



Neither sticks nor carrots: Swedish trade union involvement in the European Semester

Case study Sweden

Executive summary

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The aim of the OSE Research paper is to ascertain to what extent the social partners in Sweden are involved in the different stages of the European Semester: *what do they expect (if anything) to gain from this involvement, and do they perceive that they have an influence on the outputs and outcomes of the process?* By studying available written documents and conducting interviews with representatives of the trade union confederations, employer organizations and civil servants from the government's office, we have reconstructed the involvement of the national-level social partners in the European Semester.

The Swedish case is characterized by a strong institutional framework for national social dialogue as well as weak EU pressure to adapt to the European Union's (EU) Country-specific Recommendations (CSR) or other policy recommendations emanating from the Semester. Sweden is not part of the Eurozone and the economic recovery after the great recession has been comparatively good. In terms of the geographical typology for industrial relations used in the INVOTUNES project, Sweden is one of the 'Northern countries', together with Denmark, Finland and Norway. Fundamental components of the Swedish model for industrial relations, together with the high unionisation rate and broad membership, are the strong status of collective agreements, workplace representatives with a mandate to negotiate, as well as the independence of the social partners from central government. The labour market is regulated by a number of principal agreements reached at the central level between employers' organizations and trade unions. These central agreements regulate aspects including negotiation procedures, dispute procedures and development issues. In contrast to many other countries, there are no state-administered minimum wage levels in Sweden, since the social partners negotiate these key aspects. The political situation in Sweden at the time of writing is characterised by a minority

government, composed of the Social Democrats and the Green party, supported by the Liberals and the Centre party (two liberal parties).

The Swedish case illustrates how a strong national social dialogue and low degree of EU pressure mean that, on the one hand, the social partners have moderate to good access to the policy process and possess considerable resources which can be used to impact the European Semester. Regardless, they ultimately have limited incentives to use these tools to influence the outputs and outcomes of the policy process. So far, the outputs from the European Semester have not pushed for concrete reforms in the areas for which the social partners are mainly responsible, thus they have had few reasons to be involved in the process. Moreover, as the national social dialogue functions well, they have no interest in using the Commission to put pressure on the national government. Instead, the social partners wish to raise the awareness of the European Commission and others regarding how industrial relations function in Sweden and how beneficial this model is.

The long-term goal of the social partners is to preserve their autonomy and the model of wage formation in Sweden, namely the freedom of the social partners to reach agreements through negotiations. Reaching this goal includes protecting the wage formation model from reforms at European level. Therefore, this study suggests that the social partners monitor the work related to the Semester and take action if the CSRs concern issues that are important to them. So far this has rarely been the case. When the social partners choose to become involved in the Semester, they use insider strategies, i.e. they turn to national rather than European-level actors.

The Swedish government has created formal institutions for ensuring the involvement of the social partners in the Semester work. The partners have meetings with the government regularly during the Semester, while unions and employer organizations together write an annex to the National Reform Programme (NRP). For Sweden, the policy recommendations for meaningful involvement would probably call for a more focused dialogue between local and central levels within the social partner organisations. In trying to strengthen positive incentives for such dialogue, the unions would most likely need to involve the various members more actively than they do today.

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