

Wage progression in Norway – a question depending on the social partners and on formal qualifications?

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Employment and political attention

- **Employment down & unemployment up**

Employment rate 69.8% (15-74 yrs, 2017)

Unemployment rate 4.1 % (Dec 2017)

- **Higher unemployment for: young, low qualified, people with health problems, immigrants**
- **No recognised low-income problem**
- **Political attention: benefit → employment**
- **No political attention on: in-work wage progression for former benefit recipients**

Collective wage-bargaining

- **Collective bargaining between the social partners:**
Trade Unions and Employers' Associations (with the State as facilitator)
- **Collective agreement includes several elements:**
Wage, wage-progression, productivity, skills and qualifications, inclusive working life
- **High Trade Union membership levels**
- **Compressed wage structure**
- **No national minimum wage**
- **High welfare benefit levels**

Barriers towards employment for low-skilled

- 1. Few low-skilled/low-income jobs (because tripartite system keep wages and productivity high)**
- 2. High welfare benefit pay-outs reduces incentives to work (particularly for low-skilled/low-income groups)**

However, if people manage to get off benefit, wages and wage-progression is decent in the Norwegian labour market

Examples of policy measures

- **The tripartite agreement on a more inclusive working life (IWL-agreement)**
- **NAV (Norwegian Labour and Welfare Administration)**

Labour market challenges & policy solutions

	Norway	UK
Labour market challenges	<ul style="list-style-type: none">- High number on generous welfare benefits- Few low-income jobs	<ul style="list-style-type: none">- High number of low-income jobs with low wage progression- Part time work
Policy solution	<ul style="list-style-type: none">- Formal education and training- Involve social partners- Various activation measures (counselling, wage subsidies, placements, conditionality on benefit receipt)	

