

The Industrial Agreement

**Cooperation and Negotiating Agreement for the
Industry**

Rome, 18 September 2018



Teknikföretagen

Background

- From a history of centrally conducted collective bargaining
- High pay rises and high inflation
- To adapt the costs to international competitors
- First agreement in 1997

Cooperation Agreement

Purposes:

- To strengthen the **cooperation** between the parties and to promote future good relations.
- To increase the **competitiveness** of the industry and to create beneficial terms for the employees.
- To act for **increased knowledge** about the importance of the industry for the Swedish society and the economic development of Sweden.
- The parties are **jointly** directing these efforts toward decision makers, opinion makers and the general public.

Negotiating Agreement

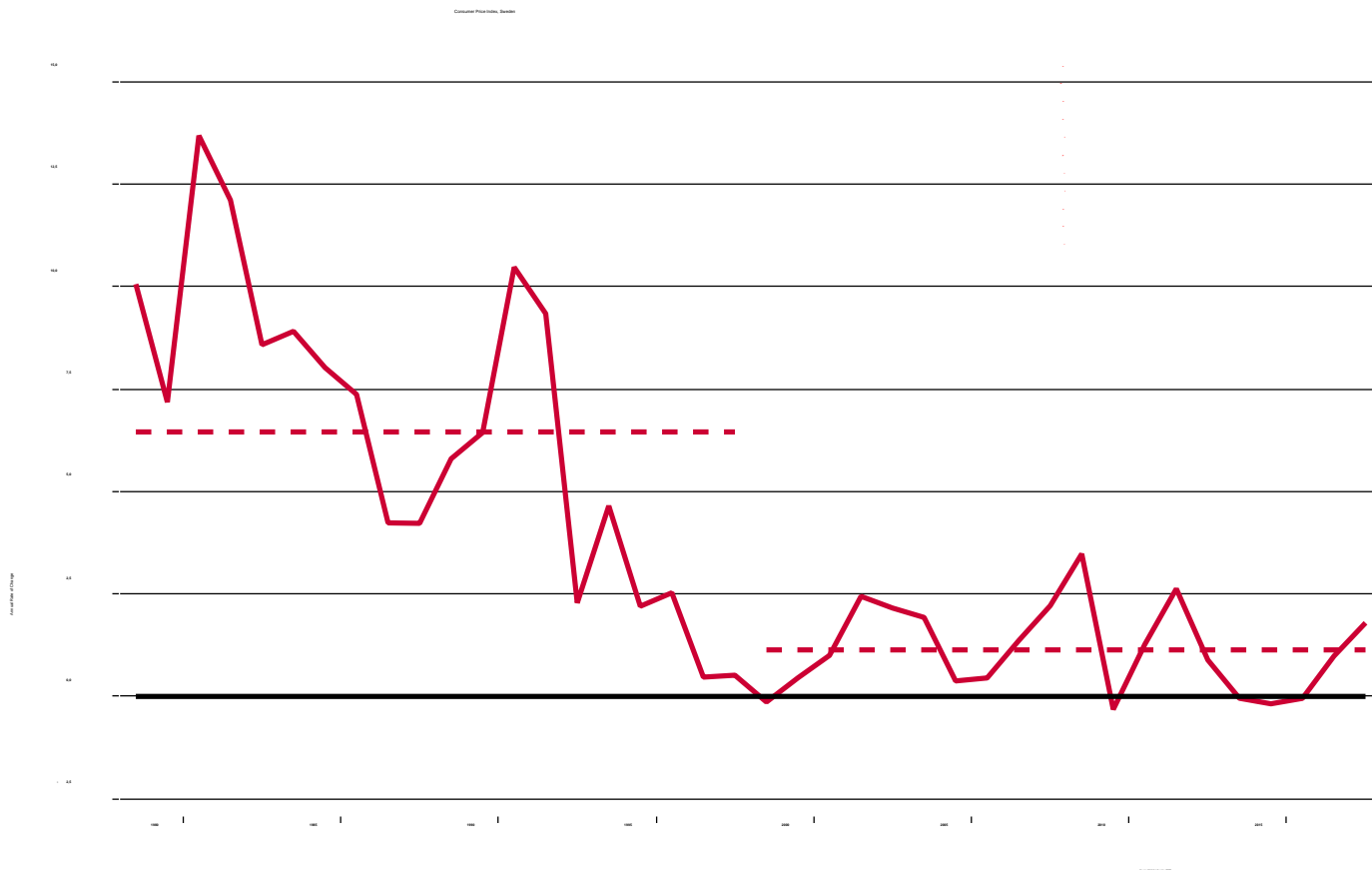
Purposes:

- for the parties to **reach agreements** at the branch level regulating wages and employment terms and a duty to keep the peace.
- to improve industrial development, profitability and international **competitiveness** in each industrial agreement area and provide preconditions for favorable wage trends and beneficial other terms for the employees
- to safeguard constructive negotiations for branch agreements with a balanced result according to **a set time plan and without industrial action**

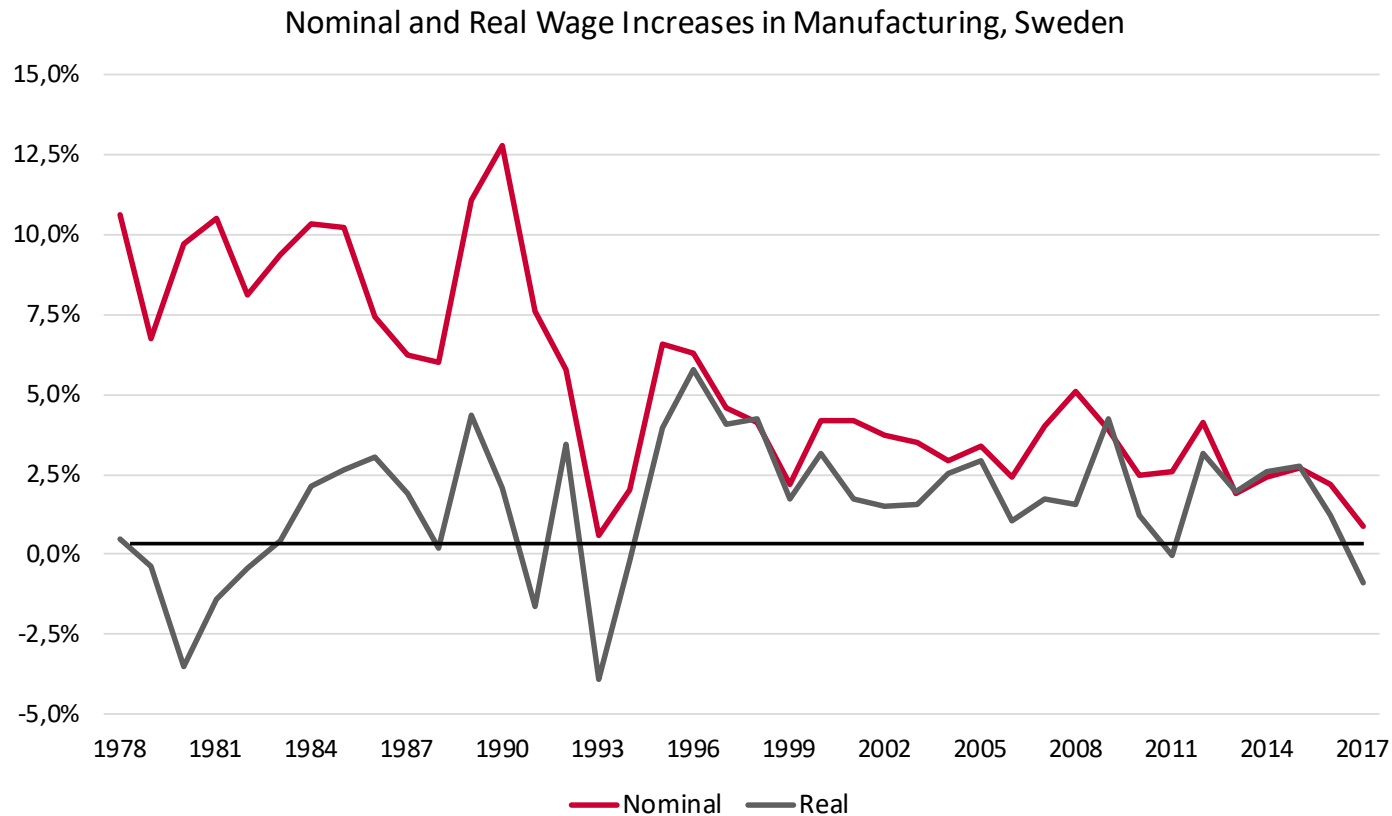
Negotiating Agreement

- that the **cost mark** established by the industrial branch agreements is the benchmark for the rest of the labor market
- to bring about a **coordination** of the negotiations for branch agreements within industry when it comes to provisions regarding costs and to improve the normative effect of industry by several industrial branch agreements being able to be made in close proximity in time.
- The industrial parties have a joint responsibility for these purposes and shall jointly promote the normative role of the industrial sector on the labor market.
- Helped by the Swedish Mediation Institute (authority)

Lower inflation rate with the Industrial Agreement



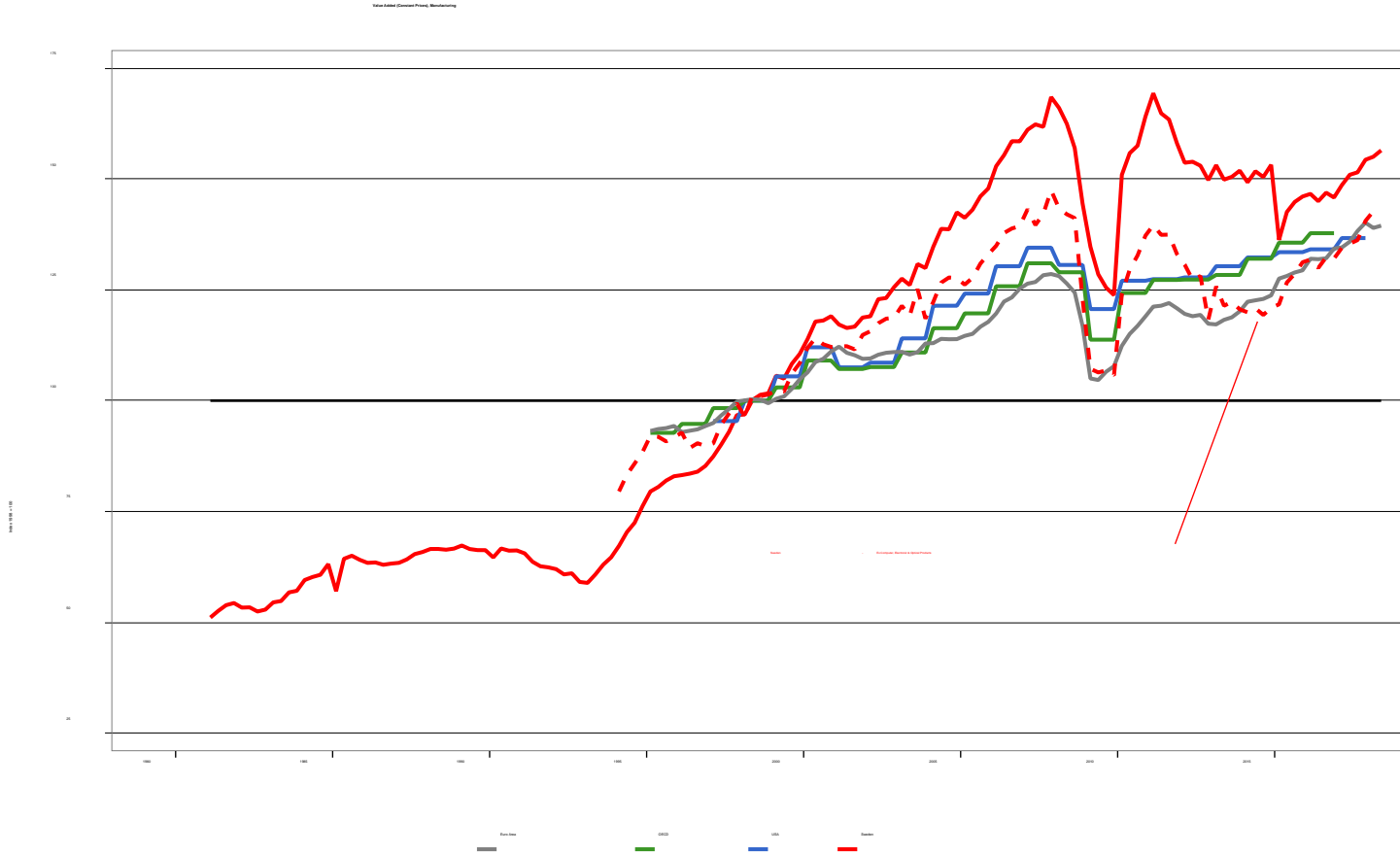
Lower Nominal and higher Real Wage Increases with the Industrial Agreement



Source: BLS, Statistics Sweden (SCB), Eurostat LCI (1998-2017).

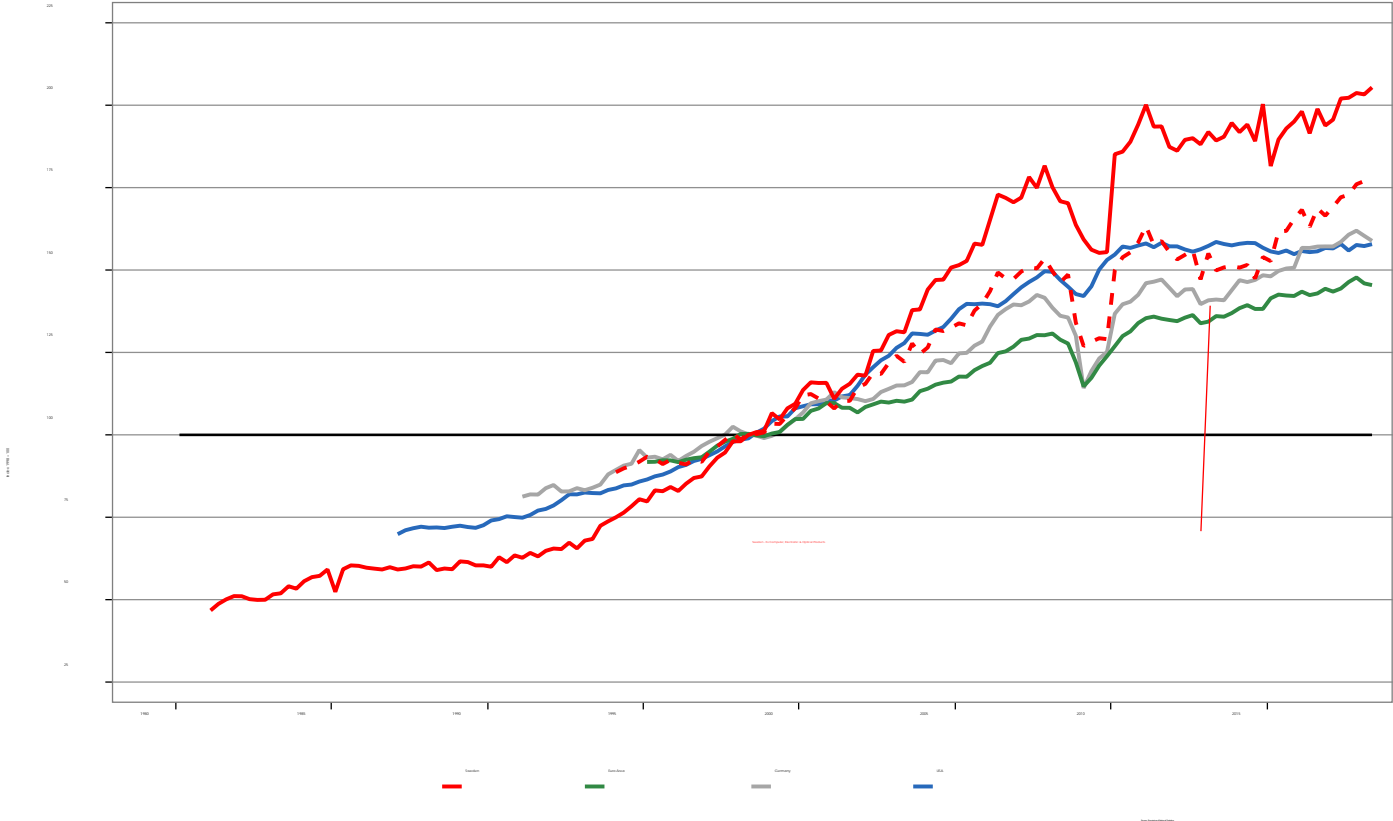
* Wage Increases from BLS (1978-1992), SCB (1993-1997), Eurostat LCI (1998-2017).

Development of Value Added in Manufacturing



Development of Productivity in Manufacturing

Labour Productivity (Value Added Constant Prices / Hours Worked) in Manufacturing

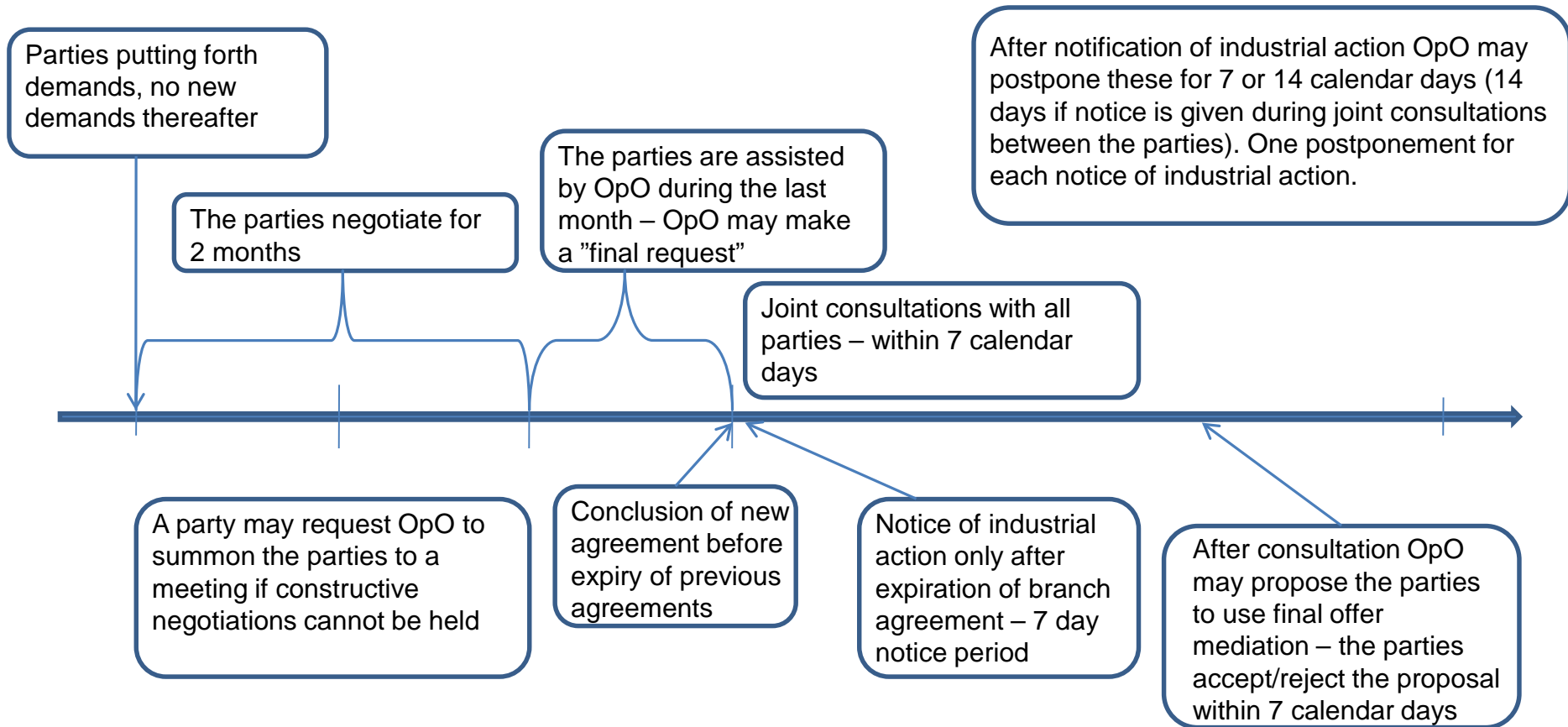


Development of Employment in Manufacturing



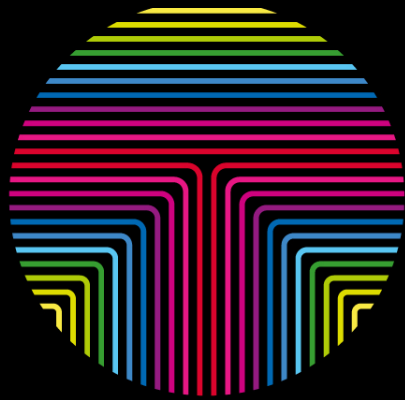
Source: Conference Board

Negotiating Agreement



Experiences so far

- The Industrial Agreement has worked well.
- Competitiveness, low inflation, real wage growth.



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