Industrial Relations Foresight 2025 for Sweden: Presentation of Results and Comments

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Contents

Tables and figures

Abstract in English

This report presents and comments on the Swedish part of a survey made in autumn 2007 to obtain expert opinions on industrial relations in the EU25 and G7 countries in the year 2025. The survey was carried out by the European Foundation for the Improvement of Living and Working Conditions (Eurofound). One of the basic questions was about how the process of globalisation will influence future industrial relations in each of the EU27 member states (EU15 "old members states" and EU12 "new member states") and in Global 7 countries (Australia, Brazil, China, India, Japan, South Africa, and the USA). The questionnaire contained 16 questions about the future development of actors, processes, outcomes and general trends in industrial relations and their environment. The respondents were representatives of trade unions, employers' organisations, governments and academic experts. From Sweden 13 respondents participated, four of them trade union representatives, another four representatives of employer organisations, two government representatives and three academic experts in the industrial relations field. The report focuses on the Swedish survey results, but also contains international comparisons. First some trends and features of Swedish industrial relations are presented. As regards union density the survey started from a series that includes full-time students working part-time. With a union density of 77% (2004) in their heads the Swedish respondents in average foresaw a density of 61% in 2025 (corresponding to 79% in 2004 and about 63% in 2025 excluding full-time students working part-time). The fall in the rate of unionization in 2007 probably influenced the foresight although the exact size of the decline was not yet known. An average union density of 61% corresponds to about 55% unionized workers in the private sector. That is substantially lower than in 2004, but a relatively small decline compared to the private sector union density in 2008 (65%, excluding full-time students). Between 2006 and 2008 density in this sector declined from 71% to 65%, that is by six percentage points in two years (excluding full-time students). A ten percentage points decline remains between 2008 and 2025, which means in average just 0.6 points per year. Collective bargaining coverage is expected to remain at a high level in 2025 (81%) but nonetheless 11 percentage points less than in 2004 (92%). By that the share of workers outside the collective bargaining system would more than double up to the year 2025. The declining union density could be expected to have a negative influence on bargaining coverage. If the average coverage fell to 81% in 2025, then the private sector collective bargaining coverage would probably be about 75%. If neither extension mechanisms nor legislation on minimum wages are introduced, as much as every fourth worker in the private sector could be outside the collective bargaining system. Long before such a situation occurs demands on legislation would probably appear. Almost 40% of Swedish respondents think that legislation on minimum wages will be introduced in the period up to 2025. As regards wages more than four out of five Swedish respondents think that collective agreements will still be the main way of regulation in the year 2025. Unions are expected to have the same impact as today at both industry and workplace level, but a considerable insecurity is indicated by the large variation in

assessments, in particular regarding the impact of unions at workplace/enterprise level. This large variation probably reflects divergent views among respondents on the desirable future development. It might be called into question if the impact of Swedish trade unions were unchanged if union density declined to 61% in 2025 (about 55% in private sector) and collective bargaining coverage decreased by more than 10 percentage points. Bargaining at sector/industry level seems to continue to dominate the collective bargaining system as 10 of the 13 Swedish respondents think that the sector/branch will remain the dominant level of collective bargaining even in 2025. At the same time decentralisation is indicated as almost every second respondent thinks that either individual contracts (15%) or workplace/enterprise collective agreements (31%) will be the main way of regulating wages. Secondly, more than 60% of respondents think that the workplace/enterprise will be a more important bargaining level than today. The Swedish model of self-regulation (regulation by the labour market parties themselves) will survive, but the decreasing coverage of collective agreements might be followed by legislation on minimum wages and/or on extension of collective agreements. Most respondents, however, think that the role of the government as legislator in industrial relations will remain the same. The Swedish national arena will still be the dominant one in industrial relations in 2025, although the role of the international level and the EU level will increase, thus a certain centralisation (to the EU level) in addition to the decentralisation tendency mentioned above. A slight majority thinks that the regulating role of the EU Commission will increase in working life. Most respondents think that the impact of unions will decrease at the national level (54%), increase at the international level (69%) and remain about the same at sector/industry and workplace/enterprise levels (in the latter cases when the considerably diverging replies are weighted together). A slight majority think that social security and the degree of liberalism in economic policy will be unchanged. On the other hand, large minorities (46%) think that liberalism in economic policy will increase and social security decrease. Large majorities expect that individualism (69%), flexibility in working life (92%), self-employment (69%) and inequality in incomes (85%) will increase, while job security (80%), the wage gap between men and women (77%) and public support to unions (61.5%) will decrease.

Abstract in Swedish

Denna rapport presenterar och kommenterar den svenska delen av den expertundersökning som gjordes hösten 2007 för att få en bild av hur arbetsmarknadsrelationerna (*industrial relations*) i EU25- och G7-länderna kan tänkas se ut år 2025. Bakom undersökningen står European Foundation for the Improvement of Living and Working Conditions (Eurofound), som är ett EU-organ specialiserat på arbetslivet. En av de grundläggande frågorna handlar om hur globaliseringen påverkar framtidens *industrial relations* i vart och ett av EU27-länderna – dels i "de gamla medlemsstaterna" (EU15), dels i "de nya medlemsstaterna" (EU12) – samt i G7-länderna Australien, Brasilien, Kina, Indien, Japan, Sydafrika och USA. Frågeformuläret innehåller 16 frågor om framtiden vad gäller aktörer, processer och utfall på olika områden samt allmänna utvecklingstendenser hos *industrial relations* och i det omgivande samhället. De som besvarat frågorna representerar fackliga organisationer, arbetsgivarorganisationer, staten och forskare inom området. Från Sverige deltog 13 personer varav fyra från vardera fack och arbetsgivarorganisationer, två företrädare för staten samt tre forskare. Rapporten berör främst Sverige men innehåller också internationella jämförelser. Först presenteras några trender och utmärkande drag hos det svenska *industrial relations*-systemet. Vad gäller den fackliga organisationsgraden utgår undersökningen från en serie som inkluderar heltidsstuderande som arbetar vid sidan om studierna. Utifrån en organisationsgrad på 77% 2004 bedömdes andelen fackligt anslutna i Sverige ligga på 61% år 2025. Om de heltidsstuderande exkluderas motsvaras det av en nedgång från 79% 2004 till ca 63% 2025. Det ras i organisationsgraden som inträffade 2007 (samma år som undersökningen gjordes) påverkade sannolikt svaren även om det då inte förelåg några exakta uppgifter om nedgångens omfattning. En genomsnittlig organisationsgrad på 61% år 2025 motsvarar inom privat sektor sannolikt ca 55%. Det är avsevärt mindre än år 2004 men innebär ändå en relativt begränsad nedgång jämfört med andelen fackligt anslutna år 2008. Mellan 2006 och 2008 föll andelen fackligt anslutna inom privat sektor från 71% till 65%, dvs med hela sex procentenheter (exklusive heltidsstuderande). Vad som återstår 2008-2025 är således en nedgång på ca tio enheter (från 65% till 55%), vilket i genomsnitt innebär endast ca 0,6 procentenheters minskning per år. Kollektivavtalens täckningsgrad förväntas förbli på en hög nivå och omfatta 81% av löntagarna 2025, men det innebär likväl en nedgång på 11 procentenheter sedan 2004 då täckningsgraden var 92% och mer än en fördubbling av andelen löntagare utan kollektivavtal. Den sjunkande fackliga organisationsgraden kan förväntas få negativa konsekvenser på kollektivavtalens täckningsgrad. Om andelen löntagare under kollektivavtal minskar till 81% år 2025 kommer täckningsgraden inom privat sektor uppskattningsvis att bli ca 75%. Om staten varken inför utsträckningsmekanismer eller en lag om minimilöner kommer således var fjärde anställd inom näringslivet att vara utan kollektivavtal. Långt innan en sådan situation uppstår kommer sannolikt ökade krav på lagstiftning att framföras. Nästan 40% av de svenska respondenterna bedömer att en minimilönelag införs under perioden fram till 2025, men majoriteten är således av annan uppfattning. Mer än tre fjärdedelar av deltagarna i den svenska

undersökningen anser att *kollektivavtal* även år 2025 kommer att vara det huvudsakliga instrumentet för att bestämma lönerna. Facken antas få samma inflytande som idag på både bransch- och arbetsplatsnivå, men en betydande osäkerhet finns vad gäller arbetsplatsnivån, i varje fall om de svar som pekar åt olika håll vägs samman. Den stora variationen kan antas återspegla divergerande uppfattningar om den önskvärda framtida utvecklingen. Det kan ifrågasättas om de svenska fackens inflytande kommer att förbli intakt om organisationsgraden sjunker till 61% år 2025 (55% i privat sektor) och kollektivavtalens täckningsgrad minskar med mer än tio procentenheter. Förhandlingar på sektor/branschnivå antas även fortsättningsvis dominera avtalssystemet i och med att 10 av de 13 svenska deltagarna bedömer att sektorn/branschen år 2025 förblir den dominerande förhandlingsnivån. Samtidigt finns det tydliga tecken på en viss decentralisering. Nästan varannan respondent anser att antingen individuella avtal (15%) eller kollektivavtal på arbetsplats/företagsnivå (31%) kommer att vara det viktigaste sättet att bestämma *lönerna*. För det andra anser mer än 60% av de svarande att arbetsplatsen/företaget kommer att vara en viktigare förhandlingsarena än idag. Slutsatsen är att den svenska partsregleringsmodellen (reglering genom arbetsmarknadsparterna själva) kommer att överleva, men också att kollektivavtalens minskade täckningsgrad kan resultera i lagar om minimilöner och/eller utsträckning av kollektivavtal till arbetsplatser som saknar sådana. De flesta som besvarat undersökningen anser emellertid att lagstiftning inte kommer att få ökad betydelse inom *industrial relations*-området. Den svenska arenan förutses också år 2025 ha ett avgörande inflytande på förhållandena inom arbetslivet även om betydelsen av den internationella nivån och EU ökar. Det innebär således en viss centralisering (till EU-nivån) i tillägg till den nämnda decentraliseringen. En knapp majoritet bedömer att EU-kommissionens reglerande roll inom arbetslivsområdet kommer att tillta. De flesta svenska respondenterna anser att fackens inflytande kommer att minska på nationell nivå (54%), men öka på den internationella nivån (69%) och förbli detsamma på bransch- och arbetsplatsnivåerna (här när de starkt avvikande svaren vägs samman). En knapp majoritet anser att den sociala tryggheten och inslaget av liberalism i den ekonomiska politiken varken kommer att öka eller minska. Å den andra sidan är det många (46%) som anser att liberalismen i den ekonomiska politiken kommer att få ett ökat utrymme och att den sociala tryggheten kommer att minska. Betydande majoriteter förutser ökad individualism (69%), ökad flexibilitet i arbetslivet (92%), ökad andel egenföretagare (69%) och ökade inkomstskillnader (85%) medan anställningstryggheten bedöms minska (80%) liksom lönegapet mellan män och kvinnor (77%) och allmänhetens förtroende för fackföreningar (61.5%).

1. Introduction

In autumn 2007 an international survey on future industrial relations was carried out by the European Foundation for the Improvement of Living and Working Conditions (Eurofound).[1] One of the basic questions was about how the ongoing process of globalisation will influence future industrial relations in each of the EU27 member states (EU15 "old members states" and EU12 "new member states") and in Global 7 countries (Australia, Brazil, China, India, Japan, South Africa, and the U.S.), or more precisely what will different aspects of industrial relations in these countries look like in the year 2025?

In 2006 Eurofound started the project *Impacts of globalisation on the European social dialogue models* with the aim of producing a comparative study on "Industrial relations foresight 2025 for the EU27 and Global 7 countries" and by that discuss what industrial relations and social dialogue will look like in fifteen to twenty years.

A web-based survey addressed to industrial relations experts was carried out in EU27 and Global 7 countries. The aim was to obtain their views on what industrial relations will look like in the year 2025. The questionnaire contained 16 questions about the future development of actors, processes, outcomes and general trends in industrial relations and their environment. There were two rounds of the survey, the first taking place from the middle of October to the beginning of November 2007 and the second one in the end of November and December 2007.

The respondents of the survey were representatives of trade unions, employers' organisations, governments and academic experts. In total 346 completed questionnaires were received from 34 countries. From Sweden 13 respondents participated in the survey. Four of them were trade union representatives, another four representatives of employer organisations, two government representatives and three academic experts in the industrial relations field. This report is focused on the Swedish survey results, but also contains international comparisons.

As regards some foresights, the respondents have similar views and visions about the future, on others opinions are very divided. It should be observed that this is not a traditional

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[1] Eurofound is a European Union body carrying out research and development projects to provide data and analysis for informing and supporting the formulation of EU policy on working and living conditions. Eurofound has a network of experts throughout Europe who conduct research on its behalf including assessing the current national situations, the preparation of case studies and national reports and the conducting of surveys. Eurofound also maintains a number of monitoring tools, among them the European Industrial Relations Observatory (EIRO). Eurofound is managed by a Governing Board comprising representatives of governments, employers and workers of each Member State and three representatives from the European Commission. Homepage: http://www.eurofound.europa.eu/

survey with a representative sample, but industrial relations experts' foresights. The results for the different groups of respondents are not shown separately because of the very small number of respondents. Another reason is to avoid putting different groups against each other and instead concentrate upon general foresight trends. Furthermore, the author of this report does not have access to data on how different groups filled in the questionnaire. Different views are instead expected to appear in the discussion of the report. Results are provided to assist each of the EU member states and social partners to start discussions on the future challenges of globalisation to national industrial relations. A separately published comparative summary foresight report will provide a basis for benchmarking national foresight results to the EU27 countries as well as to global competitors. All data processing for Sweden and the other 33 countries was on behalf of Eurofound commissioned to a group of researchers at Tartu University, Estonia (professor Raul Eamets and associate professor Kaia Philips), which in addition was responsible for the Estonian part of the foresight project. Responsible research managers at Eurofound were Timo Kauppinen and Christian Welz.

2. Some circumstances influencing the replies of respondents

In order to evaluate the responses to the survey, some current trends and characteristics of the Swedish industrial relations system will be presented. An important reason is that respondents may more or less *project current trends* into the future. To the degree that this is the case the respondents in a specific country could be expected to give similar replies.

On the other hand, some trends cannot easily be grasped and summed up in short replies as industrial relations processes in themselves may be *contradictory* and contain aspects pointing in different directions. Just to mention one example, important aspects of collective bargaining in Sweden could be described in terms of decentralisation, while centralisation might be a more proper label in other respects. What is occurring might then be described as a combined process of decentralisation and centralisation. The respondents' replies may reflect what they consider as the dominating trend or the best weighting together of contradictory trends.

Secondly, respondents may pay special attention to trends which they consider as the most *desirable* and project them into the future. This risk, of course, is obvious as the views and interests of the labour market parties and other actors may deviate more or less from each other. The degree of common/diverging views among different actors will therefore be reflected in the replies. Such phenomena may explain why the expected 2025 union density in

Sweden ranges from 20% to 77% (see Table 2 below). On the other hand, extreme replies might cancel each other out. Another example is that the assessed Swedish 2025 collective bargaining coverage varies from 50% to 94% (Table 6).

In the introduction to the questionnaire for national experts it is stated that “we are interested in trends, which are expected to occur during the years 2007-2025” and that the “research results will be used for modernising industrial relations in the European Union, which is set as one of the main targets in the Lisbon Strategy.” The aim is to inform the respondents and to motivate them to participate in the survey. Furthermore, the mere fact that the sender is an EU body within the industrial relations field probably implies a risk that the respondents’ views on a desirable development influence their replies.

Also the *values* of the individual respondent (including the researchers) may influence her/his assessment of the future.

Contradictory replies by one and the same individual may of course also stem from pure *inconsistencies, lack of knowledge of the current situation when the respondent is asked* or just *lack of time* when replying to the questions. In addition, *some questions may be too imprecise* (cf that on working hours).

As regards projections into the future of current trends, sudden and unexpected changes in the industrial relations environment of course cannot be foreseen even if history teaches that such changes will occur from time to time. Although two years have not yet passed since the survey was carried out in the autumn 2007 a number of unexpected developments of great significance for the industrial relations arena have already occurred, more precisely the economic and financial crisis starting in 2008, the increased role of the state for financial and industrial reconstruction and a growing calling into question of neo-liberal values and solutions. The March 2009 Crisis Agreement between the Swedish union IF Metall and a number of employers’ associations on reduction of working-hours and the corresponding wage-cuts after local negotiations was another unexpected outcome of the crisis hitting the strongly export-dependent Swedish economy.

Already when the survey was carried out a quite unique process in the modern history of Swedish trade unions was going on. In the lapse of just two years (2007 and 2008) union density fell by six percentage points after a radical change of the Swedish Ghent system made by the centre-right government in office since autumn 2006 (Kjellberg 2009a). The exact size of the fall was not known when the respondents filled in the questionnaire, but probably influenced their answers.

3. Some present trends and characteristics of the Swedish industrial relations system.

Swedish industrial relations (IR) are still distinguished by a high degree of *self-regulation*, that is regulation by the labour market parties themselves (Kjellberg 2009b). Consequently, collective agreements between trade unions and employers' associations play a key role within the Swedish IR system. Despite the absence of extension mechanisms, collective agreements in 2007 covered as much as 91-92% of employees (87% in the private sector), which was a small decline since 2005 when total coverage was 94% (90% in the private sector; Kjellberg 2007:267 and Kjellberg 2009a). Compared to most other countries both union density and density of employers' organisations are very high. Together with Denmark and Finland, Sweden tops the world league in the rate of unionization. In all three countries seven out of ten workers are affiliated to a trade union (Table A). Another common feature is that the so-called Ghent system (state-supported union unemployment funds) is applied in all three of these countries.

Table A. Union Density in Eighteen Countries, 1980-2009 (%)

	1980	1990	1993	2000	2004	2005	2006	2007	2008	2009
Sweden*	78 /	81	85	81	79	78	77	73	71	71
Finland**		76	84	76	72	71	71	71	70	
Denmark	75	76	77	75	72	72	69	70	68	
Belgium	54	54	55	49	53	53	54	53		
Norway	57	57	57	53	53	53	53	52	51	
Ireland	57	57	-	/ 39	36	34	33	32		
Austria	57	47	43	37	34	33	32	29	28	
Italy***	50	39	38	34	34	33	33	33		
Canada	35	35	36	32	31	31	30	30	30	
UK	51	39	36	30	29	29	28	28	27	27
Australia	49	41	38	25	23	22	20	19	19	20
Germany	35	33 /	33	25	21		18			
Netherlands	35	24 /	26	23	21	21	20	20		
Japan	31	25	24	21	19	19	18	18	18	19
Spain****	8	13	18	17	16	15	15			
Poland*****	65	28	17	20	21	23	18	16	16	
USA	23	16	16	13	13	12	12	12	12	12
France	18	10	10	8	8	8	8	8		

* The Swedish 1980 union density is not quite comparable to that of subsequent years. The corresponding density for 1980 might be estimated to about 80 per cent and for 1986 to 84-85 per cent; ** 1990 refers to 1991; *** Excluding autonomous trade unions; **** 1980 refers to 1981; ***** 1980 refers to 1981, 1990 refers to 1991.

Remark. As a rule per 31 December; Sweden yearly averages (employed workers); Denmark (unemployed included).
Sources:
Sweden: labour force surveys (excluding full-time students working part-time).
Finland: IDS (Income Distribution Survey) data provided by Petri Böckerman, Labour Institute for Economic Research, Helsinki.
Denmark: own calculations (pensioners and students excluded).
Belgium, Austria, Netherlands, Spain and France: OECD 2009. See also Visser 2009. Austria 2007 and 2008: data provided by Sabine Blaschke;
Norway: Nergaard and Stokke 2010;
Ireland: D´Art and Turner 2003 (1980-90); OECD 2009 (2000-);
Italy: OECD 2009 (1980), Bianco and Giacinto 2009 (1990-);
Canada: Union Membership in Canada 2009;
UK: Visser 2006, Achur 2010;
Australia: Australian Bureau of Statistics, Canberra;
Japan: Main Labor Economic Indicators, July 2010;
Poland: Ost and Wenzel 2009; Polish Public Opinion CBOS January 2009 and data provided by Michal Wenzel, CBOS; Warschaw.
USA: Union Members in 2009 (and preceding publications);
Other countries: Kjellberg 2001b, Visser 2006 supplemented by data provided by Claus Schnabel, Friedrich-Alexander-Universität Erlangen-Nürnberg (Germany 2004-).

Just a few years before the mid-1990s union density in Sweden and Finland reached about 85%. Since then Swedish density has declined by 0-1 percentage points per year up to 2007 when a fall quite unique in modern Swedish history started. Between 2006 and 2008 union density dropped by six percentage points – from 77% to 71% – due to far-reaching changes in the Swedish Ghent system. Such large decline in the course of just two years is remarkable even from an international perspective. In the history of Swedish trade unionism no government intervention has ever caused such a large drop in union density as that made by the centre-right government coming into office after the September 2006 general elections.

Density of employers' organisations (the share of employees in firms, etc. affiliated to employers' organisations) in 2009 was still higher than union density, or 83% in comparison with a union density of 71% (the public sector included in both cases). According to data presented to respondents and shown in Table 5 on density of employer organisations it was just 55% in 2004, but that is more than 20 percentage points less than the *correct* figure for the private sector (see more about this below).

The spirit of co-operation between unions and employers' associations, manifested in the 1938 basic agreement between the peak organisations of blue-collar workers and the private sector employers (LO and SAF), was broken in the 1970s when a large number of labour laws (on co-determination, job security, etc.) were introduced on the initiative of trade unions and political parties (Kjellberg 2009b). Within manufacturing industry the spirit of co-operation, however, was restored with the conclusion of the 1997 "Industry Agreement" between twelve employers' associations and the most important private sector unions of blue-collar and white-collar workers. This agreement regulates negotiation procedures and contains a kind of "private" mediation institute set up by the participants themselves. Together with the new, strengthened 2000 state mediation institute a new mix of self-regulation and state regulation of Swedish IR (industrial relations) took shape around the turn of the century (Kjellberg 2007; Kjellberg 2009b).

The Swedish IR system is also characterized by its combined centralisation and decentralisation. By *decentralisation* we mean a strong union presence at workplace level (union workplace "clubs" or union representatives) as well as a long tradition of workplace bargaining within manufacturing industry. *Centralisation* refers to strong unions and employers' organisations at sector/industry (or craft/professional) and confederate levels. Centralised bargaining about wages involving the blue-collar confederation LO and the employers' confederation SAF started in the 1950s and came to an end in the late 1980s. At the same time wage agreements between SAF and the white-collar bargaining cartel PTK (founded in 1973) were dismantled.

From about 1990 SAF and its affiliates adopted a strategy to decentralise collective bargaining completely to the single workplace and the individual. The engineering employers lead the way, but an alliance of a blue-collar union (the LO union Metall, later IF Metall) and two white collar unions (the largest unions in the white-collar confederations TCO and Saco) prevented the dismantling of national agreements within engineering. Later other LO unions joined the alliance, known as Unions in Manufacturing. The 1997 Industry Agreement implied a new kind of centralisation as negotiations were coordinated within the whole manufacturing industry although agreements still were – and are - concluded for each industry. In addition, both LO and the Confederation of Swedish Enterprise (SN; the successor of SAF) have strengthened their internal coordination between their own affiliates. In recent years the wage-leading role of the strongly export-oriented manufacturing industry has been called into question by employers' associations within the expanding private service sector with the result that opinion within the Confederation of Swedish Enterprise (SN) is divided on this issue. In addition the internal coordination in the 2007 bargaining round partly failed. Tensions are also growing within LO between (male-dominated) manufacturing unions and (women-dominated) unions within the service sector (private and public).

4. Centralising components of the Swedish IR system today:

- The continued existence of collective agreements on wages etc at industry level and agreements on pensions and some other issues at confederate level. As regards white-collar workers the negotiations on pensions and similar issues are led by PTK, which is cross-confederal as it comprises private sector unions affiliated to the two white-collar confederations TCO and Saco, and an independent union (*Ledarna*).

- The 1997 Industry Agreement, which includes a kind of "private" mediation institute run by the labour market parties within the manufacturing sector.

- The strengthened internal coordination within the blue-collar confederation LO and the Confederation of Swedish Enterprise (*Svenskt Näringsliv*, SN).

- Most agreements in the Swedish labour market last for three years and expire at about the same time. Such large bargaining rounds occurred in 1998, 2001, 2004 and 2007 (the next in 2010).

- The increased powers of the mediation institute set up in 2000 are strongly inspired by the aims and procedures of the 1997 Industry Agreement. Its task is not only mediation, but also "to promote an efficient wage formation process".

- The role of the Bank of Sweden (*Riksbanken*) to fight inflation by "punishing" unions by increasing the repo rate[2] in case of wage increases considered too high.

- In autumn 2007 the Confederation of Swedish Enterprise invited the blue-collar confederation LO and the white-collar PTK to deliberations on a new basic agreement. These started in 2007 and ended without results in March 2009.

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[2] The Riksbank's most important policy rate, which is used to influence short-term market rates. The repo rate is the rate that banks receive or pay when depositing or borrowing funds at the Riksbank for a period of seven days.

5. Decentralising components:

- The abolition of centralised bargaining on wages and similar issues from 1990 when the employers' confederation SAF abdicated as collective bargaining partner for such issues. Since then SAF and its successor SN have refused to participate in wage negotiations, but it has not prevented them from having an increasingly active role as coordinator of their affiliates in bargaining rounds.

- Although the system of collective bargaining at industry level has been kept, the substantive contents of agreements have become successively less detailed and increasingly left to local negotiations.

- Individualised wage setting has expanded considerably, particularly among white-collar workers in the public sector, although this development was reversed in the 2007 bargaining round. In 2005, 10% of Swedish workers worked under a central (i.e. industry) agreement containing no wage figures and no individual guarantees at all (*Avtalsrörelsen och lönebildningen 2005* p 109). In 2007 this share had decreased to 9% (ibid 2007 p 127).

6. Levels of collective bargaining in Sweden – some comments.

In Sweden no wage agreements covering the whole economy have ever existed. Collective bargaining always has been split between the public and the private sector. The former in turn is divided into local and central government, while the private sector contains separate spheres for blue-collar LO unions and white-collar TCO and Saco unions. During the heydays of centralised bargaining the private sector employers' confederation SAF negotiated with both the blue-collar confederation LO and from the 1970s also with the white-collar bargaining cartel PTK. Within manufacturing industry the collar-line has partly been dismantled by the increased cooperation between the LO, TCO and Saco unions within manufacturing. Since the 1990s there are no wage negotiations between SAF (or its successor Confederation of Swedish Enterprise) and LO or PTK. However, a growing number of agreements have been concluded on other issues than wages, for example between LO and Confederation of Swedish Enterprise on:

- Conversion support (the so-called *Omställningsavtalet* on support to workers in case of redundancies concluded in 2004).

- Recommendation on adjustment of sector (industry) agreements for companies that become temporary members of the employers' associations within the Confederation of Swedish Enterprise (2005).
- Collective Pension Insurance (2007).
- Negotiations on a new basic agreement starting late in 2007 (PTK also included), although broken off in 2009 without results.

The lowest level of the Swedish bargaining system is the workplace level. All sector/branch agreements are implemented by local negotiations resulting in workplace agreements. Enterprise agreements are rare (for example, the airline company SAS) except in enterprises comprising just one workplace.

7. Declining union density and coverage of union workplace organisations

A circumstance which in the future might impede continued decentralisation of bargaining is the declining coverage of union workplace organisations. If this development continues, unions might be more restrictive as regards a further decentralisation of wage formation. As appears from Table 1, the Swedish respondents expect that the union coverage of workplaces will decline by 11 percentage points between 2004 and 2025.

Table 1. Foresight on workers' workplace representation rate in 2025 (n=12, 1 answer is missing)

Question: Please estimate what will be the workers' representation coverage rate (i.e. share of workplaces, where an employees' elected representative exists – either union or non-union representative or works council) in 2025 in your country (%).

Country	2004	2025					2025 compared to 2004
		Average	Median	Std. deviation	Min	Max	
Sweden	**86**	**75**	**79**	**10.9**	**50**	**86**	**-11**

The declining union density since 1993-94 (Table B) has probably weakened union workplace organisations most where they were already weakest, that is in the private service sector. Another possible reason for declining coverage is that workers might have less time available for union activities at the workplace as a result of lean production methods and teamwork.

There are two series of Swedish union density, both of them referring to employed workers and based upon labour force surveys. The first one includes full-time students working part-time while the other excludes them (Table B).

Respondents were asked to take the 2004 union density of 77% as a starting-point, which means that they had to make a foresight on data from the first series (see Table B). The corresponding 2004 density from the second series amounts to 80%, that is excluding full-time students working part-time.

Table B. Union density in Sweden 1987-2008: employed workers including and excluding full-time students working part-time

	Incl. students*	Excl. students*
1987	82	83**
1990	80	81
1993	84	85
1994	84	85**
2000	79	81
2001	78	80
2002	78	80
2003	78	80
2004	77	79
2005	76	78
2006	75	77
2007	71	73
2008	69	71
1987-2004	-5	-4
1990-2004	-3	-2
1994-2004	-7	-6
2004-2008	-8	-8
1987-2008	-13	-12
1990-2008	-11	-10
2006-2008	-6	-6

Remark: Employed workers (yearly averages) 16-64 years. * Full-time students working part-time, ** Estimated

Source: Anders Kjellberg and Labour Force Surveys. For more details see Kjellberg 2010 (Appendix).

Irrespective of series union density fell by four percentage points from 2006 to 2007 and another two points from 2007 to 2008). The main cause was the changes to the Swedish Ghent system (state-supported union unemployment funds) introduced on 1 January 2007 by the centre-right government taking office in autumn 2006 (Kjellberg 2009c). The considerably raised fund fees made trade union membership much more expensive as union fees in general included fund fees. Up to 2007 the existence of union unemployment funds was conducive to the very high Swedish union density, but due to the rising costs of joining both a trade union and an unemployment fund, a growing share of workers chose to abstain from one or from both of them.

Taking the current downward trend in unionisation into consideration, density might in 2025 very well be about 60% or lower. The Swedish respondents on average estimated the 2025 rate to be 61% (Table 2), although there is a large variation (from 20% to 77%).

A considerable decline is also expected in other Nordic high density countries, in Denmark to 64% and in Finland to 62%.

Table 2. Foresight on trade union density 2004 - 2025 (n=13)

Question: Please estimate what will be the trade union density rate (i.e. share of employees belonging to trade union) in 2025 in your country (%).

Country	2004	2025					2025 compared to 2004
		Average	Median	Std. deviation	Min	Max	
Sweden	**77***	**61**	**65**	**14.6**	**20**	**77**	**-16**
	79**	**63****					**-16**

* Including full-time students working part-time ** Excluding full-time students working part-time (estimated)

It is remarkable that the decreased union density in the years 2004-2008 – 8 percentage points – makes up exactly half the expected decline from 2004 to 2025! The considerable fall from 2006 to 2008 – 6 percentage points – was quite unique in modern Swedish history. What remains would consequently be a decline from 69% in 2008 to 61% in 2025 or on average about half a percentage point per year (including full-time students working part-time).

If we look back 21 years from the year 2008, union density in Sweden (including full-time students working part-time) decreased from 82% in 1987 to 69% in 2008 or by 13 percentage points. Between 1987 and 2004 the decline was 5 percentage points, or in average about 0.3 percentage points per year. According to the foresight the expected decline during the 21 years 2004-2025 would be 17 percentage points or on average 0.8 points per year. This would mean a decline about twice as fast as in the period 1987-2004. When compared with the ten years preceding 2004, that is 1994-2004, the foresight appears much less dramatic. In these years, union density declined by 7 points, or on average 0.7 points per year, that is almost the same as the expected yearly decline for 2004-2025.

The respondents were probably influenced by the strongly declining union density in the year 2007 when they estimated the future development in autumn 2007. On the other hand, the exact size of the fall was not yet known. As mentioned, the decline by 6 percentage points in two years (from 2006 to 2008) is quite exceptional in modern Swedish history. Also, the existence of two series of union density might have influenced the estimated 2025 density (61%). The most known series excludes full-time students working part-time, but the 2004 density used in the questionnaire was from the series including them. Furthermore, the 2004 density from the latter series (77%) is the same as the 2006 density (also 77%) from the former series. As a consequence, some respondents might have estimated the development in 2006-2025 rather than in 2004-2025.

In Finland and Denmark unionisation has also declined considerably, in Finland from 84% in 1993 to 71% in 2005, that is by 13 percentage points. The Danish density in 2004 was 69% (in the foresight estimated at 80% in 2004, which is far above the real level). The foresights for 2025 are very similar for Sweden (61%), Finland (62%) and Denmark (64%).

The falling Swedish density is consistent with the assessment made by six out of ten respondents that public support to unions will decrease (Table 4). Also the development of workplace representation and coverage of collective bargaining follow a similar trend: a decline of 11 percentage points in each case (Table 1 and Table 6). Every second respondent thinks that the impact of unions at *national* level will decrease up to 2025, but union influence at both *sector/branch* (industry) and *enterprise* level will remain intact if we weight the replies together (see Table 7 below). At each of these levels less than every second respondent replies “remain the same” while the rest is divided between “decrease” and “increase”.

It could, however, be questioned whether the impact of Swedish trade unions will be unchanged in *all* industries at enterprise and sectoral/branch level if union density decreases by 16 percentage points (from 77% in 2004 to 61% in 2025; Table 2). Nevertheless, about 70% of respondents expect the Swedish unions to increase their influence at EU level.

Almost all foresee decreased union density in both the private and the public sector (Table 3). Consequently, the decline will only partly be caused by the changing composition of the labour force. The expected 61% overall union density in 2025 would translated to the private sector meaning that about 55% of private sector workers will be union members in that year. In 2008 this share was 65% (excluding full-time students working part-time).

Table 3. Foresight on public and private sector trade union density in 2025 (n=13)

Question: How will the trade union density rate change in private sector/public sector by 2025? Please choose only one of the following: decrease, remain the same, increase, not applicable.

Trade union density (Sweden)	Decrease	Remain the same	Increase
... in private sector	84.6	15.4	
... in public sector	76.9	23.1	

8. Why will union density decline?

The respondents were not asked *why* they believe that union density will decline, but one apparent long-term factor is the changing composition of the labour force. Between 1993 and 2006 the private sector expanded its share from 58% to 65% of all employed workers in Sweden. During the same period manufacturing industry and construction contracted from 45% to 33% of workers in private employment. In 1987 this share had been as high as 51%. When the employment share of high-density sectors such as central and local government and manufacturing & construction stagnate at the same time as private services (often with a relatively low density) expand, the average density will decline unless there are circumstances operating in the opposite direction.

The erosion of the Ghent system in Sweden (as well as in Denmark and Finland) has also pushed union density downwards (Kjellberg 2006, Kjellberg 2009c). Unless unions find ways to reverse current trends the relatively strong fall in density among young people will have similar effects. A contributory factor is that every second worker aged 16-24 today has a temporary job compared to every third 15 years ago. Changed attitudes are also part of the picture (Kjellberg 2007:271). More than two out of three respondents believe that individualism will increase between 2007 and 2025 (Table 4).

The decreased job security expected by almost 80% of respondents may, however, make workers inclined to join unions. In addition, almost every second respondent thinks that social security will decrease. In Sweden the need to reduce different kinds of insecurity is one of the dominating motives for union membership (Kjellberg 2001b).

Table 4. Foresight on working life trends 2007-2025 in Sweden (n=13)

Question: Which phenomenon will increase, decrease or remain the same if you think about working life in your country in year 2025 and compare it to today's society?

Aspect of working life environment	Decrease	Remain the same	Increase	Not applicable
Liberalism in economic policy		53.8	46.2	
Individualism		30.8	69.2	
Flexibility in working life		7.7	92.3	
Job security	76.9	23.1		
Social security	46.2	53.8		
Self-employment		30.8	69.2	
Atypical employment	15.4	15.4	53.8	15.4
Inequality in incomes	7.7	7.7	84.6	
Equal opportunities in labour market	15.4	30.8	53.8	
Wage gap between men and women	76.9	7.7	15.4	
Public support to workers' trade unions	61.5	38.5		
Public support to employer organisations	30.8	53.8		15.4
European Commissions role as regulator of working life aspects	15.4	30.8	53.8	

On the other hand, workers with fixed contracts are often not union members (Table C). Union density has declined much more among this category of workers compared to those on permanent contracts. Similarly, the expected increase in self-employment (three out of four respondents) and atypical employment (two out of three respondents) might make it more difficult for unions to recruit members.

Table C. Union density in Sweden 1987-2008: workers on fixed-term and permanent contracts (including full-time students working part-time)

	Fixed-term	Permanent	All
1987	64	86	82
1990	58	83	80
1993	70	86	84
1994	71	86	84
2000	62	82	79
2001	60	81	78
2002	58	81	78
2003	57	82	78
2004	56	81	77
2005	55	80	76
2006	53	79	75
2007	49	76	71
2008	43	74	69
1987-2004	-8	-5	-5
1990-2004	-2	-2	-3
1994-2004	-15	-5	-7
2004-2008	-13	-7	-8
1987-2008	-21	-12	-13
1990-2008	-15	-9	-11
2006-2008	-10	-5	-6

Remark: Employed workers (yearly averages) 16-64 years.

Source: Anders Kjellberg and Labour Force Surveys

Due to high youth unemployment many young workers with temporary contracts sandwich periods of job and unemployment. In the series including full-time students with part-time jobs a substantial part of the declining union density among those with fixed-term contracts is explained by the growing share of students. In 2008 full-time students made up every fourth worker aged 16-24 compared to every tenth in 1990. Their expansion also contributed to the growing share of workers on temporary contracts (10% in 1990, 15% in 2000 and 16% in 2008; 16-64 years), particularly among those aged 16-24.

The growing employment share of white-collar workers hitherto has had no negative impact on the average union density. Unionisation is about the same among white-collar and blue-collar workers. The same applies to women and men. Density among women was about six percentage points higher than among men in 2008, but large differences exist among women due to their concentration in sectors with either a very high density (the public sector) or a relatively low density (private services). Three out of four respondents expect a decreased wage gap between men and women (Table 4). Even if the wage gap disappears *within* each craft/profession and industry/sector it would probably continue to exist in the strongly sex-segregated Swedish labour market in the sense that the average wage of women would remain lower than that of men. Therefore the largest union in Sweden, the women-dominated Municipal Workers' Union and other women-dominated unions, will probably continue the struggle to raise the wages of their members relative to other groups, in particular as 85% of respondents believe that inequality in incomes (in general; not explicitly related to men and women) will increase (Table 4).

9. Density of employers' organisations

As regards density of employers' organisations, the large cleavage between the rate in the questionnaire (55% in 2004) and *the real one* (78% in 2005)[3] of course makes it difficult, not to say impossible, to interpret the replies to this question. Some of the respondents probably knew that the 2004 figure in the questionnaire was too low, others not.

[3] See remark to Table C.

Table 5. Foresight on employer organisations density 2004 - 2025 (n=13)

Question: Please estimate what will be the employer organisations density rate (i.e. share of employees working for employers, who are members of an employer organisation) in 2025 in your country (%).

Country	2004	2025					2025 compared to 2004
		Average	Median	Std. Deviation	Min	Max	
Sweden	**55***	**54**	**50**	**13.7**	**30**	**75**	**-1**

*Note: *according to respondent's comments the figure for 2004 is incorrect. The correct number should be 75%. One respondent commented: "The employers' organisations density rate was about 75% in 2004, not 55%. I expect a slight decrease, from 75% to 70%."*

The expected 2025 density (54%) is almost the same as that of 2004 (55% in the questionnaire), but compared to 78% it would mean a considerable decline. My assessment is that the density of Swedish employers' organisations may decline somewhat up to 2025, but the replies hardly give an indication of how much because of the flawed 2004 figure in the questionnaire. It cannot, however, be precluded that the density of Swedish employers' association will remain about the same in 2025 as in 2004 – in accordance with the view of respondents – but then at a considerably higher level than 55%. In the period 1995-2009 the rate of organisation among employers was distinguished by a remarkable *stability* at a very high level (Table D).

Furthermore, in contrast to the rate of unionization, the density of employers' associations has not declined at all in the last few years (Table D and Table C). Both in 2000 and 2009 the density of Swedish employers' associations was 75% – in sharp contrast to private sector union density, which fell from 74% to 65% (excluding full-time students working part-time). The affiliates of SN (Confederation of Swedish Enterprise) alone covered as much as 62% of private sector employees in 2009. In 2000 the share was also 62%.

Table D. Density employers' associations in Sweden 1995-2009

	1995	2000	2005	2006	2007	2008	2009
Private*	77	75**	78	77	77**	75	75**
Public	100	100	100	100	100	100	100
All	86	83	85	84	83**	82	82**
SAF/SN*	65	62	64	64	64	62	62**

Note: Share of employees (blue-collar + white collar workers) employed by employers affiliated to an employer organisation at the end of each year.
* Share of private sector employees.
** Revised 18 November 2010 and 30 December 2010.
Remark. The density of employers' organisations in Sweden is far too low in the EU and Eurofound statistics. For example in "Industrial relations in EU Member States 2000-2004" (p. 13) or Jelle Visser "Industrial Relations in Europe 2004" (2005; Table 1.5) SN (Svenskt Näringsliv = Confederation of Swedish Enterprise) is said to contain 55% of Swedish wage and salary earners in the private sector. The correct share for SN per 31 December 2005 was 64%. Including about 20 other employers' associations in the private sector, most of them small, the share was 78% in 2005 (excluding business organisations within and outside SN, only employers' associations included). To get a correct calculation it is necessary to include about 20 private sector employers' associations other than SN (excluding business organisations within and outside SN, only employers' associations included). It is also easy to miss transforming full-time equivalents (SN statistics) into individuals (Labour force statistics).
Sources: own calculations from statistics provided by the Swedish Statistical Office (SCB) and employers associations. For 1995 see Kjellberg 2001a:204ff.

Judging from Table 7 the impact of employers' organisations will probably decrease somewhat at national level and at enterprise level but remain about the same at sector/branch level and increase at EU level. It should be recalled that the decentralisation strategy applied by the Confederation of Swedish Enterprise has been followed by an intensified internal coordination between the affiliated employers' associations.

10. Collective bargaining coverage and the role of bargaining in regulating working conditions

In Sweden collective bargaining is facilitated by the fact that a large majority of wage and salary earners are employed in firms affiliated to employers' associations. Together with the early conclusion of compromises at central level between the labour market parties, the high coverage of employers' associations has kept down employer resistance towards negotiating with unions. In addition, the extensive rights to take industrial action provide unions with a key instrument to force reluctant unorganised employers to the negotiation table. Many unaffiliated employers have substitute agreements (*hängavtal*) with trade unions, which means that they apply the conditions stipulated in industry agreements. Despite the absence of extension mechanisms almost nine out of ten Swedish private sector employees are covered by collective agreements (87% in 2007 – Table E). Including public sector employees the rate of coverage was as high as 91% in 2007. That is a small decrease since 2005 when the corresponding share was 94% (90% in private sector).

Table E. Share of employees (%) in Sweden covered by collective agreements

	1995	2005	2007	Foresight 2025
Private	**90**	**90**	**87**	**(77*)**
Public	**100**	**100**	**100**	**100**
All	**94**	**94**	**91**	**81**

* Estimated by the author.
Sources: own calculations from statistics provided by the National Mediation Office and Swedish Statistical Office (SCB). For 1995 see Kjellberg 2001a:204ff.

Collective bargaining coverage is expected to remain at a high level in 2025 (81%) but nonetheless 11 percentage points less than in 2004 (92%) – see Table 6. The share of workers outside the collective bargaining system would then be more than doubled. If union density (including full-time students working part-time) fell from 77% (2004) to 61% (2025), probably less than 80% of the workers would be covered by collective contracts, but it is important to keep in mind that all workers in the public sector work under collective agreements irrespective of union density in this sector. On the other hand, an average union density of 61% corresponding to a private sector density of about 55% could be expected to have a negative influence on bargaining coverage in that sector.

Table 6. Foresight on collective bargaining coverage rate in 2025 (n=13)

Question: Please estimate what will be the collective bargaining coverage rate (i.e. the share of employees covered with collective agreements) in 2025 in your country (%).

Country	2004	2025					2025 compared to 2004
		Average	Median	Std. deviation	Min	Max	
Sweden	**92**	**81**	**85**	**11.1**	**50**	**94**	**-11**

If the overall average rate fell to 81% in 2025, the private sector coverage would probably be about 75-77%. If neither extension mechanisms nor legislation on minimum wages are introduced as much as *every fourth worker* in the private sector could be outside the collective bargaining system. Long before such a situation occurs demands on legislation would probably appear. Almost 40% of Swedish respondents think that national legislation on minimum wages will be introduced in the period up to 2025 (Table 10 below) and the same share of respondents think that the role of the government will increase with respect to minimum wages (Table 12). In case of legislation, a conspicuous step in dismantling the Swedish model of self-regulation would be taken. The Laval/Vaxholm case has brought the issue of minimum wages and their regulation to the fore.

In 2008 the Association of Swedish Engineering Industries (*Teknikföretagen*), the largest affiliate to the Confederation of Swedish Enterprise (SN), proposed that Swedish minimum wages should be regulated by the state. The main argument was to prevent unions from using minimum wages in collective agreements as an instrument to set norms for foreign workers posted in Sweden. To prevent wage dumping of foreign workers Swedish unions might try to considerably press minimum wages upwards as the wages actually paid to Swedish workers are generally far above the minimum level, which is aimed at young workers without many skills or experience. Despite that, Swedish minimum wages (by collective agreements) are higher than in other European countries (mostly by legislation). The Association of Swedish Engineering Industries argues that raised minimum wages would cause a strong inflationary pressure (*Den svenska modellen efter Vaxholm*).

As regards *wages*, more than four out of five Swedish respondents think that collective agreements will be the main form of regulation even in the year 2025 (Table 10). Two of the 13 respondents think that individual contracts will fulfil this function. As regards *working time*, only one respondent assigns individual contracts such a role, while the other 12 are extremely divided on the future main regulator of working time.

No respondents believe that individual contracts will play a dominant role in the regulation of *health and safety conditions* in 2025, while the share thinking that collective agreements fulfil or will fulfil such a role is twice as high with respect to 2025 (31%) compared to 2007 (15%). National legislation as a dominant mode of regulation got a higher share regarding 2007 (84.6% of replies) than with respect to 2025 (61.5%).

Only in the areas of *training and skills upgrading* and *additional bonuses* were individual contracts expected to progress significantly between 2007 and 2025. A slight majority think that individual contracts will be the main regulator in 2025 as regards training and skills upgrading, and less than 40% as regards bonuses.

11. The centralisation/decentralisation dimension

As we have seen, according to the survey the impact of both trade unions and employers' organisations at the sector/branch (industry) level will probably remain about the same in 2025 as in 2007, at least if the replies are weighted together, but there is a large variation among respondents: 38.5% think that the impact of trade unions and employers' organisations at the sector/branch level will increase, another 38.5% reply "remain the same", while 23% think it will decrease (Table 7). This indicates a *relatively large insecurity* about the future development. On the other hand, as many as 10 of the 13 respondents think that the impact of both trade unions and employer organisations *will remain the same or increase* at sector/branch level. Regarding the enterprise level the variation is still larger.

Four respondents think that the influence of trade unions will increase at enterprise level, another four that it will decrease, while five think it will remain the same (Table 7). Yet the tendency can be described as leaning towards decentralisation as most respondents (54%) think that the impact of unions will decrease at *national* level, while almost every second respondent (46%) expects a decreasing impact of employers' organisations at the *enterprise* level, indicating that a larger room for manoeuvre will be left to the individual enterprise. On the other hand, most respondents think that in particular trade unions, but also employers' organisations, will increase their influence at international/EU level. Consequently, when *all* levels are included the decentralisation tendency almost disappears or is at least combined with a certain centralisation of influence. What appears to happen is that some of the influence of the labour market parties will move from the national arena to the international/EU level.

Table 7. Foresight on impacts of social partners at the different negotiation levels in 2025 (n=13) / Sweden

Question: Will the impact of trade unions, employer organisations and governments increase, decrease or remain the same at the different negotiation levels by 2025? Please choose the appropriate response for each item: decrease, remain the same, increase, not applicable.

Negotiation level	Decrease	Remain the same	Increase	Not applicable	No answer
International level (e.g. European Union level)					
Trade unions	7.7	15.4	69.2	7.7	
Employer organisations	7.7	23.1	61.5	7.7	
National level					
Trade unions	53.8	30.8	7.7	7.7	
Employer organisations	38.5	46.2	7.7	7.7	
Government	23.1	53.8		15.4	7.7
Sectoral/branch level					
Trade unions	23.1	38.5	38.5		
Employer organisations	23.1	38.5	38.5		
Government	23.1	46.2		23.1	7.7
Enterprise level					
Trade unions	30.8	38.5	30.8		
Employer organisations	46.2	30.8	23.1		

Not surprisingly 10 of 13 respondents (77%) think that the importance of the international collective bargaining level will increase (Table 8) – and more than three out of four think that the role of EWC (European Works Councils) will increase (Table 9).

Table 8. Foresight on importance of different collective bargaining levels in 2025 (n=13) / Sweden

Question: Will the importance of the following levels of collective bargaining increase, decrease or remain the same by 2025? Please choose the appropriate response for each item: decrease, remain the same, increase, not applicable.

Bargaining level	Decrease	Remain the same	Increase	Not applicable
International level		15.4	76.9	7.7
National level (tripartite)	38.5	15.4	7.7	38.5
National level (bipartite)	46.2	38.5	7.7	7.7
Sectoral level	15.4	61.5	23.1	
State/regional level	15.4	30.8		53.8
Enterprise level	15.4	23.1	61.5	

Table 9. Foresight on importance of European Works Councils in 2025 (n=13) / Sweden

Question: What do you expect the importance of European Works Councils (i.e. trans-national workers representation body providing for the information and consultation of employees) to be in 2025 compared to the present situation in your country? Please choose only one of the following: decrease, remain the same, increase, not applicable.

Indicator	Decrease	Remain the same	Increase	Not applicable
Importance of European Works Councils	7.7	15.4	69.2	7.7

As regards the national bipartite level, about as many respondents think its importance will “decrease” (46%) as those who think it will “remain the same” (38.5%) and “increase” (8%) added together, a result that clearly demonstrates that the opinion is very divided (Table 8 above). (The national tripartite level and the state/regional level are not very important or, in the latter case, irrelevant in Sweden).

Within the collective bargaining system the sector/branch (industry) level seems to keep its role (61.5% remain the same + 23% think its role will increase = 84.5%; Table 8). The enterprise level will increase its importance (61.5% are of this opinion). Again a combination of centralisation and decentralisation appears, but this time stronger than above: no less than 77% of respondents think the importance of the international level will increase and 61.5% think the same about the enterprise level.

The decentralising tendency, however, appears to be stronger than the centralising one, at least as far as *wage* negotiations are concerned. No respondent expects the international/EU level to take a *dominant* position in this respect, while 46% (compared to 8% in 2007) think that either individual contracts (15%) or workplace/enterprise collective agreements (31%) will be the main way of regulation in 2025 (Table 10). A slight majority (54%) expect sector/industry (branch) collective agreements to be the main way of regulating *wages* in 2025 (compared to 85% in 2007).

Table 10. Foresight on ways of regulating different working conditions in 2025 (n=13) / Sweden

Question: What is the main way of regulating working conditions in your country at present and in the year 2025? Please choose the appropriate response for each item: Individual contracts, workplace/enterprise level collective agreements, sector/industry level collective agreements, national level collective agreements, national legislation, international agreements (incl. EU directives).

Working conditions	Year	Individual contracts	Workplace/ enterprise level collective agreements	Sectoral/ industry level collective agreements	National level collective agreements	National legislation	International agreements (incl. EU directives)	No answer
Wages	2007		7.7	84.6	7.7			
	2025	15.4	30.8	53.8				
Minimum wages	2007		7.7	76.8	15.4			
	2025		7.7	46.2		38.5		7.7
Working time	2007		7.7	38.5	15.4	38.5		
	2025	7.7	15.4	30.8		30.8	15.4	
Health and safety	2007			15.4		84.6		
	2025		7.7	23.1		61.5	7.7	
Training and skills upgrading	2007	23.1	46.2	15.4	7.7	7.7		
	2025	46.2	30.8	15.4		7.7		
Additional bonuses	2007	15.4	84.6					
	2025	38.5	61.5					

COLOURS: green = dominating level; yellow =dominating levels

Comment on previous question (If you anticipate other important changes in regulation of working conditions, please specify):

- *"Working time and health and safety issues are also regulated by national legislation. Additional bonuses refer to blue collar workers. Bonus-like systems for white collar workers are often regulated in individual contracts."*

No less than 77% of respondents (i.e. 10 of the 13 respondents) propose that the *dominant* level of collective bargaining in 2025 will be the *sector* (industry) level, while a small minority thinks it will be either enterprise level (15%) or state/regional level (8%) – see Table

11.

Table 11. Foresight on dominant level of collective bargaining in 2025 (n=13)

Question: What will be the dominant level of collective bargaining in your country in 2025? Please choose only one of the following: national level, sector/branch level, state/regional level, enterprise level, no collective agreements at all.

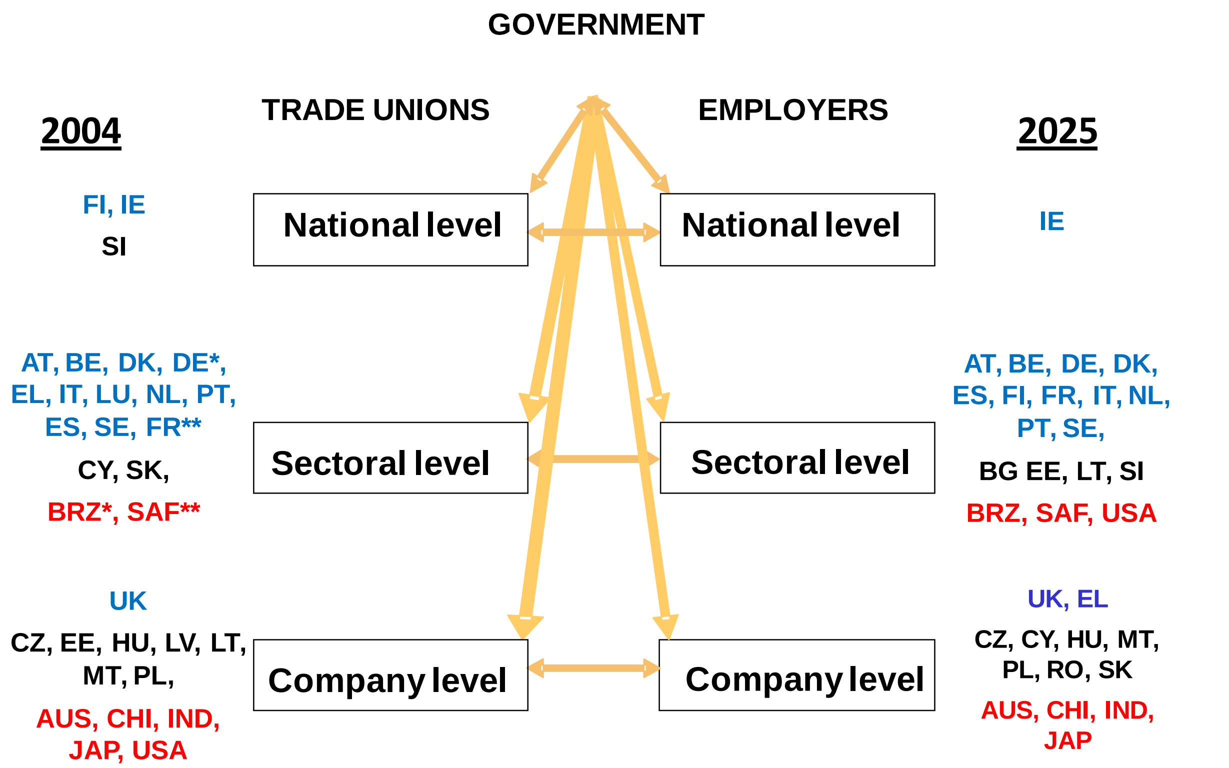
Country	National level	Sectoral/ branch level	State/regional level	Enterprise level	No collective agreements
Sweden		**76.9**	**7.7**	**15.4**	

Green colour = dominating level

This result seems to contradict the relatively strong decentralisation trend discerned above, but it should be observed that individual contracts are excluded here. Secondly, in contrast to above, not only *wages* but collective bargaining *in general* are referred to here.

In almost all EU15 countries (the old EU countries) the dominant level of collective bargaining in 2025 is expected to be the sector level. There are three deviating cases: Greece and the United Kingdom, where respondents think that the enterprise level will be dominant, and Ireland, where the national level of collective bargaining will remain dominant. In the majority of EU12 countries (the new member states) the enterprise in the future is expected to be the dominant arena of collective bargaining. In 2004 sector bargaining was dominant in Cyprus and Slovakia, while respondents from these countries are expecting that the dominant level in 2025 will be the enterprise. Reverse tendencies are expected by respondents from Bulgaria, Estonia, Lithuania and Slovenia, where the dominant level in 2025 is expected to be the sector level. Among Global 7 countries, no major changes – with one exception – are foreseen: sector level collective bargaining is expected to dominate in Brazil, South Africa and the USA in 2025, while in the other countries the enterprise level is expected to be dominant (cf. Figure 1, which is taken from Philips & Eamets & Kallaste 2008). The American move from enterprise to sector bargaining, however, seems insecure. While 80% of American respondents think that the sector level will dominate collective bargaining in 2025, only 20% think that the role of the sector level will increase, but 40% think its role will decrease and another 40% "remain the same".

Figure 1. Collective bargaining levels in 2004 and foresight on dominant collective bargaining level in 2025.



Note: Question: What will be the dominant level of collective bargaining in your country in 2025? Please choose only one of the following: national level, sector/branch level, state/regional level, enterprise level, no collective agreements at all.

In 2004 * - also regional level collective bargaining is important, ** - also company level collective bargaining is important. In 2025 in Luxembourg equal shares of respondents proposed that the dominant level of collective bargaining in 2025 will be either sector level or enterprise level; in Latvia equal shares of respondents proposed that the dominant level of collective bargaining will be national, sector or enterprise level.

Source: Philips & Eamets & Kallaste 2008.

12. National level – EU level

As mentioned, collective bargaining also in the future seems to take place mainly within a *national* context. A slight majority of Swedish respondents think that the role of the EU Commission as a regulator of working life aspects will increase (Table 4) and as much as 77% of Swedish respondents think that the role of the international level will increase (see Table 8 above).

Looking at outcomes showed in Table 10, few if any think that international agreements or EU directives will be *the main way* of regulating working conditions in Sweden in 2025, but two respondents think that working time will be regulated primarily at this level. It should be added that the assessments on the regulation of working time vary considerably (8%

individual contracts, 15% workplace/enterprise level collective agreements, 31% sector/industry level collective agreements, 31% national legislation and 15% international agreements including EU directives). The respondents probably do not have the same aspects of working time in mind (due to the imprecise character of this question).

13. State regulation versus self-regulation

When looking at Table 12, the overall impression is that the role of the government as industrial relations legislator will remain about the same in 2025 as in 2007 (with the possible exception of minimum wages).

Judging from the assessed collective bargaining coverage in 2025 (81%), the dominating view of respondents seems to be that collective bargaining will have a prominent role also in the future Swedish industrial relations system. That is in accordance with the two comments under Table 12: “Institutions have been quite stable in the long-run” and “I expect the Swedish model to prevail”.

None of the items, however, refers to the industrial relations system itself, for example legislation on mediation, arbitration or introduction of rules restricting labour market conflicts. The latter is among the top demands of the Confederation of Swedish Enterprise (SN), which argues that the power of Swedish unions is too large and should be restricted. The willingness of SN to enter the failed 2007-2009 negotiations between the employers’ confederation and LO/PTK on a new basic agreement should be understood in the light of the declaration of the centre-right government that conflict rules will not be changed, at least not during the present term of office.

Table 12. Foresight on government's role as legislator in industrial relations in 2025 (n=13) / Sweden

Question: Please estimate how the government's role in industrial relations through legal acts/as legislator will change by 2025 compared to the present in the following areas?

Working conditions	Decrease	Remain the same	Increase	Not applicable
Wages		76.9	7.7	15.4
Minimum wages		53.8	38.5	7.7
Working time	23.1	69.2	7.7	
Flexible employment arrangement (telework, temporary agency work, etc.)	15.4	61.5	23.1	
Health and safety issues	15.4	61.5	23.1	

General comments (If you have further comments on industrial relations actors, processes and/or outcomes in 2025):

- *"In the past, institutions have been quite stable in the long run."*
- *"I expect the Swedish model to prevail."*

The frequency of strikes and other labour conflicts is low in Sweden. Almost every third Swedish respondent thinks that the number of industrial actions will increase up to 2025 (Table 13). A possible interpretation is that the changing composition of the labour force, implying an expansion of enterprises within private services, will result in a growing number of conflicts over the introduction of collective agreements in firms without such agreements.

Table 13. Foresight on industrial actions in 2025 (n=13) / Sweden

Question: Please estimate how will the number of different industrial actions (strikes, lock-outs) change by the year 2025. Please choose only one of the following: decrease, remain the same, increase, not applicable.

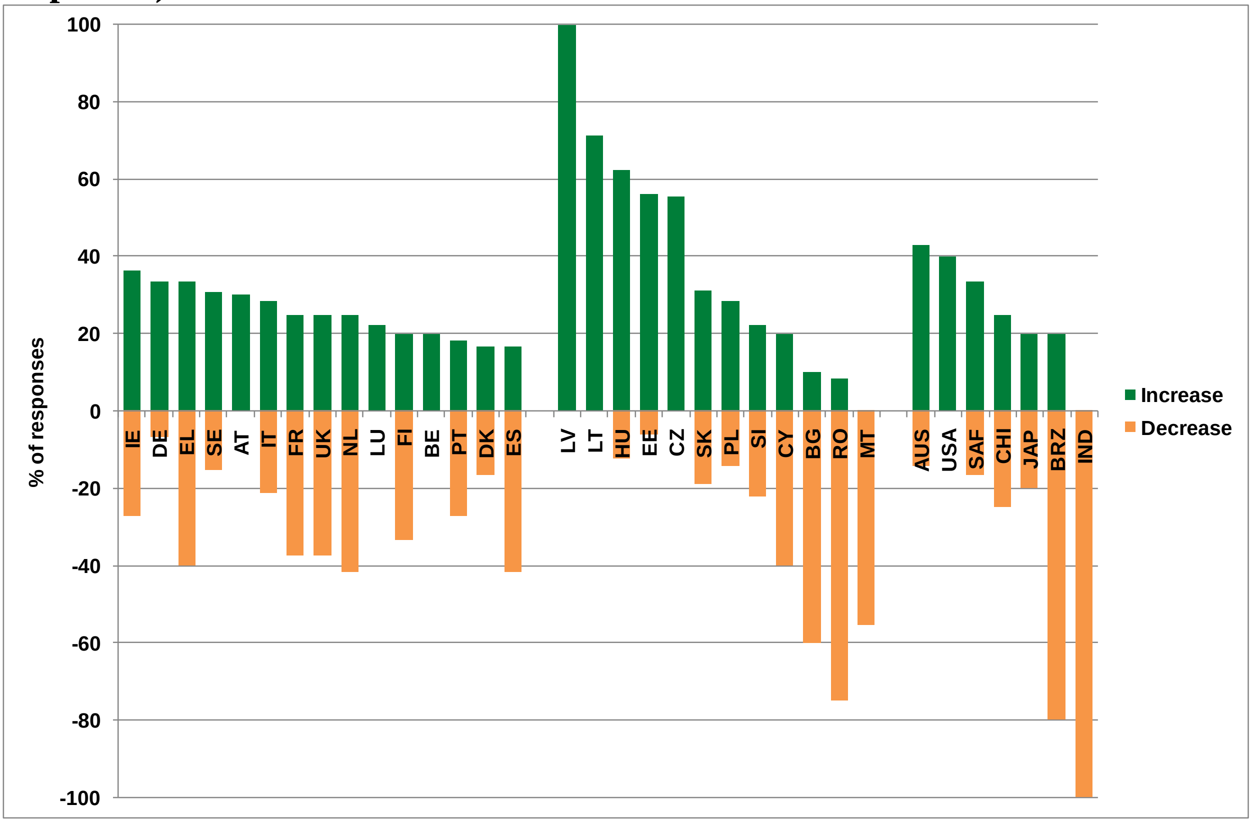
Indicator	Decrease	Remain the same	Increase	Not applicable
Industrial actions	15.4	53.8	30.8	

As appears from the table, most Swedish respondents foresee no major change in the frequency of strikes and other industrial actions. The number of respondents expecting an increase, however, is larger than those believing in a decrease. It should be observed that in the international comparison shown in Figure 2 below, the “remain the same” category is excluded. Figure 2 and the following text commenting upon it are from Philips & Eamets & Kallaste 2008:

Comprehensive figures for the EU27 and Global 7 countries concerning industrial actions at present are not available. In 2004 there were remarkable differences between countries concerning both the number of industrial actions and working days lost due to industrial actions. Over 200 working days per 1,000 employees were lost due to industrial actions per year in Spain and France, while no working days were lost in Latvia, Lithuania and Slovakia. Respondents from different countries have quite diverse expectations about whether there will be a decline or an increase in industrial actions in the future (see Figure 2):

- Respondents from EU15 (old members states) countries expect that there will be no major changes in the number of industrial actions in the future. A relatively high share of respondents from Spain, Greece, the Netherlands, the United Kingdom and France expect some decline by 2025. In all EU15 countries, there are some respondents who expect that the number of industrial actions will increase in the future.
- Among EU12 countries (new member states), there are five countries – the Baltic States, Hungary and Czech Republic – where the majority of respondents expect an increase in industrial actions in the future. At the same time, the majority of respondents from Romania, Bulgaria, Malta and Cyprus expect fewer industrial actions in the future.
- Among Global 7 countries the picture is quite mixed. The majority of respondents from India and Brazil expect that there will be fewer industrial actions in the future, while half of respondents or more from Japan, the USA, South Africa and China expect no major changes in the number of industrial actions by 2025.

Figure 2. Foresight on the number of industrial actions by 2025 (% of responses)



Note: Question: Please estimate how will the number of different industrial actions (strikes, lock-outs) change by the year 2025? Please choose only one of the following: decrease, remain the same, increase, not applicable.

Observe that in this figure only answers "increase" and "decrease" of the phenomenon are presented.

Source: Industrial relations foresight 2025 survey.

14. Conclusions: the industrial relations foresight 2025 for Sweden

- Declining but still high union density: from 77% in 2004 to 61% in 2025 (including full-time students working part-time). Almost all respondents think that a decline will occur in both the private and the public sector. Consequently, the decline will only partly be caused by a changing composition of the labour force. Between 2006 and 2007 union density declined from 75% to 71% (77% to 73% when full-time students working part-time are excluded). In 2008 union density was down to 69% (71%). What remains is just eight percentage points decline (from 69% in 2008 to 61% in 2025), or on average about 0.5 percentage points per year. In Finland and Denmark (the other two Nordic Ghent countries) a similar level of union density (about 60-65%) is foreseen for 2025. That would place the unions in these three Nordic countries in an international top position also in the year 2025. An overall union density of 61% in

2025 implies that about 55% of private sector workers will be union members in that year. Between 2006 and 2008 private sector union density fell from 71% to 65% (full-time students working part-time excluded).

- <u>Stability in density of employers' organisations?</u> In 2009 the density of Swedish employers' organisations (the share of employees in firms etc affiliated to employers' organisations) was higher than the union density: 82% and 71% respectively (the public sector included in both cases). Density of employers' organisations in the private sector was 75% in 2009, while union density in the same sector was just 65%. What will happen with the density of employers' organisations up to 2025 is impossible to foresee from the estimates of respondents: they think density will decline to 54%, but that would be just by one percentage point as the 2004 rate presented to them was 55%. On the other hand, this indicates a considerable stability. The stability argument is strengthened by the almost unchanged density of employers' organisations during the last 15 years: in the private sector: 77% in 1995, 75% in 2000, 78% in 2005 and 75% in 2009.

- <u>Declining but still high collective bargaining coverage</u>: from 92% of all employees in 2004 to 81% in 2025 according to the foresight. On the other hand, this would mean that <u>the share of workers not covered by collective agreements would be more than doubled</u> (from 8% to 19%). With respect to the private sector probably about 25% of employees in 2025 would be outside the collective agreement system.

- Unions will have the same impact as today at both the sector (branch) and the enterprise level. That is the result if the replies are weighted together, but a *considerable insecurity* is indicated by the large variation in the assessments, in particular regarding the impact of unions at enterprise level ("increase" 31% of respondents, "remain the same" 38.5%, and "decrease" 31%). This large variation probably reflects divergent views among respondents on the *desirable* future development.

- It might be called into question whether the impact of Swedish trade unions would be unchanged in *all* industries at both enterprise and sector levels if union density decreased by about 15 percentage points (from 77% in 2004 to 61% in 2025) and collective bargaining coverage decreased by more than 10 percentage points. An average union density of 61% in 2025 could be estimated to correspond to about 55% among private sector workers.

- <u>Sector/branch (industry) bargaining will continue to dominate the collective bargaining system:</u> 10 of the 13 Swedish respondents think that the sector/branch will still be the *dominant* level of collective bargaining in 2025.

- At the same time a <u>decentralisation</u> is indicated as almost every second respondent thinks that either individual contracts (15%) or workplace/enterprise collective agreements (31%) will be the main way of regulating *wages*. Secondly, more than 60% of respondents think that the enterprise will be a *more important* bargaining level than today. Thirdly, 46% think that the impact of employers' organisations will decrease at enterprise level, which should be interpreted in terms of increased room for manoeuvre left to the individual enterprise.

- <u>The Swedish model of *self-regulation* (regulation by the labour market parties themselves) will survive</u>, but the decreasing coverage of collective agreements might be followed by legislation on minimum wages (more than every third respondent) and/or on extension of collective agreements. Most respondents, however, think that the role of the government as legislator in industrial relations will remain the same.

- <u>The Swedish national arena will still be the *dominant* one in industrial relations in 2025, although the role of the international/EU level will increase</u>, thus a certain *centralisation* (to EU level) in addition to the decentralisation tendency mentioned above. A slight majority think that the regulating role of the EU Commission will increase in working life.

- Most respondents think that the impact of unions will decrease at the national level (54%), increase at the international level (69%) and remain about the same at sector/branch and enterprise levels (in the latter cases when the considerably diverging replies are weighted together - see above).

- A slight majority think that social security and liberalism in economic policy will remain the same. On the other hand, large minorities (46%) think that liberalism in economic policy will increase and social security will decrease. Large majorities think that individualism (69%), flexibility in working life (92%), self-employment (69%) and inequality in incomes (85%) will increase, while job security (80%), wage gap between men and women (77%) and public support to unions (61.5%) will decrease (Table 4).

15. The Swedish foresight from an international perspective

Although some convergence is expected, or at least a development in the same direction (for example increased flexibility and individualisation), the foresight indicates that the existing large differences between national industrial relations systems on the whole will persist. The significance of the EU level will increase but basic features of industrial relations, such as collective bargaining, are still expected to be primarily a national matter in the future.

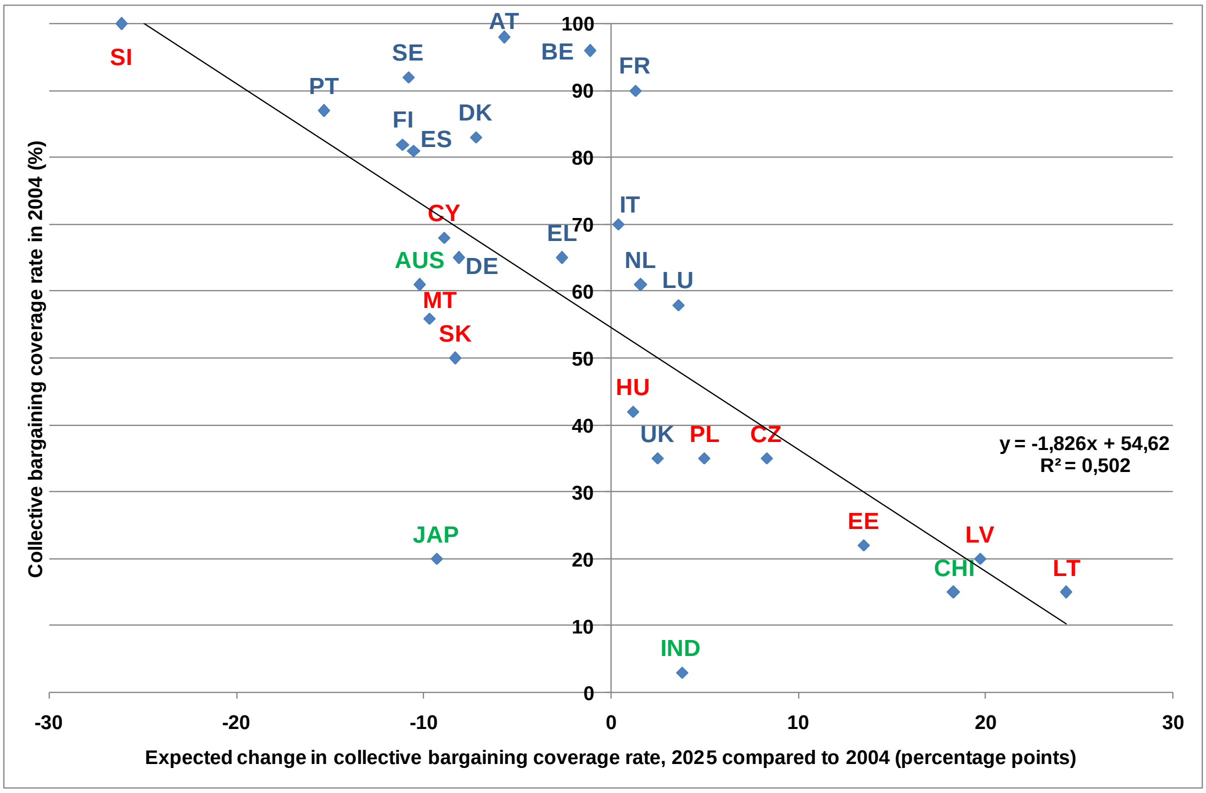
When comparing groups of countries a pattern similar to the present is also discerned in the year 2025. The G7 countries (Australia, Brazil, China, India, Japan, South Africa and the USA) will be least unionised, workers less protected and the collective bargaining coverage relatively low. They are expected to have the most flexible labour markets.

The EU15 countries (the old EU member states) will on average have the highest union density and the highest density of employers' organisations. Employees will generally be more protected and enjoy greater job security and social security than elsewhere. No less than 77% of Swedish respondents, however, think that job security will decrease. In Germany, the Netherlands, Portugal and Belgium this share is still higher. Secondly, a large minority of Swedish respondents think that the level of social security will be lower in 2025 than in 2007 (in Germany and the Netherlands a majority of respondents think this).

Inbetween the G7 and the EU15 countries we find the EU12 countries (the new member states). In four of the latter countries union density is expected to *increase*: in the Czech Republic from 22% to 28%, in Estonia from 14% to 19%, in Lithuania from 14% to 34% and in Latvia from 16% to 27%. It is remarkable that union density in Lithuania is expected to be more than doubled and in Latvia almost twice as high in 2025 as in 2004. Such foresights appear somewhat insecure and might partly be a projection of what the EU level might consider as the desirable outcome. It should be recalled that the EU has stressed the desirability of an intensified social dialogue at sector/industry level in these countries. The expected convergence in union density between these four EU12 countries and the EU15 countries might thus be seen as a combination of a foresight based upon projection into the future of current trends (declining union density in EU15 countries) and a foresight based on the desired development in the mentioned EU12 countries.

The collective bargaining coverage (i.e. the coverage of collective agreements) is also expected to converge somewhat. According to the foresight (see Figure 3), it will decline in many countries with a high coverage (the majority of EU15 countries including Sweden), while it is expected to increase in almost all countries with low collective agreement coverage. There will also be according to the foresight a large variation in coverage rate in the year 2025. It should be recalled that the collective bargaining coverage in some countries – like France, the Netherlands and Portugal – is high or very high due to extension mechanisms. In Sweden no such mechanisms exist.

Figure 3. Collective bargaining coverage rate in 2004 and expected change in collective bargaining coverage rate over the observed period (2025 compared to 2004)



Remark: For a list of EU15 (blue colour above), EU12 (red) and G7 (green) countries (including abbreviations) countries see below.

Source: Industrial relations foresight 2025 survey (taken from Philips, Eamets & Kallaste 2008).

In most countries the significance of bargaining at firm level and at the international level is expected to increase. In both cases it might be interpreted as a result of globalisation, more precisely the growing importance of trans-national companies and negotiations at EU level. It might also be related to decentralisation of national collective bargaining. On the other hand, respondents from the new member states (EU12 countries) in general expect an increase in national (tripartite/bipartite) level bargaining and sector/industry level bargaining, while EU15 respondents think that the influence of these levels will remain the same. As we have seen, most Swedish respondents (almost two thirds) think that the importance of sector/industry collective bargaining will remain the same, while the remaining respondents are split on “increase” (23%) and “decrease” (15%). Almost two thirds of Swedish respondents also think that the importance of enterprise bargaining will increase. That might be interpreted as a belief in continued combined centralisation and decentralisation of collective bargaining but with increased scope for enterprise/workplace bargaining.

Table 14 contains a comparison between selected countries on a number of issues relevant for future industrial relations. The countries are the three Nordic EU countries (Sweden, Denmark and Finland), four other EU15 countries (Germany, the Netherlands, United Kingdom and France), two EU12 countries (Poland and Latvia) and two G7 countries (Japan and the USA). On one of the listed issues an overwhelming majority from all selected countries is unanimous: flexibility in working life will be greater in 2025 than in 2007. No less than 92% of Swedish respondents are of this opinion. Almost as many Swedish respondents (85%) think income inequality will increase, but in Denmark and the UK at most every second respondent is of this opinion. As regards individualism, only a minority of American respondents (40%) think it will increase, while 50% of British and French respondents are of the opinion that it will remain the same. In all other selected countries, among them Sweden, a large majority think individualism will increase.

The Nordic countries are divided on the issue of job security. Most Swedish and Finnish respondents foresee that job security will decrease, but only every third Danish respondent. That might depend on the already relatively low Danish job security associated with “flexicurity”, but on the other hand – despite low job security – no less than 83% of American respondents are of the opinion that job security will decrease further. A minority in all three Nordic countries think *social* security will decrease up to the year 2025. In Denmark this minority is very small (just 17% of respondents), in Sweden large (46%).

As regards the role of the EU Commission as regulator of working life aspects, opinions are rather divided. In some countries (among them Sweden) a majority foresee an increased role of the EU Commission in this respect, in others (among them Denmark) most respondents think its role will remain unchanged.

Table 14. Comparisons between selected countries on a number of issues (% of responses)

	SE	DK	FI	DE	NL	UK	FR	PL	LV	JAP	USA
LIBERALISM IN ECONOMIC POLICY											
Increase	46	**42**	**60**	33	**58**	25	**50**	**79**	**67**	**80**	**60**
Remain the same	**54**	**42**	33	**53**	17	**75**	25	21	0	0	20
Decrease	0	8	7	13	25	0	25	0	33	20	20
INDIVIDUALISM											
Increase	**69**	**58**	**80**	**73**	**50**	38	**50**	**71**	**78**	**80**	**40**
Remain the same	31	33	13	27	17	**50**	**50**	29	22	0	**40**
Decrease	0	0	7	0	33	0	0	0	0	20	20
FLEXIBILITY IN WORKING LIFE											
Increase	**92**	**83**	**93**	**80**	**75**	**100**	**100**	**86**	**89**	**100**	**80**
Remain the same	8	8	7	7	25	0	0	14	0	0	0
Decrease	0	0	0	7	0	0	0	0	11	0	20
JOB SECURITY											
Increase	0	17	13	13	8	0	25	21	**44**	0	0
Remain the same	23	**42**	20	0	8	38	13	14	33	0	17
Decrease	**77**	33	**67**	**87**	**83**	**62**	**62**	**64**	22	**100**	**83**
SOCIAL SECURITY											
Increase	0	8	13	13	8	0	13	21	**56**	0	0
Remain the same	**54**	**67**	**47**	27	33	38	38	21	33	0	0
Decrease	46	17	40	**60**	**58**	**50**	**50**	**57**	11	**100**	**100**
INCOME INEQUALITY											
Increase	**85**	**42**	**73**	**67**	**58**	**88**	**88**	**50**	**67**	**60**	**60**
Remain the same	8	**42**	20	27	25	12	12	**50**	22	40	40
Decrease	8	8	7	7	17	0	0	0	11	0	0
WAGE GAP BETWEEN MEN AND WOMEN											
Increase	15	8	7	0	0	0	0	0	0	0	0
Remain the same	8	17	**47**	27	8	**50**	13	**50**	**67**	20	40
Decrease	**77**	**67**	**47**	**73**	**92**	**50**	**87**	**50**	33	**80**	**60**
ROLE OF EC COMMISSION											
Increase	**54**	42	**53**	**67**	33	38	**75**	**57**	**44**	-	-
Remain the same	31	**50**	27	13	**58**	**50**	13	43	**44**	-	-
Decrease	15	0	13	20	8	12	12	0	0	-	-

Remarks: Most frequent share of respondents by fat letters.

SE = Sweden, DK = Denmark, FI = Finland, DE = Germany, NL = Netherlands, FR = France, PL = Poland, LV = Latvia, JAP = Japan.

For more international comparisons see Kjellberg 2009d *(Industrial Relations Foresight 2025: Sweden Compared to EU15, EU 12 and Global 7 countries*).

16. Foresights and unanticipated developments

As there were no signs of the present financial and economic crisis when the survey was made in autumn 2007 it is relevant to reflect on unanticipated developments in the past 20-25 years. Before the late 1980s hardly anyone had anticipated the breakdown of the Soviet Union and the appearance of new states and market economies in Eastern Europe, later resulting in a large number of new EU member states. The fall of the Berlin wall in 1989 became a decisive turning-point in this process.

Almost simultaneously a dramatic change with profound consequences took place in Sweden. The extremely tight labour market in the late 1980s was rapidly replaced by the deepest depression since the 1930s. This change was reflected in union density, which declined in the late 1980s and increased in the early 1990s. Secondly, in the very first years of the 1990s a marked change of economic policy took place. Low inflation from now on was given highest priority, while the traditional Swedish priority of full employment was thrown into the shade. Thirdly, in the industrial relations arena the failed government plans for wage freezes and a strike ban were succeeded by a dramatic escalation of state intervention in collective bargaining to gear down the pace of wage increases. The Rehnberg Commission was given extraordinary powers, which were manifested in the 1991-93 Stabilization Agreements. Fourthly, the deep economic crisis made Sweden apply for EU membership (Sweden has been an EU member since 1995).

From 1990 the employers' confederation SAF refused to participate in collective bargaining on wages and similar issues. The new strategy was to completely decentralize and individualize wage formation. The union initiative for the negotiations resulting in the 1997 Industrial Agreement was made to prevent both an increased state regulation and a far-reaching decentralization of collective bargaining. Instead the unions aspired to keep and reform collective bargaining at sector/industry level to get a system of wage formation compatible with Swedish competitiveness. At least up to the 2007 bargaining round the new order introduced by the Industrial Agreement was successful.

The deep crisis of the 1990s thus contributed to change in Swedish industrial relations in several respects. At the same time both the dominant role of self-regulation (the key role of collective agreements) and the combined centralisation and decentralisation of bargaining were kept, although the balance has shifted somewhat towards decentralization (of the concrete contents of collective agreements) and state regulation (the new mediation institute set up in 2000). The 2025 Swedish foresight indicates a considerable persistence of the basic characteristics of the Swedish model of industrial relations. It remains to be seen, however, what the remodelling of the Swedish Ghent system by the centre-right government will bring about in the future.

It was easy to foresee the considerable drop in union density taking place in the years 2007 and 2008 (a decline by six percentage points i.e. an 8% decrease in the number of union members), although no-one could estimate its exact size in advance. It was harder to foresee the Crisis Agreement concluded in March 2009 between IF Metall and a number of employers' associations (as a supplement to the regular 2007-2010 agreement) opening up for local agreements on income reductions of up to 20% (unchanged pay per hour + shortened working-hours) in order to limit lay-offs. According to the foresight there is an almost completely unanimous opinion that "flexibility in working life" was expected to increase up to the year 2025 (see Table 4 for Sweden and Kjellberg 2009d for all 34 survey countries). The 2009 Crisis agreement might be interpreted as an expression of flexibility but hardly what the respondents had in mind when filling in the questionnaire in autumn 2007.

The present financial and economic crisis has increased the role of the state in Germany, the USA and other countries with respect to financial and industrial reconstruction to an extent considered unthinkable just a few years ago. This short overview over the past 20-25 years, including the time elapsed since the survey was made, demonstrates that foresights have obvious difficulties in catching the economic and political development, but also that basic features of national industrial relations systems, at least in Sweden, tend to persist although the concrete forms may change.

Note. This report was written with support from the Swedish Council for Working Life and Social Research (project: *Union Density in Global Perspective*).

Swedish Abbreviations

IF Metall (*Industrifacket Metall*)

LO *Landsorganisationen* (Swedish Confederation of Trade Unions) /blue-collar/

PTK Privattjänstemannakartellen (Federation of Salaried Employees in Industry and Services), later: *Förhandlings- och samverkansrådet* (Council for Negotiation and Cooperation) /white-collar/

Saco *Sveriges Akademikers Centralorganisation* (Swedish Confederation of Professional Associations) /white-collar/

SAF *Svenska Arbetsgivareföreningen* (Swedish Employers' Confederation)

SN *Svenskt Näringsliv* (Confederation of Swedish Enterprise)

TCO *Tjänstemännens Centralorganisation* (Swedish Confederation of Professional Employees) /white-collar/

Teknikföretagen Association of Swedish Engineering Industries (Association of Swedish Engineering Industries

List of EU15, EU12 and G7 countries

EU15 countries (old member states): Austria (AT), Belgium (BE), Germany (DE), Denmark (DK), Greece (EL), Spain (ES), Finland (FI), France (FR), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Sweden (SE) and United Kingdom (UK).

EU12 countries (new member states): Bulgaria (BG), Czech Republic (CZ), Estonia (EE), Cyprus (CY), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Romania (RO), Slovenia (SI) and Slovakia (SK).

Global 7 (G7) countries: Australia (AUS), Brazil (BRZ), China (CHI), India (IND), Japan (JAP), South Africa (SAF) and the USA.

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Appendix: Survey questionnaire

Dear Expert,

The European Foundation for the Improvement of Living and Working Conditions **is running the research project "Industrial Relations Foresight 2025" in order to form a basis for further discussions on future developments in industrial relations field. The research is built upon the survey of social partners and experts in this field in each EU country. The survey includes only a few responses from each country thus your response is extremely important for the results. Based on your responses your country's industrial relations prospects are visioned.**
The questionnaire is found from following website: ... Answering should take about 20 minutes. Any information you provide will be kept strictly confidential, and will not be shared with any third party. The deadline for the survey is ....

Thank you for the contribution!

Industrial Relations Foresight 2025

Questionnaire for selected national experts

RESPONDENT'S INFORMATION

Your name

Please write your answer here: ________________________________

Your country

Please write your answer here: ________________________________

Representative of

Please choose *only one* of the following:

- ☐ trade unions' organisation
- ☐ employers' organisation
- ☐ governmental organisation
- ☐ academic organisation / expert

BACKGROUND

1. Which phenomenon will increase, decrease or remain the same if you think about working life in your country in year 2025 and compare it to today's society?

Please choose the appropriate response for each item:

	Decrease	Remain the same	Increase	Not applicable
Liberalism in economic policy				
Individualism				
Flexibility in working life				
Job security				
Social security				
Self-employment				
Atypical employment				
Inequality in incomes				
Equal opportunities in labour market				
Wage gap between men and women				
Public support to workers' trade unions				
Public support to employers' organisations				
European Commissions role as regulator of working life aspects				

ACTORS

1. Please estimate, what will be the trade union density rate (i.e. share of employees belonging to trade union) in 2025 in your country (%)

____

2. How will the trade union density rate change in private sector by 2025?

Please choose only one of the following:

- Decrease
- Remain the same
- Increase
- Not applicable

3. How will the trade union density rate change in public sector by 2025?

Please choose only one of the following:

- Decrease
- Remain the same
- Increase
- Not applicable

4. Please estimate, what will be the employers' organisations density rate (i.e. share of employees working for employers, who are members of an employer organisation) in 2025 in your country (%).

____

5. Please estimate, what will be the workers' representation coverage rate (i.e. share of workplaces, where exists employees' elected representative – either union or non-union representative or works council) in 2025 in your country (%).

____

6. How do you expect the importance of European Works Councils (i.e. trans-national workers representation body providing for the information and consultation of employees) to be in 2025 compared to present situation in your country?

Please choose only one of the following:

- Decrease
- Remain the same
- Increase
- Not applicable

7. Please estimate, how the government's role in industrial relations through legal acts/as legislator will change by 2025 compared to present in the following areas?

Please choose the appropriate response for each item:

	Decrease	Remain the same	Increase	Not applicable
Wages				
Minimum wage				
Working time				
Flexible employment arrangement (telework, temporary agency work, etc.)				
Health and safety issues				

Comments on previous question

____

8. Will the impact of trade unions, employers' organisations and governments increase, decrease or remain the same at the different negotiation levels by 2025?

Please choose the appropriate response for each item:

	Decrease	Remain the same	Increase	Not applicable
International level (e.g. European Union level)				
Trade unions				
Employers' organisations				
National level				
Trade unions				
Employers' organisations				
Government				
Sectoral/branch level				
Trade unions				
Employers' organisations				
Government				
Enterprise level				
Trade unions				
Employers' organisations				

9. Will there be new actors participating in industrial relations processes in 2025 in your country?

Please choose only one of the following:

- Yes
- No

If yes, please specify (the actor and its role)

____

____

PROCESSES

1. Please estimate, what will be the collective bargaining coverage rate (i.e. the share of employees covered with collective agreements) in 2025 in your country (%)

____

2. Will the importance of the following levels of collective bargaining increase, decrease or remain the same by 2025?

Please choose the appropriate response for each item:

	Decrease	Remain the same	Increase	Not applicable
International level (e.g. EU level)				
National level (tripartite)				
National level (bipartite)				
Sectoral/branch level				
State/regional level				
Enterprise level				

3. What will be the dominant level of collective bargaining in your country in 2025.

Please choose only one of the following:

- National level
- Sectoral/branch level
- State/regional level
- Enterprise level
- No collective agreements at all

4. Please estimate, how will the number of different industrial actions (strikes, lock-outs) change by the year 2025.

Please choose only one of the following:

- Decrease
- Remain the same
- Increase
- Not applicable

OUTCOMES

1. What is the main way of regulating working conditions in your country at present and in year 2025?

Please choose the appropriate response for each item:

	Individual contracts	Workplace/ enterprise level collective agreements	Sectoral/ industry level collective agreements	National level collective agreements	National legislation	International agreements (incl. EU directives)
Wages 2007						
Wages 2025						
Minimum wage 2007						
Minimum wage 2025						
Working time 2007						
Working time 2025						
Health and safety issues 2007						
Health and safety issues 2025						
Training and skills upgrading 2007						
Training and skills upgrading 2025						
Additional bonuses 2007						
Additional bonuses 2025						

If you anticipate other important changes in regulation of working conditions, please sepcify these below:

____

____

If you have further comments on industrial relations actors, processes and/or outcomes in 2025, please write these below.

____

____

Thank you for completing this survey.

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