



Industrial relations and social dialogue  
**Denmark: Developments in  
working life 2023**

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## Introduction

According to the Ministry of Finance, Denmark's Gross National Product (GDP) grew by 1.2% in 2023, compared to 2.8% in 2022. Projections for GDP growth in 2024 lie at 1.4% (Økonomiministeriet, 2023). According to the Economic Council, the medicinal industry is largely behind the continued growth, without which GDP would have stagnated from 2023 and in coming years, according to their predictions (Det Økonomiske Råd, 2023). Despite declining growth, employment levels remain high, with 2.995 million people in employment at the end of Q3 2023 (latest available numbers). There has, however, been a minor decline in employment compared to the end of 2022, when 3.004 million people were employed (Danmarks Statistik, 2023a). In December 2023, the employment rate was 2.9% (Danmarks Statistik, 2023b). According to the Economic Council, net unemployment is expected to rise to 93,000 in 2024 and 102,000 in 2025, an increase from 84,000 in 2023 (Det Økonomiske Råd, 2023).

The start of 2023 saw prognoses for high levels of inflation, which were expected to affect both GDP growth and employment levels throughout 2023. However, inflation fell significantly throughout the year, particularly during the autumn, leading to an average harmonised inflation rate of 3.44% in 2023, compared to 8.51% in 2022 (Danmarks Statistik, 2023c). Despite the fall in inflation, Denmark's National Bank surmises that that an increase in salaries, largely due to collective bargaining rounds that took place during 2023, will keep inflation high moving forward (Danmarks Nationalbank, 2023). Inflation was particularly high in early 2023, with rising energy and consumer prices affecting both individuals, companies, and civil society organisations. While an Agreement on Inflation Support signed in February 2023 provided support primarily to individuals not on the labour market such as the elderly and unemployed, collective bargaining negotiations during the spring ensured that salaries were largely aligned with current inflation rates.

## Political context

Throughout 2023, the centre-left coalition government consisting of the Social Democratic Party, the Liberal Party and the Moderate Party have remained in power, with prime minister Mette Fredriksson from the Social Democratic Party, at the helm. No national, regional, or municipal elections have taken place throughout the year. The main changes in government have involved ministerial turnover, the main being that Jacob Elleman-Jensen, the party leader for the second-largest coalition party, The Liberals, leaving his role as party leader, Minister of Defence and giving up his seat in parliament. While the government has a parliamentary majority, decisions relating to inflation, changes in the labour market were, to a considerable extent, made through broad consensus agreements with many of the other nine parties represented in parliament, which is part of Danish government tradition.

While there has not been any social unrest related to the rising cost of living in 2023, there were considerable protests in January and February due to the suggestion from the government to remove Big Prayer Day (Store Bededag) as a national holiday from 2024. Labour unions were at the forefront of a campaign to retain the holiday, arguing that workers would either risked losing a holiday without compensation and that workers already working on the holiday would lose their entitlement to additional compensation. Labour unions also accused the government of not adhering to the Danish model of including social partners in decisions concerning working and holiday time - working time is generally determined between the social partners through the collective agreements (Fagbevægelsens Hovedorganisation, 2023). In addition, labour unions expressed dissatisfaction at not having been consulted about the decision, especially considering that no parties had included the removal of the holiday in their platforms prior to the national elections in autumn 2022. Despite 470,000 signatures protesting the plan and several large demonstrations, the government, backed by the Danish Social Liberal Party, voted to remove the holiday at the end of February 2023.

# Actors and institutions

## Social partners

Overall, there have not been any large changes in the social partner organisations except membership growth and a few mergers. DM has the most mergers – explained further below - and otherwise there have been mergers of departments within the same organisation (for example within 3F – *United Federation of Danish Workers*), which are not explained in detail. The partners have thus been quite stable on both the employee and employer sides. In 2022, which is the most recent number to date, the number of trade union members linked to the labour market increased by 11,300 to 1,915,000. With this, the total number of members has increased every year since 2013, corresponding to a total increase of 121,200 in nine years. However, the degree of organization – measured as membership numbers in relation to the workforce - has been falling over the years from 67.9 per cent in 2012 to 64.7 per cent in 2021, which is the newest available number (Danmarks Statistik, 2023e). The largest trade union in Denmark, 3F, experienced a growth in their membership numbers in the beginning of 2023, which was arguably due to the high risk of conflict in the 2023 negotiations in spring. Employees must be a member of a trade union in order to receive conflict benefits at the level of the unemployment benefit rate if the negotiations would end in work stoppages (Fagbladet 3F, 2023a).

In regard to mergers, the trade union DM (previously named Dansk Magisterforening - *Danish Association of Masters and PhDs* – since 2020 only “DM”), which is a union for academic professional members in the humanities, natural sciences, and social sciences with around 75,000 members, has been growing with several mergers. In January 2023, they merged with the union JA and their 5,000 members and DSL and their 1,100 members. The smaller unions had experienced a declining number in members and wanted to provide members new and better opportunities in relation to trade union services, digitization, and recruitment. DM thus achieved a stronger natural science profile with new members working with nature, environment, climate, food, biotech etc. In November 2023 the union Kultur og Information (KI) and their around 3,600 members became part of DM as their professional communities often overlap and to strengthen their position and political influence. In the end of 2023, the trade union Kommunikation og Sprog (KS) also agreed on a merger which, if voted through by members, will apply from November next year. DM approved the merger agreement on 14 September, but in KS it must be approved at two extraordinary meetings of the Board of Representatives, which will take place in January 2024. A merger means that DM can further welcome around 7,000 academics working with communication, language and marketing and thus become the largest union in that area in Denmark. All the mergers continue under the name “DM” (DM, no date).

## Social dialogue bodies or frameworks

In the foundation of the government from 14 December 2022, the Government stated that they will "take the initiative for a permanent tripartite institution that will promote continuous cooperation between the government and the social partners, which will continuously follow up on key reform tracks and necessary changes" (Statsministeriet, 2022, p. 14). The Government followed up in a chronicle in spring, in which it writes that it is planning to invite the social partners on an initial meeting on establishing a permanent tripartite institution. This will be in contrast to the normal ad

hoc traditions. The wish for a more formalised collaboration mainly takes ground in the challenges of retirement and labour shortages (Politiken, 2023). The institution has not been established yet, as the Government is said to be looking in to how to best construct the framework and construction of the body (Folketinget, 2023). From the main social partners, there are no comments to be found yet, however, the yellow unions<sup>1</sup> have a wish to be a part of the permanent tripartite body in order to represent their members. Historically, they have not been a part of tripartite negotiations, despite their wish to be, mainly due to their lack of involvement in collective bargaining and in the maintenance and partaking of the conflict resolution system. However, their future involvement might be larger, as their memberships are growing and now have amounted to around half a million employees (Altinget, 2023; FAOS, 2019). Apart from this, no other new bodies or frameworks have been debated on nor established in 2023.

## Other working life related institutions

In relation to this much larger area of other working life related institutions, there are at least two noteworthy developments worth mentioning for year 2023.

In May, the government set up an expert group on future employment action as expenses must be reduced by DKK 3 billion by 2030. Over the next year, the expert group will examine and propose models for reforming employment efforts with a focus on greater freedom, simplification, and dignity. The expert group will have a close dialogue with municipalities, mayors, unemployment insurance funds, private actors, citizens, social partners, and other stakeholders. The wide range of input will contribute to ensuring that the forthcoming reform stands on a strong professional foundation and that unintended consequences are taken into account. The expert group is due to report in June 2024. The members of the group are researchers, professors, and directors in municipalities. The two main confederations (FH and DA) as well as other social partners are part of the monitoring group, which will provide input to the expert group on an ongoing basis (BM, 2023a).

In November, a knowledge centre on seniors in the labour market was established with the purpose to get more workplaces to retain and employ seniors. The centre plans to push forward a cultural change based on collecting knowledge and research results on seniors' working lives. The centre was adopted by a majority of the Parliament and is established as an independent unit under VIVE (The Danish Centre for Social Science Research). A steering committee is set, which consists of FH (The Danish Trade Union Confederation) and DA (The Confederation of Danish Employers), Ældre Sagen (an association that works to improve conditions for the elderly) and Faglige Seniorer (an organization for the trade unions' senior members). The committee is responsible for the strategic direction of the centre and for preparing a work programme. In addition, an advisory board will be set up consisting of a wide range of organisations, each of which in its own way has an interest and knowledge of seniors' working lives, and which can contribute with their perspectives and experiences. The advisory board is appointed when the centre starts work. The centre has been

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<sup>1</sup> The yellow trade unions – also called ideologically alternative trade unions – are employee organisations, which stand outside the traditional main organisations, FH and AC. Typically, the alternative differs from the traditional trade unions by not recognizing a fundamental conflict of interest between employer and employee and by having no or very few collective agreements. The yellow trade unions are Det Faglige Hus, Kristelig Fagforening (Krifa), De Frie Funktionær and Jobtryghed (FAOS, 2019)

allocated DKK 2 million in 2023, DKK 10 million in 2024 and DKK 15 million in the years 2025 and 2026 (BM, 2023b).



# Developments in collective bargaining

## Changes to the collective bargaining structures and frameworks

In 2023, collective bargaining rounds took place in the private sector in Denmark. The public sector negotiations will follow in 2024. In this year's collective bargaining rounds there were no changes to the structures and frameworks. However, the agreement period was set to two years, which is shorter than the norm in the last decade, which has been three-year periods. The length of the period (2-3-4 years) refers to the expected stability of the whole economy. In times where economic stability is expected, the longer the possible agreed collective agreement period is, and in reverse, in times of crisis the agreement period is short.

## Data on collective bargaining

In Denmark there is no data register or database with information on collective bargaining and the coverage. In 2023, there were more than 500 concluded collective agreement settlements by trade unions under the Danish Trade Union Confederation (FH). When all the collective negotiations rounds were finished, 98 percent of the more than 600,000 covered employees had a collective agreement in place in their area. The voting percentage among union members was its highest since 1973 – the fourth highest ever - with 59.3 percent. A reason behind the high turnout is argued to be the people being worried about their personal finances and the need for negotiated wage increases. According to FH, this marks a historically high voting rate among union members which was unexpected as it was a year with many challenges, especially with inflation. The last settlements concerning the remaining two percent were negotiated in the Conciliation Institution between FH and DA (The Confederation of Danish Employers) (FH, 2023a, 2023b).

Denmark has a fairly high coverage of workers by collective agreements; however, the number may vary slightly depending on calculations. FH published a report on CB coverage in 2022, in which the coverage rate was stated to be 84% overall, 78% in the private sector and 97% in the public sector (FH, 2022).

A report by the Danish Employment Relations Research Centre (FAOS) reviews the results achieved in collective bargaining 2023 and analyses the negotiation process. In short, the negotiations evolved from being historically difficult to become one of a great example of the collective bargaining system's ability to deliver solutions. There was an increased risk of conflict this year due to crisis, but it was emphatically reduced. The report argues the positive development to be largely due to strong and well-coordinated organisations that are willing to compromise for the best outcome for both parties (Andersen, Hansen, and Ibsen, 2023).

## Collectively agreed pay outcomes and wage-setting mechanism

There exists no national statistics on agreed pay in Denmark.

In the bargaining rounds in 2023, the collective agreements secured pay rises for everyone and a solid boost to the minimum wage rates for the lowest paid groups. The rounds always start with the breakthrough agreement, which is the Industrial Agreement between DI (Danish Industry) and CO-industri (The Central Organisation of Industrial Employees in Denmark – a cartel made up of nine trade unions). This is the largest collective agreement in Denmark, and it lays the framework for - and largely determines - the rest of the agreements in the private sector. CO-industri put out large

demands that would impact the wages of all sectors and not just those covered by the specific Industrial Agreement. Especially low paid sectors that work at the minimum pay rate were put forward as a reasoning to elevate the minimum rate in the Industrial Agreement, even though not many under the particular agreement work at that rate and would not initially benefit from it. In short, the two-year collective agreements secured four percent pay rises for everyone and a solid boost for the lowest paid who go on the minimum wage rates. On top of the four percent comes enterprise wage bargaining. The economic outcome seems to secure the wage earners' real wages for now, and perhaps even make up for the lost within two to three years. The Danish National Bank is predicting that total wage increases in 2023 and 2024 will be respectively 4.2 and 5.7 percent, meaning 9.9 percent in total for the two-year period (Andersen, Hansen, and Ibsen, 2023; Danmarks Nationalbank, 2023; FH, 2023b).

## Collective bargaining and inflation

In Denmark collective agreements do not include clauses on how to deal with inflation and social partners do not resort to additional bargaining rounds with the aim to tackle or mitigate effects of extraordinary inflation. However, the social partners do take inflation, the cost of living and the GDP deflator, i.e., significant economic variables, into consideration when negotiating/renewing a sectoral collective agreement. The agreement period is also adapted to the stability and foreseen development in the economy, most commonly ranging from two to four years.

Due to inflation, the top priority for the trade unions in the collective bargaining rounds in 2023 was to re-establish the wage earners' real wages over the next couple of years, which meant large demands from the trade unions in order to secure the real wage recovery for all workers. Special focus was on those bound to the minimum pay rate due to the widespread absence of local wage negotiations in some sectors (retail, hotels, and restaurants, etc.), which otherwise are a right of the minimum wage system. The breakthrough settlement landed on a two-year agreement, which secured higher wages for all wage earners. The two-year collective agreements secured four percent pay rises for everyone and a solid boost for the lowest paid who go on the minimum wage rate. The economic outcome seems to secure the wage earners' real wages for now, and perhaps even make up for the lost within two-three years. Following the first settlement more than 500 settlements were concluded in the private labour market with 98 percent of the more than 600,000 covered employees having a settlement in place in their area. The voting percentage among union members was its highest since 1973 – the fourth highest ever - with 59.3 percent. A reason behind the high turnout despite the large challenges is argued to be people's need for the negotiated wage increases (FH, 2023a, 2023b).

# Developments in governmental responses to inflation

In early 2023, high levels of inflation in combination with high energy prices led to the government introducing an “Agreement on Inflation Support” (Aftale on inflationshjælp). The agreement, implemented in February 2023, included several different initiatives aimed at supporting individuals, businesses, civil society organisations and cultural institutions struggling due to increased costs (Finansministeriet, 2023). The agreement was decided by a broad coalition including the government and other political parties. In total, the agreement covers twelve support initiatives for approx. DKK 2.4 billion (approx. EUR 322 million). The main initiatives included:

- Additional economic support for recipients of the so-called “elderly check”, which is a subsidy of up to DKK 19,900 (EUR 2,670) that pensioners with limited retirement funds are eligible to apply for. Pensioners eligible for the elderly check were paid an additional DKK 5,000 (EUR 671) in May 2023. The additional support was not taxed (Borger.dk, 2024).
- A framework for financially vulnerable families with children. Approx. 40,500 families already receiving social benefits will receive an extraordinary, non-taxed lump sum DKK 7,500 (EUR 1,006) for their first child, DKK 3,750 (EUR 503) for their second child and DKK 2,250 (EUR 302) for their third child (Beskæftigelsesministeriet, 2023).
- Support for small-scale merchant businesses and other food businesses in small towns that are vulnerable to rising energy costs. Businesses such as small supermarkets, bakers, and butchers in communities with less than 2,500 inhabitants were eligible to apply for financial support of up to DKK 50,000 (EUR 6,708) to cover rising costs. They could also apply for additional funding to support a transition to green energy, hence mitigating future high energy costs (Erhvervsministeriet, 2023).

In addition, the agreement covered several initiatives targeting vulnerable individuals. This consisted of two civil society funds targeted at assisting children in vulnerable families as well as individuals in vulnerable positions, lump sum payments to recipients of student grant disability supplements and single parents receiving student grants, subsidies for individuals with high medicine expenses and financial counselling for tenants who risk eviction (Finansministeriet, 2023). In addition to funding allocated through the agreement, DKK 350 million (EUR 47 million) from the National Building Fund was allocated to temporary reductions in rent in the social housing sector.

For businesses and business owners, the agreement entailed an increase in the standard tax deduction for registered childminders, a postponement of the deadlines for paying applicable income taxes (A-tax) and labour market contributions, and financial support for energy-intensive cultural institutions struggling with high energy costs. Also related to energy costs, funds were allocated for a scheme to support households wishing to transition to district heating, thus mitigating high energy costs in the long term (Finansministeriet, 2023). Social partners were not involved in the negotiations for the Agreement on Inflation Support.

While these initiatives have been well-received, it has not affected social benefits. Social benefits are not regulated according to inflation but are based on average salaries two years ago. This means that the benefit adjustments for 2023 were adjusted according to salary rates in 2021 (Retsinformation, 2022). While the increase from 2022 to 2023 was 1.95%, this was not in line with

expected inflation rates of 5.1%. According to Denmark's largest trade union, 3F, this meant that recipients of social benefits would have a purchasing power equivalent of 20 years ago (Petersen L., 2022). While this was partly mitigated through the Agreement on Inflation Support, the additional support was only available for the most vulnerable individuals.

In terms of salary, the Danish labour market model means that wages are agreed through collective bargaining between the social partners. Collective bargaining rounds completed during 2023 were successful in bringing salaries more in line with inflation levels. On average, salaries in the private sector increased 4.8% during the third quarter of 2023, which was 1.4 percentage points higher than the previous, second quarter (DI Business, 2023a).

## Labour disputes and industrial action

Despite a high risk of labour disputes due to inflation, there was no noteworthy industrial action and settlements were record-high during the collective bargaining rounds in 2023.

### Changes to the right to strike

There have been no changes regarding the rules in the labour market model agreed between social partners. However, there has been one change concerning the right to strike in the application for permanent citizenship. The authorities have changed the rules in order to allow refugees and other foreigners without permanent residence to strike without affecting their ability to apply for permanent residence.

One of the conditions for applying for permanent residence is that you must have been in work for at least three years and six months within four years, and refugees were forced to choose between the right to strike or the certainty of residence in Denmark. The Immigration Service has decided that a collective strike or lockout can count as employment when applying for permanent residence after and the conditions for permanent citizenship now additionally state: "periods during which you are subject to a collective strike or lockout within the framework of your employment relationship" are counted as work. The change came after the trade union 3F uncovered a specific case (Fagbladet 3F, 2023b).

### Data on industrial action

The number of work stoppages due to strikes and conflicts was very modest in 2023 (Table 1). By industry, the highest on the list were Manufacturing with 5,300 lost working days and Transport, post and telecommunication with 5,700 lost working days.

**Table 1. Work stoppages 2023, total**

Number of stoppages	Number of recipients employees	Number of lost working days
136	7,761	15,300

Source: Danmarks Statistik, 2024

### Collective labour disputes in 2023

In 2023 there had been foreseen a very high risk of labour disputes due to the inflation, and the removal of the public holiday "Store Bededag" (Great Prayer Day - fell on the fourth Friday after Easter) with effect from 2024. Despite these risks, the social partners found a common balance and there were no major labour disputes. The settlement rate was record high and only two percent of the workforce (out of the over 600,000 covered by the Danish Trade Union Confederation, FH) had their agreements negotiated and settled in the Conciliation Institution between FH and DA (The Confederation of Danish Employers) (FH, 2023a).

While not having any large disputes in Denmark, the Danish trade union 3F has decided to aid the Swedish IF Metall, which has been on strike since 27 October against Tesla. Tesla violates basic rules in the Swedish labour market and the trade union wants them to sign a collective agreement. The

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Danish 3F will not transport Tesla cars to Sweden or help unload Tesla cars in Danish ports. The sympathy strike against Tesla began officially on 20 December 2023, when dock workers in Esbjerg refused to unload cars and equipment from Tesla in the Port of Esbjerg (FH, 2023c; FH, 2023d).

# Developments in working time

## Changes to legislation

The only legislations on working time in Denmark stem from EU's working time directive. In November 2023, the government presented a bill to amend the Act on working time based on new practices decided by the EU Court of Justice stemming from the Deutsche Bank case from 2019. Among other things, the Danish bill introduces the obligation to register working hours and an option to deviate from the rules on maximum weekly working hours. The bill must be considered in the Danish Parliament before it can be finally adopted. If approved, the law will enter into force on 1 July 2024.

While the new bill to record working hours will be applicable to all employees in ensuring the rules on rest and maximum working time are complied with, the bill also introduces a provision allowing certain employees to be exempt from the same rules as well as the registration. Exceptions can apply as a special feature of the work performed, if the length of the working hours is not measured or determined in advance, or when the employee can determine the working hours themselves, i.e. employees who can make independent decisions or have managerial functions ("self-organizers"). The exemption to the rules must be stated in the employment contract. The concept of self-organiser is not unambiguously or exhaustively defined in the bill's comments or practice and thus it will be concrete assessments whether an employee can be considered one or not (DI, 2023).

## Bargaining outcomes

Working time in Denmark is mainly regulated by collective agreements, the most common practice being a 37-hour working week (excluding lunch break). But weekly working hours can be both higher and lower. In this year's bargaining negotiations, there were no changes applied to the standard working time practice.

## Debates on duration and organisation

The main working time debate in Denmark is the opposing sides of, one the one hand, the Government and stakeholders' demand for more hands and hours, and on the other hand, the slowly growing demand from employees to have shorter and more flexible working weeks. Numbers from the Labour Force Survey show that 19 percent of the population would like fewer working hours (Danmarks Statistik, 2023d), which by politicians not viewed as worrisome and Danes are seen as having a large work ethic (Akademikerbladet, 2023). However, a survey from the trade union HK finds that 80% of their members that responded want a 4-day work week, of which one with reduced hours is preferable to 60% of the respondents (HK, 2022). In line with a growing demand, there has in recent years been an increase in flexible working time on initiatives from companies and municipalities – especially four day working weeks. However, there have not been implemented changes to the main practice, and as the bargaining rounds in the private sector took place in spring 2023, the issue was not brought up. Thus, not large initiatives or debates from stakeholders or politicians are on the adoption of flexible working time. Contrary, due to the record low unemployment and record high employment at the moment, the Danish Government has expressed a wish to get people to work more – not less as it will challenge tax revenues and thus the welfare

state (Akademikerbladet, 2023; TV2, 2023). The previously mentioned work ethic and culture is also seen as a barrier in regard to flexible working time, as regulations in agreements already allow more flexible options than what is practiced by companies (DI, 2023b).

Apart from this debate, there are not any large discussions on working time.



## Other important policy developments

### Regulations on employment status and contracts

In July 2023, a new law on employment contracts and some working conditions was implemented. The law meant that employers are mandated to provide more information in their contracts with employees. It also provides employees with new rights, such as making it easier to have additional employment (IDA, 2023).

The new law applies to all employees that work more than three hours a week on average. The main changes brought about by the new law are related to information in employment contracts. As a result of increasingly hybrid ways of working, contracts must now include the employer's address, or clearly state that the employee has several working places or is free to determine their own place of work. In addition, the length and conditions for probationary employment must be specified as well as the amount of paid leave employees are entitled to (including vacation, sabbatical, parental leave, and senior leave). Contracts must now also state the employee's rights to training and competence development, the specific collective agreement that regulates the relationship and name the social security institutions that receive social contributions linked to the employment. For temp workers, employers are required to inform employees about which workplace they will be working at as soon as this is known (Retsinformation, 2023).

As well as affecting the explicit contents of employment contracts, the new law has specified the length of probations for different types of employees. It also states that employers are not entitled to restrict any extra work performed for other employers, as long as this is not in conflict with their main role. Mandatory training must also be cost-free and count as working time for the employee (Retsinformation, 2023).

### Policies to reduce the gender pay-gap

While no new policies were implemented in Denmark to reduce the gender pay-gap in 2023, the European directive on pay transparency that was adopted in April is expected to affect both Danish legislation and how employers collate data. Nevertheless, social partners have different opinions on whether the directive will be an effective tool to combat the gender pay gap. While the Danish Trade Union Confederation supports the initiative (Fagbevægelsens Hovedorganisation, 2023b), the Confederation of Danish Industry supports the initiative but doubts whether increased pay transparency will affect the gender pay-gap in Denmark (DI, 2023c).

### Health and safety regulations and policies

There were no substantial developments in health and safety regulations and policies in Denmark in 2023. However, the government agreed with all parties in parliament on a new working environment agreement covering 2023-2026. The agreement provided historically large funding for the Danish Working Environment Authority's health and safety initiatives as well as initiatives targeting social dumping (Beskæftigelsesministeriet, 2023b). The agreement has three main tracks: future-proofing the health and safety initiative, a strengthened initiative against social dumping and a strengthened initiative in prioritised areas such as research, the psycho-social working environment, dangerous chemicals, and workplace accidents (Beskæftigelsesministeriet, 2023c). The

funding for social dumping aims to continue the joint effort between the Working Environment Authority, Tax Agency and the Police that was initiated in 2012. The agreement also provides long-term funding to the Danish Working Environment Authority, which receives annual funding of DKK 203 million (EUR 27.2 million) until 2027 (Beskæftigelsesministeriet, 2023d).

## Work-life balance related policies

While there have not been any substantial changes related to work-life balance in Denmark throughout 2023, two initiatives stand out. The first is related to parental leave for parents of twins. From 1 May 2024, parents of twins are entitled to 26 additional weeks of parental leave. The leave must be shared equally between the parents, who are entitled to 13 weeks each. Single parents receive 13 additional weeks of leave. The parental leave cannot be shared or divided in other ways between the parents. The rules apply to all parents who have two or more children at the same time either through birth or adoption, thus applying to triplets as well as twins. The parental leave must be taken within one year of the birth or adoption of the children. (Beskæftigelsesministeriet, 2023e).

The collective bargaining negotiations have also resulted in increased in paid parental leave to workers who are covered by specific agreements. For the approximately 230,000 workers covered by the collective agreement for the industrial sector, workers now receive 36 weeks of paid parental leave at full salary. 19 weeks are earmarked for the mother, 12 for the father and five weeks can be shared. The weeks earmarked for the father have increased from 10 weeks in previous agreements. According to Danish Industry, there is a hope that additional paid parental leave weeks for fathers will increase motivation for men to use the parental leave to which they are entitled (Dansk Industri, 2023b).

## Life-long learning and skills development

Lifelong learning and skills development have been a considerable priority at policy level, with several agreements and reforms being prioritised by the government and supporting parties. In September, the government, trade unions and employer organisations came to a new tripartite agreement concerning long-term investments in adult and further education. The agreement promotes lifelong learning by strengthening key competences among adults, enabling more people to participate in further education and other lifelong learning initiatives that enable them to be successful in the labour market at a cost of DKK 360 million (EUR 48.3 million) per year, starting in 2024. Among others, the agreement aims to improve the quality of adult vocational training (known as AMU courses) targeted at both employed and unemployed individuals with a need to strengthen their work-related skills. It also sets aside funding for further education, and the development of key competences (Børne- og Undervisningsministeriet, 2023).

Another large reform concerns tertiary education and, to a lesser extent, vocational education and training (VET). According to the government and supporting parties, the reform agreement ensures considerable investments in further education, increases flexibility for students, give new opportunities for further education and makes education more accessible for international students (Uddannelses- og Forskningsministeriet, 2023a)

The reform will see 10% of current master-level degrees shortened from the standard two years (120 ECTS) to one year and three months (75 ECTS) in 2030. In addition, 20% of current Master-level degrees will be changed to so-called vocational master's degrees, where students work parallel to

pursuing their studies, in 2034. To attract international students, 2500 places will be made available for study in English from 2029. Finally, the reform will see welfare-related VET degrees receive additional funding of DKK 300-400 million annually, to strengthen their quality, modernize their infrastructure, support their green transition, and improve the relations between primary and secondary schools and VET schools (Uddannelses- og Forskningsministeriet, 2023b).

## Commentary and outlook

In 2023, Denmark experienced political stability, with the centre-left coalition government – comprising the Social Democratic Party, the Liberal Party and the Moderate Party – continuing to hold power with no major disruptions. Despite having a parliamentary majority, the government engaged in consensus agreements with various parties on issues such as mitigating inflation, funding for health and safety, and reforms of the tertiary education and vocational education and training (VET) systems.

A key event in 2023 was the collective bargaining negotiations in the private sector. Due to the volatile state of the economy as a result of high inflation, a shift to two-year agreement periods was agreed, in line with labour unions' wishes expressed at the end of 2022. While there were concerns initially that inflation could lead to potential labour disputes, settlements were reached without significant industrial action, and the collective bargaining system was hailed for its ability to adapt to challenging circumstances. Wages in the private sector increased considerably to match inflation rates. While the year saw no significant industrial action, there were protests in January and February against the government's decision to remove Big Prayer Day as a national holiday in 2024, with labour unions leading the charge. The protests were, however, unsuccessful, and the holiday was removed.

The year saw stability in social partner organisations, with some mergers and growth in trade union membership. The largest union, 3F, experienced a boost in membership, possibly due to anticipated conflicts in the 2023 negotiations. The government proposed the establishment of a permanent tripartite institution to foster continuous cooperation between the government and the social partners. However, this institution had not been established by the end of 2023.

In order to respond to high inflation and energy costs, the Danish government introduced the Agreement on Inflation Support, allocating funds for various initiatives to support individuals, businesses and cultural institutions affected by rising costs in early 2023. The benefits for individuals were specifically targeted at unemployed people currently receiving other types of social benefits. The social benefits in themselves were, however, not adjusted according to inflation rates, as the adjustment is based on salaries from two years previously. Consequently, several labour unions raised concerns about the purchasing power of benefit recipients. Nevertheless, inflation fell significantly throughout the year: the average harmonised inflation rate in 2023 was 3% compared with 8.51% in 2022.

Regarding working time, a bill was presented to amend the Act on working time based on new EU practices, introducing the obligation to register working hours. The main working time debate centred around demands for more hours from the government and stakeholders, contrasting with employees' desire for shorter and more flexible working weeks.

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