

English summary
of Fafo-rapport 2020:13

Cleaners' wages before and
after the general application
of the national wage
agreement
In the public and private
sector

Evaluation of the pilot flexitime agreement in the state sector

In the period prior to the general application of the national wage agreement for the cleaning industry, it was found that the average wage growth in the different collective agreements for cleaners did not vary to any extent for the period as a whole. However, a review of the wage statistics showed that the lowest paid in the cleaning industry were constantly lagging behind. As barely half of the employees in the cleaning industry were covered by the national wage agreement for the cleaning industry, this meant that non-unionised enterprises could compete for workers with wages that were far below the unionised enterprises.

It should also be noted that the cleaners in the local and regional authorities and covered by the national wage agreement for the cleaning industry (NHO/NHO Service - LO/NAF) were in conflict in 2010. The upshot was that new employees received the highest supplements in the national wage agreement, while the most experienced cleaners achieved most in the municipal sector.

The statistics also showed a drop in the number of cleaners employed by the public sector, while the total number of employees in the cleaning industry increased. Cleaners account for an ever-diminishing percentage of public sector employees - and a higher percentage of private sector employees. The number of cleaners in the state sector saw a particular decline. There was also shown to be disparities between the cleaners. Young foreign-born cleaners dominated the cleaning industry, while the number of Norwegian-born women was far higher in the public sector. An increasing number of cleaners in the public sector attained a recognised training qualification in the years prior to the general application of the national wage agreement. In a comparison of collective wage agreements, it was found that employees with work experience were far better protected in the public sector agreements. For enterprises in the cleaning sector with a collective agreement, the starting wages were better, but the supplements for length of service stopped after 10 years. In addition, it was found that the rules on recognising previous experience were less stringent in the public service agreements.

Public sector cleaners earned more than cleaners in the cleaning industry because they were older (more years of service) and because many had a recognised training qualification. Controlling for individual characteristics revealed that the differences were small or negative. This was the case for the cleaners in the state sector and the health authorities. However, there was shown to be an increasing financial advantage to working in the municipal sector.

Average wage growth in the collective agreements varies little in the years following the general application of the national wage agreement for the clea-

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Bård Jordfald og Elin Svarstad

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ning sec-tor in 2011. The exception was for state sector cleaners, whose employee numbers also showed the strongest decline in the preceding years. On average, wage growth in the state sector agreements was weaker than in the other collective agreements.

The general application of the national wage agreement for the cleaning sector pushed up the wage level for the lowest paid by almost 40 per cent between 2011 and 2016. The disadvantages of being foreign-born, a woman or working part-time were significantly reduced. However, wage growth was far weaker for the highest earners, and overall, this led to a wage compression in the cleaning industry. In the three public sector collective agreements, the effect was the opposite; here the highest-paid cleaners had the strongest growth and the internal wage disparities between the public sector cleaners increased. Furthermore, the statistics showed that, following the general application of the national wage agreement, the number of public sector cleaners dropped while the number in the cleaning industry grew. Within the public sector, the sharp decline in state sector cleaners came to a halt in parallel with a decline in cleaners in the municipal sector. It also transpired that the number working full time in the state and municipal sectors had increased. The decline in the numbers employed can therefore be partly explained by the fact that more people were in full-time positions.

The age differences also persisted after 2011, and this also applied to foreign-born workers. Those who worked in the public sector were generally older than those who worked in the cleaning industry. As in the period preceding the general application of the national wage agreement, only small wage disparities were found when controlling for individual characteristics. In the health authorities, however, there were differences in terms of hourly pay. On the other hand, being a cleaner in the municipal sector remained an advantage.

With regard to how the general application of the national wage agreement in 2011 affected the distribution of wages in the cleaning industry, our analyses show a wage compression trend, as opposed to a general boost throughout the wage distribution. The lowest wages are naturally boosted as a result of the higher minimum wage rates, while both the highest paid and those in the middle have had a relative reduction in wages since 2011. The implication is thus a redistribution of the wage base, resulting in a more compressed wage structure. The impact on the average wage in the cleaning industry was negative, which counteracts the potential wage effects of the general application of the national wage agreement. As expressed in the preparatory works of the General Application Act and by NHO in the Tariff Board prior to the general application resolution, there was concern that wages would be driven by excessively high minimum wage rates. Currently, we do not see any such effects in the cleaning sector. The effects are measured relative to the municipal sector, and the results are in line with the majority of the empirical data on the impact of statutory minimum wages on wage distribution.

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