

Equal Pay in Norway

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IN NORWAY rates of pay are generally fixed by means of collective agreements between employers' associations and trade unions. Government interference with their right to negotiate freely is frowned upon, so the question of equal remuneration for men and women has primarily been a matter for employers' and workers' organisations. Nevertheless the Government and the parliament have both played an important part. In 1949 the Government appointed a committee to prepare a comprehensive study on the question of equal remuneration. In accordance with one of the recommendations of this committee, the Equal Pay Council was established in 1959, and at the same time Norway ratified the ILO Equal Remuneration Convention, 1951 (No. 100).

The Equal Pay Council was given the task of promoting the implementation of the equal pay principle by general information activities and by investigating the extent of application of equal pay in the various sectors of the economy. Furthermore, it was to promote measures to facilitate the access to employment of those women wishing to work. The Council is tripartite, composed of employer, worker and independent representatives.

In central and local government services and in some craft-based trades the principle of equal remuneration was already implemented, but elsewhere different pay rates for men and women were the rule.

In 1961, however, the two major industrial organisations—the Norwegian Employers' Confederation (NAF) and the General Confederation of Trade Unions in Norway (LO)—concluded a general agreement on the application of the principle of equal remuneration. The main objective was to effect changes in all collective agreements so that rates of pay were no longer fixed separately for men and women but determined according to the nature of the work performed. The general agreement covered the larger part of private industry and it was implemented by stages in the years 1961 to 1967. Today, some three years after implementation was completed, it is possible to evaluate the effect of the agreement on women's wages and salaries.

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Briefly, as regards the average earnings of men and women in most of the larger fields of occupational activity, differentials have decreased during the 1960s (when the general agreement was being put into effect). But there are still considerable pay differentials in several fields of activity and certain kinds of job. Our preliminary conclusion is that the agreement on equal remuneration between the NAF and the LO has been of great significance in improving women's earnings, but that it has not been sufficient to eliminate the pay disparities between men and women performing the same type of work.

The next section briefly describes the main features of the evolution of women's earnings in the years preceding and following the equal pay agreement of 1961.

Trends in women's earnings

The following table shows the development of women's earnings in relation to men's in manufacturing since the Second World War.

TABLE I. AVERAGE HOURLY EARNINGS OF ADULT FEMALE WORKERS IN MANUFACTURING, 1946-69
(Male earnings = 100)

Industry	1946	1949	1952	1960	1969
All manufacturing	60.2	64.0	68.0	67.3	74.3
Canning	—	70.2	75.1	73.3	79.7
Brewing	—	68.3	73.1	69.7	84.4
Tobacco	—	70.8	72.6	77.2	85.1
Textiles	—	68.8	72.5	72.9	83.1
Clothing	—	66.4	72.6	73.2	79.2
Wood processing	—	69.4	92.8	72.6	83.9
Metal	—	70.0	72.7	71.6	79.9

— denotes not available.

During the first post-war years special cost-of-living allowances were paid to wage and salary earners. These allowances were equal for both sexes as from 1946 and formed a fairly high proportion of total earnings, especially for women. This led to a relatively higher increase in women's pay than in men's, and thus helped considerably to narrow the gap between male and female earnings during this period. Between 1946 and 1952 average female earnings in manufacturing industry increased from 60 per cent to 68 per cent of average male earnings. The allowances had a lasting effect on the relative pay level of women.

After 1952, when the payment of the special cost-of-living allowances was discontinued, the move towards greater equality was halted, and up to 1960 the ratio of women's average earnings to men's remained, generally speaking, unchanged. When collective agreements came up for revision women got greater percentage increases than men, but this was counteracted by the wage drift phenomenon, which was stronger for men than for women.

Pay differentials began to decline again after the conclusion of the equal remuneration agreement in 1961. Between 1960 and 1969 the average earnings of women in manufacturing increased from 67.3 to 74.3 per cent of men's. Earnings in the separate branches of manufacturing industry listed in table I show the same tendency, but the relative level of women's pay is higher in these branches than in manufacturing as a whole because the groups of workers employed there are more homogeneous in the sense that the men and women have generally similar levels of education, skill, etc.

Among shop assistants and clerical employees the average earnings of men and women had started to move closer together before 1961—as shown in tables II and III. This is probably connected with the fact that in these occupations the collective agreements gradually introduced equal pay rates for both sexes, a process that was completed for all categories of jobs in 1965.

TABLE II. AVERAGE MONTHLY EARNINGS OF FEMALE CLERICAL EMPLOYEES IN MANUFACTURING, 1954-69

(Male earnings = 100)

Category of employee	1954	1960	1969
Performing simple routine work	77.0	81.4	91.6
Performing skilled work	79.0	82.0	90.1
Performing skilled and independent work on own initiative	83.7	87.4	90.6

TABLE III. AVERAGE MONTHLY EARNINGS OF FEMALE SHOP EMPLOYEES, 1957-69

(Male earnings = 100)

Category of employee	1957	1960	1969
Subordinate shop assistants	71.0	72.8	75.6
Higher-level shop employees	79.2	78.2	80.7

Summarising, it can be said that after the implementation of the agreements on equal pay the average earnings of female clerical employees are approximately 10 per cent lower than the average earnings of men in the same job categories. For female employees in retail trade the difference is 20 to 25 per cent, and for those branches of manufacturing industry which employ both men and women, average earnings are 15 to 20 per cent lower for women than for men.

These figures are not, however, an accurate expression of the extent of wage discrimination against women. Differences in age and in the distribution of men and women in undertakings and geographic areas with varying pay levels may also affect pay differentials; variations in the nature of the work performed and in the educational level of men and women working in the same kinds of job may also account for wage disparities. The Norwegian Equal Pay Council has investigated the significance of such factors. Most of the investigations have shown that factors of this kind are not the chief explanation of pay differentials between men and women but that in a few groups of jobs some of them do have a certain effect.

I shall give examples, therefore, of comparisons between more homogeneous groups. Table IV below shows the monthly earnings of female bank assistants as a percentage of the monthly earnings of men in the same jobs, both sexes having equal education and age.

TABLE IV. AVERAGE MONTHLY EARNINGS OF FEMALE
BANK ASSISTANTS WITH GRAMMAR SCHOOL, HIGHER,
OR COMMERCIAL COLLEGE EDUCATION, 1969

(Male earnings = 100)

Age	Average monthly earnings
20-24	94.3
25-29	94.0
30-39	97.3
40-49	93.2
All under 70	90.3

The differences in earnings are smaller when the groups are more homogeneous, but they are still significant. A comparison between male and female shop assistants in Oslo in 1969 by age groups reveals more substantial differences. For example, the average earnings of female shop assistants in the age group 25-29 years were 82 per cent of the average earnings of male shop assistants in the same age group. It may justifiably be assumed that the educational level is approximately the same for both sexes in these jobs.

Thus it seems reasonable to conclude that women still receive lower pay than men for work of equal nature in manufacturing, in retail trade and in some branches of clerical work.

Why is it that the agreement between the NAF and the LO has not brought women closer to equal pay? To answer this question requires further analysis of the contents of the agreement, its implementation and its application.

The implementation of the equal remuneration agreement and its effects

The Equal Pay Council has carried out fairly thorough studies of developments regarding equal pay in certain branches of manufacturing industry during the period from 1960 to 1965. These investigations helped to explain the problems encountered in the implementation of the general agreement in this sector. The major problems were those of job classification and pay adjustments in the new wage groups. These and other relevant questions are discussed below.

Job classification

In order to obtain a pay structure devoid of sex discrimination, all employees in manufacturing were placed in wage groups according to the nature of the work performed. In this classification women were mainly classified in the lowest groups, whereas the majority of men were classified in the higher groups.

For example, in the clothing industry 70 per cent of the jobs performed by women were classified in wage group 2, whereas the majority of jobs performed by men (more than 70 per cent) were classified in the higher wage group 3. In the canning industry 97 per cent of the female jobs were classified in group 1, the lowest group, and here there were no men at all.

The classification into wage groups took place in the course of direct negotiations between the parties for the revision of collective agreements. Conflicting interests may therefore have affected the results. Furthermore, subjective concepts and traditional views of "female jobs" as being less skilled may have influenced both parties.

In the implementation of the general agreement, the employers were opposed to the use of systematic job evaluation, claiming that the existing methods were deficient and would not ensure an objective classification of the jobs concerned. The fact remains, however, that it is very important to have an accurate means of comparison between male and female work in manufacturing because nearly all the companies have divided the working operations into jobs for men and jobs for women. The differences are not always great, but the dividing line is quite strictly maintained. This division of work between the sexes is probably the real problem, because it is the basis for the resulting wage disparities between men and women.

Conditions on the labour market of late seem, however, to have brought about a change in the attitude towards the female labour force. Substantial shortages of workers in occupations hitherto reserved for men have increasingly led undertakings to recruit women for these occupations. In such cases women have equal pay with men.

Upwards adjustment of women's wages

According to the general agreement the classification of workers in job categories was to be followed by special wage increases for women who had lower wages than the men in the same job category. This provision had little influence on women's remuneration in the low-wage jobs, where there were no men to compare with. In such cases wages were often fixed at the same level as the earlier women's rates. For example, the majority of women in the canning industry did not get a pay increase as 97 per cent of them were classified in the lowest wage group where there were no men. The effect of this practice was not equally significant in all branches of industry.

Wage increments

There are other provisions, too, in the collective agreements that affect the relationship between male and female earnings. It follows that it does not suffice to examine only those points specifically referring to equal remuneration.

One of the chief objectives of LO policy has been to reduce the differentials between the low-wage groups and the high-wage groups. In several instances the trade unions have demanded special increments for the low-wage groups. As a considerable proportion of the women in manufacturing industry belong to such groups, this wages policy has helped to bring about an increase in women's pay. In many cases, however, the definition of what constitutes a low wage differs for men and women. In the canning industry, for example, from 1964 to 1967, women were awarded smaller low-wage increments than men. The practice of the various unions differed; some unions secured equal low-wage increments for male and female workers, while others negotiated differentiated increments. The application of unequal standards for men and women is obviously not in accordance with the principle of equal remuneration.

Co-ordinated collective bargaining

The co-ordination of collective bargaining in various branches of manufacturing industry also contributes to reducing the gap between low- and high-wage groups. In the period from 1963 to 1968 several joint pay settlements led to relatively important across-the-board increases for

workers in all branches. Earlier, different pay increments for men and women had been the rule, whereas since 1963 the increments have been of the same size. Because women's rates started at a lower level this led to a relatively higher increase in their pay. It seems to be the across-the-board increments that have contributed most in manufacturing industry to the reduction of differentials between men's and women's earnings during the period of implementation of the equal remuneration agreement. If so, this is a parallel to the development that took place in the period from 1946 to 1952, when men and women were awarded equal special cost-of-living allowances.

Wage drift

In addition to wage increases due to the revision of collective agreements, quite large increases take place in Norway as a result of wage drift. These include personal increases (i.e. for individuals) within the undertakings, and increases due to the fixing of piece-work rates, extensive overtime working, etc. Wage drift usually accounts for half the total pay increase for men.

Most collective agreements in Norway fix minimum wage rates, with workers actually receiving varying amounts above these minima, according to merit, seniority and other factors.

The investigations made by the Equal Pay Council indicate that the equal remuneration principle has not been fully applied in the personal pay policy of undertakings, wage drift having been much more substantial in the case of men than in that of women. In the implementation of the equal pay agreement, the upwards adjustment of female rates has possibly exerted pressure on male rates and, albeit quite unintentionally, eventually caused even stronger wage drift in the case of male workers.

Apparently men continue to compare their pay with other men's, whereas women's pay is compared with other women's; this way of thinking leads to higher increases for men. If this is the case, it also implies that unequal standards for fixing the wages of men and women still persist contrary to the equal remuneration principle.

A lack of general acceptance of this principle by the workers may have something to do with the fact that men are regarded as the principal breadwinners, even though only some of them are, and that a number of women accept lower pay because they regard themselves as being supported by their husbands. But it is also likely that traditional notions of female labour as being somehow less valuable still play a part in the attitude to wage rates.

Female employees are on average more frequently absent from work than are male employees; this is regarded as a disadvantage attaching to women as such, and it is quite often used to justify lower pay for women. However, absence varies with the kind of work performed. Foremen, for

instance, are seldom absent, skilled workers somewhat more often, whereas workers with a low level of skill are relatively frequently absent. The fact that the majority of women employed in manufacturing are unskilled workers explains much of their relatively high absenteeism. An example from the electrical engineering industry illustrates this situation. The average absence rate of the female workers was 51 per cent higher than that of the male workers; but the women had only a 12 per cent higher absence rate than the *unskilled* male workers, with whom they are more comparable. A similar state of affairs is found in clerical occupations.

Even if absence from work may reasonably explain the lower pay of some women, this argument seems to be given far more importance than is justified by the facts. Generalisations about male and female workers often seem to be given greater credence than an evaluation of the individual job and its demands, regardless of sex.

Summary

In my opinion the general agreement on the implementation of the equal remuneration principle between the NAF and the LO has been of great significance in improving women's earnings.

The major weakness is that implementation has not been a straightforward matter of attaining the equal pay target in the most objective and clear-cut manner; to a great extent, as is customary in collective bargaining, it has had to be a question of give and take.

Several considerations were probably taken into account on both sides. Capacity to pay has presumably been a factor determining the attitude taken by the employers, especially because a substantial proportion of women are employed in industries particularly exposed to competition. It is possible also that the trade unions have taken this into account.

The segregation of jobs into male jobs and female jobs, which by and large is maintained in the undertakings, and the employers' unwillingness to evaluate jobs systematically are, in my opinion, great problems.

In collective bargaining on conditions of work and pay the economic framework is often more or less given and, to a certain extent, it is up to the employees' side to decide how the wage sum should be distributed. Consistent implementation of the equal pay principle would imply foregoing certain other demands.

It seems that equal remuneration does not enjoy top priority among trade union objectives. It should be mentioned also that the trade unions have not committed themselves very far to solving the underlying problems that block the road to equal pay for many women.

The comparatively passive attitude of the government authorities and their very modest efforts to create conditions in which women are

able to compete on an equal footing with men in the labour market also help to explain the relatively slight improvement of women's pay.

What can be done to correct the imbalance? The external reasons for the deficiencies in the implementation of the principle of equal pay are by and large detectable, and technically it is possible to solve some of the remaining problems through collective bargaining. Primarily it is a matter of making a re-evaluation of jobs in the undertakings and then applying the equal pay principle consistently to all kinds of remuneration, not least in the determination of low-wage increments.

If the principle is to be more fully accepted and applied in fixing the personal pay increases within undertakings, stronger support from the central organisations (NAF and LO) and more information will be needed.

Women as a low-wage group

Equal pay for work of equal value, however, only partly bridges the gap between the average earnings of men and women. An official report on low-wage problems in Norway, written by Professor Tor Rødseth in 1969, confirmed that women make up a substantial part of low-wage workers.

Workers with annual earnings below Nkr. 15,000¹ (1965) were defined as low-wage workers: annual earnings for male workers in manufacturing averaged Nkr. 19,000. Groups in which more than one-third of the employees had annual earnings below Nkr. 15,000 were considered low-wage groups.

For some branches of manufacturing industry where data are available on the earnings distribution for both men and women, the proportion of low-wage male workers was 12 per cent as against 80 per cent for female workers. (This survey covered textiles, shoe factories, clothing, processing, paper and cardboard works, graphic trades and the metal industry, totalling one-half of all workers in manufacturing industry.) Among the employees in retail trade 18 per cent of the men and 67 per cent of the women fell into the low-wage category, and among salaried employees in manufacturing the proportions were 3 per cent of the men as against 43 per cent of the women.

The low-wage problem of women workers is the result of many factors besides the inequality of remuneration already mentioned. Concentration of women in certain branches of manufacturing industry, differences in job structure, age composition and education and training are other factors which may be of importance. Some of these are examined more closely below.

¹ US\$1 = Nkr. 7.14; £1 = Nkr. 17.14.

Unequal job structure

The situation in which women make up the majority of employees in the low-wage branches of manufacturing is common to many countries, and I shall not go further into this matter. The unequal job structure for men and women is, however, another important factor which raises many interesting questions.

The investigations made by the Equal Pay Council disclose a striking imbalance in the hierarchical distribution of men and women in several fields of occupational activity. In the lowest groups of jobs women are greatly over-represented, whereas in posts requiring responsibility and high qualifications women are far outnumbered by men. Very few women are to be found in senior posts in manufacturing, banking, insurance, and local government. A widespread and erroneous belief appears to exist that this unbalanced structure is a reflection of real differences between men and women in education, qualifications, age and time spent in employment.

The Equal Pay Council has found that differences in education and age only partly explain the imbalance in posts occupied. Comparisons between the various job structures show that even when such differences are taken into account, women are considerably under-represented in intermediate and higher positions.

An investigation of banking in 1969 illustrates this point (see table V).

TABLE V. PERCENTAGE OF MEN AND WOMEN WITH THE SAME EDUCATIONAL BACKGROUND AND BELONGING TO THE SAME AGE GROUPS WHO OCCUPIED SENIOR POSTS IN BANKING, 1969

Age	With grammar school (advanced level) or commercial college education		Without grammar school (advanced level) or higher education	
	Men	Women	Men	Women
Under 30	4	0	1	0
30-39	26	4	15	3
40-49	48	12	31	2
50-59	63	13	43	4

It will be seen that in all age groups and on both educational levels a far larger proportion of the men than of the women have obtained higher positions. Among the men a very high proportion even of those on the lower educational level are gradually promoted. In fact half the men in senior banking posts have an education below the advanced grammar

school level. From this one can draw the conclusion that women with grammar school (advanced level) or commercial college education have a far smaller chance of being promoted than men with less education. A large proportion of such women stay in positions of simple routine work, whereas very few men do. Corresponding studies in insurance companies and local government service give similar results.

Why are women not promoted to the same extent as men, when they have equally good or even better education and training? Are women less ambitious? How significant is it that women are less stable in their occupations? What part does the employer's attitude play? And the attitude of fellow workers?

There are various opinions about these questions, but concrete investigations are scarce. An investigation by Dr. Harriet Holter in 1962¹, in which 1,000 employees in Oslo undertakings were interviewed, throws light upon sex differences in work attitudes and behaviour. This study indicates that while women are somewhat less ambitious than men, their opportunities for advancement are far below their actual desires.

The importance of education and training

Differences in education and training between men and women are, however, a contributory cause of the low-wage problems of women workers.

A significantly smaller proportion of women than of men have undergone vocational training. Moreover, the vocational training preferred by women is more bound by tradition and less adjusted to technical and economic development than is men's training. At universities and similar institutions of higher education women constitute only 26 per cent of all students. This necessarily results in a larger proportion of men in the more highly qualified posts. The different channels followed by boys and girls in the educational system is only to a small extent due to institutional and economic obstacles, much more to environmental influences and to women's special family responsibilities; as a result of this in some social groups preparation for occupational life is often considered less important for girls than it is for boys.

The choice of education and training is more likely to create problems for girls, who also have to consider the special obligations that rest on married women in contemporary society.

In recent years, some criticism has been voiced of school-books for presenting information in a manner that indirectly transmits a traditional view of the sex roles. This criticism is in many cases close to the mark,

¹ Subsequently published in Harriet Holter: *Sex roles and social structure* (Oslo, Universitetsforlaget, 1970). For a comprehensive overview of women workers' problems by Dr. Holter see her "Women's occupational situation in Scandinavia", in *International Labour Review*, Vol. 93, No. 4, Apr. 1966, pp. 383-400.

and it is probable that school-books do contribute to the maintenance of sex inequalities in employment.

The vocational guidance now given to all young people in schools does not do much to counteract this tendency. The chief objective of vocational guidance is to give neutral information and advice, and to avoid influencing recipients with value-judgments. It is therefore cautious when it comes to challenging existing ideas of sex roles in society and employment.

One cannot therefore expect the schools or the vocational guidance services to contribute to any great extent to a change in the occupational position of women.

Lack of continuity in occupation and employment

Lack of continuity in occupation and employment affects many women. It is one of the causes contributing to their low-wage problem. The occupational participation rate for women is very low in Norway. Only 23 per cent of married women held either full-time or half-time posts outside their homes according to a nation-wide investigation which was undertaken by the Norwegian Central Bureau of Statistics in 1968. It is still customary for women to leave their jobs when they have a baby, but the experience of recent years indicates that an increasing proportion of married women return to employment at about the age of 40. Long interruptions of employment undoubtedly have lasting consequences for women's opportunities on the labour market. The majority of those who go back to work after an interruption remain in comparatively subordinate posts, unless they have special vocational training. There are, however, reasons to believe that generalisations about women's lack of stability in jobs also create serious difficulties for those who work without interruption, and that this is one important reason why so few women attain higher posts.

The purpose of the above-mentioned investigation was to procure data for evaluating the nature and extent of public measures necessary to facilitate the entry or re-entry into employment of married women. The investigation indicated that a very large proportion of married women of all ages who were not in employment wanted a job outside their homes. Their need for contact with other people was an important reason for that.

The low occupational participation rate among married women may to a great extent be attributed to external difficulties. One important reason is that in many areas of Norway there is a lack of jobs available for women. Also kindergartens and day-nurseries are scarce, and as a consequence the majority of married women are tied to their homes as long as they have small children. Existing opinions about a woman's family role, however, particularly when she has young children, still seem to be determining for many women who do not go out to work.

Likely future developments

An increasing proportion of married women in all age groups participate in employment, but in the short run this does not result in a narrowing of the gap between the average earnings of the sexes, because a large proportion of the middle-aged women, having little education and occupational experience, end up in low-wage occupations. Within a few years, however, the considerable improvement in the level of education of young people will bring a large number of comparatively well-educated young women into employment. This may lead to a change in the situation of women, for one thing because, at the same time, society's traditional attitudes towards the position of women in the community seem to be changing.

As regards occupational distribution, there has already been a decrease in the employment of women in agriculture and in manufacturing industry and a considerable increase in the service industries. This pattern corresponds to the structural changes in the economy as a whole, but the changes have affected women more than men. In addition employment statistics indicate that women have increased their share of employment in some traditionally male occupations such as the merchant marine.

Further measures

What can be done to ensure the full implementation of the equal pay principle?

The most important measure for promoting equal remuneration has undoubtedly been the efforts made by the employers' and workers' organisations to introduce the principle in collective agreements, but this has turned out not to be sufficient. If the organisations do not manage to correct the remaining imbalances, the State cannot, in my opinion, disclaim responsibility for a more direct contribution towards eliminating the pay discrimination against women. To raise the total remuneration level of women as compared with men's will, however, be a far tougher problem.

A line of development which might lead to a more real equality between men and women in the field of pay is that put forward in the report on the low-wage problem in Norway. The idea is so to change the role of women at work that they will be able to compete on equal terms with men in all fields of employment. This will probably imply a rise in women's activity rate to about the same as men's, and will require radical alterations in family life, in conditions of work and in society as a whole.

Such a development might be accelerated through improvement of the social infrastructure (e.g. by the provision of child-care institutions and other services to families), by changes in working hours and by far-

reaching changes in labour market and educational policy (e.g. by placing the education and training of adults on an equal footing with the same services for youth). If Government and the trade unions accorded adequate priority to raising women's pay in general to the same level as men's, adequate reforms could probably be evolved with a view to ensuring harmonious progress towards equality and avoiding the creation of dangerous tensions, resulting from the strong imbalance between the status of men and women.

But is it not more realistic to face what I believe to be the true facts, namely that these aims are not given particularly high priority? That equal remuneration is a just and proper principle is, I believe, a widely held view. But the sense of commitment to the idea is relatively weak not only on the part of the national authorities and the trade unions but also—let us admit it—among women themselves.

If this is so, what can actually be done? My opinion is that the best thing to do now is to direct informational work primarily towards women themselves. They should be given more insight into their fundamental rights in employment and remuneration and into the conditions that create the differences between the position of men and women in employment. In this way they would be better placed to press their demands.
