Postal strike ends in Finland

Ellis Wynne
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On Monday the postal strike in Finland ended on the basis of a settlement proposed by Minna Helle, head of the national conciliation service.

The *Helsinki Times* reported December 1, “both the sympathy strikes that started yesterday and the work stoppages staged by the Finnish Post and Logistics Union (PAU) will consequently end”.

The union called rolling stoppages commencing in the Helsinki region from November 19 over redundancies and the hiring of temporary staff when talks with Posti, the Finnish Post Office, broke down the previous day.

Subsequent talks also broke down and it was thought that the stoppages would continue from December 9, with the prospect of the dispute continuing into the new year.

The postal workers won support from other workers in the delivery and logistics sector. The *Helsinki Times* reported that the Transport Workers Union confirmed, as of November 23, its members would not process inbound or outbound freight shipped via DHL.

According to press reports, the Finnish Aviation Union and the Finnish Seafarers’ Union pledged their support, as had airline personnel organised in SLSY. Workers in the service sector were also in support of the postal workers.

The management of Posti are adamant in their aims of attacking workers’ employment conditions. Speaking after the initial failed negotiations, Posti CEO Heikki Malinen said, “Our goal remains the same. Posti must modernise and the rigidities of collective bargaining agreements drawn up in the monopoly era must be normalised”.

After the settlement, Heidi Nieminen, chairperson of PAU, said that postal workers accepted three aspects of the proposals: “No one’s wages will drop. Flexible working times won’t be introduced and we’ll get [wage] hikes consistent with the pact for employment and growth”.

Under the deal monthly wages will increase by about €16 (£11.40) and the agreement expires in 11 months from the effective date.

In this regard the *Finland Times* reports a “change security agreement” reached by the Posti Group and PAU for the period 2011-2015 will not continue. PAU feigned “disappointment” about conceding this.

Under the previous agreement, an employer had to pay a dismissed employee a lump sum payment equivalent to six months’ salary. Nieminen said that instead “we’ll implement Posti’s New Path support programme”.

Posti’s “new path” involves the possible privatising of 77 of its post office counter outlets, with the shedding of over 300 staff.

When asked who had “come out on top” in the deal, Nieminen declared herself unable to answer. “That’s a difficult question”, she said. “There were big issues for both sides. I can’t say. There’s no way to answer that.”

Tuomas Aarto, deputy director general of Service Sector Employers, had no such reservations. The *Helsinki Times* wrote, “Aarto declared his satisfaction with the decision to abolish the limitations on the employee protection in the event of re-structuring”.

Aarto stated, “We’re reasonably satisfied. It’s a step in the right direction to enable Posti to renew and guarantee its competitiveness amid difficult changes...”

The attack on jobs and conditions in the Finnish Post Office is part of a general attack on social welfare, pay and workers’ conditions launched by Juha Sipilae’s right-wing coalition government elected in April 2015.

This government has been tasked by the ruling elite with rescuing Finland’s economy—one of the weakest in Europe—at the expense of the working class. This entails a relentless attack on those gains the working class achieved during the postwar boom and embodied in the Finnish edition of the so-called “Nordic Model”.

Since 2008, according to the Bank of Finland, 42,000 jobs have been lost in manufacturing and 53,000 engineering jobs have gone.

The *Financial Times* noted in September that "the Nordic country has been mired in recession for the past three and a half years, leading it to being dubbed by some the new sick man of Europe.

"Its labour costs are a fifth higher than in Germany or neighbouring Sweden while its massive postwar baby boom means it has the most rapidly ageing population in the world behind Japan", FT wrote.

The same article reported that "the government proposed scrapping two bank holidays and cutting pay for sick leave, overtime end Sunday working. Epiphany and Ascension Day would no longer be paid holidays and annual leave in the public sector was to be cut from 38 days to 30, the latter saving 640 million euros according to the government."

The first day of sick leave, it was proposed, would be unpaid and the rest paid at 80 percent of normal salary, thereby saving a further €307 million.

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The Confederation of Finnish Trade Unions (SAK) described these as "coercive measures". Concerned primarily about an upsurge in the class struggle in response to their imposition, Lauri Lyly, the head of SAK, told the *Financial Times*, "If these proposals are carried out they will have incalculable consequences for all of Finnish society".

Jan van Gerich, chief strategist at Nordea Bank, welcomed the government's proposals. He told the *Financial Times* the working class had to be confronted "otherwise Finland's economy would struggle to recover." He added that there would be costs, "but the only way forward for Finland to have a future is for the model to be reformed and for the trade unions not to have this power."

Nor are Sipilae's attacks confined to holiday and sick pay. On July 22, he announced plans to slash wages by 5 percent by 2019 as part of drastic budget cuts. Some €4 billion is being cut per annum by 2019 and €10 billion per annum by 2030.

Such a reduction would affect social programmes, pensions, health services, pay and conditions and access to culture across the board.

Journalist Tomas Hirst, writing in *World Economic Forum* on July 23, noted that the Finnish economy has had a "torrid time since the onset of the financial crisis and the euro crisis that followed it".

Hirst noted that in the eurozone "neither manufacturing nor the pace of investment is growing at a sufficient pace to boost Finnish trade." On the domestic front, private sector investment is at its lowest level since 2000, he said. Hirst, too, stresses that labour costs are 20 percent higher in Finland than in Germany.

Erkki Liikanen of the Bank of Finland said in an interview with the UK's *Daily Telegraph* June 13, "The key to resolving the serious problems of our economy lies in structural reforms, fiscal consolidation and improvement of competitiveness".

The Confederation of Finnish Industries (EK) has withdrawn from centralised bargaining, its chairman Matti Alahuta telling the *Finnish Times* November 26, "The aim is to agree on the decrease in labour unit costs by 5 percent with no salary increases until 2017 and then from 2018 onwards to implement the Swedish export-oriented model in which negotiations are conducted by federations with the emphasis on benefiting companies".

Alahuta's aim echoes the statement of Juhana Vartiainen, head of the Government Institute for Economic Research. Speaking to the *Guardian* April 15 he insisted: "We must adapt the Nordic model to a more market model like Sweden".

However, as the postal strike has demonstrated, the government and the capitalist class face growing resistance from the working class. More than 30,000 people demonstrated against the proposed austerity measures in September.

The government relies upon the trade unions, backed by various pseudo-left outfits, to betray all struggles. The unions have allowed the raising of the pension age from 63 to 65 in stages and now the government, despite internal rifts, has reorganised the health service into 18 regions, with the compulsory transfer of 200,000 staff without guaranteed employment beyond five years.