

### **Everything about "Märket"**

how the best possible salary increase level in the collective bargaining process gives you more money in your wallet.



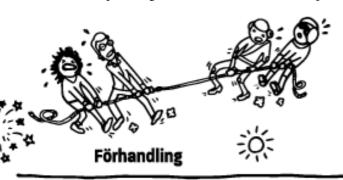


# Salary – an important part of the collective bargaining process

Unionen's central collective agreements expires in the spring of 2020, and this means that the collective bargaining process is in full swing!

The first thing that happens in such a process is that Unionen members give their opinions in various ways and say what they consider the most important things to pursue and prioritise in the negotiations.

The results are clear – one of the most important demands concerns our salaries and, above all, what collective salary increase level Unionen should demand. It can be easy to think that it is always too low, but a glance in the rear view mirror shows we have had a real salary increase of more than 60% since 1997, when the salary determination model we have was introduced.\* A key explanation for this positive result is that we end up at the right level – what is usually called Märket (the Mark). It is important that we achieve the best possible level of salary development and contribute to stable development in this area in both the short and the long term. It is important that our efforts ensure more money finds its way into people's wallets through real salary development while taking into account the ability of companies and workplaces to compete, and in this work we need to ensure that we neither end up too high nor too low, but at the best possible level.





2020

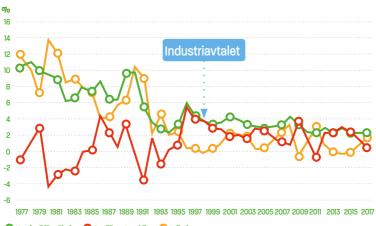




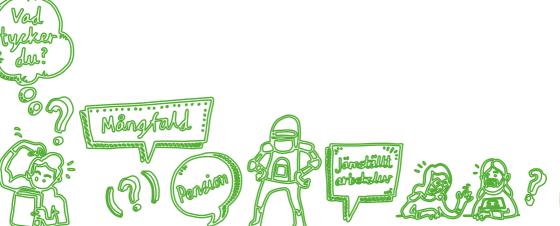
#### Why do we have Märket?

During the 1970s and 1980s, there was no norm or benchmark for pay structure in the Swedish labour market. Different groups of employees each negotiated individually. Everyone competed with each other to get a higher percentage than the others, the costs for companies rose and thus a salary and price spiral was created in which inflation rose sharply and simply ate up the large pay rises. This was bad for the employees, companies and society as a whole. This is why trade unions and employer organisations sat down at the negotiating table in 1997, Industriavtalet (Industrial Agreement) came into being and the idea that we need to have a level that normalises the pace of salary increases – Märket – was born.

#### Löneökningar 1977-2017





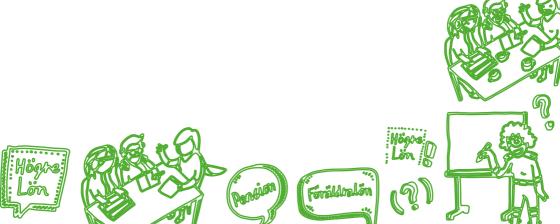


## What parameters does effect Märket?

What level of salary increases should we have? Why doesn't Unionen always demand much more? Well, it's all about achieving a reasonable level. When making financial assessments linked to the collective bargaining process and what salary increase level we should demand that both ensures real salary increases for employees and takes into account the competitiveness of the companies, there are more long-term factors than the current business cycle that we above all need to take into account. These concern productivity, inflation targets, cost development compared to other countries and international competitiveness. It's important that we don't go too high or too low but instead achieve the best possible level, because we want to ensure stable salary development and to continue to have competitive strength in the international sphere.

### Who is Märket good for?

Actually everyone, because we know that Märket means that employees in all industries and sectors get more money in their wallets while taking into account the competitiveness of companies. Real salaries in Sweden have increased by more than two percent per year, while the nominal salary increase has been halved. This is significantly higher than in most comparable countries. Since Märket is also normative and thus has an effect on the entire labour market, salary increases are guaranteed for employees in all industries, not just for those who have a strong position in the market or who work for companies that are doing well at present. In this way, Märket is good for employees in the entire Swedish labour market and for society at large.



## Why should the industry-sector set Märket?

The idea of letting the most internationally competitive sector go first and take responsibility for the salary increase level is based on the fact that it is also the sector that will take the first and biggest blow if the level is set incorrectly. Sweden is a small, export-dependent country, and of the 20 business sectors with the most export trade, 14 are in industry. Industry is currently Sweden's most internationally competitive sector and should therefore set Märket. Of course, the sectors that can be considered to be the most competitive internationally and should therefore be involved in setting Märket may change over time.

# Does Märket make it more difficult to get a pay rise as an individual?

Märket is a benchmark, a standard at collective level to ensure a stable increase in real salaries over time. What you as an individual should have in terms of pay rises should be determined by your performance on the basis of the salary criteria existing at the workplace. Märket should never constitute a ceiling for you as an individual, and an employer must give individual pay rises that reflect effort and the work performed.

### What else is important?

In addition to the issue of real salary increases and salary levels, Unionen has further requirements linked to things such as increased gender equality, work environment, work-life balance, working hours, reduction in working hours, strengthening skills development and, not least, continued payments into flexpension (flexible pensions).

Just as we prepare, coordinate and firmly establish important issues, our counterparts naturally do the same, and we must not forget that the employer organisations' list of demands is at least as long as our own! A collective bargaining process is sometimes just as much about resisting proposals for deterioration as it is about developing and improving conditions. Success in a collective bargaining process is based on the pressure we create in the negotiations, and that in turn depends on how relevant we and our demands, arguments, commitment and shared strength are.

Read more about the collective bargaining process and stay updated at https://www.unionen.se/avtal-2020 (in Swedish).

You can find more about Märket at www.alltommarket.se (in Swedish)

Do you have any input, questions or thoughts? Talk to your union representatives at your workplace or email avtal2020@unionen.se

#### UNIONEN IS SWEDENIS LARGEST TRADE UNION

We welcome all white-collar workers in the private sector, irrespective of their post, educational background or level of pay.

Our members include everyone from senior executives to the self-employed and students.

Our vision is to work together to create success, security and satisfaction in working life.

