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Continuing Vocational Training in Norway

1. Introduction

Overview

The public system of continuing vocational training (CVT) and company-based CVT:

- CVT is financed by public funds, either as a part of the public educational system or through state support to private actors that offer courses or training (Nergaard 2009).
- The role of the social partners in CVT is based on the ILO convention 142, ratified by Norway in 1976, which establishes that the employers' organizations and trade unions shall influence and participate in the framing and development of vocational guidance and training (ReferNet Norway 2005: 15). The social partners play an important role at various levels:
 - in decision-making (for example on the regional structure or the volume of vocational education training provision),
 - in framing national occupational profiles of recognized trades and the development of national curricula,
 - in framing and implementing examinations for the trade- and journeyman's certificate; and organization and provision of both national IVT and CVT at all levels (ReferNet Norway 2005: 15).

- One main objective of the social partners is to establish mechanisms that allow the professional skills and status that the workers have acquired through work experience and CVT to be recognized and certified (certification), which would help to raise the quality of CVT, positively contribute to labor mobility and help workers to gain access to the educational system (Caprile/Ilorens 1998: 8).
- Many employees participate in CVT that is financed by the employer or use spare time on such activities and partly finance their education themselves (Nergaard 2009).
- The funding of subsistence costs is at the discretion of employers. If the employer is unwilling to pay for the education in question, the employee has to bear the costs. For some types of education, the employee can receive support for subsistence costs from the State Educational Loan Fund, but the amount is usually insufficient (Skule et al. 2002: 271-272).

The role of collective labor agreements (CLAs) in CVT:

- Since the mid-1990s CVT has been dealt with in collective agreements. Collective bargaining settles the main principles for both initial and continuing vocational training. These main principles are stated in the agreements reached between the social partners at sector level (ReferNet Norway 2005: 4).
- Collective bargaining has played an important role in the implementation of the Competence Reform (1997-2001, mainly 1999, 2000).
- The bulk of the trade unions and employers' organizations have created CVT funds in the private industry, services and state employees sector. They are established by CLAs and paid by a contribution collected from the enterprises and the employees. The contribution size depends on the sector (Skule et al. 2002: 269).
- There is an Education and Development Fund (OU) that was established in connection with the negotiations on the LO/NHO collective agreement in 1970. The purpose of the fund is 'to implement or support measures to promote education and training in Norwegian working life' (Joint Office for the LO/NHO Schemes 2007: 44). The fund covers all companies (and all their employees, regardless of their union membership status) that are bound to a collective agreement of which the LO is a party (Joint Office for the LO/NHO Schemes 2007: 44).

Levels of Bargaining

In Norway, CLAs on CVT are concluded at national, sectoral and company level:

- The 'Norway Basic Agreements' at national level (tripartite) may contain provisions on participation rights (the right to educational leave) for company-level workers, as well as establishing co-operation in the assessment of qualification needs and the design of

company CVT plans (objectives, rights, obligations and procedures regarding co-operation). Also debated at the national level is funding and content of CVT (Caprile/llorens 1998: 6-8).

- The sectoral level is important when it comes to initiating and implanting sector based development programs, as well as for concretizing the principles set down in the Basic Agreements (Nergaard 2009). Provisions are being introduced that 'generalize the right to CVT' (Caprile/llorens 1998: 6-8). Provisions for the regulation of CVT, although the actual content varies from one agreement to another (Rossi/Demetriades 2002: 17-18).
- At the company level actual measures to be taken are included in special agreements. Company level agreements frequently include CVT and different aspects than those at sectoral or national level (Rossi/Demetriades 2002: 17-18, 21-22).

Actors

The following actors are involved in collective bargaining on CVT (see also section 2):

Trade unions:

- Norwegian Federation of Trade Unions (*Landsorganisasjonen i Norge*, LO). The LO includes the following sectors: manufacturing, construction, electricity as well as private services such as transport, and hotels and restaurants.
- Electricians and IT Workers' Union (*EL & IT Forbundet*): for energy, electrical engineering, telecommunications and IT workers. This union is the result of the 1999 merger of the Electricians and Power Station Workers and the Data and Telecommunications Workers. The union is affiliated with the LO (EL & IT 2010).
- The United Federation of Trade Unions (*Fellesforbundet*) with membership of approximately 162,000 persons. It is the largest trade union in the private sector in Norway. The union organizes mainly members in the iron and metal industry, the shipbuilding industry, graphical sector, car repair workshops, aircraft repair workshops, hotel- and restaurants, the textile industry, the shoe industry, the building trade, the building industry, the paper industry, graphical branches, fish farming, and agriculture and forestry. More than 200 different trades and occupations are covered by the union.

Employers' associations:

- Confederation of Norwegian Business and Industry (or Confederation of Norwegian Enterprise; *Næringslivets Hovedorganisasjon*, NHO).
- Federation of Norwegian Industries (*Norsk Industri*).
- The Federation of Norwegian Technical Contractors (*Norsk Teknologi*) organized under the NHO.
- Technical Contractors' Association (*Tekniske Entreprenørers Landsforening*, TELFO).

- Electrotechnical Contractors' Association (*Foreningen for EL - og IT Bedriftene*, NELFO).
- Norwegian Federation of Electricians and Power Stations (NEFK).
- Federation of Norwegian Building Industries (*Byggenæringens Landsforening*, BNL)

Critical Junctures

Definition: Critical junctures are years of time periods when important decisions on the development of the collectively negotiated CVT scheme were made.

There are four critical junctures.

- First, the LO and the NHO agreed to add a separate chapter in the 1994 Basic Agreement on education and training for employees. The chapter established CVT as a joint responsibility, and required employers to finance CVT in accordance with the needs of the company (Skule et al. 2002: 270).
- Second, the LO and NHO agreed in the Basic Agreement 1998 on an action plan to encourage competence development at sector and company level, which included many of the proposals from the public committee report (Stokke et al. 1999: 62-63).
- Third, in the 1999 bargaining round, a number of different models for financing educational leave were put forward, but the parties did not agree on this issue. The government promised to invest NOK 400 million in a competence building program, to support private and public enterprises and various learning providers (Skule et al. 2002: 271).
- Fourth, in the 2000 bargaining round, the LO put forward demands that NHO should contribute to the financing of life subsistence during educational leave. The parties did not agree on this, and the suggested agreement from the LO leadership was later turned down in a ballot of LO members. In the new agreement, higher wages and more holidays were given preference and that the LO leadership did not have the support for the trading of wages against paid educational leave. The parties, including the government, did agree, however, that the issue of financing should be further deliberated (Skule et al. 2002: 271).

2. Important Collective Agreements (Examples)

- Electrical Installation Branch Agreement 1996:
 - The agreement was concluded between the Norwegian Union of Electricians and Power Station Workers and the Electrical Contractors' Association of Norway (Caprile/llorens 1998: 1998).

- Demands in relation to the right to continuing vocational training were important contributing factors to the 1996 strike within the electrical installation industry in the private sector (Caprile/llorens 1998: 1998).
- This agreement includes several clauses on CVT, covering:
 - structural guidelines for qualification requirements in companies;
 - an annual, individual amendment of these guidelines;
 - a board responsible for implementing local education plans;
 - a commitment on minimal course standards;
 - a provision that all workers must receive CVT in a period of two years (Caprile/llorens 1998).
- Basic Agreement 2006-2009 NHO-LO:
 - The agreement NHO-LO 2006-2009 was concluded between the NHO and the LO (Basic Agreement 2006-2009).
 - The Basic Agreement recognizes CVT ('wider education') as being highly important and encourages employers to encourage their employees to participate in wider education. Enterprises must chart (updated once a year) objectives for qualifications needed in the future and ensure that qualification gaps are covered. The enterprises are asked to run a system for documenting the experience, practice and courses of the workers connected to the employment relationship (Basic Agreement 2006-2009: 29; also see appendix I).
 - The fund finances joint projects such as the Norwegian Tripartite Committee for the Prevention of Alcohol and Drug Problems at the Workplace (*Arbeidslivets komité mot alkoholisme og narkomani*, AKAN) and the Social Partners' Joint Program for Enterprise Development. The rest of the fund is divided equally between the LO and the NHO (Joint Office for the LO/NHO Schemes 2007: 46).
 - CVT costs must be taken over by the company (Basic Agreement 2006-2009: 29).
 - The LO spends its share on training trade union representatives (Joint Office for the LO/NHO Schemes 2007: 46).
 - The NHO distributes its share between sectoral federations and regional associations in proportion to the amount paid in by member companies in each federation or association. The federations and associations spend the money on technical training and quality assurance, as well as on companies which have applied for support for 'special needs' (Joint Office for the LO/NHO Schemes 2007: 46).
- Engineering Industry Agreement 2008-2010:
 - The agreement was concluded between the NHO and Norwegian Industry and the LO and the United Federation of Trade Unions (Engineering Industry Agreement 2008-2010).

- Vocational training, supplementary training and further education should take place in accordance with the Education Act and the rules and regulations issued and the rules of the Basic Agreement (Engineering Industry Agreement 2008- 2010).
- Training provided during the employee's ordinary working hours should take place without loss of earnings (Engineering Industry Agreement 2008-2010).
- Building Industry Agreement 2008-2010:
 - The agreement was concluded between the NHO and the BNL and the LO and *Fellesforbundet* (Building Industry Agreement 2008-2010).
 - The partners ought to discuss CVT needs periodically (Building Industry Agreement 2008-2010: 15; Basic Agreement § 16).
- Electrical Work Agreement 2008-2010:
 - The agreement was concluded between the NHO and the Technical Contractors' Association, Norway (TELFO) and the LO and the Electricians and IT Workers' Union and the union's departments.
 - The partners emphasize the value of improving the skills of the employees. The companies have to offer training, more concretely external and internal courses. The enterprises, employees and partners of this agreement carry the responsibility for this expertise (Electrical Work Agreement 2008-2010: 12).
 - Over a period of two years, all employees are to be offered further and/or higher education (Electrical Work Agreement 2008-2010: 13).
 - CVT that is carried out during work hours and further education linked to the rules regarding safety in electrical facilities is to be paid for in accordance with the guidelines listed in §3 A, 3 C and 3 E (Electrical Work Agreement 2008-2010: 13).
 - CVT costs related to the companies needs are their responsibility (Electrical Work Agreement 2008-2010: 13).
 - ELBUS (*Elektrobransjens utviklingssenter*), the National Centre for Electro Technical Vocational Post Education in Norway, is a non-profit organization owned by NELFO (The Electrotechnical Contractors' Association) and EL & IT (The Norwegian Electro technical Workers' Union). It is financed by the companies (Electrical Work Agreement 2008-2010: 13).

3. Important Sectors

- In a few sectors special CVT/competence development arrangements (funds and training program) exist at the sector level, among others in the printing/the graphical sector and for the electrical installations sector (Nergaard 2009).

4. Structure, Organization, and Mode of Administration

- There are two sectoral funds: the *Grafisk Fond* (covers among others printers) and the fund in the Electrical Installations Sector. They are both small. Furthermore, it is unsure if these funds still exist (Nergaard 25.06.2009, interview).
- Furthermore, the OU Education and Development Fund covers all companies (and all their employees, regardless of their union membership status) that are bound to a collective agreement of which the LO is a party (Joint Office for the LO/NHO Schemes 2007: 44). The fund is headed by a board of six members, of which each party (LO and NHO) appoints three (Joint Office for the LO/NHO Schemes 2007: 44).

5. Role of the State: Financial Support, Legislation, and Extension Procedures

- Tax regulations have been changed, exempting most employer-paid education from income tax for the employee (Skule et al. 2002: 265, 272).
- Since 1998, a reform of adult and continuing education and training, the Competence Reform, has gradually been developed and implemented (Skule et al. 2002: 265, 272).
- Statutory rights for adults to primary education (effective from autumn 2002) and upper secondary education (effective from autumn 2000) have been introduced.
- A statutory right for study leave for up to three years has been integrated in the Work Environment Act (from 2001).

6. Financial Structure of the Collectively Negotiated Schemes

- The costs of CVT are the responsibility of the companies (Basic Agreement NHO-LO: 2006-2009, Chapter XVI: Development of Qualifications, § 16–3 Ways and means). An example is the LO/NHO area where companies pay EUR 20–60 per year for each worker, depending on his working time. Workers pay about EUR 20 per year. This way, approximately EUR 25 million are generated per year. The contribution size is defined by the NHO/LO management, based on suggestions of the bipartite fund board. The LO/NHO joint office administers it and, thus, receives the contribution payments. The money is divided equally between the trade unions and employers' organizations. The LO mainly uses its share at central level, distributing to their various members. The main part of the trade unions' share is used for basic training of selected members at company

level. The employers distribute their part of the money to different employers' associations (branch or sectoral level). It is used to finance various training programs for managers and employees. Furthermore, 10 per cent of the fund's money is put aside for different partnership programs and other training and research plans (Skule et al. 2002: 269).

- The OU Education and Development Fund is financed both by the employees and the employers. The employers contribute premiums, which concerns all companies for all their employees and their working time. The employees contribute by way of the employers, in that the employer may deduct NOK 3.25 per week from the employee's wages to contribute to the fund (Joint Office for the LO/NHO Schemes 2007: 44-45).
- The relevant agreements of the *Grafisk Fond* stipulate that employers should pay a certain amount per employee participating in CVT courses into the fund (Nergaard 25.06.2009, interview).
- Regarding electricians in the private sector (installment), ELBUS, the Electrical Industry's Development Centre, is financed by a fee paid by the member companies six times a year. The size of the fee is 0.35 per cent of the wages of those in the company covered by the national agreement (Electrical Work Agreement 2008-2010: 13).
- In the electrical installations sector trade union and the employers no longer co-operate on providing training/competence development (from 2005), i.e. the funds are divided between the parties and mainly used for unilateral initiatives (Nergaard 25.06.2009, interview).

7. Benefits and Measures of the Collectively Negotiated Schemes

For examples of CVT benefits in Norwegian CLAs see section 2.

8. Coverage Rates of the Collectively Negotiated Schemes

- 50-55 per cent of private sector employees are covered by collective agreements (mainly sector wide agreements). Most of these agreements deal with CVT, although mainly as recommendations/principles (Nergaard 2009).
- 210,000 employees in the private and public sector attend in-service courses organized by the workplace or relevant social partners annually. Almost 50,000 employees received in-service training at their workplace over the years 2000 – 2003 under the Competence Development Programme (*Kompetanseutviklingsprogrammet*, KUP) that was introduced as part of the Competence Reform (cfr. 050102) (ReferNet Norway 2005: 26).

- 70 per cent of the adult population has participated in training courses during the past three years (Skule et al. 2002: 269).
- Norwegian enterprises provide more training than the EU average, in 1999, 86 per cent of enterprises provided continuing vocational training (Nestler/Kailis 2002).

9. The Politics around the Collectively Negotiated Schemes

Linkages to Public Reform Policies

- The social partners and especially the LO played an important role in getting CVT on the political agenda in the mid-1990s (Skule et al. 2002: 270). In 1997, a public committee, in which the LO and NHO were represented, presented a report on adult education and competence development, which proposed a number of issues that later became important aspects of the Competence Reform (Stokke et al. 1999: 62-63):
 - documentation of non-formal and informal qualifications/learning;
 - the importance of on-the-job training/learning through your work;
 - a statutory right for adults to finish basic/upper secondary education;
 - an individual right to study leave;
 - a program of public grants to stimulate companies in developing various learning activities (Skule et al. 2002: 271).
 - It also emphasized the importance of letting the social partners participate in the design of the reform, including the funding issue, through the national bargaining rounds (Skule et al. 2002: 271).
- The LO-NHO recommended in a chapter on competence development:
 - the introduction of an individual statutory right to leave of absence for educational purposes;
 - qualifying conditions for leave of three years of continuing employment and two years of employment in the firm from which leave of absence;
 - leave can temporarily be deferred if operations cannot be maintained if the person were to leave;
 - parties at the company level should deal with practical questions;
 - the establishment of a system for CVT, which would be partially financed by funds from wage settlements (employees, employers and public authorities) (Stokke et al. 1999: 62-63, Nergaard 1998);
 - the right to publicly-financed secondary education (up to 12 years of education), i.e. all those born prior to 1972, should be entitled to such education;

- the so-called 'Section 20 scheme' be retained (the scheme, which has its statutory base in the Vocational Training Act, allows adults to use their own work experience when qualifying for their certificate of completed apprenticeship);
- on-the-job training must be strengthened;
- competence acquired through training at work should be better documented (Nergaard 1998).
- The state's response:
 - The government/prime minister expressed in a white paper that it was (Stokke et al. 1999: 62-63):
 - in favor of an individual right to leave for the purpose of CVT,
 - did not want to abolish the "Section 20 scheme",
 - would also like to make it possible for those adults who have not completed primary or lower secondary school, to do so.
 - The government's white paper on reforming further and continuing education and training was adopted by Parliament on 19th of January 1999 (the Competence Reform), which included the above mentioned elements. The Parliament also emphasized the value of acquired skills/knowledge and asked the government to establish a system that will provide adults with a right to have them documented. No final decisions were made regarding a number of elements (Nergaard 1999):
 - how the reform is to be financed,
 - how the set of rules that are to govern the reform,
 - how the different educational/training schemes are to be defined.
- The social partners never reached any agreement on the financing of study leave, i.e. the financing of the costs of living for employees on educational leave. LO wanted the employers to contribute to a fund, whereas NHO never agreed to any model for financing educational leave (Nergaard 2009).

Linkages to Wage Agreements and Wage Policy (e.g. Wage Restraint, Tripartite Agreements) and Other Agreements

We have not found any evidence.

Actors' Strategies and Conflicts among and between Them (State, Political Parties, Employers, Trade Unions)

In 2000, the trade unions had to drop their claims for the creation of a tripartite funding scheme for training leave (CVT and IVT). However, after a strike the employers agreed on the importance of a new skill financing scheme, as well as a competence reform. (Rossi/Demetriades 2002: 17-18).

10. Recent Developments and Other Interesting Information

We have not found any evidence.

11. Contacted Experts

We thank the following expert and colleague for providing information and answering very specific questions:

- Nergaard, Kristine, 25.06.2009, Favo Researcher, e-mail interview.

12. List of Abbreviations

- AKAN: *Arbeidslivets komité mot alkoholisme og narkomani* (Norwegian Tripartite Committee for the Prevention of Alcohol and Drug Problems at the Workplace)
- BNL: *Byggenæringens Landsforening* (Federation of Norwegian Building Industries)
- CLA: collective labor agreement
- CVT: continuing vocational training
- ELBUS: *Elektrobransjens utviklingssenter* (Norwegian Electro-technical Research and Development Centre)
- EL & IT Forbundet: workers' union for energy, electrical engineering, telecommunications and IT workers (Norwegian name not found)
- EUR: Euro
- ILO: International Labour Organisation
- IVT: initial vocational training
- KUP: *Kompetanseutviklingsprogrammet* (Competence Development Program)
- LO: *Landsorganisasjonen i Norge* (Norwegian Federation of Trade Unions)
- NEFK: Norwegian Federation of Electricians and Power Stations
- NELFO: *Foreningen for EL - og IT Bedriftene* (The Electrotechnical Contractors' Association)
- NHO: *Næringslivets Hovedorganisasjon* (Confederation of Norwegian Enterprise)
- NOK: Norwegian krona
- OU: Education and Development Fund (original name not found)
- TELFO: *Tekniske Entreprenørers Landsforening* (Technical Contractors' Association, Norway)
- VET: vocational education and training

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Appendix I

Excerpt from the Basic Agreement 2006-2009: Chapter XVI: Development of Qualifications

§ 16–1 Introduction

- NHO and LO recognize how highly important wider education is for the individual, for development of the enterprise, and for the community as a whole. This applies to general education, vocational training, courses of adult education, advanced studies and rehabilitation.
- Therefore the parties wish to emphasize the great value that lies in stimulating employees to increase their knowledge and improve their qualifications, and attaching great weight to planned courses of education and training for employees, within the enterprise itself or at outside educational establishments.

§ 16–2 Supplementary studies and further education

- Supplementary studies and further education are especially important as means of developing the competitive ability of the enterprise. At all stages of the value chain the right qualifications are necessary to enable the enterprise to accept and utilize new knowledge. Development of qualifications through supplementary studies and further education must be based on the present and future needs of the enterprise, taking as a starting point the targets set by the enterprise for its operations.
- "Supplementary studies" refers to maintaining qualifications for a position already held, while "further education" refers to qualifying for new and more demanding tasks within the enterprise. Both supplementary studies and further education will benefit the enterprise as well as the individual employee and therefore they must accept responsibility for developing such qualifications.

§ 16–3 Ways and means

- Each enterprise must present its objectives for future development as a basis for charting the qualifications needed. Cooperating with the employees, it will be the enterprise that is responsible for charting and initiating necessary measures. Charting must normally be updated once a year. Wherever there is a gap between existing qualifications at the enterprise and its future needs, this should be covered by appropriate training measures or other means. The costs of supplementary and further education must be borne by the enterprise. Responsibility for ensuring that any qualifications gap is covered satisfactorily rests with the enterprise and all its employees.

§ 16-4 Documentation of actual qualifications

- The enterprise is invited to have a system for documenting the individual's experience, courses and practice related to the employment relationship.