Union Competition and the Norwegian System of Wage Determination

By Arvid Fennefoss and Geir Høgsnes
Department of Sociology and Human Geography, University of Oslo

Introduction

In this article our purpose is to analyze the way in which competition among and between unions and union confederations is threatening Norway’s wage-setting system. This system has been considered as highly centralized, with coordination of the wage determination processes and outcomes across industries and sectors. Further, and most important, it has been based on a so-called solidaristic wage policy, which has aimed at improving the pay level of low-waged workers at the expense of high-waged employees. This redistribution policy certainly has not been unanimously accepted. We will argue that competition in between union actors has mainly resulted from the struggle over relative wages and that this struggle primarily is based on disagreement related to different norms of fairness concerning wage distribution among wage earners. The tensions resulting from this union competition can (probably) no longer be handled within the existing system of centralized coordination.

Our point of departure is that too much focus has been given to the politics of, and relations between, the two main labor market actors, LO and NHO\(^2\), when it comes to judge the character and strength of the tensions and the future prospects of the present system. Both on the labor and employer side the situation is characterized by fragmentation and competition. NHO to day is representing employers who are employing fewer workers than is employed by the public sector. And LO for the moment is representing slightly more than half of the unionized workers and slightly more than one fourth of the labor force.

It is well known that the Norwegian model is under pressure and that the system has created tensions. But these tensions are often seen as minor tensions, which will probably not result in a radical change of the Norwegian system (Dølvik and Stokke 1998:137-142). Iversen, on the other hand, sees several signs of a change along Danish or Swedish lines (Iversen 1999:155-159). His examples of tensions, however, are not convincing, and he is also lacking a focus on the more important tensions related to union competition and relative wage struggle.

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1 This is a revised version of a paper prepared for and presented at the 6th European International Industrial Relations Congress, Oslo 25-29. June 2001. Thanks to John Bowman for fruitful comments to the original version of the paper.
2 LO - The Norwegian Confederation of Trade Unions; NHO - Confederation of Norwegian Business and Industry. NHO was established in 1988 after a merger between NAF and two industry and craft associations.
We also agree that there are important forces of change in the international economy, e.g. capital market integration, change in manufacturing technology and the rise of low-productivity jobs in the service sectors, which in general have made decentralization more attractive for several actors within the system (Iversen 1999:104-106). But this is not our focus in the following. Rather we want to describe those internal factors in Norway that have counteracted or promoted this postulated attractiveness of decentralization.

In our opinion, among the actors within the present system it is only the state as responsible for macroeconomic policy and LO as a confederation, which has a principle interest in preserving the centralized system. For the state a centralized and coordinated wage determination makes it easier to achieve macroeconomic goals, as, for example, full employment and price stability. Concerning LO, the present system of wage determination forms the main basis of its strong political position within the Norwegian society in general. Other representatives of workers and employers must be assumed to have a more pragmatic relation to what procedures, which are to be followed in wage negotiations. What best serves the long-term interests of their members is probably what they prefer when choosing between various options concerning the wage determination process.

The Background

Norwegian wage determination has become known as a rather centralized system compared to most other European countries (Iversen 1999). This strong centralization and coordination has been considered to be a main factor behind the favorable labor market situation that has characterized Norway during the recent 10 years.

The system, however, seems to have come under heavy pressure at the end of the 20th century. This is partly underlined by the fact that both the 1998 and 2000 wage bargaining rounds were settled with wage increments far above what state authorities and the leadership of LO and NHO considered as reasonable and in line with the goal of preserving the competitiveness of Norwegian industries. Another indication is that the level of conflicts has increased from the mid 90s onwards. In addition, a lot of effort has been put down during recent years to keep the present system working and to insure its legitimacy. Various commissions have delivered reports that aim at strengthening centralized coordination of the wage determination process (NOU 1999: 14, NOU 2000: 21, and NOU 2001: 14). These commissions certainly indicate that the system is under heavy pressure, and that it has not decreased during recent year.
Norwegian wage determination in the nineties has been guided by the principles laid down in the so-called Employment Commission headed by former Minister of Finance, Mr. Per Kleppe (NOU 1992:26). The conclusion of this commission came to be known as 'The Solidarity Alternative'. In many ways this alternative was a kind of institutionalization of an incomes policy that had dominated Norway since the crisis following the sharp drop in oil revenues in 1986. This crisis led to the incomes policy of “exception years” in 1987, when the centrally agreed wage increase was zero (NOU 1988: 5), and “exception laws” in 1988 and 1989, which set a ceiling on general wage growth at the level of NOK 1,00 and 1,50 respectively (NOU 1990: 3, NOU 1990: 15). In the years from 1990 to 1992 the parties cooperated in achieving moderate wage settlements without the use of compulsory measures (NOU 1991: 22, NOU 1992: 4, NOU 1993: 7).

After this period of re-organization of the Norwegian political economy, a new economic policy was launched in 1992/93 based on the recommendations of the Kleppe commission, which had been appointed in late 1991. During his time as Minister of Finance (and Planning) in the seventies Mr. Kleppe became known as the architect behind the most ambitious incomes policy experiment in Norway in the post-war area. The new economic policy he recommended in the 1992 report to some extent was based on the same kind of corporatist reasoning that had characterized part of the seventies, i.e., wage settlements based on close cooperation between State authorities and two labor market actors, LO and NHO.

The policy that was recommended by the Kleppe commission aimed at securing the positive results concerning wage and price development of the previous period. This policy was based on a continuation of the strategy of wage moderation, which characterized the late 1980s, but combined with rather ambitious goals concerning economic growth rates and unemployment rates. The latter had increased dramatically during the late eighties and early nineties. In short, the alternative was based on three foundations: (i) a solidaristic wage policy, (ii) an active macro-economic policy, and (iii) an active labor market policy.

This alternative has dominated wage settlements from 1993 up to the present, and it is often given credit for the prosperity of the Norwegian economy following the hangover that characterized the late eighties and early nineties. The Solidarity Alternative has been credited with the improvement in the labor market situation during the last five to six years. The Government and two of the labor market parties, LO and NHO, have put much effort into convincing Norwegian wage earners in general that the continuation of the moderation path is the most reasonable and profitable option for all wage earners in the near future. Not everybody agrees with this view, however, and those opposing the moderation strategy most, are clearly
those wage earner groups who have lost relative wage position for some time. These groups are mainly organized outside LO.

As indicated above, the legitimacy of this policy seems to have been weakened during recent years. Already in 1996 signals came that demonstrated that support for the moderation strategy was about to decline. Open conflicts took place in both the metal and hotel and restaurant industries, which both play the role as pattern setting industries in Norwegian collective bargaining. Further, in 1998 the LO leadership failed in its efforts to have a coordinated settlement in the private industries. The industry-by-industry wage bargaining that followed completely broke with The Solidarity Alternative and the strategy of wage moderation.

During 1999 LO, NHO and the Government worked to reestablish the Solidarity alternative and the strategy of nominal wage restraint. This work took place in the so-called Arntsen Commission (NOU 1999: 14). It resulted in a new agreement between all major actors in the wage bargaining game to keep wage growth at the level of Norway’s main competitors, i.e., foremost EU countries.

The 2000 main round of collective wage bargaining was a test of how far reaching and deeply rooted the consensus in the Arntsen Commission actually was. The result was not promising from the point of view of the state authorities and the top leadership in the (con)federations. The referendum within LO resulted in a huge majority against a recommended proposal for a wage settlement. After a brief strike comprising almost 100,000 workers the result was agreement on a general wage increase far above the recommendations from the Arntsen Commission.

As a consequence, the future of the policy of wage moderation is highly unclear at the moment. In our opinion the problems facing a continuation of the ‘Solidarity Alternative’ are mainly to be found in the fact that some groups of wage earners seem to have been forced to carry more of the burdens of this policy than others. That is, the main obstacle to continue the line of wage moderation is related to wage distribution struggles among various groups of wage earners in Norwegian society. The policy of the Solidarity Alternative intensified this struggle, and was also a main reason behind an important organizational change, the split of AF³ and the establishment of The Academics (see below).

With the establishment of the Arntsen Commission in 1998 all major actors were included in the Norwegian system of corporatist cooperation. The strategy of including all actors

³ AF - The Federation of Norwegian Professional Associations, established in 1975; The Academics was established in 1997.
in the corporatist framework may be seen as an attempt to increase the support and legitimacy of the existing centralized system. That all major labor market actors became represented in important corporatist committees and commissions, however, has not resulted in a new and wider basis for a binding corporatist based policy. May be there is an exception at the top leadership level within the union confederations. However, a commitment among the leaders is insufficient, especially due to the fact that wage agreements in Norway are to be voted over among the members of various unions.

The main reason for the present problems is a discrepancy between the foundation of The Solidarity Alternative and the dominating conflict dimensions in the present wage struggle. The present system of wage determination is based on traditional corporatist incomes policy reasoning, where the major labor market conflict is seen as the one between the interests of labor and capital. The goal of such a corporatist policy is to improve economic performance through a strategy of consensus building, which means to achieve compromises between these conflicting interests. The future of this strategy, however, is threatened by the intensifying impact of another kind of conflict, the one that focuses on the labor-labor dimension, and the struggle over labor-labor norms of fair distribution.

The Causes of the Problems

As said above, the 2000 main settlement was to be a test of whether or not the system was back on track. The main question is why, in spite of all good intentions among the leadership of both LO and NHO, these efforts failed. The fact that one came to a settlement through mediation is not the big issue in this connection. The problem is rather that this mediated settlement was almost unanimously recommended by both the LO delegation and representatives of NHO. The referendum following the settlement showed a huge majority of LO members rejecting the proposal. This was a signal of lack of legitimacy of the strategy of wage moderation of the leadership of LO. As a consequence, the huge strike in the LO/NHO area has further consequences than first assumed. One thing is that the new mediated settlement, which ended the strike, clearly went far beyond the limits set by the Arntsen Commission. More important, however, is that the result may mean the end of coordinated central wage negotiations in Norway in the near future, or at least weaken its role dramatically.

Why is there a lack of legitimacy among rank and file union members for a strategy of wage moderation or restraint, in the specific form of the ‘Solidarity Alternative’? Inside LO the support of the Solidarity Alternative vanished as unemployment disappeared as a threat
around the mid 90s. Strikes among members of LO unions in 1996, 1998 and 2000 are all indicators of declining support of the strategy of wage restraint. A full employment situation strengthens the bargaining power of LO unions, and members do not see any reason for refraining from even higher real wage growth than they have experienced in the past.

Another important factor is that this centralized wage policy has resulted in an intensified competition between different groups of wage earners, unions and confederations. The competition takes both a direct and an indirect form. The direct competition is related to recruitment of members, while indirect competition concerns struggle over relative wages and thereby what are the relevant and legitimate principles of fair wage distribution in between wage earners. More and more wage earners are organized in vocational, professional or semi-professional unions, mainly outside LO. This organizational context is producing and enforcing norms and principles of fairness focusing on relative wages.

In our opinion the main problems facing centralized bargaining to day are related to the indirect competition. After years of manipulation of relative wages a widespread discomfort among union members has developed, especially outside LO. Focus on relative wages means that even with significant growth in the real wages there comes to widespread discomfort within groups of wage earners who have experienced a drop in their relative wage positions. Relative wage levels are considered as a signal of worth. Declining relative wages are blamed employers and their unfair treatment of their employees, with possible negative consequences for efforts and efficiency. On the surface this struggle takes the form of a competition between unions concerning the internal distribution of wage increments among members of different unions.

As shown in the tables 1-3 (see appendix) the manipulation of relative wages has taken place through the profile of the central agreements. In the private industry the so-called “social profile”, i.e., special attention to the low-waged workers is partly taken care of through special treatment of workers who earn less than a specified wage level, but also through settlements that grant extra wage increments to workers with no right to local bargaining. In the public sector the same goal is achieved through central agreements dominated by fixed amounts of Norwegian “kroner” (NOK) to all employees, low-waged as well as middle- and high-waged persons.

In the private industries the tendency toward wage equalization following from this profile of central wage settlements by and large is offset by local wage drift. That is, the wage equalization inherent in the profile of the central settlement is offset by local wage increments. This is not the case in the public sector. As shown in tables 2 and 3 more
decentralized components of total wage growth are insignificant in both the state and municipal government sector compared to the private industries. Central adjustment negotiations and local bargaining certainly have contributed to less wage compression than would have been the case without these more decentralized arenas. But the effect of the central equalizing strategy has not been completely counteracted, as is roughly the case in the private industries.

One important consequence of this difference between the two main parts of the labor market concerning wage disparity is a steady increasing struggle over relative wage positions. Occupations with similar demands to education and skills are paid very differently in the private industries and the public sector. Low-waged occupations are better off in the public sector in relative terms compared to the private industries, while high-waged occupations are much better off in the private industries compared to the public sector. These differences in the wage structures have been strengthened during the 90s.

This has intensified the relative wage struggle in Norway, and in our opinion represents the main threat toward centralized wage bargaining and solidaristic wage policy in the years to come. The struggle over the internal wage distribution among wage earners has been significant for two-three decades in Norway, but certainly has become more urgent during the recent 10 years. We have so far presented some indications of this fact, and in the following we will further elaborate the content of this struggle.

From a Real Wage Target to Struggle over Relative Wages
The fifties and sixties were dominated by struggles over real wage developments and purchasing power. Other issues, as for example struggles over principles of fairness related to the relative wage distribution among various groups of employees, were less prominent during these years, while such struggles have dominated recent years. That is, making use of the concepts of Jon Elster in relation to his classification of social norms (Elster 1989a), one might say that labor-capital disputes to a certain extent have been replaced by labor-labor disputes. The labor-labor disputes within LO are the easiest to handle, because of the ideological orientation toward equality within this confederation. Labor-labor disputes between LO and other organizations are more difficult to handle and thereby more threatening. They cannot be handled in accordance with some common conception of what are fair wage inequalities. The very existence of competing unions is based on different conceptions of what is fair. The type of dispute in
between various organizations becomes even more important as the increase in members of unions outside LO far has exceeded the figures for LO unions.4

This turn in what are key issues is indicated by the kinds of clauses written into wage agreements at different points in time. Wage agreements in the early post war period more or less as a rule contained index clauses. Such clauses meant new negotiations in case the price increase exceeded a certain level, i.e., the so-called "red line". Wage agreements nowadays more often contain re-negotiation clauses. Such clauses maintain that unions may demand new negotiations on behalf of their members, in case another union has achieved a more favorable agreement for its members. In short, while absolute wage levels were the key issues during the two/three first decades after the war, the main topic today is relative wages. And for the moment no group, not even chief executives, seems to be able to escape being part of a very comprehensive system of wage comparison.5

The relative wage struggle has several dimensions. First, it is related to the low-wage problem, which in a direct way concerns workers mainly within the private industries. Indirectly, however, it also affects public sector employees due to the profile of the settlements. Secondly, closely related to the low-wage question is the debate about wage disparity in general, and especially the impact of length of education on the wage structure. Thirdly, the relative wage issue dominates the debate about remuneration of public sector employees compared to groups in private industry with similar education and skills. A fourth issue is the male/female wage gap. All these issues are clearly related to social norms6 and fairness considerations. As a consequence of the increased attention to relative wages, social norms have become increasingly important in the Norwegian wage determination process.

In Norway, especially five principles of distribution (partly with modifications) have been central for what is considered as a fair distribution of wages among the wage earners.

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4 While LO in 1960 organized almost 50% of the wage earners, they organized around 28-29% by the end of the century. The competing unions outside LO have increased their share from around 12-13% in 1960 to around 25-26% by the end of the century.

5 An early example of how comprehensive this system of wage comparison actually is was an article in the journal of one of the most powerful LO unions, The United Federation of Trade Unions ("Fellesforbundet"). "Magasinet for fagorganiserte" (The Magazine for trade union members) no. 6+7 1996. Under the headline "Managers ran away with the solidarity "kroner"", a comparison between wage levels in 1995 and wage growth rates from 1990 to 1995 for manual workers and chief executives of selected companies was conducted. This investigation proved that chief executives experienced a wage development far in excess of manual workers, and that they earned up to ten times the wage level of their blue collar workers (Magasinet 1996:2-4). The pay level and wage growth rate of chief executives have been central issues in Norwegian wage bargaining ever since 1996 and is even more an issue of conflict in the present situation. An indicator of this is that the Technical Reporting Committee for the Incomes Settlements (DTB) offers a separate paragraph of its reports on wage developments of CEOs.

6 The concept "social" covers both the fact that such norms and values are something people share with each other (Elster 1989b: 113), and that they are related to concepts as "equality" and "justice" (Etzioni 1988:106).
1) Equal wage for equal work
2) Equal wage for work of equal value
3) Pay according to responsibility and/or length of education
4) Pay according to need
5) Equal wage regardless of type of work

Especially the first principle has long and strong traditions within Norwegian wage determination, as well as in other Scandinavian countries (for Sweden, see Elvander 1988:256-257). Historically, principle 1) was the first goal of the equal pay movement. The implication of the principle is that wage inequalities between persons performing the same type of work are deemed illegitimate.

During recent years a further specification of this principle has moved into the foreground: Wages should not vary according to whether workers are employed in private industry or public sector. With this intent in mind, "equal work" has been specified to "work of equal value" which is the second principle in the list above. Because of problems related to criteria for what is work of equal value it has been more difficult to reach agreement on this specification than on the original formulation of the principle. In 1995/96 a government appointed committee of labor market party representatives and experts developed a job evaluation system, which aimed at making comparisons of dissimilar work along several dimensions possible (NOU 1997: 10). The proposal has, however, not had any impact on Norwegian pay structure so far.

The third principle listed above, "pay according to responsibility and/or length of education", is an explicit distribution principle of a more recent origin. For many years, however, this principle implicitly gave reason to and legitimized that employees within the upper parts of the work hierarchy, i.e., in positions requiring several years of formal education and high qualifications, were better paid than employees in subordinate positions which required less formal education and low qualifications.

Empirical research has demonstrated that principles one and three are judged as highly reasonable among Norwegian wage earners. In the early eighties, as well as in the late eighties, four out of five respondents considered a break with the principle of "equal wage for equal work"

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7 The principle of equal wage for work of equal value is part of the 1951 ILO convention number 100. Norway, as well as other Scandinavian countries, ratified this ILO convention. The impact of this ratification in Norway, however, did not become important until about 25-30 years later. For a brief discussion of “comparable worth” as a measure for closing the gender wage gap, see Steen Jensen (1994).
8 During the first two decades following World War II attitudes of public authorities in Norway were in harmony with the meritocratic ideal. Every citizen was to have equal opportunities to reach the attractive positions within the
as unfair (Hovde et al. 1992:40). Support of the principle about "pay according to education and responsibility" was even more widespread. Nine out of ten respondents agreed to the use of this principle as the main determinant behind the internal distribution of wage incomes among wage earners (Høgsnes & Mastekaasa 1989:17, Høgsnes 1990:54, Sørensen & Underdal 1992:144-145).

Concerning the two last social norms listed above, i.e., the need and equality principles, the situation is less clear. At first glance it may seem somewhat farfetched to make use of need as a criterion for wage distribution. The need principle was what Marx (1875) launched as the distribution principle for material goods within the communist society. However, Marx did never relate this principle to wages of workers, not even during the socialist transformation period. In spite of this we will argue that the need principle has been of relevance in the Norwegian wage determination. As we shall soon return to, the need principle is the main justification for various kinds of support given to low-waged workers in Norway from the early eighties onward.

Also the principle about pay irrespective of kind of work may seem rather irrelevant for the resolution of the question about fair wage inequalities. There is hardly any person who would conceive of giving support to an absolute equal distribution of wages. In a modified version, however, this principle has played a major role in Norwegian wage determination during the last twenty years. What we are thinking of is the goal of reduced wage inequalities or wage equalization. This goal has been present in every round of national level collective wage bargaining since the mid seventies.

To some extent, disagreements along these dimensions are reflected in the new features of the Norwegian union structure. The steep growth of non-LO unions is an important change in direction of increased tensions concerning the struggle over the relative wage distribution. LO is the main advocate for improving the pay situation of low-wage workers; it also plays a key role in the battle in favor of reduced wage inequalities in general in connection with central wage settlements. The Norwegian Association of Academics, AF, on the other hand, has given priority to groups of employees with mainly college education (mainly semi-professions) in the public sector. The goal of AF is to increase the weight of factors like length of education, responsibility, effort and contribution as determinants of pay levels. The Norwegian Confederation of Vocational Unions, YS, is the main advocate of female interests in relation to gender-based wage

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9 This is not equivalent to saying that actual pay differences in Norway are in accordance with this principle. According to Colbjørnsen et al. (1985:41) almost three out of four employees in Norway are of the opinion that the actual wage distribution breaks with the principle of pay according to length of education.
inequalities. Finally, The Academics, which was established in 1997 following a split of AF, is the advocate of the professional employees among Norwegian employees and wants to increase wage inequalities between wage earners groups, based on merit, effort and the market situation.

The split of AF and the establishing of the Academics should be seen as resulting from a constellation of the following factors: i) For a long time there had been tensions within AF between the so-called "super-academics" (doctors, lawyers, chartered engineers etc) and the "ordinary" member groups (nurses, teachers, engineers etc). ii) The Solidarity Alternative was more and more seen as a policy gaining only LO-members. It marked the impossibility of effectively appealing to certain norms of fair wage distributions within the established corporatist system. 3) The tensions within AF more and more undermined the legitimacy of an umbrella organization for all educational groups, or academics in a wide and inclusive sense.

The result may be seen as a differentiation between a kind of social trustee professionalism (AF) and expert professionalism (The Academics) (Brint 1994). These two kinds of professionalism embrace different legitimating bases and different wage policies. They appeal to respectively the need of the welfare state/society and to market demands. In concrete terms this means that AF, and later on the unions trying to establish the regrouped "AF" gave priority to central adjustment negotiations, and tried to get LO’s support in this strategy, while The Academics gave and still gives priority to local wage negotiations. In what follows, we present a closer description and examination of the various dimensions of potential relative wage distribution conflicts.

The Low-Wage Problem
The Norwegian LO in the eighties went for a solution of the low wage problem by means of transfers to low-wage workers from high-wage workers and firms. This strategy became institutionalized in the Norwegian system of wage determination with the introduction of the low-wage guarantee and the so-called "Low-Wage Fund" in the wage agreement between LO and the Norwegian Employer's Association, NAF, in 1980. The fund was based on direct economic contributions from both employers and workers. This settlement confirmed that the need principle had become a valid principle in relation to the process of wage determination. The content of the first low-wage guarantee was that in order to have a decent standard of living, earlier the need principle had affected wage determination in Norway in a very different way. What we have in mind is the fact that up to the sixties there existed two different pay tariffs in Norway, one for males and one for females. The idea behind this practice was that the man was the breadwinner and that females in paid work were not in need of a regular wage. That is, the 1980 settlement introduced the need principle in a very different way from its traditional role, as a source of legitimizing open discrimination of female workers.
an individual worker ought to earn at least 85 percent of the average wage level of manual workers within manufacturing industries.

During the eighties, LO and NAF/NHO were engaged in several fights over the specific outline of the low-wage arrangement. A dispute over this issue was a major cause behind the comprehensive lockout in the LO/NAF-area in 1986. The conclusion to these struggles was that LO and NAF agreed to fix the low-wage increments to average wages within the low wage industries, and to abolish the comparison with average wages of workers in all manufacturing industries. Also, the Low-Wage Fund was finally abandoned in the early nineties. This meant that an obvious and direct solidaristic element inherent in the old version of the guarantee was removed. At the same time, low-wage increments were to be stipulated in advance in connection with the central national negotiations, and not as originally granted in the Fall based on actual wage developments among all manufacturing workers.

For the moment, there is no major principal conflict related to the low-wage guarantee. The 1995 wage settlement improved the guarantee somewhat, in that it now relates to wages of individual workers and not groups. This means that low paid individuals within high-waged firms, who were not covered before, now are entitled to low-wage increments. As with general wage increases, however, the parties during the actual negotiations as a rule have disputes over the exact level of low-wage support to be granted. A rule of thumb seems to be to give low waged workers about the double of what others receive in general wage increments (Høgsnes 2000).

Traditionally the parties within the hotel and restaurant industry resolve problems related to this issue, and other low-wage industries follow this agreement.\textsuperscript{11} That is, in the same way as the metal industry has the role as pattern-setting industry within the whole system of Norwegian wage determination, the hotel and restaurant industry has received this role related to the low-wage question.

\textit{Wage Inequalities and Wage Equalization}

Compared to the low-wage question, the goal of general wage equalization creates much more tension at the present moment. The goal of reduced wage inequality in general became a central topic in Norwegian wage negotiations in the mid seventies. The background was the ambitious

\textsuperscript{11} The fact that it came to a strike in the hotel and restaurant industry in connection with the 1996 round of wage negotiations should not be exaggerated. The strike in no way was caused by any principal disagreement about the low-wage guarantee. Our opinion, which is shared by many other observers, is that the strike came as a result of an accident. During mediation on overtime the employers' delegation did not manage to come up with an offer in due time, with an open conflict as the immediate consequence.
incomes policy that was introduced in the wake of the economic downturn in 1973/74. In order to achieve support for a restrained wage policy among their rank and file members, LO decided to change strategy in relation to wage inequalities. In short, LO demanded general wage equalization as the main redistribution target in future wage settlements.\footnote{Often the Norwegian system of wage determination is said to be close to the Austrian system. In some respects this is certainly right. However, when it comes to the question of redistribution of wages in between wage earners the difference is more striking. The fact that relative wages are kept stable in Austria (Veiden 2001) may be interpreted as an important reason why the centralized system survives in Austria but is under heavy pressure in Norway.}

During the first decades following World War II, LO's main concern with wage inequalities was related only to those in between blue-collar workers. LO did not accept wide wage inequalities between manual workers with different levels of skills (Frøland 1992:48-49). LO also went for reduced wage inequalities between manual workers due to industry differences in productivity and thus the ability of firms to pay reasonable wages. However, LO was not concerned with white-collar workers as long as their wage growth in relative terms was a similar to that of blue-collar workers. This changed dramatically in mid seventies. All employees, irrespective of previous work and wage position now became targets for the strategy of wage equalization.

This turn actually opened up the struggle over relative wage positions of wage earners. And this struggle has dominated much of wage bargaining in Norway during the last two decades. A main question became how much formal education ought to count when it came to determining wages of various groups of wage earners. The principle of "strong equity", i.e., to each proportional to his X (e.g. length of education, effort, etc) was confronted with the equality principle, in the sense that wage inequalities were to be reduced as far as possible. The establishment of AF as a national federation in 1975 to some extent represented an answer to this attack on academics from LO (for a discussion, see Høgsnes and Hanisch 1988).

A central feature, however, is that LO has not been unambiguously successful in its attempts to achieve this goal of wage equalization. This fact obviously creates extra tensions, as many individual employees feel that they have been "struck" because they happened to work in the wrong sector. When wage equalization is counteracted through local firm agreements in the private industries the same is not the case for public sector employees. Therefore, employees within parts of the public sector have especially been the victims of LO's strategy. As a consequence, pay structures in the major sectors of the economy have become a central issue. And in this struggle all groups fear further wage moderation as this may mean that they become
losers in an “old maid game” (Hernes 1981). Unions have worked to avoid being victims of such logic and this has increased the problems with reaching peaceful agreements in recent years.

**Sector of Employment and Wage Disparity**

Within the public sector the pay system traditionally has been much more inflexible, or rigid, compared to private sector. A very centralized pay system made it easier to manipulate the wage structure in the public sector. As a consequence of this rigidity, the goal of wage equalization was more efficiently implemented in the public segment of the labor market. In the private industries, with significant wage increases agreed at the local firm level, the goal of wage equalization hardly affected the final outcome of wage agreements at all. As a consequence, relative wages of various groups of medium and high-waged employees were kept pretty stable in the private industries in the years following the new and farther reaching LO strategy of solidaristic wage policy.

The success of LO with its policy of wage equalization in the public sector, however, was not unambiguous. LO won through with their equalization strategy, mainly within certain parts of the state sector. Those groups who were most seriously struck by declining relative wages were those academics employed in the monopolistic part of the public sector (for example education and health care). Relative wages of these groups have dropped compared both to private industries and public sector employees who are paid low or medium wages. These groups make up the core member groups of AF and The Academics today. AF has obviously not been able to defend the interests of their members in the monopolistic areas of the public sector. Concerning the role of The Academics it is too early to pronounce a judgment but the strategy of this confederation seem to be well adapted to the goal of employers’ associations to achieve a more locally based wage determination, with emphasize on efficiency considerations.

Those employed in the "exposed" parts of the public sector have been more successful in managing to escape the wage equalization target. The fact that the employers treat individuals in a more favorable way when there is a demand for labor outside the public sector, certainly has contributed to an even greater dissatisfaction among academics or other medium or long term educated groups who have lost relative positions. For example, nurses feel that they are punished because they do not have an alternative employer outside the public sector.

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13 For an overview of relative wage developments of various occupations in Norway during the last two decades, see Høgsnes (1999).
The fact that only parts of public sector employees have been subject of declining relative wages, however, is not the only source of dissatisfaction. Another factor which certainly has contributed to increased tensions within these areas is a more recent development which points in direction of more flexible pay systems also for groups of employees in the monopolistic part of the public sector. This trend means that the number of persons covered by the rigid wage system within the public sector has decreased during the nineties. That is, within the monopolistic parts of the public sector labor market, some groups have managed to escape from the tendency toward reduced relative wages of medium or long term educated professional employees. An important example here is what has taken place within the central government administration in recent years.

In 1991 a new position was introduced in the state bureaucracy, the so-called "adviser" position. The system of remuneration of advisers is different from regular employees within the bureaucratic hierarchy, who are paid according to fixed rules applied to each single position. The wage frame of the adviser position is much broader. It starts at the upper level of senior executive officers and ends at the level of director general. Table 1 gives a rough indication of the numerical significance of this new position from 1991, which was the year it was introduced, via 1994 to 1999.

\[Table 1\]: Distribution of employees on various positions within central government administration 1991, 1994 and 1999. Absolute figures.

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>1994</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior executive officers</td>
<td>787</td>
<td>815</td>
<td>970</td>
</tr>
<tr>
<td>Heads of divisions</td>
<td>286</td>
<td>220</td>
<td>83</td>
</tr>
<tr>
<td>Deputy director generals</td>
<td>167</td>
<td>174</td>
<td>312</td>
</tr>
<tr>
<td>Advisers</td>
<td>250</td>
<td>518</td>
<td>1122</td>
</tr>
</tbody>
</table>


One of the original positions had minor changes in total number of employees during these years. This is the “senior executive officer”. The number of “head of division” has declined sharply during the nineties and especially from 1994 to 1999. Concerning the number of the category
“deputy director general” there has been almost a doubling during the nineties and changes have been greater in the second part of the decade. The number of advisers, however, grew with more than four times from 1991 to 1999, and the growth seems to have been steady during the whole decade.

**The Male-Female Wage Gap**

Increased attention has been given to wage inequalities between men and women during the last two decades (see e.g., Myrvold 1989, Barth & Mastekaasa 1991, Barth & Yin 1994, 1996). Wage agreements openly discriminating women, were removed as early as in the 1960s. Nonetheless, the wage gap still is at the level of about 15 to 20 percent. This certainly has represented an important issue in wage negotiations during the nineties. Very few people are explicitly opposing the goal of wage equalization between men and women. As early as in 1985 a research project based on survey data showed that more than 80% of the respondents wanted equality between women and men with regard to the possibility of getting the same pay for the same type of work. At the same time a majority of the respondents, around 70%, was of the opinion that women had more difficulties then men in achieving equal pay for equal work (Fennefoss 1988: 226-227). Major actors, however, disagree as to what are actually the causes of the problem (Høgsnes 2000). At the same time it is recognized that there are immense costs associated with closing the gap completely.

A main question in the debate about causes of wage inequalities between men and women is whether *discrimination* explains wage inequalities. An alternative explanation is that they have more the character of an *unintended consequence* (Merton 1936). LO’s strategy of redistribution has struck workers in the parts of the public sector where there is an employment monopoly and where females dominate the workforce. What is certain is that the impact of direct discrimination is insignificant in the case of Norway (Petersen & Morgan 1992, Petersen et al. 1993, Snartland et al. 1994, Petersen et al. 1994, Becken 1995).14

In our opinion, the *reproduction* of the female wage gap is closely related to the fact that parts of the public sector, and especially those parts where females with college education dominate, are sheltered from external competition about the labor power. As a consequence, the state and municipalities have been able to squeeze the relative wage levels of these employees. The intention on the employer side has obviously been to save money, and this goal has been achieved through a close alliance between the state and LO. The result, however, has been that

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14 A similar study based on data from the US (Petersen & Morgan 1995) showed the same results concerning direct discrimination. Wage differences were mainly caused by occupation-establishment segregation.
occupations dominated by females with medium or long education, often at the college or university level, became the obvious losers in the wage struggle.

**Union Structure and Union Competition**

As we have already demonstrated the struggle over relative wage positions in Norway during the last two decades clearly has influenced and also been influenced by the structure and the strategies of the main union actors. While LO clearly dominated the Norwegian union side during the first three decades following World War II, the situation to day is characterized by both an intensified direct and indirect competition between unions and confederations.

As late as in 1974 LO was the only confederation in Norway, while in the spring of 2000 we had four, partly competing confederations. In addition several unions, comprising around 7-8% of the employees, are not attached to any confederation. AF was originally based on a wide inclusion of professional employees in 1975, including various professional associations of academics.\(^{15}\) Two years later, in 1977, YS was founded, as a party political independent vocational union association. Finally, in 1997 it there was a split within AF, and unions for long term-educated groups founded The Academics. Twenty years back some of these unions were the founders of AF.

The increased number of actors has certainly promoted a more complex bargaining structure (Høgsnes & Longva 1999) and, as a consequence of the increasing number of actors, the potential for conflicts has certainly increased. At the same time, and partly as a strategy from LO to counteract this development, the significance of legal and corporatist institutions has not been reduced. Rather, the impacts of mediation, arbitration and the role of corporatist institutions have increased during the last three decades. All the union actors or employers’ organizations did not play the same role, or were not treated equally, in relation to participation in these institutions. The legitimacy of several of the corporatist means that were used became very low, especially outside LO.

Here we are at the core of the question about power relations. Differences in representative status in an institutional setting are in themselves a source of inequality of power. Production of knowledge, direct access to information and influence on the type of

\(^{15}\) In June 2000 the board of AF decided to close down AF as a main union association. This decision was made after several splits from AF, which among other things resulted in the establishment of The Academics in 1998. In addition the negotiations about a merger between AF and YS were broken in early June. Other important unions had already left AF, as, for example, NITO (engineers), and the probability of an exit of the teachers within AF was also considered to be high. A new union association, a regrouped “AF” was established in 2001, based on the two unions for teachers (who have decided already to merge), the nurses union and the police officers union.
statistics produced give an advantage to those fully involved, at the expense of those excluded, or being marginalized. The “models” of the “insiders” - at least until the end of the 1990s - tended to be adapted by and dominate the “outsiders” perceptions, in line with the principles of the theory of “model power” (Bråten 1973, 1984). It is also a part of the picture that LO had an advantage in a highly centralized, corporatist system, by being a strong confederation while both AF and YS were and are loose federations.

Differences in formal status have further implications. An important issue in connection with the work conducted by members of formal and informal committees is to make decisions about relevant topics to be discussed and handled by the committee. Choices made by the members may mean that topics of core interest for organizations not participating in the committees may be excluded from discussions and elucidation. This effect is a version of the perspective of “the non-decision school” among power theories within the social sciences (Hernes 1978:15-17).

While the unions and confederations outside LO have been the winners of the struggle over recruiting members since 1977, this did not result in a dramatic change in their possibilities to participate in important committees before the 1990s. And - ironically - an effective participation and influence later in the nineties would have demanded that they were strong confederations, and not loosely coupled unions. In general it seems correct to say that LO is compatible to the corporatist system, both with regard to organizational structure and wage policy, while the rationale of the unions outside LO is to counteract the effects of, or abolish, this system. The participation has therefore been half-hearted, and not binding for the member unions, more or less an "as if" participation.

In addition, unequal representation within formal groups is also related to the establishment and exploitation of informal networks that may follow as a by-product of representation in formal committees. Labor market organizations with full membership rights get access to representatives of state authorities, who are always a permanent part of such corporatist arrangements. Access to informal networks and contacts due to unequal status within corporatist institutions may influence state policy in a more extensive way than participation in such committees alone may promote. For example, it is beyond doubt that LO has a more direct access to government agencies, compared to other main union federations or organizations. However, such informal contact between LO and the State may also be traced back to tight relations between the labor movement and the social democrats. This kind of contact seems to be especially developed with the Labor Party in government position.
Formal and informal unequal treatment of various union actors may also affect how they manage to present their views to third party actors. This may have an impact on the weight which differing points of views are granted in connection with third party evaluation and interventions. By definition such agencies are expected to act on neutral terms. However, it is hard to imagine that initiatives and actions of third parties should contradict what state authorities and labor market representatives have agreed on as "collective rational" in the preparatory phases of the wage negotiations.

As we have seen already, LO has experienced a decline in its share of union members, while AF, YS, The Academics and non-affiliated unions together are approaching the same number of organized workers as those organized within LO-affiliated unions (Fennefoss & Stokke 1991, Fennefoss 1998, Stokke 2000). The formal position of LO within the corporatist system was in the nineties mainly kept intact in spite of this loss of relative strength and power.

LO for many years was able to compensate relative loss of members through their unique position within the corporatist system. Potential “free riders” outside LO were kept in line by means of extended use of compulsory arbitration. During the second half of the nineties this measure became under heavy pressure and the solution was to invite all major actors into the corporatist system. The 1998 settlement in that way marked a turn in Norwegian corporatism and this turn was caused by an increasing struggle among actors both on the labor and employer side.

Further Consequences of Distribution Disagreements

The main problem for the moment, resulting from conflicts around relative wages, is that these conflicts threaten the strategy of wage moderation or restraint. The dissimilar treatment of various groups of employees related to sector of employment has, as indicated in the introduction, lead to diminishing support of the “Solidarity Alternative”.

This has been most clearly demonstrated in connection with the initial preparations of public sector negotiations during recent years. On behalf of their member organizations, AF in 1996, as well as in 1998 and 2000, made it clear that it was not willing to trade wage increases against welfare improvements in the coming negotiations. AF even demanded additional nominal wage increase for its members in parts of the public sector, which had been dragging. That is, the strategy of AF was not only to keep in line with others, but rather to take back some of the losses its members had experienced during the last two decades.

Few expected that AF would be successful in their attempts. It was considered to be almost impossible to reach an agreement in the public sector that all the competing union
associations would be comfortable with. The distribution profile of various demands pointed in different directions, and it was not considered possible for the public sector employers to come up with an offer all union actors would find reasonable.

However, rather surprisingly this was what actually happened in 1996, 1998 and 2000. The public sector employers with the wage increments in these three years purchased mostly peaceful settlements. They came up with an offer, which exceeded the frames of what had been agreed in the private industries. In 1996 LO was satisfied with a general wage increase of NOK 6,000 that was granted at all steps of the public sector scales of pay. In 1998 everybody received a general wage increase at the level of NOK 10,000. In 2000 this amount was reduced to 5,000 but still enough to satisfy LO. These fixed amounts of money meant redistribution in relative terms.

Also AF was mainly satisfied, as a significant amount of money was retained for central adjustments all three years, where its members usually have been the winners. These years were no exception in that respect. Those groups, which became the winners, were mainly employees with academic education and groups dominated by females with college education. What these agreements may mean for the prolongation of the ‘Solidarity Alternative’ we shall return to in a moment.

The big question, however, is what impact the settlement in the public sector will have on the future of the "line of moderation". There are clear indications the fact that workers in the private industries feel that they alone are supposed to carry the burden of the present incomes policy. The "No" vote in the referendum among metal workers the spring of 1996, as well as the result of the referendum among LO members in 2000, came as a big surprise on most people. No doubt, the metal workers in 1996 had achieved an agreement, which meant a significant increase in real wages even before any local agreements had been settled. The same was the case in 2000. When LO members in spite of this fact preferred to have a strike it was partly caused by the fact that they wanted more of the cake. However, it was probably also related to that the attention of union members nowadays is not only to real wage development in isolation but also to wage development compared to that of others. And in such a context the LO members feared that they were to carry the burden of further wage moderation. This kind of attitudes may affect wage bargaining and the strategy of moderation in the years to follow.

Therefore, in our view the future of the ‘Solidarity Alternative’ is highly blurry. The 1996, 1998 and 2000 main rounds of wage negotiations all were tests of the support of this alternative. These tests showed that there is hardly a strong foundation for continuing the line of centralized coordination, and wage moderation, among Norwegian wage earners and their
unions. There were rather clear signals that there is a growing opposition judged by the referendum among LO members in 2000.

Norwegian companies have made huge profits during recent years. Having this fact in mind, it will probably be hard to keep wage earners at the firm level in line with the goal of moderation in the years to come. That is, even if the parties and the government have succeeded in connection with the national level industry by industry negotiations within the private industries they face problems at the local level. Our main conclusion is therefore that the future of the "Solidarity Alternative" is under pressure from different angles. It is, however, too early to conclude that Norway is approaching a situation characterized by a new wave of wage and price inflation.

More certain is it that the development during the nineties resulted in important changes in organization structures. The changed patterns of unionization certainly are related to increased impact of relative wage struggles following the strategy of LO of aiming at wage redistribution. Dissatisfaction with own relative wage position certainly may affect and also have affected work motivation. As these changes in focus on wages, from real to relative wages, are a result of the corporatist and centralized wage determination system, a way out of the problems for employers in both the public sector and parts of the private sector sheltered industries is a total abandonment of the whole tradition of centralized coordination of the wage determinations process. The sharper divisions in identities caused by the wage policies created by this system make it more easy for employers to succeed in their efforts to have a more locally based wage determination. Such a system will be more oriented toward problems with recruitment and motivation of employees and less concerned with traditional fairness considerations, as wage inequalities and wage equalization.
### APPENDIX:

**Table 1: Wage increments in the private sector (LO/NHO area) 1985-2000, total and distributed on various arenas**

<table>
<thead>
<tr>
<th>Year</th>
<th>Central increments By April 1.</th>
<th>Social reforms</th>
<th>Local increments*</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>NOK 0 general Low-wage increment</td>
<td></td>
<td>6,9%</td>
<td>7,4%</td>
</tr>
<tr>
<td>1986</td>
<td>NOK 1-1,25 general</td>
<td>Working time reduction</td>
<td>6,9%</td>
<td>10,5%</td>
</tr>
<tr>
<td>1987</td>
<td>NOK 0 general</td>
<td></td>
<td>7,3%</td>
<td>7,5%</td>
</tr>
<tr>
<td>1988</td>
<td>NOK 1 general Low-wage increment: NOK 0,75-2,50</td>
<td>Pension reform: 66 years by 1/1 1989</td>
<td>1,4%</td>
<td>3,2%</td>
</tr>
<tr>
<td>1989</td>
<td>NOK 1,50 general + NOK 1,50 without lb**</td>
<td></td>
<td>0,9%</td>
<td>5,0%</td>
</tr>
<tr>
<td>1990</td>
<td>&gt;170,000: NOK 2,50 137,000-170,00: NOK 3,00 &lt;137,000: NOK 4,00</td>
<td></td>
<td>3,5%</td>
<td>6,7%</td>
</tr>
<tr>
<td>1991</td>
<td>Without lb and &lt;165,000: NOK 2,25 With lb and &lt;165,000: NOK 1,75 Without lb and &gt;165,000: NOK 1,00 Low-wage increment: NOK 0,50</td>
<td></td>
<td>2,3%</td>
<td>3,9%</td>
</tr>
<tr>
<td>1992</td>
<td>With lb and &lt;157,000: NOK 0,60 Without lb and &lt;185,000: NOK 1,20, otherwise 0</td>
<td>Pension reform: From 52% to 60%</td>
<td>2,0%</td>
<td>2,4%</td>
</tr>
<tr>
<td>1993</td>
<td>Without lb: NOK 1,00 With lb: NOK 0,60</td>
<td>Pension reform: 64 years by 1/10</td>
<td>2,2%</td>
<td>2,9%</td>
</tr>
<tr>
<td>1994</td>
<td>NOK 1,00 general</td>
<td></td>
<td>1,6%</td>
<td>2,9%</td>
</tr>
<tr>
<td>1995</td>
<td>NOK 0,80 general &lt;85,38: NOK 0,80 &lt;75,90: NOK 1,30 Normal wage: NOK 0,85</td>
<td></td>
<td>3,1%</td>
<td>4,2%</td>
</tr>
<tr>
<td>1996</td>
<td>NOK 1,50 general Skifttilllegg +10% Low-wage increment: NOK 1,50 Minimum wage: NOK 2,00</td>
<td>Pension reform: 63 years by 1/101997 62 years by 1/3 1998</td>
<td>1,6%</td>
<td>3,6%</td>
</tr>
<tr>
<td>1997</td>
<td>NOK 0,80 general Without lb and &gt;185,000: NOK 0,40 With lb and &lt;185,000: NOK 0,70 Without lb and &lt;185,000: NOK 1,00</td>
<td></td>
<td>2,6%</td>
<td>3,5%</td>
</tr>
<tr>
<td>1998</td>
<td>NOK 3,00 general Low-wage increment: NOK 2,00 Minimum wages (hot./rest.): NOK 1,00</td>
<td>Educational reform</td>
<td>-</td>
<td>5,6%***</td>
</tr>
<tr>
<td>1999</td>
<td>NOK 0 general NOK 1,20 granted workers with &lt; of average for manufacturing workers</td>
<td>Educational reform</td>
<td>-</td>
<td>4,7%</td>
</tr>
<tr>
<td>2000</td>
<td>NOK 1,50 in general wage increase &lt;210,000: NOK 2,00 210,000-223,000: NOK 1,50 Fifth week of vacation Educational reform</td>
<td></td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- *1. Quarter one year to 1. Quarter next year
- **lb = Local bargaining
- *** Before 1998 figures are based on the wage growth from the first quarter one year to the first quarter next year. From 1998 the figures refer to table 3.4 in NOU 2000:25 where a different type of calculation is used which makes it impossible to make comparisons between local and central wage increments.

Table 2: Wage increments in the state sector 1985-2000, total and distributed on various arenas

<table>
<thead>
<tr>
<th>Year</th>
<th>Central increments By May 1.</th>
<th>Central adjustments</th>
<th>Local increments</th>
<th>Total (included &quot;overhang&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>4.5%</td>
<td>0.5% + 0.2% by 1.5</td>
<td></td>
<td>7.0%</td>
</tr>
<tr>
<td>1986</td>
<td>4.8% + 1 step by 1.7</td>
<td>0.5% by 1.9</td>
<td></td>
<td>9.2%</td>
</tr>
<tr>
<td>1987</td>
<td>0% in general wage increase</td>
<td>1.0% by 1.1</td>
<td></td>
<td>7.3%</td>
</tr>
<tr>
<td>1988</td>
<td>NOK 2,500 by 1.1; NOK 1,950 + NOK 0.75-2.50 an hour as low-wage increment</td>
<td>3.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>NOK 7,150</td>
<td>0.1%</td>
<td></td>
<td>4.8%</td>
</tr>
<tr>
<td>1990</td>
<td>0.5% + NOK 3,400-5,500 (NOK 3,400 + for step 19-31)</td>
<td>Step 10-18, 1 step by 1.5 + 585 NOK by 1.12</td>
<td>-</td>
<td>5.4%</td>
</tr>
<tr>
<td>1991</td>
<td>NOK 1,600 step 1-28, NOK 1,000 step 29-30, NOK 500 step 31&gt; + 1 step to all by 1.9</td>
<td>0.3% by 1.9 0.25% by 1.10</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>0% in general wage increase</td>
<td>0.2% by 1.1-93 0.1% by 1.10; 0.1% by 1.1-93</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>NOK 2,100</td>
<td>0.7% by 1.5</td>
<td>0.35 by 1.5</td>
<td>2.6%</td>
</tr>
<tr>
<td>1994</td>
<td>NOK 2,100</td>
<td>0.2% by 1.7</td>
<td>0.4% by 1.9</td>
<td>2.2%</td>
</tr>
<tr>
<td>1995</td>
<td>NOK 3,600</td>
<td>1.0% by 1.7</td>
<td>0.35% by 1.9</td>
<td>3.1%</td>
</tr>
<tr>
<td>1996</td>
<td>NOK 6,000</td>
<td>1.3% by 1.8</td>
<td>0.45% by 1.9</td>
<td>4.4%</td>
</tr>
<tr>
<td>1997</td>
<td>NOK 2,500 + NOK 100-900 for step 7-24</td>
<td>1.2% by 1.8 0.55% by 1.8</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>NOK 10,000 + 0.17% by 1.8 (beginning salary)</td>
<td>2.0% by 1.8 0.55% by 1.9</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>0 in general wage increase</td>
<td>1.0% by 1.8</td>
<td>0.5% by 1.9 + 0.1% by 1.8 (starting wage)</td>
<td>4.7%</td>
</tr>
<tr>
<td>2000</td>
<td>NOK 5,000</td>
<td>2.2% by 1.5</td>
<td>0.85% by 1.5</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:**
* Female dominated occupations are defined as occupations with more than 75% females

<table>
<thead>
<tr>
<th>Year</th>
<th>Central increments</th>
<th>Central adjustments</th>
<th>Local increments</th>
<th>Total (included &quot;overhang&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>4.5%</td>
<td>1.2%</td>
<td></td>
<td>7.3%</td>
</tr>
<tr>
<td>1986</td>
<td>4.85% + 1 step by 1.7</td>
<td>0.5% by 1/9</td>
<td></td>
<td>10.0%</td>
</tr>
<tr>
<td>1987</td>
<td>0 in general wage increase</td>
<td>1.0% by 1/1</td>
<td></td>
<td>7.5%</td>
</tr>
<tr>
<td>1988</td>
<td>NOK 2,500 by 1.1, NOK 1,950 + low-wage increment by 1.7</td>
<td></td>
<td></td>
<td>3.6%</td>
</tr>
<tr>
<td>1989</td>
<td>7,150 NOK</td>
<td></td>
<td></td>
<td>4.7%</td>
</tr>
<tr>
<td>1990</td>
<td>0.5% + NOK 3,400-5,500 NOK 3,400 + to step 19-31 by 1.6</td>
<td>Step 10-19, 1 step by 1.10 + NOK 585 by 1.12</td>
<td>0.28% by 1.10</td>
<td>4.3%</td>
</tr>
<tr>
<td>1991</td>
<td>NOK 1,600 step 1-28, NOK 1,000 step 29-30, NOK 500 step 31&gt; by 1.9</td>
<td></td>
<td>0.3% by 1.1-92</td>
<td>5.5%</td>
</tr>
<tr>
<td>1992</td>
<td>1 step</td>
<td></td>
<td>0.45% by 1.5</td>
<td>2.9%</td>
</tr>
<tr>
<td>1993</td>
<td>NOK 2,100</td>
<td>1.1% by 1.10</td>
<td></td>
<td>2.5%</td>
</tr>
<tr>
<td>1994</td>
<td>NOK 2,100</td>
<td>0.5% by 1.10</td>
<td></td>
<td>2.4%</td>
</tr>
<tr>
<td>1995</td>
<td>NOK 3,600 + NOK 2,200 to female dominated occupations*</td>
<td></td>
<td></td>
<td>2.8%</td>
</tr>
<tr>
<td>1996</td>
<td>NOK 6,000</td>
<td>1.8% by 1.8</td>
<td>0.5% by 1.9</td>
<td>4.4%</td>
</tr>
<tr>
<td>1997</td>
<td>NOK 2,500 + NOK 100-900 to step 7-24 by 1.6</td>
<td>0.72% by 1.11</td>
<td></td>
<td>3.9%</td>
</tr>
<tr>
<td>1998</td>
<td>NOK 10,000</td>
<td>2.7% by 1.9</td>
<td>0.78% by 1.11</td>
<td>5.9%</td>
</tr>
<tr>
<td>1999</td>
<td>0 in general wage increase</td>
<td>0.2% by 1.8</td>
<td>0.6% by 1.12</td>
<td>5.0%</td>
</tr>
<tr>
<td>2000</td>
<td>NOK 5,000</td>
<td>Not specified, but long term educated given priority</td>
<td>1.56% by 1.8</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:
* Female dominated occupations are defined as occupations with more than 75 per cent females
** Estimation in NOU 1999: 12
*** Estimation in NOU 2000:4
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