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Labor Conflicts within the Swedish flight sector in 1992-2004

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INTRODUCTION

"If I'd been at Kitty Hawk in 1903 when Orville Wright took off, I would have been farsighted enough, and public-spirited enough -- I owed this to future capitalists -- to shoot him down."

-Warren Buffet

Commercial airline industry is a business that has expanded constantly throughout the 20th century. Many find the airline industry exciting, dynamic and forever developing commerce which is always taking advantage of the latest technological innovations. Not so many, however, realize that the international airline industry is also an industry that is characterized by very cyclical patterns and its profitability as a whole is marginal or nonexistent. If this would not be the case, the net losses that the U.S. airlines rang up during the 58 years prior to 2004 would not have been $14 billion. On the top of its unstable financial nature, it is an industry that constantly has to deal with both external and internal shocks and yet further, it is an industry that has traditionally faced more both national and international regulations than many other industries. Considering the unpredictable nature of the global oil market and that this industry is heavily dependent on oil price fluctuations it turns out to be very exposed to major changes in production costs. The last decade of the 20th century and the first years of the current millennium, now when the airline industry is trying to overcome the longest and most severe crisis it has ever faced, are particularly interesting and in many ways also very characteristic while scrutinizing the industry. Oil price fluctuations, global economic recession and deregulation of the airline industry in Europe have been just some of the shocks that have bowled over the business during and after the 1990s.

Despite its highly capital intensive nature and dependency on oil prices and the fuel costs the single biggest cost category of the airlines has traditionally been labor. Whereas the share of fuel costs has traditionally fluctuated between 10 and 15 percent of the total costs, the personnel have been the largest single cost item for the majority of the carriers. Regional variations between the shares of labor costs of the total costs have traditionally been significant so that Eastern Asian Airlines have traditionally had low costs compared to those of the European national airlines. Of all airlines in 2002 the Scandinavian Airlines (SAS) was the one with the highest share of wages and associated costs of labor out of total operating costs. The share SAS had was 34.4 percent and can be

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1 Pauly (2005)
2 Doganis (2004) p.114
3 Ibid. p. 118
compared to the British Airways share of 23.4 percent. The reason for this should not be looked from far away since the SAS pilots and cabin crew was the best paid in Europe ranking second globally. Since the airlines are unable to influence global fuel market and air carrier business is oligopolistic with two main actors; Boeing and Air Bus, airlines must find other ways to reduce their costs. Collapsing fares and successful market entry of the low-cost airlines into the open skies has practically removed the possibility to compensate increased expenses by increasing the ticket prices. Since the need to cut costs was alarming Fred Reid, the President of Delta Airlines, offered the following solution to cure the economic struggles: “In addition to increasing productivity, airlines must exercise control over the single biggest cost category: employee cost”. What lies beneath this statement is the fact that labor costs is the largest cost item and also the cost item that carriers have the most control over. That’s also why many airlines find that cutting labor costs is the key when they try to achieve long term cost reductions.

Until the 1980s there was a popular view held in airline industry according to which management has virtually no control over the unit cost of labor. It was commonly agreed that wages were determined externally according to the wage level and standard of living of a respective country. Moreover labor unions within the sector were powerful and their fear factor was huge as they could stop virtually the whole company withdrawing a few workers, without whom the planes would remain grounded. The pilots are the most powerful single group of workers within the airline industry and also a classic example of a relatively small group of workers who are extremely difficult to replace in case of a possible conflict and who can stop a major company from operating by issuing a strike. In addition to this pilots are well and highly organized and their unions are powerful. The most significant unions within the Swedish flight sector are the Transport Union and the Pilot union. The technicians are members of SRAT which makes it a powerful union within the sector. Management attitudes towards the employees slowly begun to change as the industry started to become more and more deregulated. Deregulation development begun in the United States where the deregulation of the domestic airline traffic in 1978 attracted many new actors to the market. These new entrants did not obey the unwritten rules of management lacking control over wage level and they ended up employing a workforce whose wages were lower than the employees of the traditional carriers, a majority of them union members, had. New start-up airlines had no problems

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4 Doganis (2004) table 5.1 p.119
5 ibid. table 5.2 p.121
6 Pilling p.44
7 Doganis (2004) p. 144
8 ibid. p. 128
finding employees willing to accept lower wages. This resulted as standstills or cuts for employees of the traditional carriers. In Europe the airline industry was regulated for longer time than in the United States, postponing the wage cuts to reach the European airline industry no sooner than in the late 1980s. After the European Union gradually started to liberalize the airline industry in 1987, the airlines’ focus started to turn to the labor costs. The liberalization of the industry was not the only motive for the airlines to start to pay closer attention to the labor costs. Two other factors, at least as important, was an economic crisis of the early 1990s and the other when many European governments started to restructure their constantly loss-making flag carriers so that they could be turned profitable and better equipped before an eventual privatization. After the difficult era of the early 1990s, times got better for the airline industry and several carriers made high profits which made it much more difficult to argue for further restrictions. Even this new wave of increased wages begun in the US and spread to Europe in no time, but before soon a new global crisis hit the airline industry after the terror attacks in the US on September 11th 2001. This was followed by a sharp rise in oil prices and while struggling for their lives, many airlines turned in the focus back on reducing total costs with the help of lower labor costs.

Following the development of the Swedish airline employees fighting for their rights and even more their salaries since the year 1992, can be done from many points of view. A social psychologist could take it as an example of employees’ behavior within an increasingly privatizing industry in a country where labor unions within this industry have always been and are still strong. An economist could focus on the development and try to test theories of privatization’s influence on labor disputes with the help of the empirical evidence from the past. The historian’s job is to try to give the meaningful reconstructions of what actually happened, and doing that for the labor disputes that took place within or threatened airline sector in Sweden after the deregulation in 1992 up to 2004 is where the focus of this paper’s will lie on.

This paper is a contribution to research institute RATIO’s research project “Staten och arbetsmarknaden: om konfliktregler och utvecklingskraft”11. The project is financed by the Confederation of Swedish Enterprise.

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9 ibid. p. 129
10 ibid. p. 130-132
11 Additional information of the research project can be found from RATIO’s homepage http://www.ratio.se/pages/Normal.aspx?id=183
OBJECTIVES AND SCOPE

The purpose of this paper is to analyze the effects that deregulation of the airline sector in Sweden had on labor disputes that took place or threatened the Swedish flight sector\textsuperscript{12} between the years 1992 and 2004. The main hypothesis is that the deregulation increased the potential for competition and this in turn led to lower ticket prices which increased the pressure to lower the labor costs in the flight sector. Further it is likely that it was not easy to cut the labor costs because labor unions have traditionally had such a strong position on the commercial airline and flight sector. Therefore it is likely that there were many bumps on the road and conflicts along the way when trying to lower the expenditures on staff. On the other hand the power of labor unions is likely to decreases as the pressure to lower wages increases. This type of pressure may be caused by an increased competition or fluctuations of the business cycle. Therefore the employees may want to secure their jobs instead of risking them by fighting for the higher wages and this is why the strikes are less likely to take place. Taking this as my starting point I will try to answer on the following questions:

-1- Has the market situation in the airline industry in Sweden altered significantly during the period under observation and specifically what effects the altered market situation has had on the labor disputes within the airline industry? The market situation can have changed due to both altered institutional conditions and because of the changes within the international airline industry. Both of these transformations and their effects on the labor conflicts on the Swedish flight sector will be scrutinized.

-2- What labor disputes broke out or threatened the airline industry in Sweden between the years 1992 and 2004? Was there something exceptional if you compare them to the overall development in the Swedish labor market and did these disputes and their extent differ from labor disputes in the Swedish labor market in general?

\textsuperscript{12} Flight sector comprehends all sectors under SNI code I:62 based on the SNI Swedish Standard Industrial Classification 2002 and for the year 1992 the airline sector under classification SNI:7. In group 62 Air Transport is further divided into Scheduled air transport (621), non-scheduled air transport (622) and space transport (623). Statistiska Centralbyrån (2004)
METHOD & RESEARCH DESIGN

Instead of working entirely inductively and forming theory about the results I will use Olivier Blanchard’s and Thomas Philippon’s theory about the labor unions’ speed of learning from the changes in the degree of regulation and what has been its significance on the changes on employment within the sector on which the labor unions are operating. However, this theory is even at its best able to give only a partial explanation to the questions stated earlier. To get an answer that comprehends as many dimensions as possible, solely deductive analysis outgoing from Blanchard’s and Philippon’s theory is insufficient. Therefore the method in this paper is combining induction and deduction and is thus abduction. Instead of using the theory part for testing it purely deductively I have included the theory part to give a possible explanation of the nature of the labor dispute activity and how deregulation is likely to affect the employment, disputes and the actors’ behavior on the labor market.

In this essay I will approach the subject first and foremost qualitatively since due to a small amount of strikes an entirely quantitative analysis of the subject would not account for much. Nevertheless the quantitative part is very important when analyzing the data and deepens our perspective for the qualitative analysis, which is why I have placed the quantitative part before the qualitative breakdown. In the qualitative part I will analyze course of matters that led to or threatened to lead to labor disputes amongst the workers within the airline industry and the rest of the flight sector in Sweden. Hence the focus will be on the reasons behind the disputes or the lack of them, not on the eventual consequences of the disputes.

For the empirical part of this essay the data for strikes and lockouts has been collected by National Mediation Office, located in Stockholm. National Mediation Office is the government body responsible for providing official statistics on wages and salaries in Sweden and has since the year 2000 collected statistics for strikes and lockouts in Sweden. The Mediation office holds even an archive of similar statistics beginning from the year 1990 and this archive has been used to retrieve data for the disputes within the Swedish labor market. Even the airline industry statistics used have been retrieved from archives of the National Mediation Office, but they have been completed by collecting additional information about the disputes from the newspaper articles that handled the

13 Medlingsinstitutet (2004)
respective disputes. A shortcoming about mediation office’s statistics is that mass sick-listings are missing from them. Reason for this is that a mass sick-listing is a form of dispute that can be difficult to identify since drawing a line between a mass sick-listing which is a labor dispute and a epidemic that has caused many sick-listings is often open for different interpretations. Since mass sick-listings are not considered as a strike or wildcat strike in the official statistics I haven’t included them on the issued strikes side in the analysis since mass sick-listings have not been included in the official statistics on any other sector either. Therefore comparing strike statistics between sectors would give flawed results. Mass sick listings can thus be found among the strike threats and are therefore included in the table A.2.

Data for the qualitative part has been retrieved from newspaper articles and news agencies from the time period under observation. One must be careful when using newspaper articles as source when analyzing labor disputes. It is not as much on the reliability of information provided in them but as Christer Thörnqvist notices in his thesis, the newspapers often dramatize and even take sides when analyzing the course of events in labor disputes. Therefore my task is to avoid this tone entering to this essay. Even other sources are used particularly in parts where the airline industry is analyzed more generally.

**THEORY**

Traditionally sociologists and political scientists have arm wrestled with economists about the factors that affect the strike activity. Economists have stressed their view that strike activity is closely linked to the business cycle whereas in the view of sociologists and political scientists organizational capacity and political position is the deciding factor behind strikes. Different disciplines have also focused on strikes from different perspectives; economists have been interested in number of strikes, sociologists number of strikers and political scientists in the volume

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14 The newspapers that have been used can be found from Affärs Data’s database and are thus Dagens Nyheter, Svenska Dagbladet, Dagens Industri, Finanstidningen, Sydsvenska Dagbladet, Upsala Nya Tidning, Affärsvarlden, LO Tidningen and SAF Tidningen Näringsliv. Besides these newspapers I have used news of the news agencies TT and Direkt whose news can be found from Affärs Data’s database as well.
15 Thörnqvist p.117
16 Franzosi p.348
of strikes. However, to answer the questions stated earlier in addition to quantitative studies even qualitative scrutiny of the subject must be done.

It has been established that deregulation leads into a lower unemployment if labor unions realize that level of regulation has become lower and therefore adjust their wage expectations to this new situation. If the labor unions don’t do this the result can be that the unemployment will not decrease, or it might even increase, despite the deregulation. The content of this theory is that the effects of a reform are dependent on how extensively actors on the labor market understand that the level of regulation has lessened and then adjusted their demands and behavior to the new situation. How smoothly and rapidly this occurs differs significantly between the different sectors, countries and over time, which means that deregulation can give different results depending on where and when it is issued. Oliver Blanchard and Thomas Philippon, the masterminds behind this theory argue that the speed of learning by the unions, the central variable in their theory, depends on the degree of trust between labor and capital. In countries where trust between them is low have had more of an increase and a later turnaround than countries where trust between labor and capital has been higher. The measurements of Blanchard and Philippon show that in Sweden the trust between labor and capital is internationally compared on a high level which, according to the theory, is a sure sign of the fast learning by the unions and that should lead into lower wage expectations within the deregulated sector. What is left to be find out is how soon the unions on the flight sector adjusted their level of wage expectations so that it would fit better in the deregulated market.

A fundamental problem when one studies strikes empirically is that there is no widely accepted economic theory about why strikes occur. Well-informed sides should find a solution without a conflict that would be costly for both sides and where both of them would end up losing money. In recent years theoretical research has started to focus on what implications asymmetric information might have on labor disputes and on how they occur. It can be assumed that in most cases employers are better aware of the demand for the company’s products and services and are therefore putting up a fight that can lead to conflict sometimes is a rational choice from the labor union’s side. Indeed, at times labor union can begin a strike merely to please their members even if they can expect that the result of the strike would be that they lose.

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17 ibid. p.358
18 Blanchard, Philippon p.2
19 ibid. figure 12
20 Björklund et. al. p.262,263
In 1989 Isaac Cohen compared two Airline strikes and how current political climate affected the outcomes of respective strikes. The first strike Cohen analyzed took place in 1932 when the pilots of Century Air striked against 40 percent wage cut. The other one took place when the pilots of the Continental Airlines striked in 1983-1985. Employees won the earlier strike and in the latter one the employer side was an obvious winner. Cohen's thesis was that the main factor behind different outcomes was different political climate within the airline sector during respective time periods. In the Century Air strike in 1932 political situation was favorable for organized labor and labor unions. This employee-favorable atmosphere was an important factor behind the employees’ victory. As described in the introduction the airline industry was opened for competition in the late 1970s and in the beginning of the 1980s airline companies management started to change their attitudes towards wage increases and their employees' demands taking much more restrictive approach towards wage increases than before. On top of the altered situation was the overall political climate in 1980s United States neo-liberal. The employers’ new attitude led into a long labor dispute in which the employer side was victorious as a consequence of the existing political climate. Cohen's study is a good proof about how a changed climate in industry can affect labor policy within a certain industry and the outcome of Continental Airlines strike is an example of the direction airline industry was heading in its labor and wage policy. In his thesis “Arbetarna lämnar fabriken” Christer Thörnqvist studied strikes considering in Sweden after the WW II and found that the most important causes of the strikes were economic and that the majority (72,7 percent) of Swedish strikes have been closely associated with wage negotiations. This is the case even with the conflicts in the flight sector.

**BACKGROUND**

Reasons behind choosing deregulation instead of regulation – and vice versa

Neoclassical economic theory and institutional perspective approach regulation from two very different points of view. In the following I will give main arguments they have for and against regulation of airline industry, what answers these theories give for each other’s arguments and what theoretical dimensions should be taken into account when discussing airline deregulation. It must be
remembered that the decision whether to regulate or deregulate a market is fundamentally a political one and thus we hardly have use for theories that ignore the political aspect in our area under discussion. Indeed, often economists are not detached from the politics.

Neoclassical theory’s negative attitude towards regulation hardly comes as a surprise to anyone. The main argument neoclassical theory has for deregulation is that regulation limits competition and thus that in the regulated market prices are higher than in a deregulated one. The most important aim of the deregulation of the US airline industry can be led from this principle. The belief was that deregulation would result new entry into the industry and increased level of competition. Alfred E. Kahn is an economist whose studies on the economics of regulation are among the most respected on the field. Professor Kahn also worked as an economic adviser to President Carter and was therefore one of the architects behind the extensive deregulation of the American industries during the Carter era, the airline industry was among the deregulated industries. Kahn is passionately against regulation and although he admits that deregulation of the American Airline industry brought some negative effects that many neoclassical economists couldn’t predict he is certain that its positive effects rise above the negative ones. In his and his staff’s letter to an opponent of deregulation Kahn sums up the main and indeed very orthodoxal point they have for deregulation:

I believe in the superiority of a freely competitive market economy (and... you do not...) Every month of experience at the Board fortifies my beliefs that this industry – like almost all other industries – will perform best if it is freed of economic regulation and entrusted to the free play of competition in the market.

Those who opposed airline deregulation did not buy the neoclassical jargon that professor Kahn and his adherents used to promote the view that deregulation was the only reasonable decision to make in that time point. The opponents of deregulation argued that it is irrational to apply the theory about perfectly competitive market on the airline industry since due to its nature there will never be enough sellers on the market. Considering the nature of airline industry with high barriers to entry, it can be argued if the market is contestable or not, thus this argument is relevant. Deregulating the industry would’ve introduced oligopoly to it and neither the neoclassical theory supports the claim that the market working under oligopoly would definitely be more effective than a regulated one.

The logical continuation for this thought would be that the argument is even more relevant in a

24 Liu, Lynk p.1083-1090
25 See Kahn, Airline regulation and Kahn, Surprises of airline deregulation
27 Wilkins (1984)
country where the airline market is a great deal smaller than in the US and the potential for competition thus significantly lower. Airline market in Sweden is a good example of this sort of market area. Before the deregulation however the domestic airline market in Sweden consisted of two actors, and was thus oligopolistic with the SAS that had monopoly on certain routes. So the fear of economic inefficient oligopoly instead of decently working regulated markets in Sweden existed already before the deregulation. So the neoclassical argument about more competition in the market was not as relevant in Sweden as it was in the US but neither was the institutionalists’ fear about poorly working future oligopoly since it was the current situation already. Those who wanted to liberalize the airline industry did not expect many competitors for the market but what neoclassical theory claims instead is that because of the fear of the potential new entrants actors who have monopoly or oligopoly within a market are likely to act like on a market with a perfect competition. In other words, when there is an open entry for the market an oligopoly company cannot act like an oligopoly company would act in a normal oligopoly situation due to the fear about new entrants and competitors.\(^\text{28}\) It has been shown however that in practice potential competition has been at best a mediocre substitute for an actual competition. High costs and a long time it takes from new potential operators to start working on a route with enough potential for competition. In addition to this it has been found out that companies tend to set the prices according to the current market situation and thus some companies are able to act like monopolists or oligopolists.\(^\text{29}\)

After the US airline industry was deregulated hundreds of thousands of jobs were lost from the airline industry due to mergers, bankruptcies and failures. In addition to this many who were forced to find other jobs within the industry had to settle for reduced wages. Wide merging resulted in market domination by a few major airlines and competition has not increased but diminished. Deregulation in the US caused many wide scale labor disputes of which a turmoil that occurred at the Eastern Air Lines is the most extreme example. The Eastern Air Lines’ management, led by its owner Frank Lorenzo, was working hard to cut costs which included major cuts on personnel. Lorenzo’s and management’s strict cut cost strategy naturally angered unions and the eventual result of this conflict was an immense strike, the destruction of the airline and in the end the loss of 42000 jobs.\(^\text{30}\)

\(^{28}\) Baumol p.12
\(^{29}\) SOU 2005.4 p.277
\(^{30}\) Barry
Institutional changes within the Swedish airline industry in Sweden during the observation period

Airline traffic has always been highly regulated. During the last fifteen years however, airline industry has been liberalized significantly both internationally and in Sweden. In Sweden the two main actors behind the liberalizing development have been the EU and the Swedish state and thus changes made in the Swedish legislation. Before the liberalization process started in 1989 the domestic airline industry in Sweden was dominated by SAS and Linjeflyg, which still in 1991 had a combined market share of 95 percent\(^{31}\). The rest, 5 percent of the market, was combined by small regional companies which operated routes that neither SAS nor Linjeflyg wanted to fly. So SAS and Linjeflyg held monopoly on the Swedish airline industry but this monopoly was not regulated by the government but existed only because of the barriers for entry that made the entry to the domestic airline industry in Sweden virtually impossible for eventual new market entrants. The reasons why it was practically impossible for new actors to enter the market was not as much due to legislative issues as because of well-established practices. First of all, due to safety issues every possible new entrant needed an authorization from the government. Other than this to get permission for trafficking a possibly profitable route government demanded that the entrant agreed to operate even on a less profitable route due to regional or public economy issues. In addition to this ticket prices were regulated and the cabotage\(^{32}\) prohibition was still in use.\(^{33}\) As if these barriers did not make the entry difficult enough were there also those barriers that always exist when about to enter the airline industry market as explained in the introduction of this essay.

When the competition committee was set up their main task was to investigate how the regulated sectors could be made more competitive with help of changes in legislation and breaking the practices that hindered new actors entering into the market. The transport sector was one of the regulated sectors and the committee concluded that the domestic flight sector both needed and was ready for more competition\(^{34}\). Liberalization was naturally supposed to increase competition which in its own part was supposed to benefit consumers through the improving efficiency, increased

\(^{31}\) SOU 2005:4 p.278

\(^{32}\) Cabotage - “The right of an airline to carry domestic between two airports within the territory of the other signatory country to the bilateral agreement” Doganis, 2002 p.70

\(^{33}\) SOU 2005:4 p.278, 279

\(^{34}\) SOU 2005:4 p.280
flexibility and better development possibilities within the industry. These factors were further supposed to lead into lower ticket prices, better service, bring new companies to the market and to help them to develop new routes.

Liberalization was put in effect gradually. The first decision to increase competition was issued in 1990 and the thought behind it was that SAS and Linjeflyg would have competed with each other in the domestic airline market in Sweden. Before the liberalization SAS had a 38 percent and Linjeflyg 58 percent share of the domestic flight market. Other companies would get to traffic routes on which neither SAS nor Linjeflyg operated. This change came into effect in from the first of January in 1992 and resulted in SAS buying Linjeflyg, which at the moment was on the verge of bankruptcy. This gave SAS 95 percent market share and monopoly on the domestic airline market in Sweden. The second important decision was made in 1991 and it came into effect in July 1992. This legislation gave even other Swedish airlines a possibility to compete on the domestic routes and removed all price regulation. The first airline to challenge SAS monopolistic position was Transwede which started operating on three routes between Stockholm and Malmö, Luleå and Umeå. The beginning was good and Transwede expanded beginning to operate even to Sundsvall, Jönköping and Halmstad. In 1996 and 1997 Transwede was bought by a Norwegian airline Braathens but was unable to turn around Transwede's negative development that had begun already in 1995. As first two changes into the Swedish airline industry were made by the Swedish government, the third alteration was signed by the EU. In August 1992 the EU issued a so called third package which was to come into force on 1 January 1993. It was a part of bigger plan of European integration and the creation of a single internal market covering all member states of the European Community. The Third Package consists of three regulations that are inter-linked. First is the open market access according to which any EU airline is allowed to operate on any route within EU, some limitations for operating in routes within a country did still exist. In Sweden this meant that for the foreign actors the domestic airline traffic in Sweden was still inaccessible. Secondly the package removed all price control. The third regulation of the package is that the airline must be majority owned and controlled by any of the EU states, their nationals or companies but not necessarily by nationals of the state in which the airline is registered. In Sweden this led to more actors in the market and increased competition in certain routes. Hard competition pushed many of

35 Konkurrensverket 2003:1 p.15
36 SOU 2005:4 app. p. 239-241
37 SOU 2005:4 p.284
38 Official journal 2002
39 SOU 2005:4 app. p. 303
the new companies quickly out of the market and those who were able to stay were bought by SAS. Although price regulation was removed in practice it still existed and Luftfartsverket, the Swedish authority responsible for controlling that there would be no price regulation, did not take any measures against SAS to remove price regulation. Another old regulation that was favorable for SAS was that slots\textsuperscript{41} were still dealt the same way as they had been before. This meant that SAS still had an advantage and access to the most of the slots.\textsuperscript{42} In 1997 EU legislation removed all barriers for foreign actors to operate within a foreign country, given that foreign actors were from another state within EU, Norway or Iceland. Even after this change may many new actors have found it difficult to compete with SAS. After the liberalization SAS had a market share between 65 and 95 percent\textsuperscript{43} and even after liberalization SAS has held to its advantage of slots which has made the entry to the market on its own part more difficult\textsuperscript{44}.

Even other market failures than the price regulation have existed in the Swedish airline industry. In July of 2001 the European Commission sentenced SAS to pay € 39.375.000 for breaking the cartel legislation with Maersk Air.\textsuperscript{45} In 1999 SAS and Maersk Air had agreed that SAS would cease flying certain routes, the most important of them being Copenhagen-Venice and Billund-Frankfurt. Likewise would Maersk Air no longer fly route Copenhagen-Stockholm.\textsuperscript{46} This agreement had decreased the competition and strengthened the position SAS had had on its most frequently operated international route.

Low-cost carriers did not enter to the domestic airline market in Sweden before 2003 and it is too early to make conclusions about their possible influence on the market in the long run yet. However, today there are low-cost alternatives even for passengers traveling within Sweden and FlyMe, the biggest actor on the domestic market, operates from Arlanda to Göteborg, Helsingborg, Östersund and Malmö. FlyMe is a Swedish airline company which was founded in 2003 and it has been listed on Stockholm stock exchange since February 2004. At the point time when this essay is written FlyMe has gotten a fast footstep and found its customers from the Swedish market, a good indicator of this is the increasing number of passengers and the new routes it is opening.\textsuperscript{47}

\textsuperscript{41} Slots – the entitlement of an air carrier to use the airport infrastructure at a coordinated airport on a specific date and time. In the airline literature reference to a slot stands for the most attractive take off and landing times.
\textsuperscript{42} SOU 2005:4 app. p. 240
\textsuperscript{43} Konkurrensverket 2003:1
\textsuperscript{44} SOU 2005:4 app. p. 243
\textsuperscript{45} Sun-Air versus SAS and Maersk Air (2001) p.37
\textsuperscript{46} ibid. p. 6, 8-11
\textsuperscript{47} FlyMe (2006)
Employees within the flight sector in Sweden

The number of people employed in the airline industry declined by 15 percent between the years 1992 and 1995. After 1995 the number of people employed in flight sector has somewhat increased. Considering that the large decline in staff working within the flight industry took place during a difficult economic period one might not be so shocked to read about declined number of workers within any sector between the years 1992 and 1995, although a fifteen percent decline is very remarkable in any sector. Despite slightly risen amount of employees within airline industry after 1995 the net loss between 1992 and 2000 was the same 15 percent.\(^{48}\) In the 1995 the number of people employed within the flight and airline industry in Sweden had diminished to 9073. After 1995 the flight sector the trend turned and in 2001 the sector employed 11568 people. In 2001 the extensive redundancies were re-introduced and number of people working within the sector started to decrease gradually. In 2004 the amount of people who worked within the flight sector was 8638, which was less than during any other year after 1990.\(^{49}\) To make a comparison the number of employees within trade and commerce increased by 3 percent between 1992 and 2000\(^{50}\). During the same time period the share of people employed in the flight sector to all employees on trade decreased from 0.34 percent to 0.29 percent, after having been as low as 0.22 percent in 1995\(^{51}\).

Personnel working within the flight sector are more likely to have a university degree than people employed within commerce and trade in average. Partly, yet only partly, due to this has the mean income of those employed within flight sector traditionally been much higher than the mean income of the people employed within commerce and trade in average. Traditionally the workers within flight sector have had wage incomes close to 1.5 times as high as workers within commerce and trade on average, during the last few years the difference has narrowed when the wages within flight sector have increased slower than within rest of the commerce and trade. The change has not been remarkable but the gap has narrowed a tad. It is natural that high education and the industry that is focused on densely populated areas are both factors that increase the wages, but they alone cannot explain wages in flight industry being as much as 50 percent above average wages within business workers. In addition to this has the wage share of added value traditionally been higher on

\(^{48}\) SOU 2005:4 p. 304
\(^{49}\) SIKA 1992-2005
\(^{50}\) ibid. p.305
\(^{51}\) ibid.
the flight sector than within business sector in average.\textsuperscript{52} If we take a look at hourly wages within the flight sector and the development over time, surprising results occur. In 1992 the hourly wage was 198 percent of the average wage in the trade sector. By 2001 it had increased to 250 percent\textsuperscript{53}. What is striking is that during the same time period productivity per employee in the flight sector decreased from 200 percent to just above 100 percent\textsuperscript{54}. In the 2002 and 2003 the productivity increased to about 125 percent of the average production in commerce and trade.\textsuperscript{55}

SAS workers including the pilots, cabin crew as well as the ground workers have all been amongst the best paid in the airline industry but in the air traffic controllers’ case the opposite is true. Many air traffic controllers have moved from Sweden to work in the European or even South African airports where wages are higher.\textsuperscript{56}

\textsuperscript{52} ibid. p. 306-308
\textsuperscript{53} SOU 2005:4 app. p. 153
\textsuperscript{54} ibid. p.155
\textsuperscript{55} SOU 2005:4 p.302
\textsuperscript{56} Eklind (1998)
After the early 1990s the number of strikes per year in Sweden has become remarkably lower. Increased unemployment throughout nearly all sectors and deep economic depression are both without a doubt a major reason behind this sort of development in the striking activity. Figure 1. shows both the total number of strikes in Sweden and the strikes within the flight sector between years 1992 and 2004.

Figure 1. Number of conflicts in Sweden and within the Swedish flight sector in 1992-2004

Source: Official statistics of the National Mediation Office

The only pattern that can be seen from the figure is that after 1994 the total number of strikes in Sweden switched to a permanently lower level and that it never rose back to level prior to 1994. The number of strikes on the flight sector is so small that it single-handedly does not offer sufficient amount of data for a quantitative analysis about distribution of strikes over time. Analysis of the data beyond the mere number of strikes shows that the labor dispute activity within the Swedish flight sector has varied over time since the deregulation, although this is not easy to discover if

57 Here labour dispute activity refers to both conflicts that broke out or only threatened to do so.
staring only at the number of strikes in the sector. A better illustration for this development can be found in figures 1. and 2. and tables A.1 and A.2, which can be found in appendix 1.

Figure 2. Number of workers involved & working days lost in the labor conflicts within the airline industry in Sweden 1992-2004

These tables illustrate the three periods of labor dispute activity that can be discovered when scrutinizing the labor dispute activity within the flight sector in the given observation period. After the relatively turbulent period between 1992 and the end of 1995 it can be seen that the five year period in the flight sector between 1996 and 2000 was a very calm one. After this peaceful and economically sound era within the airline industry the first years of the millennium have brought back the need to find ways to cut expenditures. Despite the major cutbacks the number of labor disputes has remained low within the industry compared to the level of the early 1990s. This can even be seen from the figure 1. This type of development in itself may not be anything extraordinary comparing it to the labor dispute activity in the overall Swedish economy, but the reasons behind it might.

A brief analysis of the disputes that never broke out is necessary to get a better overall picture of the overall relationship and atmosphere between the employers and employees in the flight sector over time. In the flight sector even a strike notice that never led to a strike has immediate effects because
many passengers tend to cancel or change their bookings and look for alternative ways of traveling. When we look at those disputes that threatened the flight sector their distribution over time is somewhat similar to those disputes that actually broke out. The disputes that would have affected the most workers threatened to break out between the years 1992 and 1995 and somewhat surprisingly also in 2004. The total amount of strike notices, threats and threats and notices for lockouts between the years 1992 and 2004 is 20, a majority of them being disputes over wage levels.

It is noticeable that a vast majority of all labor disputes took place among the SAS employees. While SAS is the biggest single employer on the sector its share of all labor disputes is astonishingly large. Luftfartsverket, another big employer on the sector has suffered from only one strike during the whole period. Therefore studying labor disputes that threatened or broke out within the flight sector and specially when trying to form an overall picture of them during the given observation period the focus will be very much on labor disputes within SAS. This fact itself tells us a lot about the labor market and interest conflicts within the flight sector and that there are big differences in striking frequency even within this sector that is relatively small.

58 see table 1.
QUALITATIVE ANALYSIS

In the following I will focus on analyzing the three time periods from the quantitative breakdown of the labor disputes. In addition to scrutinizing each period and labor disputes during them individually, I will try to find the reasons behind this sort of development from which different phases can clearly be found. Moreover I will try to explain the changes that led to change of course first somewhere in the late 1995 and then again near the year 2000.

1992 – 1995 – Conflict filled years

“It’s going to be extremely painful and filled with conflicts.”  
- SAS CEO Jan Carlzon about the near future before the SAS’ new cost-cutting strategy was fully implemented in 1992

As described earlier the deregulation in the Swedish flight sector came into effect during a difficult time for global airline industry i.e. from the beginning of 1992. Around the same time another major change, namely SAS buying Linjeflyg, its bankrupt- ready competitor within Sweden, aroused very strong feelings mainly against the decision even in the top level when the communications minister of Denmark insisted the SAS CEO Jan Carlzon to resign because of the Linjeflyg purchase. This affair was the main reason even behind a comprehensive wildcat strike among the SAS employees who protested against the organizational rearrangements and redundancies the merging of the two companies would result and the effects this would have on their situation. In the 4th of August 1992 447 employees in Arlanda and Malmö went on a wildcat strike and refused to return to the workplace despite the advice of their labor union. Situation was resolved after SAS invited the employee side for new negotiations but even though this got the employees to return to the workplace the dirty laundry of the dispute was yet to be washed. To express its intolerance towards the wildcat strikes among its Swedish employees SAS accused the strikers for the losses it had suffered due to the wildcat strike and took the matter to the Swedish court of labor issues. SAS won the case and the employees who took part on the wildcat strike were sentenced to pay 1500 kronors compensation each for their employer. In addition to the compensation the agreement included points which made it more difficult for the SAS staff to repeat the same type of illegal actions against their employer. The final bill of the two strike days

63 “Uppgörelse klar för SAS-Personal som deltog i vild strejk” (1993).
was close to thirty million so SAS did not get a full compensation for the financial losses it had suffered but in this case the message it sent to its staff by suing them for the wildcat strike was more important than the full financial compensation it never got.\textsuperscript{64}

The reasons behind the flight strike and the lockout in December 1993 were more traditional than those of the wildcat strike at the Arlanda airport in August 1992. The Swedish economy had seen 29 other strikes to take place in 1993, and the flight strike of December was to be strike number 30 of the year. SAS had managed to keep itself away from a major conflict twice in November\textsuperscript{65} but the disagreement over wages and the duration of the agreement between the Transport union and the employer side exploded resulting as a wide ranging strike and lockout which comprehended technicians, mechanics and baggage lasting personnel.\textsuperscript{66} Conflict cancelled 500 flights from Arlanda leaving 17,000 passengers stranded.\textsuperscript{67} The striking workers’ attitude was characteristic for the time and an often used argument when fighting for the higher wages in the flight sector was also taken up. That is to say that many have difficulties accepting the exclusive position the pilots hold within the airline industry and other employees often express their unhappiness towards it. Even within this conflict the striking employees compared their wages to those of the pilots and the desire to correct this defect was one of the reasons that led to uprising against their employer.\textsuperscript{68}

Six months later the pilot union issued a strike threat after not getting the 6 percent wage increase and shorter working hours they had demanded.\textsuperscript{69} The pilots of the regional and taxi flights were the first ones striking and they got support in form of a sympathy strike warning issued by the SAS pilots. The flight employers’ union (FBA) responded to this by issuing a lockout warning for the same period pilots had issued their strike threat. Both threats were put in effect and this led to a standstill in the domestic flight traffic and reminded everyone of the power pilots had whenever they would stand united.\textsuperscript{70} What is out of the ordinary is that the conflict broke out when the SAS pilots went on a sympathy strike when their colleagues were striking primarily because the SAS pilots had higher wages than the pilots who were striking. After having aided their colleagues to reach as good agreement as possible the SAS pilots still had their own war to fight since a year later in June 1995 SAS pilots went on a strike after not getting the 6,4 percent raise they had

\textsuperscript{64} Körnung (1993).
\textsuperscript{65} Danielsson (1993).
\textsuperscript{66} Sedvallson (1993).
\textsuperscript{67} "17 000 SAS-Passagerare drabbas av konflikten” (1993).
\textsuperscript{68} Lisinski (1993).
\textsuperscript{69} Varland (1994).
\textsuperscript{70} Brandelius & Olsson (1995).
The last strike of this period was issued in November of 1995 by the flight attendants. A month before this SAS had been able to avoid a strike when an immense threat issued by airport personnel in September was not put in effect. In November however, SAS could not avoid the conflict with the flight attendants, who wanted to have a bigger slice of the pie and better working hours after SAS had made a good financial result. They even complained about the working hours and the increased working load ever since SAS had begun to cut down personnel. The strike lasted for two days in the 2nd and the 3rd of November and would become the last strike for years.

There are many reasons behind a relatively large number of strikes and threats to them within SAS between 1992 and 1995, the biggest one of them is the hard-nosed saving strategy “Tearing down the pyramids” and the disagreements about it between the employee and the employer side. The strategy was first introduced by Jan Carlzon and later continued by Jan Reinås and Jan Stenberg, all of them CEOs of SAS between 1992 and 1995. Under their era the employer side took a remarkably harder attitude towards the labor unions and especially against the wildcat strikes that were a constant worry particularly in Denmark but took place even in Sweden as described earlier. This was necessary for the reason that before the deregulation and a threat of competition SAS could still agree with the labor unions’ demands and compensate the increased labor expenditures through the increased ticket prices. After the deregulation this possibility ceased to exist. During the process of many cutbacks Mr. Stenberg cut 3000 SAS jobs by the summer 1995. After this SAS did not adjust its belt any tighter and no more strike threats were issued after October 1995 (see table A.1) and no strikes took place after November of the same year. A long and heavy series of cutbacks could be seen in the stock market where SAS share increased thanks to the increased profit the company had made. An important factor that lowered the profit and hindered the shares to rise additionally was the exceptionally high amount of labor conflicts during the year 1995.

The cutback-strategy of SAS was nothing exceptional comparing it to what other airlines were doing during the same time. Until the early 1990s the salaries and wages that airlines paid did not

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72 Andersson, Bosse (Sep. 1995).
75 Saldert (1994).
76 Körnung (1994).
depend as much on the management and negotiating skills of airline personnel as on the current salary levels and the labor market in its home country. However, the major economic crisis during the first half of the 1990s forced airline managers to take more direct actions in reducing the labor costs. This was also a time period during which management gained more power on the wage levels and it has not given up this power ever since.\(^78\) Knowing the switch in the approach the airline industry took towards the labor issues it is easier to understand the strategy of SAS and the measures it took to reduce the staff costs in the early 1990s. Labor disputes, the loss they caused and a common unrest among its workers were all costs of the new strategy. A good example of many disagreements between SAS and its employees is that during a fifteen-month period up to October 1994 fifteen different cases in which SAS was other actor had been taken to the Swedish court of labor issues\(^79\). SAS was not the only Swedish company which had disagreements with its personnel; instead it was more of a spirit of the time in 1995 when labor conflicts and threats for them were many in number and large in scale.\(^80\)

In the end the image loss suffered due to many disputes threatened to turn into major economic cost that would have been so high that Mr. Stenberg was forced to insure restless SAS employees publicly that there would be no additional redundancies in sight\(^81\). To sum up, the economic crisis airlines faced in the early 1990s led the majority of airlines to take a new, more cost-conscious approach towards the labor costs issues. SAS was by no means above or beyond the reach of this development, despite the financial results it had made were better than those of many other airlines.

The new strategy led to several long and difficult negotiations with many of the numerous labor unions SAS employees were members of. In the late 1995 there were members of 43 different labor unions among the SAS personnel\(^82\). For the most part striking was still more of a problem of SAS exclusively, than a problem of many of its hardest competitors. During an 18-month period from June 1994 until November 1995 different unions had issued 15 strikes against SAS, four of them being in Sweden. What makes this number look significantly bigger is when we compare SAS with its most important competitors operating in the Northern Europe, that referring to the British Airways, Lufthansa, KLM and Swissair. During the same time period they had two strike days combined\(^83\).

\(^{78}\) Doganis (2002) p.115  
\(^{79}\) Petersson (1994).  
\(^{81}\) “Analys: Stenbergs nya taktik” (1997).  
\(^{82}\) Larsson (1995).  
\(^{83}\) Ericsson (1995).
Without knowing more about the other airlines’ employees’ reactions for the changes airline industry and their respective companies went through, the high amount of labor disputes in the SAS camp tells that the SAS employees’ attitude towards the changes was extraordinarily unenthusiastic and this resulted in many conflicts. Following the same logic it can be concluded that the unions into which the SAS employees belonged to were so powerful that they did not have to accept all changes without at least putting up a fight. After having gotten used to times with a constant growth, the monopoly situation on the regulated market and the benefits it brought, it took a while before the employees believed that the cutbacks the board had already issued and was yet about to issue, would be as severe as they ended up being. This led to further disorder among the employees who instead of accepting the cutbacks demanded higher wages. The result of this was the overall nervousness and many conflicts. In 1992 SAS was one of the seven airline companies within the International Air Transport Association (IATA) that made profit and even this was another major issue behind the unhappiness of the SAS employees, who refused to accept that their still profit-making employer would issue major cutbacks after all the good years they had been through together. An inverse example of the employees’ behavior can be found from Belgium where in 1993 the staff of the struggling carrier Sabena agreed to wage reductions of 2.5 to 17 percent.

After studying the situation and the course of matters in the early 1990s it is obvious that the employer and the employees’ side were clearly not on the same page about what was the right direction for the company and which means were acceptable when heading towards the new direction. Despite the deregulation SAS was as dominant as ever on the market it had always reigned. The airline market had just opened and it took time for the upcoming competitors of SAS to enter the market and this gave SAS time to prepare for the entry of the future competitors. SAS was certain its monopoly position would soon be history, so in its own part it worked on making the market as unattractive as possible. The cost-reducing strategy was aimed to do this and the employee side tried desperately hold on to the benefits they had gotten used to and did not want to adjust to the new market situation since it would have meant their situation to worsen.

The Linjeflyg affair was also a major cause behind many labor conflicts and unrest among the staff during the years following the affair. In August 1992 the SAS workers protested against the changes they were afraid the Linjeflyg purchase would cause and issued a wildcat strike as described earlier. Six months later the old Linjeflyg technicians expressed their dissatisfaction

84 Trane (1992).
85 Doganis (2002) p.118
towards SAS wages which were remarkably lower than those they had gotten used to while still working for Linjeflyg\textsuperscript{86}. The technicians did not issue a strike but their work morale sank so low that SAS accused them for work-to-rule action\textsuperscript{87}. The underlying reason in those problems that were affected by the Linjeflyg affair was thus the new, altered situation which many employees experienced as something negative. This led them to express their unhappiness by striking or threatening to do so.

When we take a look beyond SAS and the conflicts that took place in the flight sector between 1992 and 1995 there are some conflicts and threats that can be found, although SAS accounts for an absolute majority all conflicts. Luftfartsverket suffered from a rare wildcat strike when the cleaners in Arlanda decided to express their unhappiness against redundancies that were planned to affect them. As many other conflicts during the early 1990s even this conflict was relatively wide scale compared to those that have thumped the industry after year 1995, having 200 workers involved and leading to a loss of 400 working days.\textsuperscript{88} Other than this separate wildcat strike hardly any conflicts took place outside SAS. When a such incident occurred, or threatened to do so it was often the pilots of small companies such as Falcon Airlines or Avia AB who arm-wrestled with their employer demanding higher wages, shorter working hours or both\textsuperscript{89}.

Carriers tend to suffer significantly from the disputes that occur within the flight sector and influence on the planned traffic. Not only did SAS lose 30 million Swedish kronors per strike day in 1993, but it was also worrying to lose many of its passengers who would not return to flying with SAS after having suffered from a SAS labor dispute in the past.\textsuperscript{90} In 1995 Pamela Collin, a media representative of SAS, described this "image loss", referring to the causes of then ongoing dispute with the Nordic pilot unions, as the biggest loss that the carrier would suffer from a labor dispute\textsuperscript{91}. Naturally it was uncertain if the passengers who had been stranded due to some of the conflicts would ever return, but even the publicity the company and its employees got in a media was exclusively negative and did not attract the customers to choose SAS in a situation where they could choose between SAS and another airline.

In all the course of labor disputes in the flight sector between the years 1992 and 1995 follows the

\begin{itemize}
  \item \textsuperscript{86} “Flygtekniker rasar mot SAS” (1993).
  \item \textsuperscript{87} “SAS anklagar flygtekniker för maskning” (1993).
  \item \textsuperscript{88} Hellberg (1992).
  \item \textsuperscript{89} “Postflyget hotas av strejk” (1993).
  \item \textsuperscript{90} Körnung (1993).
  \item \textsuperscript{91} Lavonius-Norén (1995).
\end{itemize}
overall trend in Sweden quite well. The economy entered into a deep recession which brought turbulence for the labor market leaving hundreds of thousands unemployed, some of them employees within the flight sector. Workers within the flight sector are well-organized, their unions are strong and due to this they were able to elevate their wage level despite the recession. Their wage level had already been quite high.\textsuperscript{92} What makes strikes on the flight sector different to those on the rest of the economy is that wage increases the workers fought for were exceptionally high. In the summer of 1995 the pilots wanted an increase of 6.4 per cent and later the same year engineers demanded a 11 percent wage increase during the coming 21-month period.\textsuperscript{93} This is a sure sign that the labor unions had not adjusted their wage expectations into the deregulated situation yet.

1996 – 2000 The peaceful years

In the Swedish flight sector the tumultuous beginning of the 1990s with many labor disputes was followed by a very calm six year time period between November 1995 and October 2000. When scrutinizing the strike statistics it is dazzling how few conflicts took place or threatened the Swedish flight sector during the latter half of the 1990s. This period was a relatively quiet in the Swedish labor market as a whole but the lack of conflicts and their threats on the flight sector is remarkable. After all, the airline industry had only a couple years earlier been deregulated, and after that the industry’s biggest employer in Sweden had made radical cutbacks and redundancies that had irritated the employees and labor unions that had traditionally been exceptionally powerful. In the following I will give some possible explanations for this peaceful period.

It took a few years after the deregulation before the competition on the international flights from Sweden really took off. Until the mid 1990s the Swedish customers did not have many alternatives when flying to destinations abroad and as a result of this the direct effects of an eventual SAS strike were more comprehensive and therefore the customers could not choose another airline instead despite the threat of a possible labor dispute that would eventually both keep the SAS planes grounded and therefore grounding even the passengers. Even if the possibilities to choose another airline instead existed, doing so would have been a lot more difficult and expensive than what it has become since. SAS employees and labor unions behind them were well aware of the benefits this market failure brought to them and exploited the situation while they still could. In the mid 1990s, however the market situation in Scandinavia and Sweden begun to change and by the end of the

\textsuperscript{92} SOU 2005:4  
year 1995 SAS had competition on 75 percent of the foreign routes it was flying from Arlanda. The situation had altered even in the domestic market where SAS market share had by 1997 sunk to 65 percent. Malmö Aviation and Transwede both had achieved a 13 percent market share in the domestic market and many SAS strikes in the early 1990s had given them valuable positive visibility. Since the market situation and the level of competition had changed this much, even the employees started to adjust their expectations gradually to the situation at the time. Although it was not only the employee side that had to be aware due to changes that had taken place during the time when the employee and employer sides were busy disagreeing with each other. During the first years of deregulation era the reliability of SAS had gotten deep a scratch and even if such headlines as “Travelers are leaving SAS” were over-exaggerating it was obvious that to restore its liability labor disputes had to come to an end, or at least number and extent of them have got to reduce remarkably. In addition to this, the image loss was not the only cost of the many labor disputes, which had come costly even in purely monetary dimensions. In 1995 only strikes and lockouts cost the company 350-400 million Swedish kronor.

SAS and its Swedish personnel managed to stay away from the battles between each other and the period was completely silent on the labor dispute front with only one exception. In May 1998 the Transport union issued a sympathy strike notice after SAS started flying its flights to the Far East from Arlanda instead of Kastrup where SAS staff was striking. The strike notice by the Transport union in Sweden was thus issued to support their SAS colleagues in Copenhagen and to make the situation more difficult for their common employer, which therefore had to rebook its customers to flights via London or Frankfurt. Due to Swedish SAS workers sympathy action three intercontinental flights were cancelled. SAS thought that the staff broke Swedish laws and sued the Transport union demanding compensation more than 20 million Swedish kronors. The transport union was found guilty for breaking the striking regulations but was not sentenced to pay the compensation SAS had demanded.

Although the situation was very calm in Sweden throughout the period SAS was kept busy due to constant unhappiness and numerous incidents provided by its employees in Norway and particularly

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94 Andersson, Bosse (Nov. 1995).
95 Hellbom (1997).
96 Andersson, Bosse (Nov. 1995).
100 Jacobsson (Feb. 1999).
Denmark. Only in Kastrup, which is the most important airport for SAS, there were more than a hundred wildcat strikes during a ten year period up to 2001\textsuperscript{102}. Although it is difficult to find a definitive answer for why was it that in Sweden SAS employees did not strike nearly as frequently as they did in both Denmark and Norway some of the following explanations are likely to lie behind relatively low levels of striking in Sweden or more accurately of the high levels in Denmark. First of all the overall economic situation in Sweden, especially during the first half of the 1990s encouraged neither employees nor unions to issue strikes. The unemployment rate was constantly high and in Denmark and Norway recession was neither as severe nor lasted as long as it did in Sweden. Due to these factors the SAS workers in Sweden were so afraid to lose their jobs that they were forced to accept cuts made by the management without putting up a hard fight over the redundancies.\textsuperscript{103} Ever since 1992 the reasons behind strikes have been other than redundancies.

To find a factor that illustrates differences in strike frequency between Sweden and Denmark better than the overall economic situation one must take a look at the significant differences between the Danish and Swedish legislatures. Especially the job security legislation in Denmark is significantly worse from the employees’ standpoint than the Swedish one and it does not offer the employees and labor unions as much possibilities to influence on the changes done within the company. From the Danish employees’ point of view the legal ways to solve conflicts take often too long and thus Danish workers have taken wildcat strikes as an alternative way to solve problems more rapidly. Nicholas Fischer, the chairman of the Danish flight officers (LFF) defended Danish employees by stating that if the legislation would have only been the same in Sweden as in Denmark, the Swedish SAS employees would have acted likewise in many cases and wildcat strikes would be much more common even in Sweden.\textsuperscript{104} So knowing the differences in legislature and the course of matters, above all the numerous wildcat strikes that took place in Kastrup, we know that SAS workers in Sweden are less likely to take sudden actions that would result in a wildcat strike. This is because the labor unions in Sweden are more powerful, the employees have better security for their jobs and other ways to solve conflicts are more efficient than a wildcat strike which in Denmark is considered as an efficient way to correct the existing defects. In addition to this SAS did not tolerate wildcat strikes in Sweden and workers or unions who issued a wildcat strike risked to answer for the actions in the court as happened after the wildcat strikes first in 1993 and again in 1998.

\textsuperscript{102} Andersson, Jan (2001).
\textsuperscript{103} Petersson (1994).
\textsuperscript{104} Andersson, Jan (2001).
A strike that occurred within an aviation school Lid Air AB in 1999 had some characteristics SAS strike would never have. By this I refer to a small number of strikers and the long duration of the quarrel. In June and July six flight teachers struck for sixteen working days each. SAS could not have afforded its personnel to strike for such a long period. Secondly all unions that SAS agree to deal with have quite a few members in them. In case a few workers, they being members of one of the unions, would’ve decided to issue a strike against SAS it would’ve either gotten support from the union and thus the rest of the union members would have joined them, or the union would not have given support to the strikers in which case the strike would have been a wildcat strike and the strikers would have most likely been either fired or sued or they would not have striked in the first place.

In the latter half of the 1990s both the Swedish economy and the global airline industry recovered from the difficult start they had had for the decade. The unemployment rate in Sweden never returned to the pre-depression level and due to this there were huge reserves unemployed looking for a job which did not encourage the employed ones to strike over the issues those ten years earlier might have still led to a conflict. The same goes with the employers whose possibilities to issue lockouts were reduced by the difficult economic situation. The decision of SAS to conclude its cutback strategy and this leading to CEO Stenberg’s public promise to end redundancies had calmed the staff into the extent that SAS personnel in Sweden did not find need to issue strikes. On top of this the wage development of the flight workers, SAS employees in particular was relatively good\textsuperscript{105} and this sure helped in avoiding conflicts especially after a period when many collective agreements were not reached before a strike, lockout, blockade or at least a warning to some sort of labor conflict. Ever since the mid-1990s the SAS competitors were one after another ready to enter the airline market in Sweden and started to compete from the market shares in a significantly higher level than thus far.

\textbf{2000 – 2004 The period of the increased competition}

The labor conflicts and threats to them started to increase again during the last months of the year 2000 and the overall restlessness grew throughout the year 2001 until the 11\textsuperscript{th} of September when everything suddenly changed. The airline industry has still not completely recovered from the events of the 9/11. The terror attacks had an immediate paralyzing effect on the airline traffic and the influence was felt globally. Scandinavia was no exception to this tendency which led SAS to cut

\textsuperscript{105} SOU 2005:4 Appendix
12 percent of its capacity and 1100 jobs. Shortly after the attacks in September SAS was hit by the most serious accident of its history when 118 people lost their lives in a crash of two airplanes in Milan. SAS was going through turbulent times even before the terror attacks and the accident at the Linate airport. Earlier in May of the same year Jörgen Lindegaard had replaced Jan Stenberg as the CEO of the company and shortly after he took the charge, SAS bought the Norwegian airline Braathens. SAS was also kept busy by the increased amount of labor conflicts or threats to them, which had increased during the 11-month period prior to the terror attacks. Increase of the threats can be interpreted so that the situation became more normal after a very quiet period during the latter half of the 1990s. This applies to the situation of SAS in particular and therefore the development can be easily seen within the whole industry in Sweden. A majority of the unrests after the peaceful period took place in Kastrup, but the effects were felt even in Sweden and above all in Arlanda, since it is always possible that labor conflicts that take place in Kastrup lead to sympathy measures in Arlanda, which is exactly what happened in May 1998 as described above. It is not unusual that the striking workers pressure other groups within the SAS group to strike. This can be done by accusing their colleagues for strike breaking, even if they would not be members of the same union. An example of this can be taken from the summer 2002 when the workers of Braathens, which SAS had bought the previous year, striked in Oslo. The strike was issued after the ground services of Braathens and SAS in Oslo had been put together after the Braathens affair. This had led to a job loss of some of the Braathens workers. The SAS workers did not strike and had to face accusations from the striking Braathens colleagues.

During this time period, particularly after the year 2002 the competition increased as new airlines entered to the domestic market in Sweden. In May 2003 the Confederation of Swedish Enterprise published a report according to which the airline sector was the one with the most competition and best prerequisites for competition within the transport sector. The lack of similar statistics from the earlier years makes the comparison over time difficult. The competition increased additionally after the SJ lowered the train ticket fares. The increased competition could be felt particularly on the shorter routes where many passengers find train as a good alternative instead of flying. The increased competition, the difficult times the commercial airline industry was going through and a comprehensive cost reduction program SAS was going through were all factors that increased the pressure to lower the wages. This time SAS was able to agree with frozen wages with most of its

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109 Svenskt Näringsliv, p.70
workers, and in 2003 its Danish employees even agreed to three percent wage decreases. A major reason behind this was even the incorporation of SAS insight and that the SAS workers might lose their jobs in case SAS would choose to buy services from another company when it would expose some of its services, its ground services in particular, for competition.110

In the US it is common that the pilots are among the co-owners of the airline and that they hold positions in the board. This development is yet to enter to Europe but there have been signals that the pilots of SAS would like to develop the airline into this direction. Shortly after Mr. Lindegaard was named as the CEO of the company many believed that there would be another pilot conflict in sight and that this conflict would lay ground for conflicts with many other workers within the company. Earlier the same year, pilots of the United Airlines had demanded a 50 percent wage increase and sent a letter to the pilot unions all over the globe encouraging them to demand higher wages.111 SAS was able to reach agreement with the pilots who later got praise from SAS for their understanding for hard competition and for agreeing to settle for 15 to 16 percent wage increases over two years.112 However, soon after the SAS pilots had reached agreement with their employer another flight conflict broke out when the pilots of Falcon Air did not get the 40 percent wage increase they had demanded.113 After striking for two days they settled for 12 percent annual increases which were more in line with the increases SAS pilots had gotten.114 The negotiations that the pilots had with their respective companies are a good example of the nature of the pilot agreements where wages are always compared to those of other airlines. However, it is difficult for the pilots of a small airline such as Falcon Air to get a significantly higher raise than that of the SAS pilots who have traditionally had the highest wages amongst the pilots in Scandinavia. The agreements and wage raises of the SAS pilots have often been seen as guidelines for their colleagues within Sweden.

An interesting exception for the pilot strike issues or threats and cause of matters they tend to follow can be found from the Irish low cost carrier RyanAir’s pilots, who issued a strike warning first in November 2000115 and again in February 2003116. RyanAir is known for its reserved attitude

111 Björnelid (2001).
112 ”2500 Piloter Får Nytt Kollektivavtal” (2002).
113 Häggström (2001).
towards labor unions\textsuperscript{117} and it being an archetype of a low-cost carrier its employees have significantly lower wages and enjoy fewer benefits than their colleagues working for the traditional flag carriers such as SAS. In 2003 RyanAir took over Buzz which was a low-cost carrier of KLM and then located in the Netherlands. When the Swedish pilot union considered answering to the wage-cut of some of its pilots insight with dispute actions the message of the RyanAir's CEO Michael O'Leary to the Swedish pilot union was "We don't negotiate. Accept the offer or give up"\textsuperscript{118}. O'Leary's tactic clearly worked since no strike was issued. RyanAir has often been criticized of its approach towards its employees and in a country like Sweden, where the airline personnel has traditionally had good prerequisites for getting their voice heard, the RyanAir's methods have woken a lot of debate, the majority of it very negative. O'Leary and Lindegaard have later denigrated each others' companies continuously as well as exchanged opinions about each others' leading strategies in a less friendly tone.\textsuperscript{119} In the US it took four years after the deregulation before the low-cost entrants became serious competitors for the major airlines and two years after the low-cost airline’s entrance they begun to have influence on the wage level.\textsuperscript{120} In Sweden the entry of the low-cost airlines took a significantly longer time and after their entrance they have competed more within the international routes than within the routes in Sweden.

The flight sector did not suffer from any labor conflicts and only two strike warnings were given during the years 2002 and 2003. The global airline industry was in a middle of the deepest recession it has ever faced. During these years even the Luftfartsverket struggled financially and went through extensive redundancies without them leading to any conflicts with the employees\textsuperscript{121}. The difficulties had not ease yet in 2004 when the Transport union demanded 775 kronor’s monthly wage increases for 3300 of its members, most of them baggage loading personnel, mechanics and technicians. SAS responded by informing that it would not agree to any wage increases because of the crisis within the airline industry.\textsuperscript{122} Prior to the Transport’s demand 38 other unions had agreed to freeze their wages, the understanding for the difficulties within the industry being the main reason behind these agreements. However, all agreements included a clause that if any other union would get an increase the agreements regarding the wage freezes would no longer hold. The unhappiness of the baggage loading personnel in Arlanda had been bubbling below the surface and

\textsuperscript{117} to find support for this claim and more about labor disputes against Ryanair and course of them, see Creaton (2004) ch.12
\textsuperscript{118} Pedersen (2003).
\textsuperscript{120} Cremieux (1996) p.227
\textsuperscript{121} Kainz-Rognerud (2003).
\textsuperscript{122} Frykman (2004).
they had previously expressed their disappointment through a wildcat strike\(^{123}\) and a mass sick-listing\(^{124}\). Transport union and the employer side were not able to reach an agreement before the strike threat came to effect and the result of this was the most extensive strike on the sector since 1995. The events in January were only a prequel for the stormy year the Transport union had ahead. The workers within the union were much divided about the strike before it and they remained so even after the conflict when the mechanics refused to take part in the next strike that was to be put in effect in the 23\(^{rd}\) of February\(^{125}\). This latter strike was never put in effect because the agreement was reached in the 4\(^{th}\) of February\(^{126}\), but the Transport union did not tolerate the mechanics’ behavior and expelled the members of the mechanics’ committee who had threatened to boycott the potential strike\(^{127}\). The union showed its stubbornness several times later during the same year. It union calls itself openly as the most obstinate and belligerent union of Sweden\(^{128}\) whose job is not to save jobs but people\(^{129}\). No more strikes were issued in 2004 despite the difficult negotiations between the Transport union and SAS. After the Transport Union and SAS were able to agree over the wage increases the members of the Transport Union started to worry about their jobs,\(^{130}\) which was a topic that had caused distress among the employees within the union already prior to the strike in January of the same year. Thus the priorities within the union pulled it to two different directions when the committee of it wanted to reach as good working conditions as possible and many of its workers wanted to secure their jobs even if it would have meant worsened clauses in their contracts.

The small number of conflicts compared to several strike threats in 2004 and even during the couple years prior to 2004, was by no means a co-incidence. The increased competition within the flight sector both in the air and on the ground diminished both the companies’ and the labor unions’ possibilities to waste resources and throw away money through conflicts.\(^{131}\) Increased competition in the ground level had brought many companies to compete for the ground services in Sweden. Traditionally many airlines that did not have their own personnel to do some of the tasks in the Swedish airports had bought some services from the Swedish airlines. SAS was the biggest distributor of ground services such as baggage handling and labor conflicts would have given boost

\(^{124}\) “Massjukskrivning orsakade bagageproblem vid Arlanda” (2000).
\(^{125}\) Karlsson (2004).
\(^{126}\) Öberg (2004).
\(^{129}\) Andersson, Bosse (Sep. 2004).
\(^{130}\) Sandberg (2004).
\(^{131}\) Andersson, Bosse (Dec. 2004).
to other companies that were offering ground services within the Swedish airports. Recession turning into worse was the major reason behind the increased threats to labor disputes. As mentioned above the latter half of the 1990s was a quite good period for the airline industry. The good era and good wage development within SAS were the major factors behind the unusually peaceful period. After this good period some restlessness from the employees’ part was noticeable as threats to strikes and difficulties for the industry returned.132

**SUMMARY & DISCUSSION**

The flight sector comprehends workers from many different occupations which are represented by several different labor unions. Differences between the workers and unions in different positions are significant since they hold different amounts of power which is directly mirrored to the negotiations with their employer. The pilots are relatively small, but clearly the most powerful group of workers and therefore different rules apply to them when negotiating of the collective agreement, which is difficult for the rest of the workers to accept. Much of the envy towards the position that pilots have gained is silent and hidden under the surface but can boil over which is what happened in November 1993. There are also significant differences between the unions concerning their aims and their way to react on changes within the industry, market and economy. In 2004 all other labor unions except for the Transport union agreed to freeze or lower their wages or to work under worsened conditions because they realized the difficulties that their employer and the whole industry was facing. The Transport Union made clear that it would not care about the state of the companies it would deal with but instead wanted wage increases that would have at least matched the increases the rest of the workers within commerce and trade had received.

A significant change that occurred in the market situation after the deregulation has diminished both the workers' enthusiasm for striking and airline companies possibility to issue strikes due to financial restraints and fear of losing customers to the competitors who either did not exist on the market or whose significance was marginal. During the first years after the deregulation the combination of the lack of competition and the new, more restricted approach towards the labor costs resulted in a few considerably broad strikes. Even lockouts were issued. After the turbulent years in the early 1990s, SAS changed its wage policy in a more generous direction. This new policy combined with the positive overall development within the airline sector guaranteed

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132 ibid.
exceptionally good wage development for SAS employees and therefore the period between 1995 and the late 2000 was very quiet. Worldwide difficulties within the industry re-introduced the restlessness even in the Swedish airline sector. This time however, many conflicts never broke out despite the threats to them and no lockouts were issued. The increased competition and the threat for further increases in it were the biggest single factors that restrained both the employer and employee sides from taking measures through labor disputes.

The existing situation within the industry in itself is not necessarily enough to get labor unions to adjust their wage expectations to the current situation. This is often the case especially when the company the unions are negotiating with is making profit and the unions and their members find the “difficult times”–explanation unacceptable since the company is doing well. This is what happened after SAS introduced its cost cutting program after the deregulation and several unions it negotiated with refused to accept the tough approach that the profit making company took during the wage negotiations. The existing market situation is also a major factor that both the labor union and the employer must take into account during the negotiations. However, for a profit making company it might be difficult to be able to negotiate low or zero wage increases regardless of the overall state within the industry. The competition has been on a significantly higher level during the years after 9/11 than what it was during the 1990s, when SAS still had monopoly within the Swedish airline market.

The altered market situation has forced the employee side to adjust their expectations into a completely different framework. Likewise has the space for bargaining that the employer side had still in the 1990s, diminished considerably during the last few years. It was rather obvious that the airline industry would face extremely difficult times after the 9/11. Challenges increased when the oil prices peaked because of the wars in Iraq and Afghanistan. This time, unlike in the early 1990s, workers within the flight sector knew and took the fact that the industry was facing major challenges that might cause redundancies into account. Simply the awareness of the altered circumstances led the employees and unions to adjust their expectations into the existing situation. The quicker the staff is able to adjust their expectations to the existing market situation the less likely labor conflicts are to take place. This is also a thought Blanchard and Philippon share in their theory of the speed of learning by the unions and its effect on the degree of unemployment. The higher wage demands by the unions are likely to lead into higher wages but they also lead to a smaller number of people employed. Being well aware of this many SAS workers were willing to accept lower wages to secure their jobs. The unrest among the employees whenever there were
labor conflicts in sight is an example of this and particularly true during the series of clashes between SAS and the Transport Union in 2004, when many workers opposed strikes even before they were issued. In that time, however the workers’ opinion was overlooked as a stubborn Transport Union wanted to issue a strike despite the opposite attitude of its members. It can thus be argued that the learning by unions can be slower than the speed of learning of its members. It can be argued that the reasons behind this dispute were other than slow learning from the union’s part, but since the Transport union was trying to hold on for the benefits its members agreed to give up, and do it above all because of the increased competition or the threat for it, can it be argued that slow learning or refusal of admitting the new situation was a big factor behind the conflict. Having said that, one must also be able to recognize which were the two biggest factors that helped to keep the industry away from many labor disputes after the 9/11. These were firstly the unions’ and employees’ ability to adjust to the altered situation and secondly, yet closely related to the first factor, the pressure that the increased competition set upon both the employer and worker sides. It is should also be noted that the competition or a real threat for it did not exist within the Swedish flight sector before the beginning of the 21st century, which should be remembered when comparing this time period to earlier ones.

An oddity when studying the labor conflicts within the flight sector since 1992 is that the employees of the Luftfartsverket accounted for only one of them and none since the summer of 1992. Luftfartsverket is the second biggest employer within the flight sector in Sweden and in many other countries a strike by the air-traffic controllers has paralyzed all air traffic even more effectively than an extensive pilot strike would. In Sweden this has not happened and no strike ever threatened the Luftfartsverket despite the extensive redundancies it was forced to go through after 9/11.

The SAS employees have reacted strongly and often to the major changes in the company structure and the major affairs SAS has been involved in. Examples of such are the Linjeflyg and Braathens affairs and incorporation of SAS Cargo. Behind these strong reactions lie a fear of redundancies and worsened future working conditions, sometimes this uncertainty about the upcoming can be expressed by striking. Knowing that the fusions and incorporations can often lead to redundancies the worry and reactions of the workers are rational. Course of the labor disputes between SAS and Luftfartsverket differs from each other significantly even in this dimension. LFV faced no strike threats when its workers were informed about the structural changes insight prior to Luftfartverket’s break up to two separate parts from the beginning of 2005. It must be remembered that the
Luftfartsverket does not face competition the way airlines do, but it is still sensitive for business fluctuations within the global airline business industry as was seen after the 9/11. As a government body it is related to politics more closely than the airlines, including SAS.

No significant differences can be found when comparing the course of labor disputes within the flight sector over time to the number of disputes in Sweden during the observation period. The number and extent of strikes decreased sharply during the early 1990s and has never risen to the level where it was prior to the decrease. This development can be found from both the flight sector as well as from the rest of the economy.

The Swedish flight sector will have its share of conflicts even in the future and some of them might be wide-ranging even in the future. Pressure to push labor costs towards the international averages still exists and this is not likely to happen easily as long as the Transport union holds its strong position and stands up for the rights and wages of its members. Competition is likely to increase further and eventual labor disputes will become less and less affordable.

In the 16th of May 2006 SAS CEO Jörgen Lindegaard informed the board of his resignation, as he did not succeed in cutting the costs sufficiently. SAS has no idea who will be his successor. The company finds itself at the crossroads when it will have to find a new CEO who will have to form a new strategy and face the same old problems. Once again, doing cuts on labor expenditures while trying to avoid major labor conflicts will be one of, if not the most important challenge the new CEO will have to face.
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### APPENDIX

Table A.1 Labor conflicts within the flight sector in Sweden 1992-2004

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MONTH</th>
<th>COMPANIES, WORKERS AND/OR UNIONS INVOLVED</th>
<th># of WORKERS INVOLVED</th>
<th># of WORKING DAYS LOST</th>
<th>TYPE OF CONFLICT</th>
<th>REASON GIVEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Jan.</td>
<td>Avia AB och Air Hudik AB</td>
<td>45</td>
<td>405</td>
<td>lockout</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>1992</td>
<td>Jan.</td>
<td>Avia AB och Air Hudik AB</td>
<td>29</td>
<td>261</td>
<td>legal strike</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>1992</td>
<td>Jun.</td>
<td>Luftfartsverket - ARN (städare)</td>
<td>200</td>
<td>400</td>
<td>wildcat strike</td>
<td>the redundancies in sight</td>
</tr>
<tr>
<td>1992</td>
<td>Aug.</td>
<td>SAS cabin and ground personnel</td>
<td>430</td>
<td>600</td>
<td>wildcat strike</td>
<td>negotiations related to the SAS takeover of Linjeflyg</td>
</tr>
<tr>
<td>1993</td>
<td>Dec.</td>
<td>Flight strike (flight technicians and others)</td>
<td>800</td>
<td>800</td>
<td>legal strike</td>
<td>wage increase</td>
</tr>
<tr>
<td>1994</td>
<td>Jun.</td>
<td>Flight conflict (pilots in regional, domestic and taxi traffic)</td>
<td>296</td>
<td>1346</td>
<td>legal strike + lockout</td>
<td>wages</td>
</tr>
<tr>
<td>1994</td>
<td>Nov.</td>
<td>Flight conflict (HAO/FBA ./, SACOs tjänstemannaförbund (SRAT) flight and IERA technicians of SAS)</td>
<td>288</td>
<td>864</td>
<td>legal strike + lockout</td>
<td>collective agreement</td>
</tr>
<tr>
<td>1995</td>
<td>Jun.</td>
<td>Pilot conflict (HAO/FBA ./, Swedish, Norwegian and Danish pilot unions)</td>
<td>350</td>
<td>550</td>
<td>legal strike</td>
<td>wage increase</td>
</tr>
<tr>
<td>1995</td>
<td>Nov.</td>
<td>Flight conflict (SAS Cabin personnel)</td>
<td>201</td>
<td>370</td>
<td>legal strike</td>
<td>working hours and lunch hours</td>
</tr>
<tr>
<td>1999</td>
<td>Jun.&amp;Jul.</td>
<td>Lid Air AB (flight teachers)</td>
<td>6</td>
<td>108</td>
<td>legal strike</td>
<td>n/a</td>
</tr>
<tr>
<td>2000</td>
<td>Oct.</td>
<td>Arlanda airport (baggage lasting personnel)</td>
<td>88</td>
<td>12</td>
<td>wildcat strike</td>
<td>working hours</td>
</tr>
<tr>
<td>2001</td>
<td>Jul.</td>
<td>Falcon Air pilots</td>
<td>38</td>
<td>76</td>
<td>legal strike</td>
<td>wage increase</td>
</tr>
<tr>
<td>2004</td>
<td>Jan.&amp;Feb.</td>
<td>SAS (flight technicians, mechanics, baggage lasting personnel)</td>
<td>250</td>
<td>156</td>
<td>legal strike</td>
<td>inhörning av arbetskraft</td>
</tr>
</tbody>
</table>

Source: Official Strike Statistics of the National Mediation Office and the articles related to respective conflicts.
Table A.2 Labor conflicts that threatened the flight sector in Sweden 1992-2004

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MONTH</th>
<th>COMPANIES, WORKERS AND/OR UNIONS INVOLVED</th>
<th># of WORKERS INVOLVED</th>
<th>TYPE OF CONFLICT</th>
<th>REASON FOR WARNING OR THREAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Feb.</td>
<td>Pilots in regional traffic</td>
<td>300</td>
<td>strike notice given</td>
<td>working hours</td>
</tr>
<tr>
<td>1992</td>
<td>May</td>
<td>SAS pilots</td>
<td>n/a</td>
<td>strike notice given</td>
<td>wage agreement and working conditions</td>
</tr>
<tr>
<td>1993</td>
<td>Feb.</td>
<td>SAS technicians</td>
<td>200</td>
<td>strike threat</td>
<td>wage increases</td>
</tr>
<tr>
<td>1993</td>
<td>Sep.</td>
<td>pilots of Falcon Aviation</td>
<td>25</td>
<td>strike notice given</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>1993</td>
<td>Nov.</td>
<td>SAS-employed airport employees</td>
<td>1600</td>
<td>strike threat</td>
<td>working hours and wage negotiations</td>
</tr>
<tr>
<td>1993</td>
<td>Nov.</td>
<td>Association of the civil engineers</td>
<td>300</td>
<td>strike threat</td>
<td>working hours and wage negotiations</td>
</tr>
<tr>
<td>1993</td>
<td>Dec.</td>
<td>lockout</td>
<td>800</td>
<td>lockout threat</td>
<td>answer to the issued strike notice</td>
</tr>
<tr>
<td>1993</td>
<td>Dec.</td>
<td>Swedair mass sick-listing</td>
<td>n/a</td>
<td>mass sick-listing</td>
<td>redundancies after merging</td>
</tr>
<tr>
<td>1994</td>
<td>Jun.</td>
<td>Flight conflict (pilots in regional, domestic and taxi traffic)</td>
<td>200-300</td>
<td>strike sick-listing</td>
<td>wage conditions</td>
</tr>
<tr>
<td>1995</td>
<td>Oct.</td>
<td>All ground service employees</td>
<td>3000</td>
<td>threat for point strikes and over time blockade</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>1995</td>
<td>Oct.</td>
<td>Cabin crew</td>
<td>2300</td>
<td>strike threat</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>1998</td>
<td>May</td>
<td>SAS workers in Arlanda</td>
<td>n/a</td>
<td>blockade notice given</td>
<td>sympathy action</td>
</tr>
<tr>
<td>1998</td>
<td>Oct.</td>
<td>Air traffic controllers in Arlanda</td>
<td>8</td>
<td>mass sick-listing</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>2000</td>
<td>Oct.</td>
<td>Baggage lasting personnel</td>
<td>100</td>
<td>mass sick-listing</td>
<td>working hours</td>
</tr>
<tr>
<td>2000</td>
<td>Nov.</td>
<td>Pilots of RyanAir</td>
<td>n/a</td>
<td>strike notice given</td>
<td>working hours</td>
</tr>
<tr>
<td>2002</td>
<td>Apr.</td>
<td>Falcon Air</td>
<td>n/a</td>
<td>strike notice given</td>
<td>working hours</td>
</tr>
<tr>
<td>2003</td>
<td>Feb.</td>
<td>Pilots of RyanAir</td>
<td>n/a</td>
<td>strike threat</td>
<td>wage negotiations</td>
</tr>
<tr>
<td>2004</td>
<td>Jan.</td>
<td>All Transport Union members employed within the flight sector</td>
<td>3300</td>
<td>strike threat</td>
<td>working hours and wage negotiations</td>
</tr>
<tr>
<td>2004</td>
<td>Feb.</td>
<td>Baggage lasting personnel</td>
<td>180</td>
<td>threat of firing the strikers</td>
<td>striking</td>
</tr>
<tr>
<td>2004</td>
<td>Sep.</td>
<td>produktion, tillagning, paketering</td>
<td>ca 400</td>
<td>sympathy strike notice given</td>
<td>wage increases</td>
</tr>
<tr>
<td>2004</td>
<td>Oct.</td>
<td>Baggage lasting personnel</td>
<td>2500</td>
<td>strike notice given</td>
<td>working hours</td>
</tr>
<tr>
<td>2004</td>
<td>Sep.</td>
<td>SAS Cabin crew</td>
<td>n/a</td>
<td>mass sick-listing</td>
<td>working conditions</td>
</tr>
<tr>
<td>2004</td>
<td>Nov.</td>
<td>SAS pilots</td>
<td>500</td>
<td>strike notice given</td>
<td>protest action against the usage of rented manpower</td>
</tr>
</tbody>
</table>

Source: The articles related to respective conflicts.