



25/06/2010

RAP/RCha/NO/VII(2010)Add

REVISED EUROPEAN SOCIAL CHARTER
REPLY TO SUPPLEMENTARY QUESTIONS

7th National Report on the implementation of
the European Social Charter (revised)

submitted by

THE GOVERNMENT OF NORWAY

(Articles 4
for the period 01/01/2005 – 31/12/2008)

Report registered by the Secretariat on 24 June 2010

CYCLE 2010



**DET KONGELIGE
ARBEJDSDEPARTEMENT**

The Royal Ministry of Labour

European Committee of Social Rights
Att. Régis Brillat
Council of Europe
F-67075 Strasbourg Cedex
France

Your ref
ESC 78 NC/SF

Our ref
200904144-/MS

Date

Questions on 7th report from Norway regarding minimum wages

Reference is made to the letter 4 May 2010 from the Secretarial General on behalf of the European Committee of Social Rights regarding examples of minimum wages fixed by collective agreements.

Collective agreements are revised every two years, with an adjustment for the second year of the validity of the agreement. We are currently in the middle of a main bargaining round. Consequently, not all minimum wages have been updated. In addition, minimum wages may refer both to the lowest wage in a collective agreement and to the lowest wage actually practiced by the parties an agreement. The wage scales in the state sector, which are copied to several other sectors among them the postal sector, are not in use for the lowest 10-15 grades.

Below we have made a line-up over relevant minimum wages. We have tried to pick an agreement which is representative to a branch in terms of the NACE, although this is not always easy. The names will at least correspond to NACE, while the coverage of the agreement may be wider or stricter. In addition, there might exist several (sometimes competing) collective agreements in a branch. We have picked a large agreement covering blue-collar workers. All agreements are from the private sector; minimum wages for the public sector are set in their respective agreements and belong to the middle or upper half of the range.

Minimum wages apply to employees 18 years and older without any special experience. In some instances, they only apply to a certain segment of employees. The most important example is the minimum wage in agriculture, which only applies to temporary employees without any experience employed up to 12 weeks. The minimum wage for permanent employees in agriculture is NOK 117,15. Most collective agreements allow for local or company level bargaining, and such bargaining usually results in general increases. The

combination of local bargaining and the fact that most minimum wages vary according to seniority (or age) usually means that both the average wage and the wage in the lower 10th percentile is often higher than the minimum wage in a sector.

It is a special feature of the 2010 bargaining round (so far) that many minimum wages have been increased considerably (NOK 3-8 or even higher). In addition, most parties have agreed upon smoother revision principles of the minimum wage in mid-term bargaining rounds (when the whole LO-NHO area is revised as one entity). Summing up, minimum wages have attracted considerable attention in the Norwegian bargaining 2010 round.

	Year	Wages NOK	
Agriculture	2010	100	
Mining	2008	137,8	
Processing and preserving of fish	2010	140	
Manufacture of beverages	2008	117,5	
Manufacture of wood and products of wood	2010	140	
Dairy product	2010	158,73	*
Manufacture of chemicals and chemical products	2010	134,5	
Industrial/chemical cleansing	2008	134,98	
Manufacture of basic pharmaceutical products	2008	124,5	
Manufacture of machinery and equipment	2010	125,56	
Construction of buildings	2010	139	
Electrical installation	2010	148,57	
Wholesale and retail trade	2010	128,98	*
Land transport	2008	133,98	
Postal services	2008	141,14	*
Water transport	2008	127,2	*
Accommodation and food service activities	2010	108,08	
Publishing activities	2008	131,9	*
Financial services	2010	114,73	
Cleaning (9609)	2010	148,06	
Hairdressers (9602)	2010	120	
Security	2008	131,29	*

*= Calculated on the basis of weekly or monthly wages

The table reflects hourly payed gross earnings. Personal income is taxed according to a dual income tax system with a low flat rate on capital income, and a progressive rate on labour and transfer income. Total net income (i.e. total income from labour, capital and transfers after deductions) is levied a 28 pct. flat tax rate. In addition to this flat rate, gross wage income is also taxed with a social security contribution rate of 7,8 pct., and a surtax of 9 pct. for wage (and transfer) income above NOK 456 400 and 12 pct. for wage (and transfer) income above NOK 741 700. The average tax rate on labour income will normally vary from 7,8 pct. and

upwards depending on the wage level. A typical average tax rate on wage income would be between 20 pct. and 30 pct.

Yours sincerely,

Eli Mette Jarbo
Deputy Director General

Mona Sandersen
Senior Adviser

SECRETARIAT GENERAL

DIRECTORATE GENERAL OF HUMAN RIGHTS
AND LEGAL AFFAIRS

DIRECTORATE OF MONITORING

DEPARTMENT OF THE EUROPEAN SOCIAL CHARTER
THE HEAD OF DEPARTMENT
EXECUTIVE SECRETARY OF THE EUROPEAN COMMITTEE
OF SOCIAL RIGHTS



ESC 78
NC / SF

Ms Mona Sandersen,
Senior Adviser,
Ministry of Labour and Social Inclusion,
Working Environment and Safety
Department,
P.O. Box 8019 Dep.,
NO – 0030 OSLO

Strasbourg, 4 May 2010

Dear Ms Sandersen,

The European Committee of Social Rights is currently examining the seventh Norwegian report on the Revised European Social Charter and has instructed me to forward to you the enclosed question concerning Article 4§1.

The Committee would be grateful if you could reply to this question before 18 June 2010 in order to allow the information to be taken into account in Conclusions 2010.

Yours sincerely,

Régis Brillat

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4 May 2010

Question in respect of the 7th report of Norway

Article 4§1

The Committee notes that minimum wages in Norway are fixed in collective agreements. It asks for examples of the lowest minimum wages as fixed by collective agreements, expressed in net values (i.e. after deduction of taxes and any social security contributions).