



## Strike at Tesla in Sweden: what will be its broader effects?

**Martin Klepke**

The Swedish trade unions may succeed in the ongoing strike against Tesla in Sweden – but maybe not in a way that necessarily makes it easier for workers in other countries to demand collective agreements with Tesla.

The strike against the automotive giant Tesla has now been going on for some weeks in Sweden, after the union had tried for five years to initiate negotiations for a collective agreement, which Tesla refuses to provide.

### **Strike breakers**

During these weeks of strike, the conflicts have escalated significantly. Tesla has actively encouraged strikebreaking and brought in strike breakers through one gate to its facilities while strike guards stood at the other.

Tesla has also sued the Swedish state because the company has been unable to obtain registration plates for its newly sold cars, as the postal union Seko has started a sympathy strike in support of Tesla workers.

Tesla has also sued the state-owned postal company PostNord because they do not allow non-unionized employees to deliver mail and registration plates. Tesla is demanding that the Swedish state intervene and order people to become strike breakers, which has attracted significant attention. The last time the state ordered people to become strike breakers was during the mining strike in western Sweden in 1926.<sup>1</sup>

In Sweden, almost all major companies and nearly 90% of the country's workforce are covered by collective agreements. Both the central trade union organizations and central employers' organisations agree that everyone should be covered by collective agreements.

Unlike the United States and many European countries, Sweden

lacks legally mandated minimum wages. Sweden also does not apply any general declaration of the validity of collective agreements. Therefore, the entire burden of wage negotiations lies on the parties involved. For employers, it is important that all companies enter into collective agreements to prevent companies from being eliminated through unfair wage competition.

The possibility of sympathy actions is also extensive in Sweden, both for employees through sympathy strikes, and for employers through extensive lockouts. However, Sweden is one of the least strike-prone countries in Europe. The last major strike-lockout conflict occurred in 1980 when the trade union central organization LO called for a strike of over 100 000 workers, and employers responded by locking out 575 000 workers.

Tesla's use of strike breakers has led many unions to go on sympathy strikes in support of Tesla workers. Even the Musicians' Union has explored the possibility of blocking playback of their music in Tesla cars.

### **Could the strike have repercussions internationally?**

Could the strike at Tesla in Sweden have repercussions in other countries? Internationally, the strike is significant, as Tesla has globally adopted an extremely anti-union stance. The hope is that, if the strike for a collective agreement at Tesla's facilities succeeds in Sweden, it could pave the way for union progress at Tesla's other facilities worldwide.

The question is whether it is realistic. While several similar conflicts with multinational companies have been resolved in favour of employees – such as with Toys R Us and recently with the fin-tech company Klarna, both of which signed collective agreements after the conflict – other conflicts, such as with Amazon, ended with Amazon allowing other companies – with

<sup>1</sup> The strike in 1926 ended in a union defeat. In parliament, the Liberals, together with the conservatives, voted to order workers to become strike breakers. This led to the rupture of government cooperation between liberals and social democrats, and the social democratic prime minister resigned.

collective agreements – to represent them in Sweden.

The Swedish industrial union, IF Metall, has stated that this is a possible solution. For the union, the important thing is that members have a collective agreement in their workplace, regardless of which company operates the business. Since Tesla claims to have the same conditions as collective agreements, it should not matter to Tesla.

However, what speaks against such a solution is that Tesla has a tradition of strongly anti-union work. Hatred towards unions could therefore hinder a pragmatic and swift resolution to the Tesla strike in Sweden. On the contrary, most indications now suggest that it will be a prolonged conflict.

*Martin Klepke is the editorial writer on the LO-owned trade union newspaper, Arbetet.*

## Global Labour Column

Contact the editor for questions or contributions: [Claire.Ceruti@global-labour-university.org](mailto:Claire.Ceruti@global-labour-university.org)

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