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How a postal strike caused government turmoil in Finland and made Sanna Marin the country's youngest prime minister

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On Tuesday, 10 December 2019, Sanna Marin succeeded Antti Rinne to become Finland's youngest Prime Minister. What began as a dispute of the collective agreement of 700 parcel sorting offices workers at the state-owned postal service company Posti ended with the resignation of Antti Rinne, the Finnish Prime Minister, and his government. What happened?

The roots of the events go back to June 2017. The Centre Party Prime Minister Juha Sipilä and his right-wing government passed new legislation, opening the distribution of mail to private competition.

Hence, Posti, the state-owned postal service company, established a new subsidiary Posti Palvelut for the early morning delivery of newspapers. Some 2,300 newspapers deliverers were moved to the new subsidiary. In November 2017, the collective agreement of Finnish Post and Logistics Union(PAU) was terminated for Posti Palvelut. The company then moved their employees from the PAU collective agreement to the media workers' collective agreement, resulting in lower incomes. A tactic called contract shopping.

With the change in government in June 2019, the tone changed. The new social democratic Prime Minister, Antti Rinne, former leader of the 120,000-member strong Trade Union Pro, was far more critical towards the role of state-owned companies in weakening the terms of work. Posti, nevertheless, continued with their policy of contract shopping. By September 2019, it transferred a further 700 parcel sorting offices workers to their subsidiary Posti Palvelut, thereby moving their employees to the media workers' collective agreement with lower wages. The union PAU condemned this act and staged a first strike in Posti against the pay cuts.

Bargaining impasse

Initially, the social democratic Minister of Local Government and Ownership Steering with oversight over Posti, Sirpa Paatero, successfully secured a truce and managed to get the union and employers' association, Palta, to the bargaining table. However, things started to get complicated. Since Posti moved its workers to Posti Palvelut, their workplaces were regulated by the contract for media workers.

Fearing a spread of contract shopping by employers, several trade unions were ready to show solidarity with PAU in its struggle.

For this reason, the new subsidiary Posti Palvelut could no longer be represented by Palta in the negotiations. Instead, the firm was now represented by the media employers' association. They in turn made it clear that they would not negotiate with PAU on behalf of the Posti Palvelut's employees. Palta did not see the union as the accredited representative for media workers under the new collective agreement. With Posti still refusing to reconsider their decision to transfer their parcel sorting staff to its subsidiary, no organisation was prepared to negotiate with PAU. Hence, the union had nothing else left than to announce a strike for 9,000 employees from 11 November 2019. From 25 November the strike covered 10,000 Posti employees, leading to break down in postal services across the country.

Broad solidarity

Fearing a spread of contract shopping by employers, several trade unions were ready to show solidarity with PAU in its struggle. PAU enjoys close cooperation with other transport unions. After the negotiations came to a dead end, they started solidarity strikes affecting Finland's economic Achilles heel: sea, freight and air transport services.

For example, their industrial actions closed air traffic in the country and most of the buses in the Helsinki public transport area for one whole day.

Furthermore, many unions prohibited their members to do any work related to Posti. JHL, the Trade Union for the Public and Welfare Sectors, held a two-day strike, closing down the freight train yards and cutting services. The service sector union, United PAM, stopped handing out parcels and letters from 25 November in some 750 Post-in-Shop services. These are located among others in grocery stores, cafes and

service stations. The Finnish Electrical Workers' Union supported the PAU strike by organising a walk-out of their members in Posti sorting centres.

Leaked documents and government turmoil

The widespread industrial action put the government in a difficult position. Both Sirpa Paatero and Antti Rinne publicly said they were against the agreement shopping at Posti, but the state-owned entity refused to change its actions and told the case was closed.

To resolve the conflict and to find a compromise, Minister Paatero set up a working party of four experienced labour market experts, but their proposals came to nought. Strikes escalated and the situation became more and more messy.

Finally, on 27 November a new collective agreement for Posti was struck. The 700 parcel sorting office workers will be covered by the PAU collective agreement. The Union got what it demanded.

In Parliament, the opposition attacked — as it should — the government, demanding clear answers as to what the government had done to resolve the conflict.

Unclear statements

Minister Paatero told parliament she had repeatedly made it clear to Posti management that their actions were inacceptable. However, the Posti board chairman said that the government had been informed at an early stage over the decision to move the Posti workers to a different collective agreement and, moreover, the minister hat accepted the decision.

The press then published documents suggesting that Paatero had actually known about Posti's agreement shopping earlier than she publicly admitted and had not taken clear action against the move by the management. As a result, Paatero resigned on 29 November.

There are different theories about why the Centre Party forced Antti Rinne to resign.

The spotlight of public attention then moved to Prime Minister Rinne. Antti Rinne had repeatedly stated in public that he and his Social Democratic Party were strictly against the weakening of workers' rights at Posti.

Furthermore, he had told his Minister to act accordingly.

However, further leaked documents indicate that Rinne was informed of Posti's plans as early as August. This led to questions concerning the divergence between his publicly voiced positions and his internal stance on the Posti management decision. The opposition parties took these new revelations as proof that the prime Minister had misled Parliament over the issue.

In any case, his statements have been unclear, and in politics this seldom goes without consequences.

The fall of Antti Rinne

In this state of confusion, Katri Kulmuni, leader of the Centre Party and Minister of Economic Affairs, announced on 2 December that her party had lost confidence in the Prime Minister. However, they were willing to continue to support the coalition government.

Even though the other coalition parties said they still had confidence in Rinne, the Prime Minister resigned the following day, two hours before the debate of a motion of no confidence that had been filed by the opposition. He had only led the government for less than six months. With this move, Rinne aimed to keep the existing coalition government in power in order to secure the implementation of its progressive programme.

There are different theories about why the Centre Party forced Antti Rinne to resign.

One explanation is the shock the Centre Party faced in a poll one week earlier. With approval rates at 11.7 per cent, the party is fighting with the lowest ratings in its 102-year history. They have lost a lot of support to their main adversary, the extreme right-wing Finns Party, which was exploiting the messy situation of the Posti strikes to the full in its propaganda. Another explanation is that the strong entrepreneurial wing, led by former Prime Minister Juha Sipilä,, was unhappy with the left-leaning agenda of the government and wanted to rid itself of Rinne because of his trade union background.

Whatever the reasons for the Centre Party to push for the resignation of Antti Rinne, the move will have detrimental effects on the level of trust between the partners of the governing coalition. The new Prime Minister

of Finland and the coalition are in for a tough ride.



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