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# **EUROPEAN SOCIAL CHARTER**

11<sup>th</sup> National Report on the implementation of the European Social Charter

submitted by

# THE GOVERNMENT OF NORWAY

(Articles 2, 4, 5, 6, 22 and 28) for the period 01/01/2009 – 31/12/2012)

Report registered by the Secretariat on 28 November 2013

**CYCLE 2014** 

28 November 2013

# Norway's 11th National Report on the implementation of the European Social Charter

Reference period 1 January 2009 - 31 December 2012

# Article 2 – The right to just conditions at work

#### Article 2 para. 1 Reasonable daily and weekly working hours, etc.

#### Question 1 - General legal framework

We refer to the description of current legislation provided in the previous report. During this period, no significant amendments have been implemented in the rules regulating daily and weekly working hours with the exception of those described below:

# *The Act of 19 June 2009 No. 39 amending the Working Environment Act (certain shiftwork arrangements)*

An Act amending the provisions of working hour arrangements in the Working Environment Act of 2005 was adopted on 19 June 2009. The purpose of the amendment is to reduce working hours for certain people working three-shift rotas and who are required to work at least every third Sunday. For this group of workers the normal working hours shall be reduced, by regarding each hour worked on Sundays and public holidays as equal to 1 hour and 10 minutes, and each hour worked during the night as equal to 1 hour and 15 minutes. This amendment was made principally to bring about equality between female and male workers.

#### The wording of section 10-4, paragraph 6, is as follows (unofficial translation):

"In the case of three-shift rotas not covered by the fourth or fifth paragraph and which entail that individual employees are required to work at least every third Sunday, normal working hours pursuant on the first paragraph shall be reduced by regarding each hour worked on Sundays or public holidays, cf. section 10-10, first paragraph, as equal to 1 hour and 10 minutes, and each hour worked during the night, cf. section 10-11, first paragraph, as equal to 1 hours must regardless not exceed nine hours per 24 hours and 38 hours per seven days."

#### Particularly regarding the total of 16 working hours

In 2010, the European Committee of Social Rights (ECSR) concluded that, in its provision for a total of 16 working hours, Norwegian law was not in compliance with the Social Charter.

Normal working hours are limited to nine hours per day and, pursuant to a collective agreement, may be extended to 10 hours per day. The rule allowing a total of 16 working hours is an excepting provision requiring the presence of several conditions.

The undertaking is to be bound by a collective agreement, and a written agreement must be entered into with the employees' elected representatives. Agreements may not be entered into at enterprise level whereby working hours of 16 hours a day are part of normal working hours. A total of 16 hours may only be worked if the employee is assigned overtime work in addition

to normal working hours. The criteria for overtime work must thus be present. Pursuant to section 10-6 (1) and (2) of the Working Environment Act, overtime may only be assigned if there is an exceptional and time-limited need for it. Total working hours of 16 hours will therefore be limited to short periods and individual cases.

The requirement regarding a daily rest period of 11 hours, which in certain cases may on agreement be reduced to eight hours, will also limit use of the right to agree a total of 16 working hours. In the event of reduced rest, the employee is to be ensured compensatory rest periods or other appropriate protection.

In view of the requirements for use of this exception to the provision concerning total daily working hours, it is our view that Norwegian law complies with Article 2, para. 1, of the Social Charter.

<u>Question 2 - Measures taken to implement the legal framework</u> During the reference period, the Norwegian Labour Inspection Authority has implemented both strategic measures and systematic inspections. The Norwegian Labour Inspection Authority issues orders and otherwise makes decisions necessary for enforcement of the provisions of the Act.

If orders are not complied with, the Norwegian Labour Inspection Authority may impose coercive fines. The size of the coercive fine is dependent on a number of factors, but the general rule is that breaching working hour provisions shall not pay. Work at the undertaking or parts of the undertaking can also be suspended in the event of immediate hazards to life and health. Work may also be suspended if an undertaking fails to comply with orders issued.

The orders issued often draw attention to several matters or to breaches of two or more individual provisions in the same case. In the enclosed statistics, responses listed as pursuant to section 3-1 of the Working Environment Act are breaches of the systematic health, environment and safety activities of the undertaking and do not relate only to breaches of working hour provisions. Responses pursuant to section 10-7 of the Working Environment Act relate to breaches of the provisions concerning the obligation to keep an account of the hours worked by each employee.

Table 1: The number of responses by the Norwegian Labour Inspection Authority to breaches of compliance with working environment provisions, including working hours (section 3-1) and failure to keep an account of hours worked (section 10-7)

| Authority       | 2009  | 2010 | 2011  | 2012  |
|-----------------|-------|------|-------|-------|
| Section 3-1 of  | 1 031 | 912  | 1 190 | 4 061 |
| Working Env.    |       |      |       |       |
| Act             |       |      |       |       |
| Section 10-7 of | 204   | 170  | 206   | 233   |
| Working Env.    |       |      |       |       |
| Act             |       |      |       |       |

Source: Norwegian Labour Inspection Authority

In 2012 a new method was implemented for counting responses. The figures for 2012 include two or more individual responses that would previously have counted as a single total

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response. There is no reason to suppose that the number cases which require responses has changed during this period.

| Tuble 5. Actual average hours worked per week |      |      |      |      |
|---|------|------|------|------|
|   | 2009 | 2010 | 2011 | 2012 |
| Women   | 30.6 | 30.5 | 30.7 | 30.8 |
| Men   | 37.4 | 37.2 | 37.5 | 37.4 |
|   |      |      |      |      |

Question 3 - Figures, statistics, facts

Table 3: Actual average hours worked per week

Source: StatBank Norway, Labour Market Survey

#### Article 2 para. 2 Public holidays with pay

<u>Question 1 - General legal framework</u> Reference is made to previous reports.

#### Information requested by the ECSR

The Committee asks what rate of pay applies for public holidays worked, and whether the base salary is maintained in addition to the increased pay rate.

According to the Section 3 of the Act of 26 April 1947 No. 1 on 1 and 17 May, the employee is entitled to full pay on both 1 and 17 May, unless these days fall on a Sunday or public holiday, provided that the employee has or will be continuously employed by the employer for at least 30 days. In case of an agreement on wage increase for work on Sundays, the employee is entitled to the same wage increase as for Sundays for work done on 1 and 17 May. If there is no such agreement, the employee is entitled to a wage increase of minimum 50 per cent of ordinary pay. The base salary is thus maintained, but there will be an addition to this base of at least 50 percent, which implies that the salary will be 150 per cent of ordinary pay.

<u>Question 2 - Measures taken to implement the legal framework</u> Reference is made to previous reports.

<u>Question 3 - Figures, statistics, facts</u> Reference is made to previous reports.

#### Article 2 para. 3 Four weeks annual holiday with pay

<u>Question 1 - General legal framework</u> Reference is made to previous reports.

#### Information requested by the ECSR

The Committee asks for a confirmation that the right to four weeks' annual paid leave is guaranteed, even though employees may defer up to 12 working days because of sickness. In our previous reports regarding Article 2 para. 3, it may appear that employees may only carry forward 12 days of holiday to the following holiday year, and that days of holiday in

excess of this that are not taken owing to sickness are forfeited. We therefore wish to make clear that an employee who is sick during his or her holiday is entitled to postpone a <u>number</u> of days corresponding to the number of sick days to later in the holiday year or to transfer them to the following holiday year. This consequently entails that the right to four weeks' annual paid holiday is also ensured in the event of an employee' sickness.

<u>Question 2 - Measures taken to implement the legal framework</u> Reference is made to previous reports.

<u>Question 3 - Figures, statistics, facts</u> Reference is made to previous reports.

# Article 2 para. 4 Elimination of risks in inherently dangerous or unhealthy occupations

# Question 1 - General legal framework

Norway's seventh report of 8 January 2010 provided an account of the Norwegian legislation in this area. It referred mainly to the fact that Article 2 para. 4 of the Social Charter is implemented in Norway by the Act of 17 June 2005 No. 62 relating to working environment, working hours and employment protection (Working Environment Act) and by a number of regulations regulating the various types of risk associated with working conditions. On the basis of previous questions from the ECSR, Norway's seventh report included a list of regulations issued in order to help reduce vulnerability/risk for particularly vulnerable occupational groups.

The references to the Working Environment Act in Norway's seventh report are still apposite, and we refer to the previous report, which provides an account of this legislation. In connection with the report's references to the health, environment and safety regulations issued pursuant to the Working Environment Act, it is necessary to draw attention to major structural amendments in the legislation. The amendments do not involve significant material amendments. A description of these amendments to regulations is given below.

The main purpose of this new structure is to reduce the volume of the regulations and provide them with a structure that makes the legislation as a whole more accessible to employers and employees. The intention of the new regulation structure is to provide better and more expedient legislation for working life, thus providing a better basis for preventive working environment measures. The new set of regulations consists of six regulations which replace 47 previous regulations.

The new set of regulations is based on three main regulations concerning:

- requirements regarding risk assessment and organisation of work to be performed (Regulations of 6 December 2011 No. 1355 concerning organisation, management and cooperation),
- requirements regarding design and fitting out of workplaces (Regulations of 6 December 2011 No. 1365 concerning design and fitting out of workplaces and working premises) and

• requirements regarding safe performance of work (Regulations of 6 December 2011 No. 1357 concerning performance of work, use of work equipment and associated technical requirements).

The other three regulations concern limit values for physical and chemical factors in the working environment, critical levels for implementation of remedial measures and infection hazard groups of biological factors (Regulations of 6 December 2011 No. 1358), administrative arrangements in the area covered by the Working Environment Act (Regulations of 6 December 2011 No. 1360) and construction, design and manufacture of work equipment not covered by the Regulations concerning machines (Regulations of 6 December 2011 No. 1359). The regulations are unfortunately not available in English.

#### Question 2 - Measures taken to implement the legal framework

In connection with the amendments to the working environment regulations referred to above under question 1, the Norwegian Labour Inspection Authority implemented in 2013 an extensive training and information campaign. The project was carried out in close cooperation with the social partners, and particularly targeted employers, safety organisations in the undertakings and occupational health services. The project was financed by the Ministry of Labour.

The Norwegian Labour Inspection Authority also carries out systematic and risk-based supervision to ensure compliance with the provisions of the Working Environment Act and regulations issued pursuant to the Act. The Authority can issue orders and make the necessary decisions to ensure compliance with the legislation in the undertakings. The Norwegian Labour Inspection Authority has the power to impose coercive fines. The size of a coercive fine is dependent on a number of factors, but the general rule is that undertakings shall not be able to profit by breaching the provisions of the Working Environment Act and appurtenant regulations. In the event of immediate hazards to life and health, the Norwegian Labour Inspection Authority may furthermore suspend work at an undertaking or parts of an undertaking. Work may also be suspended if an undertaking fails to comply with orders issued by the Norwegian Labour Inspection Authority. For more information concerning these responses, see tables 4, 5 and 6 under question 3.

The Norwegian Labour Inspection Authority has directed its efforts towards the working environment conditions that result in injuries to health and that are of greatest significance for inclusion in working life. The strategic plan of the Norwegian Labour Inspection Authority during the reference period addresses seven priority areas. Major aspects of the working environment situation in the agency's administrative area have been assessed as a basis for the priorities.

A number of projects on dangerous and health hazardous work have been implemented during this period, among others "Prevention of Accidents and Injuries in the Building and Construction Sector", "Indoor Climate in Norwegian Schools" and "Prevention of Work-related Noise Exposure".

#### Question 3 - Figures, statistics, facts

| Priority areas   | FTE weeks |        | Inspections |        | Response<br>percentages |      |
|--|-----------|--------|-------------|--------|-------------------------|------|
|  | 2011      | 2012   | 2011        | 2012   | 2011                    | 2012 |
| Prevention of<br>muscular/skeletal<br>problems         | 2 479     | 2 329  | 2 594       | 2 729  | 63 %                    | 63 % |
| Prevention of mental strain                            | 889       | 961    | 719         | 699    | 50 %                    | 56 % |
| Adaptation and follow-up                               | 1 783     | 1 981  | 2 0 5 2     | 2 438  | 64 %                    | 65 % |
| Noise, chemical and biological factors                 | 1 679     | 1 710  | 2 512       | 2 604  | 55 %                    | 57 % |
| Prevention of occupational accidents                   | 1 956     | 2 252  | 2 994       | 3 358  | 54 %                    | 52 % |
| Social dumping   | 1 867     | 1 964  | 2 655       | 2 756  | 69 %                    | 73 % |
| Young employees  | 291       | 327    | 666         | 580    | 47 %                    | 52 % |
| Total, FTE weeks for<br>supervision and<br>inspections | 10 944    | 11 523 | 14 202      | 15 168 | 60 %                    | 61 % |

*Table 4: The Norwegian Labour Inspection Authority's priority areas, FTE weeks used, inspections and response percentages* 

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Source: The Norwegian Labour Inspection Authority's annual report for 2012

| 10010 5. Responses 2011 2012    | Tuble 5. Responses 2011 2012 |          |  |  |  |
|---------------------------------|------------------------------|----------|--|--|--|
| Responses                       | 2011                         | 2012     |  |  |  |
| Decisions concerning orders     | 19 340                       | 21 849   |  |  |  |
| Decisions concerning coercive   | 1 517                        | 1 389    |  |  |  |
| fines                           |                              |          |  |  |  |
| Number of suspensions           | 465                          | 474      |  |  |  |
| Number of reports to the police | 67                           | 141      |  |  |  |
| Response percentages            | 60 %                         | 61 %     |  |  |  |
|                                 | <b>T 1 1 1 1 1</b>           | 1 6 2012 |  |  |  |

Table 5: Responses 2011–2012

Source: The Norwegian Labour Inspection Authority's annual report for 2012

The above table shows the number of suspensions associated with immediate danger to life and health, cf. section 18-8 of the Working Environment Act. The figures indicate the number of inspections involving one or more decisions concerning suspension.

# Article 2 para. 5 Weekly rest period

#### Question 1 - General legal framework

We refer to the previous report. No amendments have been made to legislation in this area.

#### Questions from the ECSR

In 2010, the ECSR concluded that the situation complied with the Social Charter, but requested supplementary information concerning the possibility of derogation from the provision concerning weekly rest.

Section 10-8 (3) of the Working Environment Act regulates derogations from the provision concerning 35 resting hours a week. The employer and the employees' elected representatives in undertakings bound by a collective agreement, may agree in writing to a reduced weekly rest period, which may not however be shorter than 28 hours. The employees are in such cases to be ensured compensatory rest periods or other appropriate protection. In undertakings not bound by a collective agreement, an agreement concerning such exception may only be entered into when necessary for prevention of serious disturbances to operations.

Trade unions with at least 10 000 members may enter into collective agreements that derogate from the provisions of section 10-12 (4) of the Working Environment Act in addition to the specific excepting provisions laid down in section 10-8, but here too the employees must be ensured compensatory rest periods or other appropriate protection.

The Norwegian Labour Inspection Authority may moreover, pursuant to section 10-12 (6) and (7) of the Act, consent to derogation from the provision when the employee lives a considerable distance from the workplace. Such consent may only be granted if it is of significance to safety to provide for comprehensive regulation of the working hour arrangements at the workplace. The Norwegian Labour Inspection Authority may also grant consent to derogate from the provision concerning the 35-hour weekly rest period for health and care work and for on-call duty or surveillance work where the work is wholly or partly of a passive nature. In such cases, the requirement regarding compensatory rest periods or other appropriate protection shall also apply.

<u>Question 2 - Measures taken to implement the legal framework</u> We refer to the information provided under Article 2 para. 1, question 2.

<u>Question 3 - Figures, statistics, facts, etc.</u> We have no relevant figures or statistics concerning this topic.

#### Article 2 para. 6 Written information on the essential aspects of the labour relationship

<u>Question 1 - General legal framework</u> Reference is made to previous reports.

#### Question 2 - Measures taken to implement the legal framework

The Norwegian Labour Inspection Authority supervises compliance with the provisions of the Working Environment Act. The Norwegian Labour Inspection Authority regards the contract of employment as an important element in ensuring satisfactory working conditions, and places a particular focus on this in sectors where experience shows there to be many employees who do not belong to trade unions. In addition to the risk-based supervision, a number of projects have been implemented during the reference period where this has been a topic, among others "Starting out right with Young Employees" and "Preventing Social Dumping".

#### Question 3 - Figures, statistics, facts

| Year | Number of inspections resulting in responses | Number of responses | All inspections this year |
|------|--|---------------------|---------------------------|
| 2009 | 487  | 496                 | 15 280                    |
| 2010 | 442  | 453                 | 14 834                    |
| 2011 | 465  | 471                 | 14 208                    |
| 2012 | 552  | 572                 | 15 168                    |

*Table 6: Inspection figures associated with section 14-5 of the Working Environment Act concerning requirements regarding a written contract of employment* 

Source: Norwegian Labour Inspection Authority

#### <u>Article 4 – The right to a fair remuneration</u>

#### Article 4 para. 1 The right to a remuneration which gives a decent standard of living

<u>Question 1 - General legal framework</u> Reference is made to previous reports.

There is no statutory minimum wage in Norway. Wage determination is entrusted to the social partners, which decide pay rates or pay criteria through collective agreements. The collective pay rates are often also used voluntarily by undertakings not bound by a collective agreement. The system for negotiation and entry into collective agreements is described under Article 6 and in the Institute of Applied Social Science (Fafo) publication *Labour Relations in Norway* by Espen Løken, Torgeir Aarvaag Stokke and Kristine Nergaard (Fafo Report 2013:09):

http://www.fafo.no/pub/rapp/20299.pdf

However, to a certain extent, minimum wages are decided in Norway through general application of collective agreements. The general application arrangement and the current regulations concerning general application are described under Article 6 para. 2 and in the publication Labour Relations in Norway, referred to in the previous paragraph, pages 37–38.

Other regulations providing provisions on pay levels are the Regulations concerning pay and working conditions in public contracts, issued on 8 February 2008 pursuant to the Act of 16 July 1999 No. 69 relating to public procurements. The Regulations entered into force on 1 March 2008.

The purpose of the Regulations is to ensure that employees of undertakings performing services and building and construction works for public contracting entities shall not have less favourable pay and working conditions than follow from current general application regulations or nationwide collective agreements.

In its contracts, the contracting entity shall require that employees of contractors and any subcontractors that contribute directly to the performance of the contract have pay and working conditions in compliance with the Regulations. In areas covered by the Regulations concerning generally applicable collective agreements, the contracting entity must require that pay and working conditions comply with current regulations. In areas not covered by the Regulations concerning generally applicable collective agreements, the contracting entity must require that must require pay and working conditions in accordance with current the nationwide collective collective agreements.

agreement for the sector concerned. "Pay and working conditions" refers in this context to provisions concerning minimum working hours, pay including overtime supplements, shiftwork and rota supplements and nuisance compensation, and coverage of travel expenses and board and lodging to the extent that such provisions follow from the collective agreement.

The Regulations apply to all public authorities and bodies. The Regulations apply to service contracts and building and construction contracts in excess of NOK 1 million ex VAT for central government authorities and NOK 1.6 million ex VAT for other contracting entities.

In the contract, the contracting entity shall require that the contractor and any subcontractors shall, on request, furnish documentary evidence that requirements regarding pay and working conditions are met.

In the contract, the contracting entity shall also reserve the right to impose necessary sanctions if the contractor or any subcontractors fails to comply with the Regulations. The contracting entity shall also conduct necessary controls.

Nor does the central government sector of the labour market have rules concerning minimum wages. All central government agencies are bound by the Basic Collective Agreement for the Civil Service and the centrally concluded special agreements. It is therefore hardly conceivable that the General Application Act of 4 June 1993 could be made to apply in the central government sector.

<u>Question 2 - Measures taken to implement the legal framework</u> Reference is made to previous reports.

From 1 July 2013, the Norwegian Labour Inspection Authority supervises compliance with the Regulations concerning pay and working conditions in public contracts, and makes necessary decisions associated with this. This entails that the Authority may employ its ordinary measures pursuant to the Working Environment Act, such as orders, coercive fines and suspension of work. It will also be able to demand the provision of the information it regards necessary for conducting its supervision. Public contracting entities are obliged to ensure the submission of the necessary information concerning the pay and working conditions of contractors and subcontractors.

In the event of disputes between employees and employers concerning the *payment* of wages, the individual parties must pursue matters themselves, if necessary through the courts, in order to obtain a basis for enforcement of their claims.

#### Question 3 - Figures, statistics, facts

Table 7, below, shows the average monthly pay for full-time employees for all industries, by industry and by public/private sector. This monthly pay includes agreed pay, irregular supplements and bonuses. Overtime remuneration is not included. Nor are indirect personnel costs for the employer, such as employer's contributions, National Insurance contributions and service pension instalments. Tax paid by the individual employee is not deducted.

#### 2009–2012:

Wage growth for industries as a whole from 2009 to 2012 was approximately 12 per cent. The strongest wage growth was in "Real Estate Activities", while the weakest growth was in "Administrative and Support Service Activities". The public sector has had higher wage growth than the private sector during this period.

2012:

The sector with the lowest average pay is "Accommodation and Food Service Activities", where the average monthly pay in 2012 was NOK 30 500. The highest pay is in "Financial and Insurance Activities" with an average monthly pay of NOK 54 200.

Distributed by private/public sector, employees of public health enterprises and employees in the central government sector had the highest average monthly pay in 2012.

2009 2010 2011 2012 2009 -2012 % NOK NOK NOK NOK 36 600 38 100 39 600 41 000 All industries 12 35 600 36 700 38 500 39 800 12 Manufacturing 9 **Building and Construction** 34 100 34 900 36 100 37 200 33 900 35 100 36 200 10 Wholesale and Retail Trade 37 400 35 500 36 700 11 38 000 39 300 Transport and Storage 9 Accommodation and Food Service 28 100 29 000 29 700 30 500 Activities 45 000 47 100 Information and Communication 49 500 50 700 13 47 700 50 400 14 **Financial and Insurance Activities** 54 000 54 200 45 700 17 **Real Estate Activities** 40 900 43 500 48 000 9 Administrative and Support Service 31 500 32 600 33 600 34 300 Activities Public Administration and Defence 39 900 36 400 38 500 41 900 15 Education 36 400 38 000 39 100 13 41 200 Human Health and Social Work Activities 33 200 34 500 35 900 37 500 13 Other Service Activities 33 500 34 800 35 300 36 800 10 37 000 38 400 40 000 41 200 11 Private sector 37 700 38 700 40 700 12 Health enterprises 42 200 Local government and Regional sector 33 600 35 300 36 300 38 500 15 36 800 38 700 40 200 42 000 14 Central government sector

*Table 7: Average monthly pay (NOK) for full-time employees by selected industries and sector.* 2009–2012

Source: Statistic Norway, pay statistics

#### Information requested by the ECSR

In the report of 2010, the ECSR requested updated information on the lowest pay in the collective agreements, including agriculture. We do not have overall information on minimum

pay rates/lowest pay in collective agreements, but include examples of minimum pay rates from some collective agreements (concerning employees over 18 years of age) that are among the lowest:

- For unskilled workers without any experience in construction work who performing construction work at construction sites, the minimum rate of pay from 1 April 2013 is NOK 156.60 per hour or NOK 25 447.50 per month.
- For unskilled workers who perform production, assembly and installation work in the maritime construction industry, the minimum rate of pay from 1 April 2013 is NOK 135.60 per hour or NOK 22 035 per month.
- For vacation and harvest workers in agriculture, the minimum rate of pay from 1 April 2013 is NOK 125.30 per hour or NOK 20 361.25 per month for unskilled workers who are employed for more than 6 months.
- In private companies that operate sale of cleaning services, workers who carry out such services have a minimum hourly wage of NOK 161.17 or NOK 26 190 per month.
- In undertakings bound by the National Agreement between the Enterprise Federation of Norway (*Virke*) and the Union of Employees in Commerce and Offices (*HK*), workers have a minimum hourly wage of NOK 145.27per hour or NOK 23 606 per month.
- In the central government, the minimum wage from 1 May 2013 is NOK 23 308 per month
- In the municipalities, the minimum wage from 1 May 2013 is NOK 22 100 per month.

| Table 8: The 10 per cent lowest paid workers had the following average monthly pay during |  |
|---|--|
| the years 2009–2012:  |  |

| 2009   | 2010   | 2011   | 2012   |  |
|--------|--------|--------|--------|--|
| 19 900 | 20 600 | 21 100 | 21 700 |  |

Source: Ministry of Labour

# Article 4 para. 2 The right to an increased rate of remuneration for overtime work

Question 1 - General legal framework

As regards a list of legislation, we refer to the previous report.

The ECSR postponed its conclusion on compliance in 2010 pending information concerning the element of compensation in connection with time off in lieu of overtime. The Committee requested information on whether employees who take time off in lieu of overtime are entitled to compensation in addition to a number of hours off on an hour-for-hour basis.

Pursuant to section 10-6 (11) of the Working Environment Act, an employee is entitled to receive pay for overtime work, and in addition a minimum overtime supplement of 40 per cent. Pursuant to section 10-6 (12) of the Working Environment Act, the employee and employer may agree that overtime worked may wholly or partly be taken out as time off in lieu. In such cases, the employee is entitled to receive the overtime supplement as remuneration in addition to the time off in lieu. It is thus not possible to make an agreement whereby no remuneration is paid for overtime work.

#### What is meant by "overtime"?

It should be noted that the right to compensation for overtime pursuant to the Act applies to work in addition to the limit for normal working hours laid down in the Act (9 hours per day/40 hours per week). However, most collective agreements stipulate that overtime compensation shall be paid from *the agreed* working hours, which are normally 37.5 hours per week.

# Question 2 - Measures taken to implement the legal framework

In its conclusion of 2010, the ECSR requests information on whether the Norwegian Labour Inspection Authority has revealed breaches involving failure to pay for overtime. The right to overtime pay follows from section 10-6 (11) of the Working Environment Act.

*Table 10: Number of responses by the Norwegian Labour Inspection Authority to breaches of the provisions concerning overtime pay:* 

| Authority    | 2009 | 2010 | 2011 | 2012 |
|--------------|------|------|------|------|
| Section 10-6 | 52   | 76   | 127  | 108  |
| (11) of      |      |      |      |      |
| Working Env. |      |      |      |      |
| Act          |      |      |      |      |

Source: Norwegian Labour Inspection Authority

# Question 3 - Figures, statistics, facts

In undertakings bound by collective agreements, it is usual that the remuneration for overtime is 50 per cent during the day and 100 per cent for overtime work at night and during weekends.

# Article 4 para. 3 The right of men and women to equal pay

#### Question 1 - General legal framework

The right to equal pay is enshrined in section 5 of the Gender Equality Act of 9 June 1978 No. 45, which stipulates that women and men in the same enterprise shall have equal pay for the same work or work of equal value. The Act defines the principle of equal value, which is based on an objective evaluation of the content and difficulty of the job concerned. In other words, the value of work is not linked to its value for the enterprise. The main factors that are assessed in a job evaluation are competence, effort, responsibility and working conditions. In 2002 the equal pay provision was specified to make it clear that the right to equal pay applies regardless of whether the work is linked to different trades or professions or whether the pay is regulated through different collective agreements.

The general clause in section 3 of the Gender Equality Act prohibits differential treatment and defines direct and indirect differential treatment. Indirect differential treatment is defined as any apparently gender-neutral action that in fact has the effect of placing one of the sexes in a worse position than the other.

Pursuant to section 1 of the Gender Equality Act, the employer has a duty to promote gender equality. The activities and reporting clause requires employers in the public and private sectors and the social partners to make active, targeted and systematic efforts to promote

gender equality in their enterprises. In their annual reports or annual budgets they must give an account of the actual state of affairs as regards gender equality and the measures that are planned. Pay and working conditions are particularly relevant.

In the equal pay provision, the right to equal pay, such as the right to equal pay for the same work and work of equal value, is limited to the same enterprise. This means that the equal pay requirement cannot be based on comparisons between employees in different enterprises, even if the enterprises are operated and owned by the same physical or legal entity. In the public sector, the state and each individual municipality are regarded as single enterprises.

In 2012 the Norwegian Parliament passed a new Gender Equality Act. To a large extent the Act upholds the provisions of the former Gender Equality Act. The new Act contains a new provision on wage transparency, stating that any employee who suspects that he/she has been subjected to wage discrimination, may demand the employer to provide information on the wage and criteria for determination of the wage of a comparable employee or employees. The objective of this provision is to strengthen the impact of the prohibition of wage discrimination.

Question 2 - Measures taken to implement the legal framework

Closing wage gaps between women and men is an important goal of the Government's income policy. In 2011 the Government submitted a white paper on equal pay with a long-term strategy to meet the objective of equal pay. The white paper recommends several initiatives in different sectors to combat wage discrimination.

The Government has implemented a wide range of measures to reduce the gender pay gap in addition to the legislation prohibiting discrimination. The measures rely on the findings in Official Norwegian Report 2008: 6, *Gender and Pay, Facts, analyses and measures to promote equal pay:* 

- a) Differences in length of education and age explain very little of the pay gap today
- b) Women and men are paid approximately the same for doing the same job in the same enterprise
- c) The pay gap reflects the gender-segregated labour market
- d) The bargaining system maintains stable wage relationships, including between women and men
- e) Pay differences increase during the infant stage

The horizontal segregation of the labour market by gender is closely related to the educational choices of boys and girls. In some subject areas the educational choices are very gender divided. Equality 2014 – the Norwegian government's gender equality action plan sets the following goals:

- kindergartens and the education sector should promote gender equality and combat all forms of discrimination
- more untraditional educational choices for boys and girls in upper secondary and higher education
- increasing the share of men employed in kindergartens to 20 percent and men employed in primary schools to 40 percent
- a better gender balance among students in pre-school teacher education, primary school teacher education and child welfare education.

The action plan contains several measures aimed at reaching these goals. With regard to achieving a better gender balance in all parts of the labour market, the government's goal is an improved gender balance within more professions and positions. The action plan contains several measures aimed at this. For example, the government will provide funding for the regional centres for gender equality and diversity to develop and implement a training programme for managers in public and private sectors. The training programme shows how businesses can go about integrating the gender equality perspective as employers, service providers, producers, in research and development and as decision makers.

Another measure is to discuss with the social partners effective measures concerning recruiting and keeping employees of the underrepresented sex and for gender balance in management. A Nordic seminar on recruitment of men to care professions was organised in Oslo in November 2012. Research projects have been initiated to help the Armed Forces recruit and keep more women. The government will fund a mapping analysis of the gender-segregated labour market. The analysis will map the distribution of men and women by profession, position level, industry, working hours and sector.

A commission to report on Norway's equality policy based on people's life cycle, ethnicity and social class was established pursuant to a Royal Decree of 12 February 2010. The commission delivered its first report in November 2011 and its second report in August 2012. In its second report, the commission discusses gender equality in education and in the labour market.

The Ministry of Children, Equality and Social Inclusion presented a white paper on gender equality on 21 June 2013 (Meld. St. 44 (2012-2013)). Measures aiming at reducing the horizontal segregation by gender of the labour market are for instance qualification of employees in kindergartens in practical gender equality work, qualification for school career counsellors in gender-untraditional career choices and projects aiming at pupils and parents about gender-untraditional educational choices.

The tripartite cooperation and dialogue between the government and the social partners plays a central role in Norwegian politics. In the white paper on gender equality, the government states that it aims at strengthening the work for gender equality within the tripartite cooperation.

The Norwegian Government has implemented several new measures to increase equality in work life through facilitating combining family and work:

- a. The father's quota of parental leave is increased from 12 weeks to 14 weeks.
- b. The Storting (the Norwegian Parliament) passed an amendment to the Working Environment Act to secure all employed mothers the right to paid leave for breastfeeding. The bill gives all mothers the right to 1 hour paid leave for breastfeeding for the child's first year – provided the working day is at least 7 hours long. The bill is expected to enter into force from 1.1.2014.

Question 3 - Figures, statistics, facts, etc.

Table 11 shows women's average monthly pay (full-time employees) as a proportion of men's for 2009–2012 by selected industries, sectors and levels of education.

#### 2009–2012:

During the period 2009–2012, pay differences have been reduced both overall for women and men, by industry (with the exception of "Other Service Activities"), by sector and by level of education. In 2012, full-time employed women earned 88.3 per cent of men's pay as against 86.7 in 2009.

#### 2012:

In 2012, full-time employed women had an average monthly pay corresponding to 88.3 per cent of men's. The greatest pay differences are in "Financial and Insurance Activities", where women's pay is on average 70 per cent of men's. The overall pay differences are somewhat less in the public sector than in the private sector. In "the building and construction sector, women earn more than men (102.4).

When distributed by levels of education, the smallest pay differences are between people with lower secondary education as the highest education (90.9) and the greatest pay differences are between those with up to four years of university or university college education (80.5).

|  | 2009 | 2010  | 2011  | 2012  |
|--|------|-------|-------|-------|
| Industry:  |      |       |       |       |
| All Industries                                   | 86.7 | 87.2  | 87.2  | 88.3  |
| Manufacturing                                    | 89.0 | 89.6  | 90.1  | 90.6  |
| Building and Construction                        | 98.8 | 101.4 | 102.8 | 102.4 |
| Wholesale and Retail Trade                       | 84.1 | 84.8  | 85.3  | 84.6  |
| Transport and Storage                            | 89.5 | 89.6  | 90.4  | 91.3  |
| Accommodation and Food Service<br>Activities     | 92.5 | 90.8  | 91.6  | 93.0  |
| Information and Communication                    | 83.3 | 83.8  | 83.5  | 84.9  |
| Financial and Insurance Activities               | 69.1 | 69.2  | 68.4  | 70.7  |
| Real Estate Activities                           | 82.7 | 82.1  | 86.4  | 84.6  |
| Administrative and Support Service<br>Activities | 89.9 | 91.7  | 91.6  | 93.4  |
| Public Administration and Defence                | 90.5 | 91.0  | 91.6  | 92.2  |
| Education  | 93.9 | 94.4  | 94.6  | 94.8  |
| Human Health and Social Work<br>Activities       | 83.6 | 84.4  | 84.5  | 85.7  |
| Other Service Activities                         | 78.6 | 77.4  | 76.7  | 77.9  |
| Sector:  |      |       |       |       |
| Private Sector                                   | 85.5 | 86.3  | 86.5  | 87.1  |
| Publicly Owned Health Enterprises                | 80.3 | 80.1  | 80.8  | 81.4  |
| Local government and Regional Sector             | 93.2 | 93.2  | 93.2  | 93.3  |
| Central government Sector                        | 90.9 | 91.3  | 91.6  | 92.2  |
| Education:                                       |      |       |       |       |
| Lower secondary school (level 1-2)               | 89.7 | 90.6  | 90.9  | 90.9  |

*Table 10: Women's average monthly pay as a proportion of men's by industry and sector. Full-time employees. 2009–2012.* 

| Upper secondary school (level 3-5)                      | 83.1 | 83.6 | 83.8 | 84.7 |
|---|------|------|------|------|
| University/University College, 1-4<br>years (level 6)   | 79.5 | 79.8 | 79.6 | 80.5 |
| University/University College, over 4 years (level 7-8) | 81.4 | 81.8 | 81.4 | 81.5 |

Source: Statistic Norway, pay statistics

# Article 4 para. 4 The right to a reasonable period of notice for termination of employment

#### Question 1 - General legal framework

Reference is made to previous reports regarding the private sector. No changes in the legal framework.

Civil servants are subject to separate rules concerning periods of notice provided in the Act relating to Civil Servants of 4 March 1983, last revised on 21 December 2005. Pursuant to these provisions, civil servants have three weeks notice of dismissal during the probationary period, which is six months. Following the expiry of the probationary period, the notice period is one month if the length of service is one year or less. If the length of service is more than one year, the notice period is three months. The parties can agree that the notice period is to be shorter in cases where the employee resigns.

Question 2 - Measures taken to implement the legal framework Reference is made to previous reports.

Rules concerning periods of notice when terminating employment are of a private law character, and any breaches must be pursued by the employee himself, if necessary through the courts. However, cases of errors in connection with notice of dismissal (including breaches of provisions concerning time limits) are often decided amicably after the employee has raised the matter with his or her trade union or lawyer.

In the central government sector, notice of dismissal is an administrative decision, and can be appealed pursuant to the provisions of section 18, cf. section 19, of the Civil Service Act and of the Public Administration Act. The decisions of the appeal body are a requirement that must be met before instituting legal proceedings concerning disciplinary measures, suspension, notice of dismissal or summary discharge. Under the provisions of the Public Administration Act, the employer is required to provide the employee with necessary information and guidance to enable him to safeguard his interests in the matter, including case documents, before a decision can be made, and be given the opportunity to express his views to the decision-making body.

Further rules concerning procedure in matters involving civil servants are provided in chapter IV of the Public Administration Act of 10 February 1967.

#### Article 4 para. 5 Limitations in deductions from wages

Question 1 - General legal framework

Pursuant to section 14-15 (2) of the Working Environment Act, no amounts may be deducted

from pay or holiday pay unless the right to make such deductions follows from the excepting provisions of the same paragraph. Pursuant to the provisions, deductions may be made when authorised by law, in respect of employees' contributions to compulsory service pension arrangements, when stipulated in advance by written agreement, in respect of trade union dues stipulated in a collective agreement, when the employee has in writing acknowledged liability for damage or loss that the employee has caused the undertaking, when liability has been established by court decision or the employee has unlawfully terminated his employment and when payments have unavoidably been incorrectly made to the employer during strikes or lockouts.

Section 14-15, third paragraph, of the Working Environment Act lays down a provision limiting the employer's right to make deductions in pay and holiday pay. The right to make deductions must in certain cases be limited to the part of the claim that exceeds the amount reasonably needed by the employee to support himself and his household. The limitation applies when advance deductions are stipulated in advance by written agreement pursuant to the second paragraph (c), in respect of compensation for damage or loss suffered by the undertaking pursuant to the second paragraph (e) and in connection with incorrect payments during absence owing to work stoppages or lockouts pursuant to the second paragraph (f). As stated in Norway's previous report, the provision was extended to include written advance agreements concerning deductions (second paragraph (c)) by an amendment adopted by the Storting in spring 2009 (Proposition No. 54 (2008–2009) to the Odelsting, pages 47–49 and page 85 (7.1). The amendment entered into force on 1 January 2010.

Pursuant to the amendment, the employer will be obliged to pay regard to a claim by the employee that the agreed deductions involve too great a financial burden. In such case, the employer will be able to demand documentary evidence of the employee's current economic obligations. The practical consequence of the provisions may be that a lower deduction from pay or holiday pay must be made.

See otherwise the previous report concerning this provision.

Question 2 - Measures taken to implement the legal framework Reference is made to our last report.

# Article 5 – The right to organise

Question 1 – General legal framework

Reference is made to previous reports and to the conclusion of the ECSR from 2010 which states that the situation in Norway is in conformity with Article 5 of the revised Charter.

There are no changes in the basic legal situation. The Norwegian non-statutory law principle regarding freedom to organise is founded on common sense of justice, prerequisites in the legislation and practice in the working life, and is clearly stated inter alia by the Supreme Court judgment of 9 November 2001 in a case between Norwegian People's Aid and a former mine clearance worker. This legal situation and relevant judgments (Supreme Court judgments published in Supreme Court Reports 2001 page 248, 2001 page 1413 and 2008 page 1601) are accounted for in previous reports.

There are no legal restrictions in Norway as to who can form and join organisations. Trade unions and employers' organisations are free to organise without any prior authorisation, nor is any registration required. There is no interference from the authorities concerning the constitutions and rules of the trade unions or organisations and their activities. The right to organise includes both the right to organise and the right not to organise, and covers both workers and employers.

A collective complaint against Norway alleging a breach of Article 5 was submitted to the Council of Europe by an employers' organisation, Bedriftsforbundet, in September 2013 (Ref. No. 103/2013). The complaint will be dealt with according to the rules and procedures in the Additional Protocol to the European Social Charter.

For update information on the Labour Disputes Act and the Public Service Disputes Act, see under Article 6 below.

Question 2 – Implementation of the legal framework

Reference is made to the previous reports. The implementation of the legal framework is secured through the legal system. Any party is entitled to bring any dispute that may arise before the courts.

Question 3 - Figures, statistics and facts

Please follow the link below and find a new report relevant for the reference period, concerning *Labour relations in Norway*, by Espen Løken, Torgeir Aarvaag Stokke and Kristine Nergaard, Fafo. Fafo is an independent and multidisciplinary research foundation, inter alia focusing on social welfare and trade policy, labour and living conditions. Of special interest regarding the right to organise will be the chapter about the organisations, see pages 25-33.

http://www.fafo.no/pub/rapp/20299.pdf

# Article 6 The right to bargain collectively

#### Article 6 para. 1 Joint consultation

Question 1 – General legal framework

The Labour Disputes Act contains procedural provisions concerning the implementation of collective bargaining and the settlement of collective disputes in private and municipal sectors.

A new and modernised Labour Disputes Act entered into force on 1 March 2012 (the Act of 27 January 2012 No. 9). The Act replaced the old Labour Disputes Act of 1927, which was primarily based on our first Labour Disputes Act of 1915. A technical and linguistic revision has been made of the Act. The language has been modernised, and words and expressions have been made gender neutral. No material amendments have been made. Procedural provisions in respect of the Labour Court of Norway have been modernised and updated.

The Act relating to wages boards in labour disputes, which establishes the National Wages Board as a voluntary arbitration body, was given a technical and linguistic revision at the same time as the Labour Disputes Act. A new Act relating to wages boards (the Act of 27 January 2012 No. 10) entered into force on 1 March 2012.

See the link to an unofficial translation of the Labour Disputes Act: <u>http://www.regjeringen.no/upload/AD/Temadokumenter/Arbeidsmiljo\_og\_sikkerhet/The\_Lab</u> <u>our\_Disputes\_Act.pdf</u> or <u>http://www.regjeringen.no/en/dep/ad/topics/the-working-environment-and-</u>

safety/arbeidsrett/the-labour-disputes-act.html?id=437549

The Public Service Disputes Act of 18 July 1958 No. 2 lays down corresponding rules for the central government sector. The Act applies to central government employees, but the King may decide that it shall also apply to other employees when their pay and working conditions are decided by collective agreements between the central government and the Civil Service unions with the right of negotiation or through other decisions of Government authorities.

Norwegian law provides general support for extensive joint consultations at all levels of working life and society. The Labour Disputes Act facilitates sound cooperation between the social partners, as do the parties' collective agreements, including the basic agreements. In the Basic Agreements the parties have agreed on the rules that are to apply between them, i.e. how they are to cooperate.

There are statutory regulations and collective agreements stating that cooperation must take place at enterprise level. This involves cooperation between the employer and employees in which the authorities do not interfere, but merely provide frameworks. There are, inter alia, regulations in the Working Environment Act that give workers the right to participate, and which safeguard the workers' interests in health and safety issues. Safety representatives and working environment councils are to be informed and consulted in cases affecting working conditions, etc.

Collective agreements contain many clauses concerning information, consultation and cooperation at enterprise level regarding issues of all kinds. These entitle the local union representatives to be informed and consulted, and sometimes provide a right of co-determination.

The extensive cooperation with the various established cooperative bodies is partly provided by the Working Environment Act and by the provisions concerning representation on governing bodies in chapter 6 of the Companies Act. We refer to the reporting on Articles 21 and 22, below.

On many points, the legislation allows the parties through collective agreements to derogate from specific statutory provisions. In other words, the parties can supplement the legislation by means of collective agreements.

Question 2 – Measures taken to implement the legal framework

As regards the implementation of co-determination provisions, etc. at individual workplaces, we refer to the report on Articles 21 and 22 (Co-decision and participation at enterprise level).

Norway has very long traditions for tripartite cooperation and social dialogue. The employers' organisations and trade unions have strong and important positions in society. This position has its basis in the extended cooperation, participation and co-influence which takes place at all levels of the labour market. Independent partners are considered as a prerequisite for a well-functioning tripartite system and social dialogue.

The workers' and employers' organisations and the authorities co-operate constructively in several fields. The organisations take initiatives and have advisory functions both in matters relating to labour law and general economic affairs.

Parts of the cooperation between the Social partners and the Government have been institutionalised:

- Since 1966 representatives of the Government and the organisations have met regularly in the Contact Committee headed by the Prime Minister. Here the economic situation is discussed and the authorities submit their views on incomes policy.
- The Technical Reporting Group for Wage Settlements prepares annual overviews of developments in wages, prices, competitiveness, etc. This body was established in 1961, and consists of representatives from the authorities and the social partners. Its reports constitute an important background for the wage negotiations.
- The Labour Minister chairs the Employment and Pension Policy Council, in which representatives from the authorities and the social partners meet to discuss relevant issues in the working life field.

A new type of tripartite cooperation that has been established is the cooperation between the government and the social partners on tripartite sectoral programmes to promote responsibility and a sound working environment. In connection with the collective bargaining in 2010, the social partners proposed to the Government that sectoral programmes be established to cooperate on challenges for particularly vulnerable sectors. The work is now well under way in the cleaning services sector. A number of measures have been implemented to promote responsible working conditions, among others, general application. In autumn 2012, an authorisation arrangement was established for all cleaning companies, as well as requirements regarding ID cards for all employees.

Work has also begun on a survey of the working conditions in restaurants and night-clubs and in parts of the transport sector. The aim here is to cooperate on a new sectoral programme in areas where there is seen to be a need for measures to promote responsibility and sound working conditions.

<u>Question 3 – Figures, statistics, facts</u> We have no relevant statistics.

The annual reports of the Technical Reporting Group for Wage Settlements (TBU) form an important basis for collective bargaining in connection with wage settlements. Here the parties agree on the figures that form the basis of negotiations between the parties.

## Article 6 para. 2 Promotion of machinery for voluntary negotiation

#### Question 1 – General legal framework

The Labour Disputes Act contains procedural provisions concerning the implementation of collective bargaining and the settlement of collective disputes in private and municipal sectors. The Public Service Disputes Act of 18 July 1958 No. 2 lays down corresponding rules for the central government sector.

Together with the parties' basic agreements and the Basic Collective Agreement for the Civil Service, the labour dispute legislation provides the framework for carrying out negotiations between the parties. The agreements partly overlap and partly complement the legislation.

The basic principle is that the social partners are free to regulate pay and working conditions by means of negotiations and by entering into agreements. A major factor here is that such binding regulation of agreements between the parties ensures the stability of the established agreements. Labour dispute legislation also recognises industrial action (strikes and lockouts) as a legitimate instrument in disputes of interest in relation to the conclusion and content of collective agreements.

The Labour Disputes Act defines a collective agreement as an agreement between a trade union and an employer or employers' association regarding employment and wage terms or other working conditions (section 1e). A trade union is defined as any federation of employees or employees' unions with the purpose of safeguarding the employees' interests vis-à-vis their employers (section 1c).

In other words, no requirements are imposed regarding the organisation or size of such an association.

According to the system provided by the Labour Disputes Act, a party may submit demands concerning a collective agreement, and industrial action may be carried out to support the demands. Achievement of the demands concerning the agreement is thus a question of strength. (Before industrial action can be carried out, mediation must have been carried out (see under Article 6 para. 3.)

A trade union, an employer, or an employers' association may demand negotiations with a view towards entering into or revising a collective agreement. If the opposing party does not attend negotiations or the negotiations do not lead to a collective agreement, the parties may take industrial action in favour of their position.

The Civil Service Disputes Act provides the right of negotiation to organisations of a certain size. This applies firstly to trade union confederations where at least 20 000 civil servants are members and where the affiliated Civil Service unions and professional associations with the right of negotiation represent at least five undertakings or where there are at least 40 000 members and the affiliated the Service unions and professional associations with the right of negotiation represent at least five undertakings.

A civil service union has the right of negotiation provided that it consists of civil servants in an agency or branch of service, and has a membership of at least 50 civil servants who shall comprise at least half the number of Norwegian civil servants in the agency or branch of service concerned.

A nation-wide union whose members belong to a single occupational group and which admits members from both within and outside the Civil Service has the right of negotiation provided it has at least 200 civil servants as members, who shall comprise at least half the number of civil servants in the country within the occupational group concerned.

A confederation of civil service unions or a nationwide union whose members belong to a single occupational group has the right of negotiation provided that the confederation or union concerned was registered as having the right of negotiation on 1 January 2002 and still meets the conditions that then applied (section 3 of the Civil Service Disputes Act).

As provided by the Civil Service Disputes Act, a certain size and a certain degree of representativity is required for the right of negotiation in the central government sector. Those that have the right of negotiation have both the obligation and the right to enter into negotiations concerning entry into a collective agreement, if the other party so demands.

The legislation draws a fundamental distinction between disputes of interest and legal disputes, and establishes public institutions and rules concerning the procedure for resolving conflicts associated with negotiations and collective agreements.

In order to solve disputes concerning the conclusion of amendment of a collective agreement, the parties may take industrial action in favour of their position, provided the provisions of the Act concerning mediation are complied with. Reference is also made to the report under Article 6 para. 3.

Disputes regarding the validity or interpretation of an existing collective wage agreement are disputes of law, and must be solved by negotiations, or if negotiations fail, by the Labour Court. This implies that during the contract period there is a peace obligation.

#### Question 2 - Measures taken to implement the legal framework

Collective bargaining has long traditions in Norway. Neither the right to organise nor the right to conclude collective agreements has ever seriously been questioned. Contracts were first signed on local basis as early as the 1870s. The first workers' federation was established in 1899, the employers following in 1900.

Negotiations concerning pay and working conditions in the central government sector take place partly centrally, partly locally. The Basic Agreement between the central government and the trade union confederations is concluded for two years at a time, with revision on 30 April, next time in 2014. The Ministry of Government Administration, Reform and Church Affairs and the trade union confederations also negotiate a number of central special agreements, while local pay negotiations are conducted concerning individual pay increases, and concerning matters not regulated by the Basic Agreement or by the central special agreements. No amendments have been made to this legislation since the previous report.

Since 2007, the Basic Agreement funds have also been set aside for holding conferences on cooperative skills and co-determination for managers and elected employees' representatives in central government agencies.

#### Question 3 - Figures, statistics or other relevant information

Below follows an account on the wage rounds in 2009, 2010, 2011 and 2012, which are mainly summaries of the reports from Fafo (Institute of Applied Science) published on <u>www.eurofound.europa.eu/eiro</u>.

#### Wage settlements 2009

The 2009 wage settlement was a so-called intermediate settlement, i.e. renegotiations of wage rates in the bi-annual agreements for the period 2008-2010. Rather few of the renegotiations were subject to mediation, namely 33. One of them ended in conflict, and subsequently arbitration was imposed, see under Article 6 para. 4, question 3.

Wage increases from 2008 to 2009 were on average estimated to 4.1% by the Technical Reporting Committee on Income Settlements (TBU). In the manufacturing sector (NHO member companies) wages increased on average by 4%. In the public sector, wages increased by 4.5% in the state sector and by 4.75% in the municipal sector. Employees in the retail sector had an estimated wage growth of 1.75%, whereas wages in the finance sector increased by 0.5%.

#### Wage settlements 2010

In 2010 the nationwide biannual collective agreements were subject to renegotiation. The bargaining round was carried out at the industry level, and most agreements were renegotiated during the spring and early summer of 2010. The leading trades concluded new agreements in April 2010. The results of these negotiations, involving parts of the manufacturing sector, have a strong bearing on the results achieved in other agreement areas of the economy. The parties agreed on a general pay increase of NOK 1 per hour, and an additional increase of NOK 0.50 per hour to employees in industries with low average pay. The parties also agreed a joint declaration on gender equality. A number of other private sector agreements, as well as those for the public sector, then followed, with similar results.

Norwegian wages increased by 3.75% between 2009 and 2010. Norwegian wage earners, on average, saw a growth in real wages after tax of 1.25% during this time. Wage growth was at its highest in the finance sector whereas manufacturing industry workers witnessed a wage growth of 3.6%. The average pay difference between female and male full-time employees fell by 0.5 percentage points from 2009 to 2010. This pay difference varies widely from sector to sector, however.

There were several strikes in the private sector during the bargaining season. In the construction industry, a five-day strike took place as a result of disagreement over minimum pay levels in the collective agreement. Strike action was also taken at a number of freight terminals when the Norwegian Transport Workers' Union (NTF) and the Norwegian Logistics and Freight Association (LTL) failed to agree on a new collective agreement. Following three weeks of strike action, the parties reached a new agreement, in which the employers met the employees half way, but by no means conceded to all the demands put forward by the employees.

There were also strikes in the cleaning industry and the security industry, both regarded as typically low-pay industries in Norway. In both these areas, disputes centred mainly on the issue of pay and the unions' demand for a long-term incremental increase in pay levels. New agreements were reached, providing higher wage increases than originally offered. Security

guards also managed to secure agreement on a long-term plan to increase pay levels in their industry.

In the central government sector, agreement was reached for an increase averaging 3.3%. In the municipal sector, except the municipality of Oslo, the parties failed to come to terms, and all four main bargaining employee confederations went on strike on 27 May 2010. The strike lasted for nearly two weeks and involved around 44 000 workers. The parties eventually concluded a new agreement providing for an increase of around 3.4%. It represented a significantly larger general increase than the original offer presented by the Norwegian Association of Local and Regional Authorities (KS).

Strikes also took place in state-owned hospitals, when the Confederation of Unions for Professionals (Unio) failed to reach agreement with the employer organisation Spekter. The strike involved mainly nurses and lasted almost a week. The parties eventually managed to reach an agreement providing for increases of about 3.5%. In two other conflicts in the health sector compulsory arbitration was imposed, see under article 6 para. 4.

#### Wage settlements 2011

The 2011 wage settlement was a so-called intermediate settlement, with renegotiations of wage rates in the bi-annual agreements for the period 2010-2012. In the course of spring 2011, Norway's social partner organisations negotiated pay rates for both private and public sector workers.

In the private sector the Norwegian Confederation of Trade Unions (LO) and the national associations of the Confederation of Norwegian Enterprise (NHO) renegotiated all their agreements collectively. They agreed on a general pay increase of NOK 2 per hour, as well as an additional increase of NOK 1 for low paid workers. This result was then a model for the following negotiations in the rest of the private sector.

In the central government sector the bargaining parties agreed on a general pay increase for all groups of workers. It varied from NOK 7 000 per year for the lowest paid to a 1.72% increase for the highest paid employees. The wage settlement in the state sector was estimated to have generated annual wage growth of just under 4% for 2011.

In the municipal sector the social partner organisations agreed on pay increases within a framework of 4.25%.

The bargaining parties managed, on the whole, to reach agreements without having to call on the National Mediator.

A TBU report on wage settlements for 2012 showed that Norwegian wage earners saw their wages rise by 4.2% in 2011. Growth in real wages was estimated to be 3.1%. The wage gap between men and women was unchanged from 2010 to 2011, with women earning on average 87.2% as much as men.

The group experiencing the highest wage growth in 2011 were those in the financial services sector who saw wage growth of 4.9%. Lowest growth in 2011 was among employees in the wholesale and retail trade, transport and the hotels and restaurants sector.

#### Wage settlements 2012

The collective pay settlement for 2012 was carried out as a decentralised settlement, although industries exposed to competition were affected by the international crisis.

Following mediation, the parties in the leading trades agreed on a general supplement of NOK 1.25 per hour, and increase of minimum wage rates and the rates for night work, shift work and nuisance compensation. In addition, the Norwegian United Federation of Trade Unions gained acceptance for a social reform – two weeks' paid paternal leave in connection with childbirth. Furthermore, the arrangement for short-term compassionate leave was extended. The parties also agreed to make efforts to improve the general application arrangement in order to strengthen the organised part of working life, and agreed on provisions for equal treatment of employees hired from temporary work agencies.

The ensuing results of industrial negotiation and mediation followed the main pattern of the leading trades. This applied to the settlements for hotel and restaurant workers, building and construction workers and cleaning and sanitation workers, among others.

Following the breakdown of the mediation in the central government sector, a strike was called on 24 May by the Norwegian Confederation of Trade Unions – Section for State Employees *(LO Stat),* the Confederation of Vocational Unions – Section for State Employees *(YS Stat)* and the Confederation of Unions for Professionals, Norway *(Unio),* while the Federation of Norwegian Professional Associations *(Akademikerne)* continued mediation with the central government. After approximately one week, the striking parties agreed with the central government on voluntary mediation, which was then carried out in parallel with Akademikerne's continued mediation. On 2 June, *LO Stat, YS Stat* and *Akademikerne* accepted a proposal from the State Mediator, while Unio rejected the proposal and continued the strike. The Ministry of Government Administration, Reform and Church Affairs also accepted the proposal. The main points of the settlement in the central government sector were a general supplement of NOK 12 000 per year up to and including pay grade 55, above this a supplement of 2.7 per cent, a pot of 1 per cent for local negotiations and increases in the supplement for work on Saturdays and Sundays.

On 7 June, Unio and the central government represented by the Ministry of Government Administration, Reform and Church Affairs agreed that the dispute between them was to be resolved by voluntary arbitration via the National Wages Board, and Unio called off the strike. In the ruling of 29 August 2012 by the National Wages Board, Unio's members received the same financial settlement for central government employees as the other trade union confederations.

Following the breakdown of the mediation with the Association of Local and Regional Authorities, a strike in the local government sector was called on 24 May by the Confederation of Trade Unions – Section for Municipal Employees *(LO Kommune),* the Confederation of Vocational Unions – Section for Municipal Employees *(YS Kommune)* and the Confederation of Unions for Professionals, Norway *(Unio),* while the Federation of Norwegian Professional Associations *(Akademikerne)* continued mediation. Voluntary mediation was begun on 5 June, a proposal for a settlement on the same day was accepted by the parties, and the strike was called off.

In the City of Oslo, the settlement was also sent to mediation. On 30 May, the City of Oslo, the Norwegian Union of Municipal and General Employees (*Fagforbundet*) and the

Federation of Norwegian Professional Associations *(Akademikerne)* agreed to a recommended settlement proposal, whereas the Norwegian Union of Social Educators and Social Workers *(Fellesorganisasjonen)*, the Norwegian Musicians' Union *(Musikernes fellesorganisasjon)*, the Norwegian Union of School Employees *(Skolenes Landsforbund)*, the Confederation of Vocational Unions – Section for Municipal Employees *(YS kommune)* and the Confederation of Unions for Professionals, Norway *(Unio)* rejected the proposal and called a strike. On 5 June, the striking unions and the City of Oslo agreed on voluntary mediation. On 6 June, a settlement proposal was accepted by the parties, and the strike was called off.

In the 2012 settlement, 91 cases were sent to the State Mediator for mediation. Of these, 17 ended in conflict, whereas, in most cases, the parties reached agreement after a period of strike action. Three of the conflicts ended in compulsory arbitration. The interventions are referred to in Article 6 para. 4.

#### General questions from the ECSR No. 15

The Committee asks that the next report on Article 6 para. 2 contains information on the procedures governing the possible extension of collective agreements.

The Act of 4 June 1993 No. 58 relating to general application of wage agreements, etc. (General Application Act) provides for general application of collective agreements. The purpose of the General Application Act is twofold. The Act is designed to ensure foreign employees terms of wages and employment equivalent to those of Norwegian employees, while preventing distortion of competition detrimental to the Norwegian labour market.

General application involves an exception from the general rule of free wage formation. The general application arrangement is regarded as a major instrument for prevention of wage dumping and unsatisfactory working conditions. It particularly targets sectors where there is evidence of challenges associated with pay and other central working conditions for foreign employees.

A precondition for general application is documentary evidence that foreign employees are employed in Norway on less favourable pay and working conditions than corresponding Norwegian employees. General application normally involves the application of minimum conditions in a nationwide collective agreement as mandatory minimum conditions for all employees who work within the scope of the collective agreement. In addition to pay, general application regulations may provide rules concerning working hours and overtime rates, shiftwork supplements, coverage of travel expenses, board and lodging, working clothes, etc.

General application has been established by a special board, the Tariff Board, which is composed of five members; two members appointed respectively by the Norwegian Confederation of Trade Unions (*LO*) and the Confederation of Norwegian Enterprise (*NHO*) and three neutral members. General application may be established at the request of an employees' or employers' organisation which is party to a nationwide collective agreement. If a regulation of general application is in the public interest, the Tariff Board may make such decisions on its own initiative (this has not occurred to date). The Norwegian Labour Inspection Authority and the Petroleum Safety Authority are responsible for supervising compliance with the general application regulations.

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#### Article 6 para. 3 Conciliation and arbitration

#### Question 1 – General legal framework

We refer to previous reports, and also provide a brief description of the legislation. Chapter 3 of the Labour Disputes Act contains provisions on mediation, which must be carried out before a party takes industrial action. In other words, if the direct negotiations between the two parties fail, they can not resort to industrial action immediately. The provisions on mediation laid down in the Labour Disputes Act must be observed.

A party that breaks the negotiations must first give a warning of collective work stoppage to the National Mediator. If the mediator considers that a stoppage of work will prejudice public interests in view either of the nature of the undertaking or of the extent of the dispute, he shall prohibit the stoppage of work until compulsory mediation has been tried.

Ten days after the temporary ban against work stoppage is made, either party may demand the mediation to be terminated. The National Mediator then has four days at his disposal to try to bring the parties to terms. If he fails, the parties may take industrial action.

The Labour Disputes Act Chapter 4 contains provisions on the Labour Court. The Court is at the disposal of the industrial partners, who may bring disputes concerning the interpretation, validity and existence of their collective agreements, etc. before the Court. See more below.

The Act No. 10 of 27 January 2012 relating to wage committees in labour disputes establishes National Wages Board, which is a permanent voluntary arbitration body.

No amendments of national legislation have been made concerning mediation and arbitration since the previous report. In the central government sector, negotiations on pay and working conditions are subject to compulsory mediation if they do not succeed. The State Mediator then summons the parties to mediation. Fourteen days following commencement of mediation, either of the parties may demand conclusion of the mediation within one week.

#### Question 2 - Measures taken to implement the legal framework

The mediation institution is a permanent, independent institution established pursuant to the Labour Disputes Act. It has existed since 1916, and is an important part of the machinery for the settlement of disputes of interest. A National Mediator and seven district mediators are appointed by the Government for a period of three years. The district mediators deal with local disputes, while the National Mediator handles nationwide disputes. As most collective agreements expire and are revised during the spring, this is an extremely busy period for the National Mediator, and in order to avoid that the parties have to wait for mediation, a number of special mediators are appointed and are engaged in mediation as occasion requires.

The Labour Court, established in 1916, is a special court for resolving labour disputes, established pursuant to the Labour Disputes Act. The court consists of seven judges. Three members are legal judges, two members are nominated by the workers' organisations and the last two members are nominated by the employers' organisations. The three legal judges must have qualifications equivalent to those of a Supreme Court judge. The court deals with disputes concerning the interpretation, validity and existence of collective agreements, cases of breach of collective agreements and the peace obligation and cases of claims for damages arising from such breaches and unlawful industrial action.

The National Wages Board is a permanent voluntary arbitration body which is appointed pursuant to Act No. 10 of 27 January 2012 relating to wage committees in labour disputes. The Board is at the disposal of the workers' and employers' organisations if they wish to have recourse to it in order to settle labour conflicts. This means that, if the parties to a dispute wish to have the conflict resolved by voluntary arbitration, they may turn to the National Wages Board, and the State will bear the expenses of arbitration.

#### Question 3 – Figures, statistics, facts

The Labour Court and the National Mediator both present annual reports on their activity. On their website the Labour Court also presents their decisions in full text – <u>www.arbeidsretten.no</u>.

In the National Mediator's report there is a survey of the mediation tasks and their outcome, <u>www.riksmekleren.no</u>. The figures below are taken from the report for 2012.

| Year | Conciliations |
|------|---------------|
| 2009 | 33            |
| 2010 | 97            |
| 2011 | 28            |
| 2012 | 91            |

Table 11: Statistics on conciliation

Source: State Mediator

#### Article 6 para. 4 The right to collective action

#### Question 1 – General legal framework

We refer to previous reports. The new Labour Disputes Act, like the old Act, recognises industrial action (strikes and lockouts) as a legitimate means of action in disputes of interest concerning the conclusion and content of collective agreements.

The right to industrial action is part of the right to free collective bargaining and is protected under Norwegian law. There is no prohibition against strike or lockout, except for the armed forces and senior civil servants.

The legislation draws a fundamental distinction between disputes of interest and legal disputes, and establishes public institutions and rules concerning the procedure for resolving conflicts associated with negotiations and collective agreements, as described under Article 6 para. 2 and 3.

In disputes concerning the conclusion or amendment of a collective wage agreement, the socalled disputes of interest, the parties may take industrial action in favour of their position. But if the direct negotiations between the two parties fail, they cannot resort to industrial action immediately. They must observe the procedural provisions of the Labour Disputes Act, including notifying the National Mediator about the failure of result in the negotiations, and attend the subsequent mediation. In the private and municipal sectors the either party may after 10 days of mediation demand the mediation to be terminated. The National Mediator then has 4 days at disposal to try to bring the parties to terms. If he fails, the parties may take industrial action.

If mediation does not succeed in the central government sector, stoppage of work or other industrial action may be carried out if the parties have observed the time limits for collective notice, etc. referred to in chapter 13 of the Basic Agreement for the Civil Service. These rules supplement the Civil Service Disputes Act, cf. the fifth chapter of the Civil Service Disputes Act.

Question 2 - Measures taken to implement the legal framework

Wage formation and the conclusion and revision of collective agreements are the responsibility of the social partners. They negotiate and mediate, and may call industrial action. The government provides for collective bargaining through the labour dispute legislation. The State Mediator, the Labour Court of Norway and the National Wages Board are dispute settlement bodies that the government makes available to the parties.

# Question 3 - Figures, statistics or relevant information

| Year | Conciliations | Conflicts | Acts on compulsory arbitration |
|------|---------------|-----------|--------------------------------|
| 2009 | 33            | 1         | 1                              |
| 2010 | 97            | 13        | 2                              |
| 2011 | 28            | 1         | 0                              |
| 2012 | 91            | 17        | 3                              |

Table 12: Statistics on conciliation, conflicts and arbitration

Source: State Mediator and Ministry of Labour

Below follows an account on the interventions imposing compulsory arbitration in the period 2009-2012. See also under article 6 para. 2. According to the 2004 conclusions on Article 6 para. 4, ECSR no longer considers interventions in the health sector as part of the reporting procedure. These conflicts are thus just mentioned briefly.

# <u>2009</u>

The only intervention in 2009 was in the health sector and concerned air ambulance pilots.

# <u>2010</u>

There were two interventions in 2010, both in the health sector. The first one concerned nurses in enterprises within health care, mainly nursing homes. The second concerned public hospitals.

# <u>2011</u>

No interventions.

# 2012

As shown in the above table, 91 disputes were subjected to arbitration. Of these, 17 ended in conflict.

Three interventions were made in 2012, one in the oil sector, one among security personnel, and one in the health sector. The latter concerned private nursing homes.

#### The oil sector conflict

The negotiations between Norsk olje og gass (formerly OLF) and the workers organisations Industri Energi (LO), SAFE (YS) and Lederne (the Norwegian Organisation of Managers and Executives) on the revision of the shelf agreements on the fixed oil installations in the North Sea were unsuccessful. These agreements apply to people who work for the oil companies on the permanent installations as operators, in drilling, and in catering. The shelf agreements cover some 7 100 employees. Following a breakdown of the negotiations, on 24 May, Industri Energi, SAFE and Lederne gave notice of collective work stoppage for a limited number of members covered by the shelf agreements.

The National Mediator prohibited work stoppage on 25 May 2012. The parties were then summoned to joint mediation for the three employee organisations and OLF. The mediation was concluded without result on 24 June at 03:30, and on 24 June the employee organisations initiated the strike that had been called.

On 5 July 2012, the employer side gave notice of a lockout for the rest of the employees covered by the agreements in question, some 6 500 employees, effective from the early hours of Tuesday 10 July.

Following an initiative by the National Mediator, an attempt was made to bring the parties to a negotiated solution. On Friday 6 July, the Minister of Labour summoned the parties to a meeting and encouraged them to make a new attempt to come to an agreement. The parties met on Saturday 7 July, but did not succeed at achieving an agreement, and the situation was perceived as deadlocked. The Minister of Labour summoned the parties to a meeting on Monday 9 July at 23:30. She informed the parties that, in order to prevent the notified lockout from taking effect, the government would intervene in the conflict with compulsory arbitration. Following the Minister's request, the employees agreed to end the ongoing strike, and the employers agreed not to implement the notified lockout.

The limited strike that started on 24 June led to the Oseberg Field Centre, Heidrun, Skarv and Floatel Superior being shut down. Statoil also shut down the Veslefrikk, Huldra, Brage and Oseberg C platforms, as they were dependent on being able to transport oil and gas via the Oseberg Field Centre. The production loss was some 15 per cent of Norwegian oil production and 7 per cent of the gas production, and the costs of the production loss were about NOK 150 million per day in deferred revenues.

An escalation of the conflict through OLF's notified lockout from 10 July would entail a full shutdown of all oil and gas production on the Norwegian shelf. On 8 July, the Ministry of Labour received the following impact assessment of such a shutdown from the Ministry of Finance and the Ministry of Petroleum and Energy:

"For decades Norway has built a reputation as a secure and reliable exporter of oil and gas. It is important to preserve this reputation for the Norwegian shelf in the most important consumer countries. This is necessary in order to secure the great assets that make up our oil fortune. Russia and Norway together supply 45 per cent of Europe's gas deliveries. A labour dispute affecting the reliability of supply to Europe would have serious consequences both for Norway's standing as a reliable supplier and the reputation of gas as a safe energy source. It takes a long time to build a good reputation, but it can be destroyed quickly. A full shutdown therefore emerges as highly unfortunate.

Norway's gas production is 287 million Sm3 of gas per day. About 97 per cent of this is Exported, some 100.2 billion Sm3 per year, making Norway the world's second-largest exporter of gas. Norway supplies about 20 per cent of European gas. Most exports go to Germany, the United Kingdom, Belgium and France. Norwegian gas represents 20-40 per cent of total consumption in these countries. Future energy policy is now in the making in European countries. The short interruptions to Russian supplies via the Ukraine have created great uncertainty regarding the future role of gas in the energy supply of several countries. There are plans to sell large volumes of Norwegian gas in the coming years. It would be very unfortunate if this situation led to doubts regarding Norwegian reliability and dependable delivery. Both the British authorities and the EU have already contacted the Norwegian Ministry of Petroleum and Energy for information regarding developments in the labour dispute on the Norwegian shelf.

Norway's oil production (including NGL and condensates) is 2 million BOE per day. About 1.7 million barrels of this are exported, making Norway the world's seventh-largest exporter of oil. Experience indicates that a loss of such large volumes may lead to a significant rise in oil prices. The oil market has already responded to the Norwegian conflict, but to a limited extent. The players appear to expect the situation to be resolved quickly. It is estimated that a labour dispute affecting the entire Norwegian shelf will entail a reduction of NOK 55 billion per month in the production value of oil, at current oil prices. Most of the production is exported, and the estimates in the Revised National Budget 2012 indicate that a full shutdown will have a negative impact of almost NOK 50 billion per month on the international trade balance. A shutdown would lead to loss of income for the state, among other things, through lower taxes and fees from oil companies, and through lower revenues from the State's Direct Financial Interest (SDFI). In the Revised National Budget 2012, the state's net cash flow from petroleum activities in 2012 was estimated at NOK 378 billion, corresponding to an average of NOK 32 billion per month. Some of these assets may be recouped later through deferred production, but any later loss of gas contracts as a result of an impaired reputation will become a permanent loss. Administrative costs associated with shutting down and reopening fields in production will also accrue. A protracted interruption of activity on the Norwegian shelf will also delay progress on ongoing field expansions, drilling programmes, etc., with potentially significant consequences. The estimated cost for the ongoing Skarv project, which has already been affected by the strike, is NOK 40 million per day. Out of consideration for the Norwegian economy and our reputation as a large and reliable supplier of oil and gas, and out of consideration for oil and gas deliveries to our trading partners, it is critical that a full shutdown of oil and gas production on the Norwegian shelf be avoided."

According to the Federation of Norwegian Industries, the supplier industry would also suffer greatly from a lockout on the shelf. The Federation of Norwegian Industries stated that oil industry suppliers would probably have to lay off 10-15 000 employees. Many innocent third parties would in other words also be affected by the strike.

The Government found that even a short interruption to all oil and gas production would be highly detrimental to trust in Norway as a credible supplier of oil and gas. Furthermore, a full shutdown of production would have a serious impact on the Norwegian economy, including major ripple effects on the supplier industry. The Government therefore decided that the labour disputes between Industry Energy, SAFE and Lederne and OLF must be resolved without further industrial action, and imposed the disputes to be solved by the National Wages Board. The status of the negotiations between the parties was a deadlock, and there were thus prospects of a long-term conflict.

The intervention was carried out by the Government in connection with the Provisional Ordinance of 10 August 2012, in accordance with section 17 of the Norwegian constitution. The case was concluded by the National Wages Board's ruling of 11 October 2012.

Norway has ratified several ILO conventions that protect freedom of organisation and the right to strike (conventions nos. 87, 98 and 154). Following the interpretation of the conventions by the bodies of the ILO, strict requirements govern intervention in the right to strike, but intervention is nevertheless allowed if the strike puts life, health and personal safety at risk for the whole or part of the population. Article 6, para. 4 of the Council of Europe's Social Charter contains a corresponding provision that protects the right to strike. However, Article 6 must be seen in conjunction with Article G, which allows statutory restrictions on the right to strike that are necessary in a democratic society to protect the rights and freedoms of others or to protect the public interest, national security, or morals in society.

Norway is concerned to meet its obligations under international law. In our view, the consequences of an industrial conflict resulting in full shutdown of all petroleum and gas production on the Norwegian continental shelf would be of such an enormous magnitude that an intervention must be deemed to be within the framework defined by the Conventions.

#### The security guard conflict

Negotiations and mediation between the Norwegian Union of General Workers (*Norsk Arbeidsmandsforbund*) and the National Federation of Service Industries (*NHO Service*) concerning revision of the Security Guard Agreement failed to reach agreement. The Agreement applied to over 4000 organised security guards employed in mobile and stationary guard services in connection with guarded transport of valuables, ATMs, road toll plazas, alarm centres, airports, etc. When the mediation failed, the employee side called a strike involving 1797 members from 1 June 2012. The strike involved security guards at Oslo Gardermoen Airport, Bergen Flesland Airport, Stavanger Sola Airport, Trondheim Værnes Airport and Tromsø Langnes Airport. The strike also affected guarding of construction sites, North Sea offshore transport services, communications, commercial premises and a number of public institutions and private companies throughout Norway.

Informal exploratory talks on 4 June did not result in resumption of mediation by the parties. On the same day, a further 1189 members were involved in the strike and, from 6 June 2012, a further 439 members were involved in the conflict. By this time, a total of 3425 security guards were on strike. At all airports affected by the strike dispensation was given for ambulance services and fire and rescue services.

On 8 June, an extremely unclear situation was reported at a number of Norwegian airports. The Civil Aviation Authority reported that 14 airports were affected by the strike and five of these were closed to outgoing traffic. At airports serving the large towns the situation had been demanding for several days with long queues and major inconvenience for passengers. Offshore helicopter traffic in the North Sea was greatly reduced. Three terminals were closed while two had only limited capacity. The Petroleum Safety Authority informed that a number of crews on petroleum installations were approaching or had already exceeded the permitted offshore period of stay. Avinor continuously assessed the security and health conditions for both employees and passengers at airports. It was particularly important to assess fire safety,

evacuation and air quality when several thousand passengers might have to queue for up to eight hours for security controls in handling a considerable volume of holiday-makers flying abroad during Saturday 9 and Sunday 10 June. On the afternoon of 8 June, Avinor announced that they would not be able to maintain satisfactory operations, and would therefore close the security controls at both Værnes (Trondheim) and Flesland (Bergen) on Saturday morning. It would not be possible to deal with the expected volume of passengers. This entailed that these airports too would be closed for all outgoing traffic. On Friday 8 June, the Civil Aviation Authority and Avinor described the situation as follows: "As a result of the number of personnel on strike at these airports, only one security gate can be kept open from Saturday morning. In view of almost 8000 passengers from Bergen Airport and 5500 from Trondheim during the morning hours, this will result in completely unacceptable conditions for both passengers and employees. It would take over 24 hours to get the passengers through, and the conditions at the terminals would be intolerable. Out of regard for life and health, Avinor therefore finds it necessary to close the security controls at these two airports during the week-end [...]."

At Bodø Airport, Avinor and the Civil Aviation Authority reported that an unsafe situation had arisen because the emergency services would have to adopt alternative solutions in any emergency situation, which might give rise to confusion and delays. In summary, the air traffic situation was very uncertain and very demanding. This picture was to be considerably reinforced during the week-end. The conflict also had consequences in other areas of society: ATMs were in process of being emptied, and shops, industrial concerns and museums did not have the necessary security guard services. In addition to the major consequences for passengers, the conflict gradually affected postal services and other air freight. Export of salmon would be severely affected, and general air freight, including transport of vital parts for Norwegian shipping and offshore industry would be affected. The same applied to essential medicines for persons and institutions abroad, which could be affected owing to the limited resources for security clearance of air freight.

On Friday 8 June, new explorative talks were held by the parties with a view to reaching a solution, but these talks failed. This indicated a thoroughly deadlocked situation.

On the evening of 8 June, the Minister of Labour summoned the parties to a meeting. At this meeting, the parties confirmed that there was no possibility of arriving at an agreement. The Minister of Labour informed that the Government took a very serious view of the major social consequences entailed by the strike. The overall situation was uncertain, and gave major grounds for concern. The Government therefore announced that it would submit a proposition to the Storting imposing compulsory arbitration of the dispute. At the request of the Minister of Labour, the Norwegian Union of General Workers declared willingness to call off the strike immediately and announced that the striking personnel would resume work as soon as possible.

A bill proposing compulsory arbitration of the dispute was adopted by Parliament by Act of 19 October 2012. The case was concluded by the National Wages Board's ruling of 7 December 2012.

#### Request from the ECSR - Conclusions 2010

The Committee concludes that the situation in Norway is not in conformity with Article 6 para. 4 of the Revised Charter on the ground that legislation was enacted during the reference

period in order to terminate collective action in circumstances which went beyond those permitted by Article G of the Revised Charter.

We refer to our previous report (for the period 2005–2008). Norway maintains that it was necessary to intervene in the two conflicts referred to in 2006, and that the interventions must be deemed to be within the framework of Article G of the revised Social Charter. We can also inform that the legislation referred to is no longer in force.

# Article 21 – The right to information and consultation

#### Question 1 – General legal framework

As regards current legislation, we refer mainly to the previous report. We have the following additional comments:

#### The right to representation on governing bodies

The account of current legislation in the previous report refers to the right laid down in the Companies Act of employee representation on governing bodies in companies that have had an average of more than 30 employees during the last three accounting years. It is no longer a requirement of the right of representation that the company must have had an average of more than 30 employees during the last three accounting years. It is now sufficient that a company has more than 30 employees at the time that the right of employee representation is invoked.

#### The Cooperation and Co-determination Committee

The report also referred to the appointment by the Ministry of Labour in 2009 of a joint committee, the Cooperation and Co-determination Committee, to examine the co-determination provisions of the Working Environment Act and of company law. In March 2010, the committee submitted its recommendations (NOU 2010:1 - Cooperation and co-determination in working life). It was the view of the committee that democracy in working life is a benefit in itself, and that the arrangements regarding cooperation and co-determination comprise a central part of "the Norwegian model". The provisions help to make Norwegian undertakings competitive and adaptable, while effectively safeguarding the rights of the employees. The committee agreed that such arrangements function well where they have been implemented, but that a challenge lies in increasing their prevalence. The committee's proposal was further discussed in the white paper *Joint responsibility for a good and decent working life* ("Meld. St. 29 (2010–2011)), issued by the Ministry of Labour in autumn 2011. The proposals of the white paper were considered by the Storting in spring 2012.

Implementation of Directive 2002/14/EC – scope – The Committee requests information on the scope of the Norwegian provisions concerning information and consultation. The duty of information and consultation in chapter 8 concerns undertakings that regularly employ more than 50 employees, cf. Article 3 (1) (a) of the Directive. The Norwegian provisions do not apply to the alternative in Article 3 (1) (b) of the Directive.

#### Company law

It follows, inter alia, from the Companies Act that a majority of the employees of companies with more than 30 employees may demand that one member and one observer on the board of the company is to be elected by and among the employees. In companies with more than 50

employees, a majority of the employees may demand that one third and at least two of the board members of the company shall be elected by and among the employees. In companies with more than 200 employees, there shall be a corporate assembly where one third of the members shall be elected by and among the employees. The corporate assembly shall elect the board. An agreement not to establish a corporate assembly may be concluded between the company and local trade unions. In such case, the employees shall elect an additional board member or two observers.

# The Basic Agreement for the Civil Service – The Committee refers to the fact that public employees are not covered by the Basic Agreement between the Norwegian Confederation of Trade Unions and the Confederation of Norwegian Enterprise.

The Basic Agreement for the Civil Service was revised in 2012, and applies until 31 December 2015. The organisations with right of representation are those that organise at least 10% of the employees of the undertaking, area of operations or area of work affected by the matter. If two or more organisations with less than 10% are organised in the same confederation, these may join forces in order to gain a total representation of 10% or more. If one or more organisations are too small to meet the 10% requirement, they will nevertheless be entitled to nominate one representative with the same rights pursuant to the adjustment agreement as the other elected employees' representatives.

Sections 11, 12 and 13 of the Agreement provide the elected employees' representatives with the right to information, consultation and negotiations in questions concerning the working situation of employees subject to the Agreement. Negotiable topics are further defined in section 13. If the parties fail to agree in a matter subjected to negotiation, following mediation concerning the matter, the elected employees' representatives shall decide whether the matter shall be forwarded to the competent ministry for decision or decided by a joint board with a neutral chair. A matter on which a decision is not reached following negotiations in a ministry may not be decided by a joint board.

#### Question 2 – Implementation of the legal framework

The Norwegian Labour Inspection Authority provides guidance to undertakings concerning the provisions of the Working Environment Act, and is authorised to issue orders if the duty of information and consultation is not implemented in the undertaking. Breaches of chapter 8 of the Working Environment Act may also be responded to by imposing a coercive fine.

Disputes in relation to the agreements are to be resolved in accordance with the agreements themselves. It is stated in the agreement whether disputes may be brought before the Labour Court of Norway.

The Norwegian Labour Inspection Authority has no responsibility for information or followupon the provisions concerning employee representation in company law. Breaches of these provisions must be followed up via the Norwegian Board of Industrial Democracy and, if necessary, via the ordinary courts.

#### Question 3 – Figures, statistics, facts

The Norwegian Labour Inspection Authority provides guidance on the legislation, but there have not been many orders or responses pursuant to chapter 8 of the Working Environment Act within the reference period.

As regards the prevalence of the co-determination arrangements, we refer to chapter 11 of the white paper, *Joint responsibility for a good and decent working life* (Meld. St. 29 (2010–2011)) (see the annex).

# <u>Article 22 – The right to take part in determination and improvement of the</u> working conditions and working environment

Question 1 – General legal framework

For descriptions of current legislation, we refer to the previous reports.

We have the following additional comments:

The parties themselves recruit members to their organisations (for more information, see under Article 6). General provisions are made to enable the parties to conduct negotiations and enter into collective agreements.

The Act has no provisions concerning social or sociocultural arrangements or measures. Various welfare measures and welfare arrangements are nevertheless widespread, in both public and private undertakings. Such arrangements may follow from agreements, staff rules or the like.

# Question 2 – Implementation of the legal framework

It is the Norwegian Labour Inspection Authority that enforces this legislation and ensures compliance by means of orders and coercive fines. Violation of the Working Environment Act is a punishable offence. Violation is subject to public prosecution, but in practice it is only the most serious violations of the Act that are prosecuted.

# Question 3 – Figures, statistics, facts

As regards prevalence of the arrangements, we refer here too to the report concerning Article 21 and to chapter 11 of the white paper, *Joint responsibility for a good and decent working life* (Meld. St. 29 (2010–2011)) (see the annex).

# Article 28 – The right of workers' representatives to protection and facilities

# 1) The general legal framework

The employee's representatives' protection against unfair dismissal has been continued in the revised Working Environment Act of 2005, section 13-1, 15-7 and 15-14. These are the general rules that apply in dismissal cases. A dismissal must be objectively justified. The courts take into consideration that the employee is a union official when assessing if a dismissal is objectively justified. Furthermore, the Working Environment Act section 2-5 provides a special protection against retaliation after notification/warning of unacceptable conditions within the undertaking.

In addition, collective agreements secure an extended protection against dismissal for

employee's representatives. According to the Basic Agreement section 6-11 the minimum period of notice is 12 weeks. The issue must first be discussed with the shop stewards' executive committee and, in the event of the committees' disagreement, dismissal from the enterprise cannot take place before a judgment has been issued by the Labour Court.

Collective agreements also secure facilities to enable the representatives to carry out their functions, such as paid time off to perform their tasks, the right to hold meetings during working hours and the use of premises and materials for the operation.

# 2) Implementation of the legal framework

The labour relationships of the employees' representatives are protected by the same sections in the Working Environment Act as other employees, cf. in particular chapter 15 concerning termination of employment relationships, and have to be prosecuted by the employee individually, if necessary through the courts. Trade unions will often support the employee financially if the termination is considered unjustified by the employee side or seems to be grounded on the representative's role or tasks in the enterprise.

Trade unions may in addition prosecute a termination of a representative's labour relationship through the Labour Court, according to the Basic Agreement.

3) <u>Figures, statistics, facts</u>

No statistics are available concerning this topic.