

The Head of SAC: Tesla Faces a ‘Stalemate’ in Sweden as the Longest Strike in Decades Grinds On

Gabriel Kuhn

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Workers at Swedish service centers and dealerships of the company Tesla, best known for its electric vehicles and its celebrity billionaire owner Elon Musk, have been on strike for over five months now. The strike, which started on October 27, 2023, is the longest one in Sweden in over eighty years.

The strike is led by the metal workers’ union IF Metall. IF Metall is not known to be a particularly combative union. Before the Tesla conflict, no IF Metall worker had been on strike for almost fifteen years. But with more than 300,000 members, IF Metall is one of the country’s most powerful unions, having churned out many social-democratic ministers over the years. It embodies the “Swedish model,” a type of social partnership between the country’s trade unions and employer associations, which goes back to the Saltsjöbaden Agreement, named after the posh Stockholm suburb, where it was signed in 1938. Collective agreements are the glue of the class compromise expressed in the accord, a cornerstone of the Swedish welfare state; to this day, 90 percent of Swedish workers are employed at workplaces regulated by collective agreements.

Tesla’s universally applied refusal to sign collective agreements is at the heart of the current conflict. IF Metall has been trying to get the company to sign a collective agreement since Tesla established itself in Sweden in 2018, but without success. As a flagship of the LO (The Swedish Trade Union Confederation), IF Metall eventually stepped up its efforts to defend the Swedish model by calling for a strike last fall.

Considering the attention the strike has received, people find it often surprising that the number of strikers is fairly modest. When the strike began, a 130 people were working at Tesla sites in Sweden. Slightly more than half of them were members of IF Metall. Very few non-members joined the strike, and not all IF Metall members did. The latter were subsequently expelled from the union, which brought union participation in the strike to 100 percent. However, the majority of Tesla workers did not. Financially, workers on both sides have profited since; in competition for their loyalty, Tesla has raised their wages, while IF Metall has been paying the strikers more than their regular salary.

Two main reasons are given for why few non-union members joined the strike. One has to do with the demise of trade union power and reputation. Even in Sweden, certain sectors of the workforce, particularly young and temporary workers, see very little benefit in joining a union nowadays. The unions appear to take a chunk of their monthly salary and do little more. Considering the high mobility demanded in today's labor market, there is also little experience in building collective power at the workplace. The other reason is repression. Tesla forced all strikers to empty their lockers and banned them from the company premises. The company also contacted the strikers when they found strikers' family members posting about the strike on social media. This created a climate of fear that few non-union members were willing to bear.

In general, Tesla had few qualms about breaking the (spoken or unspoken) rules in Swedish labor conflicts. They instantly brought in strikebreakers, some of them from abroad, to replace the striking workers. This meant that the immediate impact of the strike was low.

The momentum changed somewhat when sympathy strikes kicked in. IF Metall was supported by unions in industries relevant to Tesla's operations in Sweden: The country's two main transport unions refused to unload Tesla cars in Swedish ports – a measure later replicated by transport unions in Norway, Denmark, and Finland. The Electricians' Union no longer maintained Tesla charging stations. The Building Maintenance Workers' Union refused to clean Tesla sites. The Postal Workers' Union no longer delivered mail to Tesla. The Painters' Union refused to do paint jobs on Tesla cars. The Construction Workers' Union refused to do repairs in Tesla buildings.

However, Tesla has found ways to dampen the effects of sympathy strikes. They started to transfer vehicles from Germany to Sweden overland. They redirected mail to their clients and set up mailboxes with the help of friendly companies. In some cases, they have gone to court to have restrictions lifted. Besides, some measures of the sympathy strikes hurt the about 50.000 Tesla car owners in Sweden more than the Tesla sites themselves. Only a few weeks into the strike, the Swedish Tesla Club (of car owners) wrote an open letter to the striking unions, complaining that some of their members could no longer charge their vehicles or have them repaired.

This might be one reason why no widespread solidarity movement for the strike has gotten off the ground. While many people in Sweden sympathize with the defense of the Swedish model (to many, a matter of national pride), they remain emotionally detached from the strike at Tesla. It was different when, in 1995, the commercial employees' union Handelsns took on the US retailer Toys "R" Us, which also refused to sign collective agreements at its Swedish outlets. A popular boycott campaign against their stores made them give in after three months. Even during that conflict, the number of strikers was relatively low: only 80 Toys "R" Us employees participated. But those were different times, and there was probably more union sympathy among the low-income customers of Toys "R" Us than among the relatively wealthy Tesla car owners.

Tesla seems so unaffected by the strike that they have recently opened yet another service center in Sweden, in the town of Jönköping. But IF Metall can afford to hang in there. In this case, the low number of strikers helps. With a strike fund of over a billion euros, the union can sustain about 40 strikers through years.

Essentially, the conflict has reached a stalemate. Tesla doesn't seem hurt enough to give in, and IF Metall has the means to carry on. Among some of the strikers, this causes frustration. They would like to see a more confrontational approach. "Why aren't we doing blockades like the climate activists?" one of them recently asked in the LO magazine *Arbetet*. One of his colleagues added: "A conflict has to be a conflict!"

Representatives of TM Sweden, Tesla’s Swedish subsidiary, hardly ever talk to the press. On occasion, they will stress that they are independent from Tesla headquarters, but few observers take this seriously. It is highly unlikely that TM Sweden could make any concessions to IF Metall not condoned by Elon Musk. Musk hasn’t said much about the strike either, but on X, the social media platform called Twitter before he bought it, he has called the sympathy strikes “insane.”

Swedish employer associations are no friends of the sympathy strikes either. Only five years after a reform of the strike law curtailing the right to strike in Sweden, they are demanding even more limitations. Strikes shall be “proportionate” to the issue at stake, and, in their eyes, sympathy strikes don’t qualify. It is clear that the employers are hoping to make the most of the political conditions in the country. With a center-right government in power, backed by the far-right Sweden Democrats, it seems more likely to pass further anti-worker reforms than under a government led by Social Democrats, even if their own economic policies have long been pro-corporate.

It is hard to predict the outcome of the strike. Two rather powerful opponents are facing one another. It is hard to imagine Tesla budging. Tesla has not signed a collective agreement anywhere in the world, and this principle seems so much part of the company’s DNA – and that of similar multinationals riding on top of the free-market wave – that, if necessary, relocation seems more likely. Then again, they have never faced such a concerted union effort against them, so it’s a new terrain. For IF Metall, it mainly seems to be a question of stamina.

Regardless of the outcome, the symbolic dimension of the conflict is significant: what we are witnessing is perhaps the last stand of a Keynesian, government-regulated national economy against the neoliberal offensive. The conflict tells us a lot about the inner struggles and contradictions of capital and its competing factions today.

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