Project Working Group I.A. & B. Convening on:
Levels, Actors and Scope of Bargaining

Discussion Two: Deep Dive into International Examples -What is Working

Peter Nisbeth: Denmark

Background:

- Please provide an overview of your country's approach to bargaining and give us a sense of the most important political/historical factors that enabled the enactment of your system.
  
  Bargaining is essential way to regulate the working conditions. Legislation is in general a supplementary to collective agreements.
  
  The September Settlement of 5th September 1899 set the frame of the labor market. The social partners recognize the right to take industrial action. The workers right to organize and the employers' right to manage the workforce. When a collective agreement runs there are a peace obligation (there can be no actions). When there is no collective agreement, or it is run out there is the right to strike and lockout. Unions can support each other’s strike through sympathy actions

- How do workers exercise power in bargaining? What strike rights exist? How are contracts settled?
  
  See earlier answer

- What percentage of workers are covered by collective bargaining? And how has this changed over time? Same for key sectors such as metal, education, other public, private services.
  
  Private sector: 74 %
  Public sector: 100 %

- What is the mean wage for workers in your nation and how has that changed in recent years? Same for key sectors?
  
  Lower level of education: 360.000 pa (55.000 USD)
  Middle level: 447.000 (69.000 USD)
  Highly educated: 560.000 (86.000 USD)

- Are any of the following not provided as public services in your nation: child care, higher education tuition, health care, long term care?
  
  No

Mechanics of the sectoral system:

- How are sectors defined and who defines the sectors? What sectors are covered/excluded from coverage?
  
  There is not an official definition. But in reality, it is defined by the area that are covered by the collective agreements

- What bargaining occurs at national level, regional level, sectoral level, or worksite level? How does sectoral bargaining interact with worksite bargaining, works councils, representation on corp. boards, etc.?
  
  Organizational level
Branch level
Company level

Different modus: public sector, major private sector, financial sector, agricultural sector

- Who represents workers in bargaining at each level? Who represents employers? Who decides? How are nonunion workers represented?

Employers (87% in private sector) and employees (70% in private sector) are broadly organized and their organizations negotiate. The result is put to the vote at a ballot—typically one common ballot a sector. Nonunion workers are on their own. But if they work in a company covered by a collective agreement, they are typically given the same rights. Their employees are obliged to the union not to give less favorable terms than the collective agreement.

- Is collective action protected for workers outside of the organized sectors? If so, how?

Yes. There is a free right to collective action, if you are not covered by a collective agreement. Once covered by collective agreement there are peace obligation as long the agreement runs. When time to renewal the negotiations runs under the risk of a conflict if the parties does not agree on a new collective agreement.

- What is the mechanism by which collective bargaining coverage is achieved? How involved is the government in the process of bargaining (or contract extension)? To what extent does the law mandate sectoral bargaining?

By strikes and lockouts I 1890’s and the collective organizing on both sides. The government stays out of the bargaining process. Only if a conflict runs long, we know of a law that sets the terms. Even in the collective bargaining in public sector the government tries to maintain an arms-length principal. Sectoral bargaining is the driver in the Danish system. So, it is not necessary to have legislation on that.

- Is there a mechanism for supply chain bargaining? (What is chain bargaining?)

Successes/Challenges:

- How has composition of the workforce (race, national origin, immigration status, gender) posed a barrier to successful bargaining?

It has been a big challenge to figure how to maintain our model in relation to foreign companies and workers under the free movement of work and services in the EU-legislation. Both posted workers and immigrants. We have found a model, but it is an ongoing process and challenge. Persons in the gray zone between employer and self-employed is also on the agenda. The problem is relatively small due to our flexsecurity model. But freelance, contract workers etc. is an hot topic right now. Shall we try to organize and get collective agreements or let them go?

- How have structural characteristics—including fissuring (splittelse), precariousness (udsathed), isolation of workers, lack of a single physical worksite, and globalization—posed a barrier to successful collective bargaining?

We haven’t seen fissuring etc. But as mentioned, globalization is challenging a small labor market with its partly special regulation.

- What would you identify as the biggest successes and challenges of your system? To what extent is your system successful at building worker power at the work site, in the economy, and in politics? At creating and sustaining strong and inclusive worker organizations? What are its political strengths and vulnerabilities?
The biggest challenge is individualization and the employment security we have achieved through the years. The Danish system is based on collective agreements. The EU focus on individual rights are challenging our system. We think collectively and do often forget the individual focus. But until now we have managed to tune our system to match the EU-system.

But individualization also means that the rate of organized workers decreases in private sector. That threatens the legitimacy of the trade unions in relation to the employer's organizations and the government.

- What legal reforms to the sectoral bargaining system has your country adopted recently? What were the political forces that led to those changes?

  Right now, the parties in the public bargaining system are considering their way of negotiating. In spring 2018 we were very close to a general conflict in public sector. In that sector the power balance is different than in private sector. If it comes to a strike the employer saves money instead of losing money. That leads to a fight of the public sympathy. And arbitration and collective negotiations are very difficult to manage through the public medias.

- Did any ancillary worker voice mechanisms — like works councils or board membership -- by law or practice predate the rise of sectoral bargaining in your country? If so, did the existence of those mechanisms soften opposition to sectoral bargaining and/or extension — or even simply facilitate the transition?

  Both employers and workers have traditionally organized sector wise. So, it has been naturally to negotiate on a sectoral level.