# MARKETING REFORMS AT THE END OF THE ROAD

How we create a functioning railway for the 2030s



MALIN MALM

Soc &Dem

### Content

#### Summary 3

#### 1. Why railway? 4

1.1. Railways are an efficient way to transport heavy goods 4 1.2. Railways are an efficient way to transport people 6 1.3. Railways are investmentintensive and struggle with flexibility 8 1.4. Railways' role in preparedness 9

2. A Hundred Years of Railway Reform: How Did We Get Where We Are Today? 10

2.1. A tug-of-war between competition and coordination 10 2.2. The early railways in Sweden 12 2.3. Back to shared responsibility 15 2.4. The 1988 railway decision 15 2.5. The EU railway package 16 2.6. The spirit of the times 19

#### 3. The market does not deliver 20

3.1. Railways are underperforming in competition with other modes of transport 20 3.2. The system socialises losses and privatises profits 22 3.3. The market is in practice made up of a small number of large state-owned companies 22 3.4. Swedish and European military and civil preparedness has been weakened 23 3.5. Deregulation has been followed by social unrest and pressured working conditions for railway
employees 24 3.6. Lack of control, pressured employees and fragmented responsibilities can be linked to accidents and safety

problems 25 3.7. But are there no places where the market has delivered? 26

#### 4. A new railway model is needed 28

4.1. A White Paper on the consequences of deregulation and a new direction for Europe's railways 28

#### Catalysis report no. 124

Market reforms at the end of the road: How we create a functioning railway for the 2030s

Malin Malm is a member of the regional board and the regional development committee in Västerbotten (S)



The report was produced by Katalys on behalf of Progressive Alliance of Social Democrats in the European Parliament and MEP Johan Danielsson (S)

Graphic design: Archive publishing production Illustration on the cover: Accident ferroviaire de la gare Montparnasse, 1895 Print: Municipal Janitorial Service in Stockholm, 2025

### Summary

The railway is our oldest large-scale public transport system. It has stood as a symbol of the progress, horrors and modernity of industrialism.

With reference to its age, the railway has also been portrayed by some as a hopelessly outdated mode of transport in the century of aviation and motoring. In times of skyrocketing energy prices, new industrialization, military and civilian rearmament and the climate crisis, there is increasing talk of a renaissance for the railway. The question is how we will get there.

The railway organization has undergone a series of system shifts since the first rails were laid. Each shift has entailed major changes and has clearly been driven by the ideas that dominated society at the time. In some places in Europe, including Sweden, the system shifts have been rapid, while others have been slow. Overall, however, it is clear that the development of the railway is moving in the same direction throughout our continent, now supported by a series of EU laws.

After forty years in which competition and liberalization have guided the reform of Swedish and European railways, the time is ripe for an evaluation.

This report examines whether the market reforms in the railway sector have delivered what they promised and whether it is time to rethink how we organize the railway in Sweden and Europe. If so, what is needed for the railway to be better able to address the challenges of the 2030s with an ongoing industrial and climate transition and increased needs for military and civil preparedness?

### 1. Why railway?

In a modern economy with historically complex logistics chains, all modes of transport have a role to play. Together, the EU countries now have the densest rail network in the world. This makes the question of the future of rail a crucial piece of the puzzle in everything from European competitiveness to the continent's security.1

Below is a description of the advantages and disadvantages of railways compared to other modes of transport. The aim is to provide a fair picture of the railway's potential and the role it can play in modern society.

### 1.1. Railways are an efficient way to transport heavy goods

Railways are by far the most energy-efficient way to transport goods by land.

Railways also have a very high capacity to transport large amounts of heavy goods at the same time. A single freight wagon can hold 3–4 times more goods than an average truck. In theory, a train can haul the equivalent of hundreds of trucks on the road.2 This is why railways are attractive for heavy, space-consuming goods such as vehicles or ore.

Furthermore, railways have a unique opportunity to transport goods with a small number of employees in relation to the volume of goods. However, it should be borne in mind that road transport includes a high proportion of light trucks in urban traffic, while the road-bound competitor to rail freight transport is long-distance truck freight.

<sup>1.</sup> European Council (revised 11/1 2024), *Rail Transport Policy*, https://www. consilium.europa.eu/sv/policies/rail-transport-policy/, last accessed 8/12 2024.

<sup>2.</sup> Florida Rail website: https://www.floridarail.com/news/train-vs-truck-which-is-better- for-freightshipping-infographic/, last accessed 8/12 2024.

	Average			Share	I onne kilometers
	Average	percentage	Tonne-kilometers	of tonne kilometers	per employee
	number of employees (%)		(millions)	(%)	(millions)
Railway	2,647	4	21,005	27	7.9
Road traffic	71,171	96	57,317	73	0.8
Total	73,818	100	78,322	100	1.1

#### Table 1. Tonne-kilometres per employee for rail and road traffic, 2022

Tonne-kilometre: one tonne of goods transported in one kilometre. Sources: Swedish Road Transport Companies (2023), Road transport industry with areas of operation – key figures for profitability and growth, https://www.akeri.se/sites/

default/files/2023-10/Key figures report\_Sveriges\_%20%C3%85kerif%C3%B6retag\_2023.pdf, table 1; Traffic analysis (5/7 2024, revised 1/11 2024), *Transport work in Sweden 2000–2023. Table work*, https://

www.trafa.se/globalassets/statistik/transportarbete/2023/transportarbete-2000-2023-2024-11-01.xlsx, table 2; Traffic analysis (20/6 2024), *Rail traffic 2023. Table work*, https://www.trafa.se/globalassets/statistik/

rail traffic/rail traffic/2023/rail-traffic-2023.xlsx, table 4.4.

Rail also has significantly lower emissions compared to other modes of transport than energy efficiency would suggest, as it is the only mode of transport that has been electrified on a large scale.

Electric trucks are available on the market, but they still only represent a small proportion.3 Their range is limited and they require regular stops for charging, problems that are exacerbated by their lack of energy efficiency. Even with so-called electric highways, where trucks can be charged while driving, they are significantly less energy efficient than rail. Electric truck transport can primarily be expected to play a role in situations where flexibility is more important than energy efficiency, for example in sparsely populated areas where it is not worthwhile to build tracks and on the last short leg (the so-called last kilometer or *last mile*) to the destination.

Aviation is an alternative for overland freight transport. It can transport high values of lighter, expensive goods such as mobile phones. However, compared to road transport and rail, aviation accounts for a negligible share of freight transport (in 2021 it was 0.2 percent of the EU's total freight transport, including sea-based transport).4 Therefore, aviation is not included in Figures 1 and 2.

<sup>3.</sup> Volvo Group website (11/5 2023): https://www.volvogroup.com/se/news-and- media/news/2023/may/ news-4538078.html, last accessed 8/12 2024.

<sup>4.</sup> Eurostat (2024), Key figures on European transport - 2023 edition, p. 26.



#### Figure 1. Energy consumption for different modes of transport in 2019 (kWh/tonne kilometer)

Source: See Figure 2.

Figure 2. Emissions for different transport modes in 2019 (CO2 equivalents/ tonne kilometer)



Source: Traffic Analysis (15/2 2022), Energy and Climate Efficiency of Transport. Report 2022:1, https:// www.trafa.se/globalassets/rapporter/2022/rapport-2022\_1-transporternas-energi--och-klimateffektivitet. pdf, table 3.3.

### 1.2. Railways are an efficient way to transport people

When punctuality is good, trains are significantly faster than road transport, especially trains running on European high-speed tracks. They regularly reach speeds of over 300 km/h.

Of the 20 busiest air routes in the EU, 14 are under 700 km. This means that fast trains with high punctuality have the potential to compete with short-haul flights, given that the infrastructure is in place.5 This is especially true when you consider that the security risks, and thus check-in requirements, are significantly lower for rail than for air, which means that it is smoother and more comfortable to travel by train.

<sup>5.</sup> Ben Jones (6/7 2022), "Europe wants a high-speed rail network to replace airplanes", *CNN Travel,* https://www.cnn.com/travel/article/europe-high-speed-rail-network, last accessed 8/12 2024.



Figure 3. Energy consumption for different modes of transport in 2019 (kWh/person-kilometre)

Person-kilometre: one person transported for one kilometre. Source: See Figure 4.

Figure 4. Emissions for different modes of transport in 2019 (kg CO2 / person-kilometre)



Source: Traffic Analysis (15/2 2022), Energy and Climate Efficiency of Transport. Report 2022:1, https:// www.trafa.se/globalassets/rapporter/2022/rapport-2022\_1-transporternas-energi--och-klimateffektivitet. pdf, table 3.7.

Railways are an efficient and popular mode of transport that can create larger labour market regions. The nature of trains means that travel time can be used efficiently, especially today when the possibilities for mobile connectivity and remote working have improved. Regional lines reduce costs and expand companies' geographical recruitment areas, which contributes to a more efficient use of the workforce.

These regional railway lines account for a large part of the railway's increased production of passenger kilometres. They are also the reason why the railways maintain their market shares in the transport sector. At the same time, regional train traffic requires some form of subsidy to be able to maintain the lines, which in most EU countries is currently solved by tendering out traffic on "unprofitable" lines.

#### 1.3. The railway is investmentheavy and struggles with flexibility

Railways have some clear disadvantages compared to other modes of transport. It requires rails. It requires investment and long-term planning, for example, parallel tracks may need to be built to enable frequent departures or many and long trains. And for trains and tracks to cross national borders, common standards are required; lack of coordination between countries can give rise to friction and quickly make rail transport less attractive.

An efficient railway system requires a network of tracks that extends across the entire geographical area it serves. Busy lines between strong population centres and economic centres must be complemented by regional lines and stations to make the train an attractive mode of transport. Supporting infrastructure is also needed in the form of station buildings, platforms and freight depots.

Overcapacity, both in the network as a whole and on individual popular lines, reduces disruptions and increases the chance of making up for them when they do occur. According to the train companies, punctuality is clearly linked to the use of rail capacity.6 During rush hour on heavily used tracks, punctuality decreases significantly. However, expanding involves high investment costs.

The railway's major competitors are aviation, buses, cars and trucks.

Aviation requires extensive infrastructure at the start and end of the journey, but in between it reaches high speeds. This makes aviation an attractive alternative between large cities. Since cities have an interest in sharing the benefits of aviation, airports are often supported with regional or national subsidies.

## Railways' competitors are aviation, buses, cars and trucks.

The car also requires infrastructure but is less vulnerable than the train to temporary disruptions on the road in the form of stopped vehicles. In general, people travel by car all the way from start to finish, via desired intermediate destinations, and

avoid what is called the last mile problem – that the transport on the last leg to the final destination is often more complex and inefficient. This provides high flexibility and good opportunities to transport passengers, animals and belongings.

<sup>6.</sup> Tågföretagen (2022), More people and more goods on the railways – Tågföretagen's reform agenda, https://www.tagforetagen.se/app/uploads/sites/9/2022/07/tagforetagens-reformagenda-web.pdf.

	Railway	Flight	Bus, car and truck
Capacity	High	Low, especially for freight	Medium high
Energy efficiency	High	Low	Low
Flexibility	Low	Low	High
Speed	High	Very high	Low

#### Table 2. Strengths and weaknesses of transport modes

T

#### 1.4. The role of railways in preparedness

In today's security situation, it is worth recalling that the railway's combination of high speed and large capacity makes it an important infrastructure in crisis and war situations. During the war in Ukraine, the railway system is a lifeline for domestic logistics. It is crucial for quickly and efficiently transporting large amounts of equipment or personnel to the front and for evacuating the civilian population when fighting in the immediate area intensifies.

Sometimes the tracks are highlighted as a strategic disadvantage of the railway because they are easy for an enemy to identify. Just like with any other logistical infrastructure, it can be a vulnerability. Even in a war or crisis situation, the railway also needs to deal with the problem of the last kilometer. But the example of Ukraine shows how important the railway is in modern warfare. It is used to quickly evacuate civilians and transport injured soldiers from the fighting. It also transports equipment and supplies to where they are needed. When agricultural exports were cut off due to port blockades, the railway was used instead. Aircraft are usually used for medical evacuations, but when there has been a lack of control over the airspace, railway cars converted into intensive care units have been used.

Converted restaurant cars have the capacity to deliver food to 10,000 people per day, both to the front and to civilians in need of emergency aid.7 The Ukrainian railway does all this with a punctuality that is better than Sweden's, despite the full-scale Russian invasion.8

<sup>7.</sup> MSB (7/6 2024), *Experiences from Ukraine – lessons for civil defense*, https:// rib.msb.se/filer/pdf/30743.pdf, p. 55.

<sup>8.</sup> Sveriges Radio (19/2 2024), *P4 Stockholm*, "The expert: Therefore, the trains run better in Ukraine than in Sweden".

### 2. One Hundred

### Years of Railway Reform: How Did

### We Get Where We Are Today?

The railway had its big breakthrough in the second half of the 19th century. It was the first mode of transport that could truly connect an entire country and enabled domestic transport of goods and people far more efficiently than the alternatives of the time. Since its heyday, the railway has gone through a number of crises as its ownership structure and organisation were deemed not to meet the demands placed on the transport system.

The development of railway organization has been similar in most European countries.

### 2.1. A tug-of-war between competition and coordination

Initially, railways in Europe were controlled by a number of separate companies responsible for both the infrastructure and the traffic itself.

During the interwar period, a wave of nationalist movements took place in Europe. Germany nationalized the railways in 1920, France in 1938, Sweden in 1939 and Great Britain in 1948.9 This led to economies of scale: efficiency increased, the

possibilities for coordinating technical solutions (such as track width) for a coherent national railway network improved and it became easier to buy tickets for long journeys.

<sup>9.</sup> DB Museum (u.å.), *The history of the railway in Germany*, https://dbmuseum.de/ en/nuremberg/exhibitions/the-history-of-the-railway-in-germany, last accessed 11/12 2024; SNCF Group (23/8 2024, revised 15/1 2025), Two centuries of railway history, https://www.groupesncf.com/en/group/history-archives/two-centuries-railway-history, last accessed 11/12 2024; Järnväg.net (*n.y.*), *Kort svensk järnvägshistoria*, https://www.

jarnvag.net/banguide/historia, last accessed 11/12 2024; Railway Archive (n.y.), *Nationalisation!,* https://www.railwayarchive.org.uk/nationalisation, last accessed 11/12 2024.

During the 1980s and 1990s, several European countries began to deregulate stateowned responsibility for the railways. Sweden was among the first. The decision to deregulate was made as early as 1988, and in 2001 the final corporatization and division of the Swedish State Railways was carried out.

The European Commission introduced four railway packages between 2001 and 2013. They aimed to force those Member States that had not already done so to break up their state-owned railway systems. In Sweden, where major steps towards deregulation had already been taken, the packages were mostly about cementing the existing order. The rules for technology and safety were harmonised and the opportunities for international rail traffic increased.

The tug-of-war between coordination and competition can be summarized with two technical concepts: "vertical separation/ integration" and "horizontal separation/ integration".

Vertical separation means that the person who decides on the tracks is separate from the person who is in charge of the traffic. The difference is clear if you compare the post-war SJ, which decided when and where its own trains would use the tracks, with today's SJ, which applies to the Swedish Transport Administration to run different lines. In Sweden, where the major steps towards deregulation had already been taken, the EU railway package was about cementing the existing order.

Horizontal separation means that a number of actors build and are responsible for infrastructure, capacity allocation and traffic on their own rails.

When Japan privatized its railways in 1987, the state-owned operator was split into six companies, each responsible for a different part of the country's railway network. The companies were vertically integrated (responsible for both tracks and traffic) but horizontally separated (no single operator was responsible for the entire railway network).10

To understand the deregulation of rail traffic (vertical separation), it is important to understand how capacity is allocated in today's rail market, both for commercial traffic (so-called open-access traffic) and for procured traffic that is subject to public service obligations.11

<sup>10.</sup> Abderrahman Ait Ali & Jonas Eliasson (2022), "European railway deregulation: an overview of market organization and capacity allocation", *Transportmetrica A: Transport Science*, 18:3, p. 594–618, https://doi.org/10.1080/23249935.2021.1885521.

<sup>11.</sup> European Commission (2022), Seventh Monitoring Report on developments in the rail market pursuant to Article 15(4) of Directive 2012/34/EU of the European Parliament and of the Council. EU, https://eur-lex.europa.eu/legal-content/SV/TXT/PDF/?uri=CELEX:52021DC0005.

Commercial traffic should cover its costs and make a profit from its own ticket sales. Operators pay fees to the owner of the infrastructure, and the allocation of rail capacity should be done in a transparent, predictable manner.

Commercial traffic accounted for around 40 percent of total passenger-kilometres in the EU in 2018. It is concentrated in certain Member States: in 2018, only 6 of the 25 Member States surveyed by the European Commission had commercial traffic covering more than 10 percent of their rail market. Sweden was one of the countries where commercial traffic accounted for the most passenger-kilometres.12 SJ operates the majority of commercial lines in Sweden.

Public service contracts are subsidized. If the contract is open to competition (as it has been in Sweden since 1988), several companies can submit bids. If it is not open to competition (as in some European countries), the contract is directed to a specific actor, usually the state-owned railway company.

In Sweden, regional public transport authorities are responsible for the majority of the procured traffic, although long-distance traffic is also procured (for example, night trains along the Norrland coast). In the EU, transport within the framework of competitive public procurement accounted for only 28 percent of passenger kilometers in 2020. Of the number of competitive procurements, Sweden and Germany accounted for a full 92 percent.13

Sweden is an interesting example from a European perspective and the development of how Swedish railways are organized deserves further study. Despite the low population density, the Swedish railways followed the traditional historical development for railway organizations until deregulation in 1988, when we instead took the lead with earlier and more far-reaching market reforms.

#### 2.2. The early railway in Sweden

During the 19th century, railway investments increased rapidly. The state took responsibility for building main lines between Sweden's most important cities, while other actors supplemented them. These supplementary lines were financed with both municipal and private funds. Over time, these supplementary lines gained increasing importance, especially in Skåne and Bergslagen where the need for heavy transport for agriculture and industrial goods, respectively,

13. Ibid.

<sup>12.</sup> European Commission (2023), *Eighth monitoring report on rail market developments pursuant to Article 15(4) of Directive 2012/34/EU of the European Parliament and of the Council*, p. 12, https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023DC0510.

was large.14 Before nationalization in 1939, 69 percent of the rails laid had been added through individual initiatives and there were then as many as 94 railway companies.15

The railway's position as the only solution for long-distance transport soon began to be challenged. Around 1920, trucks were insignificant as a mode of transport, but ten years later trucks and passenger cars

accounted for an estimated one-quarter of

*Figure 5.* Before 1939: a vertically integrated but horizontally separated railway network



domestic transport. They had primarily taken over short-distance transport from horsedrawn vehicles.16 It would be some time before motor transport gained large market shares at the expense of the railways.

The disadvantages of the fragmented railway system soon began to become apparent. The many actors created a large bureaucratic superstructure, coordination problems and obstacles to rapid transport, especially of goods. Technical solutions such as track gauge also differed.17 At the same time, it became clear that several of the small companies that built and managed the railway could not survive financially.

The Swedish Railways Corporation occasionally bought up these smaller players, either because the state was collecting government loans or because the line had acquired such public importance that it could be considered part of the state main line.18 But it was not sustainable in the long term; some kind of major reorganization of the railway needed to be done.

In 1939, a bill on "measures for the unification of the Swedish railway network" was submitted to the Riksdag, which was based on a report from the 1936 Railway Committee.19 It presented two main proposals:

1. The Swedish Railways Board's proposal for nationalization of the railways.

2. The Swedish Railways Association's proposal to merge the smaller companies into larger units.20

<sup>14.</sup> Lennart Schön (2014), A modern Swedish economic history, pp. 145–146.

<sup>15.</sup> Royal Maj. Proposition No. 207 (1939), p. 6.

<sup>16.</sup> Lennart Schön (2014), A modern Swedish economic history, p. 271.

<sup>17.</sup> Royal Maj. Proposition No. 207 (1939), pp. 14 and 6.

<sup>18.</sup> lbid., p. 5.

<sup>19.</sup> lbid., p. 1.

<sup>20.</sup> Ibid., p. 13.

### *Figure 6.* After 1939: SJ as a vertically and horizontally integrated player



The arguments for nationalisation were increased efficiency, increased uniformity (especially in prices and timetables), increased utilisation of locomotives and wagons and potentially reduced staffing requirements. Freight transport would enjoy particular efficiency gains with fewer rules on interconnection and opportunities for night staffing at marshalling yards and transhipment depots.21 Nationalisation was also seen as having the best chance of removing the obstacles to rapid transport that the

current model posed, including high operating costs, wide variation in fares, difficulties in calculating charges, poor cooperation and extensive bureaucracy.22

The Riksdag approved the bill's proposal to nationalize the railway network. This meant that in principle all tracks, all traffic, all related activities such as maintenance and ticket sales were managed by one and the same actor: the public enterprise Statens järnvägar. Thanks to the economies of scale this entailed, the Railway Committee decided not to close down unprofitable lines, but by placing all traffic within the same organization, the losses on the unprofitable could be offset by the profits on the profitable ones. In this way, a strong railway network was maintained in Sweden.

The bill mentioned concerns that had been raised about the risks of reduced competition and that a state railway would lack responsiveness to the wishes and needs of users.23 However, the Railway Committee noted that even if the State Railways were to lack competitors on the tracks, they would face competition from other modes of transport, particularly road traffic.24

From the 1950s onwards, people's travel increased significantly, mainly due to the widespread use of motor vehicles. Between 1950 and 1970, the number of passenger car miles travelled increased by over ten percent per year.25 The consequences of this development were a sharp decline in the railways' market share in the transport sector.

- 23. lbid., p. 17.
- 24. Ibid., p. 18.

<sup>21.</sup> Royal Maj. Proposition No. 207 (1939), p. 9.

<sup>22.</sup> Ibid., pp. 13-15.

<sup>25.</sup> Lennart Schön (2014), A modern Swedish economic history, p. 340.

#### 2.3. Back to shared responsibility

Due to its shrinking market share, SJ found itself in an economic crisis. The unprofitable regional lines became increasingly burdensome, resulting in closures. Rescue measures were taken, including a special government subsidy for unprofitable lines and municipalities and regions ordering rail services with SJ as operator.26

The subsidies were not enough to create a financially stable SJ, and the result was that in 1963 the railway network was formally divided into a commercial and a subsidized part. SJ's financial problems continued into the 1970s, partly because the closure of regional lines encountered political obstacles and revenue from freight traffic continued to decline. In 1979, the regions began to be involved in the closure of certain regional railway lines, and in 1986 SJ assessed that they needed a supplement of one billion kronor to maintain traffic.27 Again, as in 1939, a choice of path had to be made in order to maintain a stable railway network in Sweden.

A broad skepticism had emerged towards large, state-owned organizations that were not responsive to the people's wishes and needs. In parallel, the Swedish business community increasingly tried to influence the political agenda towards the deregulation of state monopolies. Threats to close regional lines met with resistance from passengers, who directed their criticism at the state-owned model. The political response was the 1988 decision to deregulate the state-owned railway sector.

#### 2.4. The Railway Decision of 1988

The traffic policy decision in 1988 entailed drastic changes to the organization of the railways. The new model entailed vertical separation: track allocation was separated from traffic. The idea behind the reform was that if the same actor who handled track allocation also operated traffic, it would have a clear vested interest in prioritizing its own trains, which would hinder competition. Therefore, separation of tracks and traffic is always the first step in railway liberalization.

The allocation of tracks would be handled by the newly established authority Ban-verket. SJ would no longer build and manage infrastructure, but would focus on running traffic and becoming a profitable train operator in a competitive market. This, combined with decentralized responsibility for regional lines, opened the way for train services to be procured competitively.28

<sup>26.</sup> SOU 2013:83, A simple way to the future, pp. 65-66.

<sup>27.</sup> lbid., p. 66.

<sup>28.</sup> lbid., p. 67.

In 1996, the freight market was liberalized, and 2000 was a breakthrough year for new operators in long-distance contracted rail traffic. This gave rise to a debate about SJ's continued unique position in the market, which ended with SJ being incorporated in 2001. SJ was split into seven companies that were to be operated on market principles: passenger traffic became SJ AB, freight transport became Green Cargo AB, real estate became Jernhusen AB, locomotive and wagon maintenance became Euromaint AB and Swemaint AB, the IT division Unigrid, and cleaning and maintenance became TraffiCare. The last four were subsequently privatized.29 In 2010–2012, long-distance passenger traffic was opened up to commercial traffic with free competition.30

The railway decision in 1988 meant a systemic change within Swedish railways. SJ would no longer be responsible for the development and financing of the railway infrastructure. Instead, they would pay fees for using the tracks. The cost of the infrastructure would be included in the state budget and future development would be based on socio-economic calculations. The railway system no longer had a single person responsible for the overall operations.31

Sweden was a pioneer country with this type of market reform in the railways. Some European states, such as the United Kingdom, soon followed suit. But few others went anywhere near as far as Sweden.

#### 2.5. EU railway package

Between 2001 and 2013, the European Commission introduced four railway packages in a series of white papers. They were intended to create a common European railway network by coordinating regulations and reducing problems for international traffic.

The goal was to grow the railway's market share. The first White Paper (2001) painted a bleak picture of the development of European railways. The European rail sector had lost a significant share of the freight market between 1970 and 1988: from more than a fifth of the market to less than a tenth. The railways were likened to the Roman god Janus with two faces: in some ways modern, but in others hopelessly outdated. The White Paper compared the European situation to the United States, where rail had 40 percent of the freight market at the same time, and advocated a cultural revolution in which state-owned operators would adapt to the demands of industry through competition, following the American model.

A unified internal market and a common European rail network would

<sup>29.</sup> SOU 2013:83, A simple way to the future, p. 69.

<sup>30.</sup> lbid., p. 117.

<sup>31.</sup> Ibid., pp. 73–75.



Figure 7. Sweden after 1988 (and later EU): horizontally and vertically separated system

Source: Abderrahman Ait Ali & Jonas Eliasson (2022), "European railway deregulation: an overview of market organization and capacity allocation", *Transportmetrica A: Transport Science*, 18:3, p. 604.

be built up.32 Between 1995 and 2022, rail market shares were stable in the US but shrank in the EU.33

The first railway package (2001) primarily regulated access to and use of railway infrastructure. It also required the separation of traffic from capacity allocation; countries that had not yet introduced vertical separation were now expected to do so.34

These measures did not lead to the improvements desired by the Commission. Therefore, the second railway package (2004) contained even clearer liberalisations in the railway market. Now both national safety authorities and the European Union Agency for Railways (ERA), an EU authority that acts as an advisor to the Commission on issues such as safety on and around European railways, were established.35

35. lbid., p. 112.

<sup>32.</sup> European Commission (2001), The Common Transport Policy for 2010: Choosing the Way Forward: White Paper.

<sup>33.</sup> Eurostat (2024), *Statistical Pocketbook 2024: EU Transport in Figures*, p. 36, 46. https:// transport.ec.europa.eu/document/download/ee264fc5-ec49-4751-9d92-08c038856ce1\_ en?filename=MI-AA-24-001-EN-N.pdf.

<sup>34.</sup> SOU 2013:83, A simple way to the future, p. 108.

The Third Railway Package (2007) was a first step towards liberalising passenger transport. For example, it included the right for operators to pick up and set down passengers for international passenger services and enhanced coordination of train drivers' skills.36

The Fourth Railway Package (2013) called for the final liberalisation of Europe's passenger transport market.37 All transport procurement must be competitive and public, and the market must be opened up to commercial transport.38 For a number of Member States, this meant a major systemic change for passenger transport, which has not yet been fully implemented.

The railway packages were largely in line with the reforms already implemented in Sweden. They introduced competition in several of the member states, a prerequisite for the so-called railway market. At the same time, safety rules, technical regulations and passenger rights were coordinated.

LO criticized the failed parts of Swedish liberalization and expressed fears that the same problems would now be repeated throughout the EU.

From a Swedish perspective, the EU railway package can be said to have meant technical harmonisation, a new layer of bureaucracy and a cementing of the current market liberal legislation. It is sufficient to look at LO's statement on the fourth railway package. The biggest reform in the package, that the national railway infrastructure would be made available to anyone who wants to carry out passenger transport, is found to have had no major effect on the Swedish railways, which had

been deregulated for a long time. At the same time, LO criticised the unsuccessful parts of the Swedish liberalisation and expressed fears that the same problems would now be repeated throughout the EU.39

In other countries, the railway packages have been considerably more controversial. In 2010, Austria, the Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Slovenia and Spain were reprimanded for failing to implement a sufficiently comprehensive vertical

<sup>36.</sup> SOU 2013:83, A simple future, pp. 113-115.

<sup>37.</sup> lbid., p. 120.

<sup>38.</sup> Fourth railway package of 2016, https://transport.ec.europa.eu/transport-modes/rail/ railway-packages/fourth-railway-package-2016\_en, last accessed 12/12 2024.

<sup>39.</sup> LO's statement on the EU's fourth railway package: https://www.lo.se/home/lo/res.nsf/ vres/lo\_fakta\_1366027487852\_yttrande\_eu\_fjarde\_railvagspakket\_pdf/\$file/Yttrande\_ EU\_fourth\_railway\_package.pdf.

separation of the railways.40 In 2013, Germany was taken to court for failing to separate the financial flows between the state-owned companies for infrastructure, freight and passenger transport in the railway sector.41

France only opened passenger transport to competition in 2019, but market reforms have consistently encountered resistance from trade unions and triggered strikes among railway workers.42

#### 2.6. The spirit of the times

Both the nationalization of the railways in Sweden in 1939 and the deregulations in 1988 were carried out as a result of concrete and clear problems with the organisation of the railways. The two different choices of path were due to the different nature of the problems, but the role of the spirit of the times should not be underestimated either.

During the 1930s, confidence in the state's ability to organize modern society grew, and World War II accelerated this development. The deregulation of the railways in 1988 was in line with other reforms in Sweden at the same time: in 1985, the credit markets were deregulated, resulting in a property bubble. In 1992, the independent school reform was introduced, which in practice abolished the state monopoly over public schools. In 1990, the taxi industry was deregulated, in 1992 domestic aviation and in 1993 the postal service. In 1996, the electricity market was deregulated, and the vulnerabilities this entailed have become clearer today.

The spirit of the times can be said to provide a cluster of solutions that set the framework for what is considered politically desirable and possible. After forty years of competition, deregulation and the market in the railway sector, however, it is time to ask whether it has worked. Was it as good as we were once promised it would be?

<sup>40.</sup> Andrew Tunnicliffe (3/9 2019), "Timeline: Europe's dream for a single railway, two decades in", *Railway Technology*, https://www.railway-technology.com/features/rail-transport- in-europe/?cf-view, last accessed 8/12–2024.

<sup>41.</sup> Quintus Vosman (21/11 2013), "Germany faces legal action over First Railway Package", *International Railway Journal*, https://www.railjournal.com/policy/germany-faces-legal-action-over-first-railway-package/, last accessed 8/12 2024.

<sup>42.</sup> Jen Marsden (13/11–2024), "Brace yourself for travel disruption in France: Winter will be the season of strikes", *Euronews*, https://www.euronews.com/travel/2024/11/13/ brace-yourself-for-travel-disruption-in-france-winter-will-be-the-season-of-strikes, last accessed 8/12 2024.

### 3. The market is not delivering

The overall trend over the past forty years has been a move towards more market control in the rail sector. It has sounded good in theory: with increased competition, rigid stateowned companies are forced to become more efficient and modernised, while customers' needs are better met. The EU has also set ambitious targets for the role of rail in the green transition and the future of Europe. The reason and aim of the market reforms can be summarised in one way: rail's market shares needed to grow.

The promise was clear: the liberated market forces would deliver it.

After forty years, we have the answer: market forces have not delivered. The failure can be summarized in five points:

- Railways are less competitive with other means of transport.
- The losses have been socialized while the profits have been privatized.

 The market has in practice become competition between a small number of state-owned companies.

- Europe's military and civilian preparedness has deteriorated.
- Employees and unions warn of low-wage competition and lack of safety work.

### 3.1. Railways are less competitive with other means of transport

The first railway package aimed to make rail freight transport significantly more attractive. In 2011, the EU set a target of 30 percent of land freight transport by rail by 2030 (see Figure 8) and 50 percent by 2050.43

<sup>43.</sup> European Court of Auditors (2016), *Rail freight transport in the EU: not yet on track,* https://www.eca.europa.eu/Lists/ECADocuments/SR16\_08/SR\_RAIL\_FREIGHT\_SV.pdf.



*Figure 8.* Rail's share of the freight transport market is not increasing despite the EU's target of reaching 30 percent by 2030

The average share 2010–2022 is 18.22 percent. Source: European Union Agency for Railways (2024), Modal shift analysis for the 2024 ERA Compelling Vision, Final report – May 2024, https://www.era.europa.eu/system/files/2024-05/ERA\_modal\_shift\_report\_20240502.pdf.

In fact, the share of freight transported by rail decreased between 1995 and 2022, as we saw in the comparison with the US above. Today, three quarters of freight transport within the EU is carried by road.44 Achieving the target of 30 percent freight transport by rail by 2030 appears increasingly unlikely.

Part of the explanation for the dominance of the road in this most rail-dense continent is that national borders create friction and that the road network is being expanded while the rail network is shrinking. But the market has also fragmented the landscape and made active governance considerably more difficult.

The outlook for passenger transport is not much better. The 2011 White Paper set a target for the high-speed rail network to triple in size by 2030 and for the majority of passenger traffic to be carried by high-speed rail by 2050.45 However, a 2018 evaluation concluded that there was a lack of proper analysis and strategy to achieve that target.46

<sup>44.</sup> Eurostat (2024), Statistical Pocketbook 2024: EU Transport in Figures, p. 36.

<sup>45.</sup> European Commission (2011), Roadmap to a Single European Transport Area – a competitive and resource efficient transport system. White Paper, p. 9.

<sup>46.</sup> European Court of Auditors (2018), A European high-speed rail network: not yet a reality but still an ineffective patchwork, https://op.europa.eu/

webpub/eca/special-reports/high-speed-rail-19-2018/sv/, last accessed 8/12 2024.

#### 3.2. The system socializes losses and privatizes

profits The question of railway

organization has always been about how the costs of railway overcapacity should be distributed. The regional network is often plagued by a lack of profitability, but a well-developed railway network must have traffic on unprofitable lines to serve the population – otherwise the mode of transport becomes significantly less attractive even on profitable lines. The market has never on its own succeeded in providing service on unprofitable regional lines. It only works on well-trafficked lines between strong economic centers, where profitability is often high.

Over the past forty years, efforts have been made across Europe to promote the growth of private railway companies and to introduce competition in the procurement of regional rail services. But the profit margin is low and the capital requirement for entry into the market is high, especially when one takes into account the need to own and operate trainsets. To promote competition, policymakers have created a system in which the few profits that can be found are privatised. The lines that can make a profit are therefore expected to be run by profit-seeking companies. At the same time, taxpayers have to foot the bill for the unprofitable, but socially necessary, lines.

#### 3.3. The market is in practice made up of a small

#### number of large state-owned companies

Although the system was created to benefit private players, market interest in running railway companies is low. The profit margin is too low and capital is directed to other modes of transport, primarily road transport. On the one hand, the state is responsible for the large expenditures in the form of infrastructure expansion and on the other hand, private individuals make vehicle purchases.

The competition between railway companies that has emerged in Europe is largely characterized by state-owned companies trying to outcompete each other in a quasi-market. I have mapped out who operates the procured regional railway traffic in Sweden, and in Table 3 a clear pattern emerges.

When a market does not emerge even with the support of public procurement, the EU is open to promoting it in other ways, including on the lines where operation is most profitable, thanks to loans from the European Investment Bank, for example. As in the case of the French private company Kevin Speed, which can borrow 400 million euros (equivalent to 4.6 billion kronor) to compete with the French state-owned SNCF on commercial lines.47

<sup>47.</sup> Thomas Wintle (27/8 2024), "SNCF's low-cost rival Kevin Speed could secure €400m EU loan", *Railtech*, https://www.railtech.com/all/2024/08/27/sncfs-low-cost-rival-kevin-speed-could-secure-e400m-eu-loan/, last accessed 8/12 2024.

Operators	Responsible for operations Principal owner		Country
Northern Train	VR*	State	Finland
The Pagoda Train	VR	State	Finland
The Krösa Train	SJ	State	Sweden
Mälartåg	Transdev	State	France
SL Commuter train	SJ	State	Sweden
The Kind Train	Transdev	State	France
Trains in Bergslagen	VR	State	Finland
Värmland traffic	View	State	Norway
The West Trains	SJ	State	Sweden
X-traffic	VR*	State	Finland
Öresund train	VR*	State	Finland
Östgöta commuter train	Transdev*	State	France

#### Table 3. Companies operating procured regional rail traffic in Sweden

\* From 2025.

Although Sweden and Europe have done their best to rig our transport system into an attractive capital investment, private companies are conspicuous by their absence. Instead, the system has been divided and exposed to competition, with state-owned companies fighting each other for profits in order to provide a return to the treasury of each country.

### 3.4. Swedish and European military and civil preparedness has been weakened

In a time of increased security tensions, a robust railway system becomes even more important, both nationally and in a European context.

The fragmentation of the railways has consequences for European preparedness. The capacity to quickly transport large amounts of equipment or personnel to where they are needed in a crisis or to quickly evacuate populations is one of the great advantages of the railways. However, the different principals make it difficult to mobilize railway resources when needed.

The Swedish Civil Contingencies Agency (MSB) highlights the role of railways in meeting extensive transport needs, such as in the mobilisation of defence equipment or evacuations.48 However, the Swedish Transport Administration notes

<sup>48.</sup> MSB (6/7 2024), Experiences from Ukraine, p. 79.

that the creativity shown by the Ukrainian transport system probably cannot be evoked in the Swedish one, since Sweden is characterized by a fragmentation of resources and responsibilities.49

#### 3.5. Deregulation has been followed by social unrest and pressured working conditions for railway employees

The opening up of the railways to competition has in many countries led to negative pressure on working conditions and a high level of conflict as unions and employees fight to maintain previously won rights. The reforms can be described as a loss both for employees, whose working conditions deteriorate, and for passengers, who suffer when train departures are cancelled due to strikes.

A Swedish example is the 2014 train strike, when the French company Veolia (now Transdev) had laid off hundreds of employees and then tried to rehire them part-time.50 Another example is the 2019–2021 conflict between the trade union Seko and the then German train company Arriva (today its Swedish subsidiary has been acquired by the Finnish VR51).52 The conflict originated in Arriva's attempt to reduce the salary of the train conductors when the company took over the operation of the Pågatågen on behalf of Skånetrafiken. Arriva then proposed planing, i.e. involuntary reductions in working hours. The issue was to be taken up by the Labour Court, but the disputes were withdrawn when the parties reached a settlement.53

The European Transport Workers' Federation (ETF) has reported similar deteriorations in conditions and labour disputes in other countries.

In Italy, companies have abandoned railway-specific collective agreements and instead signed general collective agreements, which, among other things, mean that train drivers have been given longer work shifts and lower pay. In Germany, train drivers have been categorized

52. Seko (14/7 2021), Arriva and Seko agree on Pågatågen, https://www.seko.se/press- och-aktuellt/nyheter/ 2021/arriva-och-seko-overens-om-pagategen/, last accessed 8/12 2024.

53. Karl Martinsson (30/3 2022), "Safety Representative Ola Brunnström: Conflict with Arriva stopped plans for planing", *Arbetet*, https://arbetet.se/2022/03/30/skyddsombudet-ola-brunnstrom-strid-med-arriva-stoppade-planer-pa-hyvling/, last accessed 8/12 2024; Arbetet (29/3 2022), "The Great Train Conflict", episode of the podcast *Från Golvet*, https://sites. libsyn.com/405923/avsnitt-2-den-stora-tgstriden.

<sup>49.</sup> MSB (6/7 2024), Experiences from Ukraine, p. 58.

<sup>50.</sup> Christer Wiik (15/5 2014), "Seko has terminated the rail traffic agreement", *Järnvägsnyheter.se*, https://www.jarnvagsnyheter.se/20190804/2669/seko-har-sagt-upp-spartrafikavtalet, last accessed 10/4 2025.

<sup>51.</sup> VR Group (1/7 2022), *Arriva Sverige AB wholly owned by VR Group from 1 July 2022*, https:// www.vrgroup.fi/sv/vrgroup/nyheter/arriva-sverige-ab-helagt-av-vr-group-fran-den- 1- juli-2022-010720221540/, last accessed 8/12 2024.

as a high-risk job due to the increase in the number of accidents due to psychological stress. In Germany and the Czech Republic, unions report working hours of up to 14 hours and 50–60 hour weeks. This is in addition to the European trend of precarious employment in temporary employment agencies in the railway sector.54

#### 3.6. Lack of control, pressured employees and fragmented responsibilities can be linked to accidents and safety problems

The pressure sometimes has disastrous consequences. In 2014, a freight train collided with a passenger train in the German city of Mannheim, overturning two of the passenger carriages and injuring 40 people. It would probably have been much worse if the trains had not been moving at low speed because they were close to a station.55 A union expert analysed the investigation and noted, among other things, that the scheduling did not respect the rest period between shifts and that night work rules were likely broken. Furthermore, there were coordination problems because the train driver worked for a temporary employment agency. There is also no written evidence that the driver's qualifications had been checked, despite the fact that correspondence between the train operator and the temporary employment agency took place by email.

In the Czech Republic, two freight trains collided in 2022 after a train driver misinterpreted information. The train driver should have been in training and had only served 357 hours of the 450 required to work independently. Yet he had served at least seven times before the accident. The accident caused damage worth over one million euros.56

In Germany and the Czech Republic, unions report up to 14hour work shifts and 50–60-hour weeks.

On February 28, 2023, a terrible tragedy occurred in Tempi, Greece. A freight train collided with a passenger train, killing 57 people, most of whom were young students. The two trains had been running towards each other on the same track for 12 minutes before the collision. The station's

56. ETF (2023), The Impact of Railway Liberalisation ..., p. 32.

<sup>54.</sup> ETF (2023), *The Impact of Railway Liberalization on Social and Working Conditions*, https://www.etf-europe.org/wp-content/uploads/2024/01/ETF-RAILWAY-REPORT.pdf.

<sup>55.</sup> DW (2/8 2014), *Train Accident in Mannheim*, https://www.dw.com/en/train-accident- inmannheim-leaves-dozens-injured/a-17827368, last accessed 8/12 2024.

stins should have detected the impending disaster, but he was not authorized and lacked the proper training.57 At the same time, parts of the station's control system were out of order. New systems were to be delivered with the help of EU funding in 2016, but they never arrived. Alstom, a French company, was responsible for installing the safety systems, together with the Greek construction company Aktor. The cooperation between the companies appears to have been fraught with problems, and both companies violated the terms of the contract for a long time. The installation was further delayed by demands for supplementary agreements. Experts say that the accident would not have occurred if the system had been installed as intended.58

In 2017, passenger services were spun off from the Greek state train company and sold to its Italian counterpart, Ferrovie dello Stato.

At the same time, a vertical separation between the railway tracks and traffic was introduced. Before that, the company had undergone a steel bath with drastic staff reductions as a result. As a consequence, the security centers that assist the stinsers are said to have been closed and stinsers are said to have had to de-prioritize security tasks in order to focus on service to passengers.59

### 3.7. But aren't there places where the market has delivered?

Spain is often held up as a shining example of how the market can deliver. The country opened parts of its passenger transport to competition in 2020 with the aim of using the full capacity of its rapidly expanding high-speed rail network.60 Liberalisation is said to have led to lower ticket prices and increased travel. However, these successes can most clearly be traced to Spain's ambitions in the area of infrastructure. The first high-speed line opened in 1992 and since then the network has been expanded significantly. The overall rail network in Spain grew by over 30 percent between 1990 and 2022. Today, Spain has the most extensive high-speed rail network in Europe and almost a third of the Union's high-speed rail within its borders.

High-speed railways have a lot of unused capacity between large

59. Ibid.

<sup>57.</sup> Lars Gustafsson (20/4 2023), "A number of factors caused the devastating train accident in Greece", Yle, https://yle.fi/a/7-10032944, last accessed 8/12 2024.

<sup>58.</sup> Eleni Varvitsioti (5/4 2023), "Debt, graft and mismanagement: Greek train crash was 'waiting to happen'", *Financial Times*, https://www.ft.com/content/ec90bce4-59a5-4b32-

<sup>86</sup>b7-55c63a32a357, last accessed 8/12 2024; Eurydice Bersi (10/3 2023), "French contractor, Italian-owned trains, EU policies: Greek crash was also a European failure", *Reporters United*, https://www.reportersunited.gr/en/10709/greek-crash-tempi/, last accessed 8/12 2024.

<sup>60.</sup> Adif (u.å.), *Liberalization. Challenges and Opportunities for Everyone*, https://www. adif.es/en/liberalization-of-the-railway-sector, last accessed 8/12 2024.

cities, which is favorable for competition.61 The only country that has built a more extensive high-speed network, measured in kilometers, is China.62

The company responsible for the expansion of Spain's high-speed railway, Adif AV, is heavily leveraged: 18 billion euros in debt.63 At the same time, private train operators in the country have expressed a desire for the European Commission to act to reduce Adif AV's revenues by forcing them to lower the fees for operating on the debt-financed tracks.64

Spain illustrates how important rail investments are for the sector to grow and gain market share. However, it is more difficult to prove that these investments in Spain have been a result of market reforms.

<sup>61.</sup> Eurostat (2025), *Characteristics of the Railway Network in Europe*, https://ec.europa. eu/eurostat/statistics-explained/index.php?title=Characteristics\_of\_the\_railway\_network\_ in\_Europe, last accessed 8/12 2024.

<sup>62.</sup> Adif (n.a.), *Red de alta velocidad. Alta velocidad española,* https://www.adifaltavelocidad. es/red-ferroviaria/red-de-alta-velocidad, last accessed 8/12 2024.

<sup>63.</sup> Ramón Muñoz (2/12 2020), "Adif aumentara la inversion y el empleo para hacer frente a la pandemia", *El País*, https://elpais.com/economia/2020-12-02/adif-aumentara- la-inversion-y-el-empleo-para-hacer-frente-a-la-pandemia.html, last accessed 8/12 2024.

<sup>64.</sup> *Railway Gazette International* (19/6 2023), "ADIF eyes more open access as Spanish high speed ridership surges", https://www.railwaygazette.com/passenger/adif-eyes-more- open-access-as-spanish-high-speed-ridership-surges/64332.article, last accessed 8/12 2024.

## 4. A new railway model is needed

It is clear that we can see the pattern above and say that Europe has not gone far enough: if we just deregulate a little more and a little better, the results will improve. But after forty years of the same medicine without any effect, there is good reason to think again. However, it is not obvious that the solution lies in going back to the systems that existed before the EU's first railway package was launched. Even then, there were problems with national railway lines stagnating and it was difficult to transport goods and passengers across national borders, problems that the reforms of the last four decades have not been able to solve.

The conclusion is clear: competition, deregulation and marketisation as overarching goals have not strengthened Europe's railways. It also seems highly unlikely that more of the same medicine is the answer to the challenges our continent will face in the future.

Putin's war against Ukraine exposed the shortcomings of the member states' energy and defense policies. European competitiveness is being challenged by both the US and China, while the consequences of the ongoing climate crisis are becoming increasingly apparent. Railways have an important role to play in this situation.

If rail is to achieve its full potential, it is time to re-evaluate the principles that govern Europe's rail network. New policies are needed to create a well-functioning and robust rail system.

### **4.1.** A White Paper on the consequences of deregulation and a new direction for Europe's railways

The EU's four railway packages were founded on four white papers on the problems on Europe's railway network. The solutions were spelled out as competition, market and deregulation. Now is the time for the EU to deliver a new White Paper for the railways of the 2030s. The White Paper needs to move away from the focus of recent decades on increased competition as the overarching goal for the railways and instead set out a new way forward, where order and responsibility play a greater role. Such a way forward should have three priority areas: *the societal benefit of the railways, European competitiveness* and *good working conditions in and around the railways.* 

1. Public benefit must be prioritised over competition: Railways are public infrastructure and part of our military and civil emergency preparedness. The transnational interconnection of railway networks within the EU needs to continue, but there is a need for clearer guidance towards the public benefit objectives that the Union wants to achieve. In concrete terms, this means that public benefit must replace competition as the overall objective for the organisation of railways. The main questions for the European Commission should be why railways are not holding their own in competition with other modes of transport and how the role of railways in crisis and war preparedness can be strengthened. Competition within the railway network needs to be able to take a back seat when it does not contribute to the public benefit of railways, for example when it comes to the design of railway charges, the allocation of lines and the possibility of assigning targeted public service missions to individual railway companies.

2. European competitiveness and rail users must be prioritized over the self-interest of the railway companies: The railway is the typical example of a natural monopoly. This means that individual railway companies have great influence over the function and organization of the railway. This means advantages in the ability to plan and control the operation, but the monopoly also risks being abused at the expense of the users: companies and passengers. It therefore needs to be clear that the self-interest of individual companies, including those of state actors, must not stand in the way of the development of Europe's railways, regardless of whether it is a matter of access to data or unreasonable profitability requirements and which departures should be prioritized.

#### 3. Good working conditions are a prerequisite for the functioning of the railways: A

sustainable railway sector is based on long-term, good working conditions for employees. When people feel secure at work and collective agreements and trade unions are respected, safety increases, labor market conflicts are reduced and staffing is facilitated. This benefits both users and the competitiveness of the railways compared to other modes of transport.

Ensuring good working conditions in the sector and avoiding negative pressure on wages and working conditions must therefore be a cornerstone of any attempt to reorganise Europe's railways. This could include efforts to protect railway employees from threats and harassment and to ensure that working conditions and rights are respected if transport is procured.

#### If you found this report interesting, we would like to recommend the following

#### reading:



Peter Gustavsson nails it in the book The Attack: How to erode The Tidö government, our democracy how Sweden became part of an international authoritarian trend where our democratic institutions are threatened when The Sweden Democrats dictate the government's agenda. What happens when the free conversation silent?



Climate crisis, construction crisis and energy crisis. Can these be at least partially solved through a coherent reform?

In the report **Climate Root**, we present a proposal to introduce a progressive root deduction that replaces today's unfair deduction. Written by **Rikard** 

Allvin in collaboration with Max Jerneck.



In the report The Benefits of Immigration, Tony

Johansson shows what price we all pay for the closed borders of the Tidö policy. The report is a response to the government's assignment to KI to calculate the "costs of immigration".

The problem is that they calculate The methods that are usually used are completely misleading.



In the essay **The Value of Labor** shows **Niklas Blomqvist** how the insight that all value comes from work has been lost. Only by reclaiming the story of how we create wealth

together, the labor movement can then throw off the neoliberal straitjacket and formulate a radical policy for freedom and equality.

Subscribe to Katalys' newsletter to get the latest news about our publishing and our events: www.katalys.se/nyhetsbrev

#### Catalysis – Institute

#### for Trade Union Idea Development

Katalys is an independent trade union think tank that conducts research and opinionforming activities. Our areas of activity are welfare, the economy, the labor market and distribution issues. Our task is to generate knowledge and perspectives that benefit both the political debate and the trade union movement and its representatives at local, regional and central levels.

But our task is also to drive the political debate forward on these issues, with our own analyses and proposals based on a union perspective. We stand on two legs – idea development and political influence. In terms of values, we stand on the side of LO members.

Katalys does not believe that increased social gaps are a natural or uncontrollable consequence of a globalized world. We do not support the argument that just because it is possible to create a market for something that we own in common, that market should be created. We see that there are constructive ways forward for the

Swedish labor market and that the principles that once shaped the labor market are also relevant in the future. We want to contribute to ensuring and developing general welfare and security systems. Katalys – Institute for Trade Union Idea Development was started on the initiative of 6F – trade unions in cooperation.

Kataly's board currently consists of representatives from the LO unions Byggnads, Elektrikerna, Fastighets, Pappers and Seko.

