

# Sweden: Unions promote nationalism over Saab

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Last Thursday, Swedish trade unions organised protests of Saab workers in the town of Trollhättan. As with similar events organised in Germany by the unions at Opel factories, the event was used to promote support for GM's Saab division and urge government intervention to guarantee the future of the ailing automaker.

Around 600 workers marched through the streets of the town before gathering for a rally attended by approximately 3,000. Instead of calling for the defence of General Motors workers' jobs now under threat all over the world in a struggle against the employers and the Swedish government, the speeches of the trade union functionaries were concerned with Saab's continued existence as a profitable concern. As IF Metall union leader Stefan Löfven commented, "Many believe in Saab and this demonstration proves it."

Social Democrat leader Mona Sahlin, speaking to the TT news agency, called for government intervention. "There's a huge amount of bitterness and frustration over the government's policy. People feel like Saab hasn't been given a chance and I share their anger."

The union protests took place on the same day as action across Europe, at Opel factories in Germany, and in other GM-owned facilities in Belgium, Poland and Russia.

Earlier in the week, union leaders and the Swedish government held negotiations on the issue of state aid for Saab, with Enterprise Minister Maud Olofsson and trade union representatives making statements to the effect that the crisis now confronting the Swedish auto industry is the fault of GM alone. As Olofsson's deputy at the enterprise department, Jöran Hägglund, stated, "Our criticism is directed at GM in this case and not at Saab. GM hasn't taken responsibility as an owner for many years."

Responding to the negotiations, Paul Akerlund of the IF Metall union declared that he understood the government's refusal to give aid, adding that "It may be more of a tactic for negotiating with GM."

In a further sign of Saab's crisis, production was suspended for three days last week due to Saab's failure to pay customs duties for its imported supplies. Having sought bankruptcy protection on February 20, the automaker had lost its 30-day

credit arrangement with Swedish customs, who blocked the import of supplies. Production was due to restart as normal this week.

Meanwhile, Volvo has filed an application for emergency loans from the European Investment Bank (EIB) of approximately €550 million. The Swedish government has indicated it may be willing to guarantee the loan, justifying its aid to Volvo on the grounds that owner Ford is prepared to guarantee support to Volvo, whereas GM has stated its intention to end support for Saab by the end of 2009.

Thousands of jobs are on the line at both automakers, with the town of Trollhättan in south-west Sweden particularly reliant on Saab. With a population of just 45,000, 3,700 are directly employed by Saab, with many more in jobs which depend on it. The government's refusal of aid has provoked growing anger in the town. "Maud Olofsson is not very popular here these days," commented Mona-Britte Olsson, a former Saab employee to Bloomberg. "She probably shouldn't walk alone here at night."

Karin Tobiasson, another resident of the town, added, "People here are equally angry with GM as they are with the government."

Truckmakers Scania and Volvo Group have also faced problems. In December, Scania announced plans to implement short-term working at its operations across Europe. Volvo Group, which suffered big losses in 2008, recently took the provocative step of announcing it would allow the salaries of 250 top executives to increase by as much as 60 percent. In the fourth quarter last year, Volvo Group suffered losses of over 1 billion kronor (\$150 million).

As well as calls to aid the auto industry, the government is confronting a rapidly deteriorating economic situation. Last Friday, figures revealed that Sweden's economy had shrunk by more than 4 percent in the fourth quarter compared with the same period in 2008, with a 2.4 percent contraction in the fourth quarter alone. The downturn has hit exports hard, which were down by over 7 percent, while imports declined by 5 percent.

The figures were substantially worse than most had expected, with forecasters having predicted a 2 percent contraction over the year. "These are very dramatic numbers," stated Prime Minister Frederick Reinfeldt. "We usually boast about our

export-driven economy. Now we're seeing the negative side: a global downturn that is affecting Swedish exports."

Finance Minister Anders Borg described the recession confronting Sweden as a "long, cold, dark winter" for the economy.

The sharp contraction has already resulted in a swift increase in unemployment, up 14 percent in January from the previous month. According to recent reports this trend will only increase. A report by the building industry trade union predicts the loss of 20,000 construction jobs this year. According to the Swedish Construction Federation (BI), investment in the construction sector will drop 5 percent in 2009, leading to the predicted layoffs.

Noting the worst conditions in the construction industry since the early 1990s, the group's statement claims that construction of new houses will be halved over the coming year. "The outlook for 2009 remains very gloomy after the autumn's slowdown. There is a considerable risk that households will be even more cautious (financially) in the future given the rise in unemployment," BI stated.

The government faces a budget deficit this year where a surplus had been previously forecast. The currency has also suffered, with the krona (SEK) trading at its weakest for a number of years at over 11 kronor to the euro. This has led to some speculation reemerging as to the possibility of another referendum on membership in the euro, a move which was rejected in 2003.

With the government's financial position increasingly weakened, attacks on public spending and services for working people are inevitable. Prior to the financial crisis, the government was in the process of a privatisation drive, with plans to sell off over 200 billion kronor in state assets. But the onset of the current downturn has put an end to this, since there is no prospect of finding buyers in the current market.

Another problem for the government is the fear of the economic collapse in Eastern Europe, particularly in the Baltic countries, spreading to Sweden. On February 27 the Riksbank (central bank) announced a swap agreement with the Estonian central bank in the event it requires international aid to deal with the deep recession there. In Latvia, Sweden joined with the IMF and other international organisations to provide a €7 billion package at the beginning of the year.

The government's refusal to aid Saab risks precipitating a sharp rise in unemployment and a deepening of the economic recession in Sweden. Since the decision to withhold financial support, ministers have attempted to remain optimistic about the company's prospects, with Enterprise Minister Olofsson claiming that numerous buyers had been in touch with the government to express their interest in Saab. Saab CEO Jan Ake Jonsson also declared that a number of interested parties had been in contact, although he refused to divulge their identities.

Even in the event that a buyer is found, this will still mean

mass layoffs for workers, since the likely outcome would be the sale of the most lucrative parts of the business in order to return Saab to "profitability." This would result in job cuts as other parts of the company will be allowed to go to the wall, also having a knock-on effect on Saab's suppliers. A recent estimate put the number of jobs directly at risk if Saab ceased to operate at 15,000.

Prime Minister Fredrik Reinfeldt made clear in a statement Sunday that job losses are not a concern. At an emergency European Union summit in Brussels he declared that the auto sector "needs to be downsized and I think it should be downsized in a competitive manner and in accordance with state subvention rules."

Auto jobs can only be defended by means of class struggle, not class collaboration. Saab and Volvo workers must mobilise a political and industrial offensive to demand that the production facilities now under threat, and on which their livelihoods and families depend, should be taken out of the hands not only of GM and Ford, but of their local affiliates. This should be part of a common struggle in defence of jobs and living standards by autoworkers throughout Europe, the Americas and internationally.

The crisis in auto is only one manifestation of a general failure of the capitalist system that requires a socialist alternative. Rather than appeal for the protection of Swedish capitalism, a struggle must be waged for a workers' government that will take the entire economy out of the hands of the corporate bosses and financial speculators and organise production in the interest of working people. This demands first of all breaking from the organisational and political straitjacket imposed by the trade union bureaucracy and the building of genuine rank-and-file organisations and a new socialist political party.



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