Swedes can find out each other's salaries with just one phone call — but there's a catch



Curious as they may be, Americans tend to be shy when it comes to asking about other people's incomes. The social costs of appearing nosy are too great for many people to bear.

Not the case in Sweden.

The country grants citizens the ability to request anyone else's tax returns with just one phone call. The only catch: The person whose returns you request will know it was you.

Sweden's open salary policy reflects how much the country values trust and transparency, which it has cultivated through a strong social welfare model.

For instance, all citizens receive universal healthcare; new parents in Sweden receive <u>480</u> <u>days</u> of paid parental leave; and since 2008, the tiny Nordic country has conducted yearly audits of all companies with more than 25 employees to ensure there are no gender pay gaps.

Sweden's commitment to equality has bred <u>high levels of trust</u> — between both individual citizens and between citizens and the government.

"It is obvious that openness is significant," Stein Reegard, chief economist at the Norwegian Confederation of Trades Unions, told Reuters last year. "At least for a better-informed public debate about the different levels of wages in society, whether it's a question of leaders' wages or equal pay."

Until recently, Sweden's government didn't tell people when their returns were being requested. It was completely anonymous. Imagine searching for the average salary of a given position on the job review site Glassdoor and instead finding the real salaries of actual employees on the payroll — albeit with a little more government bureaucracy involved.

Unlike the IRS, one of the least-trusted government institutions in America, Sweden's tax agency is among the most-trusted in the country. Citizens generally believe the department runs fairly and has their best interests in mind. Transparency helps reinforce that belief: If everyone can know what everyone else makes, politicians and government officials included, it signals the federal agency as a whole has nothing to hide.

As Reegard pointed out, the added transparency has bled into workplace culture, too.

In 2008, Sweden passed the Swedish Discrimination Act, a law that requires companies of 25 employees or more to issue yearly surveys asking what people make. If they discover a gender wage gap and don't make an effort to close it, they'll be forced to pay a fine.

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