

Coordinated Multi-Employer Bargaining in Denmark

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Introduction

Denmark – 6 million people

A Coordinated Market Economy (CME)

A long tradition for multi-employer bargaining

A relatively strong trade union movement

The revival of multi-employer collective bargaining

The Danish case:

- Horizontal and vertical coordination of multi-employer bargaining
- The circular process of bargaining
- Important capacities in this bargaining system – potential lessons for Chile



A revival of multi-employer bargaining - Context



OECD 2019: *A flagship report*

‘Organised decentralisation’ = links between enterprise bargaining and sector/national level bargaining **“tends to deliver good employment performance, better productivity outcomes and higher wages for covered workers”**

“By contrast, **other forms of decentralisation** that simply replace sectoral with firm-level bargaining tend to be associated with somewhat **poorer labour market outcomes.**”

New data and a new approach how to understand multi-employer bargaining

A 3-year study, 270 pages

European Directive 2022: Minimum wages / Collective bargaining

“Sectoral and cross-industry level collective bargaining [multi-employer bargaining] is an essential factor for achieving adequate minimum wage protection and therefore needs to be promoted and strengthened.”

Article 4 in directive: Promotion of collective bargaining on wage-setting



The centralization of interest representation

Danish employers' organisations

Danish Employers' Confederation, *Dansk Arbejdsgiverforening* In the late 1980s more than 150 member organisations - only 11 remain today

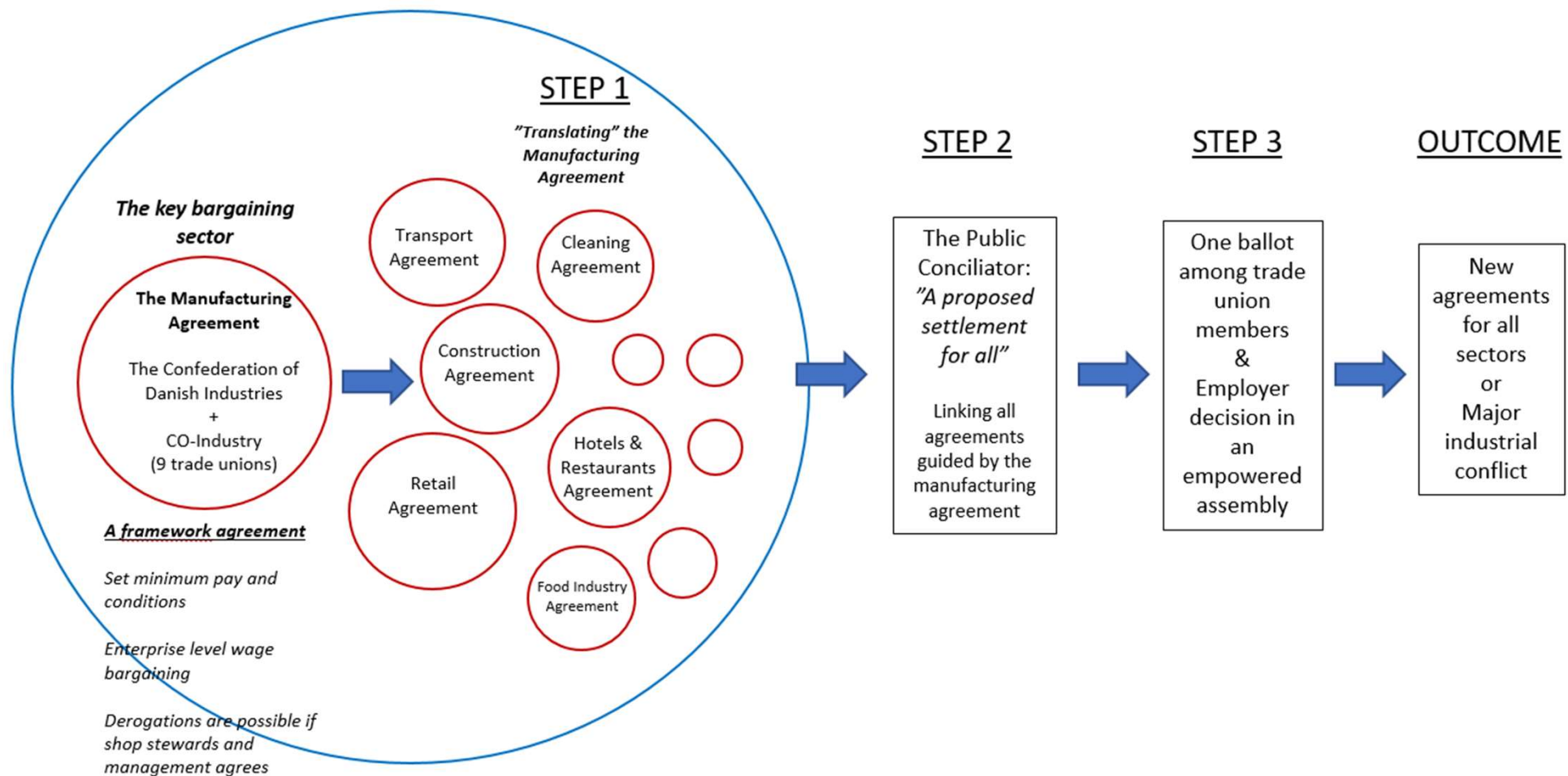
Of these, **the Confederation of Danish Industry**, *Dansk Industri* (DI) covers 70 % of the total payroll covered by member associations.

Danish trade unions

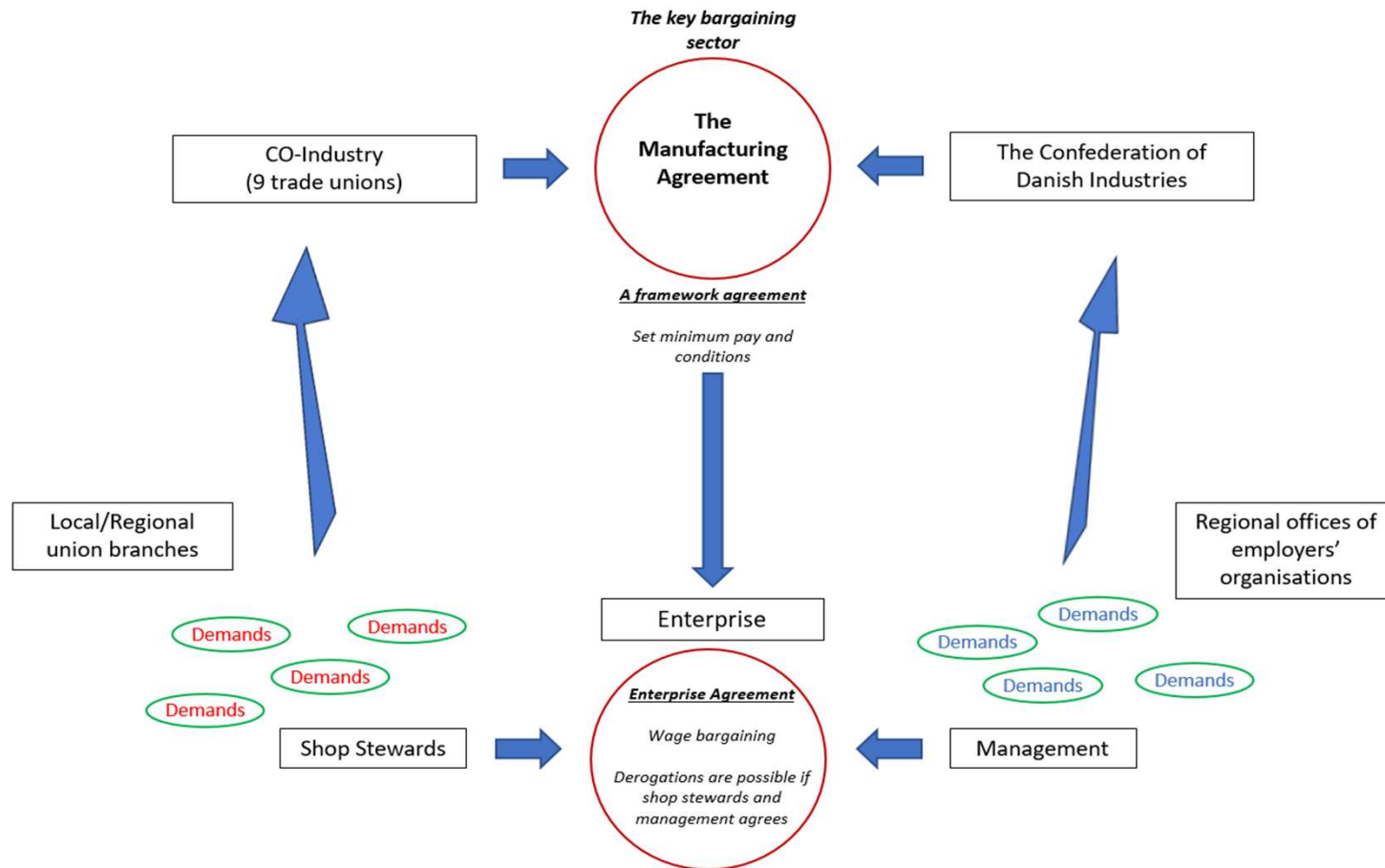
The Danish Confederation of Trade Unions, *Fagbevægelsens Hovedorganisation* (FH), is the result of a merger in 2019 between the traditional LO confederation and the second largest trade union confederation, FTF, dominated by public sector trade unions

CO-Industri, Central Organisation of Industrial Employees in Denmark - an umbrella organisation for 9 trade unions (Metal Workers Union, the Union for Unskilled Workers in Manufacturing, the Union for Commercial and Clerical Workers, etc.)

Multi-employer bargaining – horizontal coordination



Multi-employer bargaining – vertical coordination



The cycle of renewing collective agreements



The Statistical Council

The council's tasks are:

- to analyse and assess the development of direct and indirect labour costs in Denmark and abroad
- Follow price developments and developments in productivity and real wages

The committee prepares an annual status report based on the latest statistics on wages, prices, and productivity trends.

The committee consists of the Ministry of Finance (chairman), the Ministry of Economy and the Interior, the Ministry of Employment, the employers' confederation, DA, and the trade union confederation, FH. A representative from Denmark's Central Bank take part in meetings with the status of observer and analyst.

Important capacities – organisations and organisational culture

Organisational capacities: Legal, economic and administrative capacities

Secretariats that include some level of legal, economic, and more broadly administrative capacities will enhance the possibility of initiating a process of multi-employer collective bargaining

Enhancing capacities and legitimacy via mergers of organisations – both on employers' and employee's side

To ensure the continuity of contacts - formal as well as informal

Building a trustful relationship to your counterpart takes time – and numerous meetings formal as well as informal

It goes for all levels of contacts and dialogue that both formal and informal meetings can pave the way for constructive negotiations.

Trust building: developing a culture of collaboration

The relationship between employers and unions in Denmark is characterised above as a 'conflict partnership'.

Important capacities - institutions

Role of mediation in ensuring a stable and coordinated multi-employer bargaining system

Third party mediation when employers and unions are unable to reach agreement

Despite the resourcefulness of Danish employers' associations and unions, the state conciliation board, i.e. the public conciliator, plays a crucial role in coordinating the bargaining process via the ability to interlink collective agreements and being responsible for the 'proposed settlement for all'

A forum for building shared understanding of key economic trends and data

The aim is to share information and data to reach a shared understanding of key economic figures prior to negotiations. In the Danish *Statistical Council*, this also includes producing reports that all involved parties can support. This type of council is not unique for Denmark, as similar forums exist in several European countries. The assumption is that some form of similar council could prove helpful in the Chilean context.