

Why should companies enter into sectoral collective agreements? Experience from Norway

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**NHO is Norway's largest
business confederation
and advocates for stable
and competitive business
conditions**

- 26 000 member companies
- 556,000 years of labour per annum

Sectoral federations



NORGES
BILBRANSJEFORBUND



SjømatNorge



nelfo



Norsk Olje & Gass



abelia



BYGGENÆRINGENS
LANDSFORENING bnl



EnergiNorge



NHO
Sjøfart



Norsk Industri



NHO
Luftfart



MEDIEBEDRIFTENE



NHO
Reiseliv

NHO is a respected social partner

- An organisation for responsible companies
- Works to combat corruption and undeclared labour
- A mark of quality for companies
- Close dialogue with the authorities

Background and context

- An open market economy
- A welfare state, public social security scheme
- Strong organisations (social partners)
- The model developed over many years
- A well educated labour force
- High employment rate
- Trust



CAs in a brief historical view – the starting point

- Confederation of Norwegian Enterprise (NHO) was established in 1900
 - A response to the creation of LO (1899)
- The first national Collective Agreement (CA) at branch level concluded in 1907
 - The starting point for social dialogue

Further development of the social dialogue

- In 1935 LO and NHO concluded a separate CA for Social Dialogue
- This Basic agreement is still recognized as the "the constitution of work life" in Norway
- First part of all CAs



The Basic Agreement

“The constitution” of work life in Norway

- Negotiated between NHO and LO every 4th year
- Contents:
 - negotiation procedures and conflict solving procedures
 - Workers’ involvement; cooperation, information, consultation rights
- No regulations of terms and conditions



Wage formation in Norway

- No national minimum salary
- The frontrunner model
- Centralized negotiations
 - General minimum increase
 - Minimum salary adjustments
 - CBA signed – local negotiations starts
- The role of the state

Terms and conditions

- Central and/or sectoral level
 - Central; salary increases, special issues like pension, working hours, social benefits etc
 - Sectoral; salary increases, other payments relevant for the sector
- Local level
 - Consultations, not traditional collective bargaining with the right to strike
 - Local payment policy, wage system, specific local entitlements etc

What's the Value Added for the Employers ?

- CA is an efficient way of managing the work force
- Industrial Action (e.g. strike) prohibited as long as the CA is in force
- Right to Industrial Action on CA Branch level (national) only
 - Sharing risks for strike – gives power in the negotiations
 - Common framework/cost base

What's the Value Added for the Employers? Cont.

- Within the "framework" of the CA management and shop steward have freedom to enter into local CAs.
 - Approval from the Trade Union at central level not requested.
 - wage formation/distribution and yearly increases (approx. 2/3 of yearly increases agreed locally)
- The system (the Basic Agreement) provides solid conflict solving processes accepted by both parties.
 - Disputes of interest
 - Disputes of rights
- Positive involvement from the employees and their shop stewards in building a safe and sustainable business

A wooden-framed chalkboard with a black surface is centered on a rustic wooden desk. The words "Thank You" are written in white, monospaced, typewriter-style font. To the left, a portion of a bright orange rotary telephone is visible. To the right, a green leafy plant and a portion of a black typewriter are visible. The background is a dark, weathered wooden surface.

Thank
You