

Lund University
Department of Sociology



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Trade Unions and the Changing Swedish Model

A Case Study of Swedish Trade Unions' Policies in Relation
to the Changing Swedish Welfare State

Author: Sara Bergdahl
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Supervisor: Kjell Nilsson

Abstract

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Trade unions have traditionally been key advocates for the Swedish welfare state. Yet, in recent decades, the Swedish welfare model has come under strain. Therefore, the aim of this thesis is to explore what policies Swedish trade unions develop in relation to the changing Swedish welfare state, and what the reasons are behind these policies. This was carried out through semi-structured interviews with representatives from nine Swedish unions or central confederations who had insight in the subject at hand. By using Richard Hyman's conceptual framework for analyzing trade union dynamics, the thesis shows that the policies the unions have chosen to pursue are based on the interconnecting process of identity, interest, democracy, and power. The findings further show that due to welfare retrenchment, the Swedish unions have felt "forced" to take on greater responsibility from the state and pursue policies sometimes at odds with their own identities. This has forced the unions to ask themselves "Who and what are we here for" and redefine their purpose, for instance if they should pursue policies for their members only or for society at large.

Key words: The Swedish welfare state, welfare retrenchment, trade unions, welfare policy, occupational welfare, union identity

Popular Science Summary

Swedish trade unions have a long tradition of being successful in their fight for increased social benefits for all citizens and improved welfare policies. Yet, in recent decades, the Swedish government has made cuts in public welfare schemes. This means for example, reduced benefits and that it is more difficult to qualify for public unemployment and health insurance. Thus, the welfare system does not protect you in the same way as it did before. Through interviews with representatives from nine different trade unions and central confederations, this study shows that when the state does not protect the citizens to the same degree, the Swedish trade unions have been “forced” to take on more responsibility for their members’ social security than they did before. At the same time the trade unions have lost members, which makes it more difficult for them to influence politicians to change Swedish welfare policies. The resistance to change these policies has also increased, due to new actors with vested interests that have entered the arena. Sometimes, as this study shows, in order to keep their members from leaving, trade unions pursue policies more beneficial to their members, rather than beneficial to all Swedish citizens. Policies that they may not prefer but feel forced to pursue since the state does not provide the social security their members need. Consequently, people who are not protected by a trade union or an employer does not have the same social security as the others who are protected, which increases the differences between these groups. It also means that social security becomes more dependent on the individual’s ability to pay. Arguably this increases inequality in society whereas some groups get more security and more benefits than others. This makes the situation contradictory since the main goal for Swedish unions has long been an equal society for all and to keep the generous Swedish welfare state intact.

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1 Introduction

Sweden has long been characterized as the ideal social democratic welfare state with universal welfare and strong unions (Esping-Andersen, 1990; Svallfors and Tyllström, 2017). However, since the 1990s, these characteristics of the Swedish welfare model have gradually been weakened due to policy reforms, influenced by neoliberal ideas, similar to those adopted in Europe and North America (Cox, 2004). Another factor is the fast growth of private providers of care and services in Sweden, which also began in the early 1990s (Svallfors and Tyllström, 2017). Funding of care and services is still predominantly based on taxation, however, it has also been privatized to some extent. One example of this is the fast growth of private healthcare insurances that give policyholders guaranteed quick access to care (Lapidus, 2019). According to Lapidus (2019), the occurrence of private healthcare insurances has created a parallel healthcare system. The privatization process has strengthened the actors with a strong interest in continuing privatization, but also weakened the beliefs and positions of other societal actors who advocate for universal and public solutions to welfare problems (Lapidus, 2019). Lapidus (2019) argues that this is the case with many trade unions in Sweden, who unwillingly accept the new rules for their members' benefit. Historically, the Swedish trade union movement has been a strong advocate for broad class interests such as universal welfare benefits. Further, due to their high density and strong ties to the Social Democratic Party, unions have been able to influence policies pertaining to their interests. However, in recent decades, the relationship between trade unions and political parties has been weakened (Palm, 2017), and the trade union movement seems divided in their opinion on the profit-making welfare industry and the emergence of a divided welfare state (Lapidus, 2019). Trade unions' opinions regarding the welfare policy reforms are of great importance. For instance, in the United States during the 1930s, trade unions opposed general/public social insurances and favored private protection, which was one of the factors behind the rapid increase of private healthcare insurances in the United States (Dobbin, 1992). Thus, the purpose of this study is to investigate what policies Swedish trade unions develop in relation to the changing Swedish welfare state and what motivations are behind their choices.

1.1 Aim and Research Questions

The Swedish trade unions have historically played a key role in the development of the Swedish welfare state (Streeck and Hassel, 2003). Yet, in the last decades the Swedish welfare model has gradually been weakened. It is expected that the changes in institutional structures also affect the ways social actors, such as trade unions, come to define their preferences, interests, and thus actions (Korpi and Palme, 1998). Therefore, it is of interest how the changes in the Swedish welfare state have come to change the preferences and/or actions of trade unions since their actions in the past have had a great impact on the welfare state structure, and will arguably have a great impact on its future. Thus, the aim of this study is to investigate what policies Swedish trade unions develop in relation to the changing Swedish welfare state and what processes are behind their choices. This is explored by investigating the unions' policies in relation to the weakened public protection against main social risks, such as old age, unemployment, and sickness, but also on changes in providers and funding of welfare services (care and education). My focus lies on the following research questions:

- What policies do Swedish trade unions develop in relation to the changing Swedish welfare state?
- What are the reasons for these policies?

With awareness of these questions being broad, this thesis acknowledges that an in-depth account of the policies unions pursue is not possible. However, the broadness is relevant since the aim is to gain a deeper understanding of how Swedish trade unions relate to, and make sense of, the changing Swedish welfare state and how that is influencing what policies they pursue.

1.2 Thesis Outline

The second chapter of the thesis discusses the concept of “trade unions”, and the background of the Swedish trade union movement and welfare state, so that the reader can get an understanding of the context the unions operate in. The third chapter gives an overview of relevant previous research, outlining different theories on trade union policy and its relation to the welfare state. The fourth chapter presents the research design and methodology of the thesis, including the delimitations of the study. In chapter five, the conceptual framework is presented,

introducing Hyman's (1994) concepts explaining trade union dynamics: interests, agenda, power, democracy, and identity. Hyman's (1994) concepts are applied in chapter six, in which the interview material is analyzed and presented. Lastly, this is followed by a conclusion of the results and an overall discussion.

2 Background

2.1 What is a Trade Union?

To discuss trade unions, it is important to define what a trade union is. The simple definition is that a trade union is a voluntary based organization that gathers employees with the purpose of protecting, defending, and boosting the employees' interests opposite the employer (Palm, 2017). However, a trade union cannot be singled down to simply an actor that is only defending the economic interest of employees. Trade unions have also been described as vehicles of social and political transformation, having a broader social agenda benefiting all citizens (Palm, 2017). Nevertheless, trade unions change over time and have never been identical, neither between countries nor within. Such differences make it difficult to gain a full understanding of trade unions and their main objectives and modes of action (Gumbrell-McCormick and Hyman, 2013). In the following section, different perspectives of trade unions will be discussed in more detail to try to gain a better understanding of the concept. Three types of trade unionism will be discussed: class struggle unionism, business unionism, and trade unions as social partners.

2.1.1 Class struggle unionism

Trade unions as actors involved in class struggle stems from the Marxist tradition. A common feature within class struggle unionism is that the economic and political struggle are not separated but are understood as intertwined. In some cases, the political struggle is even superior to their economic interests (Palm, 2017). This includes pursuing emancipatory politics, formulate demands politically, and having visions of transformation (Fairbrother, 2008). In this tradition the ties with the political parties remain strong (Palm, 2017).

2.1.2 Business struggle unionism

The business unionism tradition is built on the view of trade unions as economic market actors (Palm, 2017). Taft (1963, p. 20) describes it as “essentially trade conscious, rather than class conscious”. It is most prevalent in the American context, but also the early British, and the main purpose of this type of trade union is to protect, promote, and enhance economic interests for their members by regulating the labor market through collective bargaining (Palm, 2017). Hence, the union struggle is primarily economic rather than political, and social security is provided within the organization instead of being dependent on political actors and the state

(Streeck and Hassel, 2003). Rather, producing social rights and welfare benefits for members only within the union is somewhat viewed as a requirement for a successful union organization since it attracts members (Palm, 2017; Streeck and Hassel, 2003).

2.1.3 Trade unions as social partners

“Trade unions as social partners” originates from an ideologically and religiously divided context mainly in continental Europe (Palm, 2017). In France and Italy, unions were formed by the Socialist, Catholic, and Communist parties which created divisions within the trade union movement. Conflicts arose between and among unions and parties, periodically unions joined together to then separate again (Streeck and Hassel, 2003). Yet, in the backwash of the first World War, Europeans emphasized restoring industrial peace and the capitalist economy, and trade unions started to work more closely with the employers. Arguably, one common feature of “social partnership” is to restore the social order and the economic system and employers, and employees are perceived to have some degree of common goals and interests (Palm, 2017).

2.2 Trade Unions in Sweden

The early trade unions in Sweden have traditionally been seen as the prototype of class struggle unionism (Palm, 2017). The Swedish trade unions turned into a popular movement that was closely identified with the Swedish society and its people. They were centralized organizations with high levels of union membership, that had strong links with the Social Democratic Party. During the 1960s and 1970s, the “Swedish model” offered a vision of democratic-socialist progress achievable due to this strong alliance (Streeck and Hassel, 2003). In national politics, the Social Democratic Party dominated the scene for decades (Gumbrell-McCormick and Hyman, 2013). The relationship between strong trade unions and the Social Democratic Party has helped the party to ensure vast gains for the working class in terms of full-time employment, labor market regulation, and a universal welfare state (Allern and Bale, 2017).

However, in recent decades the traditional union-party relationship has weakened (Palm, 2017), and the overall union density has fallen, especially among the blue-collar unions. One main reason for this decline was significantly raised fees for the union unemployment funds in 2007 (Kjellberg, 2011; Jansson et al., 2018). Still, the union density remains very high in Sweden compared to other countries (Kjellberg, 2011; Palm, 2018). The trade unions are structured

according to sector and occupation, with different unions representing manual, white-collar, and professional workers. There are three central confederations, each an association of several branch unions. The largest is LO (the Swedish Confederation of Trade Unions) which was founded in 1898 and organizes blue-collar workers. The second, TCO (the Swedish Confederation of Professional Employees), was established in the 1930s and mainly organizes white-collar workers. The third is Saco (the Swedish Confederation of Professional Associations), which was formed in the 1940s and which mainly recruits university graduates (Gumbrell-McCormick and Hyman, 2013). A few minor independent unions do exist, these however will not be discussed in this paper.

Beside strong trade unions, there are strong employer organizations which have a substantial centralized authority. Unions strongly advocate regulation of employment conditions through collective bargaining rather than through legislation (Gumbrell-McCormick and Hyman, 2013). Sweden also has a state-supported union unemployment fund¹ (A-kassan), a so-called Ghent system, which stands for the major form of unemployment protection (Kjellberg, 2011). The funds are administrated by the unions, though the rules governing the insurance schemes are decided by the government. Nevertheless, LO, TCO, and Saco have all been powerful advocates in the development of the Swedish public unemployment insurance (Edebalk, 2012). Since the beginning of the 2000s, trade unions further provide additional supplementary benefits for their members, which will be further discussed in the analysis section of this thesis.

2.3 The Change of the Swedish Welfare State

This study explores how unions act in relation to the changing Swedish welfare state. So, what has changed? In welfare research, Sweden has long been characterized as the ideal social democratic welfare state based on universality, solidarity, and market independence (Arts and Gelissen, 2002). This is based on Esping-Andersen's (1990) typology of welfare states in which he identified three ideal types of welfare state regimes: conservative, liberal, and social democratic. The social democratic welfare state is characterized by a generous universal system (i.e. welfare services are accessible to all citizens) with highly distributive benefits not dependent on individual contribution. The aim of social policy within this type is individual independence from the market (Arts and Gelissen, 2002). In the conservative type, social

¹ The state-supported unemployment fund will henceforth be referred to as "public unemployment insurance"

security is also provided primarily by the state. Yet, the main aim is not distribution, but the preservation of social status (Streeck and Hassel, 2003). In contrast, the liberal type of welfare state, often associated with the United States, emphasizes individualism and the importance of the market, which is encouraged by the state e.g. through subsidizing private welfare schemes. The redistribution of income is often limited and social benefits are normally means-tested and modest. While the ideal types remain abstractions, there are countries that better match the criteria than others (Arts and Gelissen, 2002).

Since the 1990s, the Swedish welfare model has come under strain and Sweden, influenced by neoliberal forms of governance, has experienced government cuts in statutory welfare schemes (Cox, 2004; Jansson et al., 2018). Similar to policies adopted in Europe and North America, Sweden's reforms included e.g. shorter periods of eligibility for unemployment and sickness, more occupational pensions, and higher requirements for public assistance and unemployment benefits (Cox 2004). In 2007, due to additional political reforms, access to Ghent-based unemployment benefits further decreased, which dramatically pushed out people from the unemployment insurance system (Jansson et al., 2018). In parallel with these reforms, the income and wealth gaps have gradually increased (Lapidus, 2019). During the 1990s, private "for-profit" providers of care and services started to grow fast (Svallfors and Tyllström, 2017). As mentioned, the funding of care and services is still predominantly based on taxation, however, this has been privatized to some extent, mainly through new additional services in healthcare, elderly care, and education. Instead of full privatization, these supplementary services are semi-private, where the private consumer is granted reduced private costs, for instance through different types of tax breaks (Lapidus, 2019).

3 Previous Research

The relation between trade unions and the changing welfare state of Scandinavian countries is discussed in a study by Jørgensen and Schulze (2011). Their study describes how welfare and labor market policies in Denmark have changed profoundly during the last three decades, jointly with the role of trade unions, away from the traditional universal welfare state regime. Jørgensen and Schulze (2011) use the power resource perspective developed by Korpi (1978), by stating that trade unions in Denmark have suffered great loss of power resources which gives them fewer chances to protect their members' interests and to gain political power. Trade unions in Denmark must behave more as lobbyists instead of being a part of decision-making arrangements. While Jørgensen and Schulze (2011) discuss the weakening of Danish trade unions' power resources and their ability to influence politics in relation to the changing welfare state in Denmark, they do not comment on changing policies for trade unions. In welfare state research, the power resource approach argues that the welfare state is a product of the power distribution between competing collectives or classes (Korpi, 1985). Interest organizations as trade unions are according to this approach likely to be advocates for public welfare provisions (Korpi and Palme, 2003). The reason is that welfare provisions interfere with market mechanisms by redistributing income which then reduces employees' dependence on employers (Becher and Pontusson, 2011). For instance, legislated social insurances and social services, change the outcome of market distribution and are therefore favorable (Korpi and Palme, 2003). Thus, if the power resource of unions is decreased, it will be more difficult to push public welfare provisions and the welfare state will change. This assumption is referred to by Swenson (2002, p. 8) as the "equivalence premise" supposing that decommodification always has been a priority for labor movements which means that there is a practical equivalence of interest among classes in different countries. However, Swenson (2002) criticizes the power resource research perspective arguing that employers as the representatives of capital are not inherently against public welfare provisions. Empirical findings about Sweden during the 1940 and 1950s proves, according to Swenson (2002), that the relationship between capital and labor is more complex. They are not always in conflict, rather they do sometimes agree, and sometimes disagree about egalitarian policies. Nevertheless, Swenson's criticism is primarily focused on the employers' perspective as the representative of "capital" and not on unions.

Nijhuis (2009) is further criticizing the power resource approach assumption to view “labor” as a homogenous and disadvantaged class. Instead, he stresses the importance of the unions’ organizational structure for welfare outcomes rather than only focusing on the power resource of the union. Empirically, his research supports this claim by comparing the development of old-age pension provision in the Netherlands and the United Kingdom during the post-WW2 period. He found that the industry-based Dutch trade unions with vertical organizations, supported redistributive solutions, and the public pension development, while the craft-based British unions with horizontal organizational structure, resisted redistributing pension reforms due to the different interests of the members. Additionally, he argues that what is important is if the trade union movement is united in its support for redistributive welfare state development, which will happen if unions organize all workers despite their different occupations. Arguably, Nijhuis (2009) with his separation of vertical and horizontal trade union organizations, does not adequately grasp the cross-national differences between trade unions in the same country. This view is shared with Becher and Pontusson (2011), who are also criticizing the power resource approach, however, they argue that the role that unions play in redistributive politics depends on the share of union members in a specific union that directly benefit from the distribution. Nevertheless, Becher and Pontusson (2011) distinguish between social protection and redistribution in general, arguing that all workers, no matter the income distribution of members, will emphasize the importance of social protection and for generous social insurance policies.

The view of workers or "labor" as possessing homogenous class interests has also been problematized by the "Insider-and-outsider" scholars. One of the most notable of these is Rueda (2005), who states that labor is divided into insiders and outsiders and they have fundamentally contrasting interests. Insiders are defined as workers with highly protected jobs, in contrast to outsiders with precarious employment with low salaries and low levels of protection. The insiders-outsiders literature typically suggests that unions organize insiders and are therefore more likely to promote forms of social benefits that primarily benefit labor-market insiders (Becher and Pontusson, 2011). This strategy is at the expense of outsiders, which makes unions actors that are contributing to dualization and social inequality (Durazzi, Fleckenstein and Lee, 2018). Correspondingly, Crouch (2000, p. 71) stated, that one of the risks facing trade unions in the 21st century was that they “may come to represent secure labor-market insiders whose position is envied and resented by outsiders drifting between temporary work and unemployment, against whose interests unions then start to work”. This means that trade unions

will seek to protect and promote the policies of their remaining core membership, i.e. the insiders (Clegg, Graziano and van Wijnbergen, 2010). Although the insider-outsider scholars' positions against one "united" class interest can be valuable, they arguably reduce trade unions to simply business unionism where unions are only interested in the economic protection of their members. Durazzi, Fleckenstein and Lee (2018), among others, challenge the insider-outsider approach by instead emphasizing the importance of union identity and structure for policy choices. By using a union-identity approach they analyzed the public and social policy preferences of trade unions in South Korea and Italy. Their findings show that during a time of labor market dualization and labor unions under pressure, traditional Korean business unionism and Italian trade unionism have developed their policies from only focusing on solidarity at the workplace toward greater inclusiveness and social policies "for all". Hence, according to Durazzi, Fleckenstein and Lee (2018), these unions have gone from business unionism toward a model resembling the class struggle unionism, developing policies to open their organizations to outsiders and collaborate with other civil society actors for greater universal public social welfare. The insider-outsider approach is further contested by the broader literature on so-called union revitalization which argues that unions, to gain more members, support the interests of workers beyond their core membership (Clegg, Graziano and van Wijnbergen, 2010).

Furthermore, another perspective that discusses trade unions' policies in relation to the welfare state is the occupational welfare perspective. Pointed out by Titmuss (1958), welfare is not only provided by the state. Titmuss (1958) made a distinction between three distinct types of welfare production: *social service*, *occupational welfare*, and *fiscal welfare*. The occupational welfare is provided by the employers, for instance through collective agreements provided by trade unions (Johansson, 2008). According to Titmuss, since employers' interests are exclusive to their own employees, the growth of occupational welfare schemes will come into conflict with the unity and aims of social policy for all. Furthermore, Titmuss argued that it is important to understand the different societal consequences depending on the different welfare production type (Johansson, 2008). More recently Greve (2018), studied the interaction between universal welfare provided by the state through taxes and the use of occupational welfare. Empirically, he is focusing on three different social security benefits in Denmark and Sweden: sickness benefits, pensions, and parental leave. The study shows that occupational welfare is important in the Nordic countries and serves as a complement to the welfare system provided by the state. For instance, by "topping up" income during sickness and in retirement. According to Greve (2018), the growth of "intended" complementary occupational welfare in Sweden (and in

Denmark) has weakened the universality of the welfare system, having a negative impact on distribution. In addition, by studying pensions and unemployment benefits in Sweden, Jansson et al. (2018) further found that due to welfare retrenchment, the role of social partners, such as trade unions, has become more important in recent decades. Thus, according to their study “the redistribution effects have declined and the differences between insiders and outsiders have increased” (p. 74). This is in line with Trampusch (2009), who argues that occupational welfare may compensate for the retrenchment of public welfare benefits, but its potential for producing solidarity is limited compared to the universal system.

Most research studying trade unions’ policies in relation to welfare do so through a comparative method (Becher and Pontusson, 2011; Durazzi, Fleckenstein and Lee, 2018; Greve, 2018; Nijhuis, 2009). While a comparative method is useful to study similarities and differences between countries, this method also has weaknesses. For instance, a challenge for comparative studies is that occupational welfare as a concept can include various benefits in different countries. This problem makes it more complex and difficult to get data, which makes the comparison more challenging (Greve, 2018). Natali and Pavolini (2014), also state that comparative data on occupational welfare is very narrow. Furthermore, with a comparative perspective it may be difficult to grasp the cross-national differences between trade unions in the same country and the different motivations or reasons for their policies. Another trend found in the previous literature is an overrepresentation of studies about the pension system (Greve; 2018; Jansson et al., 2018; Trampusch, 2009; Nijhuis, 2009). In recent decades, occupational schemes have become more important in the area of pensions, and pensions are an area that needs research. However, by limiting studies to only pensions, other areas of occupational welfare get overlooked. Two exceptions are Greve (2018), who includes parental leave and sickness benefits in his study and Jansson et al. (2018) include unemployment. Even though their studies expand the perspective from pensions, there are still key areas missing in their analysis. For instance, their focus is mainly on occupational welfare through collective agreements, missing the growing area of voluntary occupational welfare which goes beyond collective agreements. These are services voluntarily provided by social partners, such as trade unions (Natali and Pavolini, 2014). With this research gap in mind, this study will go further in-depth by using a qualitative approach looking at a single country and including a more comprehensive definition of occupational welfare.

4 Method

4.1 Research Design and Data Collection

The study uses a qualitative research method and is based on a single case study, Sweden, and focuses on trade unions' policies in relation to the changing Swedish welfare state. Sweden has been selected as a case study since Sweden, known for its inclusive welfare system and strong trade unions, has changed in recent decades and moved away from the traditional social democratic welfare state. A qualitative approach was deemed appropriate since the aim is to gain a deeper understanding of how Swedish trade unions relate to, and make sense of, the changing Swedish welfare state, and not to present precise data that can be statistically generalized (Creswell, 2015).

Data has been gathered through semi-structured interviews carried out with current employees of nine unions or central confederations in March 2020 who could represent, and had knowledge of, the union's strategies and approach to the changes in Swedish welfare policy. The choice of using semi-structured interviews was made since the aim is not only to explore what policies the unions pursue but also to understand the reasoning behind these policies and the perspective of the individuals as representatives of the unions. Furthermore, as "welfare policy" can include a wide range of different issues, this thesis focus on protection against main social risks, such as old age, unemployment, and sickness. Since Sweden also has experienced a change in providers and funding of welfare services (care and education), trade unions' approach to these changes will also be discussed. Thus, the interview guide has consisted of four broad themes: income insurances including unemployment insurance and health insurance,² healthcare insurance, pensions, and change in providers and funding of welfare services (care and education). These themes have formed the interviews, however, depending on the backgrounds and sectors of the unions, they have followed different directions. The choice to include such broad subjects was made since the aim is not to gain knowledge about the exact amount of policies and strategies the different unions have developed in these areas, what is important is to get a broad insight into how Swedish trade unions understand and relate to the changes in the Swedish welfare state. A copy of the interview guide translated to Swedish

² Please note that there is a difference between health insurance and *healthcare* insurance. Health insurance involves financial support in the event of incapacity to work due to sickness, while healthcare insurance involves fast access to healthcare.

can be found in Appendix A.

4.2 Sampling

Interviewees have been selected in order to capture a variety of viewpoints between the unions of the central confederations LO, TCO, and Saco. Further considerations included in the sampling process were to select unions representing different fields and sectors (private and public). At the beginning of the sampling process, thirteen appropriate trade unions and representatives were selected, and an e-mail was sent to them asking if they themselves, or a suitable colleague, would consider being part of the study. Nine of the thirteen chosen unions and central confederation were willing to be interviewed. Two of the nine unions suggested themselves a different candidate for the interview than who was first selected. The informants had various positions, such as welfare policy analyst, social-political executive, confederal secretary, etc. Furthermore, the adjustment from 13 to 9 unions (and central confederations) did change the distribution of unions, for instance the LO unions are partly overrepresented, and trade unions in the government-sector are underrepresented. Yet, a wide representation still exists; four connected to LO, three connected to TCO, and two connected to Saco. There are three private sector unions, four public sector unions, and two central confederations. To make a clear distinction what central confederation and which sectors the unions belong to, there will be a description after each quote in the analysis: e.g. *public sector, LO*. What sector the union organizes depends on the funding of the employer, for instance there are both private and public providers of education, but since it is financed by the public sector through taxes, unions organizing teachers are seen as public sector unions. In addition, some unions are “professional” unions which do not organize workers from specific sectors, but instead their profession. In that case, the sector in which they organize most of their members have been chosen. The interviewees have been divided and named IP1 to IP9 (IP=Interview Person).

As the interviewees all worked in Stockholm and due to the current Covid-19 pandemic,³ interviews were conducted via Skype or telephone. Considering ethical issues related to the study, at the beginning of each interview the participant was informed of the overall purpose of the study and gave consent to participation and being recorded. It was also made clear that

³ Please note that the answers provided by the informants are based on welfare policies that existed previous to the Covid-19 pandemic, temporary changes in the social security systems will not be taken into account.

interviewees would be anonymous, in line with Brinkmann and Kvale's research procedures (2015). The average duration of the interviews was 54 minutes, ranging from 40 minutes to 1 hour 10 minutes.

4.3 Coding

The interviews were transcribed in their entirety as soon as they were finished, and later coded in three rounds. The transcription is intended to be as loyal to the interviewees' oral statements as possible. According to Saldaña (2015), the choice of coding method should be influenced by the research question of the study. Since this study is an exploration of unions' policies and perceptions, which arguably is an epistemological question, descriptive coding was used in the first round to summarize the basic topics of the data (Saldaña, 2015). All nine interviews were color coded in Microsoft Word. The color codes were then organized into a categorized inventory based on the different codes (and colors). In the second round of coding the coding process was mainly deductive, using the concepts from the conceptual framework as a guideline to code the data: *power*, *interest*, *agenda*, *democracy*, and *identity*, but also inductive, using versus coding to identify conflicts within the data (Saldaña, 2015). In the last round of coding, segments of pattern coding were used to identify emerging themes and explanations (Saldaña, 2015). Furthermore, as the interviews were conducted in Swedish, all quotes have been translated from Swedish into English by the author. The translations have been done with care to not alter the meaning of the respondent.

4.4 Limitations

As the purpose of this study is to investigate what policies Swedish trade unions develop in relation to the changing Swedish welfare state and what processes are behind their choices, the knowledge of the interviewees representing the unions is of great importance. There is a risk that the interviewee does not know, or wrongly states, the views of the representing organization. To counter this risk, the informants who have been selected have relevant positions working with these issues daily. Furthermore, they have been informed early on about what the study is about and what is expected of them. Most of the informants have also seen the main questions a few days prior to the interviews to make sure that they are the right person to answer the questions and are prepared for the interviews.

However, what is important to remember is that knowledge produced by qualitative interviews can never be value and interest-free, since the production of knowledge is created by the subjectivities of human beings (Brinkmann and Kvale, 2015), both by the interviewee and the interviewer. Trade unions are also political actors with their own agenda, and since the interviewees have been asked to represent the union, they may be cautious when answering the questions, not wanting to “say too much”. Yet, the anonymity of the interviewees as well as the unions to a wide degree should decrease this risk. With that said, I have chosen to disclose which sector and which central confederation the union are connected to since it adds value to the analysis and is deemed not to risk the anonymity of the interviewees. Furthermore, the interviewees representing two of the central confederations have given their consent to include the confederations name in the analysis. In addition, in the interest of transparency, the analysis has a lot of quotes and the claims made are clearly connected to the empirical data.

Lastly, some authors argue that there are limitations to telephone and video interviews, for instance that it is more difficult to make use of body language to ease interaction (Adams and Longhurst, 2017). Another study, comparing the quality and intimacy of in-person and Skype interviews, found the difference to be negligible (Jenner and Myers, 2019). There were indeed some issues with using telephone and Skype for the interviews, for instance a few technical issues at times, such as screen freezing and loss of audio that interrupted the conversation. Yet, in my experience the Skype interviews worked out very well and it was possible to have a relaxed conversation with the interviewees.

5 Conceptual Framework

The theories discussed in chapter 3 include different concepts that influence the policies a union adopts: power resource theory deals with power, insider-outsider theory deals with what interest the unions represent, and Durazzi, Fleckenstein and Lee (2018), emphasize the importance of union identity. As an attempt to broaden the perspective and include all concepts in the analysis, this thesis will use Hyman's (1994) conceptual ideas, which he developed to understand the contemporary European trade unionism. Even though it was over 25 years since these conceptual ideas or "tools of analysis" were developed, they are as relevant for the trade union movement today as they were then. Hyman (1994) mainly developed the conceptual ideas for comparative analysis and to organize and study the complex experiences of trade unions in different countries. However, in this thesis, they will instead be used to organize and study the complex experiences of a small number of trade unions within one country. Hyman (1994) explains the experience as complex since the dynamics of trade unionism involve various constraints and determinants, which are sometimes mutually reinforcing and other times contradictory. A trade union's identity is an interconnecting process that Hyman (1994, p. 119) labels "interests, democracy, agenda, and power". The concepts and their interrelationships are presented below.

5.1 Interests

Universally, trade unions are interest organizations that act on behalf of specific electorates. They also focus on the distinctive aspects of their electorates' individual and collective experiences. This connects to the issue of trade union structure: whether unions are organizing an occupationally or sectorally narrow group of employees, or whether they have a more heterogeneous coverage (Hyman, 1994). Another important issue is in what situations unions act as private interest organizations caring exclusively about their own members (private orientation), compared to when they are identifying and including a broader group of people ("public" orientation). This involves how far unions pursue and frame the interests of their own members which oppose and exclude other union members or non-unionized citizens (Hyman, 1994). Furthermore, it also includes how unions reconcile with different interests within the union, especially the unions with heterogeneous membership. Representation of interests also concerns the question of human needs and the objectives that are relevant for trade union action

(Hyman, 1994). Offe and Wieselth (1980, p. 79) stated that “[i]nterests can only be met to the extent they are partly redefined”. Through internal processes of communication, discussion, and debate within the organization, the unions can “help shape workers own definition of their individual and collective interests” (Hyman, 1994, p. 121). A so called “mobilization of bias”. In fact, according to Offe and Wieselth (1980), unions must always be constructed in a way so that they simultaneously define and express the interests of their members.

5.2 Democracy

Membership participation and relationships between and within activists, leadership, and members in general, form union democracy. In order to truly represent their members, the union needs an existing and functioning internal structure of accountability towards membership interests (Hyman, 1994). Union democracy can be divided into two models: representative and participative. It is through membership participation that the interest that trade unions represent is established (Hyman, 1994). Yet, to be effective, unions need some degree of general coordination along with the definition of strategic priorities to unite the members. Therefore, unions need both membership participation and strategic leadership. The two requirements can create tension and a dilemma for trade union democracy (Gumbrell-McCormick and Hyman, 2019). Yet as Regalia (1988, p. 361) states “[u]nions are organizations in which the (democratic) requirement of responsibility and receptiveness to rank-and-file preferences is also a condition for survival itself”. In this line of reasoning, a union has to be democratic in order to survive. It is therefore “constrained” to be democratic, to continually take into account the preferences and views of the people they are representing (Regalia, 1988). However, the members do not act in a vacuum, a trade union as any social organization, represents traditions, practices, and norms which constrain their members and officials’ actions (Hyman, 1994).

5.3 Agenda/Policy

Hyman (1994, p. 125) defines the agenda of trade unions as “the expression in action of the interests which they seek to represent, and also the outcome of their internal processes of democracy and leadership”. For instance, this includes the demands pursued in collective bargaining with employers and the subject covered by political lobbying, negotiations with governments, and public campaigns (Hyman, 1994). Yet, it also includes voluntary

occupational welfare, such as providing different insurance policies at a reasonable price or included in the membership. A union's agenda usually reflects the interest of the broadest population of its members. However, since collective bargaining or negotiations with the government (political exchange) requires a give-and-take, some elements of the unions' formal agenda have to be exchanged to achieve success in others (Hyman, 1994).

5.4 Power

The notion of power is a highly debated subject in social analysis. However, reflecting on those debates is outside the scope of this thesis, and drawing on Hyman (1994, p. 128) I will focus on trade union power. Trade union power can be understood to contain at least three dimensions: first, "the ability to achieve unions' objectives in the face of resistance", second, winning an institutional framework where policies are more likely to be brought about; and lastly, gaining and utilizing their capacity to influence the perception and positions of other actors, such as employers, governments, and the general public as well as their own members. Yet, trade union power entails resistance and an uphill struggle since labor is at a disadvantage at both the level of social action and social structure. For instance, large employers have much greater resources than employees, and closer links to opinion leaders and political elites (Hyman, 1994). As associations of the relatively powerless, unions will not increase their power simply by adding units of members. Instead they can only increase their power by the formation of a collective identity based on the "willingness to act" (Offe and Wiesenthal, 1980). Furthermore, the "willingness to act" is both dependent on the interests the union seeks to represent and on the existence of appropriate democratic structures as internal processes of discussion, information, and decision-making. Another way for unions to increase their power is through links with an allied political party, which brings them closer to the political process (Streeck and Hassel, 2003). Yet, union power is not existing in isolation from the concrete issues, it varies depending on the questions that are discussed. Thus, power is also interrelated with the union agenda (Hyman 1994). In addition, according to Gumbrell-McCormick and Hyman (2013, p. 132), trade unions need a coherent social vision if they are going to win members and sustain their societal legitimacy: "they need to be seen as a 'sword of justice' rather than a 'vested interest'". They refer to this as "moral power resources". It is also important to mention that most national labor movements have traditionally assumed that trade

unions' power is based on the capacity to strike (Hyman, 1994). Yet, in this thesis, the ability to strike is not an integral part of the analysis and will therefore not be discussed in depth.

5.5 Identity

According to Hyman (1994, p. 131), trade union identity relates to the “interconnecting dynamics of interest, democracy, agenda, and power”. Historically, three main identities can be identified. The first identity is comparable to what previously has been referred to as “business unionism” and viewed unions as economic interest organizations with an exclusive focus on labor market regulation. The union is primarily a provider of services and the main focus of action is the individual worker. The second union identity is related to what previously been referred to as “trade unions as social partners”. This union type is seen as a way to advance social justice by raising workers' status. Finally, the last identity is unions as egalitarian campaigning organizations, comparable to what previously has been referred to as “class struggle unionism”. This could be seen as a vehicle of class struggle between labor and capital. The focus of action is mass support and key function is campaigning. The dominant identities specific unions or central confederations have embraced influence what interests the unions identify, the democratic structure of the union, their choice of agenda, and what kind of power resource they have and employ (Hyman, 1994). Traditionally, economic interest organizations (business unionism) with emphasis on providing services to members, and social movement organizations (class struggle unionism) are seen as ideal types that are opposites in the analysis of trade union character (Hyman, 1994). Yet, Hyman (1994) stresses that there can be contradictory interests within trade unions themselves, and these identities are only ideal types. In reality, unions are more diversified. Trade unions' identities can be seen as inherited traditions that help shape their choices, which during normal circumstances reinforce and affirm identities. However, in times of crisis, Hyman (1994, p. 132) suggests that trade unions, as all organizations, “may be driven to choices (redefinition of interests [...] broadening or narrowing of agenda, altered power tactics) at least partly at odds with traditional identities.” When this happens, the unions have to ask themselves “what are we here for”, sometimes to the degree that old principles and commitments, i.e. the unions' ideological conception of themselves, are weakened (Hyman, 1994). Furthermore, declining political influence in many countries requires unions to “rethink their social purpose” (Gumbrell-McCormick and Hyman, 2013, p 132).

6 Analysis

The analysis is divided into four sections: the first section will discuss the different unions' policies in regards to changes in state provided income insurances such as the (mainly) publicly financed unemployment insurance and health (income) insurance,⁴ the second section deals with the introduction of healthcare insurances, the third section deals with change in the pension system, and finally the fourth section deals with changes in providers and funding of welfare services (care and education). The trade union movement in Sweden is not homogenous, they are organizing a great variety of workers from different sectors who have different interests, beliefs, policies, and preconditions. Therefore, the different sections will be conceptualized by using Hyman's (1994) concepts explaining trade union dynamics: interests, agenda (which will be referred to as policy), power, democracy, and identity.

6.1 Changes in the Public Unemployment and Health Insurance

As discussed in chapter 2, the Swedish welfare state and trade unions have gone through many changes in the last decades, for instance, government cuts in statutory welfare schemes and reduced union density. This section will discuss the unions' approach to the changes in the public unemployment and health insurance and what policies they have developed. Since both insurances are income insurances and the policies adopted and the reasoning are similar for both, they will be discussed simultaneously. Yet, this means that the focus of the analysis will vary between the different insurance types throughout the section.

When it comes to the retrenchment of public unemployment insurance, the unions are in agreement with each other; public insurances should be improved and rebuilt:

IP4: What has happened in recent decades when it comes to both health insurance and the unemployment insurance are that the qualification conditions have been tightened and stricter, the compensation levels and income ceiling have been reduced, so the system protects you to a lesser degree today than it did before [...] It is a fundamental aspect in this type of welfare model we have in Sweden and the Nordic countries, that we should have standards where your income is protected and that is why we want to raise the ceiling, in both the unemployment insurance which has a very low ceiling, it has a lower ceiling than the health insurance, but we also want to

⁴ Social insurance in Sweden are financed through employer fees and not by taxes, but is regulated by the state.

raise the ceiling for the health insurance. A basic principle is that 80% should get 80% in compensation. (*Central confederation, LO*)

IP8: The problem with the design of the unemployment insurance is, among other things, that the daily allowances are frozen, which means that they do not follow either the price trend in society or the wage trend, which means that the compensation levels are strongly eroded. We represent people who have higher wages than many others, so it is a very small proportion of our members that have 80% of their salary and we believe in that basic principle, that you should get 80% of your income to some kind of ceiling but not to the very very low ceiling available today. (*Public sector, Saco*)

Unions and central organizations from LO, TCO, and Saco are all agreeing that the public unemployment insurance is not adequate, and changes should be made. IP8 points out the consequences that their members must face due to current the design of the public unemployment insurance. The main focus lies in the interest of their members, however, the changes they wish to implement would involve all citizens. LO however, focuses on their identity and asserts how standard publicly supplied income protection is a fundamental idea in the Swedish welfare model and it is why they want to raise the income ceiling in both the public unemployment insurance and the health insurance. In addition, both Saco unions and TCO unions agree with LO that the public health insurance needs to be improved:

IP9: The sickness benefit is currently increased with the inflation, so it is value-insured that way, what we are arguing for is that it should increase with the income base amount instead. [...] But also that the income ceiling should be raised. (*Central confederation, Saco*)

IP5: We have seen that there have been some problems with the health insurance, for example when you are tried against the entire labor market. We have pushed for changes there so that you actually should have a chance at getting back to the job you previously had and are trained for.⁵ (*Public sector, TCO*)

As for the public unemployment insurance, both describe a problem with the design of the health insurance and the received amount of money.

6.1.1 The trade unions' policies

Policy: Influence politicians

The majority of unions and central confederations are in different ways developing policies in order to influence politicians to change the current welfare policies:

⁵ IP5 refers to the "Rehabilitation chain" (Rehabiliteringskedjan) design, adopted in 2008, which indicates that when a person has received sickness benefit during 180 days, the person's ability to work is "tried" against the entire labor market, instead of the original employer, which it did before (Riksrevisionen, 2010). All unions are unanimous that this design is too strict and that the employees should, even after 180 days, have the chance to return to their original employer.

IP7: We try to gain direct influence on inquiries through meetings, but also via TCO. We also had a ministerial meeting when our union chairman met with Ardalan Shekarabi (Minister for Social Security) and they talked about the health insurance. So on such occasions, direct meetings with the minister, it may be a meeting with an expert or a city secretary, or via PTK,⁶ TCO, or by ourselves. We try to have as broad coverage as possible (*Private sector, TCO*).

IP2: We try to change the politics, we show how it affects our members, through opinion-forming and of course it is all about our key mission; to do the footwork, to organize so that we become that powerful voice in society. Not least when it comes to the public unemployment insurance because the politicians' views are very different from ours. (*Private sector, LO*)

IP8: There have been quite clear campaigns by the trade union movement concerning, for example, raising the ceiling (in the unemployment insurance) for 2015, it was a pretty massive campaign with many different unions which gave results in 2015, that we were included in. We opinion-form in general, for a well-functioning public safety system. (*Public sector, Saco*)

Above, the unions describe how they have tried to change the current income insurance policies. Through campaigning, discussing issues directly with the politicians, and echoing concerns voiced by members, unions work to implement more generous policies. As recognized from class struggle unionism (Palm, 2017), the economic and political struggle are intertwined in the trade unions' policies. IP2 even calls it their "key mission" to do "the footwork" and organize people to become a powerful voice in society. The inherited social movement identity is here described as a central part of the union's mission and is shaping the current choices of policies. Further, IP2 states that they need social movements to gain the power to change the public unemployment benefit, especially since they face much resistance from politicians. IP8 also discusses how important it is to work together and campaigning with other unions, and thus having a greater power resource, which worked to influence politicians in 2015 regarding the public unemployment insurance. As the unions are trying to influence the politicians and government in a way that is traditional for the Swedish labor union movement, there is a resistance to these changes by the politicians:

IP9: My understanding is that there is substantial resistance to making this insurance too generous[...] (*Central confederation, Saco*)

IP2: There has not been a political mandate to build up or to restore what was before or to develop. [...] So it is a tricky situation, current political circumstances that still exist today if we look at the parliament majority we have, so of course, we have big problems there. The greatest weapon we have is the union's political relationship with the Social Democrats, which is how we get in and get influence where the decisions are made. (*Private sector, LO*)

⁶ PTK - the council for negotiation and cooperation, is a joint organization of 26 member unions in the private sector in Sweden.

Yet, when asking about their general perceived power to influence politicians, IP2 states:

IP2: [...] when we want to meet politicians, when we say things, they listen to us. Not all parties, of course, but those parties we cooperate with and above all the Social Democrats. They listen to what we say, they come and ask for our suggestions, and of course, that gives us a chance to explain how our members experience their reality. (*Private sector, LO*)

The unions agree that it is difficult to influence the government during the current political situation. However, the relationship with the Social Democratic Party is still a powerful tool for the unions' ability to pressure the government; in fact, it is their "greatest weapon". They listen and ask for their suggestions. Nevertheless, it is not only the resistance from the government that makes it difficult for the unions to have an impact. As mentioned earlier, the overall union density has fallen in Sweden (Kjellberg, 2011), which affect the unions' power resource:

IP4: It is also not entirely unproblematic that the union density has decreased, especially after the changes they made in the unemployment insurance in 2007. They made it more expensive and harder to access the unemployment insurance and that also affected the union membership, and of course, then the unions' ability to influence also decreased. It can also be said that the trade union density has decreased more for the low-wage unions in LO than for the high-wage unions in Saco and TCO. This means that the LO-unions interests, that is, the low-paid interests are taken less into account in relation to other interests, which is a huge problem. (*Central confederation, LO*)

The falling of the overall union density is a great concern for the unions. Yet, here IP4 also mentions that the low-wage unions in LO have lost more members than the high-wage unions in Saco and TCO. This may make it even more difficult for the unions with low-wage earners to achieve their objectives than for the high-wage unions. Hyman (1994, p. 132), suggests that in times of crisis trade unions "may be driven to choices (redefinition of interests [...] broadening or narrowing of agenda, altered power tactics) at least partly at odds with traditional identities". The combination of resistance from the government to make changes in the public unemployment insurance and the decreased union density could be described as a crisis for trade unions since income-based security was one of the core missions of the Swedish unions in the first place:

IP8: We think income-based security for unemployment is a core mission for trade unions. It is also based on the fact that once upon a time the unemployment insurance was created to keep up the lowest wages, it is like over 100 years ago but it meant that if you become unemployed then you would not compete with lower wages, instead you would compete with skills etc. [...] the basic idea is that if you become unemployed you should not fall to levels that make you accept jobs at extremely low wages, because it not only changes your life situation, it also changes the entire labor market and the entire wage formation. (*Public sector, Saco*)

IP8 describes how important income-based security for unemployment is for the Swedish labor union movement, and when this is not sufficient, as Hyman (1994) suggests, they have been driven to redefine their interest and broadening their agenda:

IP2: We reasoned, I mean what do the members want? And what do you need for it to be a safe transition? We realize that we do not have the political power to make the change just as we want it so then we chose to change the path, both because the members want it and that we see it as a necessity because it is far too many who end up too far down. Our fundamental rule is still universal welfare, but we see that there is no possibility for it. (*Private sector, LO*)

Here the union had to rethink their agenda and find other solutions to meet their members' interests. They realized that they do not have the power resource to change the public unemployment benefit as they would like. Their fundamental rule is still universal welfare, but they do not imagine it happening in this case. Therefore, they need to broaden their agenda, which as Hyman (1994) states, may oppose some of the unions' traditional identity.

Policy: offer individual supplementary income insurance to members

One way for unions to “broaden their agenda” is the policy to offer supplementary income insurance for their members. This allows members to add on additional benefits above the “benefit cap” provided by the government regulated unemployment and health insurance. The unions negotiate agreements with private insurance companies so that they can offer the insurances to their members at a lower price, or as a benefit included in the membership fee. Supplementary income insurances are categorized as occupational welfare since they are benefits provided by the union that the general public cannot take part of. It occurred that offering supplementary income insurances was viewed very differently depending on the union. Some of the unions would rather not have these insurances but offer them since they feel like they “have to” while others do not see any problem with supplementary income insurances:

IP1: There are many things that we think should be done and as long as it is not done, we will have to make up for it, for example, offer supplementary income insurance for our members [...] We have supplementary insurance that provides income protection, to top up when the public unemployment insurance is not sufficient. It came about after *Alliansens*⁷ changes and applies to everyone who has earned over a certain monthly salary[...] nor can we, just for principle reasons, demonstratively not offer this benefit and leave our members with zero income protection. (*Public sector, LO*)

⁷Alliansen is a four-party liberal/centre right-wing coalition that were in the government 2006-2014

In addition, when asking why the union decided to offer the supplementary income insurance IP2 responded with a feeling of despair:

IP2: It needs to be said that this decision was far from easy...

It goes against our principles, but you have to be pragmatic too which is also one of our principles so, we didn't want to, I would say.

And of course, when we see that our members loose far too much, we have to think about who we are here for. We lost members, we had members who did not want to join our union, we saw that the people who had supplementary income insurance, it made them a little bit more secure. It is clear that even I who have reached an age that makes it harder to change realized that we may not have another choice right now. (*Private sector, LO*)

All the unions from the LO collective struggled hard with offering supplementary income insurances to their members from an ideological perspective. In Hyman (1994) terms, this is a service focusing on the individual worker, in line with business unionism and the insider-outsider theory, where the union's main focus is on the economic interest of their members or the "insiders" rather than the "outsiders" (Rueda, 2005; Palm, 2017). Arguably, providing services and focusing on the individual worker instead of the general mass, opposes the unions' traditional identity and creates a conflict of identity within the unions. As suggested by Hyman (1994, p. 132) the question "what are we here for" needs to be addressed when this happens. This is exactly what the LO union did by thinking about "who we are here for". They realized that they were here for the security of their members and felt like they did not "have another choice" but to offer supplementary income insurance for their members. Their beliefs on what is "right" still stand, however, their old beliefs and commitments were undermined by the situation which gave them "no choice" but to act in a way that was in line with their inherent union identity since they do not want to leave their "members with zero income protection".

Furthermore, another reason for the unions to start offering supplementary income insurance was according to IP2 that they "lost members" and that "members did not want to join our union". Even though a union's power does not need to be simply connected to their quantitative addition of members, but rather to the collective identity and their "willingness to act" (Offe and Wiesenthal, 1980), the decrease in memberships can be seen as a clear statement from the members about their interests. Arguably it also shows how strongly connected power is to the dimension of union democracy. If a union does not act as a representative of its members, the "willingness to act" may be weakened which will consequently decrease their power resource.

In addition, there are also other issues with providing supplementary income insurances other than the identity conflict within the unions, it is also a conflict of interest of the LO unions' members. Here IP4 explains what may happen if the supplementary insurances provided by the unions start to be more important:

IP4: There is a risk that we get a development where those who join a union with high negotiating power, who are the unions that have members with higher levels of education and higher income, they get better offers from the private insurance companies than those who have low negotiating power and low wages. The reason is that they often have lower unemployment and sickness risks and therefore get better insurance offers from the insurance companies. They will either receive lower premiums or insurances with higher quality. This tears the society apart. People get different levels of security, where the people who need security the least, those who have high income and bargaining power, and low sickness and unemployment risks, get better insurance deals than those with high risks and who need the insurance the most. Therefore, we believe it is very important to "pool the risks" within the universal system as much as possible. Within the framework of the public unemployment insurance and the health insurance so that people do not have to get any collective or private insurances on the side. (*Central confederation, LO*)

According to IP4, the issue for "low-income" unions is also that offering supplementary insurances due to the low "benefit-roof" in the public unemployment insurances, will be much more expensive for their members who have higher risks of unemployment and sickness than for the unions with "high-income" members. The quote shows that it is not only that offering supplementary insurances opposes the traditional "class struggle" identity, it also opposes the actual interest of their own members. It is not only the LO community that see this risk with offering the supplementary insurances:

IP8: The most important argument is that many unions that have high unemployment rates cannot afford supplementary insurance, mainly unions in the LO collective but also unions in the cultural sector and so on where many are unemployed for a short time when they are between jobs. So of course, divisions are created where, for example, our union has a very low unemployment rate [...] it is easy for us to offer supplementary income insurance since almost no one uses it and it is quite cheap. It becomes super expensive for unions such as Kommunal and IF Metall, Teaterförbundet, so that is why we think that we are forced to compensate for an incomplete public system. (*Public sector, Saco*)

IP8 is not mainly worried about their own members, but about the unions with a higher risk of unemployment that consequently get worse insurance deals on the private market. The supplementary income insurances are thus incompatible with the idea of the Swedish model that all citizens should get the same social protection, regardless of the individual's ability to pay. Instead, social protection becomes cheaper for members in the unions with the lowest risks. The union is aware of the problems but still feel like they "are forced to" offer the insurance

since the public unemployment insurance system is incomplete. This issue is further advanced by how these policies affect the power dynamics of the stakeholders in the market:

IP4: When you offer these types of insurance solutions on the side of the public system, we also have strong financial interests within the large insurance companies, they see this as a market and they are lobbying and trying to influence politics so that they can maintain their market. (*Central confederation, LO*)

According to IP4, by offering supplementary income insurances, the insurance companies get more influential and lobby against the unions' main goal: generous public unemployment benefit, which then creates a greater resistance for the unions to achieve what they actually want. Hence, by offering supplementary income insurances to their members they will gain more power, since it is what their members want, but it will also create a more powerful resistance for their "opponents" of universal welfare solutions.

The story is somewhat different for some of the unions who are not members of the LO community, when asked about offering supplementary income insurances IP9 stated:

IP9: [...] I do not think it is especially controversial; we have not had a debate about it at least. It also serves as an asset for the unions as a recruitment tool. (*Central confederation, Saco*)

IP6: We have nothing against supplementary income insurance as a principle. If we would have had that, then we would not have had one ourselves. But how they are targeted is another matter, how much of the system should be supported by one or the other. (*Public sector, TCO*)

IP9 and IP6 do not see this service as controversial, it does not oppose their identity as much as for the LO-unions. IP9 also highlights the advantage of offering supplementary income insurances since it is a recruitment tool for the unions which may increase the unions' power resource. In business unionism, providing welfare benefits within the union is seen as a requirement since it attracts members (Palm, 2017; Streeck and Hassel, 2003). Arguably viewing supplementary income insurances as a recruitment tool is an example of this. Here we can see an inherent difference in identities of the unions, which show that the Swedish union movement is not a homogenous group acting as one. Nevertheless, they do mention a problem with both having a policy aiming at increasing the public unemployment insurance and at the same time have a policy offering supplementary unemployment insurance exclusively for their own members:

IP9: There is an inherent problem here, since many unions, and the Saco unions especially, have adapted to this situation and started offering supplementary income insurance which at the same

time is an important recruitment instrument. So that there is an important balance between these two, which is part of the problem so to speak. We want to raise the ceiling, but not too much because we have supplementary income insurance. (*Central confederation, Saco*)

Here, Saco is struggling with their members' different interests and which agenda or policy that will meet the needs of their members the most. As mentioned before, they do support the idea of a generous universal welfare which creates conflict within the organization, yet not as drastic as with the LO-unions. However, now that the private insurances have been introduced, and they have "adapted to the situation". The new circumstance creates a conflict of interest. To raise the benefit ceiling in the public unemployment insurance and at the same time pushing for supplementary income insurances, may weaken the labor unions movement power resource for their joint mission: to improve the public unemployment benefits. Another issue with offering supplementary income insurances is described by IP7:

IP7: It will definitely be more difficult to influence the government or legislature in this case, to raise the premium ceilings if we fix it all the time. If we solve it by ourselves and do not let down our members, then the government and the parliament do not have this blow-torch that they need. In order for us to push this really hard we need to have the members on our side, but if they already have an income insurance from us, then they feel like "No, this is okay". So, it is a matter of working internally on bringing the general opinion around, getting members to understand that they are funding their own unemployment insurance by 100%, as it is for the supplementary unemployment insurance instead of the public insurance, which is divided into public funds and fee-based. (*Private sector, TCO*)

Here IP7 expresses how, if they solve it all the time, giving their members the security they need, the government will not have the same pressure to change the current public unemployment insurance, which will actively oppose the goal of their first policy: to get a more generous public unemployment insurance. Furthermore, as previously mentioned, according to Offe and Wiesenthal (1980), the power of a union is connected to their members "collective willingness to act". IP7 here expresses a risk that their members' willingness to act will decrease if they are provided with supplementary income insurances, seeing that it gets solved anyways without reflecting about the fact that they are paying out of their own pocket. According to Hyman (1994) unions can through their own internal processes of discussion and debate help to shape their members own definition of their individual and collective interest. This is exactly what IP7 states that they have been doing: "working internally on bringing the general opinion around" among their own members. Thus, the interest of the member is not always separate from the collective but can be shaped within the organization.

Policy: extra health insurance through collective bargaining agreements

When it comes to the public health insurance, the main “extra” income the unions offer comes from collective bargaining agreements that give additional income during sickness. Collective bargaining agreements are settled between the social partners (trade union organizations and employer organizations) and regulates wages and various working and employment conditions. Apart from wages, the collective bargaining agreement determine many forms of employment conditions such as working hours, holidays, sickness benefit and various insurance schemes (Brussels Office of the Swedish Trade Unions, 2015). All workers on a workplace that have a collective bargaining agreement can take advantage of the extra benefits included in the agreement:

IP9: Since, beyond sickness benefit, all employees that are covered by a collective bargaining agreement have additional compensation. I would say that you get quite a lot of money from the public sickness benefit and the collectively agreed insurances. (*Central confederation, Saco*)

IP1: Our main impact is through collective bargaining agreements, we work with the employer-side all the time to regulate, so a great part of this is not included in the legislation but is regulated in agreements, so we work a lot with every individual agreement, both at the national and local level. (*Public sector, LO*)

IP1 states that their “main impact is through collective bargaining agreements”. This is an example of what Titmuss (1958) called *occupational welfare*. According to Titmuss, as employers’ interests are exclusive to their own employees the growth of occupational welfare schemes will clash with the aim of social policy for all (Johansson, 2008). For instance, workers that have employers who do not have a collective agreement do not have the same social protection. Yet, the collective bargaining agreements are not seen as contradictory to the unions’ identities in the same way as the supplementary income insurances do for the LO-unions:

IP3: When it comes to the labor market insurances, they came out of negotiations in the 60s and onwards to be the “cherry on top” on your lifestyle to further improve a system which we then thought was well built up. It is the same with all our collectively bargained benefits [...] and we do not think there is that ideological problem there because from the beginning it was thought that the state and the public would cover the essential and then we could negotiate a little better terms. What happened with the income insurance and unemployment insurance was that we took over such a large part of it, a task which we really think should be on the state. (*Private sector, LO*)

They do not have an “ideological problem” with the collective agreement since the original idea was that the public system should cover the “essential” and then the unions could negotiate

better conditions through collective bargaining. Problems arose when unions began to take over such a great part of what they consider being the state's duty. This regards to the issue of interests, and if unions have a private orientation, focusing on their own members or a public orientation, including other union members or non-unionized people (Hyman, 1994). Arguably, if the “outsiders”, not covered by the collective bargaining agreement, are not getting the social security they need from the state the “insider-outsider” dynamic becomes a problem. As the insider-outsider literature suggests (Becher and Pontusson, 2011; Crouch 2000; Clegg, Graziano and van Wijnbergen, 2010), if the union promotes social benefits to members at the expense of outsiders, the union is contributing to social inequality. However, if the “outsider” receives adequate social security from the government, the added benefit is not necessarily an issue. Furthermore, IP8 describes how the union wants to take the occupational welfare further and add more responsibility to the employer but also to the union as a labor market party:

IP8: We have also experimented with different ideas [...] as a response we also wrote a report on how we as a labor market partner together with the employer side [...] could take greater responsibility. The transition organizations⁸ for instance, their task is to help people who have been laid off due to labor shortages [...] so that is something that employers' organizations and unions together can do to completely independently from the state and what we have said is that perhaps these transition organizations also could take responsibility for helping people back into work, not only in the event of a labor shortage but also in case of illness after 90 days or 120 days. Since it is the labor parties (employer organizations and labor unions) that know the labor market best, better than the Social Insurance Agency, maybe we can take that kind of responsibility. (*Public sector, Saco*)

The union wants to produce innovative solutions so that they can improve the situation for their members without being dependent on the state, especially since it is “the parties that best know the labor market”. This means that the occupational welfare increases even further, and the social partners take on responsibilities that previously were assigned to the state.

6.2 The Introduction of Private Healthcare Insurances

6.2.1 The trade unions' policies

Unions have different approaches to the introduction of private healthcare insurances on the market in Sweden. The *healthcare* insurance unlike a health insurance, gives policyholders

⁸ A transition organization's core mission is to offer support to people (who are covered by a transitions agreement) that have been laid off due to labor shortages to find new employment. Transition agreements are a form of collective agreement between the social partners (Walter, 2015).

guaranteed quick *access* to care instead of extra income benefit when you are sick. This is offered by many unions within Saco and TCO, although LO-unions are currently not offering any healthcare insurances. In the following, the unions' different policies will be discussed and the motives behind them.

Policy: not offering private healthcare insurance to their members

As mentioned above, the LO-unions do not offer private healthcare insurances to their members. Below IP3 motivates their approach to healthcare insurance and why this is the case:

IP3: There the ideology is just too strong. We know that Swedish healthcare has become worse, that it has become harder and harder to access healthcare, but the bare idea that you should have an insurance that allows you to jump the queue for example, that's a line that's still very difficult to cross. But you should never say never, would it completely disappear maybe we would have to start considering other options. (*Private sector, LO*)

The focus here is the ideology of the union that is not compatible with offering this service. "The very thought" of offering private healthcare insurance is problematic for the union. Nevertheless, IP3 does claim that "you should never say never" and that if the circumstances change, they may have to alter their approach. This strengthens the idea that a union's identity is fluid, no matter the union's ideological self-conception, and as Gumbrell-McCormick and Hyman (2013) stated: may need in some circumstances to "rethink their social purpose". The conflict of interest that unions struggle with regards to income insurances, does not exist when talking about healthcare insurances for the LO unions. Members simply do not want the insurance and they also are the "losers" in a model where healthcare insurances are more frequent:

IP4: It is the members who decide LO's line at various congresses and so far, it has been a very uniform view that members do not want to see this development towards a more divided welfare. So we have not really had any questioning of our basic position on this, rather, there is very wide support among the members behind this idea of universal welfare policy, which is not strange on the basis that they are the ones that have the highest sickness and unemployment risks and it is also they who are most in need of that 'access to care is based on need'. (*Central confederation, LO*)

Regarding the question of private healthcare insurance; the interest of the members, their policy, and the democratic processes, are all coherent with the trade unions' identity: to have universal welfare, which corresponds with the traditional class struggle unionism. According to IP4, providing private healthcare insurances is a step towards a more "divided welfare" which is the opposite to the welfare state they wish to keep. In line with Hyman (1994), arguably, the choice to not offer healthcare insurance may reinforce and confirm the unions' identities, and arguably

compensate for the identity conflict relating to their policy to offer their members' income insurance.

However, it is not only LO unions that have chosen to not offer healthcare insurance to their members. P6, whose union has not shown to have a traditional class struggle identity, has the policy to not offer private healthcare insurance:

P6: This is a distance-taking based on reasons of principle and where our chairman spoke in several interviews earlier this year and argued against it. These insurance policies are designed in a way that you actually, by definition, pay to get ahead in the queue and it is at odds with what is called the Swedish Health Care Act which states that the person with the greatest need must go first, regardless of all these other factors such as gender, age, income, everything else. [...] It is both naive to believe that these healthcare insurance policies do not have that effect on the health care system, which is very strained already [...] you just can't, with the professional ethics and the health care act as a compass, say that healthcare insurance policies are ethically defensible. So our members would not even accept it if we offered it. For us it is also a system that makes it difficult for our members, who are facing ethical stress when their license is based on professional ethics. Ethically they must prioritize patients based on need but then the insurance forces them to treat the paying patient, because that is the only thing an insurance patient jump the queue with, privately paid insurance, it then it becomes an ethical stress when other patients with greater needs have to stand back. (*Public sector, TCO*)

P6 represents a union with members working in the healthcare sector who, when discussing income insurances, is more in line with business unionism focusing on the interest of their own members. Instead, here their choice to not offer private healthcare insurance is based on a matter of principle. They are even actively working against healthcare insurances. Their main reason is that private healthcare insurance goes against the Swedish health act that states that "the person with the greatest need should go first", and hence their professional ethic. They explain how this creates "ethical stress" for their members since paying patients with healthcare insurance get prioritized over the other patients, without the insurance. In this case, it is not the "class struggle identity" which is the basis of the union's decision to not provide the insurance, instead, it is their "ethical professional identity". Arguably, this is less affected by external factors and crisis, since the professional ethics is rigid and is more difficult to redefine. They also state that "the members will not accept" private healthcare insurances, showing that there is no conflict of interest within the union.

Policy: offering healthcare insurance to their members

Yet, not all unions have the same clear-cut view on healthcare insurances and have chosen to offer this service to their members:

IP7: It is simply that the members request it. The union has not taken a stand against private healthcare insurance from an ideological point of view, but it is not like we advocate for it politically either, it is more so that we de facto have it [...] So the benefits that we are offering to our members are reality-based. If the Congress wants it, or if the pre-studies among our members show that they want something, that a certain insurance policy should exist, then we'll fix it [...] [In a pre-study] it was shown that one third of our members were interested, one third were not interested and one third did not care, one percent of the asked members directly disliked the idea of healthcare insurance. (*Private sector, TCO*)

IP5: [...] long queues for specialist care affect the health and finances of our members. We wish that private healthcare insurance was not needed, but at the same time, we have a responsibility to offer relevant insurances to our members. (*Public sector, TCO*)

IP7's union is thinking about their members and provides them the services they want. They do not make an ideological stand for or against healthcare insurances, and it does not really matter, what matters is that some of their members want to have it and there is no real resistance. IP7 describes how only 1% of their members are actively against healthcare insurances. Therefore, unlike the other unions not offering healthcare insurance, no real identity or interest conflict occurs when they offer the service. Both IP5 and IP7 have policies "based on reality" or have a "responsibility to offer the members relevant insurances". As for the supplementary income insurances, the rhetoric is that they are more or less "forced" to offer their members these services since the universal healthcare system is not good enough. Still, it is only "one third" of IP7 union's members who want a healthcare insurance, so the choice is not based only on processes of democracy. This way of reasoning is again compatible with business unionism and the insider-outsider scholars, who argue that trade unions will seek to protect and promote the policies of their insiders (i.e. their members). However, not all unions that are offering healthcare insurance to their members are as ideologically neutral:

IP8: [...] From an ideological viewpoint, we think it is problematic to create this kind of parallel system. Basically, we think that the universal welfare should be so good and so inclusive so that people with medical needs can get high-quality healthcare within the framework of the public system and we do think that Swedish healthcare is very good and also cost-effective [...] But then to be honest, we have a number of insurances as member benefits and we cooperate with the insurance company Folksam [...] In the package that Folksam provides, healthcare insurance is included. We do not advertise it, but it is included in the package so that our members have the opportunity to sign up for that kind of insurances as well. But as I said, from an ideological viewpoint, we think it is incredibly important that the universal welfare model is maintained and that it is not undermined by these kinds of parallel systems. In that case they have to be financed independently altogether and be completely separate from the public system, [...] and it must absolutely not mean that anyone is allowed to jump the queue. (*Public sector, Saco*)

According to IP8 they believe in the universal healthcare system and states that it is ideologically “problematic to create this kind of parallel system” with healthcare insurances. At first the union identity is very clear: they want to keep the Swedish universal healthcare model and do not want a parallel healthcare system. Yet they continue with saying that “to be honest” they actually do offer healthcare insurances to their members, but only since it is included “in the package” that the insurance company Folksam is providing, and they do not “advertise it”. IP8 want to make sure that even though they do offer healthcare insurance, they are not supporting it or are a part of that “team”. Instead it only happens to be included “in that package” the insurance company provides, not connected to the actual union. According to Gumbrell-McCormick and Hyman (2013), trade unions need a coherent social vision if they are going to win members and sustain their societal legitimacy. They refer to this as “moral power resources” (p. 132). Arguably, in order to keep the union’s moral power resource and their social vision intact they have to separate their policy from their identity. Furthermore, since unions are organizations that require democratic responsibility to survive (Hyman, 1994), democracy could be a reason to choose policies that go against their inherent identity. When asking if it has been a choice based on democracy the union stated:

IP8: There has not been a congress decision or a decision in the management group or board regarding this. It is just something that is included in the portfolio that Folksam offers and we[...] have chosen to take part in. (*Public sector, Saco*)

IP8 describes how the choice to offer healthcare insurances was not democratic, instead it was just included in the portfolio that was offered by the insurance company. Hence, the members themselves did not pressure the union through democratic processes to include this service. Since the union had expressed such strong ideological stand against healthcare insurances, they were asked if they have discussed it within the union:

I: Since you have such strong opinions on this issue, was there any discussion about it?

P8: Yes, it is a battle between what is ideologically right and what is, so to speak member benefits. There are certainly people who believe that this is a member benefit. [...] That our members, just like other members, should be able to choose different kinds of services, and of course, that is part of the whole idea that you should be able to get something out of your membership. (*Public sector, Saco*)

The quote above is a clear example of an internal struggle between ideological identity having the interest of the public in mind and at the same time having a “private” focus on offering services appealing to members. An internal struggle that is “problematic” since economic

interest organizations (business unionism) with private interest and emphasis on providing services to members, and social movement organizations with an inclusive approach (class struggle unionism), are often seen as ideal types that are opposites in the analysis of trade union character (Hyman, 1994). This conflict is very strong, since the private healthcare insurance not only gives extra benefits to the “insiders”, it also opposes the interest of the public (“outsiders”), since the policyholder may be prioritized over the patient without healthcare insurance. Yet, in this case, the “economic interest organization”-side seems to have won the tug of war. When asking the same question to Saco, if there has been any discussion within the organization, they stated:

P9: Yes, sure it was. I mean this is the first step away from universal welfare, equal welfare for everyone regardless of their wallet size so to speak, and this is the first step away from it [...] but the unions decide this themselves and they see it from their members' perspective and does the individual member see a value in being able to get to health care quickly, yes then you should be able to buy this [...] what we do is to argue that public healthcare must be better so that the queues become shorter. (*central confederation, Saco*)

Both IP8 and IP9 are aware of that private healthcare insurance means a step away from the Swedish universal welfare state. A model they work for and want to have. Yet, due to the unions' focus on the interest of their members, they choose to offer the service anyway. The unions need to be relevant for their members and represent the members' interests is a condition for their survival according to Regalia (1988). So arguably, when the insurances exist on the market, they feel like they have to offer it to their members to stay relevant. As Hyman (1994) stresses, trade unions may be driven to choices that are conflicting with their traditional identity. This is an example of conflicting policies within the union. On the one hand, they have the policy to offer healthcare insurances which is a “step away” from a universal welfare, but at the same time they have the policy to influence the politicians to improve the public healthcare and strengthen the universal welfare.

6.3 Changes in the Pension System

6.3.1 The trade unions' political approach

All unions, no matter which central confederation they are connected to, agree that the current pension system is “under-financed” and that it needs a greater “in-flow” of capital into the system:

IP4: Due to the public pension system being underfinanced action needs to be taken in order to increase the influx of capital through an increase in pension fees. Pensions also need to cover a larger part of the working wage in order for retirees to avoid having their standard of living lowered or risk impoverishment. *(Central confederation, LO)*

IP5: Together with more or less all other unions in Sweden we campaign for an increase of the public pension. *(Public sector, TCO)*

IP8: We believe that the public pension should be safe and secure. We have retirees who are impoverished that reveal that it isn't, neither the old one nor the new, so there are...cracks in this system. *(Public sector, Saco)*

As the quotes above all show, the unions believe that “the public pension should be safe” and that it should provide enough income to avoid “impoverishment”. Here, they do not only take the interest of the unions’ own members into account but the whole working population in Sweden. Their identities are clear: they believe in the public pension system provided for all citizens and want to make it better.

6.3.2 The trade unions’ policies

Policy: Occupational pension through collective bargaining agreements

Even though the unions agree that the public pension system should give better protection, the unions set up their own policies to increase members’ pensions beyond what is covered by the public system. All the unions in the study provide occupational pensions through a collective agreement with the employer:

IP8: We have occupational pension through collective bargaining agreements and we believe that to be a good addition into the pension mix so that if your employer has a collective bargaining agreement you get a substantially increased pension through the occupational pension [...] that means that we put pressure on workplaces to have collective bargaining agreement because it's such an evident benefit for the employee. With that comes not only occupational pension but a whole lot of other good terms and conditions. *(Public sector, Saco)*

IP6: We don't hold a principal position against occupational pension; on the contrary, we believe that occupational pension through collective bargaining agreements is positive and definitely strengthens the value of those agreements. *(Public sector, TCO)*

Occupational pensions are viewed as positive by the unions. Not only since it gives extra pension to the individual worker who works on a workplace that has collective agreements, but it also shows the importance of having a collective bargaining agreement at your workplace. The development of occupational pensions corresponds with Jansson et al. (2018), who found that due to welfare retrenchment, the role of social partners has become more important in the last couple of decades. The focus on occupational pension is also in line with the insider-outsider theory and business unionism:

IP9: Occupational pension is tied to the employer having a collective bargaining agreement which means that an employer who doesn't have one might decline to offer occupational pension to employees, and that is a problem. *(Central confederation, Saco)*

The “outsiders” who do not work at a workplace with a collective agreement may not get occupational pensions. Hence, the trade unions focus on the “insiders” promoting their economic interests for their members by regulating the labor market through collective agreements. Yet, does this mean that one cannot be “pro” universal welfare and also provide occupational pensions? Here the unions explain their answer to this:

IP3: We can see that occupational pension plays a greater and greater role within pensions, which wasn't what was intended when it was implemented; it was supposed to be the cherry on top. So here is an issue where we might ask ourselves, how much of the pension system are we supposed to take care of ourselves? After all it is something we believe that the state should handle. *(Private sector, LO)*

IP7: The public must to a greater extent cover for a higher, bearable pension, but the occupational pension system will likely persist, and it isn't something we wish to abolish. *(Private sector, TCO)*

IP5: We believe that occupational pension should be a complement to the public pension, not compensate for the decrease in public pensions. *(Public sector, TCO)*

IP3 describes how occupational pension “plays a greater and greater role” which “wasn't what was intended” with occupational pensions. Similar to the collectively agreed income insurances, occupational pensions are no longer the cherry on top (which they view as a good thing), of the public pension, instead it has become increasingly important. Again, it seems like if the public pensions are “good enough” and give proper security, occupational pensions are not problematic for the unions' identities. Yet, as IP5 states, the intended plan was not to “compensate for the decrease in public pensions”. This creates problems for the unions:

IP7: When the public pension is not being increased on the part of the state, we have to take responsibility and negotiate occupational pensions. Who must pay for that? The employer is the one who pays for it, but in reality it is the employee who pays for it in the form of an absence of wage increase to gain an occupational pension. *(Private sector, TCO)*

IP3: Prior to the most recent bargaining round we had discussions about the pensions, and chose to set aside funds to increase the occupational pension[...]the bargaining round is a democratic process where we discuss and prioritize and the members thought it was worth abstaining from increased pay settlement to focus on the pension. *(Private sector, LO)*

Through collective bargaining, unions represent their members' interest in various ways, for instance by getting an extra vacation day or a pay increase. There are a lot of services and points they want to include in these collective bargaining agreements and occupational pension is one

of these services. If occupational pensions are becoming more significant for the members' safety and they want to increase the employer's payments into occupational pensions, cuts must be made somewhere else in the collective bargaining. Here, the unions explain how their members and workers are forced to decline higher pay increases to compensate for the higher pensions. One could argue that since the members must decline pay increases to compensate for the occupational pensions, it indirectly becomes a "private" pension saving. Yet, as IP3 further states, "it is a democratic process" and the members want higher occupational pensions even though they must pay "themselves". In addition, as with the health insurance, the unions are also coming up with new solutions to the current "circumstances" where the social partners (unions and employers) take even more responsibility:

IP2: We have a rather realistic view of the public pension system as it is, we don't make use of overly optimistic calculations, obviously it would be better if things looked differently but the public pension system needs to be financed and we don't believe we have any realistic possibilities to achieve any radical changes to the system as it is today [...] On the other hand we put our focus on the bargaining round and part time pension solutions so that people can enter early part time retirement with a decent part time pension to cope with the last couple of years. That is a big part of what we view as the pragmatic way to solve a lot of problems for our members and that is something we accomplish exclusively through the bargaining rounds. (*Private sector, LO*)

According to Hyman (1994, p. 128), one of the three dimensions of a trade union power is the "ability to achieve unions' objectives in the face of resistance". Here, the union would like to improve the public pension system but does not see that there is a "realistic possibility" for them to get such a change through. So, this is about the union's power resource being too low to achieve the objectives they want. Therefore, they are trying to put all their effort into the collective bargaining and occupational welfare, the second-best choice, to make so called "pragmatic" solutions to solve the members' problems. It might not seem like a significant difference since they might get the same service for their members in the end. Yet, by focusing on providing occupational pensions instead of campaigning for increased public pensions, the union gets, again, closer to the "economic interest organization" character and moves away from the traditional "class struggle" character. Even though the union identifies as a "class struggle" union and wish to pursue policies that strengthen the traditional Swedish welfare model with universal benefits, the lack of power pushes them into providing occupational welfare, where services are conditional on being employed by the "right" employer. Moreover, in line with observations by Jansson et al. (2018), a lack of social protection in the current public pension system reinforces the differences between the "insiders" and "outsiders" further

and increases social inequality. Consequently, trade unions become actors that instead increases social inequality by offering benefits for the “insiders”.

6.4 Changes in Providers and Funding of Welfare Services

The fast growth of private providers of care and services (in the welfare sector) since the 1990s has changed the landscape of welfare services in Sweden. Changes that unions must relate to and act on. In this section, the unions’ political approach to the changes in providers and funding of care and services in the welfare sector will be discussed and what possible policies they have developed in relation to this. The focus will be on changes of providers in elderly care, but also in education and healthcare.

6.4.1 Changes in providers of welfare services

In the following, the union was asked how they related to the changes in the organizing and funding of welfare services:

IP1: It has changed a lot, and for the worse I would say. But at the same time, we have to relate to the fact that we have plenty of members who work in for example privatized elderly care and we have every interest to represent our members in the best way possible because we want to support members working in all forms of organization. There are better and worse examples, but what we have warned about, that we have seen in both theoretical models and empirical inquiries, is that the changes in providers in our line of business, in particularly, elderly care and education are ill-suited. And the funding is a part of that, it has been hollowed out more and more and these operations face economic hardship [...] and there are also testimonies from members who have worked at these places for a long time who say it has gotten a lot tougher, especially because of understaffing. (*Public sector, LO*)

IP4: When they ask those who work in welfare services what types of organizations they wish for most of them answer a better public welfare. It’s not like they want more of the providers to become privatized. (*Central confederation, LO*)

All LO-unions are more or less negatively opposed to the changes in providers in the welfare sector. Yet, since they have many members working in the private welfare sector, they must at the same time “relate” to it. Their members seem to agree with the unions’ view as they say that it “has gotten a lot tougher” and that they desire public providers. IP3 also states that it is the members that have brought up the issues:

IP3: We are against private business in the welfare sector all together, we were the ones who presented a motion at the congress that LO should strive for a non-profit principle with regards to

the welfare sector. We didn't do that for any other reason but the fact that when we asked our members what issues were most important to them this was at the top of the list, to ban for-profit business in education and care services. (*Private sector, LO*)

Here we can see how membership participation and democracy are directly connected to the interest which trade unions represent, and further the policy they will have. Here, as in class struggle unionism, the economic and political struggle are not separated. The unions' *interest*, *democracy*, and *identity* are all coherent: they want better public welfare without profit-driven welfare companies in the welfare sector. What they are missing to achieve their objective is power:

IP4: We're trying to defend the notion of equal welfare to a greater extent. And that really is about defending against these strong lobby-groups and groups with vested interests who are continuously trying to increase the space of the market, in order to gain economic growth within those markets. So it has become more of a defensive battle than it used to be. And that is obviously because the rate of new members in unions is falling and unions, in general, are being pushed back. Now there are other strong interest groups that have gained influence. (*Central confederation, LO*)

The unions are to a wider extent "defending" their interests and the ideas they believe in. New actors have entered the market and have according to IP4 interests that are opposite to the LO unions' interest. They describe how it has become more of a "defensive battle" than it was before. It is not only that the unions face more resistance from powerful interest groups that they find achieving their objectives more difficult; they are also "weaker" due to falling union density.

Moreover, even though the LO unions are more or less agreeing with each other and work together, the other unions see the changes in providers of services in a different light:

IP7: I haven't found any expressed politics there, but we do have policies that relate to how the reality looks like, now we have private healthcare providers [...] we have possibilities to set up private healthcare insurances for our members, and that is an example of how we simply relate to the reality out there. (*Private sector, TCO*)

IP7 does not have a policy about the new providers of welfare, but they do "relate to the reality" and the current situation. Now when private providers exist it gives them other possibilities to meet their members' interests, for instance, "private healthcare insurances". Again, IP7 focus is on the economic interest of their members, without having a political agenda, which makes their identity look more like business unionism rather than the traditional Swedish class struggle unionism.

Furthermore, the LO-unions previously argued that the members working in the welfare sector wanted public welfare and not more privatizations. Yet, there are other unions with members working in the welfare sector where the changes have had a direct influence on their working conditions, that have another approach to the changes of providers in the welfare sector:

IP6: When it comes to privatizing we've noticed quite clearly that it's both beneficial to our members, but also brought new challenges. (*Public sector, TCO*)

IP5: We operate no matter if ownership is private or if its run by the municipality [...] and when it comes to employers there are fantastic organizers that are both privately and municipally driven so it's not as easy as saying that only one is good or only one is bad. (*Public sector, TCO*)

Both TCO-unions do not prefer one over the other, both are good. The privatizations in the welfare sector have been “both beneficial” and “brought new challenges”. The unions both discuss the change in providers of care and services specifically with their own sectors in mind. Arguably, since these new private providers have been introduced and their members are working within these organizations, it makes them dependent on them which may impact their position. Yet, the LO union also had members working in the public sector and they were critical of the private providers. Again Hymans (1994, p. 121) so-called “mobilization of bias” may be relevant here. The different unions may have helped to shape the workers' own definition of their interest, which may be a reason for the various approaches taken by unions working in the welfare sector.

6.4.2 Changes in funding of welfare services

Both private and public providers of care and services are financed through taxes. Yet, new additional services have been introduced in healthcare, elderly care, and education where the private consumer attains reduced private cost (Lapidus, 2019). One way to reduce the private cost for the consumer is through the RUT-deduction when you hire someone for household services, for instance cleaning, maintenance, and laundry (Skatteverket, nd). This means that you as a customer only pay half of what the service actually costs. However, not everybody can take advantage of RUT-deduction since it is not possible to make deductions that are greater than the amount you should have paid into the Tax Agency. Many Swedish pensioners for instance, have not paid enough taxes to be able to utilize the RUT deduction fully (Lapidus, 2019). The unions have different approaches to tax-reliefs as the RUT-deduction, which will be discussed in the following.

Against RUT-deductions

The LO unions all agree that they do not want RUT-deductions:

IP4: [...] Because of tax reductions in welfare services fewer resources are available for these activities, also due to the use of new public management as a guide to make organizations slimmer, but that also means that many of these services lose quality. Then private providers appear, offering products to individuals in order for them to receive the quality they want, we're talking about private healthcare insurance, but also RUT-services within elderly care where you can "top up" as they say, with different types of private insurances, and it's the same fundamental idea as with the insurances we talked about before. We want the public protection to be better [...] we believe there to be a big risk that these private insurances and RUT undermine the trust towards the welfare state. We face the same risk, that at least the people who can afford it will after a while ask themselves why they have to pay in two different ways, to the private providers, but also the public through taxes, and as with the private insurances, this might tear society apart. We get a kind of A and B level care where those who can pay for better care, and that is a big step away from the fundamental idea of the Swedish welfare model, that care should be given depending on need. (*Central confederation, LO*)

IP2: It's very easy to see which municipalities are taking advantage of RUT. It isn't the municipalities where our members live, it isn't that "socio-economic class" that is taking advantage of RUT-deductions and that shows it really is as we say; madness. (*Private sector, LO*)

According to IP4, the increased demand for RUT-deducted services is connected to welfare retrenchment. Due to decreased funding for welfare services and "leaning" of welfare organizations, many of the welfare services lose quality. To compensate for the loss of quality of services, people supplement the public with private RUT-deducted services, at least those "who can afford it". This connects the RUT-deduction to the question of interests. According to the LO unions, it is not their members or their "socio-economic class" that utilize the RUT-deduction. The class perspective is also closely connected to the "class struggle unionism"-identity. Furthermore, since not all people can afford to "top up" with extra services, RUT-deducted services may, in the perspective of the LO-unions, increase social inequality and "tear society apart". It can further "undermine the trust towards the welfare state" since people using the RUT-deductions are questioning why they both must pay regular taxes and extra private services since the public system is not good enough. This is a fear also expressed by IP1:

IP1: [...] the risk is that we steadily walk towards a social safety system that is designed to only collect the crumbs and be the uttermost line of protection for the most vulnerable on a low level. [...] I mean the shortcomings with home care services for instance, may cause a demand for RUT-deductions for the elderly. When I read our statutes and the way we perceive our role, we should instinctively work to improve the quality for everyone, i.e. the publicly financed home care service and strive for that, rather than giving those who can pay, an opportunity to buy good healthcare for themselves. (*Public sector, LO*)

IP1 also sees the risk that Sweden is moving towards a social security system that only “collect the crumbs” and be the “uttermost line of protection for the most vulnerable on a low level”. They also see a connection between the shortcomings, for instance in the public home service for retirees, and the increased demand for “elderly RUT-deduction”. Yet, IP1 states that by reading the unions statutes, it is clear what approach the union should take: “we should instinctively work to improve the quality for everyone, i.e. the publicly financed home care service”. Here, the “statutes” which are based on democratic processes within the union, decide the policy, but it is also based on the identity to not pursue policies for their members only but for society at large. Similar to the healthcare insurance, interest, identity, and policy are compatible, yet they feel like they do not have the power to change it:

IP1: [...] But as a union we haven't seen any possibilities to change that [...] we have to, in some way act strategic in what we reasonably can change [...]. (*Public sector, LO*)

A union's power does not exist in isolation from the concrete issues (Hyman, 1994), and when it comes to the RUT-deduction, IP1's union needs to be “strategic” in what they can change, and the RUT-deduction is not one of them. Thus, what policy a union chooses to pursue is connected to the power dynamic of the specific issue. If the resistance is too great, the union may put its effort somewhere else, no matter if the policy is unanimous within the union. Nevertheless, not all of the LO-unions feel like they cannot make any change:

IP3: We support the unions that exist within the public sector and try to work with opinion forming, education, and pedagogy, that are our main strategies really. A report may be released claiming something, [...] and then we may have to produce something to say that actually, this is how it is. (*Private sector, LO*)

IP2: This is crazy, obviously we want universal welfare [...] this needs broad political work from unions, in cooperation with LO, so that we become a unified voice. (*Private sector, LO*)

Both unions' policies are “broad political work”. For instance, opinion-forming, and education of the public. Their policy strategies are also in line with the “class struggle” identity to gain support from the broader public. IP2 further states that they are working together within LO to become a “unified voice”. This can be viewed as an example of forming a “collective identity”, which according to (Offe and Wiesenthal, 1980), is a precondition for trade union power. Even though it is primarily LO-unions that are against the RUT-deduction, a union who is not a LO-union but agrees with some of the previous statements is the public sector union from Saco:

IP8: When it comes to RUT, for example, just to say something [...] it really is an ineffective subsidies system, it isn't that we believe it's wrong that one can get various services for one's

home, but we believe that RUT isn't the most effective way. And then public home care services need a boost of resources that improves the quality of service to a reasonable level [...] the union believes public spending into the welfare sector is prioritized over other types of consumption incentives. (*Public sector, Saco*)

The union sees a correlation between the underfunding of care and services and the demand for RUT-deducted services, and they also want more resources to the public home services instead of increasing private supplements. This creates a situation where they must choose between an "ineffective subsidies system" as the RUT-deduction and deficient public home service. As discussed in previous sections, the problem arises for the union when the public system is not giving the quality of services as people expect and they have to find other solutions.

Pro RUT-deductions

Even though IP8 does not support the RUT-deduction system and would rather see public consumption than private consumption (RUT-deductions) when it comes to welfare services, Saco is for the RUT-deductions:

IP9: We are positive of RUT-deductions [...] deductions that aim at raising employment and by that raise more taxes, those are positive to us. The income tax deduction is one, but also "RUT" [...] furthermore, we have observed that the RUT deduction is being used by families with children, but also by the elderly. Retirees who are somewhat better off who can receive more assistance than what the home care service provided by the municipality may offer. And here at Saco we believe that to be positive as well. (*Central confederation, Saco*)

Saco has a positive approach to the RUT-deduction since they argue that it increases employment rates and thereby increased tax rates. Further they argue that it is positive since families with children use it but also retirees than can buy extra services so that they get more help than the home service from the municipality can offer. Hence, the extra private consumption of services is a good thing that supplements the services and care offered by the public system. Even though, as Saco themselves states, that it is used most by retirees who are "somewhat better of", this does not seem to be contradictory to their identity or the interests they want to represent. Furthermore, some of the unions are for the RUT-reduction from a gender equality perspective:

IP9: We advocate for an increase in gender equality, and in that sense this relieves in particular parents with young children, because working full time and having small children is a real puzzle. Having the opportunity to pay for a service like cleaning will really help that puzzle to be solved, and that is also a policy for gender equality. (*Central confederation, Saco*)

IP7: We support RUT-deductions from a gender equality perspective. It is something that can be questioned from a class perspective, but viewing from a gender equality perspective, we have

come to the conclusion that we support RUT. [...] We're not only saying it's positive, but we're also actively working to make it easier for the employer to offer their employees RUT-deduction services. And why, well it has to do with parental leave, parental allowance, and temporary parental allowance and to work towards a more equal withdrawal. But it's also about women being overrepresented when it comes to working part-time, taking care of children and taking care of the home [...] we can relieve those families who want an equal home but may be missing just a bit economically for it to be feasible. (*Private sector, TCO*)

Both unions want the RUT-deduction since women are usually doing more unpaid work in the home, as cleaning and taking care of the children. With RUT-deduction on home services, it is cheaper for the family to buy extra help, making the family more equal. IP7 does argue that the RUT-deduction could be questioned from a class perspective, yet that is not their focus. Again, this shows that IP7 is not, and does not want to be, characterized as “class struggle unionism”. Yet, even though they are representing members that may use the RUT-deduction more regularly than the LO-union's members, the interest goes beyond their own members. Instead, they are more acting like “social partners organizations”, where employers and employees are perceived to have some degree of common goals and interests (Palm, 2017).

7 Conclusion and Final Discussion

The purpose of this thesis was to explore what policies Swedish trade unions develop in relation to the changing Swedish welfare state and the reasons behind the unions' choices. This has been done through interviews with nine union and central confederation employees who could represent the organization on issues connected to welfare policy. This thesis has found that during the last decades, the unions have felt forced to take over more responsibility from the state and have therefore adapted their policies to the changed conditions. As a result, occupational welfare has been more broadly introduced, for instance in the form of offering supplementary income insurance, but also that the collective bargaining agreement has been more important for the welfare of the Swedish citizens. This is in line with Jansson et al. (2018) who found that due to welfare retrenchment in Sweden, the role of social partners, such as trade unions, has become more important in the last couple of decades.

The majority of the unions also express how the shifting circumstances have increased the political resistance which keeps them from achieving one of their main objectives: to keep the Swedish welfare model and an inclusive universal welfare state. The decrease in union density has made this even more difficult, especially for the LO-unions who have had a higher rate of member loss relatively to the Saco and TCO unions. Consequently, the interests of the low-paid workers are taken less into consideration in comparison to high-income labor groups which may further increase social inequality. Furthermore, the increased resistance, has at times forced the unions to go at odds with their own identity and asking themselves "who and what are we here for?" As a consequence, the unions have started to focus more closely on the interests of their own members. The risk of increased focus on "insiders" at the expense of outsiders was predicted by Crouch (2000) and the main argument in the "insider-outsider" tradition.

Yet as emphasized by Hyman (1994), not all unions act the same, the policies developed in relation to the changing welfare state are also dependent on the unions' identities, interests, democracy, and their perceived power. Due to these differences, unions have also pursued different policies. The clearest example of this is the choice to offer healthcare insurance to their members. For instance, none of the LO-unions are offering healthcare insurance to their members and are actively arguing against them from an ideological standpoint, other unions have a problem with healthcare insurance from an ideological perspective but are offering them

anyways since it benefits their members, and some of them do not include the ideological perspective, solely focusing on the interest of their members. These findings are corresponding with the critique of the insider-outsider theory by Durazzi, Fleckenstein and Lee (2018) who emphasizes the importance of union identity for policy choices, but also with Nijhuis (2009) and Becher and Pontusson (2011) who argue that labor cannot be seen as a homogenous class and unions' strategies depend on the organizational structure of the union, and the different interests of the members they are organizing. However, in contrast to Durazzi, Fleckenstein and Lee's (2018) conclusion when studying trade unions in South Korea and Italy, my findings do not show that unions have moved towards a class struggle unionism identity and changed the focus from the "insiders" to the "outsiders". Rather, as Couch (2000) warned about, the unions' identities have moved, in different degrees, away from class struggle unionism towards business unionism to a wider extent.

Some of the unions are concerned and fear that Sweden is about to leave the "Swedish welfare model" and move towards a "basic welfare system" with more involvement of the market and limited social benefits. Nevertheless, the majority of the unions are positive and do still see themselves as powerful social actors that have a lot to offer the Swedish welfare state. Primarily the LO unions, but also the Saco and the TCO unions, try to influence the welfare policies in line with the traditions of the Swedish trade union movement: talking with politicians, campaigning, and opinion-forming. Yet, in accordance with the development in Denmark presented by Jørgensen and Schulze (2011), findings show that a lack of power makes it difficult for them to pursue their goals, and the unions have to a greater extent had to "defend" the Swedish welfare model. Hence, in line with the power resource approach (Korpi, 1985), my findings indicate that the power distribution between competing collectives is of great importance for the development of the welfare state.

Yet, the findings show that all the unions to some extent, either willingly to keep the unions relevant, or due to the feeling of responsibility, still pursue policies that take them further away from the welfare model they say they want, towards a more divided welfare state. The decreasing union density rate puts pressure on the unions to offer their members solutions. This was also shown by Greve (2018), who argued that the growth of complementary occupational welfare in Sweden has weakened the universality of the welfare system. This was also clear as the main competing goals within all the unions (yet varying in strength depending on the unions' identities), was the competing goal between a universal welfare for all versus the direct

interests of their members. My findings indicate that there is a risk that the actors who see themselves as the main advocates for the Swedish welfare model have, against their own will, become enablers for its decay. Yet, to avoid being too deterministic, what all unions have in common is representing the will of their members. Therefore, it is the members who in the end, govern what policies unions are pursuing and how the future of the Swedish welfare state will look like.

Finally, it is important to remember that this study only included 9 interviews from different union representatives and these findings cannot be generalized to all Swedish unions. The internal dynamics of trade unions are also complex and cannot fully be explored in this thesis. Yet, this thesis has shed light on the internal processes and contradictions often existing in the unions and how the changing Swedish contexts have influenced union policies. Only touched upon lightly in this thesis, further research could address how these policies in turn are influencing the Swedish welfare state.

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9 Appendix A: Interview Guide

Presentation

I am interested in how the changes in the Swedish welfare politics in the last decades have impacted the policies of your union. I am particularly interested in what strategies and policies the union you represent has chosen to adopt, and the reasons and discussions behind that choice.

Income insurance: health insurance/unemployment insurance

- What are your union's views on the regulations relating to the public unemployment insurance and what policies have you developed to comply with those?
- What are your union's views on the regulations relating to health insurance and what policies have you developed to comply with those?
- Presently, your union offers a variety of private supplementary income and health insurances as compensation beyond what is offered by the state. What were the reasons and discussions behind those decisions?

Private healthcare insurance (if the union does not offer the insurance)

- Your union does not offer private healthcare insurance, what were the reasons and discussions behind that decision?
- Many other unions do offer that type of insurance. If your members would wish for private healthcare insurance, what would be your response?

Private healthcare insurance (if the union offers the insurance)

- How does your union relate to healthcare insurances?
- You offer healthcare insurances to your members, what were the reasons and discussions behind that decision?

Pensions

- How have the changes in the public pension system affected your pension policy?
- What is your pension policy for the bargaining round?
- What is the rationale behind it?

Welfare services (care and education)

- How do you relate to the changes in the organizing and financing of welfare services (care and education)?
- How have these changes, including RUT-deductions, affected your union policy?

Final question

- In what way do you think the unions' welfare policies can influence the Swedish public welfare?