



# Industrial Relations **Norway: Developments in working life 2018**

[Working life in 2018 – Annual review](#)

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## **Political context affecting working life aspects**

There has been no major changes in the legislation or institutions affecting collective bargaining and social dialogue in 2018. The conservative government, appointed in 2013 with support from the Conservative Party of Norway (Høyre) and The Progress Party (Fremskrittspartiet), extended its political base in January 2018 by including The Liberal Party (Venstre). Still a minority government, it was depended on support from the Christian Democratic Party (Kristelig Folkeparti), and the parliament (Stortinget) forced in the spring of 2018 the government to amend the Working Environment Act. The social partners and the government have cooperated well during the year, although some of the unions find that the government do too little to prevent social dumping. The social partners and the government ended the year by presenting a new letter of intent on a more inclusive working life in Norway.

After an internal battle in the Christian Democratic Party in the autumn, the Christian Democratic Party decided to negotiate with the government to establish a formal political platform. These negotiations resulted in January 2019 in the establishment of the first conservative majority-government in Norway since 1985. Next year will tell if this brings a shift in working life policies.

## **Labour market reforms or major packages of working life regulations**

Changes in the Working Environment Act taking effect in 2019:

- A definition of what permanent employment in the Working Environment Act entails.
- A clarification of the duty of information on working hours in the employment contract
- A restriction on the access to hiring from staffing companies

New collective agreement on public sector pension scheme:

The government and social partners negotiated over adjustments to the system and agreed on a new occupational pension scheme for state sector and municipalities adapted to the new national scheme.

## **Social partners' views and reactions on changes in governments and working life policies**

No major changes has caused reactions from the social partners.

## **Developments in industrial relations 2018**

### **Changes affecting the national-level actors and institutions in 2018**

#### *Actors*

No major changes or developments.

#### *Representativeness*

No major changes or developments.

#### *Institutions*

No major changes or developments.

### **Changes affecting the sectoral and company level social dialogue 2018**

No major changes or developments.

#### *Innovation in collective bargaining*

No major innovations made in collective bargaining.

## National social dialogue in 2018 – Scope and Contribution

Theme	Description	Social dialogue interaction	Social dialogue outcome and/or output
<b><i>Employment - Labour market participation of workers with longer term absence</i></b>	A tripartite letter of intent on a more inclusive working life (IA Agreement), signed in December 2018, provide special attention on retaining employees with long-term absence and a greater focus on optimising the working environment (Regjeringen 2018a).	Negotiations between the social partners and the government on a letter of intent running from 2019-2022.	Letter of intent on a more inclusive working life (IA Agreement), signed in December 2018.
<b><i>Benefits - Sick leave</i></b>	In relation to the letter of intent on a more inclusive working life (IA Agreement), the social partners and the government discussed the sick pay scheme and the possibility to alter this, for instance by introducing waiting day/days before sick-pay is given during sick-leave (Regjeringen, 2018a).	Negotiations about whether the IA Agreement should prohibit changes in the sick pay scheme.	The government will not propose changes to the sick pay scheme during the agreement period (2019-2022), but the agreement states that the parties can discuss issues related to sick pay.
<b><i>Taxation and non-wage related labour costs - no</i></b>	The current system of differentiated employers' contributions was revised in 2018 as a result of the new Commission guidelines for regional aid being adopted by the EU Commission and the ESA (Regjeringen, 2018b). Reduced rate on employers' contribution comprise specific industries, such as transport and energy, in specific regions.	No detected social dialogue.	Government decision.
<b><i>Pension reforms - Broader package of pension reform</i></b>	The social partners and the government discussed pension reform along with other topics relevant to the annual wage bargaining round. Detailed negotiations were carried out at industry level.	Tripartite debate with exchange of views.	Issue not closed, ongoing exchange.
<b><i>Work-life balance - Family leave</i></b>	On June 15, 2018, the Storting adopted amendments to the National Insurance Act on parental leave and benefits and extended the leave period from 10 to 15 weeks exclusively for mother and from 10 to 15 weeks exclusively for father, and reduced the common leave period (father or mother by choice) from 26 to 16 weeks (total quota parental leave is 46 weeks).	Informal public discussions and consultations with the social partners (among others) through a written hearing in connection with the government proposal	Legislation passed

<b>Theme</b>	<b>Description</b>	<b>Social dialogue interaction</b>	<b>Social dialogue outcome and/or output</b>
<b><i>Terms and conditions of employment - Temporary agency workers</i></b>	On June 11, 2018, the Storting adopted amendments to the Working Environment Act on permanent employment and hiring from staffing agencies. Strengthened preferential rights for part-time employees. Changes to the rules on permanent employment. Amendments to the rules on hiring in staffing agencies.	Discussions between the government and the social partners over years and a formal consultations through a written hearing in connection with the government proposal	Legislation passed
<b><i>Health, safety and well-being at work - Working environment</i></b>	A tripartite letter of intent on a more inclusive working life (IA Agreement), signed in December 2018, provide special attention on retaining employees with long-term absence and a greater focus on optimising the working environment (Regjeringen 2018a).	Negotiations between the social partners and the government on a letter of intent running from 2019-2022.	Letter of intent on a more inclusive working life (IA Agreement), signed in December 2018, and running from 2019-2022.

*No major social dialogue debates were held on the following themes: Skills, training and employability; Wage setting; Working time*

## **Selected major social dialogue debates**

### *New tripartite letter of intent on a more inclusive working life in Norway*

The social partners and the government (represented by the Minister of Labour and Social Inclusion) signed in December 2018 a new letter of intent on a more inclusive working life (IA Agreement).

The tripartite agreement was first signed in 2001, and has been renewed five times, most recently for the period 2019-2022. The new agreement's overall goal is to reduce the sickness absence and dropout from working life. The agreement also provide special attention on retaining employees with long-term absence and a greater focus on optimising the working environment. New is also the increased awareness of targeting specific challenges in each industrial sector and the prioritizing of the preventive potential of the measures addressing these challenges.

For the unions, it has been a precondition to enter into a new IA Agreement, that the government should not propose changes to the sick pay scheme during the agreement period. This is stated in the new agreement. However, the agreement also states that the parties can discuss issues related to sick pay. Since sick pay in Norway is paid from day one and covers 100 percent of the wage (for yearly wages up to approximately 60,000 Euro), some employers and politicians have suggested introduction of waiting days before sick pay is given during sick leave, and The Confederation of Norwegian Enterprise (NHO) has argued the sick pay scheme should be a topic of discussion (NHO, no date). With the new IA Agreement, the unions have postponed any possible change of the sick pay scheme by at least four years. However, the goal of the agreement is to encourage the social partners and the government to work together to reduce sick leave by at least 10 percent over the four year period.

### *Dialog on temporary work and amendment of the Work Environment Act*

On June 11, 2018, the Storting (parliament) adopted amendments to the Working Environment Act on permanent employment and hiring from staffing companies after a petition for new regulation.

In March 2018, the Norwegian parliament handled several proposals from the opposition to amend the legislation on temporary employment agencies. After a protest from the Confederation of Norwegian Enterprise (NHO), the parliament voted down one proposal to ban the use of temporary employment and another to ban the use of temporary services from employment agencies. However, a majority in the parliament supported a proposal that asked the government for a bill amending the Working Environment Act. In June 2018, the Norwegian parliament passed a bill amending the Working Environment Act, which will come into force in January 2019. In its proposal, the government recognised that a clearer definition of permanent employment was needed, due to the emergence of various forms of employment contracts without certainty of work and income, used in the hiring industry. It also recognised the need to allow employers and unions to enter into local, time-limited agreements on the use of temporary agency workers in construction. In the modified legislation, permanent employment is defined as an ongoing employment without time limit. The statutory rules on termination of employment apply, and employer and employee must agree on a concrete scope of work that commits the employer and ensures predictability of work for the employee. In addition, only shop stewards in companies bound by collective agreements signed by larger nationwide unions will have the right to sign agreements on extensive hiring (Lovvedtak 69 (2017-2018)). The Storting made this limitation applicable in all industries, not only in the construction industry, as proposed by the government.

The unions regarded the amendment a victory in the fight against the excessive use of temporary employment agencies. Employers appreciated that the parliament had not abandoned employment agencies. The temporary work agencies' employer organisation, Norwegian Federation of Service Industries and Retail Trade (NHO Service og Handel)



agreed that it was necessary to limit the use of agency work in the construction industry, but argued that the new regulation would make it difficult for enterprises in other industries to find workers for shorter periods of time. The NHO believes that Norwegian businesses need to have access to employment agencies in order to keep up with international competition, but admitted that it was important to address the challenges created by companies not complying with laws and regulations.

### *Unilateral government actions – without social dialogue*

#### **Government reduced the lay-off period from 49 to 26 weeks**

In connection with the parliament's handling of the state budget, the maximum period of exemption from the employer's obligation to pay during lay-offs was reduced from 49 to 26 weeks.

After the fall in oil prices in 2014 and the subsequent weakening in the labor market, the lay-off regulations were changed to give the companies the opportunity to hold on to competent labor. The maximum period of exemption from wage duty was gradually increased to 49 weeks during 2015 and 2016. The employer has a ten-day pay duty at the start of the lay-off period. In the autumn 2018, the government found the labour market improving, and proposes that the maximum period of exemption from the obligation to pay during lay-offs should be reduced from 49 to 26 weeks for new cases. The government argued that it is important that the income protection schemes support high employment (Regjeringen, 2018c).

The government proposal came without prior consultation with the social partners. Both The Norwegian Confederation of Trade Unions (LO) and The Confederation of Norwegian Enterprise (NHO) reacted negatively. LO called the proposal "unnecessarily provocative", and the employers argued it was "a wrong signal from the government" that creates "unnecessary uncertainty" among employers and employees (NTBtest 30.11.2018).

## **Collective labour disputes in 2018**

### **Changes in the regulation of collective labour disputes**

No significant changes in the regulation of collective disputes in 2018.

### **Selected major labour disputes of national significance**

In May 2018, journalists in the Norwegian Broadcasting Corporation (NRK) went on strike for 9 days over wages. Over 1700 journalists were involved. The dispute was resolved through negotiations.

In June 2018, LO and The Norwegian Union of Commerce and Office Employees (HK) went on strike in the finance sector where HK is a minor union. HK claimed the right to bargain in even in subdivisions or branches of a bank or insurance company if the union organized 10 percent or more of the employees. The dispute lasted for 6 days and approximately 1300 members were on strike. After mediation, the dispute was resolved to the benefit of the union.

In July 2018, there was a strike on movable oil drilling rigs over pensions. The dispute lasted for 9 days and on the most, 1570 members were on strike. The dispute was resolved after mediation by the chief state mediator.

In August 2018, there was a strike in the film industry over wages. The dispute lasted for 24 days and on the most, 78 members were on strike. The dispute was resolved after negotiations.

In October 2018, nurses went on strike in private health care service over wages. The dispute lasted for 27 days and 56 members were on strike. After 3 weeks, the employer's organization gave a lockout notice for 445 members of the union. The day before the lockout should start, the Minister of Labour and Social Affairs intervened with peace duty to protect essential services. The dispute will be resolved by compulsory arbitration.

## **Working time 2018**

### **Changes in the regulation of working time 2018**

#### *Legislation on working time duration or organisation*

No major legislative development concerning working time.

#### *Collective bargaining outcomes on working time duration or organisation*

No new development in collective bargaining concerning working time.

#### *Major debates concerning working time duration or organisation*

No major issues debated in this area.

## **Health and well-being at work 2018**

### **Physical working environment**

The social partners and the government (represented by the Minister of Labour and Social Inclusion) signed in December 2018 a new letter of intent on a more inclusive working life (IA Agreement). The new agreement's overall goal is to reduce the sickness absence and dropout from working life. The agreement also provide special attention on retaining employees with long-term absence and a greater focus on optimising the working environment. New is also the increased awareness of targeting specific challenges in each industrial sector and the prioritizing of the preventive potential of the measures addressing these challenges. This involves measures aimed at improving physical and psychosocial working environment.

### **Psychosocial working environment**

The social partners and the government (represented by the Minister of Labour and Social Inclusion) signed in December 2018 a new letter of intent on a more inclusive working life (IA Agreement). The new agreement's overall goal is to reduce the sickness absence and dropout from working life. The agreement also provide special attention on retaining employees with long-term absence and a greater focus on optimising the working environment. New is also the increased awareness of targeting specific challenges in each industrial sector and the prioritizing of the preventive potential of the measures addressing these challenges. This involves measures aimed at improving physical and psychosocial working environment.

## **Employment status 2018**

### **'Standard' employment contracts**

On June 11, 2018, the Storting adopted amendments to the Working Environment Act on permanent employment and gave a definition of what permanent employment in the Working Environment Act entails, including a clarification of the duty of information on working hours in the employment contract. The amendment did also strengthening preferential rights for part-time employees.

### **Zero hour contracts**

On June 11, 2018, the Storting adopted amendments to the Working Environment Act on permanent employment and gave a definition of what permanent employment in the Working Environment Act entails. The aim was to make zero hour contracts illegal and to give the employee certainty for work and income.

No major changes in 2018 for: Self-employed; Fixed term contracts; Temporary agency workers; Posted workers and Seasonal workers

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