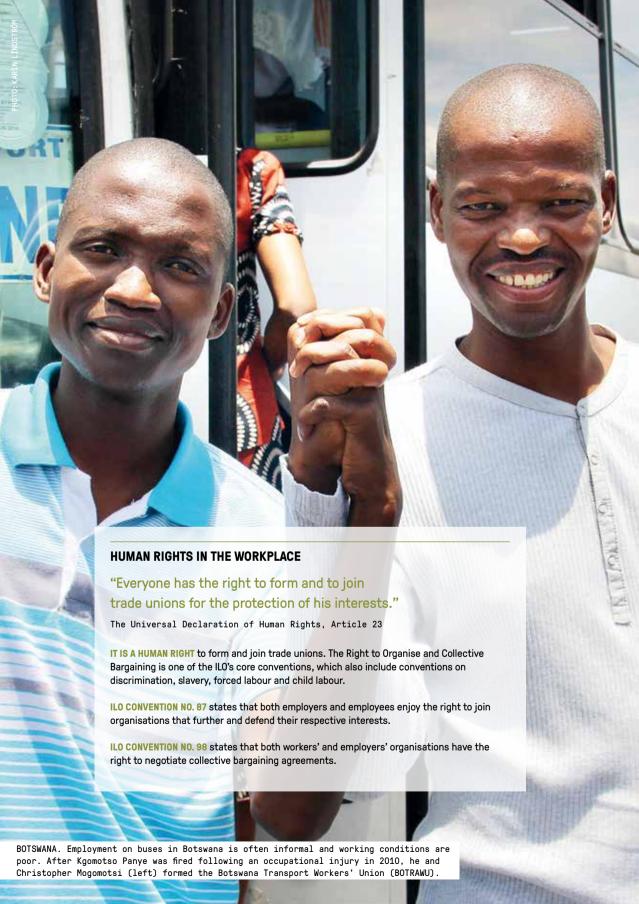


# THE ROAD TO

The History of Trade Unions in Sweden and the World





# Everyone's right to decent work

Although the global trade unions and other labour organisations monitor the observance of human rights in the workplace, employees in at least eleven countries were murdered or disappeared in 2017. According to the International Trade Union Confederation (ITUC), the number of countries where workers experienced forms of physical violence, kidnappings, threats and intimidations after demanding better working conditions or democratic reform has increased from 52 to 59 only in the past year. In 2017, 60 percent of 139 surveyed countries excludes workers from the fundamental right of freedom of association. Similar stories can be found in Sweden's past. There was child labour and people were confined to the social class they had been born into. Those who tried to organise their fellow workers in order to fight injustice often lost their jobs and were unable to earn a living.

Those who more than a hundred years ago struggled for the right to join free, independent trade unions, sign collective bargaining agreements and strike all made major contributions towards fomenting change in Sweden. The social partners had different agendas, but they learned to respect one another. Their hard struggle has resulted in greater respect for human rights in the workplace.

This respect is still one of the cornerstones of a better society. Strong trade unions, social dialogue and collective bargaining are crucial if people are to get out of poverty. This was the case in Sweden in the past and it is currently the case all around the world.

Global competition puts pressure on working conditions and pay levels across the world. As a result, international trade union efforts are as much about international solidarity as about defending working conditions at home. This would never work if trade unions only functioned within our national borders.

Every workplace in the world is connected. Poor working conditions in one place open up for decline somewhere else, so we need to care about what goes on in other countries. By knowing the past it is easier to understand the present.



# An agricultural society in transition

As industrialisation picked up pace in Sweden in the 1870s, the old agricultural society began to change. New vaccines, more efficient farming methods and better food resulted in a rapid population increase. The oldest son always inherited the family farm and his younger siblings were left with neither money nor property. What were they to do? Fewer and fewer people were able to make a living in the countryside.

People were looking forward to a better future in the city. The new factories were hungry for labour, but they offered appallingly low wages and a dangerous working environment. Others wanted to move as far as the United States.

Many in this country wanted to escape parochialism and poverty as well as religious and political oppression. The State and the Church were all-powerful and suffrage was regulated according to income. The rich were able to cast multiple votes, and the poor were not allowed to vote at all. Forced labour was a natural part of society. If you were not only poor, but also unemployed, you could be sentenced to forced labour or prison. This law was not abolished until 1926. The same law also gave the head of a household the right to make all decisions and to beat his children, his wife and his staff.



# Miserable working conditions

Working hours were unregulated. On farms, people worked as long as there was daylight and 12-hour shifts were common in factories. It was considered ethical to pay the workers as little as possible in order to prevent them from succumbing to idleness and vice. Since many were unemployed, the jobs went to those who asked for the lowest wage.

Most women toiled endlessly as domestic workers. But by the 1870s a quarter of all factory workers were women, mostly within the textile industry.

Women also carried bricks at construction sites and broke up ore in mines. Naturally, they were paid less than the men, but they were better paid than laundry women and maids.

Housing was unsanitary and overcrowded. The average length of life was only 45 years. In the 1870s, Stockholm was considered one of the poorest and dirtiest cities in Europe, and other cities were no better. Poor hygiene, clothing and food made people ill. Just like today, poverty made people vulnerable on a number of levels, and many left the country as a result. Sweden lost almost a quarter of its population between 1850 and 1914, mostly to the United States. The majority of the emigrants were young and unmarried.







#### Industrial action in Sundsvall

The struggle for better working conditions really took off in 1879. In Sundsvall, the sawmill workers' salaries had been cut over a number of years due to a slump in the market. People were destitute despite having jobs. Everyone was happy to hear that parliament had put a relief plan in place, but the aid went straight to the sawmill owners. The starving workers received nothing, so they walked out. The striking workers were surrounded by soldiers and were forced back to work; the strike leaders were fired.

Although the strike failed, it was the beginning of a more organised struggle for democracy and human rights at work.

All Swedes were given the right to education as early as in 1842. As a result, more and more people became aware of the fact that the world was changing and that each and every one could be part of that change.

The emerging trade union movement was part of a fertile hotbed of ideas, ideologies and visions of justice, knowledge and human dignity. Temperance and trade union organisation, education and religious freedom were issues that brought people together in strong social movements.

# The emergence of trade unions

Sweden's first trade union was formed by the typographers as early as 1848, but the trade union movement did not start to take hold until the 1880s. There was an international perspective from the very start. The aim of the working-class movement was for workers across the world to unite. A Nordic trade union congress was held in 1886, and the international trade union organisations were formed around the same time. The organised workers believed that their issues had to be presented to parliament. As a result, the Social Democratic Party was formed at a trade union congress in 1889. In 1898, the workers' trade union federation, LO, was formed by 16 trade unions with a total of 37,000 members.

The newly formed unions had three demands:

- 1. Universal and equal suffrage The first step was taken in 1909, but women did not get the vote until 1921.
- 2. Right of association The right to join and form trade unions and other organisations was realised through agreements signed in 1906 and 1938.
- 3. Eight-hour working day The 48-hour, six-day week became a reality in 1920. But it did not apply to seafarers, agricultural labourers or domestic workers.





# White-collar workers in a grey zone

Industrialisation and the growth of bureaucracy in the 19th century gave rise to a new class of white collar workers. It started with a small number of employers' representatives who were expected to be completely loyal and who regarded themselves as their employers' right-hand men. Class boundaries were not easily crossed, and junior clerks distanced themselves from the workers, their trade unions and their socialist ideas. But they were caught in the middle with the workers beneath them and management and academics above. Only a few thousand citizens had the opportunity to complete high school well into the 1940s. One needed a high school diploma in order to be able to compete for an elevated position in society.

The role of the white-collar worker slowly began to widen and change. More men than women emigrated to the United States, leading to a surplus of women. New education opportunities were introduced in the 19th century, and the administrative sector opened up for middle- and upper-class women. By the turn of the century, women had begun to be accepted as office workers. In her novel *Norrtullsligan*, published in 1908, Elin Wägner described the daily life of four underpaid female clerks in Stockholm. During the day, they carried out an endless amount of tedious routine work while defending themselves against sexual harassment and trying to afford food and rent. One of them, Eva, earns a quarter of a male clerk's wages.

# The employers organise

Around the year 1900, employers and employees were in strong opposition, but a great deal of progress was made. During the economic boom of the 1890s, workers were empowered to stand up to their employers, and they initiated more than 800 conflicts for better pay and working conditions. Employers reacted by imposing lockouts – that is to say, they banned workers from entering the workplace. New legislation was passed in 1899 that protected workers who, quoting the employers and the government, "wanted to work". Or strikebreakers in the words of LO.

As the trade unions began to gain a foothold, the employers too began to organise. The Swedish Metal Trade Employers' Association (Sveriges Verkstadsförening) and the Swedish Employers' Confederation (SAF), today the Confederation of Swedish Enterprise (Svenskt näringsliv), were formed in 1902. It was an important move towards social dialogue. In December 1906,

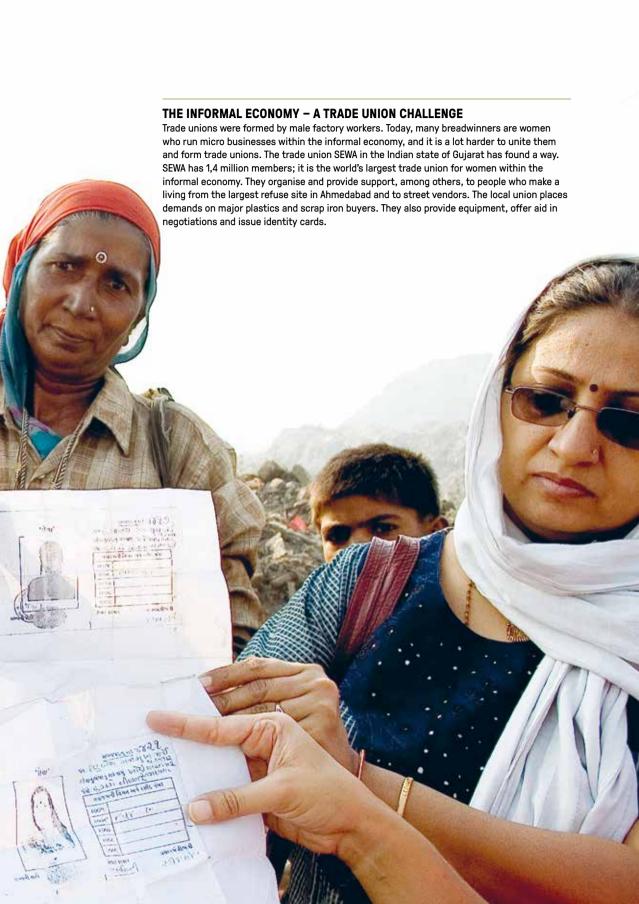


#### LO and SAF agreed on the following principles:

- LO agreed to the employers' right to lead and distribute work and to freely hire and fire workers.
- SAF agreed to respect the workers' right to join a trade union.

While trade unions still have to register with the state in many countries, freedom of association was introduced in Sweden as early as in 1863. However, no one prevented employers from firing workers that were on strike or worked for the union. Accommodation was often provided by the employer, so they could get evicted, as in the picture above. Mackmyra was an important part of the struggle for the right to organise, but it was still long before clear regulations were in place.







# A breakthrough for democracy

The constant lockouts and strikes continued with many serious confrontations.

In 1908, some young socialists threw a home-made bomb onto the ship Amalthea in Malmö port, killing one and injuring several English strikebreakers. The assailants were sentenced to death, but the sentences were commuted, and they were finally released in 1917.

A general strike was proclaimed in 1909. The trade unions' demands for better conditions were met with lockouts and counter demands for wage cuts and longer working hours. People turned out in full force – at the peak of the action 300,000 workers were on strike. The LO received vital support from the international community, including a contribution consisting of five hours' overtime pay sent by railway workers in Sarajevo.

But the strike was called off without a deal. The LO lost half its members. Many were blacklisted by employers and forced to emigrate to the United States. In 1917 there were food riots and, like in many other European countries, revolution was in the air. The Russian Revolution and the First World War were ongoing and basic foods such as bread and potatoes were in short supply while profiteers became rich by exporting food abroad. People stormed food shops and stockpiled supplies. The government sent in the army to deal with the hungry population.

The revolutionary sentiments that followed in the wake of the First World War led to the formation the UN International Labour Organization (ILO) in 1919.



The ILO statutes are a part of the Treaty of Versailles, and the trade unions at the time were powerful enough to influence the statutes.

There can be no lasting peace without social justice – this was the conviction on which the new organization was based. Even today, the social partners have a great deal of influence within the ILO, together with the governments of the 186 member states. The organisation's mission is still to put in place international regulations that prevent the exploitation of workers.

#### Towards law and order

The move towards greater stability and respect for human rights was slow in Sweden.

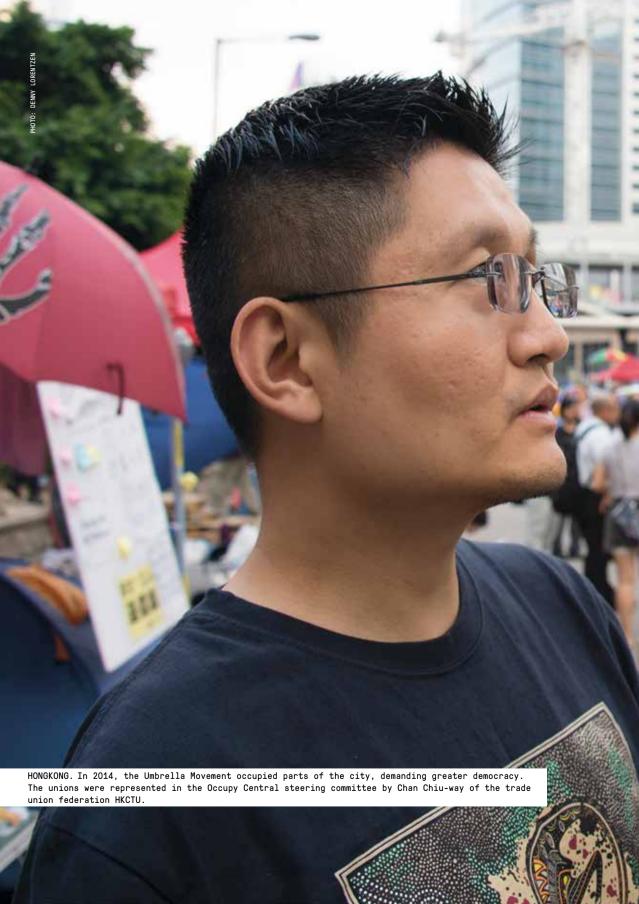
The Social Democrats collaborated with the Liberals (Folkpartiet) for universal suffrage, and in 1928, Per-Albin Hansson of the Social Democratic Party (who would later become Prime Minister), gave a speech about his vision

"The good home knows no privilege and no deprivation, no favourites and no stepchildren."

The Social Democrat Prime Minister Per-Albin Hansson,

of the future welfare state. The 1930s was a period of deep economic depression and unemployment. In 1931, workers blockaded a factory in Ådalen in northern Sweden in protest against its closure. Strikebreakers were called in and troops were ordered to open fire on a peaceful demonstration. Four protesters and a female spectator were killed. The shots provoked widespread protest across

the country. In 1932, the Social Democrats began their 44 years in power, but it was through their collaboration with the centre-right party Bondeförbundet that the vision of a new welfare society (*folkhemmet*, the people's home) endured until the post-war era.







#### Associations become trade unions

Under 1920-talet drabbade arbetslösheten också kontorspersonal, statsan-In the 1920s, unemployment also came to affect office clerks, public servants and bank clerks. As a result, white-collar workers began to convert associations that had been closely affiliated with the management into trade unions. It was a lengthy process. The Swedish Police Union, for example, was first known as "The Comrades". Because they were in the service of the State, they were forbidden to form a trade union.

Trade and industry associations organised professionals such as bank clerks, foremen and engineers. On October 6, 1929, representatives of thirteen professional associations came together and agreed to collaborate. They wanted to form a common national, politically neutral, trade union federation. The driving force behind this meeting was Viktor von Zeipel of the Swedish Association of Bank Clerks. In 1931, employees in the private sector formed the central organisation Daco. Their key issue was the right to collective bargaining as their employers refused to bargain with white-collar workers. They did not arrive at the same rights to association and collective bargaining as blue-collar workers until 1936. State and local government employees formed TCO in 1936. In 1944, the two central organisations eventually merged to form the TCO we have today. The Swedish Confederation of Professional Associations, Saco, was formed in 1947, an initiative headed by young academics. Doctors, for example, had to endure many years working

as assistants, other were subjected to long periods of probation before they were able to enjoy job security. Only university graduates were allowed to join Saco in the beginning. But it took a long time before they were given the right to strike and to collective bargaining, and academics in the private sector were not able to sign collective agreements until the late 1970s. In the 1940s, most academics were found in the public sector ¬– public servants, lawyers, physicians or teachers, for example.

#### The Swedish Model

By 1938, both LO and SAF had reached a level of influence whereby they were able to enter into negotiations and collaborate at a high level. The Saltsjöbaden Agreement was a framework agreement on social dialogue signed by SAF and LO. The two federations often argued, but they did agree on one thing: they wanted full control without too much state interference. That was the reason behind the Saltsjöbaden conference where the following important corner stones were agreed:

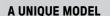
- Freedom of association and of collective bargaining was settled.
- They took it upon themselves to solve all issues concerning pay rates and working conditions without any interference from the state.
- They agreed on the rules of industrial action.

The Saltsjöbaden Agreement became the basis for a consensus model that came to define the Swedish labour market for years to come. It is known as the Swedish Model.

# Post-war prosperity

Sweden saw a period of prosperity after the Second World War. There was practically full employment and a strong welfare state was being built. This was achieved partly through progress in trade union negotiations and partly through new legislation. The LO was close to the Social Democratic Party, which was in power between 1932 and 1976. The education system was developed, pensions, health insurance and other social reforms were implemented, the number of working hours was reduced and vacations extended. Sweden seemed to be turning into a paradise. Then came the mining strike at Malmberget. The miners at the state-owned LKAB undertook a two-month-long illegal strike over Christmas and New Year 1969–1970, demanding higher pay and better terms. However, their strongest motivation for the strike was that they felt that their human dignity was not being respected.





THIS IS NOT FAIR

ET HAR AR INTE

The Swedish labour market model is unique in the world as the social partners are almost solely responsible for setting pay rates and terms with very little interference from the state. This is an important contributing reason for the high rate of organisation in the Nordic countries. Approximately 70 per cent of people in gainful employment are members of a trade union, compared to an average of seven per cent in the rest of the world. Internationally minimum wages are generally regulated by legislation. This means that they take longer to renegotiate and that trade unions have less influence over them.

The aim of the unions' international work is social dialogue and ensuring that the social partners solve their conflicts through negotiations. Social dialogue is an important tool within the EU and it is one of four fundamental pillars included in the ILO's Decent Work Agenda.

#### **COMPETITION ON EQUAL TERMS AND SOLIDARITY**

The core values on which trade unions base their operations include the equal value and dignity of all human beings. Today, strikes in developing countries are often based on a failure to respect human dignity. Strikes can be about the right to go to the toilet, not to have to work behind locked doors and risk dying in a fire, or having to supply pregnancy tests.

lectrolux eedom of Association Collective Bargaining

## A period of harvest and reform

While the 1970s has been described as a period of harvest for the trade unions, hostilities between employers and employees resurfaced. An increasing number of issues were solved not through negotiations, but through legislation. Examples are the Employment Protection Act and the Act on Co-determination at Work.

LO was still influential, but the number of white collar workers was growing and TCO was given more space in the public debate as well as around the negotiating table. Between 1980 and 1990, trade unions affiliated to TCO supported some twenty major legal strikes. Nurses, engineers and teachers were able to raise their salaries with the help of conflict and threat of industrial action.

"The legislation aims to support social reform in working life. It is based on the belief that conditions in the workplace should be informed by democratic principles, co-operation and shared responsibility."

Government bill 1975/76:105 on co-determination at work

As late as in 1965, public servants had been given the right to strike. First out were the Saco-affiliated teachers. They were successful, but the next major strike among academics in 1971 caused parliament to force them to go back to work through legislation. A major lockout in May 1980 marked the end of the glory days of the Swedish Model.

The employers locked out 575,000 workers within the private and public sectors. They wanted to limit their participation in the Swedish Model, and walked out of the centralised, standard-setting negotiations with LO. Collective bargaining was decentralised to each trade union and individual workplaces.

More changes were introduced in the 1990s as the manufacturing industry was given a pay-setting role and real wages increased overall. So, the Swedish Model is still in force, although with some amendments.

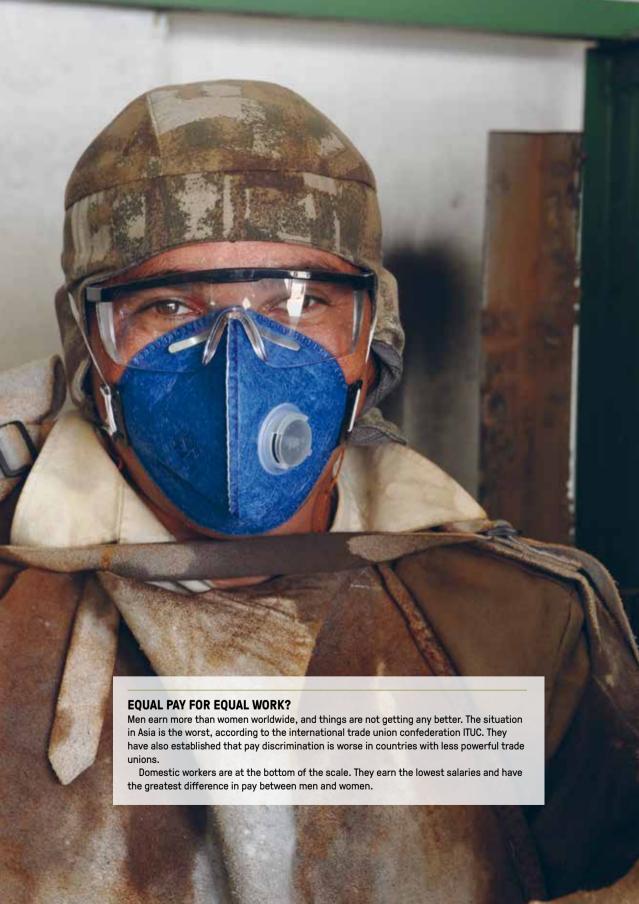


# Equal pay for equal work

Equal pay for equal work has been fundamental for the workers. It was important that a textile factory in Norrköping did not pay less than another in Borås, and the trade unions' only means to prevent this from happening has been industrial action. The Swedish Model contributed to industrial peace through sector-wide agreements for the entire labour market. There was a major drawback in 2004 when a Latvian construction company refused to sign an agreement with the Building Workers' Union for their Latvian workers. The EU court eventually judged to the company's favour. The Swedish legislation had to be amended and the trade unions had to pay damages for having resorted to industrial action. Following the verdict, more and more European workers were stationed in Sweden at pay rates well below the minimum wage stipulated in Swedish agreements.



BRAZIL. In conjunction with the Olympic Games in Brazil in 2012, trade unions within the constructior industry organised trainings to meet the demand for labour. In Fortaleza, many women trained to become welders since the salary of 350-450 dollars was twice as high as in other sectors that traditionally employ women.





# The world's largest social movement

The Swedish Model has lost its impact within our increasingly globalised world economy. Growth has slowed down in Sweden and the rest of the Western world while middle- and low- income countries are doing better. Seventy-five per cent of the world's industrial workers are today found in Asia, most of them in China, and Nigeria is Africa's largest economy. India is characterized by huge inequalities but also by a strong development in know-how and IT industries.

Brazil has seen economic growth in the last few decades, and trade unions have played a major role in this development. Strong trade unions emerged in factories in São Paolo, and strike action contributed to bringing an end to military dictatorship in 1985. The trade union movement prepared citizens who wanted to work towards democracy and a fairer distribution of wealth. One of them was Lula, who later became president. The new, free trade union movement Solidarity came to the fore in Poland during this period. Its ideology and strike action strongly contributed to the fall of the Berlin Wall in 1989 and the democratization of Europe.

In South Africa, the trade union movement Cosatu was crucial in the struggle against apartheid in the 1970s and 1980s. Swedish trade unions contributed to their success through international aid and the support of individuals, just like the railway workers in Sarajevo who came to the aid of Swedish workers during the general strike in 1909.



# No world peace without social justice

The world is a much better place for hundreds of millions of people than it was fifty years ago. More children attend school instead of being forced to work, more women survive childbirth and more people are educated, have a home and can follow current events on their phones and computers. At the same time, a third of the world's population still has no access to toilets or clean water. More than two billion people still lack the most basic needs.

Many positive development trends were broken during the financial crisis of 2008. Since then unemployment and inequality has increased. Only seven per cent of the global work force is organized in free trade unions that are not government-controlled, and unemployment is on the rise. The trade union movement is the largest social movement in the world despite this low unionization rate. The International Trade Union Confederation (ITUC) alone has 181 million voluntary members worldwide.

There will be no lasting peace without social justice. That was the painful conviction behind the formation of the ILO in the ruins of a shattered Europe after the First World War. Today, we need to keep repeating this insight. The world will not get better without the help of free, democratic trade unions and respect for human rights at work.





### Sweden and the world – then and now

Strong trade unions, social dialogue and collective bargaining are three essential components if people are going to be able to get out of poverty. This was the case in Sweden, and it is currently the case in many other countries around the world. Global competition puts pressure on working conditions and pay rates everywhere. This is why this is just as much about international solidarity as it is about defending working conditions at home. It is therefore important to be informed about conditions abroad. By knowing the past it is easier to understand the present.

Union to Union Upplandsgatan 3 S-111 23 Stockholm, Sweden tel: +46(0)8 798 00 00

