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The Changing Meaning of the
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Erik Bengtsson

The Changing Meaning of the Wage Bargaining Round in Sweden since the 1960s: A Contextual Approach to Shifts in Industrial Relations[♠]

Erik Bengtsson^{*}

Abstract

Sweden is renowned for its centralized wage bargaining system, which has been studied for decades from the point of view of inflation, wage differentials and unemployment. A coordinated system in place since 1997 has been compared to the centralized system of the postwar era, while other scholars have pointed to differences in how the institutions work in practice. This paper studies media coverage of wage bargaining rounds in the 1950s-1960s and in the 2000s-2010s to investigate the social understanding of what the wage bargaining institutions are supposed to do. The results indicate that the operation of the wage bargaining system in the 2000s and that in the post-war era are in fact understood very differently: while widely shared aims for wage bargaining rounds in the 1950s and 1960s were to a high degree formulated by the trade unions, trade union influence over the agenda was significantly weaker in the 2000s and 2010s, when external experts, not the least from the financial sector, were to a much higher degree used to define and formulate what good bargaining outcomes would be.

Keywords: trade unions, collective bargaining, Sweden, Social Democracy

JEL codes: J50, N34

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1. Wage bargaining systems and their social meaning

This paper explores the embeddedness of wage bargaining in a wider societal context of ideas and expectations about macroeconomics and income distribution, by comparing Swedish wage bargaining in the post-war era and in the contemporary era. Arguments have recently been made for analyzing the role of ideas in industrial relations (Carstensen, Ibsen, and Schmidt 2022), and this article contributes to such discussions from a historical standpoint. It uses the focus on ideational contexts (cf. Schmidt 2008) to provide further insight into the changing functioning of industrial relations and the changes in industrial relations from the post-war era to the neoliberal age and thus also seeks to contribute to our understanding of the changed output of Social Democratic models such as Sweden.

From a quantitative or institutional point of view, the Swedish coordinated wage bargaining system of today clearly resembles the centralized system of the 1950s and 1960s. If we look at the often-used ICTWSS database for bargaining coordination, Sweden since 1997 scores 4 on a 1 to 5 scale, one point lower than the pre-1983 level, but still high. In terms of the share of the workforce covered by a collective agreement, Sweden also looks very much like a coordinated market economy: the share was 90 per cent in 2018 (Kjellberg 2019, p. 51). Indeed, Baccaro and Howell (2017, 143–144) in their book on the liberalization of industrial relations – by which they mean strengthened employer power, and which they argue has occurred in a variety of national contexts – that “Sweden is a difficult case for the argument of this book [...] On the surface at least, Sweden appears to have largely resisted the liberalization of industrial relations institutions”. However, Baccaro and Howell argue that Swedish industrial relations since the 1980s have in fact have been liberalized in several ways. One important way is through the *de facto* decentralized regulation of pay and working conditions, even when national collective agreements still exist (see also Thelen 2014, 184), with increased pay inequality as a result. Another form of liberalization in the formally similar industrial relations of Sweden is that collective bargaining today “serves to realize wage moderation” (Baccaro and Howell 2017, 169) in a more stringent way than before.¹ Baccaro and Howell (2017, 169) conclude that “Institutional change has not primarily taken place through the wholesale destruction of existing institutions and construction of new ones”, but instead through the conversion of existing institutions. This analysis is deeply influenced by the work by Kathleen Thelen (2009, 2014) and collaborators (Streeck and Thelen 2005) on

¹ On this topic see also Bengtsson (2015).

how institutions might change through processes such as *drift* – when an increasing share of the relevant field remains unaffected by the institution studied – or *conversion*, when an institution on the surface looks unchanged over time, but in practice performs differently.

In her seminal book *Varieties of Liberalization and the New Politics of Social Solidarity* (2014), Thelen also herself offered an analysis of the changes in Swedish industrial relations and the Swedish model. Thelen is more optimistic than Baccaro and Howell on the survival of solidarism in Swedish industrial relations, stressing the high degree of union organization among relatively disadvantaged service sector workers, but she also sees a dualization through “the top taking off”, when highly-skilled employees are less and less bound by collectively regulated wage growth and in fact have quite decentralized forms of wage setting (Thelen 2014, pp. 177, 184–187).

This paper follows from these contributions. The empirical contribution of the present paper is to widen the perspective on wage bargaining institutions so as to take in their embeddedness in the wider social context and thus in a more nuanced way describe the differences between Swedish wage bargaining today and that in the post-war era. The theoretical contribution sought by this empirical investigation is to further nuance our understanding of institutional conversion and how this can take place. Schmidt (2008) has detailed how the “meaning context” affects institutions, and the Swedish case of wage bargaining provides one further example of institutional change when this happens.

An American expert on Social Democracy stated in the 1960s that “Contemporary Scandinavian socialism is essentially collective bargaining transplanted to the political arena; its strength lies in its ability to augment worker welfare with the minimum of social conflict” (Walter Galenson, cited in Castles 1978, p. 32). It is certainly true that collective bargaining has always been at the heart of the Social Democratic project in Sweden. The wage bargaining round, evoked in Swedish through metaphors, including that of an “agreement movement” (*avtalsrörelsen*), has since the 1940s been an important institution of Swedish society. T.L. Johnston, who in 1962 wrote a book about collective bargaining in Sweden, described the almost ritualistic seasonality of a bargaining round from the speculations and floated ideas of the summer until the first meetings on the union side and employer side in the autumn, the concrete statements and demands around December, and then months of demands and counter-demands, arguments and ripostes. “The negotiations were and are frequently physically exhausting”, wrote Johnston (1962 pp. 264–267, 271), and this very public wrestling match carried cultural and social significance for the “audience”, the Swedish public. (On this history see also Bengtsson 2022.)

In a society where 90 percent of employees are covered by a collective agreement, wage bargaining is still an important institution. But, as this paper shows, its social meaning has changed. In the 1950s and 1960s, wage bargaining was presented in newspapers as a benevolent administration of wages and other macro variables, performed by well-meaning administrators from trade unions and the employers' organization for the benefit of society as a whole. Mainstream bourgeois newspapers presented wage increases as beneficial, assuming a readership of wage-earners. The trade union economists played an important role as experts judging the macroeconomic situation. In the 2000s, coverage became completely different, much more distanced and critical vis-à-vis the wage negotiators. By then, the role of umpiring what were good macroeconomic outcomes had shifted to economists from the financial sector, who judged the performance of wage bargaining from the implied perspective of the world market. This development is very much in line with Fligstein's (1990) argument on the shift towards a financialized conception of control and away from the post-war conception of control which was domestically centred; this shift clearly locates the conversions of Swedish industrial relations described here in the wider context of neoliberalism. On the leader pages, the writers were now more likely to castigate trade unions for pursuing insider interests at the expense of outsiders, while economists worried that too high wage increases would lead to interest rates which would harm borrowers. The implied identity of the readers had shifted from wage-earner to borrowers. This investigation sheds new light on an old puzzle: on the surface, Swedish industrial relations institutions look rather similar today to those of the 1960s, but in terms of outcome variables such as wage differentials, inflation and the wage share, outcomes are very different (Thelen 2014; Baccaro and Howell 2017). It is the theoretical argument of this paper that, beyond the conversion-as-decentralization of bargaining as mapped by Thelen and Baccaro and Howell, and the drift described by Thelen as "the top taking off", this difference depends precisely on the changing norms and expectations that the labour market institutions are embedded in. This is a kind of institutional conversion through changes in the ascribed meanings. Furthermore, that the shift of power in favour of employers mapped by Baccaro and Howell (2017) consists also of a shift in discursive power: the trade unions' lost power of agenda-setting.

2. The transformation of the Swedish model

The Swedish wage bargaining system has been amply studied and has been an important case for theories and explanations centring on social coalitions and institutional change (Swenson 2002; Thelen 2014, Ch. 7; Baccaro and Howell 2017, ch. 8), wage restraint (Bengtsson 2015), the nature of Social Democracy (Moene and Wallerstein 1995), and the economic effects of various wage bargaining systems (Calmfors and Driffill 1988). Against this background, a new study from a broader perspective of Swedish wage bargaining is highly relevant. More specifically, post-war Sweden is the paragon of centralized wage bargaining, analysed in a large body of work by political scientists, economists and industrial relations scholars interested in the consequences of wage bargaining systems for income distribution, inflation and growth. (e.g., Moene and Wallerstein 1995). Bargaining was centralised at the confederation level from 1956 to 1983. This meant that for every wage round, typically every second year (the agreements varied in length, typically from one to three years), the trade union confederation LO and the employers' organization SAF appointed their own bargaining committees, and these committees were responsible for hammering out the agreements framing the collective agreements for virtually the entire workforce (cf. Bengtsson 2022).²

The era of central bargaining ended in 1982-83 when the metal workers' union and its counterparts, the engineering companies, withdrew (Wallerstein and Golden 1997; Thörnqvist 1999). This ushered in a fifteen-year era of sectoral bargaining, which was plagued by wage competition and very high inflation from 1982 to the deep financial crisis that the country experienced from 1991 to 1994. When it receded, the government created a commission to re-order the wage bargaining system, and a new system of sectoral but coordinated bargaining was built. The foundation of the system is that manufacturing industry bargains first and that everyone else follows its norm (cf. Elvander 1997; Thelen 2014, pp. 182–187). Since 1997, as many collective agreements within the coordinated system have become less binding and less detailed, major *de facto* decentralizations have occurred. Today so-called “number-free” (*sifferlösa*) agreements, specifying nothing at all about wage increases, are common (see Ulfsson Eriksson, Larsson and Adolfsson 2020; Thelen 2014, p. 184; Baccaro and Howell 2017, pp. 161–163).

² The confederation for white-collar workers, TCO, was formed in 1944 and the confederation for professionals, SACO, in 1947; they were more intermittently involved in central bargaining. and they and the agrarian organizations typically came into the bargaining round at the end, after the LO had set the pattern for income growth. In the mid-1960s, as we shall see, they strengthened their position.

The transformation of the Swedish model in a wider sense since the 1980s – less trade union influence over labour market and society, lower and less redistributive tax rates, less generous welfare provisions – has been explored in many important studies of the politics of social policy and economic policy (Blyth 2002; Andersson 2003; Lindvall 2004); changing regimes of capital accumulation (Ryner 2002); the changing functioning of working-class parties (Mudge 2018); and other factors. To this debate on neoliberalization among Social Democratic regimes, this paper adds something new by studying not political ideas nor the policies which are central but have been treated in several excellent studies, but rather by studying the practice of labour market institutions. Its subject is not principled debates but the daily, ephemeral discussions on what wage bargaining institutions do, in two different contexts: the post-war era and the 2000s.

The choice to study and compare the post-war and contemporary eras demands further discussion. Most studies of the politico-economic change in Sweden that we might refer to as neoliberalism have focused on the 1980s and 1990s (beyond the references above, see also Boréus 1994). Here I have chosen to study not the tumultuous years of the labour market in the 1980s and 1990s, but the presumably more stable periods of the 1950s-1960s and 2000s-2010s. This choice is guided by a sense that, then as now, there is an unexplored dimension to the wage bargaining system: the embedding of wage bargaining practices in social norms and expectations. Thus, the purpose here is not to furnish another explanation of the decentralization of wage bargaining in the 1980s, but to provide a richer understanding of what the centralized wage bargaining system was and meant in the canonical post-war era, and of what the coordinated system is and does today.

3. Method and sources

The methodological approach of this investigation is to use digitalized newspaper materials to study the coverage and interpretations of wage bargaining. I study the 1957–58, 1959–60, 1961–62, 1963–64 and 1965–66 wage bargaining rounds as representative of the post-war period, and the 2006–07, 2009–10, 2011–12, 2012–13 and 2015–16 rounds as representative of the contemporary era.³

³ The 1961–62, 1963–64 and 1965–66 bargaining rounds give a good, varied view of bargaining in this period. Fulcher (1991), argues that the 1966 academics' strike marks the end of the peaceful era of centralized bargaining, foreshadowing the more famous wild-cat strikes of the 1970s. De Geer (1986, pp. 211, 341–342), and Ullenhag (1970, p. 140) show that the 1962 and 1964 agreements gave little for the lowest paid, which led to mobilization on their behalf in 1966 and 1969 within the LO. Following this, to study 1962, 1964 and 1966 makes a lot of sense

The paper builds on materials from the liberal daily *Dagens Nyheter*, the largest daily newspaper in the country; it represents a mainstream, respectable bourgeois view of the wage bargaining system. For the bargaining rounds of 1965–66 and 2015–16 the sample is completed with articles from *Svenska Dagbladet*, the second largest daily, which is politically more conservative and historically has been close to the business community (cf. Grafström 2006, 148–150). *Dagens Nyheter* was in this period the leading paper, in terms of circulation but especially in terms of opinion. It became the most widely circulated paper in 1942 and grew from a circulation of 207 000 in 1945 to 341 000 in 1958, when it was outperformed by its tabloid colleague *Expressen*, owned by the same conglomerate. But, as the history of the Swedish press emphasizes, “The leading position of *Dagens Nyheter* as vehicle of opinion, news and advertisement was not affected” (Engblom, p. 67). Maria Grafström (2006, pp. 135–145) in her history of business journalism in Sweden shows that *Dagens Nyheter* expanded its economic reporting in the 1960s and presents this, along with the parallel change at *Svenska Dagbladet*, as more generally indicative of economics reporting in Swedish dailies. A simple quantitative look at the number of articles devoted to the bargaining rounds in the two main dailies (see Figure 1) supports the idea that DN is representative of the wider newspaper environment.

Thanks to the digitalization of newspapers, articles about one topic over time can feasibly be searched using specific words. I tried using several words connected to the bargaining round – *kollektivavtal*, *lönerunda*, *avtalsrunda* etc. – and by reading articles I realized that the best search word was *avtalsrörelse*, literally “agreement movement”, a concept denoting the bargaining round and not used for anything else, which is a crucial tool when searching digitalized newspapers.⁴ The frequency of the articles on this topic in *Dagens Nyheter* and *Svenska Dagbladet* from 1950 to today is shown in Figure 1. The figure shows a clear temporal pattern, the same for both papers, with one long peak of bargaining round coverage, from the late 1960s to the late 1980s. As discussed above, I do not in fact study the turbulent decentralization and re-centralization in the 1980s and 1990s; as can be seen in

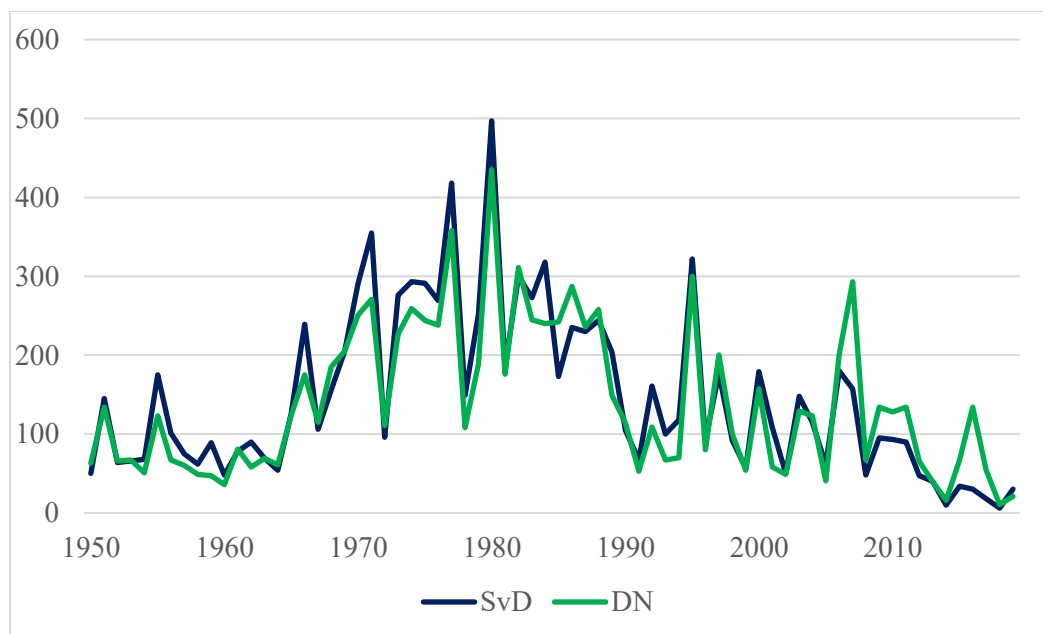
since 1962 and 1964 represent relatively staid bargaining rounds and 1966 a more activist and conflict-oriented one.

The 2007 bargaining round was a very extensive one, the largest since 1993; see Medlingsinstitutet (2008). The round in 2010 was also a very major one, with over three million participants. But including both 2007 and 2010 is advantageous, since 2007 took place in a boom and 2010 in a bust. The 2012 and 2013 rounds were also comprehensive and represent the post-crisis period. For a description of post-1997 Swedish bargaining rounds, see also Baccaro and Howell (2017), pp. 157–159.

⁴ In the DN material the leader writer Peter Wolodarski on 19 March 2004 commented the lack of equivalents in English of Swedish concepts like “avtalsrörelse”, “lönebildning” and “löneutrymme”. He joked that the English equivalent of “avtalsrörelse” would be “socialism”, since setting the wages of hundreds of thousands of people in a centralized fashion resembles a planned economy.

Figure 1, this was a period when wage bargaining caught much attention in the newspapers. Media history scholars have also highlighted the strength of “the world of labour” and the trust awarded to union representatives in economics coverage in tv and newspapers in the 1970s and early 1980s (Djerf-Pierre and Weibull 2001, pp. 246–247; Viscovi 2006). To specifically study the media context of wage bargaining in this period would be of interest for further research but the intention here is, as mentioned, to study not this period, but periods of greater stability in the post-war and contemporary eras.

Figure 1. The number of articles containing the word “avtalsrörelse” in *Dagens Nyheter* and *Svenska Dagbladet*, 1950–2019.



Note: When the work on this paper was being done, all the *Dagens Nyheter* editions from 1864 to 1992 were available in digital format at <https://arkivet.dn.se> while the newer papers were available on the main DN website. Since October 2022, the post-1993 editions have been integrated into the main archive, and the search engine has been redesigned. It no longer gives the number of articles using a certain word, but rather the number of pages with articles using the word. For this reason, the figures in Figure 1 are still built on the pre-October 2022 calculations. All the *Svenska Dagbladet* editions are available at <https://www.svd.se/arkiv>. For a methodological discussion of the use of digitalized newspapers in historical research in Sweden, see Larsson Heidenblad (2020).

The scale on the y-axis is the absolute number of articles mentioning “avtalsrörelse”. Because of the different online repository for *Dagens Nyheter* after 1992 (before the change in October 2022) and online publishing after 2000 or so which artificially inflates the # of articles, I have manually counted the articles for the years 1999, 2000, 2003, 2004, 2007 and 2010 and adjusted all # post-1999 by a correction factor of 0.67 to adjust for the double- and triple-reporting of articles in this period.

4. Wage bargaining in the post-war period

The *Dagens Nyheter* coverage of the wage bargaining rounds in the 1950s and 1960s was thorough and close to the negotiators. As Johnston (1962, p. 271) pointed out, wage bargaining was “frequently physically exhausting”, and the newspapers in these years reinforced this impression by a close-up coverage. As an example, the coverage of the 1963-64 bargaining round began in earnest in October 1963 with coverage of an LO meeting with all 41 member unions, preparing for their first presentation of their demands vis-à-vis the employers. The coverage was quite neutral and comprehensive; on 12 October 1963, the next day, half of the back of the paper (then a broadsheet) was devoted to a rather imposing pictorial coverage of the LO kickstart (*uppmarsch*) of the bargaining round – see Picture 1.

Picture 1.



Note. Source is *Dagens Nyheter*, 12 October 1963. Reprinted by permission. The article has been cropped: the list of negotiators continues bottom right, next to a large advertisement for coffee.

The coverage in Picture 1 is meaning-laden in that it introduces all the main actors on the trade union side: readers of a mainstream newspaper are assumed to be interested in the chairman of the textile workers' union, or the pipe-fitters' union. The newspaper creates a sense of community with the negotiators. This is again evident in the 1965–66 bargaining round. In November 1965, *Dagens Nyheter* presented each person from the 38-man strong LO bargaining delegation, under a headline comparing wage bargaining to boxing: “SAF and LO are ready for the first round of negotiation”.⁵ Likewise, *Svenska Dagbladet* prepared its readers this time for the imminent bargaining round with similar metaphors: “Today is the real start for the winter’s exciting games to fix the size of next year’s wages [...] There are signs that it could be one of the most thrilling bargaining games that we have had in the post-war era.”⁶

Wage bargaining in the 1950s and 1960s was portrayed as important and exciting, and the newspaper coverage also encouraged empathy with the people involved. The closeness to the negotiators was enforced by close-up reporting from the bargaining rooms. When the new collective agreements were due to be finished in March, newspaper headlines spoke of the “Long wait for the bargaining delegations”, yielding quotes like “We’ll get to the bottom of this tonight” and, alongside photos of coffee-drinking, tired negotiators:

“Percentages, statistics, proposals, objections. And waiting. Waiting in the so-called large bargaining delegations, groups of 10-20-30 people, for the chief negotiators – those who are in contact with a counterpart – to come back from the small rooms and report about the new arguments and the new situations”

(DN 19 March 1962, p. 22). For further examples of such coverage, see DN 1 April 1964, p. 6; SvD 31 March 1966, pp. 3, 15).

A further example of the closeness to the wage negotiators in the newspaper coverage of the 1950s and 1960s is that the concept *nattmangling*, mangling sheets in the night, as a metaphor for the hard nights’ work of reaching agreements, became a recurrent trope in jokes and cartoons in *Dagens Nyheter*: a good-tempered way of joking about the powerful but responsible negotiators (Cartoon: DN 12 February 1959, p. 10; jokes: DN 4 April 1962, p. 4).

⁵ *Dagens Nyheter*, 15 November 1965, p. 64. It should be noted that the newspaper used the Swedish word *rond*, as in a boxing match, not the word *runda* which is the common one for bargaining, also translated here as “round”.

⁶ SvD 16 November 1965, p. 19, ”Starten går för vinterns avtalsspel: Kraftiga öppningskrav är att vänta”. In Swedish, the quote is: ”I dag går den egentliga starten för vinterns spännande spel om hur stora lönerna skall bli under nästa år. [...] Tecken tyder på att det kan bli ett av de mest rafflande avtalsspel vi haft under hela efterkrigstiden.”

Another example of the bargaining rounds being used as a metonym for orderly Swedish society is that on 30 November 1963 the newspaper's cultural page claimed that the editor of the literary magazine BLM, Lars Gustafsson, had argued that time was ripe for a new debate on literary criticism, "because it's been three years". The DN writer commented sarcastically that "As in the usual bargaining round, the social partners (*parterna*) should sit down in their well-known places and establish their well-known positions." That the wage bargaining round could work as a metaphor for literary debates is, I think, indicative of the central role it occupied in Swedish society (and minds) in the 1960s. It is also important to note that coverage was quite appreciative of the SAF and LO representatives, with an undertext something like this: "We should be happy that these men, and a few women⁷, have taken upon themselves the hard job of bargaining to set our incomes and prices for the coming years".

We know from Swedish journalism research that journalism in the 1950s and the first half of the 1960s tended to be rather uncritical; Djerf-Pierre and Weibull (2001, esp. pp. 170–174, 240–264) in their magistral overview label the dominant ethos of reporting at the time as "mirroring" society, while they label the ethos of 1965 to 1985 as "scrutinizing" (*granskning*). However, it is still of importance in this context to note the relatively trade union-friendly coverage of the 1950s and 1960s. The leader page of DN in this period was led by the prominent political scientist Herbert Tingsten, who had had a well-publicized break with Social Democracy and is remembered as a staunch critic of the labour movement in the 1950s and 1960s (cf. Hadenius 2002, pp. 279–286, 309–316). Even so, I find that the newspaper's reporting was strikingly uncritical of the trade unions, and so were its editorials. In the bargaining round of 1958–59, the leader page neutrally stated that the Swedish trade union movement was the strongest in the world, that the Metal Workers trade union had a 96.5 percent membership rate; the leader page spoke in defence of a strongly coordinated bargaining round to secure a central agreement for LO, SAF, the white-collar workers' TCO, and the farmers' organization (DN 9 August 1958, p. 2, 11 August 1958, p. 2). Equally, in September 1961 the leader page again maintained its defence of the centralized bargaining system: "Everyone realizes the importance for labour peace that the framework for wage increases is fixed centrally. Many irrational disturbances can be removed in this way" (DN 3 September 1961). Trade union research, led by the LO chief economist Rudolf Meidner, was

⁷ The bargaining groups were highly male dominated. In the DN guide to LO negotiators in the 1963–64 round, published 12 October 1963, 58 persons were introduced, of whom the LO ombudsman Sigrid Ekendahl was the only woman.

referenced with respect as “Dr Meidner’s analysis”, and without his prognoses being questioned (DN 11 September 1961).

The bargaining round of 1965–66 was the one with the toughest bargaining climate of all the post-war rounds investigated here and featured more critical newspaper coverage vis-à-vis the LO. The *Svenska Dagbladet* leader page, financed by Swedish enterprises and generally considered to be close to their interests (cf. Grafström 2006, 148–150), did in these years feature critique of the LO for benefitting workers to one-sidedly, but interesting not a critique for causing harm to employers, but to academics in the SACO union confederation. (SvD 28 August 1965, p. 4, 10 October 1965, p. 4, 17 October 1965, p. 4, 9 January 1966, p. 4). However, in the news pages, SvD’s coverage of the LO was still generous, and the analyses and demands put forward by the LO were not treated critically in the SvD coverage (e.g., SvD 25 September 1965, p. 9, 4 September 1965, p. 8).

To summarize, coverage of the bargaining rounds in the 1950s and 1960s was characterized by closeness to and empathy with negotiators, and an acceptance of the negotiators’ analyses and roles. The finding that coverage was relatively uncritical is in line with Swedish journalism research (Djerf-Pierre and Weibull 2001) and social history more generally (Lawrence 2011). But the strong discursive position of the trade unions is indicative of something more specific. In the classic formulations of power resources theory, working-class strength was dependent upon – and to some degree measured as – “the extent to which [wage earners] are willing and able to act collectively, something which is expressed primarily through organizations like unions and working class-based parties” (Korpi and Shalev 1980, p. 32). The Swedish working class in the 1950s and 1960s was well-organized in terms of unionization and party membership. But critics of power resources theory (e.g., Schmidt 2008; Ibsen 2015; Refslund and Arnholtz 2022) have pointed to a neglect of the role of ideas in this tradition, and the investigation here indicates precisely the importance of the strong discursive position of trade unions in the 1950s and 1960s as a precondition for the ability to formulate and reach policy aims. As we will see, this is different from the 2000s and 2010s, which in terms of union density are not that dissimilar from the post-war era. The article number for collective bargaining in the 1950s and 1960s is not particularly high (as indicated by Figure 1) but the coverage was attentive and deferential, articles were given a prominent place in the newspapers and when agreements were reached, this was reported with exclamatory headlines like “FIVE PERCENT OVER TWO YEARS” (DN 8 April 1964).

5. Wage bargaining in the 2000s

Newspaper coverage of the bargaining rounds is nowadays very different from the earlier coverage described above. The time dimension is still similar: the bargaining rounds are prepared in October and November, demands are presented, actual bargaining starts after the New Year, and agreements are in the main supposed to be in place by 1 April. But in the common understanding of the bargaining rounds, much is new. There are three important differences.

The first difference is that coverage is much more distanced and critical. This is in line with previous research on the development of economics journalism, which in the 1970s, like journalism in general, took a turn towards more emphasis on critical scrutiny (Grafström 2006, ch. 7). Coverage in the 2000s lacks the closeness, even intimacy of the 1950s and 1960s and attention to the hard work done by the trade union and employer representatives. Instead, a more critical attitude is in evidence. The eroded media position for Swedish trade unions has been analyzed before (Djerf-Pierre and Weibull 2001, pp. 246–247; Viscovi 2006, pp. 199–202; Enbom 2009); the investigation here too supports the relatively weak position of trade unions in the discursive landscape of Swedish media today. The *Dagens Nyheter* economics commentators, as well as its leader page writers, often return in the 2000s to the accusation that the trade unions demand wage increases which are too high and that these wage increases will have negative effects on unemployment, inflation, the trade balance, the integration of immigrants and other macroeconomic and social indicators (see DN 26 March 2007, 6 September 2011, 2 December 2011, 25 March 2012, 11 April 2012, 8 March 2013, 7 October 2015, 7 November 2015; SvD 10 December 2015, 14 February 2016). This contrasts with the willingness in the 1950s and 1960s to accept the analyses and demands of the LO.

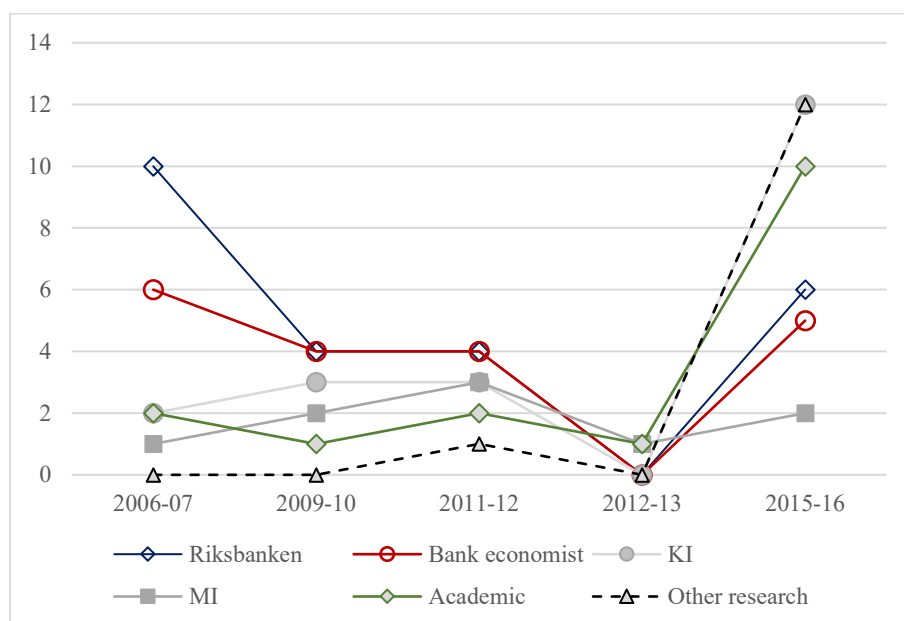
The second difference is related to the first and concerns the choice of experts to make wage bargaining intelligible to readers. The Social Democratic regime of the post-war period is often associated with the prominent role of experts, not least the statisticians and economists (e.g., Katzenstein 1985; Blyth 2002, pp. 105–113; Mudge 2018, pp. 134–142). However, the coverage of bargaining rounds gives few signs of this prestige, except for the towering role of the LO's chief economist, Rudolf Meidner. In the 1958–59 bargaining round, the DN coverage did not include a single external expert; in 1959–1960, only one economist from the National Institute for Economic Research (*Konjunkturinstitutet*, KI); in 1961–62, one expert from KI and one from OEEC; in 1963–64, a banking executive once and the central

bank board once; in 1965–66, a KI economist once and a university professor once. Meanwhile Meidner was cited four times in the 1961–62 round alone.

By the 2000s, however, *Dagens Nyheter* was using external experts as umpires of the bargaining round to a much greater extent. This can be seen in Figure 2, which shows the number of times that external experts of various kinds – economists from KI, bargaining experts from the National Mediation Institute (MI), academics, economists from private banking, and so on. It is obvious that external experts (meaning ‘experts not employed by a trade union or employers’ organization) are used much more frequently in the 2000s. To give an example, it was the deputy head of the national bank during the bargaining round of 2010 who asserted that “a one-year agreement would be best” and that “the scope for wage increases is very limited” (DN 30 January 2010). A few days later DN let a “savings economist” from a Swedish bank and fund manager judge as “naïve” the results of a survey, according to which Swedish people expected wages to grow by 3.2 per cent (DN 4 February 2010). The prominent role of experts from the Riksbanken, as well as from private banks, and their commonly very negative judgments on trade union demands, highlight an important difference in Swedish wage bargaining in the 2000s from that in the post-war era. The 2015–16 bargaining round provides another clear example, when an employee of Skandinaviska Enskilda Banken, one of the four major private banks of the country, was invoked as support for requiring the wage bargaining round to lower minimum wages: “the bank SEB’s chief strategist Johan Javéus points out that Sweden has the largest inflow of uneducated labour of any country. At the same time, Sweden has the lowest share of unskilled jobs and the highest entrance wages in relation to the average wage. ‘You don’t have to be Einstein to understand that this equation does not add up’, he writes in an analysis.” (DN 8 December 2015.)⁸

⁸ Mårtensson (2003, p. 266) in his study of TV coverage of economic news, more specifically the annual state budget, found that bank employees were increasingly used as experts.

Figure 2. The number of times that external experts have a say in *Dagens Nyheter* articles on wage bargaining rounds



Note: KI = *Konjunkturinstitutet* or the National Institute for Economic Research. MI = *Medlingsinstitutet* or the National Mediation Institute. “Academic” = expert employed at a university. “Other research” = experts from the Research Institute of Industrial Economics and other private research organizations, or from the International Monetary Fund and other international research organizations.

Correspondingly, the trade union economists were much less prominent as experts in covering the wage bargaining rounds in the 2000s than they had been in the post-war years. While Rudolf Meidner was a central actor and expert in the 1960s⁹, the LO head economist Dan Andersson was mentioned only twice in the DN coverage of the 2006–07 bargaining round, and his successors were not mentioned at all in the four bargaining rounds that followed. The clear shift in the use of expertise is indicative of the declining agenda-setting power of trade unions, in the view of such researchers as Ryner (2002) and Enbom (2009).

The third important difference between the 2000s and the post-war era concerns the implied material interests of the reading public. Previous research on Swedish economics journalism has shown that wage-earner interests were more central to journalistic depictions in the 1970s than in the 1990s (Viscovi 2006, p. 202) and that stockowners, pensioners and consumers were prioritized implied positions in the 2000s (Haglund and Englund 2001, p. 75). As we have seen, in the 1950s and 1960s DN coverage of wage bargaining rounds tended

⁹ As well as the four times in 1961–62 mentioned above, Meidner was mentioned once in 1963–64 and four times in 1965–66, besides more general references to “LO economists” as a collective.

to assume a reader with a wage-earner's perspective. In the 2000s, the tone adopted to discuss wage growth is much more negative. From the existing literature on the political economy of wage bargaining institutions (i.e., Flanagan, Soskice and Ulman 1983; Calmfors and Driffill 1988; Swenson 2002) we might expect that when excessive wage increases are criticized, it is because they are assumed to (a) harm profits and thereby investments, or (b) push through to higher prices. Surprisingly, the negative effects of wage growth in the 2000s newspaper coverage were rather identified as effects on the unemployed, and on interest rates.

The arguments regarding the effect on the unemployed were influenced by insider-outsider theory, a theory to which the Swedish economist Assar Lindbeck made important contributions in the 1980s and 1990s (e.g., Lindbeck and Snower 1986). DN repeatedly both in the economics pages and the leader pages criticized trade unions for demanding wages which would be high enough to stifle job creation and increase unemployment, especially of groups with a tenuous hold on the labour market, such as young people and refugees. A leader article during the 2006–07 bargaining round described trade unions in these words: “No to lower unemployment insurance. No to liberalized job protection. No to lower tax on labour income. Yes to markedly raised minimum wages. The message from the LO and TCO trade unions can thus be summarized in advance of this year's important bargaining round. Thereby, the majority of trade unions have clearly shown that they are first and foremost set up for those who already have a job, not for those who try to get a foothold in the labour market.” (DN 19 January 2007; cf. 7 November 2015, 22 December 2015; SvD 4 February 2016).

The other major interest to protect was that of borrowers, who would suffer if interest rates were to be raised. The argument that wage raises would lead to interest rate raises was not put forward at all in the 1950s and 1960s, but its presence in the contemporary period is related to the high level of borrowing among Swedish households. Loans related to households' disposable income grew from 96 percent in 1995 to 195 percent in 2020 (Ekonomifakta.se, 2022), and it is no surprise in this situation to find that homeowners are more important today as economic subjects in Sweden than they used to be (cf. Adkins et al 2020). In January 2007, DN stated that no party – trade unions or employers – wanted to “cause wage rises that make the Riksbanken raise interest rates and thereby put a brake on growth and raise unemployment”. Similarly on 26 March 2007 the paper's economics commentator argued that the Riksbanken had cause to worry: “Wage raises within industry will be slightly higher than expected, and within retail the levels also appear to be higher. This may mean that we inch closer to an interest rate rise, even if the probable decision on Friday

is a stable rate of 3.25 percent.” The economics commentator also answered the question “What are the consequences for borrowers with mortgages?” The worry over higher interest rates recurred throughout the following bargaining rounds studied here,¹⁰ and what is interesting about it is the recurring threat that if trade unions would push through excessive wage increases, the central bank would react by raising interest rates, and this would harm house owners with mortgages.

6. Conclusions

In some ways, Swedish wage bargaining today is similar to how it was in the 1950s and 1960s. Bargaining is still highly coordinated and comprehensive: about 90 percent of employees are covered by a collective agreement. Similarly, 68 percent of employees are members of a trade union, which is a comparatively high share. However, the present investigation has also shown important changes over time in the functioning of Swedish industrial relations. We already know from previous research by Thelen (2014) and Baccaro and Howell (2017) that wage bargaining has changed through decentralization and drift.

Here another layer has been added to the analysis of institutional change in Swedish industrial relations. Thelen (2009, p. 487) has defined institutional conversion as “efforts to reinterpret existing rules”. I would argue that the shift outlined here is also a type of this reinterpretation. Wage bargaining is still coordinated and centralized, but it is put to use for other purposes than in the 1950s and 1960s. In the 1950s and 1960s the interpretation framework – shared by mainstream newspapers such as *Dagens Nyheter*, “the national arbiter” (*rikslikaren*, according to Engblom 2002), as well as other actors in a relatively consensus-oriented national political economy – allotted great agency to wage negotiators. The national economy could be steered, in this high epoch of technocratic economic power (Mudge 2018, pp. 218–221; Tomlinson 2017), and it was widely considered acceptable to determine wages in such a way as to reconcile goals such as purchasing power, income equality (including decreasing pay differentials as well as rising wage shares: Erixon 2011; Bengtsson 2015) and export competitiveness. In the contemporary era, newspaper coverage instead stresses the need to circumscribe the agency of wage bargaining: outcomes should be

¹⁰ DN 7 September 2011, 13 April 2012, 1 September 2015. The 2015–16 bargaining round was partly special in that it was played out in a situation with a negative central bank interest rate. The employers in this bargaining round were highly critical of the Riksbanken, arguing that the central bank in this case wanted high nominal wage increases to help them get out of a deflationary situation. See DN 2 July, 1 September, 3 September, 10 September, 16 September 2015.

market-conforming, in line with the demands ascribed to the world market and global capital. To give a voice to markets, employees of private banks are frequently brought in as experts and umpires; it is they who judge whether people's expectations of wage growth are "naïve" and whether trade union demands hurt the unemployed and homeowners. Kjær (2007) has in the case of Danish economics reporting shown how the post-war national frame of interpreting the economy has been replaced by an interpretation frame where global capital is at the centre, with the Danish events and actors situated at the margins of the global (cf. Fligstein 1990) Something very similar has happened in the understanding of Swedish wage bargaining as discussed here.

In the Scandinavian countries, with their tradition of influential labour movements, the discussion of the achievements of power resources theory (PRT), which places the degree of organization of the working class at the heart of comparative political economy, is still lively today (Ibsen 2015; Refslund and Arnholtz 2022). Since the influential interventions by Blyth and others, the independent role of ideas has been pointed to as a weakness of PRT: even a well-organized actor cannot achieve much if he cannot formulate new policy goals in changing circumstances (cf. Blyth 2002; Ibsen 2015; Mudge 2018). The present study shows one aspect of the loss of the ideological initiative by the Swedish trade union movement, in its national context once perhaps the most influential in the world. Of course, several very important and prominent studies of ideational change in Swedish politics since the 1980s have been written (Boréus 1994; Blyth 2002; Andersson 2003; Lindvall 2006), but they have often focused on the more intellectually advanced business of macroeconomic policy. Here, the shifts in ideological initiative have been highlighted in a more mundane setting: recurring wage bargaining. (For a different way of conceptualizing the labour movement's loss of ideological initiative, see Skyrman, Allelin, Kallifatides and Sjöberg 2022). The self-confidence and position once awarded to Rudolf Meidner as arbiter of the virtues and vices of the economy are nowadays rather awarded in the Swedish news media to analysts at financial institutions, a shift which lends further support, and adds a new layer, to interpretations that stress the fundamental changes of Swedish industrial relations since the 1980s (Thelen 2014; Baccaro and Howell 2017).

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