Wave of strikes across Norway

Jordan Shilton
21 July 2012

Last week, Norway's Labour-led government stepped in to impose compulsory arbitration on striking oil workers, with the threat of an industry-wide lockout looming. This came less than a month after 50,000 public sector workers struck in pursuit of pay increases and in opposition to attacks on pensions.

More than 700 oil workers had been on strike for two weeks, protesting the attempts of the oil companies to eliminate pension rights and implement lower-than-expected pay agreements. Anger among workers was fuelled when it emerged that under the new agreement, top management would still be able to retire on a full pension at the age of 62 while workers would have to continue in the job until 67.

The strike covered eight oil platforms on the Norwegian continental shelf, affecting 13 percent of the country's oil and 4 percent of gas exports. Each day, the strike was costing the oil companies 150 million kroner (US$25 million).

This was in spite of the best efforts of the unions to limit the impact of the work stoppage. Only workers at state-owned Statoil were called out on strike, amounting to little more than a tenth of the total workforce of 6,500. Union officials stated they were deliberately avoiding calling out workers at locations, which would severely impair natural gas exports.

The Oil Industry Association, the organisation representing oil companies, responded aggressively to the stoppage. After talks collapsed with the unions, they announced plans to impose a lockout at all oil and gas operations if a deal was not reached by midnight on July 9.

This move was taken in the full knowledge that the Labour-led government in Oslo would never allow such a lockout to take place. Production of oil and gas amounts to 3.8 billion barrels per day, and the industry accounts for over a fifth of Norwegian GDP and half of all exports. Beyond immediate trade, the revenues from the industry have allowed successive governments to establish a global investment fund with stocks in hundreds of concerns internationally. The companies calculated that, confronted with the economic impact of a lockout, the government would drop its talk of neutrality in the dispute.

On the evening of the deadline, Minister of Labour Hanne Bjurstrom announced her decision to enforce compulsory arbitration. This process imposes an automatic strike ban for two years, and also precludes any binding decision on the workers' demands for a guarantee on their pensions. This is because the issue of pensions is viewed as one of "principle," which the National Wages Board, the body dealing with all cases of compulsory arbitration, cannot adjudicate upon.

The action taken by the government reflects growing concerns for the stability of Norwegian capitalism. Although economic growth has returned after the downturn of 2008-2009, this is based entirely on the oil and gas sector. But the global crisis is threatening even this industry. Earlier this year, the head of Norway's central bank urged Prime Minister Jens Stoltenberg's Labour-led government to cut spending by more than 35 billion kroner, as the returns from the investments in the oil fund were dropping steeply.

The coalition government was aware of the danger of the oil workers' strike triggering broader social struggles. Numerous reports in the media sought to portray the oil workers as greedy and overpaid, enjoying the privilege of retiring at 62. The demands of the companies were said to be merely bringing the oil industry in line with other pension reforms.

Just three weeks earlier, Bjurstrom had used her power to enforce compulsory arbitration on more than 3,000 security guards who struck for a week at facilities across the country, including airports and banks. The move came as the strike threatened to endanger shipment of oil and gas at various locations.

Cities and towns across the country were also severely affected by strikes involving up to 50,000 public sector workers in pursuit of pay increases. The action was focused on workers in schools and kindergartens, health workers, the police, and municipal and city employees. The strike marked the first on such a scale in the public sector in 28 years.

After 10 days of the strike, the government, with the full support of the unions involved, brought an end to the dispute with the agreement of a 4 percent pay increase. Although such a figure compares favourably against the moves in other European countries to impose pay cuts and lay-offs, Norway's economy has been able to recover on the basis of its oil and gas sector, with growth of 4 percent anticipated this year. The government insisted on wage restraint, even as it emerged that the heads of several state institutions had won bonuses of up to 18 percent.

As with the approach of the trade unions to the oil workers' struggle, the main aim of the public sector unions was to maintain a firm control over the strike and prevent it from getting out of control. LO, Unio and YS, the three main unions involved, pursued the tactic of calling their members out in stages, beginning with around 20,000 workers walking off the job on May 24. This was gradually increased to 50,000 by the following week. Considered against the fact that the public sector unions represent more than 600,000 state employees across the country, all of whom were directly affected by the issues of wages and pensions, the role of the unions in blocking a genuine struggle to defend the interests of their members becomes clear.

The unions used the threat of the expansion of the strike as a means to ensure closer collaboration with the government. When it became clear that the strike was having a widespread impact and that support remained strong within the membership, negotiators from LO and YS concluded their own deal with the government, leaving the members in Unio to negotiate alone.

The unions are experienced in containing the struggles of workers through their close ties with the capitalist state and employer organisations. The system of compulsory arbitration, to which the unions representing oil workers and security guards willingly acceded, has been in place since 1952. It allows for a committee made up of state functionaries, employer representatives and union officials to determine a deal, which is then imposed on the membership by means of the strike ban.

Under conditions of the relative stability of capitalism, such arrangements allowed workers to achieve comparatively well-paid jobs, while the unions ensured no opposition emerged to the strategies of the state and big business. The forced end to the oil workers' strike demonstrates that the conditions under which such a compromise was possible have gone. Arbitration is revealed for what it always was: a mechanism for suppressing the class struggle, with the state and the employers utilising the trade unions as an industrial police force.