

English summary  
of Fafo-report 2019:05

---

**Wage, working and  
pension conditions in  
the public and private  
child welfare services**

## Wage, working and pension conditions in the public and private child welfare services

---

On behalf of the Ministry of Children and Equality (BLD), Fafo has collaborated with Economics Norway and Bull & Co Law Firm to analyse how and with what consequences wage, working conditions and occupational pensions can be equalised across public and private providers in the child welfare services.

As a first step in the investigation, we have mapped the extent to which public, non-profit and for-profit providers are present within different areas of the child welfare services. We have also analysed the current wage, working conditions and occupational pensions for the different providers in the market for child welfare services. Our findings show that private providers are involved in all areas of the child welfare services, including child welfare institutions, care centres for unaccompanied minor asylum seekers centres for parents and children, foster homes (as suppliers of foster homes) and within the municipal child welfare services. Private providers have a particularly important role in childcare institutions.

Furthermore, the study reveals significant differences in the wage, working conditions and pensions for employees in public, non-profit and for-profit providers. The conditions are generally better in the public sector. This applies in particular to the institutions, where there is considerable variation in wage, working conditions and pension rights.

Based on the results from the empirical analyses, chapter 9 debates the various regulatory measures that may help minimise these differences. It is difficult to identify one single measure that alone contributes to more equal conditions. We have therefore indicated a need to develop policy packages in order to achieve more equal conditions across public and private providers. We discuss three possible policy packages:

1. In the first policy package, it is suggested that the conditions be made more similar by protecting the non-profit sector (sheltered competition) in combination with promoting social dialogue, for instance regarding the revision of relevant collective agreements, the need for improved employer organisation and the necessary changes in the current regulations for shift work (live-in shifts).

English summary of Fafo-report 2019:05  
Lønns-, arbeids- og pensjonsvilkår i offentlig og privat barnevern  
Kristin Alsos, Ann Cecilie Bergene, Emil C. Bjøru, Jon M. Hippe,  
Jon Helgheim Holte, Karin Ibenholt og Rolf Røtnes

© Fafo 2019

2. In the second policy package, it is suggested that wage, working conditions and occupational pensions be rendered more equal by establishing direct regulatory legal requirements for wage and working conditions, or alternatively using a legal extension of the relevant collective agreements (the general application of the nationwide collective agreement for enterprises)
3. The third policy package suggests that conditions can be aligned by imposing regulatory requirements through the conditions set down in public procurements as well as in different authorisation arrangements, which can ensure that employee conditions in the case of private providers must be equivalent to the those for state employees of the child welfare service.

Chapter 10 presents a socio-economic analysis of the three policy packages. Overall, we consider package 1 to be the least favourable, since it involves profound interventions in the private sector, as well as uncertainties with regard to how easily the capacity of the non-profit sector can be increased to meet public demand for services, and with regard to the quality of the services to be performed during the transition period.

Policy package 2 or 3 is accordingly considered most favourable. Package 3 has the advantage of flexibility, in that it needs no legislative changes, but only changes in how public procurement is carried out. However, it may entail an increased risk of non-compliance with the requirements.