

We call it the Swedish Model – here's how it works!

In Sweden, laws and collective agreements interact in the labour market. This means that we do not have two labour market models, based on either laws or collective agreements. We only have one model, and it is based on unions and employers negotiating the terms that apply in different industries and laying them down in collective agreements.

Laws



Sweden's laws provide a framework for the labour market. Some laws are dispositive. This means that the social partners can agree on different conditions than those stipulated in the legislation.

There is a lot that is not regulated by laws. Wages and salaries are one example. Did you know that there is no statutory minimum wage in Sweden? Instead, wages and salaries are regulated in collective agreements. There is also nothing in the law that says you must get an annual salary increase.

Collective agreements



Instead of rigid laws that apply to the entire labour market, the Swedish Model is based on the negotiation of collective agreements by unions and employers. This ensures flexibility and better-adapted conditions for each industry. For example, collective agreements regulate overtime compensation, allowances for inconvenient working hours, reductions in working hours, and wage increases.

They provide protection against decisions by employers that might suddenly worsen the terms of employment and working conditions, which they could otherwise take overnight. When we bargain collectively and stand together, we can also negotiate better terms than we can achieve individually.

The right to strike and the no-strike clause



When unions and employers have signed a collective agreement, they have also agreed to its no-strike clause. This means that neither party may take any strike action regarding the terms and conditions during the term of the agreement. What has been agreed and established in the agreement is what applies.

On the other hand, if one party demands a collective agreement but the other party refuses to sign one, constitutionally protected strike actions can be taken. For unions, this means that if members at a workplace want a collective agreement, they can strike through, e.g. a work sjudtdown. There is also the possibility for other unions to assist by taking solidarity action (a so-called "sympathy strike"), such as blocking the fulfilment of work duties at a company involved in a strike.

For the employer, it is possible to exclude employees from work without pay, through a so-called "lockout". They can also take solidarity action.

Sweden's calm and stable labour market is largely due to collective agreements, in which unions and employers jointly agree on the "rules of the game". Compared to other countries that rely on legislation, we therefore have very few strike days.

Power balance



The Swedish Model has been carefully devised. When two parties agree on what will apply, it creates stability. If more were to be regulated by laws, we would face constantly changing conditions, depending on who is in the majority in the Swedish Parliament, and we would have to rely on being governed by pro-worker parties.

Yet with the Swedish Model comes responsibility. If our social partners fail to effectively administer the model, we will see more political involvement in the future – especially from the EU. All social partners must do their part to uphold the model, but its success also demands equally matched parties to negotiations on the terms of collective agreements.

We workers must shoulder a heavy responsibility. If too few of us are unionised, we will be forced to negotiate from a position of weakness. Employers start out with an advantage, because they own the factories and have the right to lead and distribute the work. That is why it's so important for us to have as many members as possible; our strength is in numbers. To ensure fair terms in our collective agreements, we need the help of you and your colleagues.

