Globalisation, Fragmentation, Labour and Employment Law

– A Swedish Perspective

Editors
Laura Carlson, Örjan Edström, Birgitta Nyström

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CHAPTER 10

The Evolution of Fixed-term Employment in Swedish Legislation: What Can We Learn from History?

Carin Ulander-Wänman & Josefina Blom

There is a notion that effective legal regulation requires consistency among community values, law and the norms upon which legislation is based. The provisions in our laws have a variety of general public objectives. How these objectives should be attained is based upon beliefs about reality and how the law should be designed in order to attain the objectives. A high employment rate, a non-segregated labour market for people who are still of an active working age, secure employment and competitive companies are important political objectives in Swedish labour market policy today, and the same political goals were also expressed in the context when the first general Employment Protection Act came into force in 1974. The Swedish Employment Protection Act (LAS)[1] is a social protection legislation intended to further attainment of the high-employment objective. One purpose of the law is to balance the interests of employers in being able to productively operate a business and employees' interests in job security. The provisions of LAS are predicated on the idea that the employment relationship should be long-term and involve mutual loyalty between

[1] In this paper we use LAS as an acronym for the Swedish Employment Protection Act (*Lag 1982:80 om anställningsskydd*).

employers and employees. This means that the law assumes that permanent employment should be the main form of employment in the Swedish labour market. Since LAS came into force, debate has ensued about the extent to which temporary employment should be included in Swedish legislation.[2]

Sweden's membership of the EU means that the view of reality and the norms enshrined in the Community affect Swedish labour law. As part of the principles that should guide the Member States in modernising their labour markets, flexicurity constitutes an important starting point. Flexicurity is a strategy and appears in the context of the open method of coordination.[3] Flexicurity means, in principle, that in their employment policies the Member States should promote both security and flexibility in the labour market. According to the Commission, the flexicurity approach affects both individual companies and workers. The Commission believes that companies need more freedom to hire and terminate employment contracts. Companies must be able to recruit employees who are more productive and adaptable, with skills that better meet business requirements, because this leads to greater innovation and competitiveness for inter alia the company. Flexicurity should not mean, however, that permanent contracts are obsolete. The Expert Group on flexicurity say instead that the goal is to reduce the distinction between permanent and temporary employment, in order to support a smooth and appropriate transition from being unemployed to being employed. As regards the safety of workers, the Commission considers that the individual worker needs employment security rather than job security, as increasingly fewer workers will keep the same job throughout their working life.[4] These norms likely affect the design of national legislation, workers' different forms of employment. The notion that companies need greater flexibility to meet their labour

[2] See Government Inquiry Report Ds 2015:29 for the latest proposals for provisions related to fixed-term employment in the Swedish labour market.

[3] See a description of flexicurity in Carin Ulander-Wänman, Flexicurity och utvecklingsavtalet, IFAU Report 2010:19 and Birgitta Nyström, EU och arbetsrätten (2011), 81.

[4] COM 2007(359) final. Towards common principles of flexicurity: More and better jobs through flexibility and security {SEC(2007) 861} {SEC(2007) 862}.

needs challenges the values that formed the basis for the regulation of temporary contracts in the first general legislations on employment protection in Sweden.

This chapter explains the beliefs, values and other premises that were the basis for the design of the law in relation to forms of employment, from the time LAS was enacted in 1974 until Sweden joined the European Union in 1995. The study is intended to reveal the discourses struggling for the power to determine the design of the law with respect to forms of employment and to identify the dominant discourses at various points in time. The chapter contains a historical description about forms of employment and the values and notions underlying the legislation, which contrast with the values and notions of reality that emerge in flexicurity. This raises the following questions: What has been changed in the labour market, and why? What do we know about the connection of past, present and future understandings of reality, and how can that understanding affect forms and content of the employment contract in the relationship between employer and employee?

1. Background

The issue of statutory employment protection for workers has a long history in Sweden. Several attempts were made in the early 20th century to legislate work agreements between employers and employees that included a certain measure of employee protection, but none of these bills were adopted.[5] Instead, the employer/employee relationship came to be regulated through collective agreements. The issue gained new currency due to the rapid structural transformations in the labour market in the 1960s and the increased number of operational constric-

[5] See, for example, Förslag till lag om tjensteaftal mellan husbönder och tjenare, afgifvet af dertill i nåder utsedde komiterade [Proposed act on service agreements between masters and servants issued by the committee graciously appointed thereto], 1900, Förslag till lag om vissa arbetsaftal, afgifvet af dertill i nåder utsedde komiterade [Proposed act on certain labour agreements issued by the committee graciously appointed thereto], 1901, Legislative Bill 1910:96, Legislative Bill 1911:43 and Swedish Legislative Inquiry 1935:18.

tions in the 1970s that had affected many more workers than in the past. In some sectors of the labour market, the social partners had regulated job security through collective agreements; nevertheless, many workers completely lacked any kind of employment security.

Analysis of unemployment statistics from this period showed a trend towards increasingly longer periods when people were out of work. Increasing numbers of business closures were considered a contributory cause for the exclusion of certain categories of the workforce from the labour market. Among those affected by redundancies, those who found it difficult to secure new jobs included older workers, workers with impaired work capacity, women, and workers with limited educational qualifications.[6] This circumstance helped push the issue of employment security higher on the political agenda.

The 1973 bill makes it clear that legislators saw a connection between how the market economy worked and the pressures to which workers were subjected at work. Developments had become controlled by business decisions driven by perceived opportunities to maximise returns on invested capital. The thinking was that the principles of business economics did not adequately consider the importance of a high and stable employment rate, and meaningful tasks and job security for employees. The policy aim was that productive forces in society should be fully utilised. It was neither socially acceptable nor economically reasonable for so many people to be physically worn out prematurely or for significant groups to be excluded from the labour market when they were still of active working age.[7] The national employment rate and the risk of exclusion of certain categories of the workforce were thus key factors in the genesis of LAS.

The first Swedish general law on employment protection took effect in 1974 and at this time Sweden had a social-democratic government. The law covered, in principle, all employees on the Swedish labour market. When the law was drafted, it was decided that interventions should be primarily concentrated on improving protection of existing employment. The legislation would aim to improve protection for all

[6] Legislative Bill 1973:129, 18–24.
[7] Legislative Bill 1973:129, 109–110.

categories of workers to the greatest extent possible.[8] The 1981/82 bill clarifies that the law should be regarded as an expression of striking a balance between the needs and wishes of individuals for job security and the sometimes conflicting needs for efficient production and mobility in the labour market, which were believed to be in the best interests of business and the economy as a whole.[9] LAS was thus not considered as affecting only individual employers and employees – the regulation was also to be viewed against the background of the public interest, in which business competitiveness was deemed a prerequisite for economic growth and high employment.

To meet the need for flexibility in the legislation, the law was designed so that certain provisions could be superseded by special industry-adapted regulations established in collective agreements.[10] The latitude that negotiating parties in the labour market possess to conclude collective agreements that depart from applicable legislation is one of the defining characteristics of the 'Swedish model'. Guarantees were obtained that the freedom of these negotiating parties to enter into agreements would not weaken statutory employment protection, according to the bill, through a rule by which agreements to contract out of the law must be made at the national trade union level.[11] This discretionary provision remained in place until 1997, when it also became possible under certain circumstances for local negotiating parties bound by collective agreements to reach agreements that departed from LAS.[12]

[8] Legislative Bill 1973:129, 58.

[9] Legislative Bill 1981/82:71, 33.

[10] Ann Numhauser-Henning, *Arbetets flexibilisering*, in Ronnie Eklund, Reinhold Fahlbeck, Kent Källsröm & Hans Stark eds., Studier i arbetsrätt tillägnade Tore Sigeman (1993), 263, which argues that the Swedish model with its consensus and well-organised parties is an important part of the explanation as to why labour legislation involved a high degree of procedural flexibility through discretionary rules.

[11] Legislative Bill 1973:129, 191.

[12] That certain rules are semi-discretionary means that departure from these provisions is permitted through regulation in collective agreements, but not through personal agreements; Kent Källström, Jonas Malmberg, Anställningsförhållandet (2013), 165.

2. Temporary employment in the LAS of 1974

The fundamental premise in the Swedish labour market, according to the 1973 bill, was that the principal form of employment should be open-ended. If the employer had not made it clear that the contract was for fixed-term employment and if the job was not temporary by nature, the employment should be regarded as open-ended. The strongest employment protection was tied to this form of employment in the LAS of 1974. It was not considered possible to establish equally strong employment protection for temporary employment, and therefore the use of that form of employment should be constrained.[13]

Rules that allowed temporary employment were thought necessary, however, in light of prevailing conditions in certain industries such as construction and forestry. The law thus came to allow fixed-term employment contracts for a defined period of time, a defined season, or a defined job, only if made necessary by the particular nature of the tasks. Fixed-term contracts were also permitted if the contract applied to work experience positions or substitute positions. Examples given as situations in which tasks were of a 'particular nature' were: a construction worker hired to perform work on a specific building project; a worker hired to perform a specific task for which the worker had the necessary specialised skills; and a worker hired due to the vagaries of nature.[14] 'Tasks of a particular nature' did not extend to labour needs due to cyclical or seasonal production peaks; temporary employment in these situations was permitted only if supported under collective agreements.[15] There was no legal definition of the concept of 'tasks of a particular nature', whose meaning came instead to be interpreted by the Labour Court (AD).[16] Case law turned out to be restrictive with

[13] Legislative Bill 1973:129, 60 and 144.
[14] Legislative Bill 1973:129, 117 and 145–146.
[15] Lars, Lunning, Anställningsskydd – kommentar till den nya lagstiftningen (1974), 50.
[16] Lars Lunning, Gudmund Toijer, Anställningsskydd – en lagkommentar (2006), 236. Sweden has a special court for deciding disputes relating to collective agreements and other disputes relating to the employer/employee relationship. This Labour Court is referred to here by its Swedish acronym, AD.

regard to the discretion to use this type of temporary employment.

AD developed a number of criteria that became guiding principles for whether an employment contract would be permissible on the basis of the particular nature of the tasks. One such criterion was that the tasks should be limited in time and the term of employment fixed from the outset. The longer a task was estimated to take, the stronger became the reason to consider an employment contract open-ended. The tasks must also markedly differ from the tasks performed by employees working under open-ended contracts. If the tasks did not distinctly differ from the tasks performed by employees in open-ended employment, fixed-term employment contracts could still be accepted if the tasks were clearly limited and of a short-term nature. Another circumstance that would indicate that fixed-term employment was allowed was whether the employment was conditional upon the worker having special professional qualifications. It could even be justified to employ someone with special professional qualifications under a fixed-term contract for a relatively long period, if the employment referred to special tasks. If the employer's business was of a special nature, this was also to be factored into the assessment. The criteria were to be weighed in an overall assessment and certain factors could weigh more heavily than others in light of the circumstances of the individual case.[17]

[17] In AD 1976 no. 88, AD 1977 no. 91 and AD 1979 no. 148, the Court held that the essential factors were that the employment was temporary and that the fixed term must be determined in advance. In ruling AD 1975 no. 84, AD stated that the special tasks may impose very special demands on the employee, especially in relation to artistic or intellectual work or other comparable activities. It should be possible to take such circumstances into account when determining whether fixed-term employment was justified. In AD 1976 no. 73, the central factors were the duration of employment, the limitation of tasks and that the tasks referred to were clearly defined when the employment contract was made. In AD 1977 no. 17, the Court also stated that the longer employment under a fixed-term contract lasted due to the particular nature of the tasks, the stronger the indication that the employment should instead be under an open-ended contract. In AD 1977 no. 91, AD held that the employee's tasks had undoubtedly been of a particular nature compared to other workers at the workplace, since they required the worker to have flawless English skills. This circumstance could

3. New scope for temporary employment in the LAS of 1982

When the LAS of 1974 was evaluated, it emerged that the most frequently noted bone of contention between the negotiating parties in the labour market concerned the limited opportunities provided by the law to permit temporary employment, especially in relation to probationary employment and in connection with a temporary increase in work. At this time Sweden had a centre-right government. There was criticism that the trade unions had not cooperated adequately in devising the necessary contractual solutions, and this was considered a barrier to maintaining the employment rate.[18] The deliberations on possible amendments to the legislation discussed in the 1981/82 bill expressed an ambition to take a stronger hold over the problems the law was believed to have caused. The point of departure was to address the labour market as a whole and to proceed from that which was considered right from a more general and principle-based point of view.[19] One important change in the LAS of 1982 was that the rules set forth in the law entailed greater latitude to hire workers under fixed-term contracts.[20] The drafters expressed misgivings that employers would refrain from hiring workers if they knew in advance that they had only a temporary need for labour and there were no other forms of employment open to them. The option to hire temporary workers when there was a temporary increase in work was judged beneficial – not only to employers, but also to jobseekers.[21] The new law therefore came to

not, however, be considered of such a nature that it would inherently allow for fixed-term employment.

[18] Legislative Bill 1981/82:71, 34–35.

[19] Legislative Bill 1981/82:71, 45.

[20] Legislative Bill 1981/82:71, 37. See also Henning, who argued in her academic thesis that the rules on fixed-term employment in LAS worked partly as employer-friendly 'safety valves' and partly as a barrier to circumventing protection for open-ended employment, Ann Henning, Tidsbegränsad anställning. En studie av anställningsformsreglering och dess funktioner (1984), 150.

[21] Legislative Bill 1981/82:71, 37.

allow temporary employment for no more than six months during a period of two years, if made necessary by a temporary increase in work.

It was also considered generally easier for people to secure employment if employers were given the option to hire workers with an initial probationary term of employment.[22] The LAS of 1982 made it possible for employers to hire workers with a probationary term of not more than six months. The 1981/82 bill stated that there was a need to be able to hire workers with an initial probationary term, and that this need was not fulfilled by current legislation. No terms or conditions for probationary employment were established; the introduction of this form of employment was intended to give the employer an opportunity to test the employee's suitability for the job. The probationary employment would be converted to open-ended employment at the end of the probationary period unless one of the parties to the employment contract took action to sever the employment relationship.

In the amended LAS of 1982, the concept of the particular nature of the tasks was reworded as the particular nature of the job.[23] Case law shows that, compared to earlier legislation, the change entailed some expansion of scope to enter into fixed-term employment contracts.[24] The justification for this amendment of LAS was to create the prerequisites for an overall assessment of whether the employee should be considered for continued employment based on the nature of the job and not only in light of the tasks.[25] According to the 1981/82 bill, case law established in earlier years would remain valid, even though circumstances other than the tasks would be considered in the assessment. In addition to the aforementioned change, a new rule also went into effect in 1982 that allowed temporary employment when there was a temporary increase in work. This amendment was introduced in response to criticism of limited opportunities to hire temporary workers, mainly from employers and especially representatives of small and

[22] Legislative Bill 1981/82:71, 41.
[23] Lars Lunning, Gudmund Toijer, Anställningsskydd – en lagkommentar (2002), 205.
[24] AD 2003 no. 34, AD 1984 no. 77. See also Legislative Bill 1981/82:71, 119.
[25] Legislative Bill 1973:129, 119–121.

medium-sized businesses.[26] The aim of the new fixed-term employment option was to make it possible for the employer to resolve temporary situations in ongoing operations by using additional resources. Such needs were considered to exist if additional labour was needed owing to a major order, for example, a municipal budget process, or the Christmas retail sales rush. The most important factor was that the situation had to be a genuine, temporary increase in work. If the needs recurred periodically, there was no impediment to hiring temporary workers again due to a temporary increase in work.[27] In order to limit opportunities for abuse, a time limit of six months during a period of two years was instituted for fixed-term employment contracts based on temporary increases in work. If there was a need for extra labour for a longer period, the employer was required to hire the employee under an open-ended contract.[28]

It was the employer's responsibility to judge when a temporary need for extra labour arose, and judicial review of the employer's assessment was not possible. If the employer regularly hired employees under fixed-term contracts in order to meet a permanent need for labour, or made it a practice to allow probationary employment to expire only to be followed by fixed-term contracts on the grounds of an increase in work, such abuse could be assailed through judicial trial.[29]

The LAS of 1982 also made it possible to hire workers on fixed-term "working holiday" contracts so that students could work during school holidays. The law was also expanded with the opportunity to hire a worker under a fixed-term contract when the worker was about to begin national military service or comparable service, as well as the option to hire workers under fixed-term contracts after they had reached the general age of retirement.[30]

[26] Legislative Bill 1981/82:71, 41–42.
[27] Legislative Bill 1981/82:71, 122.
[28] Legislative Bill 1981/82:71, 51–52.
[29] Legislative Bill 1981/82:71, 50.
[30] The view on the value of giving older workers the option to work longer than before meant that employers were given another opportunity to enter into fixed-term employment contracts, effective 1 April 1991. Employers and employees could then

4. Increased scope to use fixed-term contracts in the early 1990s

In the early 1990s, Sweden had a Conservative government. The country was in a deep recession with high unemployment, low levels of productivity and budget deficits. Unemployment was considered the most serious problem and it is evident from the 1993/94 bill that the drafters believed economic growth was the foundation of prosperity. Economic growth was considered necessary to safeguard and increase the employment rate. At this time the key question was how to achieve job growth in the private sector and the government's business policy focused on the growing small- and medium-sized enterprise sector. Changes in labour laws were considered essential to making it easier for the unemployed – and young people in particular – to find jobs.[31] It was against this background that new amendments to LAS were enacted effective 1 January 1994. The permitted fixed-term form of employment on the basis of a 'temporary increase in work' would now refer only to an increase in work. The word temporary was stricken in connection with the extension of the time limit from an aggregate of no more than six months to an aggregate of twelve months during a two-year period. If the increase in work lasted longer than twelve months, it could no longer be regarded as temporary. The greater scope to use fixed-term employment to address an increase in work was thought to give small and medium-sized enterprises the latitude necessary to adjust the workforce to demand, and thus promote the competitiveness of Swedish business. The 1993/94 bill explicitly stated that the time limit prevented the employer from having the same worker as a fixed-term employee for a long period, but the limit could not be so restrictive that certain cases of justified fixed-term employment due to an increase in work would fall outside the limits. In connection with

agree on fixed-term employment contracts after the worker had reached the age of 67. The 1990/91 bill shows that the drafters believed this would be in the interests of both the public and the individual if persons who wanted to remain in the workforce after 65 were given the opportunity to do so; Legislative Bill 1990/91:25 Appendix 6, 33.

[31] Legislative Bill 1993/94:67, 1.

these amendments, a transitional provision was also inserted, by which rules in collective agreements that contained time limits of less than twelve months were vacated. The reasoning was that there was a risk that the amendments to the law would not have the positive impacts intended if the only labour market affected was the market not regulated by collective agreements. The bill makes it clear that this amendment was presumed to benefit small companies in particular, with few employees. It was thought that giving the employer greater latitude to employ workers on fixed-term contracts would also make it easier for employers to observe the intentions in other areas, including working-time regulations. It could prevent individual employees from being exposed to heavy use of overtime and was judged as improving the work environment and the work situation for all employees.[32]

Another amendment to LAS extended the maximum term of probationary employment from six months to twelve months. The justification for extending the probationary period was that the probation had to be long enough to allow adequate opportunities for assessment. It is evident in the 1993/94 bill that a six-month probationary period was not always considered sufficient to determine whether the employee was suitable for the job. The reasoning behind extending the probationary period was that this would benefit both employers and employees. It was thought that if the probationary period was too brief, employers might be afraid to allow a probationary employee to transition to open-ended employment and would instead decide to sever the employment relationship, or that employers might refrain from hiring probationary employees at all. Employees who had problems at the beginning of their employment would also be given time and opportunity to correct these problems, if the probationary period were longer. Arguments were advanced that a probationary period of more than six months was necessary in certain, more complex occupations. It was also thought that a longer probationary period would make it easier for people with disabilities to get a foothold in the regular labour market,

[32] Legislative Bill 1993/94:67, 25, 28, and 33–34.

because it would give them the opportunity to demonstrate their ability to do the job despite the disability.[33]

However, the new rules on the increase in work and extended probationary employment were short-lived. In connection with the change in government from centre-right to social-democratic, a new bill was presented and the rules that applied before 1 January 1994 were reinstated. The reinstated rules took effect 1 January 1995. Once again, the rules concerning probationary employment and temporary employment due to an increase in work were the same as when the 1982 LAS went into effect. Accordingly, probationary employment and fixed-term employment contracts to address an increase in work were once again limited to six months. In the 1994/95 bill, the government explained that in times of unemployment and pessimism, it was important to safeguard the spirit of consensus in the Swedish model. This was considered especially important in light of increased internationalisation. The legislation would be augmented with regulations negotiated by the parties to the labour market and governed by collective agreements according to the needs of particular sectors and companies, not through legislation. The rules introduced on 1 January 1994 were also believed to add to the pressure already prevailing in the labour market. It was believed that workers needed an acceptable level of job security so that they would be able to maintain loyal action in face of the changes occurring in the labour market. It can be understood from the 1994/95 bill that the drafters found no reasonable grounds for having extended the time limit from six to twelve months for temporary employment due to an increase in work. If the employer needed labour for longer than six months, the norm should be open-ended employment.[34]

The justification for rolling back the probationary period from twelve to six months, according to the 1994/95 bill, was that employees should not have to accept being employed for as long as a year with no employment protection at all. Even though an employer may have

[33] Legislative Bill 1993/94:67, 31.
[34] Legislative Bill 1994/95:76, 16–17.

been judged as having a need to be able to test an employee for a certain period, a probationary period of six months, along with the discretion to deviate from this rule under a collective agreement, was considered sufficient.[35]

5. Conclusions

At the advent of the 1974 and 1982 LAS, a high employment rate was considered a prerequisite for preserving and developing the Swedish welfare state. The assessment was, however, that the employment rate objective could not be attained under a policy that gave employers free rein to make decisions on employment based only on the business profit motive. The political majority considered it necessary to intervene in the employer's unilateral right to make and break employment contracts. The rapid structural transformations in the labour market that had brought high unemployment and long periods out of work were the primary justification for the legislation. It was believed that there was a risk that certain population groups would be excluded from the labour market. Young, well-educated men without disabilities were essentially the only group not seriously affected by long-term unemployment due to the structural changes. Politicians considered this kind of trend towards segregation of the labour market neither socially nor economically defensible. The Swedish model, in which the parties to the labour market negotiated terms of employment in collective agreements, had not produced an outcome by which all workers had obtained satisfactory employment protection. A general law that gave workers job security was therefore considered necessary.

The political challenge was to design legislation that constrained employers' rights to hire and fire at will but did not make Swedish business less competitive. A fundamental belief when the law was made was that businesses could remain profitable and competitive even if employers were not allowed unilateral discretion to replace workers with others whom the employer judged more skilled and efficient.

[35] Legislative Bill 1994/95:76, 17–18.

Upon the advent of LAS, the prevailing belief was that workers needed job security in order to be productive. This security would be achieved in various ways, including having open-ended employment as the main form of employment contract in the labour market. The law connected the strongest employment protection to this form of employment. It was not considered possible to establish equally strong protection for workers under fixed-term or temporary contracts, and for this reason this form of employment would be limited under the law. Nevertheless, the law did provide scope for central trade union organisations to meet the needs of employers for flexibility, in forms of employment by means of collective agreements. In this way, the law was designed so that the trade union was given the power to judge whether the employer had a greater need of flexibility in connection with new hires than that provided by the law. The design of the law charged the trade unions with striking a balance between the public interest of ensuring job creation, the employers' interest in flexible forms of employment and the workers' interest in job security provided by long-term employment.

One of the core areas of LAS was that an employer could not unilaterally dismiss an employee without just cause. The employment relationship was thus presumed to have the prerequisites for stability and longevity. The longevity of the employment relationship was believed to generate mutual loyalty between employers and employees. Loyal employees were expected to be willing to prioritise the employer's interest in strengthening and developing the company. This attitude on the part of workers would result in more productive companies, which would thus become more competitive, which would thus enable job creation. It was also thought that the long-term employment relationship and employee loyalty would increase the employer's interest in taking social responsibility for the workforce so that employees were developed in accordance with the needs of the business. This would produce a win-win situation for employers and employees – thus also serving a public interest.

When LAS came into being, the legislation clearly took a restrictive stance on fixed-term employment. The focus was on protecting the jobs of less competitive employees. In this way, certain responsibility

was placed on employers to contribute to attaining the objective of high employment through by ensuring that employees under open-ended contracts fulfilled their job functions. The LAS of 1982 provided somewhat greater scope for fixed-term employment but the legislation still contained clear limits. Following the repeal of certain short-lived amendments to the provisions on temporary employment, in which latitude to hire under fixed-term contracts was expanded into new types and for longer periods, the 1982 regulation of fixed-term employment remained in force for nearly twenty years, until 2001. The prevailing political opinion was that it was important to create stability and consensus in the relationships between the negotiating representatives of employers and employees. Workers' needs for job security in the form of open-ended employment dominated the construction of forms of employment in the legislation. This was the most powerful discourse for the first twenty years of LAS's existence. The needs of employers for efficiency/flexibility had to take a back seat to the prioritisation of job security that workers found in long-term employment. The objective of a high employment rate would be attained by ensuring that everyone of working age primarily obtained open-ended employment and that this form of employment provided security against dismissal without cause. In this way, the legislation was meant to stymie a development of labour market segregation, where some workers were covered by strong employment protection while other workers had weak protection or none at all.

The structure of LAS with its semi-discretionary rules emphasised the state, employers, trade unions and individual employees as agents and responsible parties with a view to attaining the objective of high employment. The negotiating parties in the labour market were tasked with arriving at consensus solutions in order to balance public, employer and employee interests in a way that generated economic growth through competitive companies and secure employees. The Swedish model of regulation through collective agreements could thus be maintained.

In flexicurity, the flexibility of employment relationships between employers and employees is more prominent and is considered essential to the competitiveness of enterprises. Workers' security is not con-

sidered to be primarily linked to long-term permanent employment with the same employer. Sweden became a Member State of the European Union in 1995. Consequently, norms and legal regulation developed within the Community have impact on the regulation of the Swedish labour market, even when it comes to forms of employment. The flexicurity discourse challenge, as we have seen, involves basic values in LAS – e.g. job security – versus employment security, and in the long run this will likely affect how fixed-term employment and permanent employment will be regulated in the future. New norms arising due to internationalisation and transitions on the labour market may blur the border between permanent employment and fixed-term employment and prompt new forms or conditions for employments in the relationship between employer and employees. According to flexicurity, permanent employment and fixed-term employments shall approach each other to a greater degree. If security in permanent employment should decrease and security in fixed-term employment increase, or if we need completely new and different solutions to meet labour objectives, will be an interesting subject to discuss for the future.