Chapter 8

Norwegian trade unions and the ETUC: a changing relationship

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1. Introduction

As part of the Nordic family of European trade unionism and a strong supporter of Norway’s application for EC membership at the time, LO – the Norwegian Confederation of Trade Unions – was a central player in the processes leading to the foundation of ETUC in the early 1970s. As the majority of Norwegians and trade union members rejected EC membership in a referendum in 1972, and once again in 1994 – this time backed by the LO Congress – LO’s role in the ETUC has in due course been conditioned by Norway’s position as insider in the Single Market through the EEA agreement and outsider in the political processes of European integration. Norwegian labour actors are thus subject to all EU rules regarding competition, free movement, labour market regulation and so on, while they have very little access to the processes shaping EU policies in these areas. For the trade unions this has made participation through ETUC and its industry federations even more important for the representation of their membership interests at European level.

This has placed them in a challenging position in the ETUC: on one hand, they are more dependent on it in promoting their interests than most other affiliates; on the other hand, they can muster less political power resources and networks to shape ETUC policy (Dølvik and Ødegaard 2004). This ambiguous position has shaped the role of Norwegian unions in the ETUC, as well as their perceptions and debates about European issues. While international labour solidarity for many years was mainly an issue for 1 May parades and high-level union conferences, the steep rise in labour migration and low-wage competition after the 2004 EU/EEA enlargement made the quandaries of transnational solidarity a matter of everyday
life at Norwegian workplaces and has placed European issues at the centre of the Norwegian trade union agenda. Spurring court cases and conflicts between the social partners, the proliferation of cross-border posting and agency work has made the impact of EU regulations, the EEA agreement and strategies to defend wage floors and worker rights in the transnational labour market subject to heated debates in Norwegian trade unions (Dølvik, Eldring and Visser 2012). Across the lines of struggle, however, awareness of the need for more effective cooperation among the unions within the ETUC has been rising, illustrating that the dynamics of economic integration are shaping perceptions of union strategy regardless of Norway’s dependent, outsider-role politically.

2. National context and background

As in the other Nordic countries, Norwegian industrial relations have been distinguished by strong, centralised confederations on both sides and an encompassing multi-tiered system of collective bargaining (Dolvik and Stokke 1998). Peak-level coordination is complemented by a strong company tier of collective bargaining and ‘single channel’ participation through the unions (Nergaard et al. 2009). Union density has remained surprisingly stable since the 1950s, presently standing at around 52 percent with a slight majority of women and public sector employees (Nergaard and Stokke 2010). LO is the dominant union confederation. Predominantly organizing blue-collar workers, the LO unions’ share has been declining but still accounts for half of all union members. The other half is divided among YS (the Confederation of Vocational Trade Unions), Unio (mostly organizing public employees with tertiary education) and Akademikerne (organizing professionals). LO is one of the founding members of ETUC, while the affiliations of YS and Unio were only accepted by LO in recent years.\footnote{YS became a member in 2002 and Unio in 2005.} Against this background, the remainder of this chapter concentrates on the relationship between LO and ETUC.

International cooperation has featured high on the agenda of LO unions, even before LO was founded in 1899. Since the first Scandinavian Worker Congress in Gothenburg 1882, these congresses have served as arenas for exchange of experience and networking among unionists from the broader northern European region and were instrumental in the development of the second International (Ousland 1949). After the breakdown of union internationalism in 1914 and the Russian Revolution in 1917, LO Norway in 1921 rejected participation in the reestablished Amsterdam International and developed ties with the Red International organised from Moscow. Following the path of the British TUC, calling for the establishment of a united international, this meant that from 1921 LO stood outside the Scandinavian as well as the broader international cooperation among mainstream union centres, including the ILO. Most LO member unions, however, kept up their cooperation with Nordic unions and the International Trade Secretariats.

As the efforts to bridge between the rivalling internationals soon proved futile, this locked LO into an awkward position which it did not overcome before 1935 when the fascist challenge compelled the Moscow-related unions to succumb to the Amsterdam International (Ousland 1949). At the same time, on the domestic front, mass unemployment in the wake of the world crisis led to settlement of a path-breaking Basic Agreement built on
mutual recognition between employers and unions in 1935, while a deal with the Farmers Party brought the Labour Party into government. These events marked the turn towards a reformist, nation state–centred approach in the Norwegian labour movement, initiating the era of class-compromise and tripartite cooperation that came to shape industrial relations in Norway in the postwar era. During this era, LO was a member of ICFTU and took part in meetings of its European branch (ERO-ICFTU) (Nordahl 1969), and eventually also joined the cooperation committee set up by EFTA unions in 1959. In parallel, Nordic cooperation was reinforced, leading – among other things – to a common Nordic labour market in the 1950s.

Jumping to the early 1970s, LO again became an active promoter of broad trade union integration in Europe, but this time for very different reasons than in the 1920s. When in 1970 Denmark and Norway followed Great Britain and applied for EC membership, this sparked concern about divisions among the Nordic trade unions. Due to their geopolitical position, EC membership was out of the question for Sweden and Finland. When discussions came up about the foundation of a Community-centred European trade union confederation, when the EFTA organisations risked being excluded, the pro-EC leadership of LO Norway intervened actively (Sandegren 2003). Together with other Nordic actors, it took part in talks with the leaders of the German, British and other national unions, and launched an initiative to stage the broadest possible European organisation, at the same time proposing to set up a Nordic union body to maintain Nordic unity.

While the LO leadership, supported by the extraordinary LO Congress 1972, strongly advocated EC membership and threw its organisational resources behind the Yes-side in the 1972 referendum campaign, the labour movement was quickly turned into a battleground. With a 52–48 percent majority against membership in the referendum – and a majority against also among union members – the establishment of an all-encompassing European organisation became even more important from a national union perspective. Whereas Norway like other EFTA countries swiftly negotiated a bilateral trade agreement with the EC in 1973, the wounds and lessons from the 1972 struggle have marked trade union debates about European issues ever since. In the aftermath, the Labour Party was split as its anti-EC group joined together with the Sosialistisk Folkeparti and the remains of the Communist Party to form a new Socialist Left Party (SV). The EC struggle also had a formative impact on the radicalised youth movements of the time (Førland and Korsvik 2008). Hence, the perception of the EC as a capitalist plot came to shape much of the new generation of activists in the labour movement. Moreover, while the pro-membership campaign was dominated by business interests and the ageing power strongholds of the labour movement and the centre-right parties, the EC struggle revived cross-cutting coalitions between unions and popular forces in the primary sectors and rural districts against the elites in the centre. Joined by the new movements of the 1970s, this formed the basis for a broad popular alliance in which sovereignty and anti-centralism were the main common denominator. Together with the humiliating defeat of the LO leadership and the organisational divisions that resulted from the struggle, these factors came to influence also the subsequent rounds of trade union debate about European integration in the 1990s and 2000s.

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2. LO had previously supported Norwegian membership when the issue came up in 1962 and 1967, related to the British applications that were turned down by France.
3. **LO and the establishment of the ETUC**

In view of the present situation, LO Norway played a remarkably central role in the processes that shaped the foundation of the ETUC in the early 1970s. Drawing on the memoirs of one of the key facilitators in LO – Kaare Sandegren, who became the first deputy secretary general of the ETUC in 1973 – this section reviews how LO attained this role.

The events that triggered the engagement of LO Norway in the struggles about formation of the ETUC were the applications for EC membership from Great Britain, Ireland, Denmark and Norway, following the withdrawal of the French ‘veto’ against British entrance in 1969. Together with the completion of the Customs Union and the Common Market, these changes injected new dynamism into Community integration and would directly affect the labour unions in the involved countries, prompting them to reconsider their representation at European level. As described in Chapter x, union representation at European level had been divided between a plethora of bodies since the 1950s. When the EC associations of the ICFTU set up a European Confederation of Free Trade Unions (ECFTU) in 1969 and the Catholic unions followed suit by establishing a European body (EO-WCL), discussions soon began about integrating the two into an independent association of EC unions. This was highly controversial within the ICFTU. With the prospect that also the British, Danish and Norwegian EFTA organisations were about to join, a new dimension was added to the discussions. Besides the fact that the British TUC was fiercely against British membership (see Hyman, chapter 4), the issue was delicate also for the Nordic trade unions, which risked being split between ECFTU insiders and outsiders. Because the Danish and Norwegian LOs strongly supported their countries’ applications for EC membership, while that was out of question for Sweden and Finland, the positions of the Nordic LOs diverged. Given the broad skepticism in ICFTU with regard to establishing an autonomous European organisation, the situation was further complicated by the fact that the strong leader of Swedish LO, Arne Geijer, had for many years been a high-profiled leader of ICFTU and felt responsible for keeping the organisation together and avoiding rifts with the emerging European confederation. Also the Danish LO leader, Thomas Nielsen, had a central position in ICFTU and had to tread cautiously.

It was in this complicated terrain that Tor Aspengren, the head of LO Norway, took the lead among the Nordic actors and launched an initiative aimed at resolving the quandary. His main advisor in these processes was the International Secretary of LO, Thorvald Stoltenberg, who later became minister of foreign affairs in several labour governments.

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3. After joining the International Department of LO in 1971, Kaare Sandegren soon became secretary of the EFTA trade union office in Brussels and in 1973 was elected the first deputy secretary general in ETUC, representing the EFTA organisations in the leadership. Eventually, as International Secretary of LO until he retired in 1995, he took an active part in the ETUC’s development over 25 years. Besides a short excerpt in the Council of Nordic Trade Unions’ 40-year anniversary publication (NFS 2012), Sandegren has summarised his experiences and reflections from these years in an unpublished mimeo which has been of invaluable help in drafting this article (Sandegren 2003). Also thanks to Kaare, I was able to stay at the ETUI and follow ETUC activities in 1992–93 when working on my PhD thesis about the ETUC and social dialogue. Through collaboration since the early 1990s, I have thus benefited from Kaare’s immense generosity, contacts and knowledge about ETUC developments. Hence it goes without saying that this chapter and my other work on the ETUC are deeply indebted to his longstanding help and support. Thank you!

4. The European branch of ICFTU (ERO-ICFTU), separate committees for the EC and EFTA unions, a range of sector-based International Trade Secretariats, the European branch of the Christian World Confederation of Labour (WCL) and a committee for communist unions belonging to the WFTU, to mention the most important.

5. For example in Sweden, powerful actors such as Rudolf Meidner and Allan Larsson (advisor at IF Metall at the time, later minister of finance, and in 1995 the first Commission Director General from Sweden) were openly skeptical of an association of EC unions outside the ICFTU framework (Sandegren 2003).

6. His main advisor in these processes was the International Secretary of LO, Thorvald Stoltenberg, who later became minister of foreign affairs in several labour governments.
Aspengren, the former metalworker, had three visions for the international work of LO: (i) develop a Nordic union including the white-collar confederations (Norway had none at that time); (ii) develop a similar structure in western Europe; and (iii) build bridges across the Iron Curtain (which was highly controversial on both sides of the Atlantic).

In June 1971, on behalf of the Nordic unions, he was invited to a conference in Oslo held on 5–6 November, where the leaders of ICFTU affiliates from Germany, Great Britain, the Netherlands, Belgium, France, Italy and the Nordic countries gathered. A few weeks earlier LO had invited the leaders of all the Italian confederations, including the euro-communist CGIL, to a preparatory meeting in Oslo – a bold step in those days. Convinced that a broad European solution was required, including not only the Catholic unions but also euro-communist unions, Aspengren opened the Oslo conference by tabling a concrete proposal to establish an ‘open, cross-political, and cross-religious’ association encompassing both EC and EFTA unions. Ideas on such a broad approach were not new and had been aired in various bilateral meetings (see Chapter x), but the launching of a clear proposal in a context in which all the key actors in the European ICFTU family were gathered evidently had a strong agenda-setting effect. According to the Swedish historian Misgeld (1997), the proposal was ‘revolutionary’. By obtaining support from the majority of the elected leaders that were present, expressed in a public resolution,7 and setting up a working group with a specific timetable, new momentum, direction, and commitment were injected into the process.

The initiative was far from a single-actor affair. Since 1970, there had been several meetings between leaders of the Nordic unions and the German DGB, and also with the British TUC. Through his former work as leader of ICFTU and his command of a number of languages, Arne Geijer, the leader of Swedish LO, opened doors for the Nordic group and was pivotal in securing Swedish and Nordic support for the Norwegian approach, which was launched as a common Nordic initiative. In that respect, the agreement to set up a Nordic Council of Trade unions (NFS) was essential, reassuring people that the ties among the Nordic unions would not be impaired. The Oslo conference thus emerged from a lengthy process of consultations, but the initiative by LO Norway apparently brought the process onto a new track. This put pressure on hesitant actors and enabled the Nordic actors to act as brokers between the leaders of the German and British confederations, Heinz-Oscar Vetter and Vic Feather. According to Sandegren (2003), the continued triangular talks between these actors – representing three of the main strongholds of European trade unionism – were crucial for the final outcome.

Important in this respect was reportedly a meeting in Frankfurt on 7 November 1972, where the Swedish, Danish and Norwegian LO leaders held talks with Heinz-Oscar Vetter and the DGB Bundesvorstand. As many of the strong industry unions in Germany were sceptical of an all-encompassing European organisation, the discussions with the leaders of the Nordic EFTA unions were instrumental in helping Vetter convince them that such a solution would not impair the new organisation’s capacity to influence EC processes. Another bridge between the different camps was the Brussels office of the EFTA unions – including the British TUC – which was located in the same building as ECFTU. With Kaare Sandegren as secretary, this served as a contact point between representatives of the various EC unions, the EFTA unions and Nordic and British actors in particular.

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As described in Chapter x, the foundation and shape of the ETUC was not sealed until the final moment. In order to influence the negotiations at the Congress in February 1973, the Danish LO leader, Thomas Nielsen, made clear that without a solution that included also the Nordic EFTA organisations, LO Denmark would refrain from joining the new organisation. To what extent that ultimatum influenced the outcome is unknown, but for the Norwegian LO and the other Nordic confederations it confirmed that their joint strategy had worked. In fact, the ETUC was founded precisely along the lines proposed by Tor Aspengren at the 1971 Oslo meeting – as an ‘open, cross-political, cross-religious’ confederation. The Nordics, siding with the British TUC, were also granted a chair as deputy secretary general and gained acceptance for their view that the branch federations should not be formal members of the ETUC, although they were granted observer status in the Executive Committee and at Congresses.

For LO Norway, the rejection of EC membership in the referendum on 25 September 1972 made the establishment of ETUC as an all-encompassing confederation especially important. At the LO Congress in May 1972 the opponents of EC membership had supported LO's work for a united European confederation, and immediately after the referendum this approach was unanimously confirmed by the LO Secretariat. Emphasizing that it was ‘an important task to further develop cooperation with the trade unions in Europe’, it also called for the negotiation of the best possible trade agreement with the EC. The resolution adopted at that meeting entailed an approach to European integration that has guided LO policies ever since. Given the persistent popular rejection of political integration with the EC and LO's pledge to respect the referendum, LO policies came to rely on three main pillars: first, economic integration through trade agreements and eventually the EEA agreement; second, as close cooperation with the European trade unions as possible, and third, coordination of its European policies with the other Nordic trade unions via NFS. In the governing Labour Party a similar approach was coined, namely ‘aktiv Europapolitikk’.

Since Denmark had become the only Nordic EC member state in 1972, the foundation of NFS (the Council of Nordic Trade Unions) became much more important for LO Norway and the other Nordic associations than had been foreseen when it was launched in 1971. At the meeting with the DGB in Frankfurt 1972, Heinz-Oscar Vetter jokingly asked whether the NFS was meant to become a Nordic ‘battle-group’ within the ETUC (Svenningsen 2012). That was surely not the case, but within NFS the Nordic confederations coordinated their work in ETUC through information exchange, pre-meetings and a division of labour in which LO Denmark (until the accession of Finland and Sweden in 1995) took care of Community-specific issues, while other tasks were shared as seemed fit (Dølvik 2005; NFS 2012). Hence, the broad integration of European trade unions within the ETUC also became a vehicle for closer regional cooperation among the Nordic trade unions (eventually also including unions from the other side of the Baltic Sea). Although the cooperation in NFS has had its ebbs and flows, reflecting the changing national relationships with the EU, it has remained the regional backbone for Nordic trade union engagement in European labour issues.

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8. NFS today represents around 9 million union members, making it one of the largest groupings of the ETUC, http://www.nfs.net/languages/english/about-nfs-9063699.
4. From European sclerosis to relaunch: implications for LO

In the wake of the 1972 oil-price hike and the onset of stagflation in Europe, the spirit of European optimism that had marked the ETUC’s foundation soon waned. As for other affiliates, domestic issues rapidly came to dominate the agenda also in LO Norway. It was not until 1989 when Jacques Delors launched the idea of linking the EFTA countries to the emerging Single Market that European integration again became a salient issue among Norwegian trade unions.

After LO had been engaged in securing a viable trade agreement with the EC in 1973, interest in European issues receded except among the tiny circles that were directly involved in the ETUC meetings. Still, at the 1974 ETUC Congress LO followed up its firm support of membership for the Italian CGIL and the Catholic unions. The Nordic LOs also provided broad support for the underground work of the trade unions in Spain, Portugal and Greece during the resistance against the dictatorship and the subsequent years of union rebuilding. The longstanding fraternal Iberian–Nordic ties within the ETUC were anchored in these experiences (Dølvik 1997). In the 1980s, Norwegian unions were preoccupied mainly by defensive national struggles. The conservative government elected in 1981 cut taxes, liberalised banks and the housing market and called for more labour market ‘flexibility’. Union density was falling and organised labour was increasingly considered a relic of the past. In 1986, however, a mass lock-out sparked large-scale conflict at the same time as oil prices dived and the financial bubble was peaking. The conflict inflicted a severe defeat on the employers, which eventually established a new association in 1988 (NHO, replacing NAF), while the conservative coalition resigned and was replaced by a Labour government led by Gro Harlem Brundtland. These events initiated a turbulent period marked by devaluation, skyrocketing interest rates and the bursting of the financial bubble, followed by a collapse of the banks and housing market, wage laws and soaring unemployment. During the 1980s, high inflation and nominal wage growth brought reduced competitiveness, sweeping restructuring and severe job losses. On several occasions the EC also accused the energy-intensive Norwegian industries of ‘dumping’, due to the cheap Norwegian electricity.

It was in this gloomy context that Norway’s relationship to the EC resurfaced on the union agenda in 1989. At the same time LO was ridden by leadership crisis, until at the 1989 Congress for the first time in LO history Yngve Hågensen successfully challenged the insider candidate. For the new leadership of LO, as well as for its employer counterpart in NHO it appeared imperative to secure Norwegian manufacturing equal access to the Single Market (NOU 2012: 2). Their shared conviction was bolstered by tripartite negotiations to overcome the crisis and restoration of the Norwegian tradition of centralised wage coordination – eventually codified in the Solidarity Alternative (NOU 1992: 25). Hence, among the social partners the adjustment of Norway’s relationship to the EC became linked with efforts to revitalise the national model of industrial relations and revise its frameworks of economic governance.

In the preceding decade, LO had, like other affiliates, participated in ETUC meetings as part of its everyday routine, but from the 1985 Congress in Milan, the new dynamics

9. Jon-Ivar Nålsund, who took over as International Secretary of LO after Kaare Sandegren, was in this period deputy secretary general of ETUC (1979–1982). Apart from these two, there has been no LO representative in the ETUC Secretariat and only one on the ETUC staff (for a short period).
emanating from the Single Market process and Delors’ relaunch of the social dialogue spurred renewed interest. In EFTA, efforts had been made to couple the EFTA countries to the EC process of removing trade barriers, but it soon became clear that EFTA’s institutional structures were unable to match the new dynamism on the EC side. Hence, when Jacques Delors delivered a forceful speech at the ETUC Congress in Stockholm in May 1988 inviting European trade unions to take part in developing a Social Europe built on social dialogue, he found an attentive Nordic audience. That his speech at the TUC Congress later the same year made the British TUC adopt a strongly Euro-optimistic approach, reinforced the impact. When in January 1989 Delors suggested that the EFTA countries could take part in the Single Market by building a European Economic Area (EEA) – and this invitation was reinforced at an EFTA meeting in Oslo soon after – a new agenda was opened also among Norwegian trade unions.

5. LO and the EEA agreement: interim solution or lasting compromise?

The leaders of the EFTA unions soon agreed to back the EEA process, by which the EFTA countries could become part of the Single Market, including the social dimension, without taking part in EC decision-making. However, with seven EFTA countries and twelve EC countries at the time, they also called for EFTA participation in decision-shaping processes. In the leadership of LO Norway, the prospect of a broad EEA agreement was received with enthusiasm. Enabling a joint Nordic approach to deepen the ties with Europe, it also allowed them to push the sensitive issue of EC membership into the future. At the LO Congress in May 1989 a resolution about ‘the trade unions and Europe’ was adopted with a broad majority. Welcoming the ongoing changes in Europe and the talks between EFTA and the EC, it reaffirmed that LO acknowledged the 1972 referendum and that EC membership was not on the agenda, but made clear that Norwegian workers had a direct interest in access to the Single Market and that LO would adopt a pro-active approach. It also called upon LO unions to strengthen their cooperation with European unions in order to develop transnational trade union rights and emphasised that LO would launch an open, broad debate about Norway’s relationship to the EC.

During 1989 and 1990, however, external events altered the basis for the EEA approach. With the fall of the Berlin Wall, Finland, Austria and Sweden felt less bound by their neutrality and when the financial collapse hit Sweden in 1990, the Labour Prime Minister, Ingvar Carlsson, announced that Sweden would apply for EC membership. Austria had already voiced similar ideas, and soon after Finland followed suit, raising the prospect of a huge shift in the balance between the EC and EFTA pillars of a possible EEA agreement. Being well aware that the outcome of a new struggle over EC membership in Norway would be highly uncertain, this complicated the situation for LO Norway, where a membership debate was likely to re-open the wounds from 1972. The LO leadership thus decided to adopt a cautious step-by-step approach, stick to the EEA track and use all its energy to influence the EEA negotiations. The aim was to obtain an agreement that could ensure broad union support and secure Norwegian industries equal access to the Single Market regardless of what happened in case of an eventual membership debate. As such, the EEA agreement was perceived as a lifeline securing Norwegian workplaces and linking the trade unions to the unfolding changes in Europe. With this aim LO developed a list of 15 demands that would
have to be fulfilled to obtain LO support for an EEA agreement. Among them was, in line with the ECJ’s Rush ruling, that cross-border workers should have the right to host-country wages and working conditions.

In the following year it became clear that the EU would not accept any kind of co-decision mechanisms, and that Sweden, Finland and Austria only saw the EEA agreement as an interim solution. Switzerland seemed inclined to reject the agreement altogether. This weakened the EFTA countries’ negotiating power and cast the outcome in doubt. When finally the negotiations were closed and the draft EEA agreement was signed in Porto, 2 May 1992, LO swiftly convened its highest decision-making body between Congresses to decide what to do (22 June 1992). In the meanwhile, Prime Minister Gro Harlem Brundtland had announced that the Labour Party would propose that Norway apply for EC membership. This caused some concern in the trade unions that the mixing of agendas could weaken support for EEA as an independent alternative or fallback. When coming to the vote it was clear that far from all LO’s 15 demands were fulfilled, but in a situation where the fate of the EEA agreement was subject to rising uncertainty a large majority decided to throw LO’s weight behind the agreement. Decisive here was that the anti-EU faction in the unions was split in their view on EEA; a minority denounced it as ‘membership-light’, while the majority saw it as a way to avoid EC membership. In the adopted resolution, a central precondition for LO support was that host-country conditions would apply to cross-border work. In response to LO demands, a law enabling extension of collective agreements was adopted in 1993 and eventually became the unions’ main tool against wage dumping when labour migration soared from 2004. After the EEA agreement was accepted by the required three-quarters majority in the Parliament in September 1992 – only opposed by the Socialist Left Party and the Centre Party – in LO it was considered an important achievement and a large step towards Europe. But it was no time for celebration, because the internal struggle over EC membership was already under way.

6. **LO and EU membership: uniting Europe and splitting the unions?**

In his opening speech at the 1993 Congress, LO leader Yngve Hågensen emphasised that the relationship with Europe was of the utmost importance for the Norwegian trade unions. The LO leadership therefore considered it crucial to handle the issue in a way that ensured open debate and a proper process. Hence a whole day was allotted to European issues. The leaders of LO Sweden, LO Denmark and the British TUC – Stig Malm, Finn Thorgrimson and Norman Willis – were invited to share their thoughts about the pros and cons of EC membership. Before addressing the substantial issues at stake, Hågensen pointed to the uncertainties marking the debates about the future shape of Europe even in EC member states, and added:

> When even countries that are members of the EC are marked by uncertainty, yes, then, comrades, there must be room for uncertainty and doubts also in the Norwegian debate! [...] So far the Norwegian debate has in too large an extent been marked

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10. To prepare for a broad debate among the LO membership, Fafo was assigned to make a study about the developments and options opening up in Europe (Dølvik et al. 1991).
by self-righteousness. That is something we as a movement must warn ourselves against. If there was one thing the EC struggle in the early 1970s taught us, it was that self-righteousness created a divided nation, and even worse – it led to a split labour movement. It took us decades to overcome the paralysing effects inflicted upon us by that. This must not be allowed to happen again, and it is our responsibility that it does not.11

Accordingly, the Congress decided to prepare for a broad, open debate based on balanced and objective information.12 In doing so, it called for closer cooperation with the trade unions in Europe and strengthened support for the rebuilding of unionism in central and eastern Europe.

When the Congress met again to determine LO’s standpoint on 22 September 1994, the situation had changed profoundly. Over the previous year, the No-to-EU side in LO had run an intensive, well-organised campaign, targeting every undecided delegate. The LO leadership, by contrast, had played by the agreed rules. Awaiting the results of the negotiations with the EU and the assessment provided by Fafo, it postponed making its views known until the issues had been debated in the member unions. In consequence the arena had for almost a year been left to the vociferous No-side, while there was virtually no effective Yes-side in the unions until the Congress started (Tolstrup Andersen 2011).

When the LO Secretariat finally formulated its recommendation to the Congress a few days before it started, it confusingly presented four different alternatives. The Secretariat majority proposed EU membership on the condition that Sweden and Finland joined, while two representatives from Fellesforbundet13 proposed membership unconditionally. A strong minority rejected EU membership, arguing that the EEA agreement was a better alternative, keeping Norway out of EMU and protecting the primary sectors. A single representative proposed not taking a stance and leaving it to the member unions, similar to what LO Sweden had done.

The Congress debate became a highly uneven contest. The No-side featured a long list of speakers including a number of individual union leaders and heavyweights, especially from the sheltered sectors, while that of the Yes-side was shorter, weaker and hampered by the fact that its key spokesman – the forceful LO leader Yngve Hågensen – stuck to his pledge to defend union unity and not play hardball. Hence, when it came to the vote it was hardly surprising – for outside observers – that the No-side drew the longest straw. With 156 votes against and 152 in favour of EU membership, it was as close as it could get (Tolstrup Andersen 2011: 92).

12. Later on, Fafo was assigned to prepare a study assessing the consequences of the different alternatives for workers and trade unions. The report, presented in June 1994, leaned towards the view that the most plausible solution for Norwegian trade unions would be a joint Nordic approach, either on the basis of EC membership or the EEA agreement (Dølvik ed. 1994). It was publically received as a fairly balanced contribution, but the union No-side immediately denounced it as biased and full of pre-ordered views. This pertained especially to the report’s suggestion that if LO decided to recommend EU membership it might be wise to consider a reservation against joining EMU, similar to what Great Britain, Denmark and Sweden had already done. The No-side acted forcefully to kill that idea by arguing that such an option didn’t exist and was in breach of the Maastricht Treaty. The idea was never really considered in the LO debate and the dangers of EMU were thus the key argument used by the No-side at the eventual LO Congress.
13. Fellesforbundet is the largest private sector union in Norway, formed in 1988 through a merger of unions in metalworking, construction and the green sector. At the Congress, Fellesforbundet withdrew its proposal and supported the conditional Yes-alternative.
In retrospect it is worth underscoring that the outcome in no way meant that LO became an anti-EU organisation. While almost half of the Congress supported EU membership, the other half voted for a resolution supporting the EEA agreement – implying incorporation in the Single Market – and called for strengthened cooperation within the ETUC and active participation in the EU social dialogue. In this sense, the LO leadership succeeded in keeping the organisation together and moving it much closer to Europe. Although the leadership received praise for its stewardship of the process, it did not succeed in staging an open, balanced debate. Through its self-imposed, withdrawn role as impartial administrator of the process and waiting to take a stance until the very last moment, it enabled the No-side to gain a huge advantage in setting the agenda and dominating the debates. On the other hand, given the strong legacy from 1972 and that the No-side evidently had much stronger feelings about the outcome, a different outcome would probably have made it more difficult to retain unity within LO. As things evolved the EEA agreement came to serve as a robust compromise between the two sides in LO, providing a basis for a pragmatic European approach and close cooperation with the ETUC. The EEA compromise also contributed to isolating the minority of hard-core anti-EU forces within LO, which only very recently had dared to challenge LO’s staunch support for the EEA agreement.

7. Developments since 1994: an overview

What has the outcome of the struggle in the early 1990s meant for the Norwegian trade unions’ relationship to Europe and to the ETUC?

In economic terms, the two decades of Norwegian participation in the Single Market have – partly owing to soaring offshore activities and revenues – been a period of unprecedented progress. Employment has risen more than 25 per cent, unemployment is low, real wages have surged and the distribution of wages has changed remarkably little. The system of collective bargaining and tripartite cooperation has been consolidated and union density has remained stable. To the surprise of many unionists, EU rules have strengthened worker rights in several areas, such as European Works Councils, transfers of undertakings, gender equality, working time, health and safety and other issues (LO 2010). Norway was the first country to implement the EWC directive in 1995, being incorporated in the Basic Agreement between LO and NHO and extended by legislation. Thus, during the first decade of the EEA agreement the adjustment to EU labour market rules was subject to little controversy and the social partners cooperated closely in following up EU directives and the social dialogue.

In the ETUC, it was important for LO to show that its political outsider role would not impair its cooperation with European trade unions. Making its Brussels office a permanent part of the organisation, LO aimed to compensate for its lack of political links with an active presence in the activities of the ETUC and the EIFs. At the ETUC 1991 Congress, LO had supported the deepening of ETUC integration. It had also joined with the German and Italian unions leading to the election of Emilio Gabaglio as ETUC secretary general. Still, in line with Nordic tradition, LO was sceptical of the federalist drive that marked the ETUC debate and opposed the full ETUC membership of the industry federations, which in the Nordic affiliates’ view would give their member unions two potentially conflicting channels of representation. In the subsequent discussion about European collective bargaining, the Nordic unions sided with the Germans and the British in insisting that collective bargaining should remain the
prerogative of the national affiliates. However, LO strongly supported that the ETUC should exploit the new mechanism of ‘negotiated legislation’ enabled through the 31 October Agreement and the Maastricht Social Protocol (Dølvik 1997: xx). In cooperation with the other Nordic affiliates, LO hence engaged actively in the development of a bargaining order in the ETUC, which in 1996 resulted in stringent procedures for the determination of bargaining mandates and ratification of agreements. Accordingly, LO took part in all the rounds of European framework negotiations and social dialogue meetings. It also vested sizeable resources in supporting the new affiliates from central and eastern Europe. When, in parallel, Yngve Hågensen served as a dedicated and respected vice-president in the ETUC, who was re-elected several times until he withdrew in 1999, it seemed that LO had successfully managed to redefine its role in the ETUC on the basis of the EEA agreement.

Nonetheless, Norway’s political outsider role implied that LO had little to contribute to the ETUC efforts to influence EU decision-making. Since LO actors had less access to information and networks that could be used in political exchanges in Brussels, their lack of ‘lobby-power’ made them less useful as partners in union collaboration at EU level and more dependent on their Nordic sister organisations. When the number of affiliates increased as a result of ETUC enlargement, the competition for positions in delegations and meetings also hardened. Gradually, it thus became evident that Norway’s marginal role made it more demanding and less attractive for national unionists to vest time and energy in European processes in which they did not participate on equal terms and gained little prestige at home (Dølvik and Ødegaard 2004: xx). Such tendencies were reinforced when Yngve Hågensen retired from the ETUC Steering Committee.

Accordingly, when in 2004 Fafo, at the request of LO, evaluated experiences with the EEA agreement after 10 years, it emphasised the political handicap Norwegian unions had had to overcome in making their voice heard at European level and within the ETUC (Dølvik and Ødegaard 2004: xx). During the work on the report it transpired that the LO leadership was well aware of this handicap and was considering a review of its approach to EU membership. Eastward enlargement and the strong appreciation of the krone at the time, which cost tens of thousands of manufacturing jobs, pulled in the same direction. However, before the report was published, national political events closed the window for any further deliberations in that direction. In order to overthrow the centre-right government in the 2005 election, the Labour Party had in the meanwhile, with support from LO, entered into an electoral coalition with the Socialist Left Party and the Centre Party. Their absolute condition was that EU membership was out of the question, but they had to accept that the Red-Green coalition should be based on the EEA agreement. When LO threw all its weight behind the Red-Green election campaign, which led to victory in 2005 and again in 2009, this foreclosed any further debate about Norway’s relationship to the EU or the EEA. This underscored the fact, which was confirmed anew in the 2013 election, that with the present party constellations in Norway no government majority can be formed without a coalition comprising both parties that are against and for EU membership. The EEA agreement has thus become the only possible government platform when it comes to European policies. What many in 1992 saw as an interim solution which nobody really liked, has turned into a long-lasting ‘national compromise’ which also conditions trade union debates about European policies. In recent years Norway has further extended cooperation with the EU by joining Schengen, Dublin, Europol, Eurojust, Prüm, the Lugano convention, the scheme for civil and military handling of crisis, the Nordic Battle group, the EEA financial mechanisms and a range of other programmes (NOU 2012: 2. p 36). By 2013, Norway’s agreements with
the EU comprised a broader range of areas than had been conceived in the membership agreement rejected in 1994, save for the primary sectors, the food industry and EMU. In most LO unions, these exemptions are considered more important than the lack of political influence – which in their view would have been limited anyway – underlining their pragmatic approach to European policies.

The Norwegian trade unions welcomed the 2004 and 2007 enlargements of the EU and EEA. They also welcomed labour migration and were central in securing the liberal transitional arrangements that basically allowed free movement of workers from accession states on condition they received Norwegian wages. These conditions were repealed in 2009 (and in 2012 for Romania and Bulgaria). With a prospering economy and high wages, labour migration to Norway has, since 2004, been among the highest in Europe per capita. By 2012 more than 10 per cent of the labour force comprised EU citizens, which accounted for around 70 per cent of the net employment increase that year. Like elsewhere, the opening of the markets for labour and services between countries with such huge wage gaps has brought new challenges for the trade unions. The surge in labour migration has fuelled growth and filled holes in the labour market, but has also opened new opportunities for employers who want to take advantage of the immigrants’ weak negotiating position. Circumvention of rules, low wage competition and social dumping has mushroomed – especially in the context of cross-border provision of services and temporary agency work – and has put the system of labour market regulation and collective bargaining under pressure in several sectors.

The regulation of conditions for labour migrants and posted workers in particular has thus become an area of political controversy and conflict with employers. LO’s main response has been to activate the 1993 law on extension of collective agreements,14 exert pressure on the government to enact more stringent enforcement mechanisms and offer organisation and support among migrant workers. According to the construction union in Oslo, more than 30 per cent of their members are now labour migrants, mainly from the new member states (Eldring et al. 2012). LO unions have also organised collaboration projects and support for Baltic and Polish unions, accompanied by several EEA-funded projects to foster unionism and systems of workplace cooperation in Romania and other countries. With support from the Red-Green government, which has launched three action plans with a range of measures – including contractor liability throughout the entire subcontractor chain – Norway has a comprehensive strategy against social dumping.

Nevertheless, the unions are struggling to keep up with the problems, especially with regard to the hiring of cheap foreign labour through temp agencies and cross-border sub-contracting. In these areas, the impact of EU rules has spurred conflict with the employers and strife within the union movement. Norway was not directly affected by the Laval case, but in the field of public procurement the Norwegian application of ILO Convention No. 94 was, similar to the Rüffert case, challenged by ESA (EEA Surveillance Authority). Furthermore, the extension of the collective agreement in the shipyard sector – which is a major importer of central and eastern European labour – was challenged in court by the employers, claiming that the stipulated compensation for travel, lodging and housing was in breach of EU rules. In parallel, many unionists, spurred by the union EEA/EU opposition, feared that the EU Temporary Agency Work Directive could lead to further deregulation of the sprawling agency sector. Eventually the resistance became so strong

14. By 2013, such extension rules apply in construction, shipyards, cleaning and the agricultural section.
that LO shifted its stance and called on the government to ‘veto’ the directive in the EEA Committee. In this case, the Red-Green government did not listen, however.\footnote{After the directive came into force in January 2013, however, it seems that its equal treatment clause became a useful tool for the unions in countering wage dumping.}

The increase in low wage competition and shifts in employers’ hiring strategies in recent years, together with growing fears that EU rules and court decisions will constrain union action against social dumping, have spurred union opposition to the EEA agreement. In 2011, several major unions funded a study of alternatives to the EEA agreement and in 2012 the largest LO union (Fagforbundet in the municipal sector) forwarded a proposal to the 2013 LO Congress demanding that working life issues should be exempted from the EEA agreement. The proposal won considerable support and tempers ran high in union debates. If it were not for the fact that the ESA dropped the case against Norway’s application of ILO Convention No. 94 and the Supreme Court soon afterwards rejected the employers’ appeal against the extension in the shipyard industry, the outcome of the 2013 LO Congress regarding EEA would have been highly uncertain. The compromise that was eventually struck entailed continued LO support for the EEA agreement, on condition that Norway makes greater use of the ‘room to manoeuver’ it provides and that LO fight for a veto against all EU/EEA rules that contravene ILO conventions ratified by Norway or that violate national workers’ and union rights. With the centre-right victory in the 2013 election, and several controversial EU measures coming up, all indices suggest that the union strife over EEA issues will continue. The proposed EU directive on the enforcement of posting rules, entailing an exhaustive list of control measures against social dumping – including chain liability only in the first layer of contracts, which will conflict with Norwegian rules obtained through strong union pressure – is likely to be a first test. Another is the Fourth Railway Package. The EU call for adjustments in the EEA agreement and better compliance with the common rules – which will directly collide with the union call for more exemptions – may throw additional fuel on the fire.

To sum up, over the past decade there has been a twofold change in Norwegian unions’ approach to European issues. On one hand, Norway’s asymmetric relationship to the EU, which means that Norway has to comply with the bulk of EU rules without having any democratic influence on their enactment, has made the EEA agreement more contested among the unions. The growing discrepancy between the economic and social dimension of EU integration, aggravated by the euro crisis, has brought support for EU membership to an historical low and strengthened the unease with the EEA agreement. On the other hand, the rise in labour migration from the EU has made European issues a part of everyday life at Norwegian workplaces. Challenging deep-seated perceptions of labour solidarity, the struggle against exploitation of labour migrants and erosion of collective agreements has moved to the centre of union debates and has strengthened the sense of union purpose and identity. Furthermore, the impact of EU/EEA rules on the ability to cope with such problems and the more autonomous role that the ETUC has taken in fighting such constraints have, together with the European crisis, heightened trade union awareness of the need for more effective union cooperation in Europe. Regardless of views about the EU and the EEA, the support for ETUC and the engagement in joint European action have therefore been rising. In combination, these tendencies can be viewed as a reinforced Europeanisation of Norwegian trade union debates and strategies, which are accompanied by growing opposition to the current mode of European
integration. In political terms, this means that Norwegian membership of the EU has become more unlikely than ever and that the ‘national compromise’ around the EEA agreement is likely to experience continued contestation in the trade union movement.

**Interview with Yngve Hågensen,**

‘Of all the international organisations we were involved in, the ETUC was most important for our members’ everyday lives – affecting jobs, working conditions, and wages – so to us the relationship with the ETUC was like a collective agreement.’

As chairman, Yngve Hågensen led LO Norway through one of its most challenging periods in modern times. Tackling a severe economic crisis and a hard struggle over EU membership at home, representing national workers’ interests in Europe and preserving LO’s position in the ETUC after its Congress, against his advice, had rejected EU membership, required clever leadership. However, with his extraordinary skills, rhetorical force, charisma and personal strength, Yngve managed to ride the storms until he retired in 2001.

**Did you experience any change in LO’s role in the ETUC after the LO Congress in 1994 voted down your proposal to join the EU?**

It was indeed demanding to maintain our role on an equal footing and raise our voice in ETUC when we, so to speak, became ‘unorganised, non-paying’ members of the Community through the EEA agreement – akin to what we trade unionists call ‘free riders’. But we didn’t become B-members. After some initial ruffles, not least within the Nordic group, it was my experience in the Steering Committee and the Executive that LO was respected and listened to, just like any other affiliate, even if LO was small and we remained outside the EU. I felt we were taken seriously and in fact I think one of the strengths of the ETUC was that all affiliates were treated equally on the basis of their efforts and arguments and not on the basis of their size.

**That may well be true, but don’t you think it played a role that you had always advocated Norwegian membership and been active and present on the board?**

Well, more important, I think, was LO’s proactive role in the ETUC foundation process. Thanks to the bold initiatives of Tor Aspengren in cooperation with – among others – Vetter from DGB, the steady follow-up of the ETUC by his successors and, not least, the dedication and standing of Kaare Sandegren as former ETUC deputy, I think LO had established credibility at the ETUC that we benefitted from in the 1990s. Establishing an LO office in Brussels in 1990 also signalled our commitment to European cooperation and helped maintain networks. Furthermore, it does of course matter that you show up in the meetings, listen, contribute and respect the work of other affiliates.

In international organisations, coalition-building is important. With whom did LO usually cooperate? Also, what about the power-constellations in the ETUC in those days?

Apart from the Nordics, we had always close relations with the Germans, who were genuinely concerned about Nordic views and represented a stabilising force, or bridge-builder, in the ETUC. From the 1970s we had also developed strong ties with the Italian and Spanish organisations, and we always maintained close contacts with our Austrian and Dutch comrades. As one of the largest affiliates, the TUC was of course also important for us but on a less regular basis. As for power relations, one of the great things with the ETUC was that regardless of size there was no clear power centre or dominant organisations. This gave the smaller affiliates leeway and influence if they had good arguments and were well prepared. That’s why it worked so well, I think. For LO, the Nordic coordination was of course
essential; when we spoke with one voice we knew we would be listened to. After Sweden and Finland became EU members this changed a bit, but they soon realised they couldn’t achieve much by going it alone.

For many ETUC affiliates it was puzzling that LO and Norway chose to stay with the EEA agreement and not follow the other Nordic countries into the EU. Why was that?

In 1972, LO experienced a deep split over EC membership that it took us many years to overcome. Then the leadership tried to pressurise the union members and a majority revolted by voting ‘no’ in the referendum, resulting in a long-lasting confidence crisis in the union movement. Hence, when I was elected leader in 1989 and the relationship to the EC came up again, we were acutely aware of the divisive potential of the issue and made it clear that it was just as important to keep the trade union movement together as to promote European unity. We therefore decided to take our time and organise a process that was open, democratic and based on broad, objective information, so that we could move forward in unity whatever the outcome might be. When the EEA process was launched by Delors, who didn’t want new member states at the time, we saw it as a constructive basis for a step-by-step approach, which also enabled the Nordic and EFTA unions to handle the issue in a coordinated way. Actually we had a long meeting with Delors who was curious to hear the varying views in our delegation. Welcoming the changes going on in Europe, we left no doubt that we wanted to address them in a proactive way and in cooperation with our European trade union comrades. Given the domestic economic crisis and the uncertain outcome of any referendum, however, it was from the outset urgent for us to bring home a good EEA agreement that could secure Norwegian industries equal access to the Single Market and safeguard our members’ jobs. Equally important was to ensure workers’ rights, the social dimension and participation in the social dialogue on an equal footing. Since we succeeded in that and won broad support in the member unions, the EEA agreement became an important lifeline for us and was very positively perceived among the trade unions. In many ways it served as a ‘national compromise’ between conflicting interests and sectors, not least in LO itself.

How do you explain that LO didn’t follow its Nordic sister organisations into the EU, and what has it meant for LO’s relationship to Europe and the ETUC?

Our Nordic comrades came from a different position and had not gone through such a traumatic split as we had in 1972. Furthermore, in LO Norway the EEA agreement was seen as a significant step, opening up new channels and strengthening our ties with Europe, even if we didn’t get our democratic voice. In the LO leadership, we trod a cautious line and proposed that Norway should follow Sweden and Finland, whether they chose to enter the EU or not. But I never left any doubt that it would be best for European trade unionism that all the Nordic countries took part in the political struggle within the EU system. By contrast the union No-to-EU faction launched a fierce campaign, concentrating above all on the dangers entailed in the EMU project. Eventually, they won with a tiny majority at the Congress in 1994. In hindsight, it was clearly an uneven battle since the No-campaign mobilised all possible means, whereas the leadership stuck to the gentle line we had agreed. Hence, for me the outcome was disappointing at the time, but we managed to keep the unions together and it has turned out that the EEA agreement has served our interests well after all. A problem, however, is that many unions in other countries don’t really know about the EEA and are not aware that we are bound by exactly the same Single Market rules as they are. For some of us it is also a nuisance that we lack a political voice in Europe, but the EEA agreement has clearly strengthened LO’s ties with the ETUC and Europe and has been immensely important for the stabilisation of the Norwegian economy and politics. With enlargement and the current economic crisis, it has also become much clearer among Norwegian unionists that the unions across Europe need to act together, whether we are inside or outside the EU. So, in my view, those who want to leave the EEA and cut our ties to Europe really don’t understand what they are talking about. In my time,
the ETUC was the international organisation we took part in that was most important for our members’ everyday life – affecting jobs, working conditions and wages – so to us the relationship to the ETUC was like a collective agreement. In the current circumstances the role of the ETUC in developing European labour solidarity has clearly become more important than ever and needs to be strengthened further.

**Bibliographical references**


All links were checked on 05.09.2016.