



# Industrial Relations

## **Denmark: Developments in working life 2018**

[Working life in 2018 – Annual review](#)

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**Eurofound reference number:** WPEF19031

**Related reports:** EF19029 Working life in the EU 2018 – Annual review

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## **Political context affecting working life aspects**

2018 was a good year for the Danish economy. The unemployment rate has declined from 3.4% at the end of 2017 to 3.0% at the end of 2018. This is very close to full employment, which has been an important factor in the collective bargaining in the public sector in the spring of 2018.

The Government consisting of the center-right coalition of Venstre – The Danish Liberal Party, The Conservatives and the Liberal Alliance have been in power all year. The Prime Minister, Lars Løkke Rasmussen (Liberals) has held office since last election in 2015. Thus, his four-year period is ending and the next general election takes place in the first half of 2019, in June at the latest.

## **Labour market reforms or major packages of working life regulations**

After years of consecutive labour market reforms, 2018 was a quiet year. There have been no major changes in the regulation neither of the Danes' working life nor on the labour market as such. The only minor adjustments are some changes in the right to public security for Danes that have been living outside Denmark for many years. It has a big impact on those who are affected by the new regulation, but cannot be seen as a systematic change in the public security system.

## **Social partners' views and reactions on changes in governments and working life policies**

Since there have been no major changes, there are no reactions to report.

## **Developments in industrial relations 2018**

### **Changes affecting the national-level actors and institutions in 2018**

#### *Actors*

The main event affecting the Danish national-level actors and institutions in 2018 was without comparison the agreed merger of the two largest union confederations in Denmark.

On 13 April 2018, the two union confederations – the Danish Confederation of Trade Unions (LO, founded in 1898) and the Confederation of Professionals in Denmark (FTF, founded in 1952) – combined in an historical merger, after members took a ballot on the question ‘yes or no to a new start for the trade union movement?’. The merger will take effect from 1 January 2019.

Discussion about a possible merger between LO and the politically independent FTF first began in 2003 when LO dissolved its alliance with the Social Democrats. For many years, discussions and meetings between the parties were quite informal, but this attitude began to change around 2013. Since then, the leadership of the two confederations have been carefully preparing union officials and members for a merger.

The new union confederation is called Fagbevægelsens Hovedorganisation, abbr. FH and in English the organisation has chosen The Danish Trade Union Confederation. At the official start on 1 January 2019, FH has around 1.4 million members divided between 79 unions.

Reference: Denmark: latest working life developments Q2 2018

#### *Representativeness*

There were no changes in the way in which representativeness of the social partners is regulated and assessed.

#### *Institutions*

There were no major legislative or institutional changes to the main social dialogue institutions.

## **Changes affecting the sectoral and company level social dialogue 2018**

There were no changes affecting the sectoral and company level social dialogue

### *Innovation in collective bargaining*

There were no there were no major innovations made in collective bargaining in Denmark.

There were no changes in the process of the negotiations nor were new aspects introduced on the agenda. The different levels and the articulation between them are the same and it is the same actors as usual that conduct collective bargaining in Denmark.

Collective bargaining 2018 took place in the public sector and the only difference in relation to previous bargaining rounds was that the three union bargaining cartels prior to the negotiations had 'sworn a musqueteer oath' that none of bargaining areas would conclude an agreement before all three were ready. See also below.

However, it is worth mentioning here that during the year, the United Federation of Danish Workers, 3F, concluded a collective agreement with a digital work platform as a 12 months pilot project. The platform, called Hilfr.dk, works within mainly private cleaning. Part of the agreement is that those freelancers that use the Hilfr platform only now and then can stay self-employed, whereas others that works more via the platform is encompassed by the collective agreement.

The agreement is important because it is the first time in Denmark that a union and a platform agree on wage and working conditions, for the employed on the platform. This means that they among other things will benefit from a pension scheme, holiday pay and pay during sickness. Thus, it is a significant contribution to the standing debate about, whether there exists an employer – employee relationship between the economic digital platforms and their work force. Reference: Altinget.dk (2018):

## National social dialogue in 2018 – Scope and Contribution

Themes	Description	Social dialogue interaction	Social dialogue outcome and/or output
<b>Skills, training and employability - Training</b>	The Tripartite agreement about 'strengthened and more flexible adult and further training' that was signed by the Government and the social partners in October 2017, has been implemented in 2018 and will run until 2020. Ministry of Education (2017)	Consultation of social partners regarding labour market political issues - ad hoc tripartite discussion at the invitation of the government	Enhanced access to upgrading and quality and flexibility in AMU (Adult Vocational Training Scheme) are key elements of the agreement. Negotiations were successful in so far that the parties reached an agreement
<b>Work-life balance - Improving working life for older workers</b>	There are no major developments in 2018 as the collective bargaining did not focus on work-life balance related themes such as family leaves. However, the Government and the Danish People's Party decided to form a think tank to study how to improve the working life for older people. The former president of LO, Harald Børsting, was nominated president of the think tank which comprises also eight experts and eight representatives from the social partners. Ministry of Employment (2018) ,	The type of interaction will be tripartite discussion, since government and social partners are represented in the think tank - also representing eight experts as well.	The think tank will present its work in summer 2019
<b>Health, safety and well-being at work - Occupational health and safety</b>	In 2017 the Minister of Employment, Troels Lund Poulsen, established an expert committee on working environment. The task for the committee was to rethink the working environment (occupational health and safety) system in Denmark. The committee consists of four researchers, four representatives of the social partners and a chairman appointed by the government. There is a long-standing tradition in Denmark to have a tripartite dialogue on working environment issues. In September 2018 the committee came up with 18 recommendations for an improved Occupational health and safety effort. The recommendations are backed by the social partners. The recommendations have not yet been followed by political action. References: Statement from LO (2018); Statement from DA (2018); Ministry of Employment (2018b); Ministry of Employment (2018c).	The committee have worked through tripartite dialogue in the expert committee.	The 18 recommendations are presented under four headings: National reduction goals should be measurable on a work place; The three national goals, reduction in psychosocial occupational health and safety, reduction in MSD and reduction in work place accidents should be brought down to work place level. First step will be to set up targets for reduction in each branch. A targeted effort from the authorities; The labour inspection will be carried out on work places where the risk for non-compliance is highest. More dialogue between the businesses and the authorities should be implemented. A better and more understandable regulation. Especially the rules on psychosocial occupational health and safety should be clearer and more transparent. Research, knowledge production and communication closer to the work places; A new national strategy for research on the working environment should be formulated by the Government and the Social partners.

No major social dialogue debates were held on the following themes: Benefits; Employment; Pension reforms; Taxation and non-wage related labour costs; Terms and conditions of employment; Wage setting; Working time.

## **Selected major social dialogue debates**

### *Collective agreements reached in the public sector in 2018 after tough negotiations*

Negotiations between the main public sector central organisations and employers over the renewal of the collective bargaining agreement (2015–2018) reached a stalemate in the first quarter of 2018, raising concerns of potential conflict.

On 2 March the unions issued notice of planned strikes by 100,000 employees to be held after the agreement expires on 1 April. Public sector employer representatives responded by announcing a lock-out affecting around 120,000 public sector employees in administrative, university and secondary school jobs, while the municipal and regional authorities announced a lock-out of 320,000 employees.

The first point of disagreement was a working time agreement for primary-school teachers, dating back to the 2013–2015 bargaining round (teachers' working time was settled by law after a two-week lockout by the municipalities). Employers have rejected teachers' calls to renegotiate working time rules and to turn the law into a collective agreement.

The second issue is the unions' collective bargaining cartel, the Danish Central Federation of State Employees' Organisations (CFU), called for an 8.4% public sector pay increase (2018–2021), greater than the 6.7% increase offered by public employers.

The final issue concerned plans to change the current status of the paid 30-minute lunch break in the public sector (the break is unpaid in the private sector). This means public sector employees in principle work 2.5 hours less per week than private sector workers. The state employers claimed that lunch breaks were the subject of an informal agreement and were not part of the collective agreement. Therefore, the different ministries and institutions were free to change this arrangement.

According to rules relating to the renewal of collective agreements that reach a stalemate, State Mediator Mette Christensen stepped in to oversee negotiations, with the aim of reaching a compromise. She postponed actions on both sides for 28 days.

On 28 April, in a last-minute deal brokered by the State Mediator, the wishes of both parties were fulfilled when the paid lunch break became part of the agreement, on the condition that part of the wage increase should cover it. Both parties agreed to a wage increase of 8.1% over the three year agreement period (equivalent to 6.1% in general wage increases, because an estimated 2% is set aside to cover the lunch break and projects relating to equal pay, competence development, etc.). Subsequently, both parties claimed victory.

The working time rules for teachers was the only area where little progress was made. Instead of an agreement, a commission will investigate the working conditions in order to make new rules before the next collective bargaining round begins in 2021.

### *Unilateral government actions – without social dialogue*

The Danish government did not take any significant unilateral actions in 2018 that could cause any protest actions from the social partners or others.



## **Collective labour disputes in 2018**

### **Changes in the regulation of collective labour disputes**

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

### **Selected major labour disputes of national significance**

Not many strikes against the collective agreement occurred in 2018. According to the Conflict Statistics of Confederation of Danish Employers, DA, the 3<sup>rd</sup> quarter of 2018 had the lowest number of collective disputes since the statistics began in 1991.

However, in November and December the train (engine) drivers took strike action, which had some influence on the daily traffic. They were on strike because their employer, the Danish State Railways, DSB, because of the liberalisation of the sector joined the private sector employer organisation the Confederation of Danish Industry DI in 2016. The engine drivers strike because they wanted DSB to guarantee that they would stay, as until now in 2018, on the former agreement with the state, which is more favourable than the one with DI.

During the tough negotiations in the public sector negotiations early 2018, the unions send two strike warnings – responded by two lockout notices from the public employers – before the agreement was in the bag. Thus, it did not end in a major conflict.

## **Working time 2018**

### **Changes in the regulation of working time 2018**

#### *Legislation on working time duration or organisation*

There were no changes in legislation on working time duration or organisation in Denmark

#### *Collective bargaining outcomes on working time duration or organisation*

Three big issues caused the tough collective bargaining round in early spring of 2018 in DK. One of them was the working time rules of the teachers, which has been a debated topic since the last bargaining rounds in 2013 and 2015. During the negotiations in 2013, the municipalities in Local Government Denmark lockouted the primary school teachers without prior warning. In the end, the government, as it is its right in case the social partners cannot find an agreement, gave a highly debatable working time rule scheme the force of law – much to the disagreement of the teachers' union DLF.

During the round in 2018, DLF wanted the law back on the agenda as a collective bargaining issue – but did not succeed completely, even if there were signs of a softening of the teachers' working time rules during the negotiations. The social partners agreed to use the next agreement period (three years) to work on a solution that can be taken up in the bargaining of 2021.

### *Major debates concerning working time duration or organisation*

The major debate about working time (and the only) was the debate about the primary school teachers' working time rules in connection with CB 2018. On the other hand, this debate has been going for the last five years.

## **Health and well-being at work 2018**

### **Physical working environment**

There were no major developments within physical working environment in 2018. The only new legislation in the field includes minor adjustments of the recognition of occupational diseases.

The physical working environment has like the psychosocial working environment been a part of what the Government's expert committee has looked into. The committee have recommended to do more to secure a reduction in MSD and reduction in work place accidents. The recommendations have not yet been followed up by political action.

The physical working environment was not a major issue in the collective bargaining in the public sector in the spring of 2018. As it is often the case in the public sector, the focus was on the psychosocial working environment.

### **Psychosocial working environment**

There are no major developments within psychosocial working environment in 2018. The only new legislation in the field are minor adjustments to the recognition of occupational diseases. Psychosocial working environment have however been the subject of a number of debates.

The Governments' expert committee have recommended that the rules on psychosocial occupational health and safety should be clearer and more transparent. The recommendations have not resulted in political action.

## **Employment status 2018**

No major changes in 2018 for: **'Standard' employment contracts**; Self-employed; Fixed term contracts; Temporary agency workers; Posted workers; Seasonal workers **and** Zero hour contracts.

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**WPEF19031**

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