



Industrial relations and social dialogue
**Sweden: Institutions, policies and
practices for enforcing minimum
wage compliance**

[Minimum wages: Non-compliance and
enforcement across EU countries
Comparative report](#)

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1. Legal framework and minimum wage enforcement institutions

Regulation of minimum wage enforcement

LEGAL/REGULATORY FRAMEWORK	<p>Minimum wage enforcement is regulated by collective agreements, which also set the level of minimum wage.</p> <p>Non-compliance with minimum rates as stipulated in collective agreements is a criminal matter as stated in the law of co-determination in the workplace (<i>Sv. Lag (1976:580) om medbestämmande i arbetslivet</i>).</p>
SPECIFIC REGULATIONS	<p>No specific regulations.</p> <p>Social partners decide how to regulate enforcement and monitor compliance in each collective agreement. Stronger cooperation is in place for some sectors with particular issues, such as the construction sector or in relation to posted workers, but without specific regulations.</p>
DISPUTE RESOLUTION MECHANISMS	<p>The primary dispute resolution mechanism is between the trade union and employers/employer organisations. If no agreement is reached, social partners can decide to try their case in the Labour Court.</p> <p>Non-unionised workers cannot by themselves try a case in the Labour court, but they can file a complaint to a Common Court.</p> <p>In cases of discrimination, the Discrimination Ombudsman can raise issues at work in the Labour court.</p> <p>The Law on Employment Protection 1982:80, (<i>SV. Lag (1982:80) om anställningsskydd, LAS</i>) grants the worker protection from being fired without reasonable cause.</p>

Enforcement institutions and coordination system in place

ENFORCEMENT INSTITUTIONS	<p>Social partners are the main actors responsible for the enforcement of the minimum wage. Trade unions negotiate collective agreements, offer support and advice to their members and conduct worksite inspections. Employer organisations negotiate collective agreements and offer advice and support to their members.</p> <p>The Swedish Labour Court is the highest legal instance for labour disputes. Issues related to collective agreements and other labour disputes can be tried here, but must be raised by an employer or an employee organisation.</p>
INTERNAL ORGANISATION	<p>Both trade unions and employer organisations are organised on sectoral level (sometimes several sectors are covered by a trade union), and almost always there are regional and local subsections of each social partner.</p>
COORDINATION	<p>Social partners cooperate at central level with various coordinating mechanisms, but they are not specific for minimum wage. Cooperation is stronger and most common in the construction sector.</p>
MONITORING AND DATA COLLECTION SYSTEM	<p>No</p>

Resources and capacity of control/enforcement institutions in charge of MW compliance

FINANCIAL ALLOCATIONS	OVERALL ALLOCATIONS AND TREND	N/A Social partners are funded by their members. Although resources are different for each union/employer organisation, their level is considered to be very adequate.
HUMAN RESOURCES	OVERALL ALLOCATIONS AND TREND	N/A Very adequate. Social partners agree that the unions are very well equipped to deal with any issues of non-compliance.

2. Enforcement measures

BALANCE BETWEEN DETERRENCE AND PREVENTIVE MEASURES	<p>The balance is strongly in favour of preventive/supporting measures.</p> <p>The strongest deterrence measure is the strength of trade unions and the wide protection of the right to strike to reach a collective agreement,¹ which is considered very effective.</p> <p>After a collective agreement has been signed, there are mainly supporting/preventive measures which are also effective.</p>
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Deterrence measures

TYPE OF MEASURE AND CHANGE IN USE IN THE LAST DECADE	<p>Routine inspections, spot checks, inspections by request, follow up of previous offenders, use of peer-to-peer surveillance, sanctions have remained stable.</p> <p>Use of supply chain responsibility and targeted inspections has increased.</p>
INSPECTIONS AND VIOLATIONS	<p>Although there is no data on the number of inspections and the number of violations, inspections are considered very adequate, while violations are considered to be very low and stable over time.</p>
SANCTIONS	<p>Only the Labour Court can impose sanctions on non-compliant employers. Employers can be ordered to retroactively pay the due wage and to cover the court costs of the other party.</p> <p>Sanctions are however rarely used because most conflicts are solved at workplace level, but the whole system is considered very dissuasive.</p> <p>No major reform of sanctions in the last decade.</p>

¹ The right to strike is primarily to reach a collective agreement (which sets the wage rates). Striking as an enforcement mechanism after non-compliance is, however, rare.

Persuasion/preventive measures

TYPE OF MEASURE, INSTITUTION IN CHARGE, CHANGE IN THE LAST DECADE	Provision of advice/counselling/training to workers and employers, awareness raising and information, incentives and awards for compliant firms, reduction of administrative burden.
ROLE OF DIGITAL TOOLS	There are some digital tools used in the enforcement of wages, in sectors particularly burdened by non-compliance (such as the construction sector). Examples: website for collecting tips and complaints, electronic badge to check employees in construction sites (ID06).

3. Role of social partners

Social partners

ROLE + FOCUS ON SPECIFIC SECTORS/TERRITORIES/WORKERS	<p>Social partners are the main responsible for the enforcement of minimum wage. Trade unions negotiate collective agreements, offer support and advice to their members and conduct worksite inspections. Employer organisations negotiate collective agreements and offer advice and support to their members.</p> <p>Some sectors have more issues with work-related criminality, such as the construction sector, the forestry sector and the agricultural sector. In general, it means that the unions would have to conduct more worksite checks to ensure the agreements are being followed. In the construction sector, there are several cooperative mechanisms between the social partners to check that the construction companies follow the appropriate conditions. However, this continues to be a great challenge and these mechanisms have not resulted yet in a great change to the exploitation of these sectors.</p>
CHANGE IN LAST DECADE	No
COORDINATION	No other enforcement agencies
STRENGTH/WEAKNESSES	<p>A main strength of the system is the coverage and strength of the labour unions, which are represented at virtually all workplaces at the same time.</p> <p>Challenges are represented by sectoral differences in unionisation and new forms of work.</p>

Role of other institutions/stakeholders

OTHER INSTITUTIONS/STAKEHOLDERS	No other stakeholders involved
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EU cooperation

EXAMPLES OF EU COOPERATION	The social partners, are primarily involved in coordination with the European Trade Union Confederation, its members, and Business Europe. However, this is not necessarily related to the enforcement of minimum wages.
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CHANGE IN LAST DECADE	The minimum wage directive has caused a split between the Swedish trade unions and the European Trade Union Confederation, but it is too early to tell if this will lead to less coordination and cooperation.
STRENGTH/ WEAKNESSES	N/A

4. Enforcement challenges, strengths and weaknesses of the enforcement system

MAIN ENFORCEMENT CHALLENGES	<p>Since the system depends on the strength of the trade unions, the main challenge is to guarantee compliance in sectors with a low union density. Also, employees who are not members of a trade union are in a weaker position.</p> <p>Another challenge is to monitor and enforce compliance in sectors in which there are low levels of knowledge of Swedish regulations because they employ many posted workers and workers from third country (e.g. construction, agriculture, HORECA sectors).</p> <p>New forms of work (e.g. gig/platform work) are also a challenge.</p>
STRENGTHS AND WEAKNESSES	<p>The extent of collective bargaining coverage in the labour market has led to a normative effect on wages, which means that workplaces without collective agreements tend to have similar wages to the workplaces having these agreements.</p> <p>A main strength of the system is the coverage and strength of the labour unions, which are represented at virtually all workplaces.</p> <p>Issues with posted workers or in certain sectors persist, which indicate the limits of social partners to reach certain groups of workers and employers.</p>

Source: National Eurofound Correspondent for Sweden

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