



Industrial relations and social dialogue
**Sweden: Developments in
working life 2023**

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Introduction

2023 was a busy year for working life developments in Sweden. About 470 collective bargaining agreements covering 2,3 million employees were renegotiated, against a backdrop of a looming recession and ongoing inflation crisis. The unemployment rate at the beginning of the year was about 7.6%, which remained stable across the year finally landing on 7.7% in December, although from a position of post-pandemic downward trajectory of unemployment rate. Inflation was at its peak of 11.7% in the beginning of the year, which was already going down from a historically high 12.3 % in December 2022. The inflation crept steadily downward over the course of the year, to 4.4% in December 2023, but not without the debates surrounding the increasing prices on food and housing costs being central to political debates over the year. Furthermore, the Swedish Krona grew weaker against the euro over the year, reaching a historically low value September 2023 of SEK 11,8 to a euro. These developments were prevalent in the collective bargaining rounds, and real wage decreases were a topic hotly debated over the year.

The Swedish labour market has been characterised by calm over the past years, and in certain ways this year was no exception. While the peace clause usually ensures a limited number of days lost to strike action, tough negotiations for wage increases and working conditions in the collective bargaining agreements were expected to result in a more industrial action than usual this year. Several trade unions threatened strikes but managed to come to an agreement in the last moments, except the painter's union which went on strike for five days. However, 2023 also saw the return of so-called wildcat strikes in the regional rail sector over political decisions to remove train assistants, and the IF metal union went on a strike against US auto manufacturer Tesla which has received international attention.

Political context

The general election of 2022 saw the formation of a new right-wing government coalition, comprised of the Moderate Party, Liberals, the Christian Democrats and supported by the Sweden Democrats. 2023 was their first full year in power, which has been a challenging year politically, both with inflation and the unstable geopolitical situation. The political year of 2023 has been characterised by several political challenges, such as Swedish negotiations for NATO membership, the inflation and energy price crises, economic downturn, the War in Ukraine, and the Israel-Palestine conflict.

The right-wing coalition has, as opposed to the prior centre-left coalition, a majority in the parliament, with 176 seats of the total 349. The government agreement between the four coalition parties, *Tidöavtalet*, has been the guiding document coalition, where a few focus areas are outlined:

- For the economy the agreement outlines several changes. The new government has made it clear that they intend to re-establish the *working line*, meaning nudging unemployed persons into employment by decreasing taxes on labour while capping social benefits to make the alternative costs of not working higher. The agreement also states that the government wants a more competitive taxation for companies.
- Expansion of Swedish nuclear power, to reach targets of net zero emissions.
- A harder line against crimes, with longer prison sentences for gang connected crimes, introducing a system for anonymous witnesses, instituting visitation zones where police can search suspected criminals without concrete suspicion.
- Reducing migration in line with the EU-minimum levels. Increased control of asylum seekers, more strict rules to obtain citizenship, and more grounds for deportation.
- Several proposals for the healthcare system, including proposed moving the responsibility for hospitals from the regions to the state, protection for abortion in the constitution, and more affordable dental care.
- School, where a new grade system might be introduced and proposals on capping profit for private schools the first years of operation.

Actors and institutions

Social partners

Swedish Painters Union joins the Byggnads

The oldest trade union in Sweden, the Swedish Painters Union (*sv. Målarna*), with about 13,000 members, took a decision on their August congress to merge with the larger Swedish Construction Workers Union (*sv. Byggnads*). The 136-year-old trade union has found themselves with declining membership and no economic possibility to remain independent. The congress had to choose between joining the over 100,000-member strong construction workers union or save SEK 22 million (€ 1,95 million) by reducing their staff and increasing the membership fees. The merge is set to happen during 2024.

Transport workers union negotiating outside of the LO coalition.

As reported in last year's annual review, the Swedish Transport Workers Union (*Sv. Transport*) decided not to negotiate with the rest of the LO-collective (14 blue collar trade unions). This is due to their aim to negotiate higher wage increases than the commonly agreed industrial sector wage increase at 7.4 % over two years. This also meant that if negotiations stranded, the Transport Workers Union could not count on sympathy measures in case of labour disputes. This does not mean that The Swedish Transport Workers Union is no longer a part of the LO-collective and has no implications for future negotiation rounds.

Social dialogue bodies or frameworks

There are no formal social dialogue bodies in Sweden.

Other working life related institutions

The Swedish Agency for Work Environment Expertise (SAWEE), a research agency in the field of work environment established in 2018 under the Ministry of Labour and Employment, is going to become part of the Swedish Working Environment Agency (SWEA). SAWEE is a research agency with about 20 employees, and the SWEA is primarily the Swedish labour inspectorate with almost 700 employees. The plan for the merge is that the SAWEE agency will become a department of SWEA.

The reason is to increase the overall state efficiency and reduce the number of government agencies. Currently, there is no timeline for the merge, but it is part of the budget for 2024. (Regeringskansliet 2023; 34)

Developments in collective bargaining

Changes to the collective bargaining structures and frameworks

No change to collective bargaining structures or frameworks.

Data on collective bargaining

The most important collective agreements in Sweden are signed at the sectoral level. Underneath the sectoral level, there are many local bargaining agreements, which often regulate the wage increases, local working time amendments and benefits. Local agreements are most often in addition to the sectoral agreement.

In practice, the wage increases for each negotiation rounds are decided in a coordinated way, where the industrial social partners agree on a wage level then translates to the rest of the negotiation rounds. Usually, the 14 blue-collar unions who are members of the peak-level union LO decide to coordinate their bargaining.

Table 1 shows the number of sectoral collective agreements in force and those who were renegotiated in 2023. It also shows the coordinated wage raises for 2023 and 2024, and overall collective bargaining coverage.

In 2024, an additional 57 collective agreements will be renegotiated, covering 1,1 million workers in the public sector at regional and municipal level.

Table 1: Data on collective bargaining

| Topic | Data | Source |
|---|-------------|--------------------------------------|
| Number of collective agreements in force 2023 | 655 | National Office of Mediation (2023a) |
| Number of collective agreements renegotiated 2023 | 470 | National Office of Mediation (2023a) |
| Workers covered by agreements renegotiated in 2023 | 2,3 million | National Office of Mediation (2023a) |
| Collective bargaining coverage | 90% | Kjellberg, Anders (2023) |
| Negotiated wage increase 2023 | 4,1% | Arbetet (2023a) |
| Negotiated wage increase 2024 | 3,3% | Arbetet (2023a) |

Collectively agreed pay outcomes and wage-setting mechanism

On 1st of April 2023 the industrial unions (IF Metall, The Swedish Union of Forestry, Wood and Graphical Workers, The Food Workers' Union, Engineers of Sweden¹, Unionen) and their counterparts in the Association of Swedish Engineering Industries announced that they reached an agreement on the collectively agreed pay outcomes for the 2023 negotiation rounds. The results were a 7.4% wage increase over two years, with 4.1% in 2023 and 3.3% in 2024. The coordinated agreed fixed raise for lowest wages, in these collective agreements, amounted to SEK 1,350 (EUR 120). The industrial social partners agreed to an additional *low-pay deal* starting in 2024, for workers earning less than SEK 28,211 (EUR 2,511). The *low-pay deal* is that wages below the cut-off point of SEK 28,211 do not have their wages increased with a percentage of their current salary, but have the raise calculated at the cutoff point. In this case, it means a raise of SEK 930 (EUR 83) per month, instead of 3.3% of their current wage. Workers earning more than SEK 28,211 get a 3.3% increase based on their current salary.

Collective bargaining and inflation

Inflation was debated intensely in 2023. The trade unions ultimately sought not to argue for full compensation for inflation in the negotiation rounds. In a brochure from the peak-level blue collar trade union LO this is explained as a measure to prevent a wage-price spiral. the brochure states:

“LO wants to act to avoid a price and wage spiral. But then we also need the already rich to hold back. We believe that all actors must take responsibility. We want to see responsible wages for the high-level white-collar workers as well. There must be an end to the rain of bonuses for shareholders, boards, and managers.” (LO 2023, p. 3. *Author translation*)

The trade union argues that it must secure a stable economy where inflation does not spiral in order to negotiate for increased real wages at a later time.

This led to disappointment in local trade unions, although all blue-collar unions in the LO collective agreed to the wage increases, except the Swedish transport workers union, which negotiated by themselves, but reached similar wage increases. In an interview with a local section of IF Metall, workers have complained that the grocery store is increasing their prices by 10% and the rental companies are increasing the rents by the same percentage. This discussion was especially prevalent early in the year, prior to the negotiation rounds. (Dagens Arbete, 2023).

¹ Formerly *Swedish Association of Graduate Engineers*.

Developments in governmental responses to inflation

The responses to inflation have been primarily left to the *Riksbank*, the Swedish central bank, using the interest rates to combat inflation. However, the budget for 2023 had a strong focus on the inflation issues, where the new government promoted a restrictive financial policy to prevent inflation. Similarly, the budget for the coming year continues a restrictive financial policy to reduce inflation. According to the government, inflation should be fought in three arenas. The central bank should regulate interest rates, the social partners should *ensure that wages do not drive inflation*, and the government should be careful to spend excessively in the economy.

It was argued that the long-term effects of inflation are more destructive than decreasing real wages. Political debates on the government responses to inflation focused on the level of intervention in the market, where critiques from the left side of the political aisle suggested price regulation on electricity and food. The government coalition instead focused on a restrictive financial policy, as they argued that expansive policies would lead to a more persistent inflationary pressure. They refer to the experience of the 1970s inflation, where an expansive financial policy led to a more persistent inflation. (Regeringskansliet, 2023)

Labour disputes and industrial action

2023 saw an increase in labour disputes, partially due to the large number of sectoral collective bargaining agreements being renegotiated. However, there was also plenty of activity outside the scope of the negotiation rounds. The right to strike is an important part of the labour market regulation in Sweden, while the collective agreements are in effect the peace clauses that ensure a calm labour market. Therefore, during negotiation rounds, the number of industrial actions usually increase.

In total, 34 notices of industrial action were issued in 2023. Most notices of industrial action were given by the Swedish food workers union, which notified the National Office of Mediation of industrial action 12 times in 2023, however none of the notices led to a strike. Only two notices led to strikes, one by IF Metall against auto manufacturer Tesla and one between the Swedish Painters Union and the Swedish Painting Companies. The rest managed to reach an agreement before a strike broke out. In addition, some local conflicts also resulted in 29 working days lost in 2023.

Changes to the right to strike

No changes to the right to strike. However, some actors have raised their voices regarding the Tesla strike, asking for a more restrictive legislation in regard to sympathy strikes. These actors are primarily employer organisations or think tanks connected to employer organisations. So far, no political party has called for a reformed right to strike. However, the Confederation of Swedish Business (sv. *Svenskt Näringsliv*) has stated that they find it important to protect the right to strike, but that there needs to be proportionality for sympathy strikes. According to them, the issue lies in trade unions taking industrial action in a way that affects employers who have a collective agreement. (Svenskt Näringsliv 2023a)

There are no suggestions that the right to strike will change currently. However, the Tesla strike is still ongoing and new debates might develop in 2024.

Data on industrial action

The data on industrial action is annually published by the National Office of Mediation. There have been three larger strikes, and some smaller local conflicts, in Sweden in 2023, detailed in table 2. The table does not take days lost to sympathy strikes into account, of which there are many related to the IF Metall – Tesla conflict, as these workers are still working but not doing work for Tesla.

Table 2: Estimated number of days lost to industrial action 2023

| Conflict | Dates | Approx. number of workers** | Approx. working days lost in 2023 |
|---|-----------------------------|-----------------------------|-----------------------------------|
| IF Metall – Tesla Motors | 27 October – <i>ongoing</i> | Up to 120 | 1936 |
| Wildcat strike train drivers – MTR | 17 April-20 April | 200 | 414 |

| | | | |
|--------------------------------------|-----------------|-----|-------|
| Målarna – Måleriföretagen | 12 May – 17 May | 390 | 1,530 |
| Other local conflicts | - | - | 29 |
| Total | | | 3909 |

Source: National Office of Mediation (2024).

*** The actual number of striking members is not known in the IF Metall – Tesla conflict. The number refers to total members called out to strike. Tesla claims that 90% of these members are still working. Likewise, the number of participants in the train driver wildcat strike the number of participants is not known.*

Table 3 lists the number of mediations for 2023. Before industrial action is taken (wildcat strikes excluded), the trade union must notify the employer organisation or company of the planned strike. This is done two weeks in advance, and a mediator is called in from the Swedish National Office of Mediation. Out of the 34 total notifications, 14 were between trade unions and employer organisations (sectoral negotiations) and 20 were between trade unions and companies (local disputes).

Table 3: Number of mediations 2023

| Trade union (Swedish) | Trade union (English) | Sector | Number of notifications of strike action |
|------------------------------|--|---------------------------|---|
| Livsmedelsarbetareförbundet | Swedish Food Workers Union | Food | 12 |
| Kommunal | Swedish Municipal Workers Union | Municipal sector | 4 |
| Elektrikerförbundet | Swedish Electricians' Union | Electrical | 3 |
| Seko | Swedish Service and Communications Union | Railways, water transport | 3 |
| IF Metall | IF Metall | Industry | 2 |
| Transport | Swedish Transport Workers Union | Road Transport, Security | 2 |
| Byggnads | Swedish Construction Workers Union | Construction | 1 |
| Hamnarbetarförbundet | The Swedish Dockworkers Union | Dock workers | 1 |
| Handels | Swedish Retail Workers Union | Retail | 1 |

| | | | |
|---------------------------------|--|-------------------------|-----------|
| Målareförbundet | Swedish Painters Union | Painting, construction | 1 |
| SRAT, ST & Sveriges Ingenjörer | SRAT, Union of Civil Servants, Engineers of Sweden | Railways | 1 |
| Sveriges Ingenjörer & Unionen | Engineers of Sweden & Unionen | Financial services | 1 |
| Syndikalisterna | The Syndicalist Union | Cleaning | 1 |
| Unionen | Unionen | Temporary Work Agencies | 1 |
| Total | | | 34 |
| Of which: sectoral negotiations | | | 14 |
| Of which: local disputes | | | 20 |

Source: National Office of Mediation (2023b)

Collective labour disputes in 2023

Strikes within the negotiation rounds

During the collective agreement period there is a peace clause in effect, therefore strikes tend to only happen either before a first collective bargaining agreement is signed, or in negotiation rounds. Only one strike broke out during the negotiation rounds, with the Swedish painter's union going on strike for five days. The conflict concerned several points in the collective agreement; however, a central issue was the different views on qualification requirements for being employed as a painter. Currently, qualifications are given once a painter has finished their apprenticeship program or has worked as a painter for four years. The disagreement concerned whether or not experience gathered abroad should count towards the 4 years required to work professionally as a painter. At the time, non-qualified painters could only work with "non-traditional" painting work. After the five days, the social partners reached an agreement, which included a clarification on what type of work would count towards work qualifications to be hired as a qualified painter in Sweden.

Strikes to sign a first CBA

Two significant labour disputes to reach new collective bargaining agreements happened in the autumn of 2023, one against the Swedish fintech firm Klarna, and the other against international auto manufacturer Tesla.

Klarna – Unionen

The Klarna strike was resolved before the strike was initiated and was the result of several years of negotiations. The main negotiating union, Unionen, to which most of the workers belong, did however not become the signatory to the collective agreement. Instead, Klarna avoided the strike by signing with the union for financial services workers, Finansförbundet, a few days before the strike was meant to start. Since the changes to the peace clause in 2019, industrial action is no longer legal once a collective bargaining agreement has been signed, meaning if Unionen would have wanted to continue the strike to sign their specific collective agreement, it would not have been a legal strike. If

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another trade union has at least one member employed at the employer, the peace clause is in effect following the signing of a collective agreement. The collective bargaining agreement covers all workers at Klarna, regardless of trade union affiliation. Still, Unionen stated that they regard the signing of a collective agreement as a victory. (Kollega 2023)

Tesla – IF Metall

Tesla has over the past years been in negotiations with the Swedish Industrial Workers Union IF Metall. After Tesla left negotiations, the trade union announced their intention to start a strike on the 27th of October 2023. Tesla does not produce any vehicles in Sweden, but the strike covers mechanics working at Tesla service centres around the country. Since the strike started, many sympathy measures have been announced, affecting transport and dock workers loading and unloading Tesla cars at Swedish ports, cleaners working in Tesla buildings, mail delivery workers not delivering mail or registration plates, electricians not servicing Tesla charging stations, the painters union not working on Tesla cars. The strike has gotten international attention, with workers in Norway, Denmark and Finland also announcing sympathy measures. (Dagens Arena 2023)

Wilcat Strike - MTR

In the spring of 2023, before the negotiation's rounds had started, a group of unionised workers at the Stockholm public transit provider MTR announced that they will strike. The background was the decision to remove the train attendants on the regional trains, which is a decision that dates to June 2021. A train attendants' job is to ensure passenger safety and assist the driver with announcements. The position was meant to be placed on the drivers, and cameras were to be installed in the trains. It also meant that the driver is the only personnel aboard the regional trains. The decision was taken by the right-wing regional coalition comprised of the Moderate Party, the Liberals, the Centre Party, the Christian Democrats, and the Green Party. Since the decision was taken, there has been ongoing debates and strong criticism from the trade union and opposition. The Social democrats promised to reverse the decision should they win a majority in 2022, and paused the removal of train attendants while ordering another inquiry into the issue. Eventually, however, they went ahead with the policy change, set to be in force in 1st of March 2023.

Members of the trade unions SEKO and ST opposed the decision and initiated their industrial action on the 17th of April 2023. The strike was organised spontaneously by the workers at MTR, and was not officially endorsed or supported by neither SEKO nor ST. The reason the trade unions could not support the action is because the strike happened while the collective bargaining agreement was still valid, meaning the peace clause was in effect, and the strike therefore was an illegal action. The collective bargaining agreement for the rail traffic was set to expire the 30th of April, and the wildcat strike was meant to put pressure on the negotiators to prioritise the issue of having train attendants. Because the action was illegal, the striking workers did not receive legal support from their unions, neither did they receive compensation from the strike funds. However, through public donations, the workers were able to raise enough money to cover most of the lost income, reaching about SEK 1,3 million (approx. €115 500) in two days. (Sekotidningen, 2023, Arbetsvärlden 2023)

Developments in working time

Changes to legislation

In 2023, there were several pieces of legislation enacted to prolong the working life of Swedish workers. The right to work age was increased by one year, from 68 years to 69. This age is the limit for where the Employment Protection Act (sv. *Lagen om Anställningsskydd, LAS*) no longer is in effect, meaning the worker does not have a right to remain at their workplace. The increase goes together with a general increase of the pension age. In the flexible pension system, there are several milestone ages that determine when a worker can retire. The lowest age to start receiving income-based pension was increased from 62 to 63 years, and the lowest age to start receiving the so-called guaranteed pension was increased from 65 to 66 years old. The age of the guaranteed pension has traditionally been seen as the common “pension age”. To incentivize a longer working life, the government also reduced taxes on incomes earned past the age of 65, by an average of SEK 1,900 (EUR 169) per year, up to a maximum of SEK 6,000 (EUR 534) per year. (Pensionsmyndigheten 2022)

Bargaining outcomes

Overall, few unions made significant inroads in negotiations regarding shortening of the workweek.

One trade union, DIK (documentation, information, culture) did sign a local collective agreement for the employees of the trade union, shortening the work week from 40 to 35 hours per week. The agreement was signed directly between employees of the union and the trade union itself. The union has a previous congress decision to also negotiate for a generally shorter work week for their members but have yet to reach an agreement for shorter working weeks with any employer organisation.

Debates on duration and organisation

The union for white collar workers employed at regional public sector level, Vision, took a congressional decision in 2023 aiming for a shorter working time in future collective bargaining rounds, to a 30-hour-workweek with maintained salary. This makes Vision the Swedish second trade union to take an official decision to pursue a shortening of the work week to 30 hours per week, the first one being the Swedish Municipal Workers Union (sv. *Kommunal*), who voted to pursue this policy in June of 2022. The trade union for workers in the cultural sector, DIK, also has a congress decision for a shortening of the week to 35 hours. However, none of the three unions have managed to reach an agreement on the shortening of the workweek with their counterparts.

A survey conducted by the think tank Futurion, associated with the peak-level white-collar trade union TCO, on workers opinion of shortening the work week revealed that most of the respondents were in favour. Between a higher wage and the same number of weekly hours, or the same salary but fewer working hours over 60 % of respondents chose the latter option. Notably, shorter working weeks were more popular in the age group 30-68 (66 % chose shorter work week over higher salary) than 18-29 (55 %). Between the choice of more holiday and a generally shortened work week, 68 % of respondents chose a shorter work week. 18 % chose more holidays, and another 9 % chose earlier retirement. The use of the extra time would go to family and friends (among 71 % of respondents),

hobbies (63 %), taking care of one's health (55 %), household duties (45 %) and finally to civic engagements (16 %). (Futurion 2023)

Other important policy developments

Regulations on employment status and contracts

No changes to regulations on employment status and contracts. The last big change to employment contracts was the change to the Employment Protection Act (*sv. Lagen om Anställningsskydd. LAS*) which was enacted in 2022.

Policies to reduce the gender pay-gap

As the government has very little influence over the wage setting, there were no policies introduced directed at reducing the gender wage gap.

A report by the National Office of Mediation published in 2023, showed that for the first time in a long time, the gender wage gap was no longer on a downward trajectory, but stayed at 9.9% in 2022, which is the same level as 2021. The average salary of women was in 2022 SEK 36,200 (EUR 3,223) and the average salary of men was SEK 40,200 (EUR 3,579). The report showed that the gap has been closing since 2005, but this trend was broken in 2020, except for in the public sector, where the gap is still closing. When controlling for sector, occupation, age, education and working time there is a 4.7% unexplained wage gap, which is an increase by 0.2 percentage points since 2021. (National Office of Mediation 2023c)

Health and safety regulations and policies

On 15th of September 2023, the Swedish Work Environment Agency took a decision to simplify the regulations regarding health and safety at work. This simplification will not change the regulatory landscape, but rather make the regulations easier for employers, customers, and employees to understand. In total, 67 various regulations are going to become 15, and the new format will be legally enacted from the 1st of January 2025. The rules are already simplified and available on the Swedish Work Environment Agency website. (Arbetsmiljöverket 2023)

On the 11th of December 2023 there was an accident at a construction site in Stockholm which claimed the lives of five workers. The accident was caused by a faulty installation of a construction elevator, leading the elevator to fall from several stories' height. The accident shone a light on the health and safety regulations in the construction sector, with special attention given to criminal working practices. Four out of the five victims were migrant workers. The Swedish worker was identified on the day of the accident, for the migrant workers, the identification procedure was a length one since the severity of the accident, implied requesting dental records from abroad for the migrant workers. The Swedish Accident Investigation Authority has launched an investigation into the matter, and a full accident report is expected in December 2024.

The criminal and unsafe working practices have been an issue for a long time in Sweden, and the government response so far was to instruct the Swedish Work Environment Agency to conduct more unannounced inspections at work sites.

Work-life balance related policies

No new legislation on work-life balance related policies were introduced in 2023.

Life-long learning and skills development

In 2022 the transition and retraining support (sv. *Omställningsstudiestöd*) mechanism was introduced. The support measure incentivises workers in the middle of their career to retrain at university or at a vocational education institution, while maintaining up to 80% of their previous salary.

In a report from the Confederation of Swedish Business, some key indicators for the support mechanism are presented. They find that 75% of workers aged 27-62 would be interested in studying in the two coming years. The most common reason given is that workers are interested in continuing their education (49 %), followed by the interest in increasing skills to be better at current job (46 %), and receiving a higher salary (44 %).

The most popular prospective retraining fields at university level are economy, administration, and sales (37%), computer science or IT (32%), technology and manufacturing (32%) and healthcare and social work (20%). At vocational level, retail and administration are the most popular choices (24% each), followed by industry and technology (24%) and energy and electricity (21 %).

Several obstacles are also outlined in the report. Even though workers can retain a high percentage of their salary with the new support measure, 32% state that they cannot afford to reduce their salaries. Another 21% state that they do not have time to study.

While most of the interest is from younger workers, over 60% of workers aged 50-60 years old would consider studying with the new support mechanism. (Svenskt Näringsliv 2023b)

Other topics

A theme for 2023 has also been changes in regulation regarding migrants, and migrant workers.

***Etableringsjobb*: New employment type for long-term unemployed and newly arrived migrants**

In November of 2022 the Confederation of Swedish Business agreed with blue-collar peak-level union LO and white-collar private sector union Unionen to establish a new employment type for long-term unemployed and newly arrived migrants to incentivise higher employment rates for these groups. The salary would be according to the lowest level in the relevant collective agreement for the sector, and the salary costs are split between the state and the employer. This employment can be up to two years, at which point the contract becomes a regular permanent contract, according to the law of employment protection. The first agreement for *etableringsjobb* was signed between the Association of Swedish Engineering Industries and Unionen in December of 2023. According to researchers at Lund University, the proposed budget for the *etableringsjobb*-policy would indicate that up to 16,000 people could be financed in the new employment form, given the budget of SEK 2,4 billion (€ 213,2 million) for 2024. The researchers express critical opinions on the new policy, (Teknikföretagen 2023)

Wage floor for migrant workers

An important change for migrant workers was also legislated in 2023. In order to combat exploitation and criminal employment practices, the government instituted a wage floor for migrant workers, who now must earn 80% of the median salary to get a working permit in Sweden. Another reason for this policy was to further incentivise migrants already in Sweden to get the available job

opportunities. The decision was taken in November of 2022, and enacted in November 2023. The wage floor does not affect workers from the EU, nor does it affect seasonal workers. (Justitiedepartementet, 2023)

Commentary and outlook

2023 was an important year for wage setting in Sweden, with about 470 collective bargaining agreements being renegotiated. Negotiations took place against a backdrop of high inflation eating into real wage increases and economic recovery after the COVID-19 pandemic. During late 2022 and early 2023, many discussions on the resilience of the wage setting model were held. The Swedish wage setting model starts with wage negotiations in the industrial sector – that is, the export-dependent sector – after which other sectors negotiate their wage increases based on the same percentage rise across the economy.

There are still 56 collective agreements to be renegotiated in 2024, several in the regional and municipal sectors. Among them is one of the largest agreements, between the Swedish Association of Local Authorities and Regions (SALAR) and the Swedish Municipal Workers Union, which covers about 1.2 million workers in sectors such as healthcare, education and care services. While the wage increases are likely to follow the results of 2023, there are some important demands by the union that may have wider impact, such as a 30-hour working week, an annual mapping of the use of temporary workers instead of hired personnel, and the ability to make exceptions to the rules on the 11-hour daily rest for shift workers.

Despite relative calm in the negotiation rounds, the year saw significant industrial action. In the spring, a wildcat strike broke out among local Stockholm train drivers in response to a decision to fire the train attendants and replace them with cameras. In the autumn, several trade unions threatened strikes against the tech companies Klarna and Spotify for not having collective agreements, and the union IF Metall went on strike against the car manufacturer Tesla for the same reason. The Tesla strike was still ongoing as of January 2024, with sympathy strikes from nine other Swedish unions, affecting postal services, garbage collection, loading and unloading of cars in ports, lacquering of cars, cleaning, and electrical services. The strike has also attracted sympathy strikes in Denmark, Norway and Finland, which is unusual. IF Metall says it will continue until the company signs a collective agreement. These developments could be an indicator that the unions are moving towards a more combative and active approach to securing coverage of collective bargaining.

The number of workplace accidents with fatal outcome reached the highest point since 2008. In December 2023, the worst workplace accident since 1994 happened at a construction site in Stockholm, where a construction elevator fell several stories and five people died. This incident and the high number of workplace fatalities sparked a debate about health and safety and criminal employment practices, which is likely to continue in 2024. The government announced that additional inspections will be carried out to prevent future accidents, although critics have noted that this promise was made without a corresponding increase in budget.

As 2024 opened, Sweden entered a recession following the pandemic, the inflation crisis, the war in Ukraine and interest rate increases. The National Institute of Economic Research (NIER) forecasts a deepening of this recession in early 2024, and slow recovery towards the end of the year. This means an increase in the unemployment rate, which is heading towards 8.5%. The government has labelled itself a coalition towing the 'work line', meaning it wants to incentivise as many as possible to find employment through a combination of lowering taxes on labour and for employers, as well as restricting economic support for those without work. How external factors interact with the government's intentions to increase employment rates will likely be a discussion in 2024.

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