



# Collective bargaining agreements in the Nordics



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Collective bargaining agreements (CBA's) are common in all the Nordic countries. However, there are differences in which circumstances and to what extent they are binding for employers. For example, in some Nordic countries collective bargaining agreements can be made generally applicable for some industries/sectors.

## Denmark

Collective bargaining agreements in Denmark:

- Collective bargaining agreements are very common in Denmark in both the private and the public sector.
- Collective bargaining agreements usually regulate many different aspects of the individual employee rights such as salary (including minimum wage), overtime payment, education, severance pay, etc. Collective bargaining agreements often cover one or several specific job areas. If a company has entered into a collective agreement, the collective agreement applies to all employees working within the scope of the collective agreement, regardless of whether the individual employees are members of the respective trade union.
- Many collective agreements leave room for matters to be negotiated locally in the individual company.

*Can collective bargaining agreements be made generally applicable in Denmark for some sectors?*

No. There are no collective bargaining agreements that are generally applicable for some sectors in Denmark. Most collective agreements are entered into between a trade union and an employers' association or a single employer. In the absence of a collective agreement, the employer is free to agree on all the conditions usually regulated in collective agreements in an individual contract as long such conditions are in accordance with the law.

## Contact person in Denmark

If you have employment related questions for Denmark, please do not hesitate to contact my colleague and Partner at our Copenhagen office [Nina Wedsted](#).

## Finland

Collective bargaining agreements in Finland

A collective bargaining agreement:

- will define minimum conditions for employment contract. The parties to an employment contract can only deviate from the minimum terms in favour of the employee or to the extent the CBA in question allows;
- will regulate the term and conditions of the employment, such as salary, working hours, time of work, holidays, sick leave etc;
- are usually agreed for a fixed time period, typically for two or three years.
- In terms of the application of an agreement to employees, those to whom a CBA applies are defined in the CBA. Typically the representatives of the employer are out of scope.

*Can collective bargaining agreements be made generally applicable in Finland for some sectors?*

Yes. Employee and employer unions negotiate sector level CBAs that specify minimum conditions for the relevant trade. This means for example that a minimum wage can be agreed between an employee and employer union that binds the whole sector, including employers who are not a member of the specific employer union.

There are three ways in which a collective agreement can bind an employer in Finland:

- by company specific collective agreement;
- by membership of an employer union; or
- through the generally applicable collective agreement system, which covers all employers operating in the relevant sector.

## Contact person in Finland

If you have employment related questions for Finland, please do not hesitate to contact my colleague at our Helsinki office [Laura Järvelä](#).

## Norway

Collective bargaining agreements in Norway:

- Employee representation and participation structures are well established in Norway, on the basis of collective bargaining agreements and legislation. Collective bargaining agreements provide various

requirements related to information, consultation and negotiations in a range of issues related to the employees.

- A significant number of employees in Norway are covered by collective wage agreements that regulate issues such as negotiations regarding wages (in some sectors minimum wages), working hours, notice periods, vacation, overtime and other additional payments and other working conditions.

Within the most common collective bargaining agreements (LO and NHO) the regime consists of a three-level hierarchy;

- Basic Agreement (high level);
- Business Sector Agreement; and
- Special agreements - Local Agreements.

A Basic Agreement is often called Part I of a collective bargaining agreement. Basic Agreements contain information on freedom of association, the right to negotiate and take legal action, industrial disputes, rights and duties of employers and shop stewards, safety issues and occupational health service, layoffs, cooperation and codetermination (ie the opportunity to have an impact on decisions the management plan to take), works councils and related subjects. A Business Sector Agreement is often called Part II of a collective bargaining agreement and will typically contain provisions regarding minimum wage and entitlements regarding working hours, overtime payments, welfare leave etc. Business Sector Agreements normally apply for two years at a time. Special agreements are local agreements between an employer and the employee representatives at company level regarding salary or work terms. The local agreements are entered into by the management and shop stewards at the enterprise.

*Can collective bargaining agreements be made generally applicable in Norway for some sectors?*

Yes. In general, a collective bargaining agreement only applies to the parties concluding the agreement. However, certain collective bargaining agreements have been made generally applicable to cover all employees within a certain sectors. The generally applicable collective bargaining agreements contains regulation such as minimum wage and limitations on working hours.

### **Contact person in Norway**

If you have employment related questions for Norway, please do not hesitate to contact my colleague and Partner here in Oslo, [Per Benonisen](#).

## **Sweden**

Collective bargaining agreements in Sweden:

- In Sweden collective bargaining agreements are common and cover a large part of the workforce. Collective bargaining agreements are normally concluded at sector/branch level (i.e. for the metal industry or for the health service etc.) between the nation-wide employer's federations and their nation-wide central trade union counterparts. However, collective bargaining agreements can also be concluded at a local level between a specific employer and the local trade union present at the company.

- A collective bargaining agreement is defined in Swedish law as an agreement in writing between an employers' organisation or an employer and an employees' organisation regarding employment conditions or other aspects of the relationship between employers and employees.

A collective bargaining agreement typically:

- defines minimum conditions for the employment relationship. The parties to an employment contract can only deviate from the minimum terms in favour of the employee;
- regulates the terms and conditions of the employment such as salary, working hours, vacation compensation, sick leave etc.;
- is agreed for a fixed time period, typically for two or three years.

The applicability of a CBA in relation to employees is defined in the agreement. Typically management is out of scope.

There are two ways in which an employer can enter into a CBA:

- by entering into an agreement directly with a trade union
- by membership of an employer organization

*Can collective bargaining agreements be made generally applicable in Sweden for some sectors?*

No. Sweden does not have a system of general extension of collective agreements.

### **Contact person in Sweden**

If you have employment related questions for Sweden, please do not hesitate to contact my colleague and partner at our Stockholm office **Johan Sundberg**.

## **GENIE**

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