

The Norwegian model of industrial relations – not for export?

ABSTRACT

Distinctive features of the Norwegian industrial relations model are strong unions and employers' organisations, tripartite collaboration between these organisations and government, a high degree of employee participation and generally close relations between the employees and the top management, collective bargaining and a compressed wage structure. This paper examines the degree to which Norwegian companies transfer all or parts of this model to their subsidiaries in Brazil, India or Estonia; countries that are experiencing a high degree of foreign direct investments, extensive economic growth and relatively low wage-levels.

Data is gathered from case studies of several Norwegian enterprises with activities in one or more of the selected countries. Representatives of management at home and in the host economies as well as representatives of trade unions have been interviewed.

In the enterprises under study, the Norwegian model of industrial relations was not generally exported as a part of the way the subsidiaries were managed. We suggest several explanations. First, there might be difficulties in transferring representative participation as well as collective bargaining due to differences in the institutional framework between Norway and the host economies. India and Estonia have weak unions and employers' organisations, and tripartite collaboration between these organisations and government is relatively weak or fragmented. In Brazil the trade unions generally do not have workplace branches or shop stewards who can represent the workers in dealings with the management. Second, cultural differences might hamper employees' participation. In Estonia, employers emphasised that workers are not trained in democracy and that an invitation to participate in decisions would be perceived as management's weakness. In India, historically, a more paternalistic style of leadership has been practiced and in Brazil the relation between the social partners has traditionally to a large extent been characterised by conflicts.

That said, we also observed that most enterprises did not employ an explicit policy to transfer the Norwegian model of industrial relations. In fact, awareness of the hallmarks of the model seemed to be fairly low. Furthermore, a slogan among the management seemed to be "When in Rome, do as the Romans do". In one of the large enterprises, however, we found an interesting hybrid between a Norwegian and a Brazilian model of industrial relations, developed in close cooperation with the local trade union and in which employees' participation was a main issue.