



Time for people to feel secure

# Crisis winter programme

# CRISIS WINTER



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# Crisis winter programme

THIS WINTER the members of LO trade unions will have to count every penny. For many, the money will not be enough. Not even for the necessities, such as food, rent and electricity. To prevent LO members from being hungry, being cold or being evicted this winter, LO calls for effective and rapid action by the Government. We are therefore presenting a crisis winter programme with the reforms we see are needed urgently. Apart from that, extensive initiatives for full employment and substantial investments in welfare are also required.

The inflation rate in September was 10.8 per cent. Food prices rose by 16 per cent. At the time of writing, diesel costs over SEK 27 per litre. Interest rates on housing loans have shot up and rental levels are expected to follow suit.

And as winter approaches, electricity prices are expected to rise to extreme levels. The price of electricity in turn affects the price of food, housing, travel and more. For many LO members, this will be a winter when costs far exceed their income.

Against this it could be said that the degree to which you are affected by the electricity price mostly depends on where in the country you live. This is true. But where the price of electricity is lower, the need for a car — and thus the exposure to high fuel prices — is greater. In addition, inflation always affects those with the lowest incomes. Regardless of where you live. The actual monthly salary for a woman in an LO job is SEK 18,100 after tax. Every single price increase eats deeply into her budget. It is no wonder that 78 per cent of LO members are concerned that their own living costs have increased so much recently.

Now it is the end of October, and there are mixed signals from



the labour market. One day we see a fall in unemployment and a small number of redundancy notices. The next day there are warnings of an imminent halt to construction, production stoppages and threatened redundancies. What we know for certain is what we already see: high inflation and significant price increases. As well as a war where Putin uses energy prices as a strategic weapon. There is every reason to take LO members' concerns about the coming winter seriously.

LO's crisis winter programme contains a number of concrete measures that the Government needs to take immediately, to protect ordinary people from economic disaster this winter. To secure workers' finances in the long term, other measures are also needed. The crisis winter programme is about emergency measures for the winter. These are exceptional times. They require exceptional measures. No-one should go hungry, be cold or be evicted due to events in the outside world over which they have no control.

## 1. Reduce electricity prices

The high electricity prices affect Swedish households and businesses severely. Many LO households with small margins are in great difficulties when electricity prices are soaring at the same time as interest rates, fuel and food prices are rising rapidly. Businesses are forced to shut down production, resulting in growing unemployment. Almost all electricity used in Sweden comes from cheap wind, water and nuclear power. But the price of electricity is driven up because small amounts of expensive electricity are allowed to set the price for all electricity sold. The high electricity prices therefore lead to huge surplus profits for electricity traders and grid owners.

Inflation in Sweden is mainly due to the soaring electricity prices. To push down inflation, electricity prices need to be pushed down. At the end of September, the electricity market expected prices to remain high into 2024, and that winter prices in southern Sweden will be around SEK 3 per kWh. This is a price increase of about 500 per cent.

- Pay out electricity price support to Swedish households and businesses without delay. It should protect households and businesses from high prices - not high consumption.
- Initiate energy saving programmes for households and public institutions.
- Reduce electricity prices. For example through the State procuring the most expensive electricity and then selling it cheaper, or differentiating cheaper prices within Sweden and more expensive prices for export.

## **2. Improve unemployment insurance funds and abolish the qualifying period**

Good sickness and unemployment benefits are important both for the individual and for Sweden as a community and as a whole. This is especially important in financially difficult times.

A good unemployment insurance fund is needed for workers' security and to avoid poorer working conditions. Unfortunately, benefit is not indexed to wage increases. This means the insurance is eroded over time.

The qualifying period deduction is a class-based piece of legislation. Only people who are able to work from home when they have a mild illness can avoid the deduction. But 9 out of 10 LO members must perform their work on site.

- Raise the unemployment insurance ceiling and do not decrease benefit during the period of unemployment.
- Abolish the qualifying period deduction for good.

## **3. Reduce the cost of fuel**

High fuel prices hit hard; more than 800,000 LO members use the car to get to work. Taking the bicycle or public transport instead is rarely an option for those who live or work outside the large metropolitan areas. Nor for those who work evenings, weekends and nights. In addition, LO members often have small financial margins.

- Temporarily reduce taxes on petrol and diesel
- Apply tax relief for travel to work, with higher mileage allowance and deductions for people who use the car for work or for travel to and from work.

#### **4. Augment child allowance**

A higher cost of living is particularly severe on families with children whose margins are small. Food, winter clothes or bus cards for children are costs that cannot be cut. Augmented child allowance is a robust and easy way to help families through the coming winter.

- Pay an extra child allowance for Christmas.

#### **5. Pause the amortisation requirement**

Interest rates have risen sharply recently and are putting pressure on households' finances. The amortisation requirement puts a further burden on everyday finances and just as during the pandemic, the possibility for households to temporarily pause amortisation requirements should be introduced.

- Pause the amortisation requirement

#### **6. Introduce short-term lay-offs**

Introduce government support for short-term employment. It is a good system that provides support to companies in the event of temporary and unforeseen financial difficulties. The support means that redundancies and unemployment can be avoided, while production can increase rapidly once the difficulties are over. This was an important and efficient measure during the pandemic.

- The Government should be prepared to temporarily strengthen the current system of support for short-term employment. This can be done in line with the proposals of the ongoing evaluation, or in the same way as was done during the pandemic.

# Notes

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to feel secure



Elektrikerna

f fastighets



PACKET FÖR SKOGS-, TRÄ-  
OCH GRAFISK BRANSCH



HOTELL- OCH RESTAURANGFACKET



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Kommunal.

Livs

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MÅLARNA

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1897