Norway: Developments in working life 2016

Developments in working life in Europe: EurWORK annual review 2016

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
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Political context affecting working life aspects
No information.

The government(s) in office during 2016

<table>
<thead>
<tr>
<th>Government 1</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>In office since / to</td>
<td>16. October 2013 to mid-October 2017</td>
</tr>
<tr>
<td>Name of the head of government (prime minister / chancellor / ...)</td>
<td>Prime minister Erna Solberg</td>
</tr>
<tr>
<td>Name all the parties that are forming this government</td>
<td>The Conservative party and the Progress Party</td>
</tr>
<tr>
<td>List the changes in the composition of the government in 2016</td>
<td>No changes</td>
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Elections and referenda
In the autumn of 2017 parliamentary elections will take place.

Forthcoming significant elections or political events in 2017
There are no forthcoming significant elections or political events in 2017.

Reactions from the social partners on new government’s working life policies
No new government took office during 2016.

Developments in social dialogue and collective bargaining 2016

Major developments in national/peak-level social dialogue 2016

Changes affecting the social dialogue actors and institutions in 2016

Representativeness
There were no major changes.

Major developments affecting the main actors
There were no major changes.

Legislative or institutional changes to the main social dialogue institutions
There were no major changes.

Changes in the social dialogue processes
There were no major changes.
### Main social dialogue topics and outcomes in 2016

<table>
<thead>
<tr>
<th>Themes</th>
<th>Description of issue</th>
<th>Main result</th>
</tr>
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<tbody>
<tr>
<td><strong>General labour market topics</strong></td>
<td></td>
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<tr>
<td>Job creation, reduction of unemployment</td>
<td>Demand for measures to reduce unemployment and create new jobs following economic downturn due to the reduction in oil price.</td>
<td>In the 2016 budget the government allocated 4 billion NOK (around € 421 millions) to combat unemployment. In the revised budget around 200 million NOK (€ 21 million) were given to raise activities in municipalities with high unemployment. The government also increased the number of labour market program places by 1000 a month. Changes in legislation for receiving employment benefits to make it easier to combine benefits and education.</td>
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<tr>
<td>Active labour market policies</td>
<td>No major issues debated in this area</td>
<td></td>
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<tr>
<td>Benefits (unemployment, sickness schemes)</td>
<td>Demand from social partners to extend the period for temporary lay-offs.</td>
<td>Period extended. The economic slowdown caused by the fall in crude oil prices has led to a wave of redundancies in the petroleum sector. During the renegotiation of the trendsetting manufacturing industries collective agreement, the social partners involved sent a joint letter to Prime Minister Erna Solberg asking for changes to the regulations on temporary layoffs. In order to combat rising unemployment and contribute to an agreement, the government proposed new legislation extending the length of temporary layoffs. The bill, which was passed by Parliament in</td>
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<tr>
<td>Taxation and non-wage related labour costs</td>
<td>No major issues debated in this area</td>
<td>May and came into force on 1 July, extends the maximum period for temporary layoffs from 30 weeks to 52 weeks.</td>
</tr>
<tr>
<td>Pension reforms</td>
<td>Defined occupational pension scheme for employees in the front running metal working industry.</td>
<td>The parties agreed on a possible model to be examined further in February 2016. Details still to be discussed.</td>
</tr>
<tr>
<td>Labour market participation of different groups</td>
<td>Labour market participation for seniors.</td>
<td>Report by a tripartite commission delivered to the Minister of Labour and Social Affairs. The commission discussed several amendments in the existing legislation, related to retirement age, removing the right to extended vacation, the right to reduced working time, the employer duty to accommodate, and more, but did not agree on any amendments. The report in no out on consultation among social partners and other stakeholders.</td>
</tr>
<tr>
<td>Working life related themes</td>
<td></td>
<td></td>
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<tr>
<td>Wage setting systems, including the setting of minimum wages</td>
<td>No major issues debated.</td>
<td></td>
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<tr>
<td>Working time regulations</td>
<td>Proposals for changes in the rules on employees with “independent posts” (employees which have great possibilities to decide when and where they do their work) – removing protection from a wider category of employees, evening work – give access to voluntary work between 21 and 23 hours for employees that would prefer to split their working day in two and shift work – giving the employer</td>
<td>A bill related to longer continuous working periods and evening work is out on consultation following the report. Parts of the proposals discussed with social partners in order to try to reach an agreement on the most difficult issues like shift work and removing the working time protection for employees with partly independent positions.</td>
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<tr>
<td>Terms and conditions of employment, including different forms of contracts</td>
<td>Biennial wage negotiations took place. Discussions at sector level between the parties in the ship building industry concerning the conditions applying to posted workers.</td>
<td>Most nationwide agreements were reached without industrial conflict, with the notable exception of hotel- and restaurant sector, where a major strike was undertaken.</td>
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<td>Health, safety and well-being at work</td>
<td>A new working group with representatives of the parties involved and the authorities will describe risk and safety in the petroleum industry and examine potential new measures in a report to be published in 2017.</td>
<td>Debate to be continued.</td>
</tr>
<tr>
<td>Work-life balance related themes, incl. family leaves</td>
<td>No major issues debated.</td>
<td></td>
</tr>
<tr>
<td>Skills, training and employability</td>
<td>Apprentice clause in public contracts.</td>
<td>Legislation proposed to include a clause in major public construction contracts that companies tendering for the offer must have a certain share of apprentices.</td>
</tr>
<tr>
<td>Any other relevant themes/topics addressed in the national level/peak level social dialogue</td>
<td>No major issues debated.</td>
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</table>
Examples of selected significant social dialogue debates

Occupational pension schemes debated

Hardly any of the national collective agreements in the private sector cover occupational pension schemes. Following the public pension reform the issue of occupational schemes have been on the agenda for some years, and it was part of the bargaining round in 2014 and in 2016. In 2014 the parties in the trend setting metal working industry, The Federation of Norwegian Industries (affiliated to NHO) and Fellesforbundet (affiliated to LO) agreed that they would try to reach an agreement before the bargaining round in 2016. They did so in February 2016, and in the bargaining round they asked the government to consider the need for amending the existing legal framework in order to have a legal base for the scheme described in the agreement. However, the content of the agreement, where employees are supposed to register their own individual pension accounts (not collective schemes), and with no consideration taking to women having a longer life expectancy) was controversial among other trade unions affiliated to the Confederation of Trade Unions (LO). One of the major critics came from the female dominated Handel og Kontor arguing that the agreement discriminated against women. Handel og Kontor did also argue that the schemes should be collective and not individual. In the end of 2016, the report for the government was published, and the report paved the way for a possible compromise that could be accepted by all unions as well as the employer side. The parties in the trend setting industries will continue their discussions in order to try to agree on a model.

Claim from ESA threatens the unions support of the EEA agreement

In the autumn of 2016 Norway received a letter of formal notice from the EFTA Surveillance Authority (that monitors compliance with the Agreement on the European Economic Area) concerning the general application of collective agreements. The decisions to extend provisions on travel, board and lodging have been challenged by the employers as infringing the EEA agreement in relation to shipbuilding, but the Supreme court ruled the decision as legal in 2013. The employer organisation the Confederation of Norwegian enterprise made, on the basis of this, a complaint to the ESA. In its letter ESA concludes that all decision on extending agreements with such clauses is infringing the ESA agreement. The government must reply to the letter in the beginning of 2017. The letter by ESA as well as another Supreme court judgement ruling in favour of the employers on the basis of the EEA agreement has raised the temperature in the ongoing debate on whether Norway should continue to be a part of the EU single market or not, and it is expected that this will be an issue on the congress of the Norwegian Confederation of trade unions (LO) in May 2017.

Sectoral and company level social dialogue 2016

In the bargaining round for state employees, the State and the union for academics, Akademikerne, decided to conclude an agreement different for the agreement concluded with other trade union confederation. This implies that there from 2016 to 2018 for the first time will be two collective agreements for state employees. The major difference between the agreements is the wage system.

Main developments - other than wages and working time - from important collective agreements or bargaining rounds

There were no major issues.

Examples of innovative collective agreements (at any level) made during 2016

There were no major issues.
Policies and actions to address pay-inequalities

The recent public debate on pay gaps at the workplace

As Norwegian women are paid only 87 percent of what men are paid, the public debate is still focused on what factors that explain the gap. While part of the gender pay gap can be explained by men and women working in different parts of the labour market or in different occupations, parts are also related to having children. The pay gap between men and women with children is higher than for those without children.

The debate among social partners in 2016 on pay inequality has also been related to labour migrants and posted workers, as such workers especially within construction and manufacturing are paid minimum wage while Norwegian workers are paid above the minimum. Many foreign workers are employed in temp agencies and are not paid for periods where they do not have an assignment. In the metal-working industry the debate between the parties in manufacturing has in 2016 also been related to expenses to travel, board and lodging and whether labour migrants should be paid for traveling to Norway to work or whether they should cover these expenses themselves.

Reports on growing wage diversity especially in the top and the bottom of the pay scale have also been part of the public debate during 2016.

Positions regarding the posted workers directive

Positions of trade unions

The Norwegian Confederation of Trade Unions (LO) has so far welcomed the proposal. However LO stresses that amendments must not reduce the possibility to combat social dumping and that the states must have the right to define the term wage.

Positions of employers organisations

The Confederation of Norwegian Business and Industry (Næringslivets hovedorganisasjon, NHO) has so far not given any official statements on the subject.

Position of the government

The government expresses that they welcome the initiative from the Commission to review the directive to ensure the right balance between free movement of services, protection of workers and fair competition between local and foreign businesses. They support the intention behind the proposal to equal conditions of competition and more predictable rules. It is also important for the Government that the scope of action in national law to establish rules on wage and working conditions for posted temporary workers is retained.

Pay gaps at the workplace

Evidence

The relative wage inequality is greater among men than among women. In addition, men have positions yielding capital income to a greater extent than women. Thus, when capital income is incorporated within the income measure, the development of income inequality reveals larger variation over time.

Holst (2016) has analysed the public debate on equal wage and finds that among other things that people or organisations that are critical of pay equity measure, such as gender equality fund or stricter equal pay legislation, seem to be justifying their position by arguing that the measure will weaken the Norwegian model for wage setting. Conversely, supporters of equal pay initiatives seem to be keen to show that the measures do not go across the model, but rather involves a strengthening and modernisation of the model.

Except for the Labour Inspectorates monitoring of general applicable collective agreements, they do not monitor pay at the work place. Infringement of equal pay regulations could be reported to the Equality and anti-discrimination ombudsman, but in their annual report close to half of the complaints they received in 2015 were related to working life, but no numbers were included of how many of these cases were regarded wage.

**Policies to address pay inequalities at the workplace**

Minimum wage clauses in several collective agreements have been extended in order to ensure a minimum wage floor for all workers within the same industry, that is in the fish processing industry, cleaning, agricultural work, construction, electrical work, transportation and ship building.

**Social partner’s involvement in addressing pay inequalities at the workplace**

There were no new major initiatives.
Promoting the reconciliation of working families and caregivers

Recent policies
Such policies have been high on the agenda over the last two decades, among others with the introduction and strengthening of a paternity leave scheme and reduced rates and guaranteed access to kindergartens. However, there have not been any major changes in 2015-2016.

In 2015 the Government set down an expert committee with a mandate to reflect upon transfers to families with children, including work-related measures. The committee will put forward its report early 2017.

In 2017, the monthly pay out from the cash benefit scheme (for families with small children, not using kindergartens) were increased by NOK 1500 per month (the 2017 budget proposal).

There were new recent measures or policies on caring for dependent relatives in need of long-term care.

Rights to request special working time arrangements, place of work etc.
No new measures regarding the rights to request special working time arrangements, place of work etc.

The role of collective agreements
The research institute Fafo participated as the Norwegian partner in the Slovenian study of gender equality and work-family balance in collective agreements. The input for the Norwegian researchers is unpublished, but shows that collective bargaining can be said to have influenced gender equality regulation and policies in at least two ways. On the one hand regulations in collective agreements have been role models for regulation that have been put into statutory regulations later on. Secondly, topics that have been discussed in collective bargaining have through the tripartite cooperation been put on the agenda and led to new regulations or policies. Regulations meant to promote gender equality can be found both in the Basic Agreement and in the sector agreements. In the former one can find regulations that aim to promote the partners to work for gender equality, while sector agreements regulation tends to give rights and duties to ensure that men and women are treated equally. In most industry agreements one will find regulation on preferential rights of part-time employees, paid leave for fathers in connection with childbirth, paid time off to breast feed and compassionate leave for taking children to doctors, to stay with the children the first few days when starting in kindergarten and more.
There are no provisions for workers providing nursing care for relatives in need within collective agreements, but the legislator has given a right to take time off without payments in these kind of situations.

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