Norway: Strict limitations on temporary employment

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From 1 July 2022, employers in Norway will only be allowed to hire workers on fixed-term contracts in certain circumstances. The main rule on open-ended employment is a fundamental principle in Norwegian working life. Permanent employment gives the individual worker security and predictability with regard to future work situation and income. A high degree of permanent employment can also contribute to more productive and competitive businesses.

A working life characterised by safe, permanent working conditions benefits both workers, companies and society as a whole. The government wants to strengthen employees' rights in a changing working life, and will actively counteract a development towards increasing inequalities and the use of looser forms of affiliation. Access to temporary employment should be limited as much as possible to situations where there is a special and time-limited need.

Specifically, employers will only be allowed to recruit people on a temporary basis:

- i) When the work is of a temporary nature
- ii) To temporarily replace staff
- iii) To hire a trainee
- iv) As part of an employment program run by the Norwegian state

Until now, companies have been able to hire for a maximum period of 12 months and with such workers accounting for up to 15% of their workforce without having to justify their decision. The current government considers this provision to be contrary to the fundamental principle of Norwegian labour law, which states that workers should normally be permanently employed. From now on, employers will therefore have to prove that their use of a fixed-term contract meets one of the four requirements above. They will also have to discuss the need for fixed-term employment with trade union representatives in advance.

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