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Labour Relations in Norway

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Preface

For many years, Norway has managed to create both economic growth and social equality and consequently has ranked high according to several international measures of economic performance, employment and social equality. This fact has led to an increased interest in the Norwegian social model. Labour relations constitute an important part of this model, characterised by strong employers' and workers' organisations, close co-operation between the government, employers' associations and trade unions, and strong co-determination and participation at the company level.

However, current interdisciplinary descriptions of Norwegian labour relations are not readily available in English. This report is an attempt to meet this need by describing the main institutional frameworks and social actors at both the national and enterprise levels, in Norwegian working life.

In our work, we have benefited from earlier studies at Fafo Institute for Labour and Social Research, particularly those by Dølvik and Stokke (1998) and by Løken and Barbosa (2008). In the final chapter on Norway and the European Union, we have benefited greatly from a paper by Anne Mette Ødegaard.¹

Our research has received grants from the Ministry of Labour. We also want to thank Fafo's Information Office for the layout work.

Oslo, June 2009

Espen Løken and Torgeir Aarvaag Stokke

Preface to the 2nd edition

This report was revised and updated in 2013. A paragraph discussing the changes in Norwegian labour market relations due to increased work migration has been added. I would like to thank Eli Mette Jarbo, the Ministry of Labour, Stein Evju, Department of Private Law, University of Oslo, and Fafo-colleagues Kristin Alsos, Jon Erik Dølvik, Line Eldring and Inger Marie Hagen for comments. I would also like to thank Johan Røed Steen, Fafo, who has updated the annex to this report and the Fafo Information Office for the layout work.

Oslo, August 2013

Kristine Nergaard

¹ Ødegaard, A. M. (2008). *Europeiske reguleringer og partssamarbeid*. Oslo: Fafo.

1 Introduction

1.1 A brief overview of the Norwegian model

The Norwegian model of labour relations represents organisational developments over more than a century of collective bargaining and organised interest representation in political arenas. The general characteristics of the model are variants of the Nordic model of labour relations and can be summarised as follows.

- Universal welfare arrangements and a large public sector
- High employment among both men and women
- Small wage differences and a large degree of social mobility
- Strong collective actors
- Centrally co-ordinated wage formation and local bargaining at the company level
- Close co-operation between the government, employers' associations and trade unions as well as strong co-determination and participation at the company level

An important feature of the model is that strength is a main characteristic of both employees' and employers' organisations, and relations between them have been built over many decades. Trade union density is above 50%, which is high compared with most continental European countries. The density of employers' associations in the private sector is approximately 60–65%. In addition, the model includes long traditions of collective agreements and public regulation of industrial conflicts.

Co-operation between employers and employees is based on four pillars that work in combination.

- Close co-operation at the national level between a strong trade union movement, centralised employers' associations and the state. This co-operation has often demonstrated the capacity to deliver results, and there is general consensus between the large political parties on its importance.
- Co-operation between employers and employees at the company level, which provides legitimacy and contributes to productivity and a low level of conflict.
- Co-determination and representation on the board of directors.

- Individual labour law that protects workers' rights and at the same time emphasises workers' obligations to participate in creating a sound working environment.

It should be noted that the strong ties between national organisations have their counterpart within companies. The management and the work-place branches of the union(s) are responsible for the implementation at the company level of national accords and the results of collective bargaining, and they participate in productivity enhancement, restructuring and organisational development. This combination of national and local structures allows flexibility within the regulations for each company.

Overall, it could be said that these pillars represent fundamental shared values and ideas based on the belief that co-operation leads to productivity and permits restructuring at the company level. According to this view, co-operation leads to a sound economy at the national level while furthering increases in real wages and sound working environments for workers. Therefore, co-operation is valued by both the trade unions and the employers, and is a principle that has dominated Norwegian working life at least since World War II. This model has always been anchored in the protection of workers' rights on the one hand and in the maintenance of stable and predictable environments for companies on the other.

Both laws and collective agreements are used as tools to implement and maintain the model. The power of these tools resides in the recognition by the parties both of rights and duties, and of the acknowledgement of a common goal, which is beneficial for the community and companies, and of the recognition that the parties have both common and conflicting interests. The result is a relatively stable balance of power between labour and capital, a balance deeply anchored in a class compromise connected to historical and political developments.²

1.2 A brief historical background

Work-place participation and co-operation in productivity growth and industrial restructuring complementing central concertation have been key features of Norwegian industrial relations, which were shaped in the 1930s and the post-war period. However, the first nationwide collective agreements had already been made 30 years earlier (1907) in the metal manufacturing industry (*Jernavtalen*). These agreements established not only mutual recognition by the participating organisations but also minimum wages according to skills and supplementary local wage setting.

² Dølvik, J.E. (2007). *The Nordic regimes of labour market governance: From crisis to success story?* Oslo: Fafo.

Following a period of economic crisis, mass unemployment and industrial conflict in the 1920s and 1930s, a co-operative system of industrial relations became institutionalised in 1935 with the signing of the first *Basic Agreement* by the employers' organisation *Norsk Arbeidsgiverforening* (N.A.F.) (today The Confederation of Norwegian Enterprise, NHO) and *Arbeidernes Faglige Landsorganisasjon* (today The Confederation of Norwegian Trade Unions, LO). This agreement has subsequently been part of all collective agreements between the parties.³ In the same year, a crisis pact between the Labour Party and the Agrarian Party brought organised labour into the government. This event formed the beginning of a long-lasting coalition between labour, small farmers and fishers, which has been a persistent feature of the political configuration in which Norwegian industrial relations have been embedded.⁴

Following World War II, a strong feeling of solidarity emerged among the population. The country was to be rebuilt, and the trade unions and employers' associations joined this effort with the Labour Party in the driver's seat. A central policy of all trade unions was to contribute actively to industrial modernisation to ensure productivity and profitability. Throughout this post-war period, the aforementioned duality was always fundamental: the workers contributed to the companies' efforts to increase industrial growth and to moderate wage increases, and in return, the workers benefited from growth, acquired rights and secured the working environment. This dualism was the basis of the reforms to the system for negotiations and industrial democracy developed during the 1960s and 1970s.

In the 1960s and 1970s, a regulatory regime for moderate wage increases and well-organised capitalism was developed further. In the 1960s, the so-called "trend-setting industries model" ("*frontfagsmodellen*" or "the Aukrust-model" after the economist who formulated the model) was introduced, meaning that negotiations conducted within a few industries that were characteristically exposed to competition from abroad set the norm for wage increases for all other industries and sectors. The national wage negotiations in the private sector were co-ordinated, a permanent Contact Committee between LO, N.A.F. and the state was established, and the Technical Calculation Committee for Wage Settlements was set up to prepare wage and income statistics for the bargaining rounds.

Co-operation committees (works councils with representatives from the trade unions and employer), as we know them today, were established in companies throughout the private sector as a consequence of the Co-operation Agreement concluded between

³ The organisational picture has become more complex as more nationwide organisations have emerged on both the employers' side and the unions' side. See more on this below.

⁴ Dølvik, J. E. & Stokke, T. Aa. (1998). Norway: The Revival of Centralized Concertation. In A. Ferner & R. Hyman (eds), *Changing Industrial Relations in Europe*. Oxford: Basil Blackwell.

N.A.F. and LO in 1966 as part of the Basic Agreement. Similar co-operative agreements were established in the public sector in 1980 (the state) and 1982 (the municipalities).

During the late 1960s, the debate regarding board-level representation in companies intensified. A few years later, employees were granted board-level participation through the *Limited Liability Companies Act* (1973) along with equal rights and duties befitting their status as shareholders' representatives. In 1977, the *Working Environment Act* extended existing schemes of employee participation through the activities of Working Environment Committees and safety delegates.

From the 1970s, the public sector expanded, and the number of employees with higher education increased. Organisational diversity on the trade union side led to more complex bargaining rounds and an increase in public sector strikes, especially during the 1990s. There is an ongoing discussion about wage relations between the private and public sectors, and unions for female-dominated professions in the public sector, in particular, argue that their wages are too low. However, the strong co-ordinating mechanisms for bargaining have been kept more or less intact and on several occasions has been reviewed by social partners, experts and the state.

Main industries/trades

The Norwegian economy is small and open. Industrialisation arrived late, and exports have largely been dominated by raw materials such as fish, timber and semi-finished metals and chemicals produced using cheap hydropower. Since oil was discovered in 1968, the petroleum sector has gained increasing economic importance. In 2011, the petroleum industry accounted for 23% of GDP and half of Norway's exports, although this industry did not even exist in 1970.

In terms of employment, according to Statistics Norway⁵ (2012), the dominant industries are health and social services (10.5%), retail and wholesale trade (14%) and education (7.4%). Manufacturing industries and mining account for only 9.4% of those employed. The oil and gas industry, by far the most important industry in terms of cost of production, employs only 2.2%. Public administration employment accounts for 7%.

Private sector and government enterprises account for 70% of employment. Public sector is divided into state administration and municipalities and counties (local administration). The state administration, including health trusts, accounts for 10.6% of employment, while 19.3% of those in work are employed by the municipalities and counties.

Altogether, by the end of 2011, there were 136,000 enterprises with employees, excluding the public sector. Of these, 84,000 enterprises had between one and four employees. In fact, 57% of employed people in the private sector worked in companies with fewer than 100 employees.

⁵ All facts in text boxes are based on statistics from Statistics Norway and Eurostat (Labour Force Surveys 2012).

Labour market

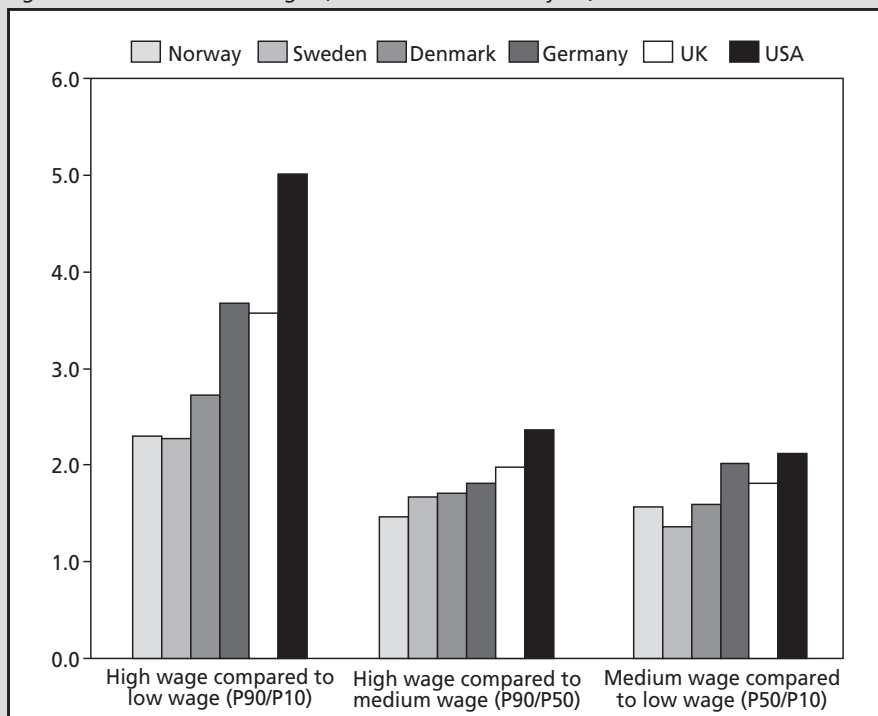
A total of 78.2% of all people between 15 and 64 years are in the work-force (2012), which is a high percentage compared with other countries. This is because of a high employment rate among women: 80.6% of men and 75.8% of women are in the work force. Unemployment numbers are fairly low; 3.2% of the work-force was unemployed in 2011, while 7.9% had temporary jobs.

A total of 40% of female workers work part time, in contrast to only 14% of male workers (2012).

Wages

Norway, together with the other Nordic countries, has the most compressed wages in the world. This is because of co-ordinated negotiations in the labour market, the full employment target, and generous welfare arrangements. This is depicted in Figure 1-1, which is based on the salaries of full-time employees in 2010. The chart shows that the difference between the highest and lowest paid 10% of all employees is very small compared with other industrialised countries.

Figure 1-1 Differences in wages (2010 or last available year)

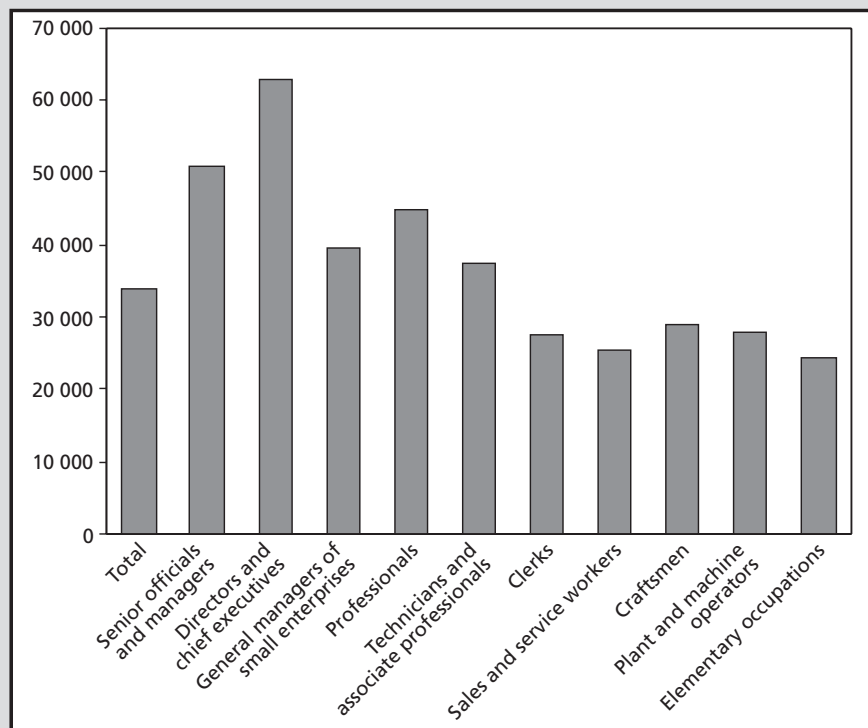


Source: OECD – Distribution of gross earnings of full-time employees (2010/last available year)

The distribution of wages between groups has been stable over recent years, indicating a high degree of social equality. However, the distribution of income among different groups in society as a whole has become less even in recent years owing to an uneven distribution of income from capital.

The distribution among different occupations is shown in Figure 1-2. Average monthly earnings varied from NOK 70,900 among directors and chief executives to NOK 27,200 among unskilled occupations. Employees in the private sector had average monthly earnings of NOK 38,600 in 2012. In comparison, the amount for the public sector was NOK 39,800, a relatively small difference.

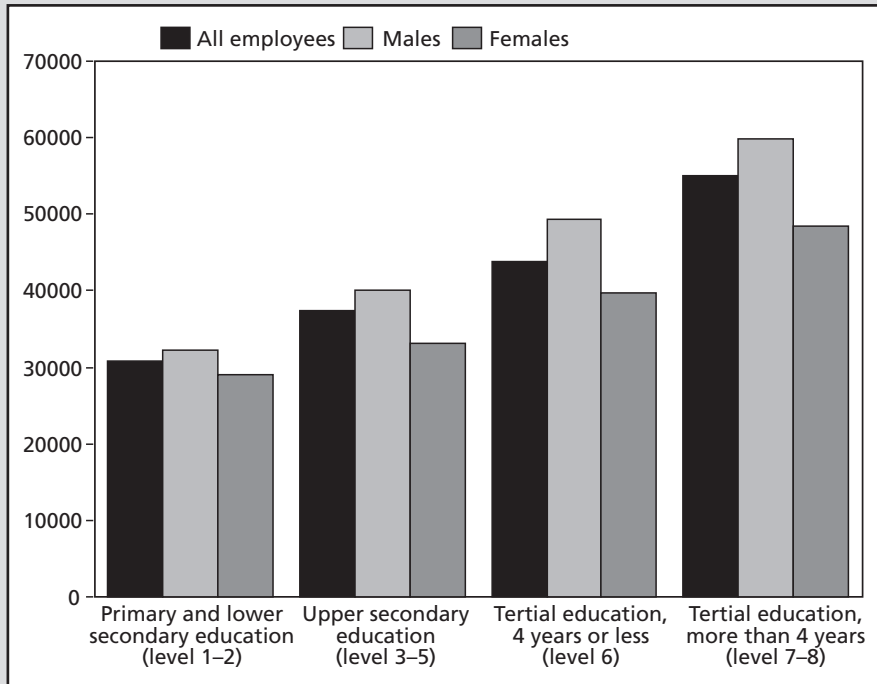
Figure 1-2 Average monthly earnings for employees, full-time equivalents, by occupational group, as of third quarter 2011, in NOK



Source: Statistics Norway: Earnings of all employees

Figure 1-3 shows differences according to education (2012).

Figure 1-3 Average monthly earnings for employees, full-time equivalents, by educational level 2012, in NOK



Source: Statistics Norway: Earnings of all employees

Women's wages as a proportion of men's wages were 86.5% in 2012. In the public sector the number was 88.9%, and in the private sector it was 84.1%. This gap is largely a result of the continued segregation of the labour market. Male domination prevails in manufacturing, communication and transport, and building and construction industries where approximately 80% of employees are men, while the opposite situation exists in the health and care services.

1.3 Welfare

A fundamental feature of the Norwegian societal model is universal tax-based welfare services and benefit schemes. In addition, education at all levels is considered a public responsibility and is free of charge. Universal and free access to education results in a highly educated work-force.

The main social insurance schemes are subsumed under the National Insurance Scheme.⁶ All residents or employees in Norway are insured under these compulsory tax-financed schemes.

Important labour market related benefit schemes are the unemployment benefit (for a maximum of two years), sick leave allowance (100% compensation, for one year) and a similar allowance for staying home with sick children (10 days per parent for one child and 15 days per parent for two or more children), parental leave (49 weeks with 100% pay/59 weeks with 80% pay), rehabilitation benefits, disability and old age state pensions. These schemes are universal and financed by taxes. Entitlements are mainly based on former income or employment.

Some labour market-related benefits and insurance schemes may be extended through collective agreements. However, the majority of social benefits are universal.

Over recent decades, increased efforts have been made in active labour market policies, ranging from labour market programs and job-seeking activities for the unemployed to measures to increase labour market participation among older employees or those with reduced functional ability.

In addition, a wide range of health and social services care for children, elderly people, those who are sick or in need of care, and those who fall outside the labour market. In total, approximately 25% of the GNP is used to address social issues, such as transfers and services included in the educational system.

As of 2013, parental leave is 49 weeks with full pay or 59 weeks with 80% pay. This leave is shared between parents, but 14 weeks is reserved for fathers, to encourage them to remain at home with their babies. Parental leave, family friendly labour market legislation in general and a large increase in the number of kindergartens since the 1970s, have contributed to a relatively high birth rate and to the majority of women working outside the home. Today, all children are offered a place in a kindergarten, and by 2011, 90% of children 1–5 years of age attended kindergarten. In addition to recognising the importance of a worker's right to secure the family's economy, this policy has resulted in a large increase in the Norwegian work-force.

The pension system in Norway consists of pensions from the national insurance scheme, to which everyone is entitled, and supplementary occupational pensions. These are financed partly by the general taxation system and partly by employer and employee contributions. The retirement age in the current National Insurance Scheme is 67 years, and the old age pension consists of a basic pension, a supplementary pension and possible supplements for children and a spouse. The amount of the supplementary

⁶For detailed information, see the brochure from the Ministry of Labour: http://www.regjeringen.no/en/dep/ad/doc/veiledninger_brosjyrer/2013/the-norwegian-social-insurance-scheme-20.html?id=716026.

pension depends on the number of pension earning years accumulated by the recipient and on the yearly pension points earned according to income.

A major pension reform came into force on 1 January 2011, when flexible retirement from the age of 62 was introduced. However, the new pension scheme will encourage workers to work longer because they receive better pensions if they do so. The possibility to combine part-time work and part-time retirement has also been improved.

The most important supplementary pensions are occupational pensions, that is, pensions from pension schemes in employment relationships. Under an act in 2006, all employers are required to offer occupational pension schemes through a minimum contribution of 2% of yearly wages. In the private sector, most of these schemes are contributions defined but some are benefit defined. Public sector employees are covered by contributions defined schemes.

There are also various early retirement schemes, that is, pension benefits paid from a lower age than the national insurance retirement age and continuing until the national insurance retirement age is reached. The most important of these is the AFP early retirement scheme, which is part of most collective wage agreements. Originally, this pension scheme allowed employees covered by collective agreements to retire at any time from the age of 62 until the retirement age in the National Insurance Scheme. In the reformed pension system, early retirement is an option for all employees. In the private sector, the revised AFP scheme provides additional pension payouts to those who retire early, as well as those who choose to remain in employment, meaning that the economic incentives for early retirement have been removed from the scheme.

1.4 Labour market policy

The employment rate in Norway is high in comparison to other countries, very much helped by a high employment rate among women. Moreover, employment among elderly people is high, and the number of employees in the 55–64 year age group has risen in recent years.

Labour market policy has traditionally been directed at ensuring subsistence for the unemployed, as well as at helping them find new employment. Unemployed workers may receive unemployment benefits over a maximum period of two years, and the level of compensation has not been changed substantially over the past decade.

Like many other countries, Norway in recent years has placed increasing emphasis on measures to aid an early return to work. Among these measures are stronger emphases on different types of labour market programs for job seekers, training, job skills training and job application courses. Similarly, the efforts made to achieve a more inclusive working life through the IA agreement, in which the emphasis has been on

preventing absentees losing contact with the work-place, also bear the imprints of active involvement. To this end, Norway saw the creation of the Norwegian Labour and Welfare Service (NAV) in 2006, a joint governmental administrative body for labour, national insurance and social welfare services. It was created with a view to easing the transition from benefits to active employment.

The desire to return as many people as possible to employment has also made its mark in other policy areas. In the national pension reform, the emphasis was on creating a stronger correlation between the accumulation of pension rights (i.e. the number of years worked as well as income level) and actual pension payments. The new pension system makes it easier to combine part-time retirement and employment. An important motivation for the pension reform is to encourage older workers to remain in employment longer and to encourage full time employment. The rationale behind these efforts to increase the employment rate and keep people in employment is partly derived from demographic challenges that, over time, will lead to a situation of fewer people in employment to support an ever-increasing number of elderly. The importance of employment to the individual and as a tool to combat poverty is stressed in this regard.

The Norwegian legal framework may be regarded as moderately strict in terms of protection against dismissal, while temporary employment is subject to a relatively restrictive regulatory regime in an international context. There has been no extensive liberalisation of legislation in the area of employment protection. Enterprises may resort to temporary lay-offs in situations where there is a transitory need for work-force reductions, an opportunity that was exploited by many businesses in 2008/2009 when they experienced a sudden drop in orders. This opportunity is regulated in collective agreements, and laid-off workers are entitled to unemployment benefits during the whole period.

2 The legal framework

Labour relations are regulated by a combination of legislation and legally binding collective agreements between trade unions and employers' associations or single employers. Although a large number of benefits, terms and conditions of employment are covered by legislation, this does not restrict the scope of collective bargaining. A hierarchical, three-tier collective bargaining system has constituted a fundamental element of labour market regulation.

Individual labour law regulates the rights and duties of individuals, while collective labour law regulates collective bargaining and is based on a general duty to restrain from industrial conflict (the "peace duty") except during the negotiation of collective agreements.

2.1 Important labour laws

The main piece of legislation concerned with the rights of the individual employee is the *Working Environment Act*.⁷ The purpose of this act is to ensure safe physical and organisational working conditions and equal treatment among workers, and to ensure that the working environment forms a basis for a healthy and meaningful work situation.

It regulates matters such as working environment (health and safety etc. in the workplace), working time and rights to leave, protection against discrimination, hiring and dismissal protection, including also and transfers of undertakings. With regard to matters of working environment in particular, employers and as well as employees have duties; employers must ensure that the provisions laid down in and pursuant to the act are complied with, while employees must co-operate in the design, implementation and follow-up of the undertaking's systematic work on health, environment and safety. Employees must also take part in the organized safety and working environment efforts of the undertaking and must actively co-operate in the implementation of measures to create a satisfactory and safe working environment. Environment Act contains requirements regarding safety representatives and Working Environment Committees elected from employees in all companies (see Chapter 6).

⁷ Law text in English: <http://www.arbeidstilsynet.no/lov.html?tid=78120>.

The Working Environment Act applies to all private and public undertaking with the exception of seafaring and fishing, which are regulated by separate legislation.⁸ For state civil servants certain of the Act's provisions on hiring and dismissal protection are instead regulated by a separate *Civil Servants Act*, 1983.

The provisions given by the Working Environment Act may in certain cases be deviate from by agreements, mainly collective agreements. With a few exceptions, the employer and employee or trade union may not agree on employment conditions that are below the standard stipulated in this act.

The *Annual Holidays Act*⁹ is designed to ensure that all employees have annual holidays and holiday pay. By law, there is a minimum holiday allowance of four weeks and one day a year.¹⁰ However, most Norwegians have a minimum of five weeks according to collective agreements, a period that is also provided by most companies without collective agreements.

With regard to collective labour law the basic piece of legislation is the *Labour Disputes Act* of 2012.¹¹ The fundamental ideas underlying the Act, originally dating from 1915, are the promotion and strengthening of collective agreements as an instrument for regulating wages and working conditions and the creation of machinery for peaceful solution of industrial disputes. The Act formalized a principled distinction between disputes of interest and disputes of rights previously embodied in collective agreements.¹² Building on prior collective agreements it moreover established a relative 'peace obligation'. The Labour Disputes Act applies to both the private and the municipal sector. An essentially similar act, the *Civil Service Disputes Act*, applies to the state sector, including senior civil servants, the police, judges, etc.

Municipal employees and employers fall under the same labour law provisions as those in the private sector. On certain issues, the state sector is covered by the same laws that apply to the rest of the labour market. However, two acts apply specifically to the state sector. The first is the *Civil Service Disputes Act*, which mandates collec-

⁸ Certain types of petroleum-related activities are exempted, such as vessels providing services for offshore petroleum installations and vessels carrying out construction, pipelaying or maintenance activities in the petroleum activities.

⁹ Law text in English: <http://www.arbeidstilsynet.no/binfil/download2.php?tid=90352>.

¹⁰ Employees get one extra week of holiday from the year in which they reach 60 years of age.

¹¹ Issues of interest notably include those relating to pay and other employment conditions. Negotiations on managerial decisions involve issues of interest, as do negotiations on the conclusion of agreements on pay and other conditions. Negotiations with a view to reaching new agreements are also a typical example.

¹² Law text in English: <http://www.regjeringen.no/en/dep/ad/topics/The-working-environment-and-safety/arbeidsrett/the-labour-disputes-act.html?id=437549>.

tive bargaining and procedures for mediation and arbitration.¹³ The other is the *Civil Servants Act*,¹⁴ which replaces the Working Environment Act on some issues.

There is no statutory minimum wage in Norway, and wages are regulated in collective and individual agreements. In 1993 the *Act Relating to General Application of Wage Agreements*¹⁵ was passed to prevent potential negative aspects of immigration. The aim of the Act is:

“...to ensure foreign employees of terms of wages and employment equal to those of Norwegian employees, in order to prevent that employees perform work on terms which, based on a total assessment, are demonstrably inferior to the terms stipulated in existing nationwide collective agreements for the trade or industry in question or otherwise normal for the place or occupation concerned.”

The Act gives a government-appointed Tariff Board¹⁶ the right to decide whether the individual provisions of a nationwide collective agreement, in part or in full, shall apply to all employees, either foreign or Norwegian, who work within the scope of the agreement. This instrument was first used in October 2004, and by 2013 such regulations are applied in four sectors of the Norwegian economy.

Employees' social welfare entitlements are mainly regulated by the *National Insurance Act*, and these matters are resolved between the individual employee and the authorities. The aim of national insurance is to provide benefits in the event of sickness, pregnancy, childbirth, unemployment, old age, disability or death of the family bread-winner. The scheme also offers financial support to single-parent families. Short-term benefits for illness, parental leave or unemployment vary according to income, while pension allowances are calculated according to the number of years in employment as well as previous income. There are also legal stipulations regulating occupational injury compensation.

The *Limited Liability Companies Act* and the *Public Limited Liability Companies Act* entitle employees to be represented on the boards of directors of joint-stock companies. If a company has more than 30 employees, and when requested by a majority of them, employees are entitled to representation on the board of directors. The number of board members that employees are entitled to elect (which is limited to one-third) varies with the total number of employees and depends on whether the company has a

¹³ Evju, S. (2008). The right to strike in Norwegian labour law. *Arbeidsrett*, 5(2).

¹⁴ Law text in English: <http://www.ub.uio.no/ujur/ulovdata/lov-19830304-003-eng.pdf>.

¹⁵ An English translation of this act can be found at: http://www.regjeringen.no/upload/AD/kampanjer/Tariffnemnda/Allmenngjoringsloven_sist_endret_2009_engelsk.pdf.

¹⁶ This Board consists of one representative from the employers' organisations, one from the trade unions, and three "neutral" representatives appointed by the government.

corporate assembly (which is mandatory for companies with more than 200 employees). If it does, the employees are entitled to elect one-third of its members.

The equal treatment of women and men is regulated by the *Gender Equality Act*.¹⁷ The purpose of this act is to promote equal status between men and women, and in particular to improve the position of women. Private employers also have a responsibility to make active, targeted and systematic efforts to promote gender equality in their own organisations, and both employers' and employees' organisations must promote gender equality in their spheres of activity.

2.2 Agreement structure

We will examine collective bargaining in detail below. At this point, we concentrate on basic agreements and only briefly sketch the further structure of agreements. The collective bargaining system is a multi-tiered system in which centralised concertation is complemented by work-place structures of co-operation and negotiation. The basic agreements define principal goals and lays down principles and procedures. Provisions on wages and working conditions are found in sectoral and local collective agreements.

Basic agreements

Basic agreements complement Norwegian labour law by defining overall aims as well as a set of principles and procedures that regulate the relationship between the labour market parties in all sectors.¹⁸ The main purpose is to create the best possible basis for co-operation between the parties at all levels.

The first *Basic Agreement*¹⁹ was introduced in 1935 between N.A.F. (later NHO) and the AFL (later LO) and was subsequently revised every fourth year. This collective agreement covers employers' and employees' rights and obligations in their daily interaction at the enterprise level, as well as conflict resolution procedures. The Basic Agreement is included in all collective agreements between LO-affiliated trade unions and NHO-affiliated employers' federations covering workers in establishments affili-

¹⁷ Law text in English: <http://www.regjeringen.no/en/doc/Laws/Acts/The-Act-relating-to-Gender-Equality-the-.html?id=454568>.

¹⁸ Evju, S. & Holo, L. (2000). Labour law and the labour market in Norway. In A. C. Neal (ed), *European social policy and the Nordic countries*. Aldershot: Ashgate.

¹⁹ The text of the current Basic Agreement between LO and NHO in English: http://www.lo.no/Documents/english/Basic_Agreement_2010_2013.pdf

ated with NHO. Today, other confederations and some independent unions as well as employers' associations have similar agreements, and all sectors are covered.

Among other issues, the question of sympathetic industrial action is regulated in the agreement, while the statutory obligation to maintain industrial peace for the duration of an agreement is amplified. A number of issues regarding shop stewards, employee participation, and information and consultation are also regulated in the agreement. In addition, the Basic Agreement contains a "Co-operation Agreement" that regulates the activities of various co-ordinating bodies. This latter agreement touches upon questions relating to developing the qualifications and skills needed in working life. A number of supplementary agreements are attached to the Basic Agreement, covering issues such as guidelines for initiating work studies, equality between men and women, and framework agreements regulating control measures within firms.

In many ways, the basic agreements represent the labour market parties' desire for a well-defined relationship at the central level, as well as enhancement of co-operation at the company level. It reflects an aim both to regulate conflict, typified by disagreements about the distribution of revenues, and to achieve consensus through dialogue and negotiation, typified by co-operation regarding the development of companies. Because the relationship between the labour market parties is regulated to only a limited extent through statutes, the importance of the basic agreements is even more evident. The rights, duties and procedural rules laid down by the first part of the basic agreements are central to labour relations in Norway. The other main element of the basic agreements, the co-operation agreements, makes it easier for the labour market parties to co-operate locally on a wide range of issues. This co-operation often encompasses joint actions to enhance organisational or productivity development. The agreements also reflect the central role that local trade unions play in representing employees in this type of co-operation in Norway.

Nationwide sector and work-place agreements

Wages and working conditions are covered by national collective agreements between the national unions and the employers' associations. These agreements typically cover an industry or sector and may include broader issues of social policy in addition to pay and working conditions.²⁰

An employer who is bound by a collective agreement as rule is considered to be obligated, by virtue of the agreement, to apply the terms of the agreement similarly also to its non-unionised employees. In the state sector, parliament has determined that the terms of collective agreements should cover all employees, while in the municipal

²⁰ Dølvik, J. E. & Stokke, T. Aa. (1998). Norway: The Revival of Centralized Concertation. In A. Ferner & R. Hyman (eds), *Changing Industrial Relations in Europe*. Oxford: Basil Blackwell.

sector administrative law norms of equal treatment entail that differentiation is unacceptable. Private employers who are not bound by any collective agreements are under no obligation to apply collectively agreed terms and conditions. Centralised bargaining for wages and collective agreements is usually supplemented with bargaining at the company level between the company and the company union(s). Local bargaining has also been widely used in the public sector since the 1990s.

Norwegian collective agreements are strictly hierarchical, which means that company agreements, including pay systems, cannot breach provisions in sector-level agreements. Negotiations at the company level are conducted by local parties without involving central parties unless the local parties are unable to agree on a revised agreement. Local bargaining is done under a peace clause, which means that strikes are prohibited.

Disputes

Collective disputes of rights are under the jurisdiction of the Labour Court. This encompasses disputes concerning the interpretation and application of collective agreements, claims based on such agreements, and matters of lawfulness of industrial action. The Labour Court is at the same time a first and final instance; its decisions are not on appeal. The Court is composed of three professional judges and four lay assessors appointed for a three years period at a time on the basis of proposals by representative trade unions and employers' association.

Rights disputes concerning individual employment relations are under the jurisdiction of the general courts, a three tiered jurisdiction competent for any and all matters of private and public law, including criminal, administrative and constitutional law.

Issues pertaining to the individual employment relationship are dealt with in the ordinary court system. The Working Environment Act provides special procedural rules for such cases. The court may also impose financial compensation for damages.

A separate dispute resolution system covering certain aspects of working hours was introduced in 2006. Disputes concerning legal rights to parental leave, reduced working hours and increased working hours for part-time employees among other matters are handled by a government-appointed board. The board is an independent regulatory body, and issues a recommendation that is followed by the parties in the vast majority of cases.²¹ If the parties still do not agree, the case can be taken to court. The goal of the government is to keep both the processing time of the board and the threshold for submitting cases lower than for ordinary courts.

²¹ Bråten, M. (2009). *Evaluering av tvisteløsningsnemnda etter arbeidsmiljøloven: første funksjonsperiode 2006–2008*. Oslo: Fafo, and Alsos, K. & Bråten, M. (2011). *Tvisteløsningsnemndas praksis i saker om fortrinnsrett for deltidsansatte*. Oslo: Fafo.

3 The organisations

3.1 Trade unions

As of 31 December 2012, Norwegian trade unions altogether had 1,727,129 members, including non-employed members such as students and retired members.

Trade union density—the proportion of the employed work-force that is unionised—can be measured in a variety of ways, which result in slightly different numbers. Based on union membership statistics and the number of employees estimated by Labour Force Surveys, the trade union density is 52%. Following a catch-up period shortly after World War II, the density level has been strikingly stable since 1950. This has occurred in spite of the transition to a post-industrial labour market and stands in contrast to developments in most European countries.²²

Although the density is high compared with most other countries, it is lower than in the other Nordic countries, which have union densities of between 65% and 70%. This reflects the fact that unemployment insurance in Norway is organised by the state and not by the unions as it traditionally is in these countries (the Ghent system). There are no separate union-driven unemployment insurance funds.

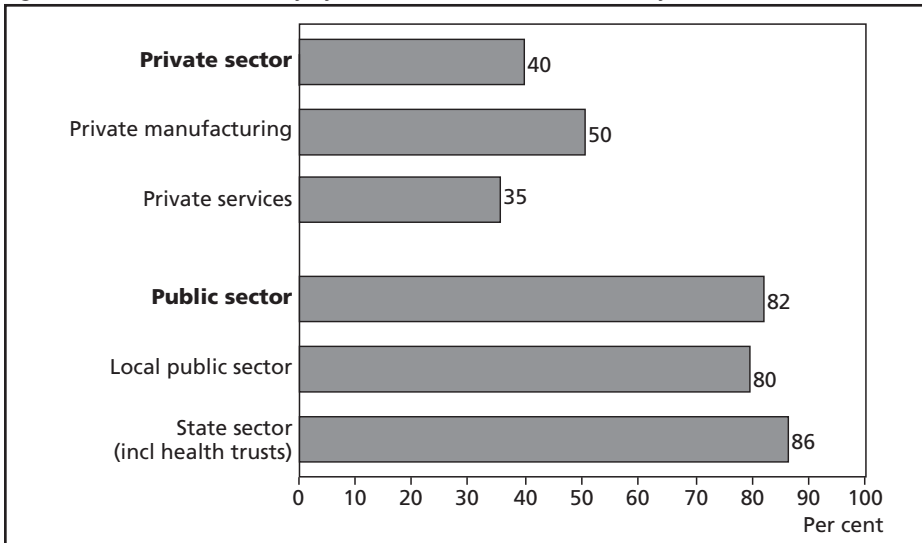
The union density numbers vary considerably among sectors and industries, as shown in Figure 3-1. While density is as high as 80–85% in the public sector, private sector density is approximately 40%. It is lowest in private services, especially in the retail trade, hotels and restaurants.

The wide range of functions performed by unions in the work-place is an important reason for union support. It should also be noted that the rising level of education has probably not influenced the density of labour unions in the work-force in a negative way because well-educated groups such as teachers, nurses and academics are well unionised.

The degree of union membership is slightly higher among women (59%) than among men (51%). The fact that many women are employed within the public sector, which has a high union density, is the most important explanation.

²²Nergaard, K. & Stokke, T. Aa. (2007). The puzzles of union density in Norway. *Transfer – European Review of Labour and Research*, 13(4).

Figure 3-1 Trade union density by sector, in %. Labour Force Survey 2012, N = 6994



Source: Fafo/Nergaard 2013, unpublished figures.

Analyses by Fafo show that union density in the private sector varies significantly with size of work-place: The larger the work-place, the larger the share of trade union members. In companies with fewer than five employees, four out of five are not members of organisations, while in companies with more than 200 employees, 65% are union members. In the public sector, there is hardly any correlation between size of work-place and union density.

Almost all of the approximately 90 national trade unions are today affiliated to one of four confederations. These four confederations are shown in Table 3-1.

Table 3-1 Norwegian confederations of trade unions as of 31 December 2012

Norwegian name	English name	Founded	Members*
Landsorganisasjonen (LO)	The Norwegian Confederation of Trade Unions	1899	895,257
Yrkesorganisasjonenes Sentralforbund (YS)	The Confederation of Vocational Unions	1977	226,624
Unio	The Confederation of Unions for Professionals, Norway	2001	311,091
Akademikerne	The Federation of Norwegian Professional Associations	1997	170,387

Source: Statistics Norway; * Total number of members, included student, retired members and others not in employment.

The Norwegian Confederation of Trade Unions (LO)

The Norwegian Confederation of Trade Unions (LO), founded in 1899, is by far the dominant union force, although it has lost relative strength over recent decades as other confederations have emerged. This dominance is explained by a combination of its traditional hegemony among blue-collar workers in the private sector and its strength in the large public sector, especially the local public sector (municipalities). Today, LO represents just over half of the unionised work-force. The confederation consists of 22 different national unions with a total of 895,257 members, of whom approximately 628,000 are employed. Today, the members are fairly evenly distributed between the private and public sectors, and women constitute half of the membership.

LO's affiliated national unions are national organisations composed of local trade unions. Skilled and unskilled workers are generally members of the same union. Some unions organise both blue- and white-collar workers, but in parts of the private sector, blue- and white-collar workers are members of separate unions. Generally, each national union covers a specific trade, branch of business or public service sector. Thus, the main organising principle is industrial unionism, but there are exceptions.

The national unions vary in membership from fewer than 1,000 to more than 300,000. In recent years, more unions have merged to achieve greater influence and to provide better service to their members. The largest unions are the following:²³

- The Norwegian Union of Municipal and General Employees (*Fagforbundet*), which organises workers in local government and the health sector
- The Norwegian United Federation of Trade Unions (*Fellesforbundet*), which organises workers in most of the manufacturing industries, the building industry, hotels and restaurants
- The Norwegian Union of Employees in Commerce and Offices (*Handel og Kontor i Norge*), a union mainly for white-collar workers in the private sector and employees in trading

LO's highest authority is the Congress, which meets every four years. The Congress decides on the Programme of Action and establishes LO's general course for the congress period, and elects the senior level leadership of LO.

Throughout its history, LO has maintained a close relationship with the Norwegian Labour Party, which has been in government for long periods since World War II. LO also has contact with other political parties and interest groups sympathetic to the views of the trade union movement but not in the same formalised manner as it does with The Labour Party.

²³ See appendix for a list of unions and URLs to their websites.

The Confederation of Vocational Unions (YS)

The Confederation of Vocational Unions (YS) was founded in 1977 and today consists of 20 independent trade unions with a total of 226,624 members, of whom 72% are employed. Its unions organise employees in all sectors.

There is no general organising principle that determines either the division between national unions or the manner in which each union is established. Most of the unions affiliated with YS are fairly small, with fewer than 10,000 members. The larger unions are the following.

- The Finance Sector Union (*Finansforbundet*), which is dominant within this industry
- The Norwegian Union of Municipal Employees (*Delta*)
- *Parat*, which organises employees in both public (state) and private sector

The highest authority in YS is the General Council, which is made up of delegates appointed by the unions. The General Council meets at least twice a year, and every four years, it elects the YS leadership.

The boundaries between YS and LO are blurred, which has led to rivalries and competition. In the public sector and in many private companies, unions belonging to both LO and YS compete for members, primarily among white-collar workers because LO dominates among blue-collar workers. Other areas of union competition are the oil and gas (petroleum) and transport sectors.

Today, the relationship between LO and YS is fairly good, although competition for members remains. While LO and YS unions used to negotiate separately with the employers' organisations, in recent years, it has become more usual for them to negotiate together, especially in the state sector and in private transportation.

The Confederation of Unions for Professionals (Unio)

The Confederation of Unions for Professionals (Unio) is Norway's second largest confederation of unions. Founded in December 2001, Unio is today a confederation of 12 member unions with a total of 317,608 members working almost exclusively within the public sector.

The affiliated unions are professional unions for teachers, nurses, researchers, police, clergy and physiotherapists among others. The two large affiliated unions are the following.

- The Union of Education (*Utdanningsforbundet*), which organises teachers in primary and secondary schools as well as preschool teachers
- The Norwegian Nurses Organisation (*Norsk Sykepleierforbund*)

The Federation of Norwegian Professional Associations (Akademikerne)

The Federation of Norwegian Professional Associations (Akademikerne), founded in 1997, is a confederation of professional organisations whose members have an extensive academic education. They include lawyers, engineers, psychologists, doctors, veterinary surgeons, social scientists, architects, business school graduates, economists, dentists and agronomists.

Akademikerne has 13 member organisations with a total of 170,387 members. The two larger affiliated unions are the following.

- The Norwegian Society of Chartered Technical and Scientific Professionals (*Tekna*), for professionals with a Master's degree or equivalent in science or technology
- The Norwegian Medical Association (*Den norske legeforening*), which organises doctors

Whereas the three aforementioned confederations co-operate on many issues, especially in the public sector, Akademikerne stands out somewhat—for example, in contrast to the other union confederations, Akademikerne prefers individual wage setting.

Independent unions

In addition to the national unions affiliated with the four confederations, there are approximately 20 independent national unions. Most of these are fairly small and specialised, the largest and most important being the *Norwegian Society of Engineers and Technologists* (NITO) with 71,756 members as of 31 December 2012.

Union activity at the work-place level

At the work-place level, union representatives for each union are elected locally. They engage in union work and represent the members vis-à-vis the employers. Employers are obliged by a collective (usually basic) agreement to allow union representatives to use work time, paid for by the employer, for union activities. In larger companies and public departments, it is usual for one or more of the elected union representatives of larger unions to work full time on union activities and to be paid by the employer. The members of each union form a work-place branch within each company or public department. This branch is responsible for local union activity, including both local bargaining and dialogue with management. If there is more than one union affiliated with the same confederation in a company, these usually form a joint committee.

If a company belongs to a group of companies, the unions, especially LO unions, normally establish a body that co-ordinates union work across work-places and union borders, and elects common union representatives.

The relationship and shift in balance among the trade union confederations

There are no clear demarcations between the confederations. LO and YS can in principle organise all kinds of employees, while Unio and Akademikerne have requirements as to educational level. Although LO and YS on the one hand, and Unio and Akademikerne on the other, generally organise different segments of the labour market based on education, they all compete.

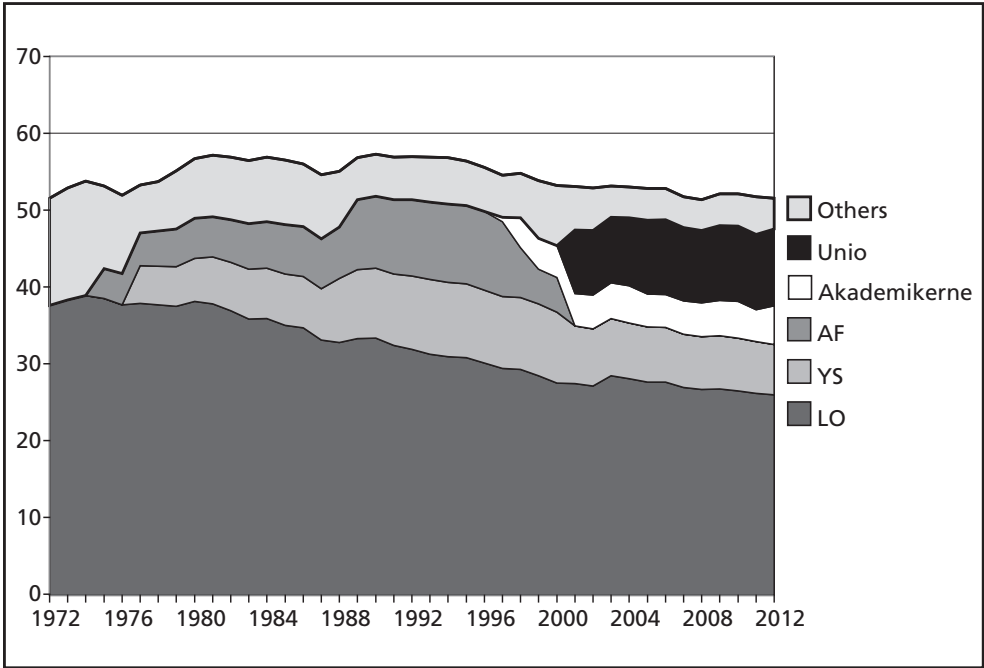
LO and YS generally organise the same groups: workers with low to average education and salary. However, while LO is much larger, dominating among blue-collar workers and maintaining a strong presence in most industries in both the private and public sectors, YS dominates the finance sector but is represented in all sectors.

While Unio organises most professional groups for which college degrees are required, and Akademikerne recruits among groups with extensive academic education, LO and YS are also open to these groups and have a fair number of members with higher education. Unio also competes to some degree with Akademikerne, meaning that there is a higher degree of union competition in Norway than in the other Nordic countries.

There has been a substantial shift in the balance among the confederations over recent decades. During the period following World War II, LO was dominant, with more than 40% of the employed as members, and approximately 80% of all union members. As new confederations have been established and the balance between blue- and white-collar workers has shifted, LO's share of the total number of union members has fallen, even though the number of members has increased significantly. Despite the relative decline in membership, LO with all of its unions is still the largest organisation in both private and public sectors, and dominates the bargaining rounds.

In Figure 3-2, trade union density is measured on the basis of membership statistics and employees in the Labour Force Surveys. The aforementioned stability of trade union density can be noted, as can the steady decline in the density of LO and similar growth for the other confederations and independent unions. However, a slight fall in total density from the 1990s onwards can be seen, bringing the union density rate back to the level of the 1970s.

Figure 3-2 Trade union density by confederation, 1972–2012



Source: Fafo 2013

3.2 Employers’ organisations

There are five main actors on the employers’ side—of which two represent private sector companies, two represent the public sector and one represents members from both sectors (mainly public). These are listed in Table 3-2, together with the number of member enterprises and the total number of people employed in them.

Table 3-2 The largest employers’ associations in Norway as of 31 December 2012

Name	Member enterprises	Employed
The Confederation of Norwegian Enterprise (NHO)	21,211	574,303
Virke, the Enterprise Federation of Norway	16,485	211,247
Spekter	219	188,665
The state	n/a	147,000
The Norwegian Association of Local and Regional Authorities (KS)	953	466,214

Source: Statistics Norway and Prop. 1 S (2012–2013)

Confederation of Norwegian Enterprise (NHO)

The only confederation in the private sector is the Confederation of Norwegian Enterprise (*Næringslivets Hovedorganisasjon*, NHO), which was the result of a merger in 1989 between N.A.F., founded in 1900, and two industry and craft associations. Altogether, NHO comprises 21,211 firms with 574,303 employees (31 December 2012), mainly within manufacturing but also within construction, craft trades and the service sector.

All members belong to one of 21 nationwide sector branch federations²⁴ as well as to one of 15 regional associations. The sector associations protect branch-related interests, while the regional associations offer a local point of contact between companies and authorities at the regional level. The largest of the federations is the Federation of Norwegian Industries, which was the result of a merger between the two large industrial federations of NHO, the Federation of Norwegian Manufacturing Industries and the Federation of Norwegian Process Industries. This federation has 2,534 member companies with 132,646 employees.

NHO and its federations combine the role of an employers' association with that of a business and industrial interest organisation. Although the federations negotiate separately with their counterparts, NHO exerts a strong central authority over the federations regarding bargaining and the conclusion of collective agreements with LO and YS unions, and is party to all their collective agreements. In addition, many white-collar collective agreements are independent of branches and are renewed by NHO on behalf of several federations.

The primary objective of NHO is to simplify the contents of collective agreements and labour law and to decentralise wage formation. This objective is shared with other employers' associations.

Virke, the Enterprise Federation of Norway

Virke, the Enterprise Federation of Norway is the primary employer partner within trade and private services and consists primarily of smaller firms, totalling 16,485 members with 211,247 employees. Virke represents, among other businesses, retailers, wholesalers, importers, commercial agents, travel agencies, publishers, retail pharmacies, IT firms, service companies and interest organisations and associations including substantial parts of the voluntary sector in Norway.

As with NHO and its associations, Virke is a combined business and employer organisation. Virke has no branch employers' federations, and it negotiates wages and collective agreements at the national level with LO and YS on behalf of all Virke's members in each agreement area.

²⁴ See annex for a list of federations and URLs to their websites.

Spekter

In 1993, a new employer organisation, the *Association of Public Owned Enterprises* (NAVO), was founded to meet the needs of semi-autonomous state enterprises. As more enterprises were separated from the state administration, NAVO grew rapidly. In 2002, the organisation made a leap when the public hospitals in Norway were organised as health trusts, all of which became members of NAVO.

Because some of the member enterprises have been restructured, made into joint-stock companies and (partly) privatised, the organisation today includes a variety of companies and enterprises among its members—a total of 219, with 188,665 employees. In 2007 NAVO changed its name to *Spekter*.

Spekter mainly undertakes the role of an employers' association and is developing the role of an interest organisation. It aims to establish a bargaining and wage system where as much as possible is agreed within individual enterprises.

The state

In the *state sector* (state administration), the government is the formal employer, and the main negotiation rounds are currently the responsibility of the Ministry of Government Administration, Reform and Church Affairs. Today, this sector has approximately 147,400 employees,²⁵ a number that has been reduced considerably during the past 20 years because of reforms leading to many employees being transferred to autonomous state-owned enterprises, and local governments taking over responsibility for bargaining with teachers in primary and secondary schools.

The Norwegian Association of Local and Regional Authorities (KS)

The local public sector is represented by the *Norwegian Association of Local and Regional Authorities* (KS). KS is a national members' association for municipalities, counties and public enterprises under municipal or county ownership. All municipalities and counties are members. KS is an employers' and central bargaining organisation, an advisory and consultative body, and it represents its members and advocates on their behalf with central government. As a central bargaining agent, KS negotiates on behalf of 953 employers with a total of 466,214 employees. Oslo, the capital city, is a member of KS but bargains on its own and has its own collective agreements.

Other organisations

In addition to these five larger organisations, there are a number of smaller, independent employers' associations. The largest is Finance Norway—FNO (Finans Norge)

²⁵ Fornying-, administrasjons- og kirke departementet (2012): Prop. 1 S (2012–2013).

with 271 member enterprises with 39,347 employees, and the Norwegian Shipowners' Association (Norges Rederiforbund) with 159 members employing 45,200 people, many of whom are foreign employees on Norwegian owned ships in international shipping.

The relationship and shift in balance among the employers' associations

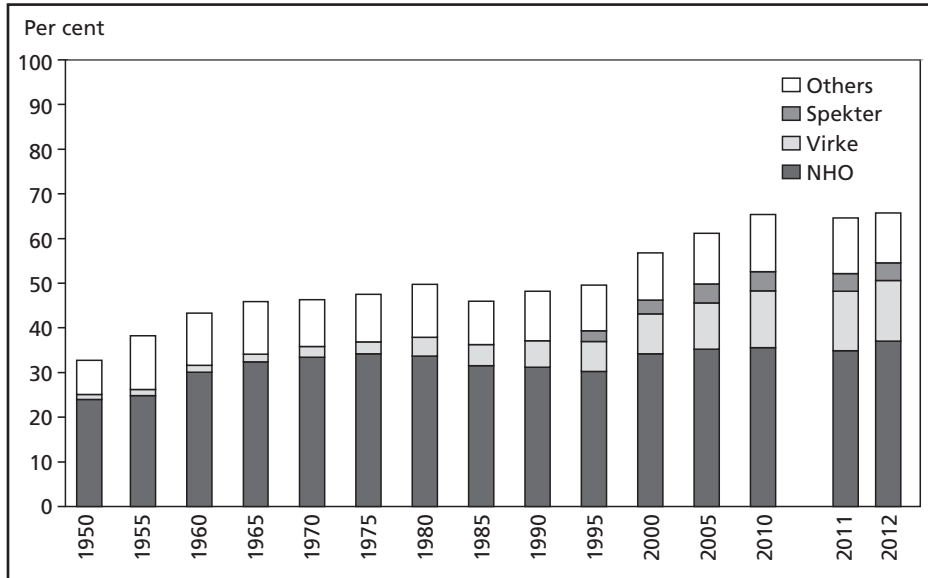
There is a relatively clear demarcation of bargaining territories, although there have been examples of tensions and of enterprises moving their membership between associations. As former state-owned companies have become partly privatised, the boundaries between territories have become more blurred. However, although Spekter today is home to member enterprises that are purely private, NHO has always been the dominant organisation in the private sector and remains so today. Over the past decade or so, competition has increased between NHO and Virke, especially in the private service sector.

Density of employers' organisations

Altogether, approximately 1,653,000 workers are employed in enterprises that are members of employers' associations (including the state) as of 31 December 2012, according to Statistics Norway. If the state is included, this accounts for 75% of all employees. Thus, employers are better organised than employees (compared with a union density of just above 50%). In the private sector, the density of employers' associations amounts to approximately 65%. While the trade union density has been relatively stable, the density of employers' associations within the private sector has almost doubled since 1950 (figure 3-3). However, in contrast to the situation with the trade unions, many European countries have a higher density on the employers' side than Norway and the other Nordic countries.

As with the trade unions, the density of employers' associations increases with company size.

Figure 3-3 Employer organisation density (employees in member enterprises) by confederation, 1950–2012.



4 Collective bargaining

4.1 Introduction

As briefly explained in the chapter on legal framework, the collective bargaining system is a multi-tiered system in which centralised concertation is complemented by workplace structures of co-operation and negotiation.

Norwegian collective agreements have a strictly hierarchical order. The basic agreements define principal goals and lay down principles and procedures, and are included as the first part of sector-level agreements that, together with the company agreements, set out the actual provisions on wages and working conditions. Company agreements, including pay systems, cannot breach provisions in sector-level agreements.

Collective bargaining agreements exist to regulate standard wage rates and working conditions. They define obligations for both employers and employees, and grant rights. Not only are wages determined by the collective bargaining agreements but also collective agreements contain a variety of provisions concerning social issues and benefits for workers in bound firms, such as holidays, sick leave and training. For example, ordinary working hours are 37.5 hours a week as set by collective agreements, while statutory maximum working hours, according to the Working Environment Act, are 40 hours a week.

The early retirement scheme AFP is also an example of bargained welfare. The scheme originally granted employees covered by a collective agreement the right to retire at the age of 62. After the 2011 pension reform, the AFP scheme mainly is a supplementary pension for employees covered by collective agreements. Although AFP is mainly financed by employers, the state also contributes through tax relief.

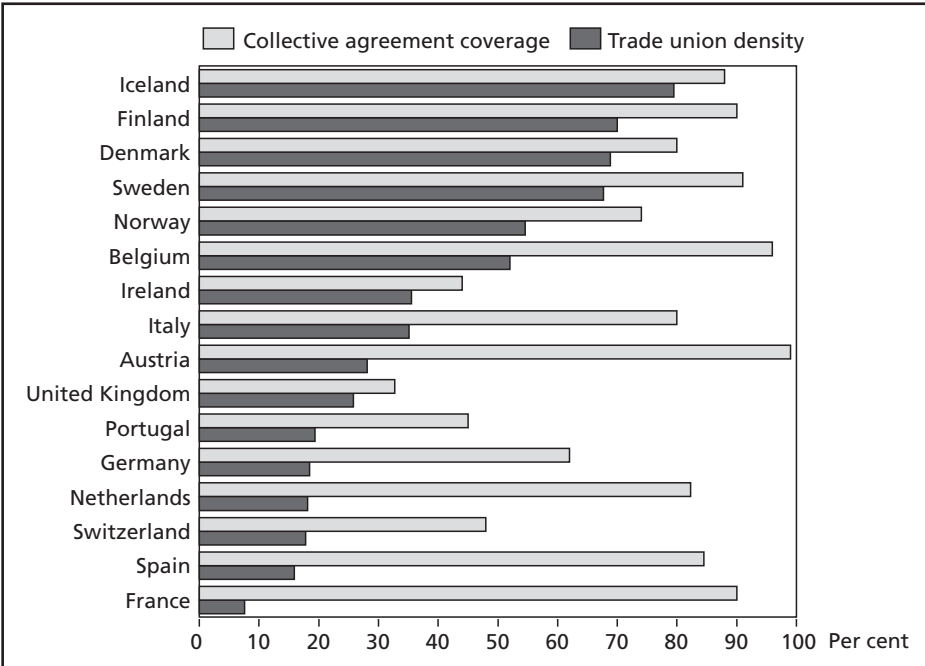
4.2 Collective agreement coverage

According to the Labour Force Survey (2012), 54% of all employees in the private sector state that they are covered by a collective agreement.²⁶ Given that the public

²⁶ In the public sector, all employees are covered. Therefore, the coverage in both the state and the municipal sector is 100%.

sector has 100% coverage, the coverage of collective agreements in the whole labour market is approximately 70%. This number reflects a high union density, large public sectors, rules ensuring that collective agreements are applied to all employees in the private companies covered, and union efforts to strike application agreements with companies that are not members of any employers' association.²⁷

Figure 4-1 Union density and bargaining coverage in 16 countries*



* Density numbers from 2010, collective agreement coverage numbers from around 2009/2010/2011.

Source: OECD Employment Outlook 2012

Figure 4-1 shows union density and collective agreement coverage in 14 European countries. As can be seen, Norway has a relatively high union density and relatively modest collective agreement coverage. The reason that European countries such as Austria, Italy and France have high collective agreement coverage in spite of low union density is the existence of institutionalised mechanisms for extensions of collective agreements even if the work-force is not enrolled in unions. In this way, the coverage is primarily a function of a high unionisation rate among the *employers*, not the employees. In Norway until the mid-2000s, no such extension mechanisms had

²⁷ Dølvik, J.E. (2007). *The Nordic regimes of labour market governance: From crisis to success story?* Oslo: Fafo.

been applied.²⁸ Collective agreements are activated on the basis of trade unions being in place, and most agreements require at least 10% union membership in a company before a trade union can demand activation.

4.3 Wages and the general application of wage agreements

In companies that are regulated by collective agreements, the wage system is part of the agreement. The systems and wage levels vary according to industry and agreement. Blue-collar workers typically have a fixed system where skill and seniority are basic elements. White-collar workers normally have individually determined wages, and the parties engage in bargaining over the yearly increase of these wages at the company level.

For blue-collar workers, minimum wages are usually set in the nationwide collective agreement accompanied by bargaining at the local level to decide the actual wage. Some industries have so-called “normal wage” agreements, which mean that the nationwide agreement actually decides the wage rates within the industry. However, central agreements within the Spekter area (except in the hospital sector) stand out because they contain no wage rates at all; these are delegated to local agreements between companies and unions.

Collective wage systems may also contain elements of variable pay based on performance or results; for example, piecework wages and bonuses based on individual or company performance. The share of employees in the private sector with variable pay (bonus, piecework, commission, etc.) increased from 12% at the beginning of the 1990s to 37% in 2009.²⁹

There is no statutory minimum wage in Norway, but wage agreements normally contain minimum pay rates. Some employers’ associations support a statutory minimum wage, but the unions are opposed to this because they are afraid that it will weaken the importance of collective bargaining. This issue has been actualised during recent years as a consequence of the enlargement of the European Union, leading to a large increase in the number of work immigrants entering Norway from Eastern Europe. This has caused concern about possible social dumping and low wage competition. As early as 1992, the government proposed a minimum wage in industries confronted with many immigrants looking for work, but this was rejected by the trade unions. Instead,

²⁸ A kind of extension mechanism—the Act relating to general application of wage agreements—is described later (wage systems).

²⁹ According to calculations made by Fafo based on the Norwegian working environment and living conditions surveys.

the *Act Relating to General Application of Wage Agreements*³⁰ was passed to prevent potential negative aspects of immigration. The Act gives a government-appointed Tariff Board³¹ the right to decide whether the individual provisions of a nationwide collective agreement, in part or in full, shall apply to all employees, either foreign or Norwegian, who work within the scope of the agreement. This instrument was first used in October 2004, when the Tariff Board ruled in favour of a partial extension of three collective agreements at seven onshore petroleum installations. The case was brought before the Tariff Board by trade unions on the grounds that foreign workers at the seven sites were subject to substandard pay and employment conditions. Later, this general application was followed by similar rulings in certain other sectors and areas such as the construction sector, agriculture (the green sector), shipyards and the cleaning industry. The act includes a principle of “joint and several liability” where the main contractor will be made liable for the obligation of the subcontractor(s) to pay wages according to the extended provisions. The act also allows trade unions to resort to boycotts in cases where extended provisions are not adhered to by companies, while the Norwegian Labour Inspection Authority may call in the police and penalise the employer.

4.4 Private sector bargaining

The settlement period lasts two years and allows for wage renegotiations for the second year. During the biennial bargaining round, the entire contents of a collective agreement are open for revision.

Various bargaining models have been employed during recent decades. The degree of co-ordination within and across sectors varies between bargaining rounds. Bargaining basically alternates between the highest intersectoral level and the industry level in the private sector. As the dominant trade union confederation, LO's General Council decides whether negotiations are conducted centrally or by national branch organisations. This alternation provides the trade unions with flexibility in the choice of the level and form of co-ordination. Over the past two decades, the main renegotiations between LO and NHO have only taken place on the intersectoral level on two occasions (2000 and 2008). Intermediate or mid-term bargaining rounds are always centrally co-ordinated and normally focus on pay.

³⁰ An English translation of this act can be found at: http://www.regjeringen.no/upload/AD/kampanjer/Tariffnemnda/Allmenngjoringsloven_sist_endret_2009_engelsk.pdf.

³¹ This Board consists of one representative from the employers' organisations, one from the trade unions, and three neutral representatives appointed by the government.

LO and YS unions regularly conduct ballots on the results of a main bargaining round. Ballots are not a legal requirement and are less common among white-collar unions.

Co-ordination of the negotiations takes place even when bargaining occurs at the industry/branch level, on both the trade union and employer sides, and in recent decades, NHO has actually increased its co-ordination role. An observation regarding the Norwegian bargaining system over recent decades is that co-ordination is not dependent on the practice of intersectoral bargaining (centralised bargaining at the confederate level) but that other means of co-ordination are equally important.

4.5 Public sector bargaining

The settlement period in the public sector lasts two years and allows for wage renegotiations in the second year. The bargaining rounds of the local government and *Spekter* sectors are regulated by the Labour Disputes Act, while the state sector is regulated by the Civil Service Disputes Act.

In the *state sector* and *Spekter area*, agreements are settled with bargaining cartels of unions from the confederations, which can commit individual unions.

In the *local government sector* (municipalities), cartels of unions from the four confederations also form the central partners for bargaining with KS. However, in the local government sector, individual unions may go on strike independently of the cartel, because it is the individual unions that are party to the agreements.

Collective agreements often must be approved by a ballot vote of the union members covered by the agreement. Even KS conducts a ballot among its members.

Tension in the bargaining rounds in the state and local government sector has increased over the past 20–25 years. Two recurring controversies have produced a number of strikes. The first is that while the results within the LO-NHO area, or the so-called trend-setting industries (export-oriented sectors such as the metal industry), signal an economic framework that is regarded as a guideline for the rest of the economy, white-collar workers in manufacturing often experience higher wage increases. The bargaining parties in the public sector argue that both groups should be included in the wage guidelines applied to public employees, a principle that has gradually been accepted over the past decade or so. The second concerns relative wages. The wage structure within the public sector is compressed compared with the private sector, which has resulted in a private–public sector wage gap among employees with higher education.

4.6 Company-level bargaining and local agreements

Bargaining is conducted at both the sector and local (company) levels. Centralised bargaining for wages and collective agreements is therefore usually supplemented with bargaining at the company level, between each undertaking and the local union(s) of the undertaking. Local bargaining is conducted under a peace clause, which means that strikes are prohibited. The negotiations at the undertaking level are conducted by local parties without involving central parties, unless the local parties are unable to agree on a revised agreement.

While a two-tiered bargaining model has always been the model in substantial parts of the private sector, public sector bargaining until the 1990s was only centralised at the national level. However, since the 1990s, local bargaining has also been widely used in the public sector.

In addition to pay, the parties at the company level can enter into negotiations over a number of other subjects. Among these are working hour schemes, wage systems, occupational pensions and other types of welfare schemes.

4.7 Mediation and disputes

Resolutions of disputes concerning the revision of collective agreements largely rely on mediation, which in practice is compulsory. The Labour Disputes Act functions as the legal basis for mediation with the exception of disputes involving the public administration, in which case the Act Relating to Civil Service Disputes forms the legal basis. A permanent National Mediator (Riksmekler) is appointed by the Government to serve for a period of three years at a time. In addition a number of special mediators are appointed for limited periods of time or for certain cases, as well as a permanent deputy for the National Mediator. The National Mediator must be notified of all strikes and lock-outs beforehand, and the mediator can prohibit the parties from implementing a strike or lock-out until mediation has concluded. Compulsory mediation is common in Norwegian wage negotiations, and the practice of compulsory mediation is uncontroversial.

Procedures concerning local bargaining are usually given in the sectoral collective agreements. Break-downs in local wage bargaining are generally solved by arbitration in the public sector, while in the private sector, the employer usually has the final word. Two exceptions are worth mentioning.³² In parts of the manufacturing sector,

³² Stokke, T. Aa. (2008). The Anatomy of Two-tier Bargaining Models. *European Journal of Industrial Relations*, 14(1), 7–24.

work efforts and the corresponding wages can be reduced to 45% during a bargaining impasse. Moreover, in the Spekter area, local negotiations are conducted during pauses in sectoral negotiations. Local disagreements can thus be transferred to the closing sectoral-level negotiations.

4.8 Work stoppages

Because of the extensive obligation to maintain peace and strict regulations concerning the use of industrial action, the level of conflict has been low and is mainly associated with short-term, although sometimes large-scale, strikes during renegotiations of agreements. The trend is also towards fewer working days lost, as shown in Tables 4-1 and 4-2. Measured by the number of strikes per year, Norway tends to rank low in European comparisons. The lock-out is a legal measure in Norway but is rarely used. Measured by working days lost, the ranking is medium (Table 4-2).

Table 4-1 Work stoppages in main bargaining rounds 2000–2012³³

	2000	2002	2004	2006	2008	2010	2012
Work stoppages	29	16	12	12	10	2	11
Workers involved	93,889	9,865	9,873	29,109	12,963	114	41,820
Working days lost	496,568	150,775	141,179	146,758	62,568	526	360,643

Source: Work stoppages, Statistics Norway. http://www.ssb.no/arbkonfl_en/

If a strike or a lock-out can cause “serious damage to society”, the government may present a special act to parliament to end a work stoppage. The dispute must then be resolved by an arbitration board, the National Wages Board ((Rikslønnsnemnda).³⁴ Decisions to ban a conflict and to invoke the National Wages Board (compulsory arbitration) are proposed by the government and adopted by parliament. Use of compulsory arbitration was frequent until the 1980s, and its use in disputes that were not threatening essential services, thus violating international conventions, was criticised

³³ Only stoppages lasting at least one day are counted. Stoppages falling outside this parameter are few but may include occasional political strikes, which are allowed in Norway as long as they are short.

³⁴ The National Wages Board is regulated by law and deals with voluntary arbitration in disputes over interests as an alternative to industrial action. The board is independent of the government and consists of three unaffiliated experts and two permanent representatives from employers’ and employees’ organisations, who are all appointed for three-year terms, in addition to two representatives from each of the disputing parties (in disputes involving the state sector, one representative from each side). Requests for voluntary arbitration are rare, so the board is used more frequently for ad hoc compulsory arbitration.

by the ILO. During recent years, the government has been more cautious in its use of this instrument.

Table 4-2 Working days lost per 1000 employees, yearly average 1981–2009

	1981–1990	1991–2000	2001–2009
Spain	637	331	125
Italy	585	128	51
Finland	373	135	53
Ireland	325	95	22
Great Britain	292	22	27
Denmark	160	167	106
Norway	93	94	36
Sweden	83	30	27
France	70	66	106
Belgium	46	29	54
Germany	27	9	5
Netherlands	17	29	9
Austria	2	4	1
Switzerland	0	2	3

Note: Based on basic data from ILO and Eurostat (1981–2000) and EIRO (2001–2009).

In summary, it could be said that the Norwegian system is a well-regulated system of collective agreements with a peace clause that remains in force outside the negotiation period every second year. The nationwide collective agreements are supplemented by extensive agreements at the undertaking level that make it possible to adjust to local needs in a flexible way. Most negotiations are carried out within a fairly limited period in the spring. The organisations on both sides are strong and are marked by a high degree of centralised power and a moderately high density; but at the same time, the system is dependent on strong local partners at the company level that agree to implementation of central accords and to collective bargaining at the company level.

5 Tripartite concertation

5.1 Introduction

Industrial relations in Norway have been marked by the strong presence of the state in wage setting, mediation and the settlement of disputes, as well as by the statutory regulation of workers' rights.³⁵ However, co-operation has gradually been extended into many political and work–life issues. Thus, the Norwegian model is a corporative one in which the social partners have a central role in social governance. The employers' associations and trade unions are closely involved in the preparation of new legal acts and labour regulations, and work in close co-operation with the government, public administration and the Members of Parliament. Co-operation also occurs at levels ranging from company to state, and over the past century, many forums have been created for union representatives and employers to meet.

The state has therefore been an active part of the development of the Norwegian model, and the parties have bound themselves both to the model and to the procedure for its development.

5.2 The corporative institutions

Development and change are often achieved by establishing committees appointed by the government or ministries in which organisations participate. These committees may suggest policies related to issues such as income policy, bargaining procedures and labour market policy. In this way, the three sides develop the model in a continuing process, and changes in central labour issues are rarely completed without a preceding dialogue. However, strong permanent institutions have also been established.

Income policy co-operation is institutionalised through the *Contact Committee* (*Regjeringens kontaktutvalg for inntektsoppgjørene*) established in 1962. This is an informal committee directly under the prime minister, where the government can discuss with the parties the basis for wage formation and put forward its views before the wage bargaining rounds, to moderate inflation and wage growth. Today, all the

³⁵Dølvik, J. E. (2007). *The Nordic regimes of labour market governance: From crisis to success story?* Oslo: Fafo.

larger organisations on the employers' and trade unions' side, as well as farmers and fishers, participate in these meetings.

Five years later the *Technical Calculation Committee for Wage Settlements* (*Teknisk Beregningsutvalg*) was established, for which the Ministry of Labour has administrative responsibility. This committee plays a central role in ensuring as far as possible that the social partners and the authorities have a shared understanding of the situation in the Norwegian economy and that the parties to collective wage negotiations agree on the statistical material underlying the negotiations. The tripartite committee, which consists of representatives of the authorities and of the larger organisations on both the employers' and trade unions' side, submits two reports every year that form the basis for wage negotiations.

In response to the social partners' need for a current dialogue on important labour market policy issues, the government established *Arbeidslivspolitisk råd* in 2003, for which the Ministry of Labour has administrative responsibility. The main organisations at the trade union and employer side participate. In 2008, the government extended the scope of this committee to undertake forthcoming evaluations of pension reform in connection with the pension settlement, and the committee accordingly changed its name to *Arbeidslivs-og pensjonspolitisk råd* (i.e. the Advisory Committee on Labour Market and Pension Issues).

5.3 Income policy

An example of the close co-operation between the three parties at the central level is the so-called '*Solidarity Alternative*' from the first part of the 1990s. The economic boom of the 1980s suffered a hard landing; Norwegian companies' competitiveness was weakened, and unemployment increased. To overcome this crisis, the state and social partners agreed to pursue a Solidarity Alternative, whereby centralised income policies should aim at lowering unit costs by 10% compared with trading partners, and at the same time reduce unemployment and secure growth in real wages of at least 0.5% a year. As part of the agreement, the trade unions obtained the safeguarding of key welfare rights, such as the sick pay scheme, and the introduction and expansion of a generous early retirement scheme.

This Solidarity Alternative demonstrated broad political consensus and the commitment of the social partners to continued concertation. From time to time, employers have declared a goal of more flexibility for companies and labour deregulation but have sacrificed this for the aim of regaining control over wage determination and avoiding inflation and strong wage growth. Employers and the government were attracted by the unions' capacity to deliver wage restraint, while LO obtained ambitious employ-

ment and labour market policies together with a guarantee to maintain major welfare schemes. The main partners largely kept to their commitments, and employment objectives were fulfilled, facilitated by economic growth rates beyond what had been expected.³⁶ A central feature of this turnaround was the use of trade union influence to secure a pattern of distribution and a policy that enhanced legitimacy and popular consent. In this way, the trade unions in particular have influenced the broad parameters of state policy within an institutionalised social compromise.

Although the Solidarity Alternative evaporated under a new economic upswing in the late 1990s, new rounds of co-operation on income policy were initiated under subsequent governments of different colours.

By the end of the 1990s, the Norwegian economy was once again faced with significant challenges, and subsequent government appointed ad-hoc committees were set up to deliberate on strategies to improve employment, economic growth and wage formation. Such committees were also set up in 2002 and 2012. The main purpose of these committees has been to discuss and to deliberate upon the Norwegian model of wage formation in the face of increasing international competition and new monetary and fiscal policies. The latest committee will examine, among other issues, wage formation in a situation where the national wage growth rate has been considerably higher than among Norway's main trading partners.

The activities of these committees—in which an increasing number of union confederations and employers' associations have been included over past 10–15 years have contributed to a shared acknowledgement of the main principles of wage formation in Norway. At the same time, the nature of this type of tripartite committees—with broad representation from the labour market parties—has allowed continuous adjustments to the way in which the wage formation model translates into the annual wage negotiations. Today, for example, the outcome of pay negotiations in the exposed industries in the private sector is not just calculated on the basis of wage increases among blue-collar workers alone, but those among white-collar workers are now also part of the equation.

Generally, there have been only limited changes to the present bargaining system, in spite of modifications to the way in which co-ordinated wage setting takes place as well as changes in macro-economic policies over recent years. In fact, bargaining co-ordination has been strengthened, sometimes even across confederations. Parallel to these developments, the local bargaining level in the Norwegian two-tier bargaining system has been maintained, and in many ways strengthened because increasing numbers of industries and sectors now conduct local or enterprise-level negotiations.

³⁶ Dølvik, J. E. & Stokke, T. Aa. (1998). Norway: The Revival of Centralized Concertation. In A. Ferner & R. Hyman (eds), *Changing Industrial Relations in Europe*. Oxford: Basil Blackwell.

5.4 Labour market policy

Another important recent example of tripartite concertation is the *Co-operation Agreement regarding a More Inclusive Working Life*.

In response to high inflow rates from medical leave and disability benefits during the 1990s, the Norwegian government decided on the unusual route, at least from an international perspective, of shifting parts of the responsibility for solving these issues onto social partners. To reduce the outflow from the labour market into health-related benefits and early retirement schemes, a tripartite agreement was signed for the period 2001–2005 between the government and the social partners to co-operate on strengthening active measures at the work-place—the *Inclusive Workplace Agreement*.³⁷ Revised versions of the agreements have been signed, the most recent for the period 2010–2013. The main idea behind this initiative is that the work-place is the principal arena where progress could and should be made.

The main goals of the IA Agreement are:

- to prevent and reduce absence due to illness,
- to facilitate return to work, and
- to improve the working environment, as well as prevention of expulsion and withdrawal from working life.

The three national sub-goals of the IA Agreement are:

- a 20% reduction in sick leave compared with the second quarter of 2001,
- an increase in employment of people with reduced functional ability, and
- a six-month extension (on average) of active employment after the age of 50.

A special agreement of co-operation was drawn up between individual enterprises and the authorities; that is, the National Insurance Service (today part of the Norwegian Labour and Welfare Organisation). Enterprises signing the agreement committed themselves to working systematically for the reduction of absence due to illness. In return, the authorities provided these enterprises with both administrative and financial support for their efforts to bring employees on prolonged sick leave or disability benefits back to work.

At the end of the first agreement period, it was clear that the objectives were far from attainment; although studies suggested that the climate for constructive co-

³⁷ An English translation of this can be found at: <http://www.nav.no/English/Publications>.

operation related to risks of exclusion had improved in IA enterprises and that the level of absenteeism due to illness had been reduced considerably. One limitation was that the work tended to be orientated towards the employees already in the enterprise and that little had been done to recruit people with impaired functional capacity or older workers, which was also a part of the commitment undertaken when registering as an IA enterprise.³⁸ However, because the IA concept had gained considerable support in Norwegian work-places and among the social partners, the government and the social partners agreed to enter into a renewed IA agreement for a further period (2006–2009 and 2010–2013).

5.5 A durable model

Central concertation has prevailed through shifting political regimes in Norway and has encouraged further co-operation and compromise in politics as well as in labour relations. Increased organisational pluralism has led to a periodic increase in tension both within and between the trade unions and the employers' associations. Today, there are 10 main actors — the government and the trade union confederations and employer organisations mentioned in Chapter 3.

³⁸ An assessment by the OECD (2005), *The Inclusive Workplace Agreement: Past Effects and Future Directions*. An interim OECD assessment can be found at: <http://www.oecd.org/dataoecd/4/12/36892986.pdf>.

6 Relations at the company level

Strong central power embedded in Norwegian labour relations is combined with a significant decentralisation of the following three central issues.

- Co-determination
- Health and safety activities
- Bargaining and local agreements (See the chapter on collective bargaining.)

These three issues are traditionally dealt with as strictly separate arenas with separate regulations.

Employee representation and participation structures are established on the basis of agreements between the social partners and the legal framework, and can vary between arrangements based on contact with shop stewards/trade union representatives and those based on representatives elected by and for all employees within companies. Although important elements such as working environment committees and board representation are based on representation of all employees, trade unions nevertheless play a significant role in these bodies because most employees are unionised, at least in larger work-places. The Norwegian system is typified by an amalgamation of trade union representation and employee representation.

Employee representation and participation structures have been an intrinsic part of Norwegian industrial relations for a long time. Employees, trade unions and employers appear to recognise the value of participatory structures, both in relation to company development and production, and as a mechanism to improve the working conditions of ordinary workers. The parties at the central level also pursue joint co-operation in enterprise development, which includes the funding of company-level projects that act to encourage co-operation and participation.

6.1 Co-determination in company development

Collective agreements providing shop stewards and company-level trade unions with the right to information, consultation and negotiations in a range of areas are probably the most important form of representation in the day-to-day running of companies.

Furthermore, both the legal framework and collective agreements establish formal structures enabling employees to be represented and heard. Company-level trade unions and their representatives play an important role in the Norwegian participatory system and in structures for employee representation laid down by legislation, such as representation on company boards.

Basic agreements regulate the rights and duties of workers' representatives and company management with regard to participation and co-determination (information, consultation and negotiations). They also establish formal participatory bodies. Basic agreements between the trade unions and employers' associations make provisions for the establishment of *co-operative committees* (works councils) in the private sector. The Basic Agreement between the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) has more or less set the norm, making co-operative committees compulsory in companies with more than 100 employees. In the public sector, there are similar arrangements.

These co-operative committees are bipartite bodies composed of an equal number of employee and employer representatives. The LO-NHO Basic Agreement stipulates that:

Matters that are of material importance for the employees and their working conditions, which relate to the activities of the enterprise, substantial investments, changes in systems and methods of production, quality, product development, plans for expansions, reductions or restructuring, shall be submitted to the council for its opinion before any decision is made.

Basic agreements also provide for other types of structures, such as co-operative committees for groups of enterprises and divisional councils for companies with more than 200 employees.

The amendments seek to implement the 2002 EU information and consultation Directive (2002/14/EC) (EU0204207F) by incorporating its provisions, as an independent section, in the revised Act. The Act thus now stipulates the issues on which the employer has to inform employee representatives, the companies covered by the rules and the way in which the information should be given. It also lays down rules on how sensitive information is to be handled. It is further emphasised, however, that the social partners themselves may agree on how this duty to inform and consult may be put into practice. Information and consultation rights are, in many parts of the Norwegian labour market, already regulated by collective agreements (NO0309102T). It is thought that the new regulations will mainly be relevant where no collective agreements exist.

The Working Environment Act also stipulates the issues on which the employer has to inform employee representatives, the companies covered by the rules and the way in which the information should be given.

A survey conducted by Fafo in 2009³⁹ among companies with more than 10 employees showed that eight out of 10 employees claimed to have employee representatives of some form at their work-place. Large differences between public and private sector were found: 100% in public and 60% in private. Fafo also asked whether any representative body was established and found that only 14% in the private sector answered that there was no representative body. In the public sector, 3% in the state sector and 15% in the municipal sector reported no arrangements.

Beyond participation and representation in the work-place, employee representation on the boards of companies is regulated by the *Limited Liability Companies Act* and the *Public Limited Liability Companies Act*. Although there are other relevant acts, the majority of legal arrangements in this area are based on the principles of these acts. Employees have the right to demand board-level representation in companies that have had an average of at least 30 employees during the previous three years. In companies with more than 50 employees, employees are entitled to one-third of all the board members and a minimum of two representatives. Employee representatives are elected by and from employees.

Companies that in the previous three years have had an average of over 200 employees must also elect a corporate assembly, one-third of whose members are chosen by and from the employees. The corporate assembly elects the company board, and the electoral rules stipulate that employees may elect one-third of the total number of board representatives with a minimum of two representatives. The employee representatives have the same rights and duties as the shareholders' representatives. In companies with trade unions, leading union representatives in the company are often elected as board members.

Employee representation on the board of companies was a hot issue in the years around 1972, when the Limited Liability Companies Act was met with considerable scepticism in parliament and among employers. Nonetheless, today employee board-level representation is generally accepted and viewed positively. For the unions, it is an arena for obtaining information, for meeting shareholders and for exerting influence on vital decisions. For the managers and shareholders, it is a useful arena for bringing in employees' knowledge and perspectives and for anchoring decisions among the employees. In the Fafo survey from 2009, two-thirds of the employees in companies with more than 30 employees confirmed that employee representatives to the board had been elected. Other studies⁴⁰ have shown that company size is very important: among companies with 30–49 employees, 37% have employees on the board, increasing to 75% in companies with more than 200 employees.

³⁹Falkum, E. et al. (2009). *Bedriftsdemokratiets tilstand*. Oslo: Fafo.

⁴⁰Hagen, I. M. (2008). *Ansatte i styret: statusrapport 2007*. Oslo: Fafo.

6.2 Health and safety activities

The Working Environment Act makes working environment committees compulsory in all enterprises with more than 50 employees, and in enterprises with between 20 and 50 employees if required by one of the local parties. These committees are bipartite bodies composed of an equal number of employee and employer representatives. The various duties of these committees include considering questions relating to plans that may be of material significance for the working environment, in areas such as rationalisation schemes, work processes and hours of work arrangements.

The act also makes it compulsory for all companies⁴¹ to have a number of safety representatives. Their aim is to safeguard the interests of employees in matters relating to the working environment, both physical and psychosocial. Their number depends on the size of the establishment, the nature of the work and the working conditions in general, and the company is responsible for financing their training. They have considerable power: if a safety representative considers that the life or health of employees is in immediate danger, he or she may halt the work until the Labour Inspection Authority has decided whether it may be continued. A recent report⁴² based on a large survey shows that approximately 80% of all companies with more than 10 employees have safety representatives, and the main conclusion is that the safety representative system overall is well established and functions well. The report also shows that the representatives have power: approximately 20% of them have used the right to halt work because of danger to life or health.

To reduce the risk of accidents, damages and health problems in the building and construction industry, which is characterised by frequent changes in the work-force, a tripartite arrangement of regional safety representatives for building and construction activities was established in 1981. These mobile delegates are financed by companies and operate across all companies and building sites within a region. They are also assigned the role of safety delegates according to the law within companies that do not have elected delegates of their own. In 2012, similar arrangements regarding regional safety representatives were introduced into the cleaning industry and hotels and restaurants.

⁴¹ In companies with fewer than 10 employees, the parties may agree to have other arrangements.

⁴² Torvatn, H., Forseth, U. & Andersen, T. K. (2008). *Partner for arbeidsmiljø – det norske verneombudets rolle og funksjon*. SINTEF Technical report. Trondheim: SINTEF.

7 Norway and the European Union

Norway is not a member of the European Union, but the country is incorporated into the EU single market through the EEA agreement of 1994, which sets framework conditions for companies and labour relations. The single market rules for free movement, competition, state support as well as minimum worker rights rules of the single market apply to Norway, which is obliged to implement bound by new legislation at the EU level. With respect to worker rights, the main rule is that the EU decides minimum standards, while although the countries may have higher standards.

7.1 Legislation and regulations

*Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to **collective redundancies*** is a consolidation of two directives from 1975 and 1992.⁴³ This directive commits the employer to informing workers about planned redundancies and to discussing the reduction of negative effects with employee representatives. The Basic Agreement contained some provisions on information and consultation, but as a consequence of the EEA agreement, the more comprehensive directive provisions on collective redundancies were included in the Norwegian Working Environment Act, which also applies to companies not bound by the Basic Agreement.

*Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of **transfers of undertakings, businesses or parts of undertakings or businesses***, consolidating two directives from 1977 and 1998,⁴⁴ is implemented through a chapter in the Working Environment Act, and led to a strengthening of the individual employee's rights as well as of the status of the collective agreements.⁴⁵ The regulations ensure that the rights

⁴³ Council Directives 75/129/EEC and 92/56/EEC.

⁴⁴ Council Directives 77/187/EC and 98/50/EC.

⁴⁵ Ødegaard, A. M. (2008). *Europeiske reguleringer og partssamarbeid*. Oslo: Fafo.

and obligations of the former employer, concerning employment conditions, shall be transferred to the new employer. The new employer will also be bound by collective agreements binding the former employer unless he declares in writing that he does not wish to be bound by it. The transferred employees will nevertheless have the right to retain the individual working conditions follow from the collective agreement until it expires. The regulations are furthermore protecting employees against dismissal and safeguarding employees' rights to information and consultation a reasonable time before a transfer takes place.

*Council Directive 94/45/EC of 22 September 1994 on the establishment of a **European Works Council** or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees and the Directive 2009/38/EC (Recast directive)* secures the rights for employees in multinational companies to make transboundary agreements on information and consultation. The directive relates to companies with more than 1,000 employees within the EEA on condition that at least two subsidiaries in different countries employ 150 workers. The parties can agree on a European Works Council (EWC), and the directive contains minimum provisions. A consequence of this directive is the establishment of collective trans-boundary bodies representing all employees, which improves the contact between workers across borders and in most cases will improve the social dialogue within the group of companies. In Norway, the directive was implemented through agreements additional to the basic agreements, which in turn were made generally applicable to all companies through law.

*Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for **informing and consulting** employees in the European Community* gives a framework for information and consultation with the workers at the national level. The directive gives the workers rights to information and consultation on the economic and staffing situations, as well as on decisions likely to lead to substantial changes in work organisation or in contractual relations. In Norway, the directive led to the inclusion of new statutory provisions in the Working Environment Act because these issues have traditionally been dealt with in the basic agreements. Only minimum provisions are incorporated into the law, meaning that private companies with fewer than 50 employees are not included if not covered by a collective agreement.

In 2001, the EU agreed on a statute for the so-called European companies (SE) followed by the *Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a **European company** with regard to the **involvement of employees***. In Norway, Directive 2001/86 was implemented through an amendment to the new law on European companies (*Lov om europeiske selskaper ved gjennomføring av EØS-avtalen*) in 2005.

The *posted workers directive* (96/71/EC) applies to employees of foreign companies from an EU/EEA country temporarily stationed in another EU/EEA country.⁴⁶ The directive stipulates that these workers are entitled to a core of statutory working conditions in the host country, including provisions relating to the work environment, work and rest time, paid vacation and minimum pay as well as overtime pay. Minimum and overtime pay apply only if anchored in legislation or generalized collective agreements. In Norway, the directive has been incorporated into the working environment act, and through an administrative provision under this act (*Regulations of 16 December 2005 No. 1566 Concerning posted workers*).⁴⁷ The administrative provision stipulates that a number of the act's provisions on working time, work environment and employment contracts are applicable. The same applies to the act relating to holidays and to its provisions on holiday and holiday pay. Because there is no statutory minimum wage in Norway, the regulation does not prevent posted workers being paid at the level of their country of origin even when this pay is lower than comparable wages in Norway.⁴⁸ The exception to this rule is workers in areas covered by a collective agreement that is made generally applicable in accordance with the 1993 act on extension of collective agreements (see paragraphs 4.3 and 7.2).

The *EU services directive* (2006/123/EC) regulates the right to provide services and to establish business activities across borders. The directive requires the removal of obstacles to the free establishment of businesses and provision of services within the EU/EEA area. Norway had in fact very few such obstacles. The directive was incorporated into the Norwegian legal framework through the Services Act (Act of 19 June 2009 no. 103 on the provision of services). The implementation of the directive did not go unnoticed in Norwegian working life, and a number of labour organisations called on the authorities to stop the implementation of the directive by means of a "veto" in the EEA-committee. They feared that the directive could undermine national practices with regard to workers' protection, consumers' rights and the provision of public services. Two of the main confederations on the union side, LO and Unio, opposed the implementation, as did two of the three parties in the red–green coalition government

⁴⁶ This paragraph and the paragraphs on the EU services directive and the temporary agency work directive are based on NOU 2012: 2 *Utenfor og innenfor*, page 443 onwards.

⁴⁷ The Labour Inspectorate: Regulations concerning posted workers: <http://www.arbeidstilsynet.no/binfil/download2.php?tid=100387>.

⁴⁸ The interpretation of the Posting directive has in recent years been subject to controversy between employers and unions. In 2008 the employers challenged the extension in the shipyard sector granting posted workers the right to compensation for travel, board and lodging. The employers' legal complaint was finally rejected by the Supreme Court in 2013 (see 7.2).

at the time. Nevertheless, the majority of the political parties as well as the employer organisations supported the directive.

The EU *directive on temporary agency work (2008/104/EC)* establishes the principle that workers hired from temporary work agencies are entitled to equal treatment with ordinary employees in the enterprise that hires them. Moreover, the countries under the directive are vested with a duty to remove restrictions on the use of hired labour, unless these may be justified as necessary to protect greater societal interests. In Norway, the directive has been implemented by means of new provisions in the Working Environment Act and thereby establishing the principle of equal treatment in the legal framework. The government also launched a number of supplementary measures to counteract substandard employment practices in the temporary work agency industry. A number of measures have been introduced in order to ensure compliance with the principle of equal treatment. Similar rules have also been introduced in most collective agreements. The company making use of hired labour has also joint and several liability; that is, it is responsible for the payment of wages, holiday pay and other types of remuneration in accordance with the principle of equal treatment in situations where this principle has been violated by a temporary work agency.⁴⁹

The directive on temporary agency work was controversial in Norway, and large parts of the trade union movement opposed the implementation of the directive in Norwegian law. The reluctance was grounded particularly in concerns that the existing Norwegian rules on labour hire may be considered in violation of the EU/EEA rules on the free movement of workers. It also lent weight to the argument that the new rules may generate greater acceptance of temporary employment strategies. The employer side has welcomed the directive in principle but has expressed concern that the equality principle will make it more expensive to use labour from temporary work agencies.

7.2 Measures to combat social dumping

Norway has seen large-scale immigration following the EU enlargement in 2004, when a number of eastern and central European countries became members of the European Union. The EEA Treaty Agreement means that the EU rules on the free flow of labour and services apply to work carried out in Norway. By the end of 2011, approximately 100,000 workers from the new EU countries were registered as working in Norway, either as ordinary workers or as posted workers. The number of people who came to

⁴⁹ For more information, see <http://www.regjeringen.no/en/dep/ad/topics/The-working-environment-and-safety/midtpalte/the-eu-directive-on-temporary-agency-wor.html?id=709611>

work in Norway dropped in the aftermath of the international financial crisis in 2008 and 2009 but rose again from 2011. By 2013 more than 250,000 workers from other EU/EEA states were employed in Norway, accounting for around 60% of net employment growth in recent years.

The majority of migrant workers from the new EU countries are men, many of whom are employed in the building and construction sector, in parts of the manufacturing industry or in temporary agencies providing temporary manpower to these industries. A substantial part of these workers are on short-term stays. In the wake of increased migration came reports of substandard wages and working conditions, and measures against social dumping have therefore featured high on the agenda of the national authorities, the trade unions and employer organisations. The government has implemented a number of new measures aimed at limiting the number of cases where immigrant workers are subject to conditions that deviate substantially from the norm in Norwegian working life. The fight against social dumping is on the agenda of tripartite co-operation between the labour market parties and the State.⁵⁰

Among the most important measures introduced are the following.

- The general application of minimum terms in collective agreements within building and construction, shipping and offshore yard industries, the green sector and in the cleaning industry
- Increased responsibility vested in primary contractor with respect to the wage and working conditions in subcontracting companies in the form of an information and supervisory obligation as well as joint and several liability
- Improved right of access to information of shop stewards within areas or industries subject to general application
- Strengthening of the Labour Inspectorate (Arbeidstilsynet) through increased funding and improved enforcement powers and sanctions
- Mandatory registration of temporary agencies
- Mandatory certification schemes within the cleaning industry
- Collectively agreed pay as a requirement in relation to public procurements
- Tripartite industry programs in vulnerable industries

The general application of collective agreements

The possibility of making collective agreements generally applicable was introduced into the Norwegian legal framework in 1993. The instrument was first applied in

⁵⁰ Several of the control and enforcement measures have been contested by the employer side, amongst others joint and several liability in subcontractor chains and the shop stewards' right to information about working conditions for posted workers in areas subject to extension of collective agreements.

2004. A decision to extend an agreement is made by the government-appointed Tariff Board. A decision by the board takes the form of extending one or more provisions of a collective agreement—that is, on minimum pay or other working conditions—which then are made applicable to all work performed by Norwegian and foreign workers within a given industry (see 4.3). In those areas where a collective agreement has been made generally applicable, the primary contractor is vested with a duty to ensure that the conditions under the agreement are met, and shop stewards are awarded the right of access to subcontractors' wages and working conditions under the terms of a Tariff Board decision. The primary contractor also has joint and several liability for the entire subcontracting chain under the terms of a generally applicable collective agreement. Efforts to provide equality for foreign labour through the general application of collective agreements has given rise to some opposition. As such, several shipping and offshore yards filed a petition against the state in 2009, stating that an earlier decision to make a collective agreement in the industry generally applicable was in breach of existing EU regulations (the posted workers directive). The case lingered in the courts until 2013, when the state was acquitted on all counts by the Supreme Court.

Improved inspection and control

The Labour Inspectorate has been awarded greater powers with regard to enforcing the regulations. It has also seen an extension of its budget. Moreover, it has conducted campaigns to combat social dumping. A compulsory ID card scheme has been introduced within the building sector, a mandatory registration scheme is in place in the temporary work agency industry, and a mandatory certifications scheme – included compulsory ID cards – has been introduced for cleaning companies. It is illegal to buy staffing or cleaning services from companies not registered or approved through these schemes. The scheme involving regional safety officers—which has been an important mechanism in the building and construction industry—has been extended to the cleaning industry and the hotel and restaurant industry. Regional safety officers enjoy a special responsibility for businesses that do not have elected in-house safety officers.

Collectively agreed pay in public procurements

New regulations have also been introduced whereby public procurers are obliged to demand that collectively agreed wage and working conditions are adhered to in connection with public procurements above certain thresholds. This covers minimum rates of pay, included overtime pay and shift bonuses, working time and compensation for travel, board and lodging given in collective agreements, or provisions in collective agreements that had been made universally applicable. The rules implemented ILO Convention No. 94 into the Norwegian legal framework (*Public Procurement Act*),

and cover procurements made by central government as well as local authorities. The ILO Convention was ratified by Norway in 1996. However, it was only after the EU enlargement of 2004 and the large-scale labour and service immigration that followed, that it was seen as necessary for Norway to take measures to ensure compliance with the convention.⁵¹ The regulations were controversial because the ESA—the control and monitoring body of the EEA—believed that, at least in their original form, they violated EU/EEA law. The Norwegian authorities later adjusted the legislation, and therefore the ESA have chosen not to pursue the case.

The principle of equality for temporary agency workers

New regulations on labour hire from temporary work agencies and staffing agencies were introduced in 2013 (see paragraph 7.1). As a result of the implementation of the EU directive on temporary agency workers, the principle of equality between temporary agency workers and ordinary workers has been incorporated in the Norwegian legal framework. In addition to the equality principle, the new rules include provisions on joint and several liability vested on the employer (i.e., the hirer of temporary labour), as well as the right of access for shop stewards in the hiring company to information about the wages and working conditions of temporary agency workers and a duty for the hiring company to consult shop stewards on the use of temporary work agencies. The new regulations will have a significant bearing on the situation of migrant workers since migrant workers constitute a significant proportion of manpower employed through temporary agencies in Norway. Equal treatment has not previously been regulated under the law, and the temporary work agency industry has very few organised workers, and it has only been covered to a limited degree by collective agreements. The implication of this is that wages and working conditions have generally been arranged between the individual temporary employees and their temporary work agencies.

Co-operation

The social partner organisations in working life co-operate in many areas with a view to combating social dumping. In the building and construction sector, the parties early on established a collaborative forum on transparency, accountability and decency in the building industry (*seriositet i byggebransjen*). Tripartite industry programs, to some extent based on the experience gained in the building sector, have also been introduced in other vulnerable industries to strengthen health and safety in the work-place and to aid efforts towards decent and transparent working conditions. The cleaning industry

⁵¹ See Forskrift om lønns- og arbeidsvilkår i offentlige kontrakter (Regulation on pay and working conditions in public contracts). <http://www.lovdata.no/cgi-wift/ldes?doc=/sf/sf/sf-20080208-0112.html>

was singled out as a pilot industry, and the program was initiated in 2011. In 2013 similar programs are to be introduced in the transport sector and the restaurant sector.

7.3 Social dialogue at the European level

Norwegian labour relations are influenced both directly and indirectly by the European system of social dialogue. Some of the regulations that are made binding for Norway originate from agreements negotiated by the social partners in the social dialogue at the European level, where Norwegian actors take part. Norwegian organisations are involved in the European social dialogue through their European federations and confederations. The European social dialogue can be divided into two main parts: the cross-sectoral dialogue and the sectoral dialogue.⁵² The European Works Councils have also resulted in a new arena for information and consultation at the enterprise level in multinational companies.

The national confederations in Norway take part in the cross-sectoral social dialogue. The European Trade Union Confederation (ETUC) is the common actor from the trade union side. LO, YS and Unio (but not Akademikerne) are all full members of the ETUC. On the employers' side, there are two main actors: BusinessEurope, of which NHO is the sole Norwegian member, and the European Centre of Employers and Enterprises providing Public Services (CEEP), in which Spekter, KS, Virke and the Ministry of Government Administration, Reform and Church Affairs take part.

The social dialogue at the industry level takes place in 41 different industrial sectors.⁵³ The parties are primarily trade union federations and employers' associations. Because there is a limit of 20 representatives for each party within these committees, Norwegian trade unions and employers' associations have become more dependent on their Nordic sister organisations as the number of EU countries has increased, and Norwegian organisations mostly have observer status.⁵⁴

⁵² Ødegaard, A. M. (2008). *Europeiske reguleringer og partssamarbeid*. Oslo: Fafo.

⁵³ According to ETUC, April 2009.

⁵⁴ Dølvik, J. E. & Ødegård, A. M. (2004). *Ti år med EØS-avtalen: konsekvenser for norsk arbeidsliv og fagbevegelse*. Oslo: Fafo.

8 Norway's participation in the ILO

Norway has been a member of the International Labour Organization (ILO) since the organization was founded in 1919. In recent years, Norway has been a highly active participant in the labour conference as well as on the ILO board. In 1947, a separate tripartite Norwegian ILO Committee was established, with representatives of the authorities, the trade unions and the employers' organisations, chaired by the Ministry of Labour. The committee acts as an advisory and consultative organ to the government, and must be heard and included in consultations pertaining to all issues that follow from Norway's membership of the ILO. The following trade unions and employer organisations are represented in the Norwegian ILO committee: the Norwegian Confederation of Trade unions (LO), Unio, the Confederation of Vocational Unions (YS) and The Federation of Norwegian Professional Unions (Akademikerne), the Confederation of Norwegian Enterprise (NHO), the Enterprise Federation of Norway (Virke), The Employers' Association Spekter and the Norwegian Association of Local and Regional Authorities (KS). The Ministry of Labour, the Ministry of Foreign Affairs, the Ministry of Trade and Industry and Norwegian Labour Inspection Authority participate on behalf of the authorities, and the committee is chaired by the Ministry of Labour. Norway sends a tripartite delegation, with representatives of the state, trade unions and employers' organizations, to the annual international labour conference.

Norway has signed two-year programme agreements with the ILO, and the agreement for the period 2012–2015 (covering programme periods 2012–2013 and 2014–2015) commits Norway to increasing its contributions to the ILO's activities. In particular, resources have been spent on supporting the ILO's follow-up of the decent work agenda, through specific ILO projects at the country level and support for the country programmes. Priority issues include rights, social dialogue, gender equality, labour inspection and efforts to combat child labour.

In 2008, the government submitted a strategy comprising seven items that aim to strengthen and coordinate the efforts to promote workers' rights in other countries and thus supplement the programme for combating social dumping in Norway – “The Norwegian strategy to promote workers' rights globally”. The strategy describes what Norway will do to promote workers' rights globally, and also how Norway's policies with regard to the ILO can be reinforced. Through amendments to its mandate and composition, the Norwegian ILO committee has helped establish closer collaboration and a more coordinated stance on the part of the authorities. Demands for protec-

tion of workers' rights are now given the same political priority as gender equality and human rights. As regards trade policy, with Norway as a driving force the EFTA countries have now introduced provisions that require commitment to protection of the environment and workers' rights in trade agreements entered into by the EFTA countries. . A key point in the strategy is that particular efforts should be devoted to monitoring of compliance and enforcement of laws and regulations.

For further reading

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- Dølvik, J. E. & Stokke, T. Aa. (1998). Norway: The revival of Centralized Concertation. In A. Ferner & R. Hyman (eds.), *Changing Industrial Relations in Europe*. Oxford: Basil Blackwell.
- Dølvik, J. E., Andersen, J. G. & Vartiainen, J. (forthcoming 2014). The Nordic social models in turbulent times: Consolidation and renewal. In J. E. Dølvik & A. Martin (eds.), *European social models faced with global crisis* (Working title). Oxford University Press.
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Magnusson, L., Jørgensen, H. & Dølvik, J. E. (2008). *The Nordic approach to growth and welfare: European lessons to be learned?* Brussels: ETUI-REHS.

Moene, K. O. & Wallerstein, M. (2006), The Scandinavian Model and Economic Development. *World Bank Development Outreach*, February.

Fafo-publications (pdfs) are available at www.fafo.no

Other sources

European Industrial Relations Observatory (EIRO): Eironline, www.eurofound.europa.eu/eiro/country_index.htm

Documents from the ministries

NOU 2008: 6 *Gender and Pay. Facts analyses and measures to promote equal pay.* Summary <http://www.regjeringen.no/en/dep/bld/documents/Reports-and-plans/Reports/2008/gender-and-pay-facts-analyses-and-measur.html?id=511691>

NOU 2012: 2 *Outside and Inside Norway's agreements with the European Union* Official Norwegian Reports NOU 2012: 2 Chapter 1 <http://www.regjeringen.no/nb/dep/ud/dok/nou-er/2012/nou-2012-2-2.html?id=669909>

Meld. St. 29 (2010-2011) Report to the Storting (white paper). *Joint responsibility for a good and decent working life* Short version http://www.regjeringen.no/en/dep/ad/doc/veiledninger_brosjyrer/2011/joint-responsibility-for-a-good-and-dece.html?id=653474

Meld. St. 5 (2012–2013) Report to the Storting (White Paper) The EEA Agreement and Norway's other agreements with the EU <http://www.regjeringen.no/nb/dep/ud/dok/regpubl/stmeld/2012-2013/meld-st-5-20122013.html?id=732538>

Meld. St. 12 (2012–2013) *Report to the Storting (white paper) Long-term Perspectives on the Norwegian Economy 2013 – a summary* <http://www.regjeringen.no/en/dep/fin/Documents-and-publications/propositions-and-reports/Reports-to-the-Storting/2012-2013/meld-st-12-2012-2013.html?id=726741>

International Migration 2011-2012 – IMO report for Norway (report to the OECD)
http://www.regjeringen.no/en/dep/ad/doc/rapporter_planer/rapporter/2013/international-migration-2011-2012.html?id=711645

The Norwegian Social Insurance Scheme 2013 http://www.regjeringen.no/en/dep/ad/doc/veiledninger_brosjyrer/2013/the-norwegian-social-insurance-scheme-20.html?id=716026

Key Figures 2013: Key figures for the Norwegian economy, main figures of the Fiscal Budget and rates of direct and indirect taxes. <http://www.regjeringen.no/en/dep/fin/Documents-and-publications/Guidelines-and-brochures/2013/key-figures-2013-overview-and-rates-of-d.html?id=712698>

Equality 2014 - the Norwegian Government 's gender equality action plan <http://www.regjeringen.no/en/dep/bld/documents/Reports-and-plans/Plans/2010/equality-2014---the-norwegian-government.html?id=697592>

Annex: Internet addresses

Trade unions

The Norwegian Confederation of Trade Unions (LO)

www.lo.no

See also brochure: 'The Norwegian Confederation of Trade Unions, This is LO' <http://www.lo.no/Documents/english/thisisLO%202011.pdf>

Norwegian United Federation of Trade Unions (FF)	www.fellesforbundet.no
Norwegian Engineers' and Managers' Association (FLT)	www.flt.no
Norwegian Union of General Workers (NAF)	www.arbeidsmandsforbundet.no
The Electrician and IT Workers' Union (EI & IT)	www.elogit.no
Norwegian Union of Social Educators and Social Workers (FO)	www.fo.no
Norwegian Prison and Probation Officers' Union (NFF)	www.fengselogfriomsorg.no
Norwegian Union of Employees in Commerce and Offices (HK)	www.handellogkontor.no
Norwegian Union of Railway Workers (NJF)	www.njf.no
Norwegian Manual Therapist's Union (NMF)	www.manuell.no
Norwegian Musicians' Union (NM)	www.musikerorg.no
Norwegian Union of Municipal and General Employees (NUMGE)	www.fagforbundet.no
National Union of Norwegian Locomotivemen (NLF)	www.lokmann.no
Norwegian Food and Allied Workers' Union (NNN)	www.nnn.no
Norwegian Union of Military Officers (NOF)	www.nof.no
Norwegian Union of Industry and Energy Workers (IE)	www.industrienergi.no
Norwegian Union of Postal and Communication Workers (Postkom)	www.postkom.org
The Labour Press Union (APF)	www.a-p-f.no
Norwegian Seafarers' Union (NSF)	www.sjomannsforbundet.no
Norwegian Union of School Employees (SL)	www.skoleneslandsforbund.no
Norwegian Civil Service Union (NTL)	www.ntl.no
Norwegian Transport Workers' Union (NTF)	www.transportarbeider.no
Norwegian Players' Association (NISO)	www.niso.no

The Confederation of Vocational Unions (YS)

www.ys.no

Military Officers' Association (BFO)	www.bfo.no
Norwegian Association of Librarians	www.bibforb.no
Norwegian Union of Marine Engineers (DNMF)	www.dnmf.no
Association of Pharmacy Technicians	www.farmasiforbundet.no
Finance Sector Union of Norway	www.finansforbundet.no
Norwegian Union of National Defence Civil Servants	www.personellforbundet.no
Norwegian Union of Municipal Employees (Delta)	www.delta.no
Negotia (private sector white collar workers)	www.negotia.no
Bank of Norway Staff Union	www.nbff.no
Norwegian Police Leadership Association (NPL)	www.politilederen.no
Norwegian Association of School Leaders	www.nslf.no
Norwegian Customs Union	www.norsktollerforbund.no
Norwegian Union of Energy workers (SAFE)	www.safe.no
Parat	www.parat.com
Union of correctional service employees (KY)	www.kysiden.no
Union of Civil Servants in Norway	www.stafo.no
Union of transport company employees (YTF)	www.ytf.no
Vocational Union of work and welfare	www.avyo.no
Vocational Teachers Union	www.ly.no
Norwegian Association of Dairymen (NML)	www.nml.no
National federation of tax employees (SkL)	www.skl.no

The Confederation of Unions for Professionals (Unio)

www.unio.no

Union of Education	www.utdanningsforbundet.no
Norwegian Nurses Organization	www.sykepleierforbundet.no
The Norwegian Association of Deacons	www.diakonforbundet.no
Norwegian Association of Researchers	www.forskerforbundet.no
Norwegian Police Federation	www.pf.no
Norwegian Physiotherapist Association	www.fysio.no
The Norwegian Engineering Association (DNMF)	www.dnmf.no
The Norwegian Association of Occupational Therapists	www.netf.no
The Norwegian Association of Clergy	www.prest.no
Akademikerforbundet	www.akademikerforbundet.no
The Norwegian Society of Radiographers	www.radiograf.no
The Norwegian Association of Tax Auditors and Accountants	www.skatterevisor.no

The Federation of Norwegian Professional Associations (Akademikerne) www.akademikerne.no

Norwegian Union of Salaried Architects	www.afag.no
The Norwegian Medical Association	www.legeforeningen.no
The Norwegian Dental Association	www.tannlegeforeningen.no
The Norwegian Veterinary Association	www.vetnett.no
Norwegian Association of Masters of Science in Business and Administration	www.econa.no
Association of War Academy Trained Officers	www.kol.no
Norwegian Association of Natural Scientists	www.naturviterne.no
The Norwegian Association of Lawyers	www.juristforbundet.no
Norwegian Association of Graduate Teachers	www.norsklektorlag.no
The Norwegian Psychological Association	www.psykologforeningen.no
The Association of Social Scientists	www.samfunnsviterne.no
The Norwegian Association of Economists	www.samfunnsokonomene.no
The Norwegian Society of Chartered Technical and Scientific Professionals	www.tekna.no

Independent federations

Aviation Officials Association (LFF)	www.luftfarten.no
Norwegian Actors' Equity Association	www.skuespillerforbund.no
Norwegian Air Traffic Controllers' Association (NATCA)	www.natca.no
Norwegian Airline Pilots Association (NF)	www.flyger.no
Norwegian Association for Choreographers, Dancers and Pedagogues (NoDa)	www.norskedansekunstnere.no
Norwegian Association of Midwives	www.jordmorforeningen.no
Norwegian Association of Pharmacists (NFF)	www.farmaceutene.no
Norwegian Crew Association (NKF)	www.kabin.no
Norwegian Filmworkers Union	www.filmforbundet.no
Norwegian Organisation for Managers and Executives	www.lederne.no
Norwegian Shipping and Offshore Federation (NSOF)	www.sjooff.no
Norwegian Union of Aircraft Engineers (NFO)	www.nfo.no
Norwegian Union of Journalists (NJ)	www.nj.no
The Norwegian Society of Engineers and Technologists (NITO)	www.nito.no
Union for Senior Administrative, Management and Technical Positions (ALT)	www.alt.no

Employers' organisations

Confederation of Norwegian Enterprise (NHO)

www.nho.no

See also brochure: www.nho.no/getfile.php/filer%20og%20vedlegg/Managing_the_elements_lavopploest2.pdf

Branch federations in NHO

Association of Norwegian ICT- and Knowledgebased Enterprises	www.abelia.no
Norwegian Petrol Retailers Organisation	www.bensinforhandlerne.no
Federation of Norwegian Industries	www.norskindustri.no
Federation of Norwegian Building Industries	www.bnl.no
Energy Norway	www.energinorge.no
Norwegian Seafood Federation	www.fhl.no
Federation of Norwegian Aviation Industries	www.nholuftfart.no
Norwegian Federation of Craft Enterprises	www.nhohandverk.no
Federation of Norwegian Food, Agriculture and Forestry Enterprises	www.nhomatoglandbruk.no
Norwegian Logistics and Freight Association	www.ltl.no
Norwegian Media Businesses' Association	www.mediebedriftene.no
Norwegian Association of Motorcar Dealers and Service Organisations	www.nbf.no
Federation of Norwegian Food and Drink Industry	www.nhomatogdrikke.no
Norwegian Oil Industry Association	www.olf.no
Federation of Norwegian Coastal Shipping	www.rlf.no
Norwegian Hospitality Association	www.nhoreiseliv.no
NHO Sports	www.nho.no/nhoidrett
National Federation of Service Industries	www.nhoservice.no
Norwegian Technology	www.norskteknologi.no
NHO Transport	www.transport.no
Norwegian Federation of Graphic Arts Enterprises	www.nhografisk.no

Other employers' organisations

Virke - Enterprise Federation of Norway	www.virke.no
Spekter	www.spekter.no
Ministry of Government Administration and Reform (The State)	www.regjeringen.no/en/dep/fad
Norwegian Association of Local and Regional Authorities (KS)	www.ks.no
Finance Norway (FNO)	www.fno.no
The Norwegian Shipowners' Association	www.rederi.no

Other actors and institutions

The Government	www.government.no
The Labour Court	www.arbeidsretten.no
The Ministry of Labour	www.regjeringen.no/en/dep/ad

See also Brochure about the Ministry. http://www.regjeringen.no/upload/AD/publikasjoner/veiledninger_brosjyrer/2010/AD_brosjyre_2010_eng.pdf

The Norwegian Labour Inspection Authority	www.arbeidstilsynet.no
The National Mediator	www.riksmekleren.no
The Petroleum Safety Authority Norway	www.ptil.no

Laws and regulations

Act relating to Labour Disputes [Labour Disputes Act]
<http://www.regjeringen.no/en/dep/ad/topics/The-working-environment-and-safety/arbeidsrett/the-labour-disputes-act.html?id=437549>.

Act relating to civil servants, etc. [Civil Service Act]
www.ub.uio.no/ujur/ulovdata/lov-19830304-003-eng.pdf

Act relating to gender equality [Gender Equality Act] www.regjeringen.no/en/doc/Laws/Acts/The-Act-relating-to-Gender-Equality-the-.html?id=454568

Act relating to general application of wage agreements etc.
[The General Application Act]
http://www.regjeringen.no/upload/AD/kampanjer/Tariffnemnda/Allmenngjoringsloven_sist_endret_2009_engelsk.pdf

Act relating to holidays [Annual Holidays Act]
www.arbeidstilsynet.no/binfil/download2.php?tid=90352

Act relating to working environment, working hours and employment protection, etc.
[Working Environment Act]
www.arbeidstilsynet.no/binfil/download2.php?tid=92156

Other Norwegian laws mentioned in the report are not available in English.

Regulations by the Tariff Board

Regulations by the Tariff Board are available on
<http://www.regjeringen.no/nb/dep/ad/kampanjer/tariffnemnda/regelverk/forskrifter.html?id=546686>

By August 2013 the following regulations are in force:

Regulations on general application of the Collective Agreement for Agriculture and Horticulture

Regulations on general application of the collective agreement for construction sites in Norway

Regulations on partial general application of the Engineering Industry Agreement in the maritime construction industry

Regulations on General Application of the Collective Agreement for Cleaning Companies

European directives

Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1998:225:0016:0021:EN:PDF

Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2001:082:0016:0020:EN:PDF

Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1994:254:0064:0072:EN:PDF

Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:080:0029:0033:EN:PDF

Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services
eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31996L0071:EN:HTML

Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees

eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2001:294:0022:0032:EN:PDF

Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market

eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32006L0123:EN:NOT

Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on Temporary Agency Work

eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:327:0009:0014:EN:PDF

DIRECTIVE 2009/38/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast)

eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:122:0028:0044:EN:PDF

Agreements in English

Basic Agreement LO-NHO 2010-2013 with supplemental agreements

www.lo.no/Documents/english/Basic_Agreement_2010_2013.pdf

Basic agreement for the state sector 2006-2008 http://www.regjeringen.no/upload/kilde/fad/ret/2006/0006/eng/pdfv/285035-hovedavtalen_2006_engelsk.pdf

Collective Wage Agreement for the Building Industry (FOB) 2012 – 2014

<http://www.fellesforbundet.no/Lonns--og-arbeidsvilkar/Tariffavtaler/Byggfag---Fellesoverenskomsten2012---2014-engelsk-versjon/?attachment=true>

Industry Agreement 2012 – 2014

www.fellesforbundet.no/Lonns--og-arbeidsvilkar/tariffavtaler/Industrioverenskomsten-2012---2014-engelsk-versjon/?attachment=true

National Collective Agreement for Hotel and Restaurant Workers

<http://www.fellesforbundet.no/Lonns--og-arbeidsvilkar/Tariffavtaler/Riksavtalen-hotell-og-restaurant--engelsk-versjon-2012---2014/?attachment=true>

Protocol between the employer/employee organisations and the authorities for a joint effort to prevent and reduce sick leave and promote inclusion. 24 February 2010

http://www.regjeringen.no/upload/AD/publikasjoner/web-publikasjoner/2010/IA-protokoll_24022010_eng.pdf

Letter of Intent regarding a more inclusive working life

1 March 2010 – 31 December 2013 (the IA Agreement)

www.regjeringen.no/upload/AD/publikasjoner/web-publikasjoner/2010/IA-avtale_24022010_eng.pdf

Labour Relations in Norway

Labour relations constitute an important part of the Norwegian social model, characterised by strong employers' and workers' organisations and by close cooperation between the government, employers' associations and trade unions, as well as by strong co-determination and participation at company level. This report gives an up to date inter-disciplinary picture by describing the main institutional frameworks and social actors, at both national and enterprise level, within Norwegian working life. The report consists of eight parts; a general introduction, legal framework, the organisations, collective bargaining, tripartite concertation, relations at company level, Norway and the European Union and Norway and the ILO.



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