Wage Negotiations and Wage Policies in Sweden: I

The first part of this article, published below, briefly outlines the present organisation of employers and workers in Sweden, indicates the broad lines of legislation affecting the employment market and describes the characteristic methods of collective bargaining. Against this background the second part of the article, which will appear in the November issue of the Review, *analyses in rather more detail post-war wage developments and questions associated with them—in particular the tendency for aggregate money wages to rise faster than total output and the problems of "wage drift" and of reconciling full employment and free collective bargaining with reasonable stability of prices.*

The Organisation of Employers and Workers

STRIKING features of the Swedish labour market are the very high degree of organisation among both employers and workers and the stable balance of power thus achieved. Industrial development having come rather late in Sweden, it was not until the last decades of the nineteenth century that a real trade union movement came into existence.[1] However, the movement rapidly gained momentum and strength. After several trade unions had organised to form national unions a number of these in turn combined in 1898 to found the Landsorganisationen i Sverige—the Swedish Confederation of Trade Unions—or L.O. as it is usually called. The vast majority of trade unions are now affiliated to the L.O., which is made up of 44 national unions with a total membership of 1.4 million. This means that almost all workers eligible for membership of trade unions are actually organised in the L.O., and that this organisation has proportionately the largest membership—at least on a voluntary basis—of any labour movement

[1] For a description in English of the development of trade unionism in Sweden up to the Second World War see, for instance, Marquis W. Childs: *This is Democracy. Collective Bargaining in Scandinavia* (New-haven, Yale University Press, 1938), pp. 1-19.

in the world.[1] The unions, which are mostly organised on an industrial basis—though some craft unions still exist, particularly in the printing and building trades—comprise manual workers and to some extent also non-manual workers.

However, the latter are generally affiliated to another organisation, the Tjänstemännens Centralorganisation (T.C.O.)—the Central Organisation of Salaried Employees—formed in 1944 by the merger of two organisations, one of which covered the private and the other the public sector.[2] Like the L.O., this federation is composed of national unions—most of them on an industrial union pattern—such as clerical and technical employees in industry, foremen and supervisors, commercial employees, school teachers, bank clerks, journalists, policemen, etc., totalling about 350,000 members or about one-half of all those eligible for membership.[3] A few rather small organisations have preferred to remain outside the L.O. and the T.C.O. One of these is the Swedish Workers' Central Organisation, which comprises the syndicalist trade unions and has a total membership of about 20,000. Two fairly important independent salaried employees' organisations are the Sveriges Akedemikers Centralorganisation (S.A.C.O.) [4]—the Swedish Confederation of Professional Associations—which has about 45,000 members, and the Statstjänstemännens Riksförbund—the National Union of Civil Servants—with a membership of about 15,000.

[1] See, for instance, Swedish Employers' Confederation: *Perspective of Labour Conditions in Sweden* (Stockholm, 1954), pp. 18-19.

[2] There is no simple answer to the question why salaried employees have formed confederations and unions of their own instead of joining the L.O. One reason is considered to be that, whereas recognition of the right of manual workers to engage in collective negotiations regarding wages and other conditions of employment never raised special difficulties, salaried employees had to fight for recognition of a corresponding right on their part, which became statutory less than 25 years ago. See *The Central Organisation of Salaried Employees in Sweden* (Stockholm, 1953), pp. 13 ff. This pamphlet gives a brief account of the growth, work and purpose of the T.C.O. The L.O. and the T.C.O. usually maintain very friendly relations, though there have been occasional demarcation disputes, resulting from the difficulty in certain cases of drawing clear lines of distinction between " salaried employees " and " manual workers ". Such disputes seem to have occurred less frequently in recent times, which may at least partly be due to more elaborate definitions. It may be noted that the L.O. has close connections with the Social Democratic Party and a great number of local unions are affiliated to that party. The T.C.O. is politically neutral; individual T.C.O. officers, however, take an active part in the affairs of particular parties.

[3] Of the members of unions affiliated to the T.C.O. a good half are employed in the private sector, about one-third by the central Government, some 13 per cent. by local authorities and the remaining 2 to 3 per cent. in semi-official services.

[4] Regarding organisation of university-trained people, see further *Swedish Professional Associations as Trade Unions* (Trelleborg, Swedish Confederation of Professional Associations, 1959).

The organisation of labour soon induced the employers also to organise, and a few years after the foundation of the L.O. the Svenska Arbetsgivareföreningen (S.A.F.)—the Swedish Employers' Confederation—came into being.[1] The S.A.F. consists of some 40 trade associations of employers in the private sector of the economy—one for each branch of industry or handicraft—and one general group of unclassified firms. In all there are about 16,000 members affiliated to these associations, employing rather more than 800,000 manual and white-collar workers in manufacturing, building and transport. Hence the S.A.F. associations do not cover so large a proportion of industry as do the trade unions.[2] However, there are in addition other important organisations—some of them in fields where the employees are entirely, or mainly, affiliated to the T.C.O.—including agriculture and forestry, banking, commerce, insurance, shipping, hotel and restaurant owners, etc., which, although they remain outside the S.A.F., co-operate with it to a certain extent and generally follow its policy in collective bargaining matters. In practice, this means a high degree of unification on the part of employers as well as of workers.

There was—and still is, although it has become less marked—a difference between the responsibilities and powers entrusted to the L.O. and those entrusted to the S.A.F. The individual labour unions affiliated to the L.O. originally vested little authority in the central confederation and reserved the right to approve all contracts and declare strikes. However, there has been a move towards greater centralisation and the L.O. now wields more influence over its affiliates, who have among other things recognised an obligation on their part to keep it informed of important wage movements and labour disputes. Furthermore, the L.O. must give its approval before a union may call a strike involving more than 3 per cent. of its members (in some cases even smaller strikes).[3] In case of non-compliance with this provision, the union forfeits its right to financial assistance from the L.O. in the form of strike benefits.[4]

[1] It should be noted that the S.A.F. is solely devoted to labour relations, while there is a special organisation, the Federation of Swedish Industries, concerned with non-labour matters.

[2] Within its province the S.A.F. covers practically all large enterprises; many small firms are, however, still outside the organisation but, partly as a result of various measures to safeguard their special interests, an increasing number have in recent years been joining the organisation.

[3] In addition, union by-laws are now required to contain the provision that the executive board of the union has the right to make final decisions about terminating agreements, accepting or rejecting proposals for new agreements or for resorting to direct action. Voting among union members on such matters is only advisory.

[4] The L.O. normally contributes about 25 per cent. of the benefit paid by a union to its members on strike.

The Swedish Employers' Confederation (S.A.F.), on the other hand, has from the beginning been able to exert a very strong influence over the actions of the employers' associations affiliated to it and their members. Although the associations have some degree of autonomy, all basic questions relating to wage policy have to be submitted to the Confederation. Thus, no collective contract may be made and no lockout declared by an employer or an association without its prior sanction, and it may also instruct an association or an individual employer or employers to declare a lockout. Financial penalties may be incurred for non-compliance ; this also applies to an unauthorised settlement of a labour dispute. Furthermore, according to the constitution of the S.A.F., the use of " union security clauses " is forbidden and any employer belonging to the Confederation who entered into a contract stipulating a " closed shop " would lay himself open to a financial penalty and to expulsion.

Labour Legislation [1]

Two salient points emerge from a general review of Swedish labour legislation : the comparatively few difficulties that have faced the union movement on the legal side, and the singular extent to which collective bargaining is unhampered by legislative regulations regarding compulsory arbitration. The latter fact seems, above all, to reflect the very strong opposition of the L.O. and the S.A.F. to any interference by the State with what they consider to be their concern, and the ability they have displayed to use their common interests as a basis for working out differences and reaching settlements of their own accord.

The right of labour to combine and organise has never met with legal hindrance in Sweden, nor have the legality of trade unions as such and their legal authority to negotiate been seriously challenged. Basic rights having thus been obtained without resort to legislation, the laws subsequently passed have in many instances merely, or at least mainly, sanctioned practices already applied. Even so, however, it has for various reasons often proved difficult to adopt legislation on these matters. Many proposals have been

[1] The basic work on labour legislation in Sweden is Folke Schmidt : *Kollektiv Arbetsrätt.* Tredje upplagan. Under medverkan i vissa delar av Axel Adlercreutz (Stockholm, P. A. Norstedt and Söners Förlag, 1958), which, besides giving a broad description of the historical development in this field, deals with all major aspects of labour law with emphasis on actual practice as revealed in the decisions of the Labour Court. An excellent description in English is A. Adlercreutz : " Some Features of Swedish Collective Labour Law ", in *Modern Law Review* (London), Vol. 10 (1947), No. 2, pp. 137 ff.

rejected, and it was not until 1928 that the principal framework for legal regulation of labour market conditions was erected by the passing of the Labour Collective Contracts Act and the Labour Court Act.

The former Act laid down that collective contracts should be "drawn up in writing" and are binding on all members of the organisations concluding them.[1] It further imposes on the parties to a collective contract an unconditional obligation not to resort to a strike or lockout during the period of validity of the contract irrespective of an alleged or even real breach of contract committed by one of the parties.[2] The only form of direct action that may legally be resorted to during the period of currency of a contract is sympathetic action and only a party to a lawful conflict may receive support in this form.

When legal disputes that arise under existing contracts and relate to questions of application and interpretation are not solved by means of direct negotiation between the interested parties they are referred to the Labour Court set up in conformance with the second of the above-mentioned laws. This tripartite Court is composed of two representatives of the central employers' and workers' organisations respectively together with three neutral members ; it has sole jurisdiction in these matters and its decisions are without appeal. Sanctions under the Labour Court Act are civil only ; no penal remedies are provided for.

The above-mentioned laws are only concerned with the manner in which existing contracts are to be construed, or with what is known as "conflicts of rights". In the matter of "conflicts of interests", mainly related to the renewal of collective contracts, state intervention has been virtually confined to providing machinery for mediation. According to the Conciliation Act of 1920 as amended, a mediator appointed by the King (there are in all eight mediators, each responsible for a special district) must summon the parties to meetings if a dispute has led, or threatens to lead, to a strike or lockout of substantial importance. A mediator is also required to intervene—even in the case of disputes of lesser

[1] A member is bound by the collective contract whether he has joined the organisation before or after it was concluded and he cannot free himself of it (before its expiry) even by leaving the organisation. Collective contracts are binding not only on organisations but on individual members too.

[2] Even before this law was passed, the parties were bound to abstain from taking direct action during the period of validity of a contract, since such a step would normally imply a breach of contract. If, however, on the ground of an alleged breach of contract by one of the parties, the injured party resorted to some form of direct action this was not *per se* unlawful, provided a court concluded that a breach of contract had indeed been committed.

importance—where either an employer or a trade union representing at least half of the employees involved in the controversy applies for his services. In actual practice the mediators offer their services without regard to the size and importance of an impending conflict, and the parties, at first rather reluctant to refer disputes to mediation, no longer hesitate to do so if necessary. The object of a mediator is to bring about an agreement in accordance with the offers and proposals made by the parties in the course of negotiations ; but he has no competence whatsoever to impose arbitration on the parties or to prevent them from resorting to open conflict. The only obligation laid on the parties by the law is that they must give seven days' notice of a strike or lockout if mediation fails.[1]

As has already been pointed out, recognition of rights of association and negotiation has never met with any great difficulties in Sweden. In practice the exercise of the freedom to form associations and to join associations with a view to the defence of occupational interests was safeguarded as early as 1906, through an agreement between the S.A.F. and the L.O. Under this agreement the employers, although retaining their right to employ and dismiss workers at their own discretion, waived the right to discriminate against workers because of membership of a trade union ; and the workers, in return for this concession, gave up their demands for the "closed shop" or the "union shop".[2] The principal importance of the passage of the Right of Association and Collective Bargaining Act in 1936 was to extend protection to employees not

[1] On the subject of mediation, see further C. C. SCHMIDT : " Mediation in Sweden ", in Elmore JACKSON : *Meeting of Minds* (New York, Toronto, London, McGraw-Hill Book Company Inc., 1952), pp. 39-55 ; and Howard E. DURHAM : " The Place of Mediation in the Swedish Collective Bargaining System ", in *Labour Law Journal* (Chicago), Aug. 1955, pp. 536-545.

[2] The constitution of the S.A.F. still contains a paragraph to the following effect : " Collective contracts concluded between a partner of the Confederation or one of its associations and a trade union must include a provision stipulating the right of the employer to engage and dismiss workers (' hire and fire ') at his own discretion ; to direct and allot the work ; and to avail himself of workers belonging to any organisation whatsoever, or to none." As has been seen, an employer belonging to the S.A.F. signing a contract with the " closed shop " clause would be liable to a penalty. The legal validity of "closed shop" clauses as such has, however, never been challenged and employers outside the S.A.F. have signed such contracts. According to the view taken by the Labour Court, an employer is not prevented from insisting upon membership of a union as a prior condition to employment. However, the right of association is considered infringed when a worker already engaged is discharged for not having joined the union to which the employer has by contract exclusively reserved employment. As for the trade union movement, it has since the agreement of 1906 never particularly cared for the insertion of such clauses in collective contracts and is now generally opposed to the " union shop " and " check off " as they are known in the United States.

covered by a collective contract—notably salaried employees. Its most important stipulations are that " the right of association shall not be infringed " and that any " legal instrument or provision " infringing that right " shall be null and void ".[1]

Several other proposals for legislation relating to the employment market have been put forward but not adopted. Thus in the 1920s and 1930s various proposals were advanced for state intervention as a result of public concern over the numerous labour conflicts.[2] These proposals were particularly concerned with the protection of a neutral third party, i.e. with providing for legal prohibition of coercive action against parties not directly involved in a dispute. Extensive official investigation into this matter ended in an appeal to management and labour to try to work out between them a system of settling conflicts that would at the same time protect national interests. As a first step a new body, the Labour Market Committee, was set up by the parties, consisting of seven members from each of the two central organisations, which has become a permanent institution for the discussion of common problems. The negotiations led to the conclusion of an agreement, the so-called " Basic Agreement ", adopted in 1938. This agreement is a collective agreement entered into by the two national confederations—the first of its kind apart from the 1906 agreement mentioned above. It has since been accepted by a majority of the federations of the S.A.F. and the L.O.

The agreement covers the following principal questions :

(1) a uniform system of negotiations for the settlement of labour disputes ;

(2) restrictions on coercive action, *inter alia*, in regard to a neutral third party ;

(3) special regulations for the handling of conflicts which threaten essential public services ;

(4) practices to be followed with respect to the dismissal and lay-off of workers [3] ; and

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[1] Sweden has ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948, as well as the Right to Organise and Collective Bargaining Convention, 1949.

[2] In the period 1927-36 in Sweden 1,818 man-days were lost per 1,000 workers in industry per year as the result of wage disputes—a higher figure than in many other countries.

[3] This did not imply a waiver on the part of the employers of their old-established right to " hire and fire " at their own discretion. The Basic Agreement, however, requires an employer to follow a certain procedure (including submission of a case to the Labour Market Board) prior to his final decision, which remains his alone.

(5) the establishment of a special body, the Labour Market Board, made up of three representatives from each side appointed for three-year terms, to which controversial questions on the above points may be referred.

The Basic Agreement was followed by others on different matters—e.g. vocational training (1944), enterprise councils (1946), time and motion studies (1948), and employment of women (1951)—collectively referred to as the " Saltsjöbaden Agreements ", after a resort outside Stockholm where the talks took place.[1] The adoption of the Basic Agreement indeed marks an important stage in labour market relations in Sweden. The main motive behind the conclusion of the agreement was no doubt the deep-rooted opposition on both sides to any state intervention in the employment market. " By way of collective bargaining the parties imposed on themselves restrictions which could not be accepted by way of legislation." [2]

Collective Bargaining

It is evident from the foregoing that management and labour in Sweden consider that they should have complete freedom to conclude contracts and that government intervention in this field should be confined to consultation with the top organisations of employers and workers. As will be shown more fully below the trade union movement has even declared itself in principle opposed to wage restraint as a permanent feature of its policy. These attitudes on the part of employers' and workers' organisations may seem scarcely to justify the frequent references made to Sweden as a country applying a " national wage policy ".[3] However this may be, attempts have been made to adjust wage increases to the prevailing state of the economy as a whole. Consultations of an informal nature, involving no commitments, have often taken place between the Government and the central organisations. But direct

[1] For a more detailed account of the " Saltsjöbaden Agreements " see for instance Bertil Kugelberg : " The Saltsjöbaden Agreements between the Federation of Swedish Employers and the Confederation of Swedish Trade Unions ", in *Skandinaviska Banken Quarterly Review* (Stockholm), Vol. XXVII, No. 4, Oct. 1953, pp. 94 ff. ; and Ture Flyboo and Rolf Lahnhagen : " Role of Workers' and Employers' Organisations in Sweden ", in *Human Relations in Industry*, Rome Conference (Jan.-Feb. 1956), published by the European Productivity Agency of the Organisation for European Economic Co-operation, pp. 93 ff. See also the works referred to in the beginning of this section.

[2] Adlercreutz, op. cit., p. 141.

[3] See, for instance, B. C. Roberts : " Towards a Rational Wages Structure ", in *Lloyds Bank Review*, Apr. 1957, No. 44, pp. 1 ff. ; and T. L. Johnston : " Wage Policies Abroad ", in *Scottish Journal of Political Economy*, Vol. V, No. 2, June 1958, pp. 126 ff.

state control of wages—as exists, for instance, in the Netherlands—is non-existent.[1]

The practice of collective bargaining is very widespread in Sweden, and the number of workers concerned has constantly increased. It was estimated a few years ago that about 20,000 collective contracts were in force affecting some 1.3 million workers, 200,000 salaried employees and 95,000 employers.[2] This amounts to almost universal adoption of the system of collective contracts, since the small sector of the employment market not covered by such contracts for the most part adheres to the standards they lay down.[3] Collective bargaining in Sweden takes place predominantly at the level of the industry. The working conditions of more than half of all workers are governed by contracts applying to the whole of an industry throughout the country, concluded between the organisations directly concerned but often with the assistance of the central federations.

Central wage negotiations between the confederations of employers and trade unions have taken place both in the war and post-war periods, though the contracts thus concluded are only recommendations to the trade associations and unions, the application of which is subject to negotiation by them. Thus, for instance, during the war a central index agreement was concluded which called for wage increases to compensate for an increase in the cost-of-living index. Since the war various forms of co-ordination and centralised bargaining at the level of the two federations have been tried on several occasions.[4] In 1952, 1956, 1957 and 1959 " frame agreements " or " master agreements " were concluded between the two central organisations—i.e. agreements relating to the magnitude of over-all wage increases, but leaving the distribution

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[1] As to what is involved in a national wage policy see for instance J. E. ISAAC : " The Function of Wage Policy : The Australian Experience ", in *Quarterly Journal of Economics* (Cambridge, Mass.), Vol. LXXII, No. 1, Feb. 1958. For a discussion of national wage policy in the Netherlands see " National Wage Policy : The Experience of the Netherlands ", in *International Labour Review*, Vol. LXXI, No. 2, Feb. 1955.

[2] *Perspective of Labour Conditions in Sweden*, op. cit., p. 38.

[3] Wage determination for civil servants usually takes the form of negotiated salary scales ; this applies also to some categories of salaried employees (in occupations like banking, insurance and commerce), whereas most salaried employees in industry keep to the principle of individual salaries, though latterly centrally negotiated recommendations for individual salary setting have become common. Other conditions of work are regulated by collective contract. Cf. *The Central Organisation of Salaried Employees in Sweden*, op. cit., pp. 26 ff. and T. H. JOHNSTON : " Wages Policy in Sweden ", in *Economica* (London), Vol. 25, No. 92, Aug. 1958, p. 217.

[4] See, for instance, Lennart LOHSE : " Centralization of Bargaining in Sweden Since 1939 ", in *Monthly Labor Review* (Washington, D.C.), Vol. 81, No. 11, Nov. 1958, pp. 1230 ff.

of the increases among different categories of workers in the different industries to be settled by negotiation at lower levels.

This central co-ordination of negotiations must be viewed against the background of the persistent inflationary pressure that has made itself felt in Sweden since the war and called for special measures; more explicitly, centrally negotiated contracts have been an attempt to arrest the tendency towards wage competition between the different national unions, involving greater and greater wage increases in the course of the negotiating season and resulting in considerable divergencies between industries. For it has been a familiar observation that when dealing with each other separately the trade associations and unions have seldom been able to reach settlements providing lower wage increases than the best obtained earlier in the season. In this way the ground has been prepared for a new round of compensatory wage demands before the old one has ended.[1]

It would, however, appear that neither employers' nor workers' organisations are prepared to let this highly centralised form of negotiation replace the more traditional bargaining, at least unless there are special circumstances.[2]

But if both sides are cautious in their approach to centralised negotiations covering all or a substantial part of the economy, yet they seem on balance to see advantages in the system of industry-wide negotiations between the different federations of employers and national unions—which also involves a high degree of centralisation. The tendency of both parties to favour this system is evident from the very fact that they voluntarily have recourse to it to such a large extent. One reason why both labour and management prefer industry-wide contracts seems to be a purely practical one, namely that they are easier to administer. For the employers such contracts are, in addition, a means of preventing the unions from "whip-sawing". On the part of the trade unions, industry-wide bargaining is apparently felt to be in line with their efforts towards exerting a central influence on wage policy, the motivation of which, in turn, is the so-called "solidarity policy", i.e. a policy aimed at ironing out unjustified differentials

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[1] See Bertil KUGELBERG: "Centralised or Decentralised Wage Negotiations", in *Skandinaviska Banken Quarterly Review*, Vol. XXXII, No. 4, Oct. 1951, pp. 94-95.

[2] Ibid., p. 94, and idem: "Manufacturing Costs Inflated by Shortage of Labour", in *Sweden—A Financial Times Survey* (London), 8 Sep. 1958, p. 15. See also Swedish Confederation of Trade Unions: *Trade Unions and Full Employment* (Stockholm, 1953); and the various statements by union leaders reproduced in G. REHN: "Swedish Wages and Wage Policies", in *Annals of the American Academy of Political and Social Science*, Mar. 1958, p. 107, and JOHNSTON: "Wages Policy in Sweden", op. cit., pp. 222-223.

between jobs, sectors and industries in the interests of solidarity, pursued by the L.O. for many years.

The general preference for industry-wide bargaining does not mean that people on both sides are unaware that there may be some disadvantages connected with it. It would, however, seem that some of the objections commonly made to it in countries where bargaining is decentralised and mainly carried out at the level of the enterprise derive little support from Swedish experience. Thus, the Swedish system is in no way considered to have discouraged initiative or innovations among local management or local trade unions. The latter retain important functions, such as the negotiation of piece rates and enterprise council activity.[1]

As has already been mentioned, since the Second World War Swedish collective contracts have generally been concluded for one year at a stretch.[2] If neither of the parties gives notice of termination by a specified time—normally three months—before its expiration, the contract is automatically renewed, but this has been of little practical significance during the post-war years of full employment and rising prices. To lessen the impact on the economy of yearly wage increases it has not infrequently been proposed that contracts should be negotiated for a longer period, as was indeed quite a usual practice before the war. A step in this direction was taken in 1957 when a two-year contract was concluded between the central organisations. In order to indemnify the workers for any major price increases and give them a share in the benefits of rising productivity this contract included an improvement factor in each year and provided protection against a rise in the cost of living in the form of a reopening clause. It does not seem, however, that this is likely to inaugurate a new system of contracts of longer validity ; the central agreement concluded in 1959 is for one year only.

Finally, a few words should also be said about the subject matter of bargaining, i.e. the contents of contracts.[3] The subjects covered may vary from the regulation of a particular aspect of

[1] See Charles A. MYERS : *Industrial Relations in Sweden. Some Comparisons with American Experience* (Cambridge, Massachusetts Institute of Technology, 1951), which contains interviews with representatives of employers and workers and their views on industry-wide bargaining (pp. 20-33).

[2] All agreements do not expire at the same time but there is a fairly high degree of synchronisation of wage negotiations. Whether this is likely to reduce or enhance the danger of inflationary wage movements is open to question. A comparison with the United Kingdom, where the negotiations are spread more evenly over the whole year, gives no help in answering the question. See United Nations, Economic Commission for Europe : *Economic Survey of Europe in 1955* (Geneva, 1956), pp. 162-163.

[3] For a more detailed account see MYERS, op. cit., pp. 34 ff.

conditions of employment to detailed provisions governing such conditions as a whole. The most frequently encountered clauses deal with wage rates, hours of work, overtime, annual leave, sickness pay, the period of the validity of the contract and its scope. Collective contracts may not include provisions less favourable than the minimum standards laid down by labour legislation for the protection of labour in regard to working hours, paid holidays and so on.[1]

(To be continued.)

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[1] Sweden has no minimum wage legislation and has consequently not ratified the Minimum Wage-Fixing Machinery Convention, 1928. "The general feeling is that a minimum wage would tend to become a maximum wage and would introduce an undesirable rigidity into the wage structure. There is a preference for the determination of wages by negotiation and collective agreement, arrangements for which are highly developed. In these circumstances, Sweden cannot be said to have any interest in minimum wage legislation." *Information and Reports on the Application of Conventions and Recommendations. Summary of Reports on Unratified Conventions and on Recommendations.* Report III (Part II), International Labour Conference, 42nd Session, Geneva, 1958 (Geneva, I.L.O., 1957), p. 10.