

## Statement on the 2023 wage bargaining round

The parties agreed on a two-year agreement with a total increase of 7.4% - 4.1% in the first year and 3.3% in the second year. The original demand from the industrial unions was a very low 4.4 per cent. The inflation rate was 12.0 per cent (CPI) in February 2023, according to the Statistics Sweden.

Things got off to a bad start in August 2022 when the LO<sup>1</sup> leadership gave a walkover in advance by coming up with ridiculously low demands that the capitalists could have happily signed up to straight away, had it not been for the requirement to keep up the illusion of two sides "fighting" each other.

**Trade unions have agreed to the biggest pay cuts in modern times after deducting inflation. Even their original demands were nowhere near inflation. Seven years of real wage increases have been wiped out.**

At the same time, all union representatives have emphasized how good they have been in achieving the biggest percentage increase in a very long time, without, of course, mentioning or taking into account inflation. Such statements are pure fraud. For any thinking worker there is a huge gap between reality and these statements.

There is no standstill in the class struggle. The capitalists are on the offensive at the expense of the working class. Profits are increasing at the expense of the wage share, working conditions and health and safety are deteriorating, workplace stress is increasing and labor legislation is being further eroded. More and more Neo-liberal reforms are being introduced whereby the bourgeoisie is further advancing its positions at the expense of the working class and working people.

Compared to many other countries in Western Europe, the level of working class struggle is low in Sweden. After an upsurge mainly in the early seventies and the last half of the same decade, in terms of strikes, the early nineties have been very quiet, with a few exceptions. Over the last ten years, Sweden has the lowest number of lost strike days in the Nordic countries.

In the spring of 2023, train drivers and train attendants on Stockholm's commuter trains have been protesting against the company's and politicians' cuts that affect the safety of traveling. It began with a time-limited wildcat strike that continued with a safety stoppage, and local negotiations are now underway that include the same issues. These actions have found great support from the traveling public. In early May, Seko<sup>2</sup> gave notice of a strike because of impossible working conditions. Undoubtedly, the workers' willingness to strike drove the union to take this position. As so often happens, Seko's "demands" fell flat to the ground and the threat of a strike was just a diversionary maneuver to take the sting out of the workers' demands. A great deal of dissatisfaction remains with the Almega<sup>3</sup> capitalists and Seko among the train drivers and other affected workers.

With such a poor agreement, it is likely that there will be considerable wage drift, at least in some sectors where there are labor shortages. Teachers, health care, the new battery factories, etc. are possible cases.

### **A pre-war era**

This takes place in a pre-war period where two imperialist blocs are facing each other. The bloc led by the United States and its allies, including Swedish imperialism, stands against the Chinese-Russian bloc.

Capitalism's inherent contradictions are now bubbling uncontrollably to the surface in the form of inflation, partly initiated by Russia's war of aggression against Ukraine. This led to an outcome unforeseen by bourgeois economists of the "market" pricing model for energy in the EU. Huge profits have been created for imperialism at the expense of the working people.

In Sweden, the bourgeoisie, through all its media, is pushing unbridled scaremongering and war propaganda in order to bring Sweden into NATO. The time when "non-alignment" favored Swedish imperialism is over. Economic globalization has led to the Swedish bourgeoisie having to come under the protective umbrella of the US to guard their profits. This has gone so far that Ericsson, for example, is voluntarily paying fines to the US, most recently 2.2 billion SEK in an Iraqi bribery scandal involving ISIS. Previously, it has paid 10 billion to the same anti-corruption authorities for its behavior in several different countries. The reason is that it does not want to be subject to US sanctions under any circumstances.

### **The situation for the working class**

Against this background, what is the situation for the working class in Sweden now that the central bargaining round for 2023 has been completed and agreements are being finalized in the different areas and at local level?

The working class is facing a serious cost of living crisis, a formidable cost of living crisis.

- In February, the inflation rate was 12.0% according to the CPI model.

- "The food price survey" indicates that food prices have risen by 16.6% in one year. 1 April 2022 to 1 April 2023 on 1000 selected common products.

- It was reported that many landlords had announced demands for rent increases of up to 10% for 2023. The actual outcome appears to be less, but landlords want new rent increase negotiations in the autumn.

- In the wake of inflation, the Swedish central bank increases the interest rate. As a result, SVT/Novus<sup>4</sup> reports that interest rate increases on variable mortgages, which a

majority of LO workers have, could force half a million people out of their homes.

- Electricity prices are still very high.

- Increased prices for water and waste collection and other similar services are to be expected.

The LO considers that they have acted "responsibly". It is not a responsibility to the working class they have in mind, but to the state of monopoly capital, when they say this. LO cannot now blame their restraint on the fact that there is a Social Democratic government in power<sup>5</sup>, but this has always been a bogus argument to hide their betrayal of the working class. The LO's responsibility to the working class has long since been abandoned.

LO's starting point is unprincipled and paves the way for workers to look forward to continued real wage cuts and deteriorating working conditions during the coming agreement period.

**The only correct approach is that the working class should be fully compensated for inflation.**

But it is not enough to be against real wage cuts - wages must also be raised at the expense of profit. Otherwise, the working class cannot advance its positions. Despite the coronavirus pandemic and the ongoing war in Ukraine, capitalists have had no problem increasing their profits. In fact, a number of industries have posted record profits.

At every workplace and in every trade union, we workers must now discuss what concrete wage demands must be made and what methods can be used to ensure that we are fully compensated for the high cost of living and also secure an increase in real wages. It is not enough to make demands, pressure must also be put on the trade union leaders and the LO leadership and, last but not least, workers must be prepared to put power behind their words, in other words, use appropriate industrial action.

Collective bargaining may be over at the central level, but many local negotiations remain. Moreover, there is no reason for the working class, local unions and struggling collectives to submit to the concessions of the central unions. In general, there is no point for the working class to respect any central negotiations in the current situation, as the class is constantly being pushed back in all areas. The bourgeoisie's offensive against the working class is not limited to any collective bargaining.

### **How to fight the reformist trade union bureaucracy?**

Ever since the LO was formed in 1898, there has been a battle between a reformist line and a class struggle line, after 1921 usually led by communists. The reformist line has consisted of controlling the wage struggle and keeping it within the framework of what is acceptable to the capitalists, i.e.

pursuing a policy of class cooperation. Today, the Social Democratic Party controls the LO leadership as well as the trade union leadership and the trade union bureaucracy at the lowest level.

As early as 1907, the reformist LO leadership recognized Article 23 (now Article 32), i.e. the right of employers alone to manage and distribute work and freely hire and fire workers. The Collective Agreement Act and the Labor Court<sup>6</sup> were introduced in 1928 by an openly bourgeois-dominated parliament despite widespread protests. 360 000 workers demonstrated or went on strike.

The Collective Agreements Act, which means that industrial action may not be taken under existing agreements, is not equal precisely because of section 32. In 1933, the LO Council of Representatives decided to introduce standard statutes for the trade unions, which included the so-called right of veto, i.e. the right of the union boards to decide on agreements and industrial action themselves. In the same year, the LO Council of Representatives issued a circular urging the union boards to exclude communists and other oppositional workers. In 1938, LO and SAF<sup>7</sup> signed a main agreement, the so-called Saltsjöbad<sup>8</sup> Agreement, which elevated class cooperation to the norm. Among other things, the bargaining system was made more complex in order to make strikes more difficult, and industrial action affecting "third parties" was limited. The LO congress in 1941 introduced statutes that further centralized the LO leadership's power over the trade unions. The trade union objectives clauses on class struggle, the abolition of wage labor and socialism were diluted and eventually disappeared. During the Second World War, communists were banned from holding elected positions, including in the Metalworkers' Union.

In the 1960s, the LO introduced the 'large branch reform', which involved merging many branches of the unions into giant branches. This further increased the distance between members and management. The Dockworkers' Union<sup>9</sup>, which was formed in 1972, is a result of a protest against this large branch reform. The centralization process within the LO has since continued in the form of mergers of different unions.

The top trade union bureaucrats constitute a labor aristocracy. They are shareholders, company directors, multitaskers with state and municipal assignments and have the salaries of directors. Many are also recruited directly to the labor buyers' side.

The easiest way for the working class to combat this class collaboration policy is to take matters into its own hands. This is what happened in the late 1960s and into the early 1980s. The myth of permanent industrial peace in Sweden was shattered by both the dockers' strike and the miners' strike of 1969-70, both of which were wildcat strikes, not authorized by the trade union bureaucracy. The 1970s also saw a general upsurge in working class struggle, a break from the relative calm that had prevailed until the dockers' strike. The number of strikes increased, but so did the scale of the strikes. The forestry workers' strike in 1975 involved at most 15,000 strikers. The strike movement in Sweden, the result of pent-up discontent, had been inspired by the Vietnam War, the student and labor revolts in Europe, especially France, and the Cultural Revolution in China with its unprecedented worker influence. It was supported by a rapidly emerging non-parliamentary left, inspired by the ideological struggle of the Communist Party of China against the bourgeois degeneration of the former Soviet Union.

The dockers' and miners' strikes were both spontaneous, wildcat strikes, but there was extensive

solidarity work in favor of these strikes. The same applied to the forestry workers' strike, whose strike committee also included organized communists. Although the strike movement slowed down somewhat in the second half of the 1970s, it was still significantly higher than in both the 1950s and 1960s. As a result, the Social Democratic government made a number of moves in the 1970s, such as the Co-determination Act, the Employment Protection Act (LAS) and the proposal for wage earner funds (1975), to try to capture the emerging militancy and put an end to wildcat strikes. The Co-determination Act was fundamentally anti-union and contained both carrots and sticks. The function of the carrots was to create the illusion of 'participation', and the sticks were the anti-strike elements:

\* the solidarity ban, the ban on supporting strikers - i.e. supporting another strike or mass action. The law banned strikes even in a non-contractual situation, and criminalized support for strikers in industries other than one's own.

\* unlimited strike fines - workers 'shall compensate the damage incurred'.

\* the weapon of dismissal - in the event of a prolonged (it is not clear exactly how long) wildcat strike, workers can be dismissed. According to LAS 1974, workers who have organized a strike, spoken for the workers or otherwise held a prominent position can be dismissed. A few years later this was further tightened in the MBL<sup>10</sup>.

The proposal for employee funds was eventually scrapped. The only law that has been worth defending is LAS, which labor buyers today would prefer to abolish completely. During the 1980s, the strike movement began to wane, coinciding with the weakening of the non-parliamentary left.

In the spring of 2023, some limited wildcat strikes, mainly the train strike for the retention of train attendants, have taken place, making it clear that the working class is increasingly prepared for struggle. There is widespread dissatisfaction with the final railway agreement between Seko and Almega among members and also among the local leaderships of various trade unions. The fight is not over, in fact it has only just begun.

Despite all the anti-union laws and attempts to stop wildcat strikes and other trade union struggles, this is an impossible task for the bourgeoisie. It is an illusion. As the class struggle intensifies, the working class will go to battle, finding appropriate forms of struggle, new and old, according to its local conditions. Today we see the beginning of this struggle.

### **Higher wages at the expense of profit!**

Because social democracy controls the trade union apparatus, all collective bargaining is conducted from the top. Since the Social Democrats pursue a policy of class collaboration, their starting point is that all wage increases should remain within the framework of productivity increases in Swedish industry so as not to threaten the capitalists' profits. They do not for all intents and purposes encourage a mass movement from below, because such a movement is difficult to control.

If the workers in each company and in each industry do not take out as high wages as possible, it

only means that capital's profits increase in these places. The groups of workers who today earn the least have nothing to gain from other groups of workers holding back their wage struggle. Successful wage struggle in one area acts as an incentive for other groups of workers. Of course, the working class should pay special attention to the lowest paid groups of workers. This is done today mainly by actively supporting these low-paid groups when they take up their wage struggle.

In recent decades, the employers, their various representatives and allies have deliberately implemented policies that support precarious employment and sow divisions in the labor force. The proportion of workers without permanent employment has increased from 18% to 24% of the total number of employees, i.e. by one third, in 20 years. In 2014, 134,000 people worked in temporary employment agencies. In 2008, the openly bourgeois, Conservative-led government changed the rules for importing labor, so that now only the labor buyer decides whether there is a shortage. Lex Laval, the Laval Act, makes it impossible for trade unions to take legal industrial action to force foreign companies operating in Sweden to sign Swedish collective agreements.

Some trade unions have even previously negotiated away provisions in LAS in exchange for wage increases. IF Metall<sup>11</sup> and Handels<sup>12</sup> previously entered into negotiations with representatives of the labor buyers in order to join them in further weakening LAS. At regular intervals, the bourgeois parties go on a propaganda offensive to reduce entry-level wages, which will ultimately mean that those affected will not be able to live on their wages.

**The Communist Workers' Association therefore raises the following concrete demands in the class struggle:**

- No to any deterioration of Las!
- Introduce rules to limit the number of temporary employees!
- No to reduced starting salaries!
- Reinstate the right to deduct trade union dues! <sup>13</sup>
- Increase unemployment benefits to 80 per cent of the current wage!
- No to raising the retirement age!
- Abolish staffing agencies!
  
- Foreign companies operating in Sweden must sign Swedish collective agreements! Repeal the Laval Act!
  
- Find ways to organize and represent all workers in Sweden. Including seasonal workers and those considered "illegal" by the bourgeois state.
  
- No to individual wage setting! Every worker should be guaranteed the same general wage increase.

- Abolish the Mediation Institute<sup>14</sup> whose only task is to keep wage increases down!
- Full compensation for increased cost of living and inflation!
- Higher wages at the expense of profit!
- Make the union a fighting organization - unity on the basis of class struggle!

Since the 1970s, union membership has fallen from around 90 per cent to just over 60 per cent in Sweden. This is partly self-inflicted and is due to the fact that the trade union organizations have not fought hard enough against the employers' offensive and that members have not been mobilized for active struggle. The Swedish trade union movement is the least inclined to fight in the entire Nordic region; Danish workers, for example, strike fifteen times more often. Trade union bureaucracy can never replace the collective struggle of the working class. This is why the trade union movement must be democratized and revitalized.

One requirement that is missing in this context concerns the status, salary and pension conditions of union ombudsmen. Firstly, they should be elected by the members they are supposed to represent and not appointed from above. Since ombudsmen are now appointed from the top, this also increases their dependence on the decision-making bodies above. Secondly, all ombudsmen, including at central level, should be eligible for election and not appointed for life, i.e. until retirement. Thirdly, all ombudsmen, trade union leaders and LO chairpersons should be paid a salary equivalent to the average salary of those they represent. Finally, they should have the same pension conditions as the members they represent, i.e. they should not be able to retire at the age of 60 instead of 65. LO chairpersons and most trade union chairpersons often have salaries that far exceed the average salaries of their members and instead match the salaries of the labor buyers. In this context, it is worth remembering that if ombudsmen get a taste of high pay, this may inspire them to switch sides altogether.

Another important demand is that those LO unions that have abolished the socialist purpose clause should reintroduce it. This is only a symbolic mark, but a mark nonetheless.

### **A direction of attack**

The fight against the established class collaboration policy is very important in the current situation. The slogan "Make the union a fighting organization! Unity on the basis of class struggle!" indicates the necessary direction of attack for the struggle of the working class. This does not mean promising that the entire trade union movement, the entire LO, can be transformed into a fighting organization, or even claiming that this is possible.

Firstly, it is not a question of taking over the central trade union apparatus, be it LO or most of the federations', as these are in practice committees of the state apparatus. Instead, it is the 1.5 million members of the LO. Formally, bottom-up democratic elections still exist (in most LO unions).

Secondly, there is nothing to prevent a close-knit local union from deciding on a strike, or other industrial action such as masking, overtime blockade or mass sick leave. A local union board can resign and secretly form a strike leadership.

Thirdly, the reformist class collaboration ideology must be fought from within the trade unions, i.e. where the workers are. The right-wing Social Democratic trade union leaders can never be exposed by mere propaganda before the working class majority. They must be put on the spot on all crucial issues in every workplace.

That is why the communists, however small, must "interfere" in the bargaining process.

Finally, only practice can determine whether it is possible to complete the transformation of the trade union movement into a fighting organization, or whether only parts of it, i.e. local clubs and branches, can be transformed into fighting organizations. This can never be decided in advance or from the desk. The most likely scenario is that an even more extensive upsurge is required than was the case in the 1970s, that Swedish capitalism is hit by a profound economic and political crisis, resulting in a drastic sharpening of class antagonisms. Then the labor movement will also be radicalized, provided there is a communist party that can lead the struggle. If in such a situation the reformist trade union bureaucracy resorts to mass exclusions, the task is to turn them into generals without troops.



- 1 LO short for “Landsorganisationen” which is at the top of the trade-union pyramid. By tradition, in later years, the industrial unions agreement with the employers organization is supposed to be closely followed by all other unions, with regards to wage increases.
- 2 SEKO is a union organizing train drivers and other workers within communication and service sectors.
- 3 ALMEGA is the capitalists organization negotiating with SEKO
- 4 A survey ordered by Swedish state owned television (SVT) from NOVUS, a market investigating company.
- 5 Sweden is currently governed by the traditional bourgeois parties together with the Sweden Democrats, a right wing populist party with its roots in the Neo-Nazi movement 40 years ago.
- 6 A “court” agreed upon between the capitalists and the reformist leaders to interpret the different agreements in case of a dispute.
- 7 The top capitalist organization corresponding to LO
- 8 A part of Stockholm, where the agreement was made.
- 9 The Dockworkers Union is not a part of LO. This small Union is currently the only union where members truly have a say.
- 10 The co-determination law.
- 11 The union for factory and metal workers.
  
- 12 The union for workers in supermarkets, shops and similar.
- 13 Refers to taxes.
- 14 <https://www.mi.se/english/>