



## SWEDEN

# Swedish social democracy heads beyond welfare state

By John D. Stephens

**I**S THE "REFORMISM" OF NORTH-ern European social democracy the sign of a labor movement fully accommodated to the capitalist system? Swedish events of the '70s have cast serious doubts over this interpretation of social democracy's role in capitalist society.

After almost 40 years in office in which the focus of almost all reform was welfare state expansion and income redistribution, the Swedish Social Democrats have recently refocused their program toward the classical problems of capitalist society. In the early '70s the Swedish labor movement began a campaign to expand employees' power in the enterprise, a campaign that resulted in the passage of a series of laws substantially enlarging employees' decision-making rights. In 1975, LO, the blue-collar trade union central closely associated with the Social Democratic party, proposed a plan for the gradual transfer of stock in all larger enterprises from capital owners to the employees. A revised version of this plan was recently endorsed by the Social Democrats.

Structural changes in the labor force and the growth of white-collar labor organization have allowed the Social Democrats to refocus their program. The decline of the rural sector and the growth of the ranks of nonmanual employees made the latter a much more attractive coalition partner for the Social Democrats than the former. Indeed, this change precipitated the breakup in 1957 of the coalition between the Social Democrats and the Farmers party. Manual and non-manual employees are both propertyless employees, and ultimately this is what the Social Democrats tried to bring out in their policy.

But unless white-collar employees are organized, they remain under the social and political hegemony of capital. The tremendous growth of white-collar labor organization from the mid-'50s decisively changed the balance of power in Swedish society and allowed the Social Democrats to raise the issue of socialism. Today, 70 percent of all white-collar employees and 90 percent of all blue-collar employees in Sweden are organized. This level of labor organization is matched only in



Olof Palme, leader of the Swedish Social Democratic party

**The tremendous growth of white-collar labor organization has changed the balance of power in Swedish society.**

Norway. Swedish white-collar workers are organized in a separate trade union central, TCO, which promotes a specifically white-collar style of politics: apathy toward wage equalization and even hostility toward high marginal taxation, but support for programs expanding employee control in the enterprise. LO and TCO made an alliance in 1974, calling for a much more radical expan-

sion of employees' decision-making rights than even the Social Democrats had originally asked for. Since these two organizations represent some three-quarters of the electorate, even the left bourgeois parties, the Liberals and the Center (formerly Farmers) could not afford to ignore them and voted for the LO/TCO position in most cases.

labor legislation passed

in spring 1976 offers an interesting contrast to the German codetermination laws. LO in particular opposed the German-type arrangements because of the dangers of cooptation. Instead they opted for expanding the scope of collective bargaining and, in some cases, transferring decision-making rights to the employees alone.

The employer is obligated to enter negotiation with the union about any change in the management of the enterprise that might affect employees. If no agreement is reached, the employees have the legal right to strike even in ongoing contract periods. The power of the local union is even greater in health and safety issues. And the unions' interpretation of contractual agreements is legally binding until ruled otherwise in the labor court.

The 1975 proposal from LO concerning the collectivization of profits is an even greater departure from past policy of the Swedish labor movement since its passage would ensure the transition of the Swedish economy to a socialist economy. The 1971 LO congress appointed an investigative group to study some of the negative effects of LO's "solidaristic wage policy," which called for equal pay for equal work and equalization between low and high paying jobs regardless of the ability of the employer to pay.

The policy had contributed to higher profits in the strongest sectors of the economy than would be the case if the unions in those sectors were not restrained by the solidaristic wage policy. This, in turn, contributed to increased concentration of already skewed distribution of wealth. The central directive that the congress gave the group was that they should develop a proposal to complement the solidaristic wage policy that would counteract the concentration of wealth. The group was also directed to design the proposal such that it provided for new sources of capital formation and reinforced employees' influence in the enterprise.

The study group's proposal, which was adopted by the LO congress in 1976, would eventually entail the socialization of the Swedish economy. Companies with more than 100 employees would have to transfer 20 percent of their profits in the form of newly-issued shares of stock to "wage earner funds" administered by the unions. The transferred portion of the profit would be new equity capital and would remain in the firm for investment. The voting rights of the stock would go to the unions with the first 20 percent going to the local and the rest to the national. The national would appoint board members in consultation with the local. Dividend income would not be distributed individually but used for various collective services.

At present rates of growth, the more profitable firms would come to be employee-controlled in 20 or 30 years. In 50 or 60 years the Swedish economy would be essentially socialist in that the huge majority of equity capital would be collectively owned.

## Election defeat.

Unfortunately, the presentation of the LO proposal was very poorly timed. The Social Democrats had little time to prepare the issue before the September 1976 elections. The employers' federation and the bourgeois parties took the offensive with charges that the wage earner funds amounted to "confiscation," that it would set up an "east state (i.e., East European) type socialism" and even that it would result in the end of democracy in Sweden. The Social Democratic leadership took a defensive posture claiming that an ongoing parliamentary investigation on the question would not be finished until after the next (1979) election, thus they had no set position yet.

The Social Democrats lost the 1976 election. But most evidence shows that the LO proposal played at most a very minor role in the defeat. Of much greater importance were a series of scandals, such as Ingmar Bergman's and Astrid Lingren's confrontation with the tax authorities, which hit Sweden in the spring of 1976, and the atomic energy issue which dominated the last phase of the election campaign.

On the other hand, the wage-earner fund proposal did not help the Social

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By Tom Appleton

WELLINGTON, NEW ZEALAND

## NEW ZEALAND

## New law aborts women's rights

The country which was the first to enact women's suffrage has passed a "savage, repressive" abortion law.

**N**EW ZEALAND IS THE ONLY country in the world where gynecologists refer women to the nearest travel agent to get an abortion. It's a cruel joke but it reflects accurately the bitterness of the situation New Zealand women find themselves in since a draconian new abortion law, the Contraception, Sterilization and Abortion Act, took effect April 1.

It is ironic that in the country which 85 years ago was the first in the world to give women the vote this law could be passed, which Dr. Martin Finlay, president of the New Zealand Labour party, has described as "savage, repressive and shamelessly anti-women."

It is now an offense in New Zealand, punishable by a fine of up to NZ\$200, to even think about getting an abortion, irrespective of whether or not a woman is pregnant, and irrespective of whether or not what she does would terminate a pregnancy. (NZ\$1 = \$1.02)

It is now a crime punishable by imprisonment of up to 14 years ("life imprisonment") for anyone (including qualified doctors) to carry out an abortion. Abortion has been equated with murder of a "child that has not become a human being."

It is now possible to be jailed for up to seven years for buying an airline ticket to Australia. Under the newly redefined section 186, "Supplying means of procuring abortion," of the Crimes Act of 1961, any "thing" given a pregnant woman with the intention to procure an abortion carries such punishment.

Rape is now not a grounds for abortion. Nor can an abortion be obtained if it is to be expected that the baby will be born handicapped or physically abnormal.

Non-chemical contraceptives, such as intra-uterine devices, will now be banned as they are now seen as murder-instruments. In other words: women who cannot take the pill for physiological reasons now face an increased risk of unwanted pregnancy.

## No rule of law.

No less shocking is the end of the rule of law in New Zealand's courts, brought about by the new act. In British and Commonwealth law it is customary for so serious a verdict as life imprisonment for the accused to have recourse to a court of

law, with all its legalistic safety margins.

Under the new law in New Zealand, the courts' powers are limited to establishing the fact whether or not somebody has unlawfully carried out an abortion. The pronouncement of the sentence is then up to a government-instituted triumvirate whose sole function is to supervise the application of this law.

Surprisingly, an abortion can still be obtained in New Zealand if the continuance of the pregnancy would result in serious danger to the life of the woman, if the pregnancy is the result of incestual sexual intercourse, or if the woman is severely subnormal. Being too young or too old, and rape, are matters that "may be taken into account" but do not of themselves form grounds for abortion.

Not a single woman MP voted for this law, of course.

## Role of Catholic Church.

How was it possible for this frightful nonsense to become law? One cannot but look at the role of the churches—and specifically the Catholic Church in New Zealand—for an answer.

The "Catholic vote" has traditionally been one of the mainstays of the labor movement in New Zealand, owing to a vocal working class element of (Catholic) Scottish and Irish descent. At the same time, the marriage of the retrogressive Catholicism with the progressive labor movement has always been somewhat suicidal—never more clearly so than during the elections of November 1975.

In the weeks preceding the election, the Prime Minister, Robert ("Piggy") Muldoon, then leader of the opposition, approached various heads of the Catholic and other churches, and assured them that

they could expect "more satisfactory results in the abortion question" from his party. In return, he expected and got the backing from the churches. There are many churchgoers who remember that during those weeks they were urged to vote for Muldoon's National party because of its more favorable stand on the abortion issue.

Whether this open trade-off was accompanied by contributions from the churches to the party's election coffers cannot be ascertained, as neither the churches nor the parties need to open their books to public scrutiny.

Even more important than the role of the churches in bringing about this law has been the rule of the Catholic-dominated Society for the Protection of the Unborn Child (SPUC) that has been spooking about in New Zealand's political arena since 1970.

As far back as 1974 this organization was beginning to get a hold over a sizeable proportion of New Zealand's 87-strong parliament—17 MPs, four cabinet members and the speaker of the house were SPUC members.

Also in 1974, Ruth Kirk, wife of the late Prime Minister Norman Kirk, agreed to become SPUC's patron—only a few months after she had publicly declared on a radio talkback show that abortion was a woman's right.

## Doctor's opposed to law.

Prime Minister Muldoon has been busy minimizing his own role in bringing about the passing of the new law.

Not only did Muldoon display an almost unsurpassable cynicism and a bad case of misogyny during the entire debate on the law; it was he who juggled

order papers, smoke-veiled rather than clarified points of the law, and herded MPs through long, gruelling night sessions without adequate time for reflection and pause, until the bill was law. At one point the MPs even decided—in error—to retain a controversial panel system they had just agreed to reject. It was symptomatic of the confusion in parliament, as Labour's Number Two, Bob Tizard, noted at the time, calling the entire exercise a "stunt."

The law itself provides an illustration of the central role SPUC played in drawing up this legislation. Thus the function of the act is stated to be "to provide for the circumstances and procedures under which abortions may be authorized after having full regard to the rights of the unborn child." Abortion is now "a medical or surgical procedure carried out or to be carried out for the purpose of procuring (a) the destruction or death of an embryo..." and so on.

Under the obstacle course charted out under the new law, a woman now has to first seek an abortion from her own doctor. The doctor then refers the case to two certifying consultants—at least one of whom must be a qualified obstetrician or gynecologist. These consultants are appointed by a supervisory committee set up by parliament.

To date, few doctors have volunteered to become certifying consultants, and in many areas of New Zealand there are, in fact, none.

The consultants themselves do not carry out the abortion but merely "okay" a case, passing it on to another doctor for servicing. As the executive abortionist in this case is reduced to a mere "technician," doctors feel unhappy about the establishment of an order between them.

A survey of 800 doctors in the Auckland region revealed that 80 to 85 percent wanted the new law dropped.

The head of the three-pronged supervisory committee, Mrs. Georgina Wallace, SM, has indicated she'd like to send the law back to parliament, but Muldoon has already indicated that in his opinion this would founder on technicalities, such as finding a majority for such a move in the government caucus, without which no government bill gets into the house.

On the other hand, he disclaims his government's responsibility for the bill, saying members of both parties voted on the bill individually.

Tom Appleton is a free-lance journalist in Wellington, New Zealand.

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## Sweden

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Democrats. People don't automatically recognize that such complicated and radical plans are both in their interest and technically feasible.

By the 1976 election, LO had only begun to mobilize its people and the Social Democratic party had done nothing.

After the 1976 election, it seemed possible that the Social Democratic leadership might act cautiously and attempt to bury the issue. The events of the past year and a half proved otherwise. In 1977, LO began a campaign to broaden consciousness of the degree of wealth concentration in Sweden and translate it into support for wage earner funds. Local meetings were organized and every member was given a booklet containing educational material on the subject.

The Social Democratic party finally committed itself formally to support the wage earner fund concept in February of

this year when a joint LO-Social Democratic work group produced a revised version of the LO proposal. The new proposal modifies the old one on several points.

The formal ownership will now lie with the wage earners as a collectivity rather than with the trade unions. The voting rights of the collectively-owned shares will be exercised by the local trade union and regionally elected representatives of wage earners. Only companies with more than 500 employees would be covered by this fund. The proposal also states that a number of development funds financed by a 3 percent tax on the wage bill and controlled by the local trade union and public representatives should be set up to provide credit sources for new investment. In an obvious effort to soften the blow of these changes in the ownership structure, the work group suggests that the system be reevaluated every five years.

TCO is the key to the success or failure of the proposal for collective ownership. The TCO leadership appeared to support the plan but recognizes the necessity of getting broad membership support before supporting it publicly. To this end, TCO began an educational campaign in fall 1977.

Obviously, the passage of any proposal for collective ownership depends also on the Social Democrats returning to power. The March polls give the socialist block an 8 percent lead over the governing bourgeois parties. Unless the government is able to turn the economy around a victory for the Social Democrats seems probable.

John Stephens is professor of sociology at Brown University and author of a forthcoming study of the Swedish Social Democrats.



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