Health care strikes in Scandinavia

By Jordan Shilton
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Strikes have broken out in the health sector in Sweden and Denmark, with wage demands at the centre of both disputes.

In Denmark, in what is the first major strike in over a decade, health care workers in the public sector, including nurses, midwives, laboratory technicians, physiotherapists and nursing aides, were joined by day-care workers on strike from April 16. They are demanding a 15 percent pay rise over a three-year period.

Employers have offered only a 12.8 percent rise, and threats have grown of counter-measures, including a possible lockout of the members of one of the unions involved in the action.

Among the nurses, the demand for higher wages stems from the fact that their counterparts in the private sector are paid more.

As the dispute entered its second week, around 100,000 workers remained on strike across the country. Despite inconveniences for the general public, both for hospital patients (around 5,000 operations are being cancelled every day during the strike) and parents who rely on the day-care system, there is broad-based support for the strike. Polls have indicated that at least 48 percent support the strikers' demands, with some polls reporting public support reaching two-thirds of the population.

In neighbouring Sweden, 2,500 nurses walked off the job on April 21. On April 24, a further 900 workers joined the strike.

The strike affects 40 municipalities and all county councils across Sweden, and follows the failure last week of negotiations between the Swedish Association of Health Care Professionals (Vardförbundet) and the Association of Local Authorities and regions (SALAR).

These two strikes come only a few months after 12,000 Finnish nurses came to the brink of mass resignation in their attempt to secure a pay rise of over 20 percent in two years. In the end, the union settled for a 28 percent pay increase over a four-year period.

The growing number of strikes in the Nordic countries points to mounting social tensions in a region once held up as an example to the rest of the world of social cohesion—where a supposed "balance" reigned between the interests of employers and those of working people.

In recent years, both countries have been cited as examples of "flexicurity"—whereby the trade unions guarantee labour mobility in line with corporate requirements for a flexible labour market, while social security measures are geared towards rapid retraining. In return, the trade union bureaucracies maintain a prominent position in all areas of economic life, while their respective countries rank among the most favourable investment locations on the planet. "Flexicurity" has been championed by the union bureaucracy and social democratic parties across Europe.

The strike in Denmark takes place in the aftermath of the victory of a right-wing Liberal-Conservative coalition, led by Anders Fogh Rasmussen, in last November's elections. Since first taking power in 2001, this coalition has put forward demands to reduce levels of taxation. One of the major issues in the election campaign last year was a proposal to "streamline" the welfare system. Rasmussen has introduced a new ministry to oversee this process.

In February, negotiations were concluded with unions representing 170,000 workers in the public sector, with wage increases of 12.8 percent having been agreed. But the health-care unions, FOA and the Health Care Confederation, called for a 15 percent rise for their members in the negotiations that followed.

Local authorities refused this demand, and it is expected that the national government will intervene. Finance Minister Lars Loekke Rasmussen made clear the hostile attitude the government would take towards the strikes, saying, "It's absolutely essential that people understand that they need to restrain these wage expectations. The danger of slower growth is greater if pay demands are too high."

He went on to lay out the main concern of the government: "If we're not vigilant and don't show an intelligent approach to these areas, we'll lose competitiveness."

A recent Nordea analysis predicted that the growth of the Danish economy could be curtailed in the coming months. It cited the fall in the Danish housing market, less investment from the United States, and rising food and fuel prices as major factors. Under conditions of low unemployment levels, a decline in inventories in recent months was put down to Danish companies being unable to obtain sufficient manpower to increase production.

Ruling circles have expressed concerns that the strikers' wage demands will increase the rate of inflation. Steen Bocian, head of global economic research at Danske Bank, said, "The government will most likely have to intervene, as it looks like the two sides can't reach an accord on their own. The challenge is creating a feeling of acceptance around the 12.8 percent level, and it seems the finance minister is now trying to get people to understand the risks for the economy."

While the government opposes the demands of health-care and day-care workers for higher wages, its attitude to those earning high incomes is entirely different. As Loekke Rasmussen put it, "Our number one priority is that there be a marked reduction in the top marginal tax rate."

In order to pay for this, he is determined to place the burden on ordinary working people.

Across the border, the strikes in Sweden take place in the context of a right-wing Alliance government that has been in power for just over 18 months and is in the process of leading the biggest privatisation drive in the country's history.

It is engaged in the sale of state shares in six companies, including V&S, the owner of the Absolut Vodka brand, which was bought at the end of March by the French firm Pernod Ricard. Despite raising over €5 billion from this transaction alone, the Swedish government will face growing challenges in the coming months as the impact of the global credit crisis hits sales of its other assets.

In an interview with the *Financial Times*, Financial Markets Minister Mats Odell was forced to admit, "We are evaluating timing and price. It is possible that subprime events will have repercussions on our agenda."

The growing problems for the government were illustrated last week as some major Swedish firms, including Svenska Handelsbanken and Saab, posted first-quarter losses. In the case of Handelsbanken, some of the losses were linked directly to investments in US asset-backed securities.

Commenting on the turmoil on the OMX stock exchange in Stockholm, one broker explained, "Even when companies deliver good results, their shares are failing to gain traction. There's a lot of uncertainty in the market, with investors worried about the knock-on effects of the US recession in Europe."

A further priority for the government has been to push through legislation to force people off welfare and into work by cutting social provisions and the length of time workers are entitled to claim sick leave benefits. It has also moved to cut company taxes and personal income tax rates for the wealthy.

In both countries, emergency measures have been adopted in order for hospitals to cope with the lack of staff. In extreme cases, nurses have gone back to work temporarily in order to ensure that proper care is given to patients with serious conditions.

The number of strikers in Denmark increased on Monday, as a further 12,000 nurses joined the picket lines. Swedish unions have also threatened that if no deal is reached by May 7, their strike could be expanded.

A meeting of Danish local authorities was held on April 25 at which the possibility of locking out non-striking FOA union members was discussed. On April 29, it was decided that a lockout notice would be sent to 35,000 FOA members on May 5.

The media has weighed in, attempting to turn the public against the strikers. One piece in the Danish financial daily *Borsen* claimed that 51 percent of Danes had underestimated what nurses actually earned. It also complained that unions had spent 4.5 million kronor on advertising.

Swedish daily *Svenska Dagbladet* seized on the occasion of the nurses' strike to claim that the marketisation of health care across the country would benefit the nurses. It noted, "The majority of activity in the health-care sector lies outside the laws of a market economy. That means that labour competition is minimal for health-care workers. Such conditions are hardly conducive to a positive development in salaries."

The union leadership's primary concern is that the strikes do not get out of control. Above all, they do not want a situation in which the strikes turn into a political conflict with the respective governments.

The Swedish union leadership did not support a strike in the first place. *Dagens Nyheter* reported that the union's governing board had been happy to ratify an agreement with SALAR, but it was rejected by rank-and-file members, who forced the union to take strike action.

In Denmark, one union leader bemoaned the fact that the government had previously indicated to the unions that it would not interfere with strike action. Responding to comments from a Conservative Party financial spokesman who threatened government intervention, using the pretext of a life-threatening situation for patients, he noted, "All regions are working on an emergency plan. Unfortunately, the comments mean the decision to intervene has probably already been taken."

Henning Jørgensen, professor at Aalborg University, noted, "The emergency personnel plans have been reviewed by the employers and also by the employees, who would resume their duties very quickly should a situation arise where a political intervention might occur. So I doubt anything serious will happen because of this strike."

For the workers on strike to guarantee their standard of living, a political struggle is precisely what is required. Even in the event that Swedish and Danish health-care workers achieve a wage increase as a result of these disputes, right-wing governments with an aggressive programme of social cutbacks and privatisations will remain in power.