, which has stronger support in law.²⁹

Sweden is one of the richest countries in the world. International experts conclude that Sweden's economic growth is associated with savings in our areas³⁰. Cutbacks in relation to the Act Concerning Support and Service to Persons with Certain Functional Impairments (LSS) are being made in the face of criticism from the UN. But there is also a paradox in that investments are being made in "welfare technology" as an export product, which entails a risk of higher costs for the central government and dependency on support for individuals. Instead of assuring accessibility and universal design, with greater independence and better conditions for young people with disabilities to study, live and work and for older people who want to remain active and work longer.

The term "investments" is used in relation to the environment, but as regards inclusion, "costs" are used as a reason for limiting social rights in contravention of commitments. It is short-sighted and a waste of long-term investments to overlook the implementation of universal design and depart from requirements in the built environment, public transport and digitalisation, also with regard to demographic developments.

The EU recently published an analysis of the European Disability Strategy³¹ that is running in parallel with Europe 2020. EU Commissioner Marianne Thyssen³² noted in particular that people with disabilities in Europe believe there is a clear lack of political

²⁷ See also the Swedish Disability Federation's remarks on Europe 2020 in 2016

<http://www.hso.se/Global/Skrivelser/2016/SynpunkterEU2020Mars2016.pdf>

²⁸ See also the Swedish Disability Federation's remarks on the implementation of Agenda 2030

http://www.hso.se/Global/Remisser/Remiss/2017/Handikappfc3%b6rbundensBidragVNR2017_medfc3%b6ljebrev.pdf

²⁹ UN recommendations to Sweden, April 2014, para 8 (incorporation of the Convention) and para 26 (public procurement)

<http://www.manskligarattigheter.se/sv/crpd-kommitt-ns-slutsatser-och-rekommendationer-till-sverige-1-a-rapporten-april-2014-1>

³⁰ Sweden heads the best country for business 2017, Forbes, 21 December 2016

<https://www.forbes.com/sites/kurtbadenhausen/2016/12/21/sweden-heads-the-best-countries-for-business-for-2017/#79afeb537ecd>

³¹ The EU Commission' progress report on the implementation of the European Disability Strategy, presented 2 February 2017

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2725&furtherNews=yes>

See also the European Disability Forum's (EDF) position on the review <http://www.edf-feph.org/disability-strategy-europe-2020>

³² Speech by EU Commissioner Marianne Thyssen, 3 February 2017

https://ec.europa.eu/commission/commissioners/2014-2019/thyssen/announcements/speech-european-commission-workshop-accessibility-products-and-services-brussels_en

will. The prioritised areas of the strategy, accessibility, participation, equality, employment, education and training, social protection and health, are essential to achieving inclusion.

Proposals for action

The Swedish Disability Federation proposes concrete action to make efforts more effective in line with the Government's pledge that "all decisions will be taken with consideration for human rights and human empowerment." Political drive and the will to strengthen human rights and inclusion are more important now than ever.

Concrete proposals for actions to improve attainment of the Europe 2020 targets:

- Create better governance and monitoring. Link Europe 2020 to inclusive targets in the UN 2030 Agenda and to criticism from the UN concerning the development of indicators, better statistics and equivalence across the country.
- Integrate universal design in plans and follow-up of paragraphs 4.1 - 4.4 of the National Reform Programme. Prioritise inclusion and create a transition from unnecessary separate solutions.
- Never depart from requirements for accessibility in the built environment, public transport, education and employment. Develop support and monitoring of accessibility and universal design in public procurements (compare with green procurement (4.1 and 4.3)).
- Invest in Universal Design for Learning³³, which proceeds from difference as the norm, so that more young people will want to continue learning (4.2).
- Invest in research, innovation and development for universal design as a horizontal principle (4.4).
- Consider why the European Regional Development Fund excludes accessibility as a horizontal principle in its work (paragraph 5).

³³ Description of Universal Design for Learning, UDL, accessed 14 March 2017
<http://www.udlcenter.org/>

Equally Unique

Equally Unique is a Swedish federation whose mission is to increase respect for human rights in Swedish policy. Everyone should be allowed to participate in and contribute to society. Equally Unique promotes human rights for people with disabilities. The federation was formed in December 2009 and now has six affiliates: The Association for Sweden's Deaf-Blind (FSDB), the National Association for the Hearing Impaired (HRF), the National Association for Disabled Children and Young People (RBU), Neuro Sweden, the Swedish National Association for the Deaf (SDR) and the Swedish Association of the Visually Impaired (SRF).

Our point of departure is the Convention on the Rights of Persons with Disabilities that Sweden ratified in 2008 and that the EU has also given its support to, the first convention to which the EU became a party as regards human rights. The purpose of the Convention is to “promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities.” Equally Unique further bases its activities on the goals and targets of the UN 2030 Agenda for Sustainable Development, which is aimed at creating societies that are economically, socially and environmentally sustainable. We believe it is self-evident that the Swedish reform programme for Europe 2020 and the work of the entire EU with the programme must be consistent.

As we argue concerning Swedish policy in general, the goals and objectives of the 2030 Agenda cannot be attained without a clear disability perspective. This requires understanding that people are unique, have varying functional ability that some of us have disabilities and that disabilities arise in the encounter between individuals and their surroundings. Decision-makers have a duty to guarantee human rights and equal conditions and to contribute to a sustainable society by taking active consideration of human differences. Along with a child perspective and gender equality perspective, a disability perspective must always be considered in planning, budgeting, decisions and implementation.

The Europe 2020 strategy concerns areas including the labour market, education and a gender-equal society. The targets of the strategy can never be considered attained unless everyone is included, and that extends to people with disabilities. For Equally Unique, this is not only a matter of reinforcing important policy areas. It also involves working to bring about a paradigm shift in society that entails a shift in perspective from the present patient and medical perspective to a citizen and rights perspective on people with disabilities.

The Europe 2020 strategy and the 2030 Agenda

Equally Unique wishes to comment on three of the five Europe 2020 targets and their implementation in Sweden: *Employment, education and social inclusion*. Our remarks are based on the UN 2030 Agenda, which represented a success for the global disability movement. Unlike the earlier Millennium Goals, the 2030 Agenda includes wording that is clearly based on a disability perspective with regard, for example, to the right to education and employment.

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

Stronger initiatives will be required to attain the target of inclusive and equitable education. Not least importantly, this will involve improving conditions for students with disabilities to acquire basic education in preparation for later life. At present, follow-ups show that compulsory school is the highest level of education for almost 17 per cent of people with disabilities. The same figure for the rest of the population is 10 per cent. In the group of people with disabilities, 32 per cent have post-secondary education, compared with 44 per cent of the rest of the population.

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

Based on a recently adopted school platform, Equally Unique is working with our affiliate associations to promote conditions for students with disabilities that are equal to those for other students. *Full accessibility and inclusion, A good and learning school environment and Student focus-All children are unique* are three important headings in the school platform, along with the right of a student to choose to attend a specially adapted school in order to benefit from education.

2030 Agenda, Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The ambitious target is to by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

The goal should be regarded in the light of the present situation in the labour market, which provides reason for stepped-up initiatives. The overall evaluation and analysis of disability policy from 2011 to 2016 presented by the Swedish Agency for Participation (MFD) presented in 2016 shows that unemployment is higher among people with disabilities. The unemployment rates were 12.8 per cent for the group with “impaired capacity to work”, 7.3 per cent among those with unimpaired capacity to work and 5.1 per cent among others. MFD finds that there is a tendency towards an increase in unemployment among people who have “impaired capacity to work”, a phrase we do not wish to accept because it creates prejudices but which nevertheless sheds light on what is reality for many of our member groups with visual, hearing and movement impairments.

Another comparison can be made concerning full-time work, which is presently less common for people with disabilities: 66 per cent of people with disabilities work full-time (57 per cent of people with “impaired capacity to work”) compared to 77 per cent for others.

Equally Unique is attempting to drive a genuine shift of perspective on people with disabilities, who must be seen as resources who have valuable competence that is needed in Sweden. Former TCO economist Jan-Erik Nyberg is the author of a report called “See the Ability” (“Se förmågan”), published in 2016 in partnership with Arena Idé. Equally Unique’s intention with this report is to establish a dialogue with the social partners on

conditions for people with disabilities in the Swedish labour market, on job matching, better circumstances for employment, public sector employers as role models and a great deal else.

A seminar at Almedalen 2016 on conditions in the labour market and forms of in-depth dialogue among the social partners and organisations that represent people with disabilities was the opening salvo of this dialogue.

2030 Agenda, Goal 10: Reduce inequality within and among countries

The target in the agenda is to by 2030 empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Equally Unique's work to bring about the right to employment and income for all is connected to the goal of greater social inclusion. But matters related to public health are also very important. As in other areas, follow-ups show that people with disabilities have poorer health than the average for the population. Equally Unique sees this knowledge and these perspectives as very important, for example in relation to the work being done within the Government's Commission for Equity in Health.

In the course of the Commission's work, we were afforded the opportunity to participate in a workshop to express our views based on the conditions that apply to our member groups and where our conviction is the same as for other social areas: Ambitious political goals, regardless of whether found in the 2030 Agenda or the EU's Europe 2020 strategy, will not be achieved unless everyone counts. An explicit disability and fairness perspective is therefore essential.

For more information, please visit Equally Unique's website.³⁴

³⁴ www.likaunika.org

Public & Science (VA)

Public & Science (VA) is a non-profit association with the objective of promoting openness and dialogue between researchers and the surrounding community. To achieve the objective we work to bring about conversations in new forms on research and to increase cooperation between researchers and the surrounding community. We also develop new knowledge through opinion surveys and studies.

The association was formed 15 years ago and now has about 80 affiliated organisations, such as agencies, higher education institutions, companies, adult education organisations and research financiers. Our activities are funded by membership fees, project funds and a grant from the Government (Ministry of Education and Research).

VA and Europe 2020

VA's activities are primarily linked to two of the Europe 2020 headline targets: *The R&D/innovation target* and *the education target*. We would like to begin by expressing our concern that business investments in research and development have declined over time, which is an issue we are attempting to call attention to in social policy debate in Sweden and at the EU level. In the following, we provide a few current examples that we believe are making a particularly good contribution to target attainment in Sweden.

RRI Tools

Responsible Research and Innovation, RRI, is a central concept in EU research and innovation policy and is to permeate all research within the Horizon 2020 framework programme for research and innovation. VA is the hub for Sweden's participation in the flagship project RRI Tools. The project is run together with 26 partners in Europe with funding from the EU's Seventh Framework Programme. It is intended to develop innovative tools for more responsible research and innovation. The tools are now to be used and spread in dialogue with the actors concerned, with particular focus on decision-makers to influence future research policy. Societal support and broad democratic support are prerequisites for the optimal success and adequacy of the EU's long-term investments in research and innovation. RRI is an approach that seeks the best solution that satisfies all parties' needs and leads to smart, sustainable and inclusive growth. The RRI Tools project ended at 31 December 2016, but the toolbox still exists and is in further development by the Spanish project coordinator, La Caixa Foundation.

RRI-based projects

VA is involved in several concrete collaborative projects that actively involve the general public and various public actors in research and innovation. Smedpack, a Swedish collaborative project, has developed pharmaceutical packaging and distribution models that ensure that consumers of medicinal products are not exposed to the risk of counterfeit pharmaceuticals. VA has studied how users of medicine perceive the risk of counterfeit pharmaceuticals and has used various methods to identify the needs of the public. Some thirty organisations across the entire value chain participated in the project, which ended in early 2017. The project was coordinated by RISE BioEconomy (formerly Innventia) and funded by the Vinnova project Challenge-driven Innovation.

VA will continue working with RRI within the framework of two new EU-funded projects: *ORION* is aimed at developing and stimulating RRI within research-funding and research-performing organisations and will run until spring 2021. *SciShops* will continue until spring 2020 and is aimed at expanding and further building on the capacity of science shops in Europe. A science shop is an office, often attached to a university, where the civil society and the public can order research or collaborate with researchers, usually at no cost.

Mass experiments for children and young people

For nine years, VA has been coordinating an annual mass experiment as part of “Research Friday”, an element of European Researchers’ Night. In the experiment, school classes throughout Sweden are invited to work with researchers. The 2016 mass experiment, The Bulletin Board, was conducted in collaboration with researchers at the University of Göteborg and Stockholm University. The school students documented and categorised posts on bulletin boards using a specially developed app. The Bulletin Board was given the Best Open Science Initiative award at the first Open Knowledge Awards in Stockholm in December 2016.

Through the mass experiments pupils participate in real research and contribute to developing new knowledge. The results are returned to the schools in the form of popular science reports. In this way, students gain better understanding of the conditions of science and direct contact with researchers. The ultimate objective is to increase pupils’ interest in research and higher education as possible choices for the future. Several mass experiments in previous years have also resulted in scientific publications.

Advocacy platform for increased Swedish participation in Horizon 2020

The national coordination function, EU-Sam, is a collaboration that includes the Swedish Research Council, Formas, Forte, Vinnova, the Swedish Energy Agency and the Swedish National Space Board. The activities of EU-Sam are aimed at making Sweden more active in European research collaboration and to foster synergies between research and innovation initiatives at the national level and the EU level. EU-Sam’s calls aimed at establishing national advocacy platforms with the potential to increase Swedish participation in the EU research and innovation programme Horizon 2020. VA coordinates one such advocacy platform.

“Areas of advance” in Sweden have been able to organise themselves and apply to establish an advocacy platform. These platforms are aimed at stimulating collaboration among Swedish actors that share common visions, goals and needs statements so that they can, with a united voice, more clearly position themselves at the European level. With the ambition to influence forthcoming work programmes within the various parts of Horizon 2020, the national advocacy platforms are working to ensure that future calls will align with Swedish areas of advance. The hope is that more Swedish actors will be involved in winning project consortia and that an increasing share of EU research funding will be allocated to Sweden.

The advocacy platform headed by VA, *Consult, Collaborate, Contribute – A platform to support greater Swedish impact in Science with and for Society*, brings together some fifty Swedish organisations, research centres and individual researchers from various social sectors (academia, business, civil society and public sector). The platform is aimed specifically at the sub-programme *Science with and for Society (SwafS)*, but also other

components of Horizon 2020 because one of the horizontal dimensions of Horizon 2020 is *Responsible Research and Innovation*, which is in turn a fundamental part of the SwafS programme. In addition to being informed by the principles of RRI, particular focus is put on *science education, open access/open science, gender equality, ethics and public engagement*.

The activities in our advocacy platform are oriented towards both the European and Swedish levels. We carry out advocacy work vis-a-vis the EU Commission and other relevant bodies in Brussels. We have also identified a substantial need to provide information about the SwafS programme in Sweden and what it entails in the form of funding opportunities for a broad palette of Swedish actors. We also need to inform Swedish actors in the other parts of H2020 that they must improve their understanding of the principles of RRI, which are increasingly mentioned explicitly in call texts.

This initiative from national Swedish research funding organisations—to give Swedish actors the conditions necessary to jointly shape their strengths and work proactively—is both innovative and valuable.

EAPN Sweden

The EAPN is a network of organisations across the entire EU that are active in the fight against poverty and the causes of poverty. The Swedish network, EAPN Sweden, brings together some forty organisations at the national and regional levels.

Strengthen social inclusion

One of the Swedish targets within the framework of the Europe 2020 strategy is to increase social inclusion by fighting long-term unemployment and long-term sick leave. Several of the EAPN's Swedish organisations have long-standing experience working with marginalised people who are on long-term sick leave and long-term unemployed. These problems have multiple causes, which are not only down to the individual, but are also of a structural nature that leads to individuals feeling powerless, excluded and incapable of changing their life situations.

Democracy and inclusion from the bottom up

Fundamentally, this is a problem of democracy. Antagonisms in society grow when a part of the population has no opportunity to speak out and make a difference. For people living in social exclusion to have a chance to feel included and able to have an influence in matters that affect them, a strong civil society in which these individuals are organised and can make their voices heard is required. Without this “democracy from the bottom up”, it is difficult to address the problems that cause long-term unemployment and long-term sick leave.

In response, the southern region of EAPN Sweden has developed a model for advocacy and dialogue with decision-makers. The model was developed in collaboration with people who are long-term unemployed and on long-term sick leave. The aim is for these people to be given the opportunity to speak directly to decision-makers at the local, regional, national and EU levels. Another goal is to develop a tool for fighting the underlying causes of exclusion, long-term unemployment and long-term sick leave by utilising the resources and competencies of the people affected in order to solve problems. In and of itself, the dialogue helps empower participants and make them feel more included.

Working model for dialogue and advocacy

The model includes an effort at all levels, from the local authority level to the EU level. The reason for this is that most issues are inter-related and involve various levels. Initiatives are limited and prioritised in various areas based on needs and circumstances.

Documentation and suggestions for improvements

The point of departure is an ongoing effort to document the experiences and opinions of people living in social exclusion and to support them in formulating suggestions for improvements and solutions to the problems that affect them.

By using various forms of documentation—written, oral, video, photography, etc. —more people can feel comfortable contributing their experiences and suggestions. The material is then compiled by EAPN. The issues brought up must be addressed at the level where

decisions are made. Issues that are germane to more than one level are addressed at all relevant levels.

Interaction with politicians

Interaction with politicians in various parties at the municipal, regional, national and EU levels is an important aspect of the work. They are provided regular information concerning the problem statements and suggestions for solutions/improvements that are drafted. The politicians are responsible for ensuring that these, in applicable parts, are further communicated and, if possible, linked to the annual drafting of bills.

Dialogue meetings

As a complement to the ongoing effort to gather opinions and suggestions, special dialogue meetings are held at the local authority, regional, national and EU levels. People who have experienced social exclusion meet and engage in discussion with politicians and representatives of government agencies that have influence over people's lives (such as the Public Employment Service, social services, the Social Insurance Agency, the healthcare system, trade unions, etc.).

The goal is direct dialogue concerning perceived problems and suggestions for solutions. Problems, causes and effects are identified in the process in order to subsequently arrive at suggestions for solutions.

Examples of issues

In cooperation with the Church of Sweden's ESF project "Diocese of Lund Network", the southern region of EAPN Sweden has, among else, held a local dialogue meeting in Burlöv, from which we took the following example of a dialogue process including a problem statement and suggestions for improvement brought up by the participants on the theme of interaction with government agencies.

Problem

Individuals not only have different caseworkers at different agencies, but also within the same agency. As a result, people must repeat their stories. The situations are not always assessed in the same way by different caseworkers. If the person switches caseworkers, the processing time is often extended.

Causes

Government agencies do not cooperate enough. The division of responsibility is often vague, which partly depends on how the agency is organised. Staff rotation is high within the social services administration.

Effects

The individual feels inadequate, stressed and, ultimately, hopeless. Long processing times mean that it takes longer to obtain a job/employment. The uncertainty and suspense is oppressive; all the waiting is detrimental to the individual's well-being.

Suggestions for improvements

All government agencies should be gathered in one place or a single agency should assume overall responsibility. Areas of responsibility should be more clearly defined to prevent people and issues from being bounced from one agency to another. A main caseworker/contact person should be assigned to the individual throughout the entire process. Caseworkers must have a reasonable workload so that they are able to manage without wearing themselves out. Resources should primarily be allocated to employment

of internal caseworkers by the agencies instead of procuring costly services from external providers.

Result of the dialogue process

It became clearer that:

- Political advocacy is an important aspect of working with people who are ill and/or long-term unemployed in order to achieve sustained improvements.
- People in social exclusion possess knowledge that is invaluable for improving quality and inclusion.
- People could gather and discuss issues, which facilitated future cooperation among various parties.
- Issues must be addressed from the perspective of socially excluded people: they decide the agenda.
- Dialogue meetings are necessary at all levels. It is important that issues are addressed at the level where decisions are made.
- Dialogue and inclusion benefit all parties concerned.

We consider the working model an important tool for improving social dialogue and an important resource for empowerment and increased inclusion for people living in situations of social exclusion.

EAPN is now working to further develop the programme to achieve the goal of annual national dialogue processes.

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