

Sweden : public companies in the front line

In a country which evolved a lot since the end of the 70s, public service still have today a major role in the economy. Three federations, members of the CEEP (KFS, SKL and Fastigo), are involved in the dynamism of the 1 500 companies of services of general interest and play a key role in social negotiations with powerful trade unions and the government.

Despite Sweden is not the high welfare state it used to be after an economic crisis in the 90s and since the country joined the European Union in 1995, the public services offer to its 9 million citizens continue to be at one of the highest levels across Europe. The state still spends more of its gross domestic product (GDP) on social services than any other country in the world, according to recent OECD statistics. The Swedish model of today is a social and economic system characterized by increased privatization where tax-financed public services play a vital role. The principle of local self-government, one of the fundamental principles of the Swedish democratic system, includes the right to levy taxes and the responsibility for organising activities to meet the needs of citizens.

To support the social services, all levels of government receive their share of tax revenues. This includes the 290 municipalities (*kommuner*), the 18 county councils (*landstinget*) and the national government (*staten*). Over the past decades, responsibility for several major public services such as social care and elementary schools has been shifted from the state to municipalities which are also responsible for planning, construction and operation of the facilities for water and wastewater and for waste management and planning.

This important management by local authorities has led to the introduction by the State in 2000 of the notion of balanced budget. Local collectivities are allowed to have deficit but not anymore longer than two years.

« Our aim is to help our companies members to be as efficient and competitive as possible », says Christel Wiman who is managing KFS, a Swedish organisation for local companies owned by municipalities and county councils, or wholly or partly privately owned. The KFS has almost 600 enterprises with a total workforce of about 35 000 employees, representing many important Swedish industries : energy, public transport, street cleansing, waste disposal, water and sewerage systems and road management, as well as property management, parking facilities, leisure and tourism, schools, health care and airports. In a country where 80% of the Swedish labour force is unionised, his key activities « include working out central agreements, striving to adapt collective bargaining agreements to specific industries, offering services in connection with employer-related issues and offering defense in the event of conflicts », explains Christel Wiman. Two other federations have also a key role in Sweden : Fastigo in the public/private housing sector (1 500 members employing 22 000 people) and SKL which represents local companies mainly owned by municipalities, or county councils.

Housing is one of the big sector for public companies in Sweden, combining commercial aims with social responsibilities. Several municipalities own at least 50 % of the shares of a housing company, as , according to the Swedish Housing Supply Act, each municipality is responsible for housing provision at a local level. The ambition is to offer « good-quality, safe housing at a reasonable cost ». « Energy is another a sector where public companies are involved a lot in Sweden », adds Christel Wiman. « They are about a third of our members in markets like hydroelectricity, coal or renewable energies ».

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