



English summary
of Fafo-rapport 2022:26

Local wage bargaining in the manufacturing industry

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Prior to the 2022 wage bargaining round, the Federation of Norwegian Industries (Norsk Industri) and the United Federation of Trade Unions (Fellesforbundet) asked Fafo to undertake a study of the way in which the collective agreement for the manufacturing sector (Industrioverenskomsten) functions at enterprise level, with special emphasis on enterprise level wage bargaining. In the study, we have investigated how the parties prepare for the bargaining rounds, including how the criteria for enterprise wage formation are presented and discussed. We have also examined the bargaining process, the results that are achieved and the experiences that the enterprises and the local trade union organisations have with the termination of the agreement on wage systems. The study also addresses questions regarding the development and practical application of enterprise level wage systems and the extent to which the provisions in the collective agreement are applied in the areas of competence enhancement and enterprise development. The study is based on interviews with managers and trade union representatives in 15 enterprises that are encompassed by the collective agreement for the manufacturing sector. The interviews were conducted in February and March 2022.

The main impression is that the parties engage in real, but often quite challenging bargaining, and argue on the basis of the criteria set down in the central level agreement. The enterprise's economic situation is important, but the other criteria are also taken into consideration in the negotiations. The enterprise collective agreement can be terminated if the bargaining rounds fail to end in a resolution. Employers refer to how fear of terminating the local agreement and threats of production slowdown in the form of go-slow industrial action are issues that they take into account when deciding their final offer. The trade union representatives, on the other hand, point out that the opportunity to terminate the agreement and initiate go-slow actions are instruments that help the local trade union organisation to be taken more seriously in the bargaining process.

The wage systems that exist in the area covered by the collective agreement for the manufacturing sector appear to be of a rather traditional nature. Some of the enterprises are planning or have initiated more thorough revisions of their wage systems, but a practical adaptation to the enterprise's needs in the form of minor adjustments is more common. In general, there is no substantial disagreement on wage systems in the form of demands or offers that have been submitted, but rejected by the counterpart.

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