



Industrial relations
**Denmark: Developments
in working life 2017**

*Developments in working life in Europe:
EurWORK annual review 2017*

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Political context affecting working life aspects

The government in office is a coalition between The Liberal Party (Venstre, V), The Conservative People's Party (Konservative, K) and Liberal Alliance (LA). Prime Minister is Mr Lars Løkke Rasmussen (V). The government took office on 28 November 2016 in connection with a reshuffle of his cabinet. The Prime Minister has held office since last election in 2015, first as the leader of a one-party government, and since November 2016 as the leader of the recent three-party government. The government is a minority government but has (in most questions) the support from The Danish People's Party (Dansk Folkeparti, DF)

Mechanisms and relations that affect working life in DK is mostly regulated through collective bargaining. However, the government brought one achievement affecting working life, namely a reform of the Holiday Act. The changes mean that employees can use the obtained paid holiday in the same year that they acquire the right to paid holiday. The new law applies universally for all types of employees. The current rules said that the right to paid holiday was obtained the year before the holiday was used. The act is based on tripartite dialogue in the Holiday Act committee. The Social partners support the act.

Social partners reactions following changes in governments

A new government did not take office in 2017.

On the 21 November 2017 local elections in the 98 municipalities and five regions (the whole country) were held. The final division of mayors and regional council authorities showed a small victory to the Social Democrats (Socialdemokratiet, S). There were no reactions from the social partners in particular. Local elections are normally outside their scope of political interest.

Labour market reforms or major packages of working life regulations

No major labour market reforms were discussed or passed during the year of 2017. On the other hand, the government concluded a tripartite agreement on adult and continuous training with the social partners in the last quarter of 2017. The agreement aims at getting a more flexible system for vocational and educational training ([Denmark: Latest working life developments – Q4 2017](#)).

During the year the results of the social benefit reforms from 2013 and 2015 have been discussed. There have been a decrease in the number of people receiving social benefits, and it has been discussed whether the decline is caused by the political reforms or by a general growth in the economy and a higher demand for labour.

Developments in industrial relations 2017

Changes affecting the national-level actors and institutions of industrial relations and social dialogue in 2017

Representativeness

The Danish industrial relations model has been stable for many years and 2017 was no exception. There were no changes in the system of IR and SD or in the way in which representativeness is regulated. Representativeness is based on mutual recognition.

Actors

There were no major developments affecting the main actors

Institutions

There were no major legislative or institutional changes. Social dialogue is governed by collective bargaining.

Changes in the social dialogue processes

There were no major changes in of the national-level social dialogue processes.

National social dialogue in 2017 – Scope and Contribution

Main social dialogue topics and outcomes in 2017

Themes	Description of issue	Code(s)-interaction	Type of Interaction	Code(s)-Outcome	Outcome
General labour market topics					
Job creation, reduction of unemployment, active labour market policies, labour market participation of different groups	Hearing about reduction of the integration allowance and change of Danish (language) supplement.(November 2017) Danish Confederation of Trade Unions, LO Confederation of Danish Employers, DA	3	Consultation of social partners regarding labour market political issues	3	A new proposal to change the integration allowance was passed in February 2018
Skills, training and employability	In November, the government and the social partners concluded a tripartite agreement on adult and continuing training	2	Tripartite negotiations on the invitation of the government	4	Negotiations were successful in so far that the parties reached an agreement
Working life related themes					
Wage setting systems, including the setting of minimum wages (but excluding the ‘regular’ annual debates about the determination of the level of the new minimum	No (major) issues debated in this area				

Themes	Description of issue	Code(s)-interaction	Type of Interaction	Code(s)-Outcome	Outcome
wage)					
Working time regulations	The employer obtained the right to notice overtime unilaterally if there was no existing agreement on this issue in the company. A compensation was added.	7	Collective bargaining round at the private labour market 2017	5	In particular unskilled and skilled workers in construction and food industry (both belonging to the union 3F) were very unsatisfied with the agreement, i.e. the possibility of the employer 'to introduce a 42 hour week' as they said.
Health, safety and well-being at work	New adjusted 'crown smiley' scheme. Government issue.	0 No code identify this interaction	Legislation passed in the Parliament	2	The rules of obtaining a 'crown smiley' for good praxis regarding maintaining a good working environment was strengthened.
Work-life balance related themes, incl. family leaves	Children care days in case of sickness was raised to two days per year for working parents. The ceiling on full wage compensation on parental leave under 13 weeks was cancelled.	7	Collective bargaining round at the private labour market 2017	5	The removal of the ceiling of compensation means that the parents will receive full compensation, which aims at attempting fathers to take the leave. An issue regarding equality.

No major social dialogue debates were held on the following themes: Benefits (unemployment, sickness schemes, minimum income); Taxation and non-wage related labour costs; Pension reforms; Terms and conditions of employment, including different forms of contracts

Note:

Codes for 'Type of interaction': **1** - Tripartite debate; **2** - Tripartite negotiation; **3** - Formal consultation of both social partners; **4** - Formal consultation of trade unions; **5** - Formal consultation of employers organisations; **6** - Bipartite debate; **7** - Bipartite formal negotiations; **8** - Lobbying from at least one side; **9** - Type of interaction unknown.

Codes for ‘*Outcome as per 1.1. 2018*’: **1** - Unilateral decision by government; **2** - Legislation passed; **3** - Legislation prepared (in legislative process, not concluded); **4** - Tripartite agreement or joint position reached; **5**- Bipartite agreement reached; **6**- Joint opinion of social partners reached; **7** - Issue not closed, ongoing exchange; **8** - Issue dropped, no concrete outcome, no further exchange; **9** – Outcome unknown, none of these types.

Selected major social dialogue debates

Collective bargaining in the main private sector concluded

In the early spring of 2017 the unions and employer organisations under the umbrella of the Danish Confederation of Trade Union, LO, and the Confederation of Danish Employers, DA, [concluded a renewal of the sectoral agreement](#), which would run out 1 April. The agreements covered topics as pay, working time, education/training, and social related issues as maternity/paternity leave and sickness leaves ([Andersen, S.K. and Ibsen, C.L. \(2017\)](#)).

The renewed agreement was in force 1 April 2014 - 31 March 2017 and the new agreement will run 1 April 2017- 31 March 2020, that is, both in a three-year period.

The outcome was a so-called 'agreement of change' in so far that the wage increases were higher than the outcome of the previous 'maintenance' agreements in 2014 and 2012 that were still under the influence of the economic crisis. Both parties were satisfied with the outcome and the unions members voted a comfortable yes to the final settlement proposal.

Tripartite agreement reached

It is practice in Denmark that the government takes the initiative and invite the social partners – i.e. the confederations – to ad hoc tripartite discussions with the aim to land an agreement. In 2016, the government launched three subjects to be negotiated. Integration of refugees at the labour market, increased apprenticeships- both in 2016 – and negotiations about adult and continuing training after the conclusion of the collective bargaining in the private sector in 2017. Thus, in November 2017 the government and the social partners succeeded to reach an agreement on improved conditions for adult and continuing (vocational) training that all parties seemed to find satisfactory.

Tripartite negotiations had been lying dead since a significant failure in 2011 to reach a tripartite agreement. The Prime Minister, Mr Lars Løkke Rasmussen (Liberals), [choosed to introduce a three-step model](#) as outlined above in order to secure that not all subjects would fail in one single negotiation as in 2011 – and to this end it is in general viewed that he was very successful (Jørgensen, C., 2017).

Unilateral government actions – without social dialogue

There were no unilateral actions taken by the government during 2017. All important issues regarding the regulation of the labour market are governed by collective bargaining.

Changes affecting the sectoral and company level social dialogue 2017

There were no important changes in the legislation, the institutions or the practice affecting collective bargaining and social dialogue at sector-level and/or company-level.

Innovation in collective bargaining

Seen from an innovative perspective as outlined here, Danish collective bargaining is rather conservative. It takes more than that to 'shake' 'the Danish Model'. However, some of the proposed dots *could have* happened. New aspects have been addressed before, such as severance pay in 2012, but during 2017 it was same procedure as 'always'. No news.

Collective labour disputes in 2017

There were no changes in the regulation of collective disputes in 2017.

Taken into consideration that 2017 was a so-called 'agreement year' (where important collective bargaining takes place) the level of collective disputes were significantly low ([DA's konflikt statistik 3.kvartal](#)). The strikes mentioned below were against the provisions of the collective agreement in force (2017-2020), and the main reason for bringing them here is that they got the interest of the media including social media.

As part of the new collective agreement in 2017 at the private labourmarket it was agreed that the employers unilaterally could notice one hour overtime a day or five hours a week, that is a weekly working time of 42 hours, if there was not a working time agreement at the workplace.. The overtime would be compensated with time off in lieu and overtime payment and apart from that the average weekly working time during a year would still be 37 hours. However, especially in industry the workers were highly unsatisfied with the fact that the employer could raise the weekly working time to 42 hours without consulting the employees. It led to a heated discussion in the social media and union home pages, where the real content of the agreement was encompassed by different degrees of 'fake news'. In the final ballot the compromise settlement was accepted with a yes by a majority of the employees. Thus, the 42-hours rule was passed. This resulted in a single strike against the result. The traditionally strike-proven slaughterhouse workers in Canish Crown, around 2,000, struck for one day on 21 April 2017. Also the scaffolders showed their dissatisfaction by blocking the entrance to the headquarters of their union, United Federation of Danish Workers, 3F, that had accepted the agreement

In Copenhagen Airport a strike broke out 31 October among 200 workers, all members of 3F, in the catering company Gate Gourmet. The strike was due to dissatisfaction with the management of Gate Gourmet having chosen to terminate a number of local agreements written down in a staff manual. This concerned, among other things, that some employees over the age of 50 were entitled to an extra holiday, and that workers over 55 years with a long seniority can take leave with pay and in addition get support for chiropractor / physiotherapist treatment.

Working time 2017

Please summarise, whether there were any **major** changes in the regulation of working-time made during 2017. This could include all aspects of working time setting and arrangements, duration, leaves, annualisation, working time accounts or other forms of flexibility.

Please briefly summarise the changes and include all relevant references to legislation or other documents.

The only change that qualifies to be mentioned is the 42-hours rule that was part of the final collective agreement in early spring 2017. The rule gives the unilateral right to the employer to give notice of an hour daily over time during five days in a week, at a week's notice, in exchange for overtime pay and time off in lieu for the employees involved.

Health and well-being at work 2017

Physical working environment

There have been some interesting developments concerning the health and well-being at work. The government has in 2017 adjusted the legislation on labour inspections and the so-called crown smiley scheme . [The crown smiley is a certification by the Danish Working Environment Authority](#) and indicates that the enterprise holds a recognised health and safety certificate attesting that it made an extraordinary effort to ensure a high level of health and safety. The new adjustments reduce the duration of the crown smiley from 5 to 3 years. It also gives the Danish Working Environment Authority the right to inspect businesses with a crown smiley if there have been reported complaints or accidents.

Another major development is the government's new expert commission on the Occupational health and safety.

As a response to negative developments in occupational health and safety, the government has appointed an [expert commission to rethink the efforts](#). [Data from the National Research Centre for The Working Environment](#) have shown an increase in the number of workers with mental stress and musculoskeletal diseases.

The [expert commission](#) consist of representatives from the social partners and working environment experts. The commission will draw up recommendations for the future arrangement of occupational health and safety.

Psychosocial working environment

In August the Government have introduced some [new tools for labour inspections](#) concerning the psycho-social working environment. The adjustment of the inspections is forced through by the government after the social partners were not able to agree on an adjustment of the existing set-up.

The new tools represent a minor adjustment of existing rules. The main changes are:

- The inspectors will have the right to talk to employees individually. The former rules aloud the employer to monitor everything the inspectors did.
- The inspectors can now make judgements about offensive actions if they are considered to be a threat to the health and safety of employees.
- The Working Environment Authority will also publish a manual on how to prevent offensive actions on work places.

The Social Partners took note of the regulation and stated that they were still backing the recommendations in the white paper on labour inspections from 1995.

The legislation behind the new regulation has not been presented to Parliament yet.

Employment status 2017

Type of contracts	Changes made during 2017.
'Standard' employment contracts	No changes in the legal or agreement covered regulation
Self-employed	No changes in the regulation
Fixed term contracts	No changes in the regulation
Temporary agency workers	In the collective agreement 2017 concluded in the private sector, new procedural rules were agreed and attached in a protocol regarding temporary agency workers. The background is that the member unions of the Central Organisation of Industrial Employees, CO-industri, have experienced difficulties on deciding whether outside coming companies that bring their own labour, act as TWAs – according to which rules, the employees are covered by the collective agreement on TAWs - or whether there exists a contractual relationship, in which case the unions will request a collective agreement with the company
Posted workers	The Danish government voted yes to the EU council agreement on the posted workers directive on 24 October 2017. In general the Danish unions agree and the employer organisations disagree.
Seasonal workers	No changes in the regulation
Zero hour contracts	No changes in the regulation. However, it seems that the <i>incidence</i> of zero hour contracts has increased.

References

Andersen, S.K. and Ibsen, C.L. (2017) *OK 2017 - På vej mod en livsfase overenskomst*
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Jørgensen, C. and Bühring, T. (2018) [Denmark: Latest working life developments – Q4 2017](#), Eurofound.

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