

## Trade union responses to a changing labor market

*This text was largely written in the context of a PhD level course in ‘Applied methods’, and is something of a pilot study for my larger thesis project. I hope to re-write the text and make it into an empirical chapter in the thesis rather than an independent article. This is also why the text is quite ‘material heavy’ and poorly situated in a larger theoretical framework / literature at this point, but I hope that it can still say something about where the project is heading.*

*The introduction gives more of a general overview of my thesis project and the questions that I hope to pose there, and then proceeds to introduce the text in question.*

### Introduction

As late as in the 1980s, the Swedish labor union organizations had a uniquely strong position, leading prominent welfare researchers to argue that the country was heading towards socialism (Esping-Andersen 1985). The union led proposal for the much-debated wage-earner funds was eventually dismantled, but exemplified the strength of the labor organizations at the time. Since the early 1990s, however, the Swedish trade unions have seen their constituency declining and their political bargaining position weakening. The decline in union membership is decisively larger in certain sectors, such as in commerce or in the hotel- and restaurant sector, and among workers on more insecure working contracts (Calmfors et al 2021).

On the labor market, worrisome trends have simultaneously unfolded. A growing scholarship on the increased inequalities of the labor market – or the growth of precarious forms of work – has pointed to a shift in employment relations across the developed economies. This emerging new labor regime has entailed, among other things, a growing share of temporary working contracts, a fall in wage shares across a majority of the OECD countries, an increased focus on ‘flexibility’, a substitution of waged work by self-employment, and general cutbacks in welfare provisions and social protection (Breman & Linden 2014). More generally, the engine of employment growth has shifted from manufacturing to services, where productivity growth-rates are lower and job qualifications – at least in the most rapidly growing parts of the service sector – are lower (Åberg 2013)

My thesis project intends to speak to these intertwined issues and literatures, asking *how* the unions have chosen to respond to the structural changes of the labor market and *what* their guiding rationales have been. Empirically, I will focus on the somehow taken-for-granted ideas of economic reality – defined here as *cognitive facts about how the labor market functions* – that have shaped the responses

and strategies of the union during a time of radical labor market change. Concretely, my task will be to identify and trace the emergence and historical/institutional embeddedness of these facts, and later, analyze the ongoing renegotiation of them. My hope is to thereby contribute to our understanding of the marginalization of the labor movement during the neoliberal era, and to direct attention to the viable alternatives forward.

The empirical focus on economic ideas aside, a central argument of the project is that the retreat of trade unions must be understood in light of a more systemic change; primarily, but not only, entailed in the shift from a manufacturing led to a service led economy. That the rise of the service economy poses new problems for countries' abilities to sustain the growth of 'good jobs' has been highlighted by both more mainstream economists and Marxist economists alike (Wren et al 2013 for the former; Benanav 2020 for the latter). However, political agents – and organized labor particularly – are clearly absent in these accounts, and few attempts to understand how actors *de facto* has engaged, made sense of, and responded to this shift has been made. On the other hand, there is a quite extensive literature on the 'ideational turn' to neoliberalism (in the Nordic context, e.g., Mudge 2018; Lindvall 2003; Stahl 2022), which places significant emphasis on the role of ideas and elites. These accounts, however, tend to stress a radical break with previous ideas and norms, thereby overlooking what I suggest to be 1) the *persistence* of economic ideas and visions of the unions over time, and 2) the dilemmas that continue to affect the unions' abilities to construct an alternative vision – despite the ideology of neoliberalism having largely lost its credibility.

Perhaps this emphasis on a radical break with previous economic ideas stems partly from a focus on certain actors and elites. In Sweden, the social democratic party (SAP) has been thoroughly scrutinized in relation to the neoliberal turn, whereas the unions have received less attention (see Nyström 2023 for a recent exception). This can be said about the larger literature on neoliberalism as well, in which economic experts and politicians tend to remain the focal-point. By focusing on the supposed *opposition* to change rather than the initiators of change, I hope to shed light on some of the more long-lived taken-for-granted economic ideas that have received less attention during this period of rapid transformation.

The following analysis is a first attempt to do so, focusing on the Swedish trade union organization LO's response to the neoliberalization of the Swedish labor market during the last 20 years. Here, I remain interested in both explicitly formulated policy proposals and the underlying assumptions guiding them. Above all, the analysis stresses the preposition that the Swedish trade unions have had to deal with an increasingly tangible tension; that between high levels of employment, figured as a way of securing the bargaining position of unions, and better working conditions. The argument is that due to an overemphasis on the importance of employment creation, the labor unions have largely overlooked the rapidly changing *forms* of work taking place during the last twenty years. The underlying

assumption guiding this prioritization seems to have been that higher employment rates intrinsically lead to a better bargaining position and thereby better working conditions. This assumption has become increasingly difficult to maintain over time, creating a tangible tension for the unions. In terms of policy-positioning, the result has been an ambiguity towards the neoliberal labor market reforms of the last decades and a late response to the changing labor marking conditions of the 21<sup>st</sup> century.

The analysis builds on a qualitative content analysis of fourteen reports conducted by the economic council of the Swedish trade union LO between 2002 and 2022. The reports are primarily part of LO's series of *Economic Outlooks*, which have been central for the Swedish labor movements' joint economic analysis. As LO puts it in their jubilee edition:

We saw ourselves as the workers' equivalent to the Ministry of Finance. We would calculate and communicate on the economy. We would focus on what is important for the members of LO. Jobs. Employment. That work should pay off. Justice and welfare. A larger focus on the real economy (LO 2022, my translation).

The paper will be structured as follows: I will begin by introducing Campbell's analytical framework that will structure my reading of economic ideas and how they change over time. Section two will discuss the chosen material and section three will present the analysis in chronological order, followed by a summary and conclusion.

## Analytical framework

The following analysis speaks to the somewhat vaguely defined field of critical political economy (CPE). Broadly speaking, one could say that CPE aims to re-politicize economic relations rather than take them as given and that social or historical explanations are preferred over causal ones (Talani 2016). Looking at policy documents, reports, and events to understand 'how we ended up where we are' – that is, re-embedding economics in the social world – is therefore a widely applied approach in the field.

In terms of an analytical framework, I will draw upon Campbell's (1998) framework for analyzing economic ideas as expressed by policy-making elites. In short, Campbell takes ideas to be either underlying 'taken-for-granted assumptions' that reside in the background, or concepts and theories located in the foreground of a debate. Those in the foreground are routinely contested, whereas the background assumptions remain largely uncontested. Ideas can also be either 'cognitive', specifying a certain cause-and-effect relationship, or 'normative', reflecting certain values and attitudes. The typology can be summarized as follows:

- 1) *Programs* consist of cognitive and foregrounded (contestable) ideas, charting a clear and specific policy-action.
- 2) *Paradigms* consist of cognitive and underlying (uncontestable) ideas, which constrain the ‘cognitive range’ of policy alternatives available to policy-making elites.
- 3) *Frames* consist of normative and foregrounded ideas, such as symbols and concepts, helping policy-makers to legitimize certain policies to the public.
- 4) *Public sentiments* consist of normative and underlying ideas, and are widely held assumptions of the public that constrain the policy-range of policy-making elites.

In the following analysis, I will mainly focus on the two first categories relating to cognitive ideas, considering that the rather technocratic content of economic reports speaks less to the public than it does to other elites. More importantly, I will add a fifth category to the analytical framework that can better capture periods of uncertainty. Campbell’s framework does not quite allow for a conceptualization of the underlying assumptions that are expressed *between* two paradigms, that is, in moments of uncertainty about the paradigm itself. Uncertainty – or contestability – belongs only to the program category, expressed in terms of specific policy-actions. But when one paradigm is crumbling, new underlying assumptions emerge and these assumptions are *not* necessarily 1) expressed explicitly in terms of specific policy-actions, nor 2) immediately forming a new paradigm. In order to capture how certain underlying assumptions are changing, without leading to a ‘new paradigm’ in the sense of immediately constraining the cognitive range, I will add *interregnum* as a fifth category:

- 5) *Interregnums* consist of cognitive or normative underlying ideas in periods of uncertainty, that remain contestable and ambiguous until a new paradigm arises.

In the analysis that follows, I will turn to this typology to better make sense of how, for example, certain ideas move from paradigm to program, or from uncontestable ideas to contestable ones. This will hopefully help me to grasp important changes over time and to consider not only what is written, but what is *not* explicitly expressed in the documents.

## Material

The reports *Economic Outlooks* (Ekonomiska Utsikter) have been published twice every year since 1947 by the Swedish trade union organization LO; one in the fall and one in the spring. The reports are central pieces of documentation for understanding the labor unions’ joint positioning on labor market policy, fiscal policy, and the general economic outlook. Beyond giving concrete policy proposals and evaluating the government from the year that has passed, the report entails global economic prognoses and discusses general trends in the Swedish economy. My focus, however, lies solely on the unions’

analysis of the Swedish labor market and their subsequent policy recommendations. Clearly, policy recommendations relating to more general debates on fiscal expenditure and levels of inflation relate directly to expected levels of employment. But to limit the scope of the material – and have the time and space to do a chronological analysis over the course of twenty years – I will set these debates at least partly aside.

For the purpose of this essay, I focus on thirteen reports conducted between the years of 2001 and 2022. One report from every second year has been randomly selected (one from 2001, one from 2003, one from 2005, and so on). However, I have also added a few reports from more eventful time periods – the period after the economic crisis in 2008 and the first years of the 2000s when Sweden started to recover from the 1990s financial crisis. Finally, in addition to the Economic outlooks, I have included the report *En arbetslinje för flera jobb och högre löner* (translated to ‘A work-first approach for more jobs and better salaries’), released by LO in 2022. Compared to the Economic outlooks written in the years between 2016 and 2022, which largely focus on more short-sighted crisis-management, this report analyzes more general trends in the Swedish labor market and was therefore highly relevant for this essay.

Importantly, the content of the reports and the proposed arguments vary quite extensively from one year to another and from one semester to another. It is therefore likely that I will overlook some central arguments and ideas that have been expressed throughout the years. With this in mind, the following analysis will serve as a first insight into *some* trends in union responses, rather than contribute with a complete picture of the last 20 years of development. All chosen reports are listed in the appendix and all translations from Swedish to English have been conducted by myself.

## Analysis

### **Recovering from the 1990s (2001-2005)**

In the years following the 1990s financial crisis, employment in the private service sector grew expansionary and already by the year of 2000, it had outnumbered the manufacturing sector. At this point, Sweden had started to recover from its highest unemployment rates, although at a permanently higher level than before the 1990s (Konjunkturinstitutet 2009). It is therefore not surprising that the beginning of the 2000s is marked by a striking optimism among the labor economists. In 2001, they write that “employment since 1998 has increased in a way that no one could have foreseen” (LO 2001: 41). Still, many workers were still stuck with short-term and part-time working contracts. The unions’ conclusion is that the growth of economy depends on the ability to increase the number of working hours.

Hence, the securing of a ‘stable supply of labor’ becomes the primary goal of the union in the years to come. In order to ensure that it remains on high levels, the unions argue for an increased focus on ‘the

work-first approach' (in Swedish, *arbetslinjen*). In terms of their economic program, they recurrently push for higher wages to increase the incentives to work and for an expansion of full-time employments to increase the number of working hours. This clearly diverges them from neoliberal economists emphasizing lower unemployment benefits rather than higher salaries as a means to increase individual incentives to work.

What they fail to do, on the other hand, is to question the one-sided focus on the labor supply altogether. This becomes particularly troublesome as the unions addresses parts of the population that have temporarily or permanently left the workforce due to illness. In 2002, for example, LO identifies the "quickly rising number of sick leaves" (LO 2002:6) as one of the major barriers for a growing labor supply. Here, they express a certain skepticism against the high ordinance of sick leaves in Sweden, arguing that

"A serious discussion needs to be held about the ordination of sick leaves as medicine... The fact that 'lighter' mental health diagnoses and strain injuries stand for the large part of the increase in sick leaves makes the discussion even more important (ibid: 61)".

In order to lower the high number of sick leaves, they argue for both better health measures at work and larger reforms of the health sector. When it comes the latter, the primary suggestion is to increasingly 'activate' those on sick leave. As they write:

"What is needed to succeed in lowering the rate of sick leaves is an active health policy – not a passive one. We can learn a lot from how the active labor market policies have been designed" (ibid: 61).

"Even in the public health insurance should activation first and foremost be something to aspire to. When it comes to long-term illness, remaining passive is rarely the solution to the individuals' problem, but can on the contrary worsen them" (ibid: 6).

The sharp increase in sick leaves, however, cannot easily be understood outside the realms of the labor market. The decade from the 1990s and onwards had more than doubled the number of temporary employments, leading to less security and stability in the work situation (Palme & Bergmark 2003). Stressful work increased at the same time, especially among young people, and a rapidly growing proportion of the population reported being affected by fear, unrest and anxiety as well as long-standing mental illness (ibid: 116). Hence, the development of mental health problems and unstable working conditions must, at least to a certain extent, be viewed jointly. The unions are aware of the fact that these issues coincide, but in their one-sided attempt to push for a higher labor supply, they fail to provide much of an alternative beyond that of 'activating' the sick or relying on the companies' own health provisions

(“företagsvård”). This conclusion, in turn, stands in weak contrast to the neoliberal policies that will come to define the years to come.

This is where the first contours of a dilemma are starting to take place. The LO economists are well aware of the rapid rise in temporary and short-term contracts, leading them to push for a greater number of working hours and fulfilling their obligation to secure work for all. The general tone in the early 2000s is almost one of urgency: the “labor reserve that we believe exist needs to quickly be used” (LO 2002: 3). On the other hand, in their eagerness to seize the new employment opportunities after the 1990s economic crisis, they seem to overlook the quality of that very same employment. At this point of time, it is telling that the changing working environments are rarely discussed (only in 2002 are either ‘working conditions’ or ‘working environment’ mentioned at all. Unemployment is, on the other hand, mentioned around 30 times in every report). When working conditions are indeed discussed, the solutions provided for are individualized rather than systematic.

This does not, however, imply that the unions are any less concerned with working conditions at this point of time. Rather, the underlying assumption seems to be that more employment will simultaneously lead to *better* employment, and it is not until much later that the unions will begin to separate the two.

In the years to come, the unions will furthermore start to question the effectiveness and fairness of the one-sided focus on supply-side measures. However, it is noteworthy that in the beginning of the 2000s, such a critique is largely absent. In some instances, the unions are able to formulate their own policy-agenda within the framework of supply-side economics. In other instances, they simply fail to do so. The following table summarizes the main take aways from the early period of the 2000s, using Campbell’s framework. A similar table will be added in the final section of the analysis.

Period I: 2001 – 2005	
Paradigm (background assumptions + cognitive facts)	<p>Lower unemployment rates will lead to a better bargaining position for workers and thereby better working conditions.</p> <p>Supply-side measures are most fitted to increase employment.</p>
Program (foregrounded policy-debates + cognitive facts)	<ul style="list-style-type: none"> <li>- Encouraging higher salaries to incentivize workers</li> <li>- Encouraging full-time employments</li> <li>- Focusing on activating workers on sick leave</li> </ul>

### **From supply-side to demand-side (2006-2010)**

In 2007, the LO economists are beginning to express doubts about the strategies to increase the labor supply, arguing that the increase has been surprisingly meager. On the one hand, lower unemployment benefits and lower taxes on waged income have not increased the total number of working hours. On the other hand, a low supply of labor should lead to higher salaries, which has not been the case. Their conclusion is that there is no longer any noticeable shortage of labor.

This statement is made one year after the new right-wing government, led by Fredrik Reinfeldt, was assigned. The government would propose a number of supply-side reforms of the labor market, including large tax cuts, an increase in unemployment insurance fees, a widening of the possibilities for hiring short-term, and the implementation of so called ‘nystartsjobb’, that is, subsidized work for refugees and the long-term unemployed.

In terms of a critique of the new governments’ excessive focus on the supply of labor, however, the unions are clearly holding back. The service sector expansion is still swallowing large parts of the work force and unemployment is quickly declining. Hence, while a change is starting to take place in the unions’ own priorities, away from that of the new rightwing government, the declining unemployment rates seem to shadow these concerns and disagreements.

This begins to change during and after the financial crisis. In 2009, the economic forecast becomes much more pessimistic. Unemployment is quickly rising and over the course of the next two years, the unions expect an employment decline of 140 000 workers only in the industry sector. This time, however, the unions are not only concerned with maintaining employment rates, but also mentions the slowly deteriorating safety net of the unemployed. The authors recognize that “drastic fee increases (to receive full support from the unemployment agency) and lower benefits have meant that individuals today have a worse income safety net than before (LO 2009: 36)”. They suggest a permanent reform of the unemployment insurance and transfers to low-income households, as well as direct support to industries. Again, however, maintaining a high labor supply through active labor market policies and programs for the unemployed becomes a primary task, in order to reduce the risks for persistent unemployment.

Already in 2010, however, the worst economic outlooks are starting to brighten. This is when a crucial shift seems to take place in the unions’ response to the already quite far-gone labor market transformation of the 2000s. “Fatally enough”, they write, “the increased supply of labor has not been met by a higher demand” (LO 2010: 33). The result has been a restabilized unemployment rate although at very high levels.



With this conclusion in mind, the unions are now turning against the government's excessive focus on the labor supply. They suggest that the government has focused too much on "measures that will increase the supply of labor, while measures that will encourage productivity growth have been left aside" (LO 2010: 29). The point has been to employ more people in "unqualified jobs in, for example, the service sector" (ibid: 29), which, in turn, has redirected working hours from high productivity sectors to low productivity ones. As they write, "Part of the governments' labor market policy have involved making the unemployed, as far as possible, take on the first job possible, regardless of qualifications and education, in order to shorten the period of unemployment" (ibid: 31). Moreover, this has forced the unemployed to accept low-wage jobs in a "completely different manner than before", leading to "new opportunities for companies with low-qualified, low-productive operations" (ibid: 31).

As such, in comparison with the optimism of the early 2000s – in which the rapidly growing service sector was seen as a central part of the solution – the quick unemployment recovery after the 2008 financial crisis was met with much greater ambiguity. So why now, considering that the unions had been well aware of the large transition of labor to the service sector for many years? One reason is of course be that the realities of the new labor market had become increasingly visible. Stagnated productivity is one clear economic indicator that the LO economists recurrently take notice of. Another reason is that the unions became increasingly aware of their own fragile position. The unions are opposing the government's excitement about promoting low-wage service sector jobs (often referred to as *enkla jobb*), because that excitement also implies a critique of the wage formation; set in collaboration by unions and employers. Their conclusion is that "the government suggests that a weakened organized labor movement would be better for the wage formation" (ibid: 29).

Hence, more evidently than before, there is now a recognition of the tension between employment creation – traditionally regarded to create a stronger bargaining position for the unions – and the development of low-wage, low productivity jobs. The proposed solutions, however, are not that different from before. The unions suggest measures that will make it easier for the unemployed to upgrade their education, move to another city, or commute to a different work place (ibid: 35).

### **The paradigm remains (2011-2015)**

Similar conclusions as described above are drawn in 2011 and 2012, but the dilemma and the unions' ambivalence to it continues to show. In 2011, for example, a short section is devoted to the so called 'Phase 3 Jobs' activation program currently run by the Public Employment Agency. Phase 3 is for the long-term unemployed and involves performing unnecessary and 'made up' working tasks without salary. The program, the unions conclude, can have a discouraging function on the unemployed and thereby "increase the individuals' job-seeking activity and their inclination to lower their reservation salary" (LO 2011: 26). On the other hand, they write, the unions are critical of individuals doing work

without getting paid for it. This ought to be taken as a vast understatement. But it remains clear that the supply-side labor market policies of the early 2000s continue to hunt the unions' own policy position. The 'cognitive fact' – that is, that lower benefits or fear of reprisals will make the unemployed employed again – remains largely uncontested. In the meantime, the supply-side argument starts to become increasingly criticized from a normative standpoint.

A similar critique is made in 2012, when the unions deal with the governments' efforts to create more 'low-qualified, low-paid jobs' to solve youth unemployment. They remain vaguely critical of such proposals, but fail to propose a different solution other than "giving all young people access to good education" (LO 2012: 26).

In the following years, a more comprehensive critique of Swedish labor market policy and welfare system is proposed. Unemployment levels seems to have stabilized around eight percent, and the LO economists worry about an 'increased tolerance' towards such high numbers (LO 2014). Moreover, a weakened welfare state, large tax relieves, a continuously low inflation rate, and a hollowing-out of unemployment and health insurances, are all major concerns for the union. These concerns will soon become even more evident, as a number of global crises arise.

### **Full employment *and* good jobs (2016–2022)**

In the years that follows, a number of crises arise globally and in Sweden that will have significant effects on the labor market. The refugee crisis of 2015, the Covid-19 pandemic, and the energy and inflation crisis have shifted the unions' focus from long-term developments of the labor market to more short-sighted crisis management. These reports entail interesting insights in themselves, but seem less relevant for understanding the unions' view on the more long-term structural changes of the past decades. At the same time, these ruptures also shed new light on the inequalities of the labor market and the persistent welfare deficits of the previous decades. A final report released by LO in 2022 answers precisely to these more underlying problems.

In the report named *En arbetslinje för fler jobb och högre löner*, LO aims to paint a fuller picture of the Swedish labor market and the challenges it poses. At this point of time, there is a wider recognition of the separate issues of full employment and good employment. As LO's chair Susanna Gideonsson puts it in a short introduction to the report, "The struggle for full employment and a progressive societal development cannot only be about getting the unemployed a job, but the *right* job" (LO 2022: 1, my emphasis). The term 'good jobs' is introduced and reappears throughout the text. 'A good job' is described in the first sections as

“(...) safe employment, good working conditions and salaries, and a good working environment. It is about jobs where workers are given influence over their working situation, at the same time as they are challenging for the individual and contributes with high productivity and growth for society” (ibid: 7).

Perhaps more telling, however, ‘good jobs’ are often mentioned in direct contrast to the low-productivity, low-wage, service sector jobs that have been on the rise throughout the last two decades. For example, in a critique of the increased privatization of the Swedish Employment Agency, where private companies are hired to match the unemployed with available jobs, the unions blame the companies for pushing people to take on the first available job they can find. This, in turn, means that “low-wage sectors, with a high turnover of staff and low productivity, are promoted on behalf of good jobs” (ibid:19).

In the same chapter, which deals with active labor market policies, the unions are at the same time very explicit about the ‘severe harm’ that unemployment can cause (ibid: 17). Hence, while there is now an acknowledgement of the fact that not all jobs can be considered good, all unemployment is, at the same time, considered extremely bad. This is by no means viewed as problematic from the unions’ own standpoint, but it is worth recognizing a tension here. As long as unemployment is viewed as a severe danger for the individual and society at large, the risk remains that *all* measures promoting employment can be legitimized; especially if the growth in low-productive service sector jobs are structurally induced rather than merely a result of political measures. I will return to this dilemma in the final discussion. For now, it is merely worth noticing that the unions recognize that lower unemployment rates do not equal better working conditions.

Similar acknowledgements are made in relation to different forms of subsidized work – a measure that LO argues has been largely successful in creating employment for the long-term unemployed. Sweden invests huge sums on subsidized work – between 18–26 billions every year – which is significantly more than other comparable countries. However, LO recognizes that these large subsidies have not only led to improvements. They have also led to segmentation, meaning that “subsidized employees are overrepresented in low-qualified jobs in certain sectors and have worse salaries and conditions than other workers” (ibid: 23). These subsidized positions can often be found in “the service sectors, such as in retail and hotel and restaurant businesses” (ibid:23). Hence, while the subsidies promote employment – and successfully so – they also lead to an increased segmentation of the labor market and more bad jobs. In terms of solutions, the unions propose better control mechanisms for subsidized work, a higher salary cap, and that the unions ought to be consulted when decisions about subsidized work are made.

Hence, in the year of 2022, the issues of changing working conditions and employment creation are largely dealt with separately. To solve the former, a number of new policy-measures are suggested to secure better work for all. Still, however, tensions remain in the unions' description and it seems difficult to suggest that they have entered a new 'paradigm'. Rather, how to best cope with and understand the new labor market regime is still largely open for debate. Should, for example, subsidized work be promoted or not, and to what extent? What are the best measures to hamper the development of low-productive, low-waged service sector jobs? What lies behind the recent developments? And how should one pursue both a quick recovery of unemployment rates and better working conditions?

I suggest that the current period is therefore better distinguished as an *interregnum*, in which the new assumptions of the labor market are still contestable, while remnants of former assumptions remain. In the following table, the conclusions of this latter period are summarized. In the end of the summary and conclusion, a more detailed table describing the overall change over time is attached.

Period II: 2010 and forward	
Interregnum	<p>Lower unemployment rates do not always lead to better working conditions.</p> <p>Excessive supply-side measures have sometimes led to worsened working conditions.</p>
Program	<p>A number of policy proposals, for example:</p> <ul style="list-style-type: none"> <li>- There should be less focus on increasing the supply of labor and more focus on the demand-side.</li> <li>- Better control mechanisms to combat abuse.</li> <li>- Better unemployment insurances to increase security.</li> </ul>

## Summary and conclusion

The last two decades have involved a significant transformation of the Swedish labor market. New jobs have emerged, primarily in the service sector, while others have vanished. In terms of labor market reforms, supply-side labor market policies – aimed at incentivizing individuals standing outside of the workforce to pursue more frequent job-seeking activities – have dominated policy-making.

This essay has been a first attempt to make sense of the trade unions' responses to this slowly emerging new labor market regime. The main argument has been that in their pursuit of full employment, haunted by spiking unemployment rates in the 1990s, the unions long overlooked some crucial changes in the *forms* of work emerging in the late 1990s and 2000s. These new forms of work, stemming from the low-productivity service sector, often involved less security and worsened working conditions.

This does not, however, imply that the unions cared any less about good working conditions in the beginning of the 2000s than in the end of 2022. Rather, I have argued that the unions seem to have long equated full employment with a stronger bargaining position and thereby better working conditions. In line with this reasoning, the unions' critique of the neoliberal supply-side policies of the 2000s became somewhat meager. In the early 2000s, the critique remains largely absent, as the unions were fully devoted to reassuring a stable supply of labor that could fill the new vacancies. In 2007, a certain hesitation against the focus on the labor shortage was expressed, but the unions remained committed to the same cause.

It is not until 2010 that a more serious critique against the last decade of reform is explicitly formulated. At this point of time, the unions criticize the right-wing government for having spurred the development of low-productivity service sector jobs. In doing so, they also recognize that these new forms of low-qualified and low-waged jobs are directly threatening the wage formation and, at length, the unions' position. Still, however, the conclusion that supply-side measures actually *do* create employment continue to shape the union's responses after the year of 2010. Rather than questioning the effectiveness of such policies, they tend to dispute them on more normative grounds.

The final period analyzed marks a shift in the unions' responses. This is likely a response to a long period of severe crisis, which in different ways shed light on the growing insecurities and inequalities of the Swedish labor market. In the last report from 2022, 'good jobs' are directly compared to different forms of insecure work that continue to shape the labor market. Here, there is a clear recognition of the fact that more employment does not intrinsically lead to better working conditions. As a result, a number of policy interventions are suggested in order to secure better work for all – interventions that are not merely or primarily about securing more employment, but better employment.

Still, however, the unions are not any less concerned with their own pursuit of full employment and the role that it has played in either hampering or developing the new labor market regime. The fact remains, though, that it is the obsession with the unemployed that have largely legitimized a more austere labor market policy and, at length, spurred the development of new low-productive, low-paid jobs. And it was arguably the same obsession with unemployment that made the unions maintain a partly ambivalent

position towards the neoliberal reforms of the early 2000s. How the unions will prioritize in the years to come depends on how the labor market continues to evolve. As for now, the acknowledgement that more employment does not necessarily lead to better employment marks a shift in these priorities; and a much-needed re-recognition of the fact that not all work amounts to good work.

*Summarizing table*

<b>The relationship between ‘more’ jobs and ‘better’ jobs</b>	
Period I (2001-2009)	
Paradigm (background assumptions + cognitive facts)	Lower unemployment rates will lead to a better bargaining position for workers and better working conditions.
Program (foregrounded + cognitive fact)	Policy-making should focus on securing a stable supply of labor; active labor-market policies.
Period II (2010-2022)	
Interregnum (contested background assumptions)	Lower unemployment rates do not always lead to better working conditions
Program (foregrounded + cognitive fact)	Policy-makers should promote ‘good jobs’ in high productivity sectors. A greater regulatory framework is needed to secure better working conditions

<b>Supply-side measures</b>	
Period I (2001-2006)	
Paradigm (background assumptions + cognitive fact)	Supply-side measures help lowering the unemployment rates.
Period II (2007-2009)	
Program (foregrounded + cognitive fact)	Supply-side measures should not always be prioritized; the demand-side is also important.
Period III (2010-2022)	
Frame (foreground + normative fact)	Supply-side measures are too harsh; other measures, including better benefits for the unemployed, are needed to combat insecurity.

Interregnum (foregrounded + cognitive fact)	Supply-side measures can, sometimes, lead to worse working conditions
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## Appendix

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