Who is Volvo Group Chairman Carl-Henric Svanberg?

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Last Friday, Volvo Truck workers in Dublin, Virginia courageously voted down the third concessions contract brought to them by the United Auto Workers (UAW). Now the UAW is trying to impose the contract, which would raise health care costs and represent a wage cut when inflation is factored in, despite workers having just voted it down. A repeat vote is schedule for the factory's nearly 3,000 workers on Wednesday.

A statement from the Volvo Workers Rank-and-File Committee published Monday calls for workers to oppose the UAW's attempt to smother the strike and lay down for Volvo.

Volvo has declared the negotiations at an "impasse" and is moving to enforce the third tentative agreement. The company is attempting to reopen the plant and divide the workforce to break the largest strike in the US at present.

In the heat of this struggle workers should learn about Carl-Henric Svanberg, the chairman of the board of Volvo Group. Workers face a massive, ruthless and profitable enemy at Volvo. Its chairman is no less an enemy of the working class—having his hand in the coverup of the BP oil spill, mass layoffs and consolidations at multiple companies, and helping turn Securitas, the top global security firm, used often to spy on and harass striking workers, into the powerful company it is today.

Early Days: Asea, Securitas

Carl-Henric Svanberg, born in 1952 in the north of Sweden, graduated from the Linköping Institute of Technology in 1977 with an engineering degree. Svanberg soon went to work for the engineering firm Asea (now consolidated into ABB one of the largest robotics and power companies in the world). Svanberg cut his teeth managing a multi-million-dollar project to build powerplants in Colombia for Asea.

In 1986 Svanberg was hired by Securitas—now the single largest global security firm—to head its corporate and home alarm wing. Securitas, which bought Pinkerton in 1999, the notorious US detective and strikebreaking company, runs the largest global operation of rent-a-cops and private investigators.

Both companies are used as strikebreakers and worker-surveillance companies to this day. In 2018, 1,400 Frontier Communications workers in West Virginia and Virginia were harassed and surveilled by the security companies to help break the strikes. In November 2019, Amazon hired the company to insert spies into its Wroclaw, Poland warehouse as part of a global operation of surveillance against workers.

While Svanberg left Securitas in 1994, spinning off its profitable lock division Assa Abloy, Svanberg is credited by Advameg's *Reference for Business* for turning it into the company it is today. Svanberg, they write, helped Securitas "hone the formula for success that propelled [it] to great heights—a series of acquisitions in Scandinavia, Europe, and the United States."

The "gentle conqueror": Assa Abloy and Ericsson

In 1994 Svanberg became the head of Assa Abloy. Both during his time in Securitas and at Assa Abloy, Svanberg pursued aggressive mergers and acquisitions to build up companies and then "consolidate" them, with the loss of thousands of jobs.

According to a 2009 profile from the *Times*, Svanberg became known as the "Gentle Conqueror" in financial circles as, under his leadership, Assa Abloy bought up 100 firms, including giant competitors such as Yale, Medeco and Vachette. Today, Assa Abloy is the largest lock company in the world.

Svanberg's secret? Establishing a "disciplined method" in the companies he takes over, according to the *Reference for Business*. "Discipline" in business is, of course, a euphemism for cost-cutting, layoffs, consolidations, and a stringent work environment.

A *Barron's* magazine interview with a leading Swiss banker, for example, describes Svanberg as a "productivity pioneer" for tying workers' pay to output in the 1980s. That is, Svanberg pioneered piece-work in Europe: forcing workers to speed up on the production line by disincentivizing any pause or rest.

In a 2020 interview with Alumni—a business management company—Svanberg explains (9:50) that when trying to work with the board of a company to restructure, "There is a strength when you want to go through change … people can take a lot of hard stuff and change, and even layoffs, if they do understand why they are doing it and can see the rationale." By "people understanding," of course, Svanberg does not mean the workers laid off—but the wealthy executives and board members trying to make profits.

When Svanberg left Assa Abloy and joined Ericsson as its president and CEO in 2003, he soon went to work implementing this ruthless restructuring at the telecommunications giant.

A 2004 *New York Times* article cites Svanberg as overseeing, just in his first few months, a 14,000-person job cut. This was on top of tens

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of thousands of jobs that had just been cut prior to his joining. In 2005, Ericsson bought Marconi, a British competitor, again consolidating the companies, cutting several thousand more jobs in the late 2000s.

Covering up an environmental disaster: BP

Svanberg became the chairman of BP—the giant energy and petrochemical company—in January 2010. Four months later, on April 20, 2010, the company would be responsible for the explosion of its Deepwater Horizon rig, which killed 11 workers, injured another 17, and created the largest oil spill in history.

The explosion released an estimated 5 million barrels of oil into the Gulf of Mexico—about 220 million gallons. The spill caused long-lasting damage to animals, reefs and marine life in the area. The equivalent of an estimated 2 million barrels of oil remains trapped in the Gulf.

During his time at BP, Svanberg was responsible for the systematic corporate cover-up of this disaster—colluding with the Obama administration to limit BP's financial and legal responsibility. Svanberg directly negotiated with Obama at the White House to limit its liabilities.

At the time, the *World Socialist Web Site* extensively covered the environmental disaster, the effect on workers lives in the Gulf, BP's criminal negligence, and the extensive efforts of the Obama administration to shield BP from criminal wrongdoing or financial liability. Among other things, BP systematically downplayed the extent of the spill, was responsible for criminal negligence in the safety of the rig's operation that caused the spill, never had any of its executives sent to jail, and got away with a wrist-slap of a penalty, financially speaking, which stock markets celebrated as a boon—sending BP's stock up more than 5 percent the day it was announced (see: "One year since the BP oil spill: Covering up a catastrophe").

Svanberg famously derided the residents of the Gulf as "small people" at a White House press conference, stating, "We care about the small people. I hear comments sometimes that large oil companies, or greedy companies, don't care. But that is not the case in BP, we care about the small people." One wonders what words he would use for striking workers in Virginia!

Volvo and today's struggle

While Svanberg worked as chair of BP, retiring only a few years ago, in 2017, he also was chosen to head the board of Volvo in 2011, just a year after joining BP. Already, Volvo had grown to become the second-largest truck manufacturer in the world—purchasing Mack and several other competitors—and had shed its car manufacturing side, Volvo Cars into a separate entity.

During the first few years of Svanberg's chairmanship, Olof Persson headed Volvo as CEO. During these years Volvo underperformed relative to its rivals. Persson, with the board's blessing, undertook new measures for cost-saving and consolidations to restore profitability for the owners. In late 2013 the company announced it would be laying off 2,000 workers, then again, another 2,400 workers in February 2014.

In 2015, Svanberg helped to oust Persson as CEO, replacing him with Martin Lundstedt, head of rival Scania.

The pivot to Lundstedt, who remains the CEO today, was based on a new corporate mantra of "flexibility." Svanberg, when he announced Lundstedt's appointment, stated, "We are now entering into a new phase. You can't reach world leadership through just cost savings."

A Reuters financial brief stated that the owners of Volvo would be "looking to Lundstedt" for help in adapting to "rapid swings in the highly cyclical demand for commercial vehicles." Specifically, Lundstedt had overseen at Scania the fine-tuning of their modular form of truck production that was the "envy" of the global truck industry.

As in the US, where Volvo relies on the UAW to do its dirty work, Svanberg has worked to cultivate close relations with the Swedish trade unions, including IF Metal and Unionen, which have three seats on Volvo's corporate board of directors. Svanberg also sits on the Ministry of Foreign Trade's task force with Susanna Gideonsson, president of the Swedish Trade Union Confederation (LO).

Over the last few years, through cost-cutting measures, Volvo Group has substantially improved its financial condition. It has given billions of dollars to its shareholders just in the last few weeks based on a sale of one of its subsidiaries. Svanberg told the financial world that the company's "improved profitability, resilience in downturns and strong financial positions" all justified giving out the billions of dollars to its owning capitalists.

If that is the case, that the company has billions to hand out, why are workers at Volvo being squeezed in the latest concessionary contract?

The answer is simple: the money is there but they do not want to give it.

Svanberg and Lundstedt are darlings of the global financial elite because they have consistently, over the last few decades, delivered "discipline," "resilience," "profitability" and other catchwords that amount to one thing: paying as little money as possible for the companies inputs, above all labor.

But while Volvo workers are subject to austerity, whether in the US or in Sweden, Svanberg is doing just fine. In fact, in 2017 Svanberg and his wife bought what was, at the time, the most expensive house ever purchased in Sweden—a $14 million townhouse mansion in the upper-class Östermalm district of Stockholm.

Svanberg, like most other leading corporate executives around the world, has made a career out of aggressive cost savings and increased flexibility. From Securitas to BP to Ericsson, Svanberg has operated as the agent of the capitalist system and an enemy to working people. His trajectory is nothing unique, but rather an expression of broader global processes of austerity, discipline and immiseration confronting workers all around the world.

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