

SYSTEM OF GOVERNMENT: Parliamentary

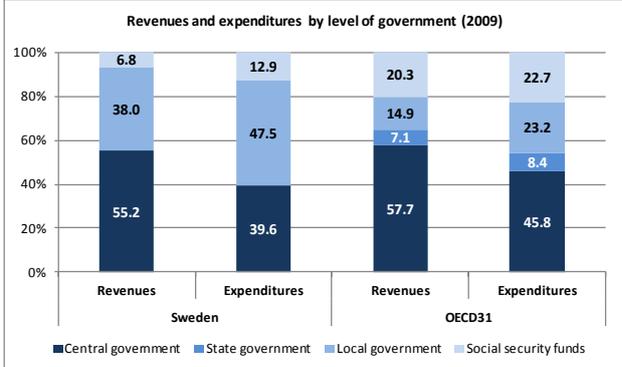
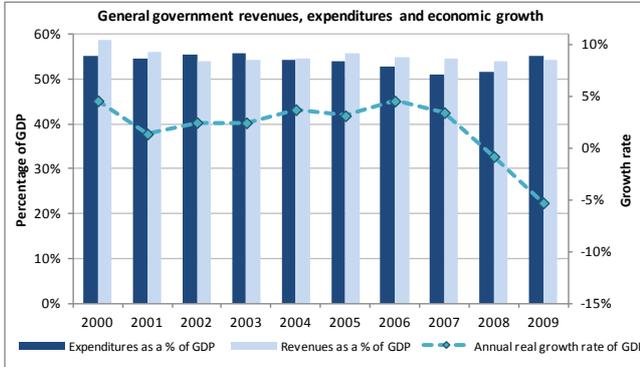
- No. of ministries: 11 (2010)
- No. of governments over last 20 years: 9
- No. of coalitions over last 20 years: 3

STATE STRUCTURE: Unitary

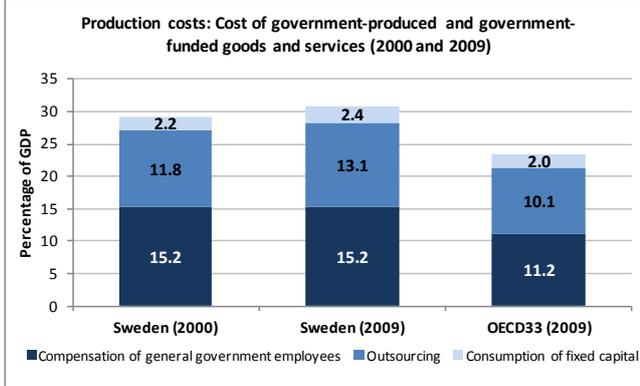
LEGISLATURE: Unicameral

- Upper house: none
- Lower house: elected using Proportional Representation

The Swedish government is one of the largest in the OECD, with revenues and expenditures exceeding 50% of GDP. Sweden endured a deep contraction during the recent global economic and financial crisis but the recession was short and the economy has bounced back strongly, in part because of policies put in place after it experienced a severe banking crisis in the early 1990s. The Swedish government is relatively decentralised, with local governments accounting for over 47% of expenditures.

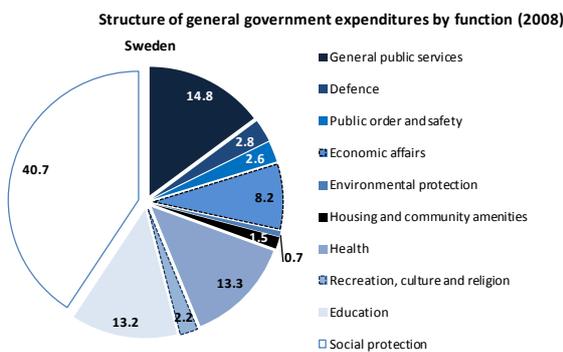


Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]



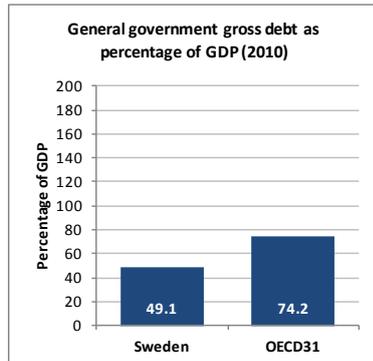
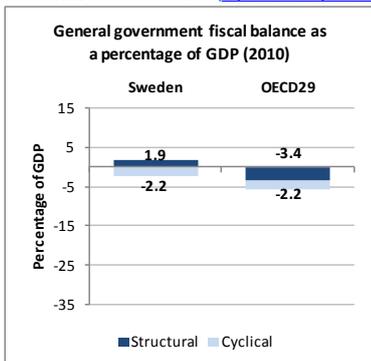
Source: OECD National Accounts. [Production costs]

About 30.7% of the economy was devoted to producing public goods and services in 2009, well above the OECD average of 23.3%. Increases in production costs between 2000 and 2009 were driven by increases in the costs of goods and services that are outsourced. However, Sweden uses outsourcing to a similar extent as in other OECD countries.



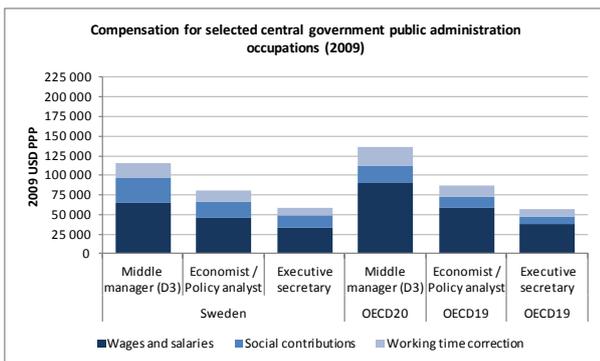
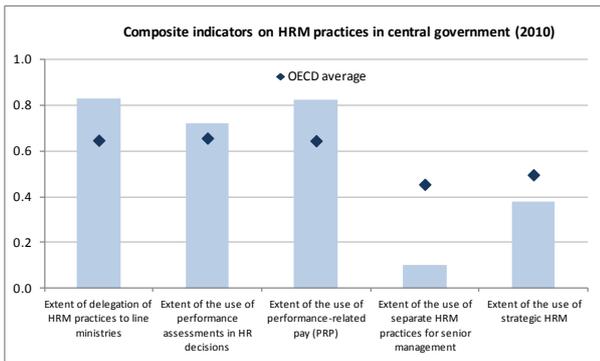
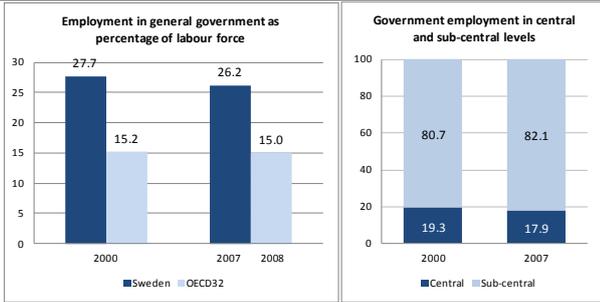
Source: OECD National Accounts. [Expenditures by function]

The Swedish government devotes a larger share of resources to social protection programmes than on average across the OECD, reflecting relatively generous benefits on families and children and sickness and disability. In addition, the government devotes a slightly larger share of resources to general public services. This is balanced by a smaller share of spending allocated to infrastructure (economic affairs) and health.



Source: OECD Economic Outlook 89. OECD average refers to the unweighted average [Fiscal balance] [Debt]

The Swedish government operated at a small deficit in 2010 (0.3% of GDP), entirely cyclical in nature. Gross general government debt remained well below the OECD average in 2010 at 49.1% of GDP. In fact, one of Sweden's main strengths going into the crisis was its sound fiscal position, with a relatively low gross debt and a sizeable structural budget surplus (OECD definitions differ from Maastricht criteria). This allowed the automatic stabilisers to work and provided room to inject fiscal stimulus, without storing up long-term fiscal problems. In 2000, Sweden introduced a fiscal rule that is still in place which targets a government surplus of 1% of GDP on average over the business cycle. Consolidation plans consist of rolling back stimulus measures.



Working time correction brings countries to the same basis of comparison in terms of annual working hours (accounting for weekly working hours and holidays).

Transparency in public procurement, 2010

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	No	Yes	No	No	97%
Selection & evaluation criteria	No	Yes	Yes	No	97%
Tender documents	No	Yes	Yes	No	82%
Contract award	No	Yes	Yes	No	100%
Justification for award	No	Yes	Yes	No	59%
Tracking procurement spending	No	No	No	No	32%

Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".

The Swedish government employed 26.2% of the total labour force in 2008, placing Sweden near the top of the OECD spectrum, which ranges from 6.7% to 29.3%, and well over the OECD average of 15%. However, this share represents a slight decrease from 2000 (27.7%). Public employment is also highly decentralised in Sweden, with 82.1% of staff working at the sub-central level, up from 80.7% in 2000.

Source: International Labour Organisation. [\[General government employment\]](#) [\[Distribution by level\]](#)

In the central government of Sweden, all HRM functions are delegated to line ministries or agencies and to line managers. In this regard, Sweden—together with Australia and New Zealand—is a world leader. Performance assessments are used somewhat more extensively than on average across the OECD area, both for pay purposes and for career advancement. Performance pay is prevalent, primarily in the form of performance-based increments to base pay. Sweden does not have a separate cadre of senior civil servants and their working terms and conditions are different to other staff's only in terms of contract duration. In terms of strategic people management, the Swedish central government does not have a general accountability framework for senior and middle management but uses workforce planning.

Source: OECD 2010 Strategic HRM Survey. [\[Delegation\]](#) [\[Performance assessment\]](#) [\[PRP\]](#) [\[Senior management\]](#) [\[Strategic HRM\]](#)

Middle managers in the Swedish central government receive total compensation slightly under the OECD average, while economists/policy analysts and executive secretaries make close to the average. Wages and salaries make up only 56% of total compensation, while social contributions make up 27% (compared to the OECD averages of 66% and 16%, respectively). The Swedish compensation structure is relatively flat, with middle managers making 1.4 times more than economists/policy analysts and twice as much as executive secretaries. Most public employees in Sweden are required to work 39.75 hours per week, and work around 218 days per year.

Source: OECD 2010 Compensation Survey. [\[Middle managers\]](#) [\[Economist/Policy Analyst\]](#) [\[Executive Secretary\]](#)

Achieving greater transparency in public procurement is important, especially given that Sweden spent an estimated 15% of GDP on procurement in 2008.

In Sweden, there is no single centralised e-procurement website for procurements, but rather a number of national e-procurement websites and platforms operated by both private and public actors. Each of these websites and platforms offer single-entry access to Swedish national e-procurement.

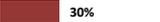
Most public procurement information is published in the contracting entity website. Some of this information, such as procurement plans, tender documents, selection and evaluation criteria, contract award (name and amount of selected contractor), and justification for awarding contract to selected contractor are also published in the domestic printed/electronic journal.

Currently, Sweden does not publish information on line on contract modifications and does not allow tracking public procurement spending on line as is done by 32% OECD member countries.

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public.

Source: OECD 2010 Survey on Public Procurement. [\[Transparency in public procurement\]](#)

REGULATORY GOVERNANCE
Regulatory governance mechanisms, 2008

Functions of the oversight body	Percentage of OECD countries responding "yes"		SWEDEN
Consulted as part of process of developing new regulation	2005	 73%	No
	2008	 82%	Yes
Reports on progress made on reform by individual ministries	2005	 43%	No
	2008	 56%	Yes
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	 43%	No
	2008	 50%	Yes
Conducts its own regulatory impact analysis	2005	 43%	No
	2008	 47%	Yes
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	 57%	Yes
	2008	 70%	Yes
Guidance for regulators on compliance and enforcement	2005	 37%	Yes
	2008	 47%	Yes
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	 30%	Yes

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

In Sweden, responsibility for regulatory management is shared by several bodies. This takes place in the context of a governance structure characterised by small policy-making ministries and a much larger network of agencies responsible for the implementation of policies.

The Ministry for Enterprise, Energy and Communications has a Better Regulation team, which coordinates, supports and monitors cross-government work on simplification of regulation and reduction of administrative costs. Other key ministries for regulatory management are the Ministry of Finance (co-ordination of regulatory agencies), the Ministry of Justice (legal quality), and the Prime Minister's Office (co-ordinating function). Several initiatives have been made in recent years to set up a stronger central driver for regulatory management. The Better Regulation Council, an independent watchdog, was established in 2008 to advise and play a scrutiny role on regulatory impact analysis. The government also has set up inter-ministerial groups on better regulation at the political level and at the officials' level.

A 2009 government report to Parliament has expressed the directions for reforms in inspection and supervision activities. A risk-based approach is being deployed by several agencies.

Source: OECD 2008 Survey on Regulatory Management; OECD (2010), Better Regulation in Europe – Sweden, OECD Publishing, Paris.
[\[Oversight bodies\]](#) [\[Compliance and enforcement\]](#)

OPEN GOVERNMENT
Disclosure of public sector information, 2010

Types of information disclosed	Proactive disclosure		
	Sweden	OECD32	Publication channels
Budget documents	⊙	94%	CP
Audit reports	⊙	72%	CP, MA
List of public servants and their salaries	○	28%	Not published
Sharing of administrative data			
Administrative data sets	⊙	66%	MA
Requirements on publishing in open data formats	No	53%	–
<ul style="list-style-type: none"> ● Required to be proactively published by FOI laws ⊙ Not required by FOI laws, but routinely proactively published ○ Neither required nor routinely published <p>CP= central portal; MA= ministry or agency website; OW=other website OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Although it is not required to by Freedom of Information legislation such as the Public Access to Information and Secrecy Act, the Swedish Government routinely publishes budget documents, audit reports and administrative data sets, as do the majority of OECD countries. However, contrary to the majority of OECD countries, Sweden does not have any requirements in place on publishing in open data formats, which could promote and facilitate the re-use of public information by other parties.

Source: OECD 2010 Survey on Access to Information. [\[Disclosure of information\]](#) [\[Publication channels\]](#)

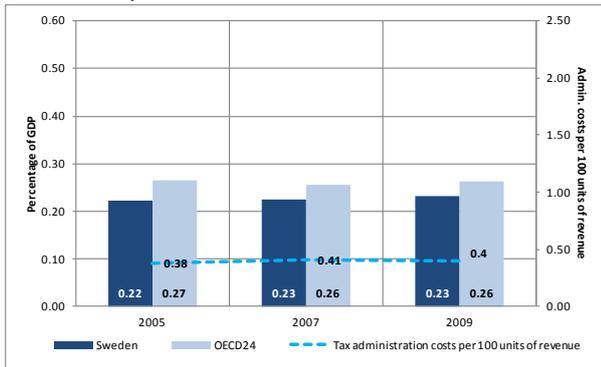
E-GOVERNMENT
E-Government building blocks and e-procurement, 2010

e-enabling laws and policies	Sweden	OECD25
Recognition & use of digital signature	●	100%
Electronic filing within the public sector	●	88%
Administering PPPs for e-government projects	●	64%
Services offered on single-entry procurement website		
Tender searches	No single-entry site	62%
Tracking of outcomes of contracts	No single-entry site	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

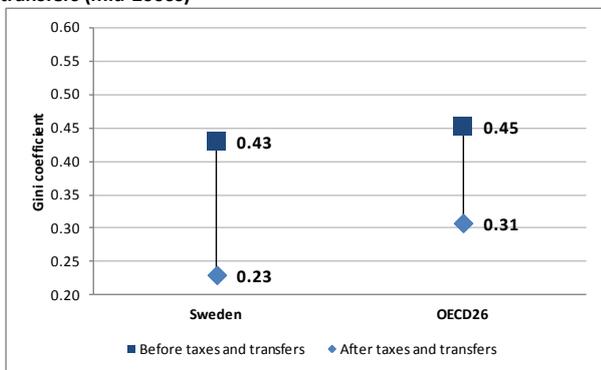
As in most OECD countries, the Swedish Government has put laws and/or policies in place to promote the use of digital signatures and electronic filing in the public sector. It also administers PPPs for e-government projects which can help increase innovation in public administrations through greater knowledge transfers and exchange of best practices between the public and the private sectors. Sweden does not have a singly-entry procurement website but publishes some procurement information (e.g. tender announcements, laws and policies, procurement plans) on contracting entity websites.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [\[E-enabling laws\]](#) [\[E-procurement\]](#)

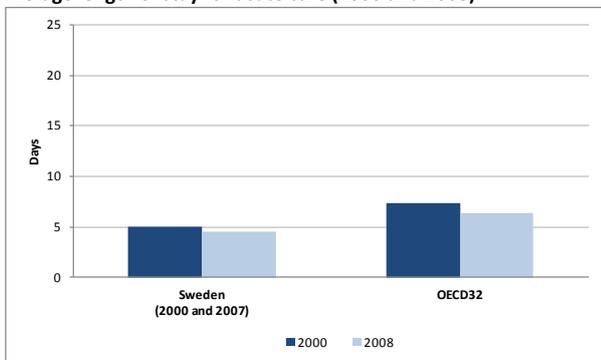
Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



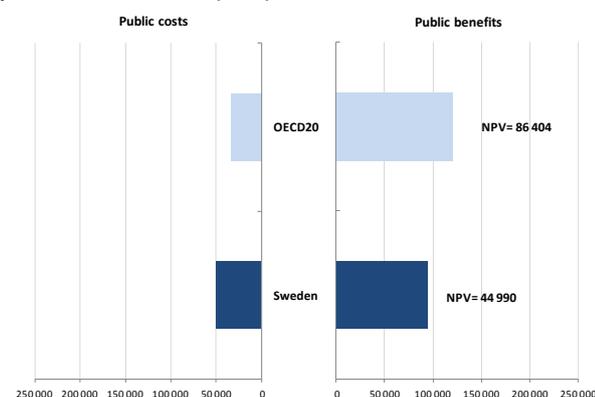
Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



Average length of stay for acute care (2000 and 2008)



Public net present value for male obtaining tertiary education as part of initial education (2006), USD PPP



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Sweden, the administration costs of collecting 100 units of revenue have been relatively stable, increasing only slightly between 2007 and 2009, most likely due to a drop in revenues following the crisis. Total revenue body expenditure as a percentage of GDP is below that of the OECD average.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

One method of evaluating the effect of government tax and transfer policies on income inequality is by assessing a country’s Gini coefficient before and after taxes and transfers. The effect of government redistributive policies on income inequality is slightly higher in Sweden than the OECD average. Sweden achieves a 0.2 point reduction in the Gini coefficient following its tax and transfer policies, compared to an average 0.14 point reduction in OECD countries. Cash benefits in Sweden exceed 30% of household incomes, which is among the highest rates in OECD countries. Benefits have however fallen sharply in Sweden as a share of household income following the recovery from the deep recession in the early 1990s.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. On average in the OECD, the ALOS decreased by about one day between 2000 and 2008. This trend is similar in Sweden where the ALOS decreased from 5 days in 2000 to 4.5 days in 2007. Over time, reductions in ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs. Too short a length of stay however could cause an adverse effect on health outcomes.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

Both government and society gain economic benefits from increased schooling. Obtaining a tertiary education helps people enter the labour market and earn more, thereby increasing government tax revenues. A more educated and employed population can also reduce government’s obligations for benefits and social assistance. At around USD 44 900, Sweden’s public net present value (NPV) for a man obtaining tertiary education is lower than the OECD average. This measure represents the public economic returns to education after having accounted for the costs of this education.

Source: OECD (2010), Education at a Glance 2010: OECD Indicators, OECD Publishing, Paris. [\[Public NPV of education\]](#)

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, outsourcing (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2011*.

“Gross general government debt” refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available in Annex E at: www.oecd.org/gov/indicators/govataglance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay (PRP) index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Compensation data: Total compensation includes wages and salaries and employers' social contributions (those to statutory social security schemes or privately funded social insurance schemes, as well as unfunded employee social benefits paid by the employer, including pension payments paid through the state budget rather than through employer social contributions (mostly for some pay-as-you-go systems)). In most cases data are for six central government ministries/departments only (interior, finance, justice, education, health and environment or their equivalents). Working time adjustment compensates for differences in time worked (both weekly working time and holidays). Compensation was converted to US dollars using purchasing power parities (PPPs) for GDP from the OECD National Accounts database. Differences in compensation policies can be the result of different bargaining powers; the state of the labour market (such as compensation in the private sector for similar positions); specific labour shortages; and the attractiveness of the government as an employer. While the survey uses the International Standard Classification of Occupations (ISCO) to standardise job categories, full comparability of responsibilities behind the occupational titles across countries presents difficulties in some cases. Annex D in *Government at a Glance 2011* fully details all limitations to data comparability, including those related to the measurement of employer's social contributions (which were based on sources outside the survey for a number of countries, leading to potential inconsistencies).

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

Differences in income inequality pre- and post-tax and government transfers: The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).

Public net present value for male obtaining tertiary education: Tertiary education refers to levels 5 and 6 in the International Standard Classification of Education (ISCED 97). Public costs include lost income tax receipts during the schooling years and public expenditures related to tertiary education. Public benefits include additional tax and social contribution receipts associated with higher earnings, and savings from transfers (housing benefits and social assistance) that the public sector does not have to pay above a certain level of earnings. The discount rate is set at 3%, which largely reflects the typical interest on an investment in long-term government bonds in an OECD country.