

Norway – New Crisis Measures Influence by Trade Unions

All political parties in Parliament have agreed on improved regulation for temporary lay-offs. Workers who are under the relevant, public support scheme (“permittering”) receive unemployment benefits but maintain their connection to their companies. This scheme only applies to companies in crisis because of reduced sales and activity.

The adopted improvements will ensure that workers keep full pay for the first 20 days. Their employers will only have to pay the first two days of their salaries, while the state will pick up the rest of the bill for the next 18 days. All employees will receive full pay for the first four weeks of a layoff with an upper limit of NOK 600,000 a year (60,000 EUR with a normal exchange rate).

Later, if Covid-19 is not contained and closures continue, laid-off workers will be receiving 80% of their pay up to around NOK 300,000 a year and 62.4% of the remaining amount up to NOK 600,000. These measures have satisfied the centre-left opposition parties’ demands for a better “social approach” than what the conservative government had proposed. It will ensure that low-paid workers won’t get hit the hardest.

Earnings above NOK 600,000 a year won’t be compensated, but the state will cover a larger percentage of sick pay. Employers will only have to cover the first three days, with the state taking over the rest.

The minimum income required to be entitled to employment benefits is halved to NOK 75.000 the last twelve months. Apprentices who lose their jobs due to Covid-19, will have their remuneration upheld.

Sole proprietors and freelance workers, many of whom have seen their income vanish overnight, will now also qualify for state-financed sick pay after the fourth day, instead of after the sixteenth day, and they can apply for the equivalent of unemployment benefits amounting to 80 percent of their average earnings over the past three years, up to NOK 600,000.

The Norwegian government will set aside at least NOK 100 bn. in loan guarantees, credit line and other types of aid for impacted industries.

The largest trade union confederation (LO) and its affiliates in the manufacturing sector have expressed satisfaction with the improvements. The majority of their members do not have the possibility to switch to remote work from home. It is imperative to avoid losses for the lowest-paid workers in this extraordinary situation.

On 10 March 2020, Fellesforbundet, the largest private sector union, and its employers' counterpart, Norwegian Industry, started collective bargaining in the metal sector based on the well-established front runner model. After three days of talks, the parties agreed to halt the negotiations due to the Covid-19 outbreak. All existing collective agreements have been

prolonged until 21 August 2020. The bargaining under the given mandate will resume on 3 August 2020, if no other decision is taken.

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