

Updating labour legislation to combat skills mismatch

POLICY DEVELOPMENT

REGULATION/LEGISLATION

 SWEDEN

Timeline

2021 Design 2022 Approved/Agreed

ID number 41014

Background

Modernisation of labour legislation has been negotiated by the Government and the opposition. It is required since the Swedish labour market 2020 is characterised by a weak alignment between the skills needed in working life and the actual skills workers have, as reflected in a high qualification mismatch in the European Skills Index. Policy makers have agreed to reform labour legislation in response to this mismatch and to increase retraining funds, provided that social partners are able to reach new collective agreements that will make the labour market more flexible and adaptable to the needs for competence provision.

Objectives

The objective is to address skills mismatch and improve alignment between the skills needed in working life and the actual skills workers have.

Description

A characteristic feature of Swedish working life is that many professions are skills-intensive, requiring constant upskilling and life-long learning. Actions need to be taken aimed at safeguarding provision of skilled workers by facilitating access to reskilling and upskilling. One measure is to provide funds enabling individuals to strengthen their position in the labour market. To this end, in 2021 the Government has proposed study grants to individuals that are established in the labour market, corresponding to 80% of the person's salary during 1 year, for continuing professional development (CPD) or retraining. The proposal also includes increased opportunities for individuals in temporary positions to be fully employed and retraining programmes for individuals that are laid-off.

This proposal, in 2021, is part of an agreement between the government and the opposition on modernised labour legislation. In the agreement a new parallel public student aid, 'conversion study support', will be introduced. Many workers are covered by collective agreements, qualifying them for conversion aid financed by the employer through conversion organisations. Workers who are not covered by collective agreements do not have this opportunity, which creates an imbalance in their ability to change and develop their skills. In order to ensure that more workers in the labour market are supported, and to counteract these unequal rights, a new public basic conversion and skills support for

workers not covered by collective agreements is proposed. The study support shall consist of a study grant and a study loan.

Some highlights from the proposed study support:

- (a) workers with and without collective agreements will be able to benefit from the financial support from the public transition organisations;
- (b) it can be provided in the form of loans to students until they reach age 60;
- (c) a prerequisite for being granted study support is that the education strengthens the individual's future position in the labour market, taking into account the needs of the labour market.

2021 Design

In 2021, the government and the opposition were in the process of designing the new agreement to modernise the labour legislation.

2022 Approved/Agreed

In March 2022, the Government presented the bill Flexibility, Adaptability and Security in the Labour Market which also contained proposals for a reformed labour legislation, a new support system for re- and upskilling, and new funding for basic retraining and skills support. One of the measures in the reform package is new funding for re- and upskilling that will enable workers to participate in lifelong training and strengthen their position on the labour market. The funding will make it easier for the experienced professionals in midlife to undergo further education. The support will mean that the vast majority can study with at least 80% of the salary for up to one year. Funding can be provided for a total of 44 weeks of full-time studies.

In October 2022, the legislation came into force, increasing the study support for adults and it has been running regular since then. There has been a bigger interest than the Swedish Board of Student Finance (CSN) had anticipated. The agency has received more than 14 000 applications which are 10 000 more applications than were expected from the beginning.

Bodies responsible

- Ministry of Education and Research
- Ministry of Employment

Target group

Learners

Adult learners

Older workers and employees (55 - 64 years old)

Low-skilled/qualified persons

Thematic categories

Supporting lifelong learning culture and increasing participation

Promotion strategies and campaigns for VET and lifelong learning

Providing for individuals' re- and upskilling needs

European priorities in VET

VET Recommendation

VET agile in adapting to labour market challenges

Osnabrück Declaration

Resilience and excellence through quality, inclusive and flexible VET

Subsystem

IVET CVET

Further reading

[European Skills Index](#)

[Increased funding for retraining and lifelong learning](#)

[Reskilling and financial support](#)

[Information about the Omställningsstudiestod](#)

[Information about the student finance for transition and retraining.](#)

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