Norwegian trade unions avert national strike

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In the early hours of Monday, Norway's Confederation of Trade Unions (LO) and Confederation of Vocational Unions (YS) signed a sell-out pay agreement with the Confederation of Norwegian Enterprise (NHO) umbrella organisation representing employers.

The deal was agreed after the parties extended a midnight deadline by three hours. It resulted in the calling off of a strike due to begin just hours later, with the potential to cripple the economy, including the critical oil and gas output industries, onshore and ferry public transportation, Oslo's Gardermoen Airport, ship repair and other key industries.

Negotiations were completed with the intervention of a government mediator, Kari Gjesteby, after talks broke down last month.

The agreement will cover 156,000 union members and will set the bar for pay negotiations throughout the country. Norway's overall workforce numbers 2.7 million, with private sector workers numbering around 1.9 million.

Under its terms, workers earning more than 90 percent of the average industry worker salary will receive an hourly pay raise of just NOK0.75 (US$0.12). Those earning less will get NOK1.40 per hour on top of NOK0.75, for a total increase of NOK2.15.

As with previous strikes, the union federations planned to pursue the tactic of calling their members out in stages. The main aim of this was to maintain a firm control over the strike and prevent it from getting out of control. The strike was to involve an initial 17,000 workers. Nonetheless, it would have included the withdrawal of labour by workers, shutting two key bases from which many of the state-owned Statoil's biggest offshore platforms are supplied with their resources, including fuel, food and drilling fluid. Some 20 offshore oil and gas fields were expected to be hit, with a combined output of more than 1.5 million barrels of oil equivalent per day.

Roar Flaathen, the head of the LO, said, "This is a responsible and fair settlement, which takes into account jobs and businesses, and ensures that the purchasing power of the lowest paid gets an extra boost."

Contrary to the fraudulent claims of an "extra boost" for the lowest paid, the deal is entirely one-sided and in favour of the employers. The purpose of the agreement is to cut overall wage costs in Norway in the interests of big business.

During the period from 2002 to 2012, workers saw an average growth in pay of 4.3 percent. In the end, the 3.4 percent settlement was well below the government, central bank, and national statistics agency's projection for a 4 percent increase this year and for the next four years.

The *Views and News from Norway* web site reported, " Jorunn Berland of the YS labour federation also called it 'a responsible settlement' that recognised the competitive concerns of Norwegian employers already faced with some of the highest labour costs in the world." A more truthful assessment of the agreement by the LO's Flaathen was reported by the site. He said the deal "was 'well within' the prognoses set by Norway's central bank, the finance ministry and state statistics bureau SSB for keeping the Norwegian economy on track."

Praising the role of the union in assisting the enforcement of the demands of big business to cut wage costs, NHO chief executive Kristin Skogen Lund commented, "We are satisfied about the result, and are happy to have met understanding for the need for moderation. This contributes to a necessary change in pace that is highly important for the competitiveness of Norwegian enterprises."

Warning that lowering wages was a priority, under conditions in which Norwegian workers make about 60 percent more than the European average, he said the agreement was “sensible in regards to the economic situation.”

It provided “a good foundation for lower overall wage growth than what we’ve seen in recent years,” he added.

Workers have struck regularly over the past year in Norway in order to oppose repeated attempts to cut their pay and conditions. Last summer, offshore workers closed large parts of the oil sector to demand higher wages. 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).

The strike went ahead despite the best efforts of the unions to limit its impact. Only 700 oil 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 that would severely impair natural gas exports.

The 16-day strike finally ended after the government intervened, invoking emergency powers to impose forced arbitration. 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.

Just three weeks earlier, Minister of Labour Hanne 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 shipments of oil and gas at various locations.