

COVID-19 and Labour Law: Sweden

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Abstract

The Swedish response to Covid-19 has been to implement policies on social distancing and a decrease in public activity, while refraining from a lockdown and the closing businesses and public services. To counteract the disastrous economic effects for workers, changes have been implemented to the unemployment and sickness benefit schemes. A re-enforced system for part time furlough has been put in place. Parents receive parental leave benefits for staying home with sick children according to the ordinary system.

Keywords: Covid-19; Labour Law; Furlough; Unemployment benefits; Precarious workers

1. Introduction

This text reports on changes to Swedish labour law implemented during the spring of 2020 in the wake of the Covid-19 pandemic and ensuing crisis¹. The report covers employment security schemes in the form of short time work allowance or furloughing, unemployment and sickness benefits. Furthermore, some statistical information on the implications for the labour market and the role and actions of the labour market parties are provided.

2. The Swedish Route: Anti-pandemic Measures Short of a Lockdown

Sweden stands out as a country with a different approach for combatting the Covid-19 compared to most other European countries². In order to combat the spreading of the Covid-19 virus, Sweden has mainly used measures based on recommendations and mild restrictions – and not prohibitions paired with sanctions. The country is not on lockdown. Public meetings and events with more than 50 people are, however, forbidden and

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¹ The law is stated as per June 5, 2020.

² Nordberg, A., Mattsson, T., *CoViD-19 pandemic in Sweden: measures, policy approach and legal and ethical debates*, in *BioLaw Journal – Rivista di BioDiritto*, Special Issue 1/2020, 731–739.

sanctioned with fines or imprisonment depending on the severity³. Public meetings and events include amongst other activities demonstrations, lectures, religious meetings, theatre, cinema and other cultural events, sport events, markets and fairs⁴. Restaurants, bars, stores and supermarkets have received specific guidelines in order to reduce potential crowding and secure possibilities to social distancing, but remain open⁵.

The Public Health Agency has issued several recommendations to the public and guidelines for specific sectors⁶. Workers that experience any kind of symptoms shall remain at home. To the extent possible, work shall be organised so that it can be performed from home. Unnecessary travel shall be avoided, and all workplaces shall be adapted in order to ensure social distance and good hygiene. Generally speaking, social distancing shall be practiced and enabled by employers, business owners and public institutions.

3. Effects on the labour market: rising unemployment

The Swedish approach during the Covid-19 pandemic has to a large extent been to maintain an open society, but with less activity. The guidelines issued by the government have meant that many actors have reduced, and some even entirely ceased, their activities, especially within the hotel, restaurant and travel sectors. The same goes for industries that are dependent on global supply chains, which are most manufacturing industries. This of course have had an impact on employment in Sweden. The amount of notices of dismissal (*varsel*) has increased and exceeds the levels during both the Swedish financial crisis in the 1990s and the global financial crisis in 2008⁷. A notice does not necessarily lead to a dismissal, but the number of unemployed persons registered at the Swedish Public Employment Office is high, and it is fair to say that the risk for increased unemployment is imminent.

The National Institute of Economic Research's (*Konjunkturinstitutet*) has presented analysis indicating that Sweden is facing a deep recession, so more dismissals will likely follow in the near future⁸. In April 2020 unemployment levels were 8,1 %, and 419 000 persons were looking for a job – 81 000 more than the year before⁹.

³ Act 2020:162. The decision was made through a change in the Government regulation connected to the Public Order Act (*ordningslag* [1993:1617]), meaning that only a decision by the Government was needed, and not one by the Swedish Parliament.

⁴ The definition is found in Ch. 2 Sect. 1–3 of the Public Order Act (1993:1617).

⁵ HSLF-FS 2020:9 General regulations and recommendations regarding restaurants, cafés etc. Cf Government Bill 2019/20:172 issued June 4, 2020 which proposes a legal responsibility in this respect for operators of bars, cafés etc.

⁶ HSLF-FS 2020:9 and HSLF-FS 2020:12 General regulations and recommendations regarding the responsibility to prevent infection. There are more recommendations, some regarding specific issues and some that have been updated by the two just mentioned.

⁷ The Swedish Public Employment Service, press conference the 6th of April 2020.

⁸ Analysis of the state of the labour market, April 2020.

⁹ <https://arbetsformedlingen.se/om-oss/press/pressmeddelanden?id=E9448E7262417CAD>. Last visited 03-06-20.

Workers with fixed-term contracts, casual workers or other precarious contracts are to a large extent already affected. In 2017, approximately 760 000 persons worked on fixed-term contracts and about 210 000 of them did not have fixed working hours and was called to work on an on-demand basis¹⁰. The largest group of workers without fixed working hours are actually present in the health and care sector – a sector presently in need of more manpower. Other sectors with a high degree of workers without a set amount of working hours are financial services, retail, hotels and restaurants. Workers in these sectors were the first to notice the decrease in the demand for their labour, and many have lost their job opportunities and income.

4. The Primary Response to the Crisis: Swedish Style Short Time Work Allowance (furlough)

Several labour market measures have been directed both towards workers and businesses. The most important response to the Covid-19 crisis is short time work allowance.

In order to secure jobs and reduce the amount of dismissals, Parliament has decided to enforce the Short Time Work Allowance Act (*lag (2013:948) om stöd vid korttidsarbete*) which is a law enacted in the wake of the 2008 financial crisis¹¹. This law had however not been put to use before the novel coronavirus pandemic of 2019–2020.

The overarching aim of this Act is to avoid termination of workers' employment contracts and furlough them instead. This would avoid increases in costs for unemployment benefits. It is not a strategy of letting businesses go into insolvency or bankruptcy and deploy pay guarantee for workers.

The principal workings of the short time work allowance is to reduce working time on part of the employee, while providing the employer with government financial support in order to compensate for a large part of the costs of retaining the employee.

All private enterprise – companies in all sectors and of all sizes – are eligible to apply for participation in the short time work allowance, should they meet four criteria: 1) The company must experience temporary and serious financial difficulties, 2) these difficulties must have been caused by a factor beyond the employer's control, 3) it must not be reasonable to demand that these difficulties ought to have been anticipated and prevented, and 4) the employer must have implemented other means to decrease labour costs¹². Employers have voiced insecurities regarding the application of these eligibility criteria on severity of financial difficulties and fears of having to repay funds received.

The Swedish Agency for Economic and Regional Growth administers and distributes this funding.

¹⁰ Swedish Government Official Report 2019:5, p. 231.

¹¹ Government Bill 2013/14:1, 2019/20:132 and Riksdag Committee Document 2019/20:FiU51.

¹² Sect. 5 a, Sect. 5 b Short Time Work Allowance Act (2013:948). Cf Government Bill 2013/14:1.

A particularly contentious issue is the interpretation of the Act on part of the Agency, that companies that have made a disbursement of dividends are not eligible for receiving the short time work allowance scheme¹³.

Employees – both those with open-ended and short-term contracts – can be part of the short time work scheme, under the condition that they have been employed at the company for three months. Self-employed workers are, however, not eligible¹⁴.

The delimitations regarding which employees are eligible, and the fact that self-employed are excluded altogether, combined with the fourth eligibility criteria relating to the employer stated above (that the employer must implement other means to decrease labour costs) imply that the short time work allowance scheme consolidates the pre-existing segmentation on the labour market. Gig-workers are not only often ineligible for short time work allowance (because their employment contracts are too short), the employer is also encouraged to terminate contracts for work that are not critical to the business operations; *i.e.* often gig-workers.

The financial support is calculated on the employee's regular base salary, up to a cap of maximum approximately 4,400 EUR. Thus, the support is calculated on that amount, even if the employee actually has a higher salary¹⁵.

A short time work allowance scheme can be implemented to a company in two ways, both of which presupposes a decision by the employer to introduce the scheme. Firstly, the possibility for this scheme must be laid down in both sectoral and plant level collective agreements¹⁶. Secondly, in the absence of a collective agreement, the scheme can be implemented under the condition that 70 % of the employees in the operating unit individually express their consent to participation in the short time work allowance scheme¹⁷.

There are four steps in the decrease in amount of work on part of employees: 20, 40, 60 and 80 % of the regular working hours¹⁸. The corresponding decrease in amount of pay is: 12, 16, 20 and 12 % of the regular salary¹⁹. The employer pays the reduced salary to the employee. The Swedish Agency for Economic and Regional Growth transfers the government funding to the employer. The costs for a reduction in pay and working hours are thus apportioned in the following way²⁰.

¹³ <http://www.mynewsdesk.com/se/tillvaextverket/pressreleases/korttidsarbete-foertydligande-om-utdelningar-3000297> . Last visited 07-06-20.

¹⁴ Sect. 11. Short Time Work Allowance Act (2013:948).

¹⁵ Sect. 5 Short Time Work Allowance Regulation (2020:208).

¹⁶ Sect. 15 Short Time Work Allowance Act (2013:948).

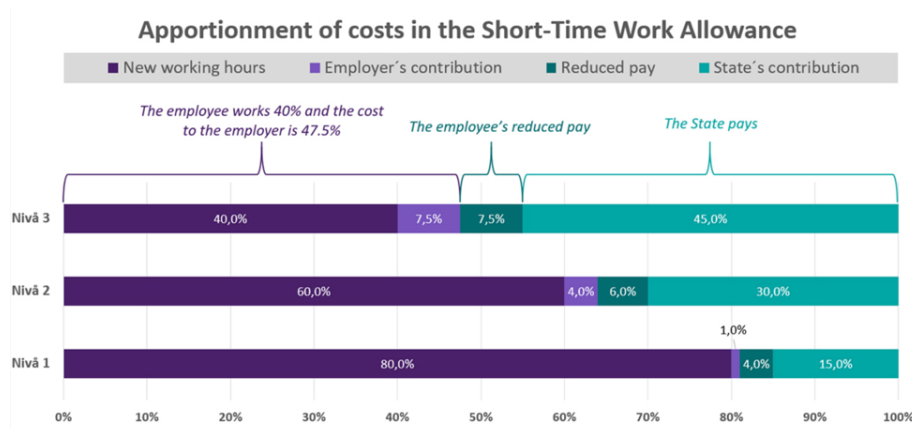
¹⁷ Sect. 16 Short Time Work Allowance Act (2013:948).

¹⁸ Sect. 12 Short Time Work Allowance Act (2013:948), Sect. 1, Sect. 2 Act (2020:375) on Temporary Expansion of Short Time Work Allowance.

¹⁹ Sect. 13 Short Time Work Allowance Act (2013:948), Sect. 2 Act (2020:375) on Temporary Expansion of Short Time Work Allowance.

²⁰ Source: www.tillvaxtverket.se . Last visited 03-06-20.

Level	Reduced working hours	Reduced wages	Employer	State	Reduced employer costs
1	20%	4%	1%	15%	-19%
2	40%	6%	4%	30%	-36%
3	60%	7.5%	7.5%	45%	-53%
4	80%	12%	8%	60%	-72%



The state will assume responsibility for the majority of the costs, and the rest will be divided between the employer and the employee. The employer will take on a larger responsibility than the employee. The parties contribute with salary (employer), reduction in salary (employee) and financial support (state/tax payers) respectively. The allocation of risk for social costs in relation to a decrease in demand for labour is three pronged in the wake of the Covid-19 pandemic.

The social partners seem quite content with this scheme. Approximately 70 000 applications for short time work allowance have been made to the authorities up until June 2020.²¹ Concerns have been voiced about possibilities to commit fraud against this system: 300 cases of suspected fraud have been reported, concerning circa 250 employers. The suspicion is that employers receive financial support from the government, while maintaining the employees working their regular working hours. It is reported that employees are pressured to work full time under the threat of termination of employment, even though the employer takes part in the short time work allowance scheme.²²

During 2020 the short time work allowance system is expected to cover 550 000 employees to a cost for the government (taxpayers) of approximately 9,5 billion EUR.²³

²¹ <https://www.ekonomifakta.se/Fakta/Arbetsmarknad/Arbetsloshet/korttidspemittering/> . Last visited 03-06-20.

²² <https://www.svt.se/nyheter/inrikes/hundratals-tips-om-fusk-med-permitteringsstod> . Last visited 03-06-20.

²³ <https://www.regeringen.se/artiklar/2020/03/om-forslaget-korttidspemittering/> . Last visited 03-06-20.

5. Reinforcement of the Unemployment Benefit Scheme

Because of the Covid-19 crisis, a number of changes have been implemented to the unemployment benefit system²⁴. The regular unemployment benefit scheme is organised to provide the unemployed with strong economic incentives to find a new job. The pre-existing system also requires that the unemployed had a fairly strong connection to the labour market in order for him or her to be entitled to benefits. The changes to unemployment benefits due to the novel coronavirus relate to both these features and relax the eligibility conditions.

Usually, the unemployed person needs to establish in front of the Swedish Public Employment Office that he or she is actively searching for a job by sending in an activity report. This requirement is temporarily removed between mid-March and July 1, 2020²⁵.

The requirement of a pre-existing connection to the labour market is upheld through the 'work requirement' which is based on the number of hours worked during twelve months before unemployment. This threshold is lowered because of the crisis. The number of hours that an unemployed must have worked before becoming unemployed has been lowered from 80 to 60 hours per month during at least six months, or, alternatively, to at least 420 hours (previously 480) for six months with 40 hours during each month²⁶.

The Swedish unemployment benefit is organised according to the Ghent system, meaning that in order to receive income-based benefits one must be member of an unemployment benefit fund. Usually, twelve months membership is required, but during the time period March to December 2020 each and every membership month counts as four, so that the qualification period is in fact reduced to three months²⁷.

Furthermore, the amounts paid from both the basic benefit and the income-based benefit have been raised. The basic benefit, *i.e.* a fixed amount that everyone that fulfils the 'work requirement' receives, has been raised from 365 to 510 SEK per day. The income-based benefit is calculated on previous income but is subject to a cap which defines the maximum amount paid as unemployment benefit. The level for the cap has been raised from 910 to 1200 SEK per day²⁸.

Finally, the initial qualifying period have been temporarily removed, which means that the unemployed worker will receive benefits from day one of unemployment, instead of the usual day seven²⁹.

In the wake of the Covid-19 crisis it has been made easier for entrepreneurs to receive unemployment benefits while their companies are dormant³⁰.

²⁴ Government Bill 2019/20:146.

²⁵ <https://arbetsformedlingen.se/for-arbetssookande/hitta-jobb/tips-inspiration-och-nyheter/artiklar/2020-06-01-dags-att-lamna-in-aktivitetsrapport-i-juli> . Last visited 03-06-20.

²⁶ Sect. 12 Unemployment Insurance Act (1997:238). Cf Act 2020:218.

²⁷ Sect. 7 Unemployment Insurance Act (1997:238). Cf Act 2020:218.

²⁸ Sect. 3 and Sect. 4 Regulation on Unemployment Insurance (1997:835). Cf Regulation 2020:220, 2020:263.

²⁹ Sect. 21 Unemployment Insurance Act (1997:238) is suspended between March 30, 2020 and January 3, 2021; cf Government Bill 2019/20:146 and Act 2020:217.

³⁰ Sect. 36 Unemployment Insurance Act (1997:238). Cf Act 2020:217. The ordinary regulation demands that the company is phased out and shut down in order for the entrepreneur to receive benefits.

6. Fiscal and Monetary Policy

The supportive measures directed immediately at workers are combined with other, often costly measures, to ensure companies' survival, such as lowered social fees, subsidised rents, respite for tax payments, deferrals of taxes and social security contributions and VAT, credit guarantees, facilitated loans. Furthermore, a system for liquidity reinforcement via companies' tax accounts have been implemented³¹.

Changes to the tax code ensure that workers can accept gifts from their employer up to circa 100 EUR without having to pay income tax for the value of the gift. The rationale behind this law is to support practices in which employers show special appreciation of their workers through gifts, which often directly benefits the local economy. Furthermore, employees must not pay income tax if they benefit from the employer providing them with free parking at work³².

A particular scheme is being prepared to support companies who have suffered from a severe decrease in turnover because of the Covid-19 pandemic. The legislative proposal has been submitted to the EU commission for approval in relation to state aid regulations. This scheme is supposed to support companies to cope with fixed and overhead costs when covid-19 have decreased turnover and the enterprise have been scaled down. The tax authorities will administer the scheme, and financial support will be in the form of credit to the tax account of companies. The idea is to have the system up and running by July 1, 2020³³.

It remains to be seen how this system for 'turnover support' in the end will be constructed and implemented.

7. Health and Safety at Work and Tele-work

As mentioned above, everyone that has the possibility to work from home are encouraged to do so. Meetings shall be held digitally when possible and workplaces adapted to reduce the risk of infection³⁴. Since not everyone has the possibility to work from home public transport shall be kept running according to the usual schedule.

Examples of adapting workplaces are: Ensure that it is possible to wash hands frequently, secure adequate distance between workers, only allow people to enter buses through the back doors and not sit in the front to ensure the bus drivers' safety and in

³¹ Government Bills 2019/20:132, 2019/20:146, 2019/20:166.

³² Act (2020:374) on temporary exemption regarding tax and fees for the value of no-cost parking and gifts to employees. Cf Government bill 2019/20:166.

³³ Lagrådsremiss 2 juni 2020, Omställningsstöd till företag som fått minskad omsättning på grund av coronaviruset.

³⁴ HSLF-FS 2020:12 General regulations and recommendations regarding the responsibility to prevent infection.

general reduce the amount of people in vehicles, super markets or other business where workers need to be on site in order to perform work³⁵.

8. Expansions of Sickness Benefits Scheme and Health Care

If a worker gets sick, even with minimum symptoms, he or she is instructed to remain home and not to show up at work. The sickness benefits system has been reinforced in a number of ways to supplement this policy.

The one-day qualifying period during which the employee did not get either salary or sickness benefits has been changed into a benefit for that particular day, comprising of a flat sum of 700 SEK independent of income³⁶.

Under normal circumstances, the worker must, in order to receive sickness benefits, present a doctor's certificate after a week of sickness. This requirement is temporarily removed³⁷.

Usually the employer is responsible for providing employees who have taken ill with sick pay for the first 13 days of a sickness period, but the responsibility for this cost is shifted on to taxpayers, since the state has assumed this responsibility during the Covid-19 crisis³⁸.

In Sweden, only higher education – from high schools to universities – have shifted its operations to distance learning, leaving kindergarten, day care and the nine-year compulsory schools open as usual. However, children that experience even the slightest symptom of sickness must stay at home. The parent that stays at home with a sick child receives parental leave pay according to the generally applicable rules³⁹. In case authorities on municipal level decide to close schools and send schoolchildren into quarantine, parents will receive parental allowance for as long as schools are closed (without the need to provide a doctor's certificate)⁴⁰.

Since health care and medicine already are free for children and the price is heavily reduced for adults no extra economic support to buy additional care services is implemented.

³⁵ <https://www.av.se/halsa-och-sakerhet/sjukdomar-smitta-och-mikrobiologiska-risker/smittrisker-i-arbetsmiljon/coronaviruset/> . Last visited 03-06-20.

³⁶ Regulation (2020:195) regarding sickness benefits on account of Covid-19. Moreover, Covid-19 has been included among infectious diseases that can count as an occupational injury.

³⁷ Regulation (2020:196) on changing the regulation (1995:1051) on the duty to present a doctor's certificate etc in some instances of sickness benefits.

³⁸ Regulation (2020:195) regarding sickness benefits on account of Covid-19. Cf the Sick Pay Act (1991:1047).

³⁹ A parent has the right to stay at home and receive parental leave pay according to Sect. 8 of the Parental Leave Act (1995:584) and Ch. 13 Sect. 16 of the Social Security Code (2010:110).

⁴⁰ Regulation (2020:244) on particular temporary parental allowance because of the disease covid-19.

9. The Situation for Precarious Workers

As mentioned above, the short time work allowance (furlough) is constructed in a manner that is unfavourable to workers with precarious contracts. Furthermore, the employer is encouraged to slim labour costs in order to receive the government financial support. This strategy might entail *i.a.* letting consultants and other self-employed workers go, refraining from engaging workers with on-demand contracts, deciding to not renew fixed-term contracts. In this sense, the system for short time work allowance disfavour workers with atypical or precarious contracts.

These workers are also disfavoured with respect to social security. The Swedish social security system is a mixed system, with a long tradition of compensating income loss⁴¹. However, there are also benefits that are not connected to income but offer a basic – fairly low – protection. Most benefits are, however, connected to income in the sense that both the social fees that finance the benefits, and the benefits disbursed are calculated on the basis of the applicant's income⁴². The main rule to calculate these benefits is to assess the applicant's future income – the future work contract is supposed to last at least six months and the wage has to be of a certain, although quite low, level⁴³. Hence, an individual's right to benefits is dependent on the prevalence of future, continuous income. The Social Security Agency has, independent from the Covid-19 crisis, developed an alternative rule for intermittent workers and other precarious workers in order to facilitate their qualification for sickness benefits. However, the main rule indicates that the Swedish social security system is not particularly helpful for workers with short term contracts or irregular income. Intermittent workers also risk being legally defined as unemployed, which would affect their right to income-based benefits⁴⁴.

The unemployment benefit is calculated in a different manner as compared to other benefits, but it has also proven to disfavour workers with short term contracts or irregular income⁴⁵. As stated above, some measures have been taken in order to include more workers to the unemployment benefit scheme during the Covid-19 crisis. Regarding other benefits, no measures that specifically target workers with precarious contracts have been taken.

To sum up, workers with precarious contracts were vulnerable already before Covid-19 and, in case of unemployment or sickness, risked receiving little or no benefits. Their vulnerable position has not been alleviated to any large extent during the Covid-19 crisis. High unemployment rates in combination with the risk of not receiving any benefits, or receiving only small sums, have not provided precarious workers with sufficient incentives

⁴¹ During last decades the connection between income and benefit has been weakened. See *e.g.* Inspektionen för socialförsäkringen, ISF Rapport 2014:4, *Utvecklingen av socialförsäkringsförmåner sedan 1990-talet*, 2014 and Stendahl, S., *Social trygghet som värde – Den nya incitamentbaserade sjukförsäkringen – Om inkomstbortfall, skyddad position, normativa grundmönster och rättens nivåer*, *Tidskrift för Rettsvetenskap*, vol. 128, 3–4, 2015, s. 295–332.

⁴² Stendahl, S., 2015, p 297–298, Ståhlberg A-C, *Socialförsäkringarna i Sverige*, Studentlitteratur, 2015, p 24–25.

⁴³ See Ch 25 Sect. 3 of the Social Security Code (2010:110).

⁴⁴ ISF Rapport 2014:4.

⁴⁵ Ministry Publication Series 2018:18.

or indeed possibilities to remain at home when experiencing symptoms, creating a challenging situation for them while at the same time turning them into a health risk for both themselves and others.

As mentioned above, the health and care sectors are the sectors with most workers without fixed working hours. Sweden has also had several Covid-19 outbreaks on retirement homes, and the organization of employment has been identified as a possible reason⁴⁶.

10. The Role and Actions of Social Partners: the ‘Swedish Model’ for Labour Relations in a Time of Crisis

The labour market parties on the national level – The Swedish Trade Union Confederation and the Confederation of Swedish Enterprise – have decided to postpone sectoral collective bargaining regarding wages until October 1, 2020 and to prolong existing collective agreements until October 31, 2020⁴⁷. The pandemic have postponed new (*i.e.* higher) wage levels for a large proportion of the work force in Sweden; three and half million people⁴⁸.

While approximately 70 % of workers in Sweden already are members of a trade union, membership is on an unprecedented rise in Sweden: 30 000 workers joined a trade union in March 2020⁴⁹.

Sweden maintains a voluntary unemployment insurance system (Ghent system)⁵⁰, which have seen a 3 % increase (*i.e.* 114 000 new members) in membership between February and March of 2020. The unemployment fund of the Hotel and Restaurant Workers’ Union, for example, experienced a 17 % increase in membership during this period⁵¹.

Both the mandatory negotiation procedure⁵² and system of safety ombudsmen⁵³ that are part of the Swedish labour relations model are in effect as usually during the covid-19 crisis.

83 % of all workers in the private sector are covered by a collective agreement⁵⁴. Sect. 15 of the Short Time Work Allowance Act (*lag [2013:948]*) stipulates that the implementation

⁴⁶ <https://www.su.se/om-oss/press-media-nyheter/nyheter/coronakrisen-blottar-brister-i-C3%A4ldreomsorgen-1.497600> . Last visited 04-06-20. The Government has also acknowledged this problem and proposed more resources to the health and care sector;

<https://www.regeringen.se/pressmeddelanden/2020/05/nya-atgarder-for-att-starka-aldreomsorgen-och-varden-under-coronakrisen/> . Last visited 04-06-20.

⁴⁷ <https://arbetet.se/2020/03/20/avtalsrorelsen-skjuts-fram-efter-coronavirus/> . Last visited 02-06-20.

⁴⁸ <https://arbetet.se/2020/03/20/oklart-om-det-blir-loneokningar-i-ar-nar-avtal-2020-pausas/> . Last visited 02-06-20.

⁴⁹ <https://arbetet.se/2020/04/29/prognosen-for-facket-ar-positiv-oavsett-corona/> . Last visited 02-06-20.

⁵⁰ Van Rie, T., Marx, I. & Horemans, J., *Ghent Revisited: Unemployment insurance and union membership in Belgium and the Nordic Countries*, in Vol. 17 *European Journal of Industrial Relations* Iss. 2, 2011, p. 125-139.

⁵¹ <https://www.iaf.se/pressrum/aktuellt-och-pressmeddelanden/fler-medlemmar-i-arbetsloshetskassorna/> . Last visited 02-06-20.

⁵² Sect. 10–22 Co-Determination Act (1976:580).

⁵³ Ch. 6 Work Environment Act (1977:1160).

of this scheme must be allowed for in collective agreements on both sectoral and plant level. The short time work scheme has thus intensified collective bargaining and been subject to countless collective agreements on national and local level. Many collective agreements on short time work have been concluded during the spring of 2020⁵⁵.

11. Discussion and Parting Words

The Swedish Government's approach has been to implement, within its capacity, the measures recommended by the Public Health Agency. This approach implies that adjustments have been implemented on a step by step basis.

With the approval of changes in the Infectious Disease Control Act (*smittskyddslagen [2004:168]*), the Government is given more power to take action in order to combat Covid-19 and for that reason more changes might be implemented in the near future, depending on how the covid-19 crisis develops⁵⁶.

In the absence of a complete lockdown, Swedish labour law was not faced with solving problems regarding force majeure on part of workers in effect confined to their homes.

Most of the changes to Swedish labour law following the Coronavirus pandemic is of a temporary nature and are to be restored in the beginning of 2021. It remains to be seen whether the reinforcements and the betterments implemented to social protection schemes will be restored to their respective levels before the pandemic, or if political and social forces will stop this and safeguard the reforms.

Furthermore, it remains to be seen what the implications will be of the short time work allowance system on the strong historical trajectory in Sweden on structural change and the destruction of branches of the economy that are not economically viable in the sense that they cannot carry a decent wage⁵⁷. Notably the most prominent part of the Swedish response to the Covid-19 crisis is a short time work allowance scheme, and not an expansion and reinforcement of the pay guarantee scheme applicable in situations of employer insolvency.⁵⁸

While Swedish labour law is quite comprehensive in terms of coverage of work performers (*i.e.* an inclusive concept of employee), the scope for creating on-demand or

⁵⁴ Medlingsinstitutet, *Medlingsinstitutets årsrapport Avtalsrörelsen och lönebildningen 2019*, 2019, p. 167.

⁵⁵ See *e.g.* <https://www.svenskhandel.se/arbetsgivarguiden/om-coronaviruset/centrala-kollektivavtal-om-korttidsarbete-tidigare-korttidspermittering/> <https://www.svenskhandel.se/arbetsgivarguiden/om-coronaviruset/centrala-kollektivavtal-om-korttidsarbete-tidigare-korttidspermittering/> <https://www.transportforetagen.se/sv/allman-info/korttidspermittering---en-del-av-regeringens-krispaket/centrala-kollektivavtal-om-korttidspermittering/> . Last visited 02-06-20.

⁵⁶ As of April, 7 2020 the Government has reached an agreement with Parliament to enable a faster decision making process regarding further issues in the wake of the Covid-19 crisis.

⁵⁷ Cf *e.g.* Bergström, O. & Diedrich, A., *The Swedish Model of Restructuring*, in Gazier, B. & Bruggeman, F. with Moore, S. (eds.) *Restructuring Work and Employment in Europe. Managing Change in an Era of Globalisation*, Edward Elgar, 2008, p. 141–167.

⁵⁸ Cf *e.g.* EU Directive 2008/94/EC on the protection of employees in the event of the insolvency of their employer and the Protection of Workers' Claims (Employers' Insolvency) Convention, 1992 of the ILO.

intermittent zero-hour contracts is vast – and those workers are in a most precarious position in Sweden. The Covid-19 pandemic has highlighted their situation, prompting the argument that the labour market is not stronger than its weakest link. The coronavirus pandemic has shed light on a group of workers that face the option of either working while being ill (and contagious) or losing their entire income. The social protection afforded precarious workers might be developed further in the wake of the pandemic. Presently, the situation for workers with precarious contracts clearly has not been sufficiently addressed.

Measures to ensure some sort of basic income and/or subsidised rent have been proposed by some pundits but has not led to any concrete proposals.

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