

Common Words and Terms in Collective Wage Agreement Negotiations and Mediations

Arbeidskamp (Industrial action)

See “streik” (strike) and “lockout”.

Arbeidsnedleggelse (Strike)

See “streik”.

Arbeidsstenging (Lockout)

See “lockout”.

Dagtidsaksjon “dagsing”

An industrial action agreed upon in some collective agreement negotiations implying that work tempo is reduced, and wages are decreased correspondingly. Used in companies that have local agreements concerning salary supplements to the minimum wage based on productivity. These campaigns are legal.

Fellesoppgjør (Joint Settlements)

Collective agreement negotiations in which several unions negotiate together. Voting results are counted as a whole.

Forbundsvis oppgjør (Union by Union Settlements)

Each union compiles its own demands and negotiates with the wage agreement opponent on its own.

Fredsplikt (Peace obligation)

The obligation to observe peace is central in the act relating to labour disputes. In §8, it is written: “Dispute of interest must not be sought settled by strike, lockout or other forms of industrial action until the conditions in §18 and 25 are met. If the dispute of interest regards revision of a collective agreement, the agreement’s period of validity must be expired.” The peace obligation is also established in the basic agreements.

This means that a strike based on demands of changes in conditions that are already regulated in a current collective agreement is not a valid strike. Strikes with the intention of forcing a certain solution in disputes on rights or obligations in accordance to the agreement are not allowed either.

If a judicial dispute arises that isn’t resolved by negotiations or by arbitration, it must be settled in the Labour Court of Norway (Arbeidsretten).

Frontfag (Front Runner Model)

Representative industries within sectors exposed to competition from abroad are the first to begin wage negotiations. Negotiations in these sectors are considered to set the norms for wage increases for other industries and sectors elsewhere in society.

Hovedavtale (Basic Agreement)

A basic agreement is the first section in all collective agreements entered into by the organizations that the basic agreement covers. The basic agreement contains the basic ground

rules between the industrial partners, such as general regulations concerning negotiation and collaboration between employers and employees, but does not cover salary. It is normally valid for 4 years at a time. The basic agreements guide regulations of other agreements for employment.

Hovedtariffavtale (Basic Collective Agreement)

Basic collective agreements are the public sector's countrywide collective agreements between employee and employer organizations.

Indeksregulering (Price-index Adjustment)

Price-index Adjustment is the adjustment of wages or other expenses agreed upon in correlation with inflation, reflected by a price index. Collective agreements can contain provisions on regulating wages during the contract period based on inflation (according to the consumer price index), either automatically or through negotiations.

Intressetvist (Dispute of interest)

A dispute of interest between the social partners is a dispute concerning the conclusion or amendment of a collective agreement.

Kjøpekraft (Purchasing Power)

The net income left when taxes and inflation are subtracted. Also called disposable real income.

Essential factors in the development of purchasing power are wages, prices, taxes, fees, transfers, and interest developments. The development of wages must correlate with the development of the other factors in order to maintain purchasing power. If purchasing power is to increase, the wage development must be higher.

Kombinerte oppgjør (Combined Settlements)

These are wage settlements in which the government acts as a third party in the negotiation. Parts of a wage demand can be met by different initiatives on the government's side, such as tax relief, subsidies, price regulations etc.

The government usually requires that organizations coordinate their demands and negotiations in combined settlements since the government's contribution will cover all employee groups.

Lavlønnsgaranti (Low-wage guarantee)

In collective agreements in many low wage industries, there are provisions that guarantee a wage development that correlates with other industries in such a way that the wage level relations are maintained. The guarantee can be worded in different ways, the main difference is whether the guarantee relates to the trade concerned or to the industry in general. Another difference is whether the supplement is to be given only to those employees with salaries beneath a certain level, or to everyone in a company or trade whose average is beneath a certain level.

Lockout "Arbeidsstenging"

Lockout is the employers' means of industrial action. The employer bans his employees completely or partially from their place of work. The same rules and time frames apply as for access to strike (see mediation). A lockout can be initiated by a collective notice to the relevant employee organization affecting this organization's members, alternatively only in

specified companies. As an element of a lockout, employers can attempt to prevent banned employees from obtaining other work.

Lønnsglidning (Wage Drift)

Wage drift signifies the difference between total wage increases in a given period and negotiated wage increases in the same period. Wage drift thus is a residual item.

Wage drift is a complex wage term that can, among other things, include wage supplements given through local negotiations at certain work places, increased profit due to increased payment by piece, or increased use of shifts, or structural changes in employment, for example through offset in hours worked between industries with different wage levels.

Lønnsnemnd (Arbitration)

Arbitration can either be voluntary or compulsory. Placing a dispute voluntarily before a wage committee involves the parties giving up the right to finish negotiations on their own, for example because they recognize that there will be no resolution after mediation. The result is thus left to a third party to decide.

The government has appointed a committee that is at the parties' disposal in case they wish their dispute to be solved by arbitration, according to the act respecting wage committees in labour disputes. This board is called the National Wages Board and has a chairman and eight other members. The chairman and four members are appointed by the government for three years. One of these members is to come from the employees' side and one member from the employers' side. In addition, the parties in the individual dispute each designate two members. Only five members have the right to vote in a decision: the three neutral members, one member from the employee side in the dispute, and one member from the employer side in the dispute. The parties must decide in advance which of the party's representatives are to vote.

Compulsory arbitration has to be adopted by law. This means that if the government finds it necessary to intervene, it submits a separate bill to the Storting, proposing the strike/lockout in question to be forbidden, and that the conflict should be solved by the National Wages Board. International conventions protecting the freedom of association and the right to strike put specific limits on use of forced wage committee intervention. Based on interpretations of these conventions, access to intervene in work disputes is acceptable only if the conflict puts life, health, and personal safety in danger for the whole or part of the population (vital interests in society).

A ruling delivered by The National Wages Board has the same effect as a collective agreement.

Lønnsoverheng (Wage Carry-Over)

The wage carry-over signifies how much wage levels at the end of a year exceed the average levels for the year. In other words, it shows how great the wage growth from one year to the next will be if there are no negotiated wage increases or no structural changes take place during the next year.

If all wage settlements took place at the same time and at the beginning of the year, and the wage level did not change throughout the year, the wage carry-over would, by definition, be zero and these calculations redundant. Negotiated supplements and other wage increases are,

however, normally put in place at different points in time for different employee groups. During collective wage settlements, calculations of carry-over and annual pay growth are thus necessary if it is to be possible to compare wage developments for different employee groups from one year to the next.

The size of the carry-over can vary significantly between areas and from year to year. Wage increases given late in the year lead to a larger carry-over the following year than if the same increases were given early in the year. The statistical basis for the calculations also varies between industries and collective agreement areas. The size of the carry-over will, as a result, often be a question of interpretation.

Mekling (Mediation)

Wage settlements in which the parties are not able to agree - or disputes concerning the establishment of collective wage agreements- are, according to certain rules, object to compulsory mediation, cf. the act relating to labour disputes §19, cf. §20, and the act relating to civil service disputes §14. Compulsory mediations are carried out by public mediators. (The National Mediator or one of the 16 other appointed mediators)

The National Mediator is to mediate in disputes of interest between the industrial partners, i.e. disputes concerning establishment or revision of collective agreements. The National Mediator's responsibilities and duties are determined by the act relating to labour disputes. His/her main job is to help the parties avoid conflict and thereby maintain industrial peace.

In order to start an industrial action, a warning of collective work stoppage has to be sent to the opposition party. Usually it is the employees' side that gives the notice of work stoppage. This notice must also be sent to the mediation institution. According to the act relating to labour disputes, the National Mediator must, within two days, decide as to whether he/she will temporarily prohibit the work stoppage. Such a ban is initiated if the National Mediator deems that "a stoppage of work will prejudice public interests." Common practice is that this ban is put in place for conflicts concerning nationwide collective agreements.

Once a temporary ban against work stoppage is in place, the act relating to labour disputes states that mediation must go on for at least 10 days before one of the parties can demand it be terminated. After this, the mediator has 4 days to conclude the mediation. This means that at least 14 days will pass from the point at which the temporary ban against work stoppage is put in place until industrial action can start.

According to the act relating to civil service disputes, which applies to the public administration, an industrial action cannot be started as long as mediation is in session. In these cases, the National Mediator has 14 days from the point at which he/she is notified of the breakdown of the negotiations until the mediation must start. The mediation must last for at least 14 days before one of the parties can demand the mediation to be terminated. After this the mediator has 7 more days at his/her disposal before industrial action can start. When the National Mediator imposes a temporary ban against work stoppage in the municipal sector, he/she can decide that the time frames in the act relating to civil service disputes and not the act relating to labour disputes are to apply to the mediation.

Mellomoppgjør (Mid-Term Settlement)

In collective agreements, it has been common practice to agree to regulate wages in the middle of the contract period according to price- and wage development for the first agreement year, and the economic situation and predictions for the second agreement year.

Minstelønn og Minstelønnsavtaler (Minimum Wage and Minimum Wage Agreements)

Minimum wage is a lower wage limit that is guaranteed in collective agreements between an employee organization and an employer. No one covered by the agreement is to be paid less than minimum wage. Minimum wage agreements usually presuppose that supplements to the minimum wage are possible through local negotiations by certain criteria, such as the company's prosperity, productivity, prospects, and competitiveness.

Such agreements are most common in the manufacturing industry.

Månedslønn (Monthly Earnings)

Monthly earnings (the sum of all monthly pay) includes paid contracted wages, irregular supplements and bonuses, provisions, etc. Overtime compensation is not included in "the sum of monthly earnings".

"The sum of monthly earnings" is the standard term used in Statistics Norway's (Statistisk Sentralbyrå) wage statistics.

In the private sector the statistics are based on information from a wide range of companies at a fixed time of counting, usually October 1st. Wage statistics for state and municipality employees are produced with the aid of information on record. In the public sector, wage information is usually available by October 1st as well.

The wage term in wage statistics is confined to cover cash compensation from employer to employee for work rendered. The statistics thus do not include benefits in kind or fringe benefits, options, or advantages of shares at discounts, or insurances; neither are tax free expenses or similar compensation included.

Paid contracted wages include the fixed salary that is paid out whether it is defined as hourly, monthly, 14 day, or weekly pay. Paid contracted wages is the actual paid salary at the time of the survey, and it is often called wage scale salary or fixed basic salary. Qualification supplements/competence supplements and other fixed personal supplements are to be included in this type of salary.

Irregular supplements are usually supplements related to special tasks or working hours, and are given in the private sector as well as in health enterprises (as of 2004) as a calculated average per month for the period of January 1st until the point of survey (normally October 1st). Irregular supplements include, among others, supplements for inconvenient hours, compensation for abrupted time off, shift supplements, dirty work supplements, offshore supplements, and other irregular supplements.

For state and municipal employees fixed and variable supplements include what is earned the month before the survey month, and not an average of the period from January 1st to the point of survey as irregular supplements in the private sector.

Bonuses and commission income include supplements that are often unrelated to specific tasks, and payments are often irregular in relation to the period when they are earned. Other examples of wage types of this nature are surplus sharing, production supplements, gratuities, and various kinds of bonuses.

Overtime compensation includes the sum of cash compensation for work rendered outside of normal working hours, and is rewarded with a supplement to the fixed salary.

Normallønn og normallønnsavtaler (Standard Wages and Standard Wages Agreements)

Collective wage agreements with a fixed wage scale are often called standard wages agreements. These agreements imply in principle that there will be no supplements outside of standard pay, unless such supplements build upon a productivity agreement that gives the employees as a group bonuses for extra effort. Standard pay is binding for both parties.

These agreements are normal in the state and municipalities, but also in parts of the private sector.

Overenskomst (Collective Agreement)

Overenskomst is another word for collective agreement, i.e. a written agreement between an employee organization and an employer organization or a single employer concerning wages and working conditions.

See also “basic agreement” and “collective agreement”

Plassfratredelse (The final extent of the collective work stoppage)

The number of workers covered by the notice of collective work stoppage that are actually called out on a strike (lockout). Normally the final number of workers to be called out on strike is notified four days at the latest before the mediation must come to an end and industrial action can start (see mediation).

Plassoppsigelse (Notice of collective work stoppage)

Employment contracts for members of an employee organization are terminated in order to be able to start a strike. Or: an employer organization (or an employer) dismiss employees in order to start a lockout. When breaking off negotiations on a new or revised collective agreement, one of the parties (almost always the employee side) will give a notice of collective work stoppage. The National Mediator is to be notified immediately so that mediation can be carried out. A notice of collective work stoppage must therefore be sent at least 14 days before a conflict can start, cf. the act relating to labour disputes' provisions on mediation deadlines. The deadline is also 14 days for state disputes according to the current basic agreement.

Reallønnsvekst (Real Wage Growth)

Wage increase after inflation is subtracted.

Samordnet oppgjør (Centralized negotiations)

Collective bargaining where a central federation negotiates for general demands collectively for all affiliated unions, alternatively with unions negotiating for special issues in their agreements. The vote on the result is usually joint, but can be conducted union by union.

Streik "arbeidsnedleggelse" (Strike)

Strike is the employees' form of industrial action. Employees either partially or fully jointly stop working. The same rules and timeframes as for lockouts apply (see mediation). A strike can be started by a collective notice from the employee organization delivered to the employer organization (or company) with effect for the companies in question.

Tariffavtale (Collective Agreement)

A collective agreement is an agreement between an employee organization and an employer or an employer organization on wages and terms of employment and other working conditions. Part I usually contains the basic agreement, while part II contains an agreement on wages and working conditions and specific regulations related to this.

The agreement is to be written and include provisions on date of expiry and period of notice. If the agreement is terminated, this termination must be done in writing. During the agreement period, the obligation to observe industrial peace applies.

See "basic agreement" and "collective agreement on wages and working conditions" also.

Tariffmessig lønnsøkning (Wage increases according to the collective agreement)

Wage increases according to the collective agreement is an increase in wages established in collective wage agreements as a result of central or union by union negotiations between the employees' and employers' organizations.

Wage increases according to the collective agreement can be general increases, special supplements for low-wage workers/low pay bonuses, guaranteed increases, increases on minimum wage rates etc. as a result of central negotiations or union by union / industry-level negotiations by union. The increases are given as from a specific date and are therefore often called "per date increases".

Årslønn (Annual Wages)

The total salary, exclusive overtime compensation and payment in kind, which an employee attains if he/she has completed a contractual normal work year and the year contains the normal amount of work days.

Annual wages is the central wage term in income settlements and is used by The Technical Reporting Committee on Income Settlements (det tekniske beregningsutvalg for inntektsoppgjørene - TBU) and Statistics Norway (Statistisk Sentralbyrå - SSB). Statistics for annual wage levels are based on monthly wage statistics (normally for October) for the year in question, i.e. reports on hourly and monthly profit's excluding overtime compensation, but including other types of supplements. It is thus possible to estimate the increase in monthly profit since October the year before. In order to calculate the annual wages, one must also have information about when wage changes took place during the period. This is estimated based on information about provisions in collective agreements, knowledge of when local and individual wage regulations normally take place etc.

TBU and SSB calculate wage levels both for fulltime employees, meaning employees who have completed a full work year, for part-time employees and per calculated work year. A normal full work year, however, does not correspond to the same number of working hours for all employee groups. In order to be able to compare wages between fulltime and part-time employees, part-time employee's wages are recalculated to reflect what they would be if

employees worked fulltime (fulltime equivalent). The term “per work year” includes both fulltime and part-time employees, in which part-time employees’ wages are recalculated to fulltime equivalents.

An employee will normally have some absences over the course of a year. When calculating annual wages, it is assumed that full wages are paid during vacation, sick leave, and other leave.

Årslønnsvekst (Annual Pay Growth)

The annual pay growth for a group of employees shows the change in average annual wages from one year to the next.

The annual pay growth for a group can, in addition to the wage development for the individual employee, be affected by structural changes. Examples of this are changes in the composition of the work force (for example qualifications/education, age and gender), changes in position structure, changes in the volume of shift work and adjustments in hourly work between trades with different wage levels.

The annual pay growth is the central term in wage negotiations and mediation. International comparisons of annual pay growth are important in the wage settlements. The development in annual wages for *frontfagene* (front runner model) is central in negotiations and mediations for the other groups.

In wage negotiations and mediations, the relationship between annual pay growth, pay increases according to the collective agreement, wage drift and wage carry-over is central. The relation is as follows:

Annual pay growth=

Average pay increases according to the collective agreement from one year to the next + wage drift from one year to the next

Or

Annual pay growth=

Wage carry-over for the new year +

Contributions to annual pay growth from pay increases according to the collective agreement for the year + Wage drift throughout the year

In collective bargaining and mediation, the annual pay growth is calculated as the sum of wage carry-over and wage increases according to the collective agreement and wage drift throughout the current year. The contribution to annual pay growth from wage increases according to the collective agreement and wage drift throughout the year before is worked into the wage carry-over. Assumptions on the contribution from the wage drift during the current year are based on historical experience, while the contribution to the annual pay growth from the current year’s collective wage agreement settlements are the theme of negotiation and mediation.