



**A relatively calm and just labor
market and society via tripartite
social dialogue, seen through trade
union eyes.**

The so-called "Danish model" as a
strategy to create jobs and social

welfare



Ministry of Employment of Denmark

- Mission: "Creating the framework for a modern and flexible labor market."
- The labor law
- Work Environment
- Compensation for occupational accidents and diseases
- The effort to maintain and create jobs
- The Holidays Act
- Pensions internationally
- Benefits to unemployed, sick, etc..
- Supervision of Unemployment Insurance funds and municipalities

The goal: The development of production and employment in the country.



Clash of interest or common interests?

The birth of social dialogue in DK

- 1871-80: The first unions and the Socialist Party
- The 1870's: Strikes wage coordinated "The round the screw"
- 1896: The Association of Employers
- 1897: "The Federation of Working Men" - the unskilled, now 3F
- 1898: The first Trade Union Confederation, now LO-Denmark
- 1899: Conflict widespread. Employers tried to destroy the new unions with a lockout Resolution was achieved with the "September Agreement" - then the "General Agreement" on the labor market



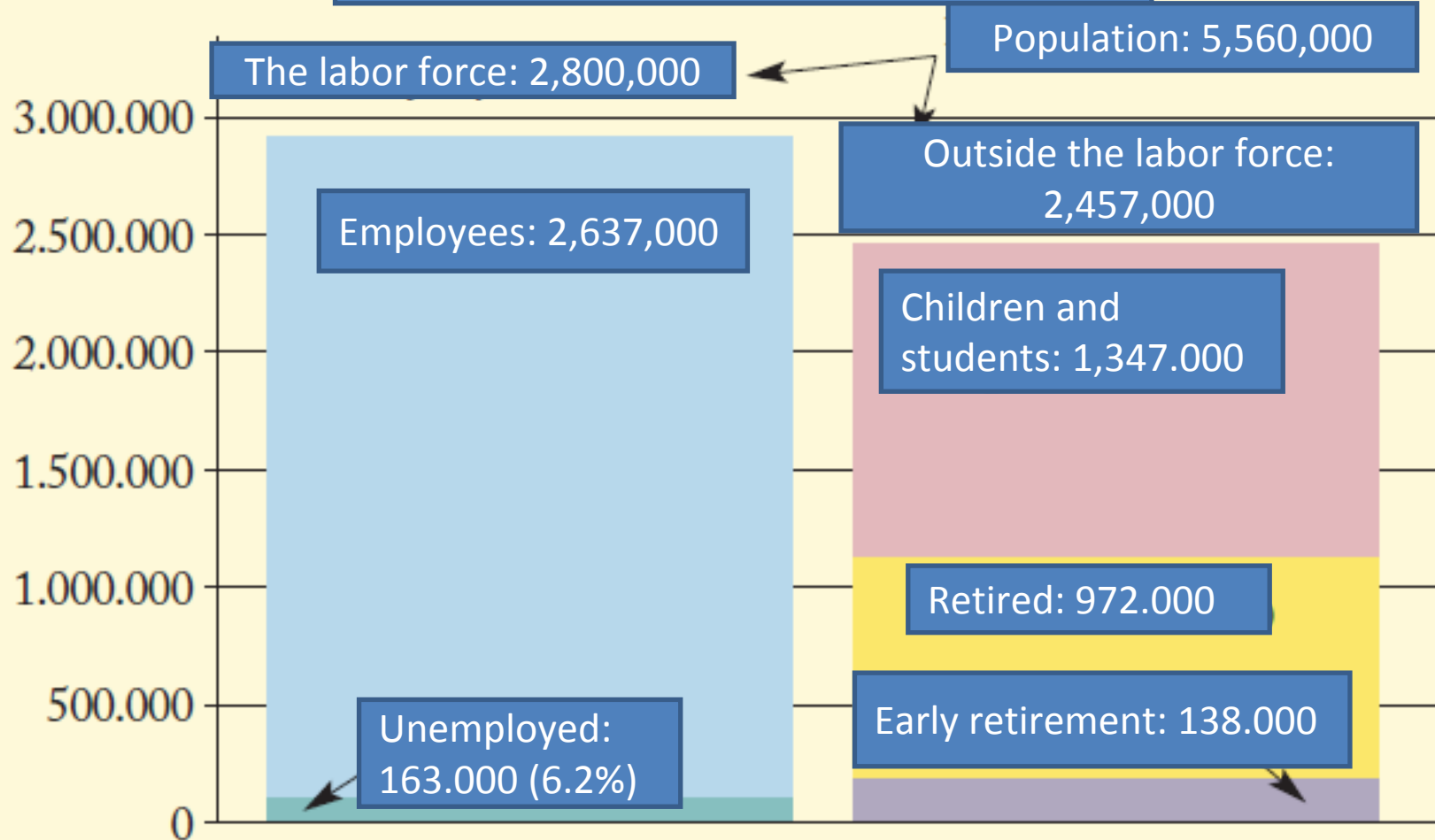
Tripartite system development

- The state adds to the dialogue:
1910: a tripartite committee developed:
 - The Standard Industrial Disputes Procedure
 - The law of the Industrial Arbitration Court
 - The Law of appointment of public labor mediatorsThen came more political will in the tripartite dialogue - political reforms - especially since the 1920's under the first social democratic governments.

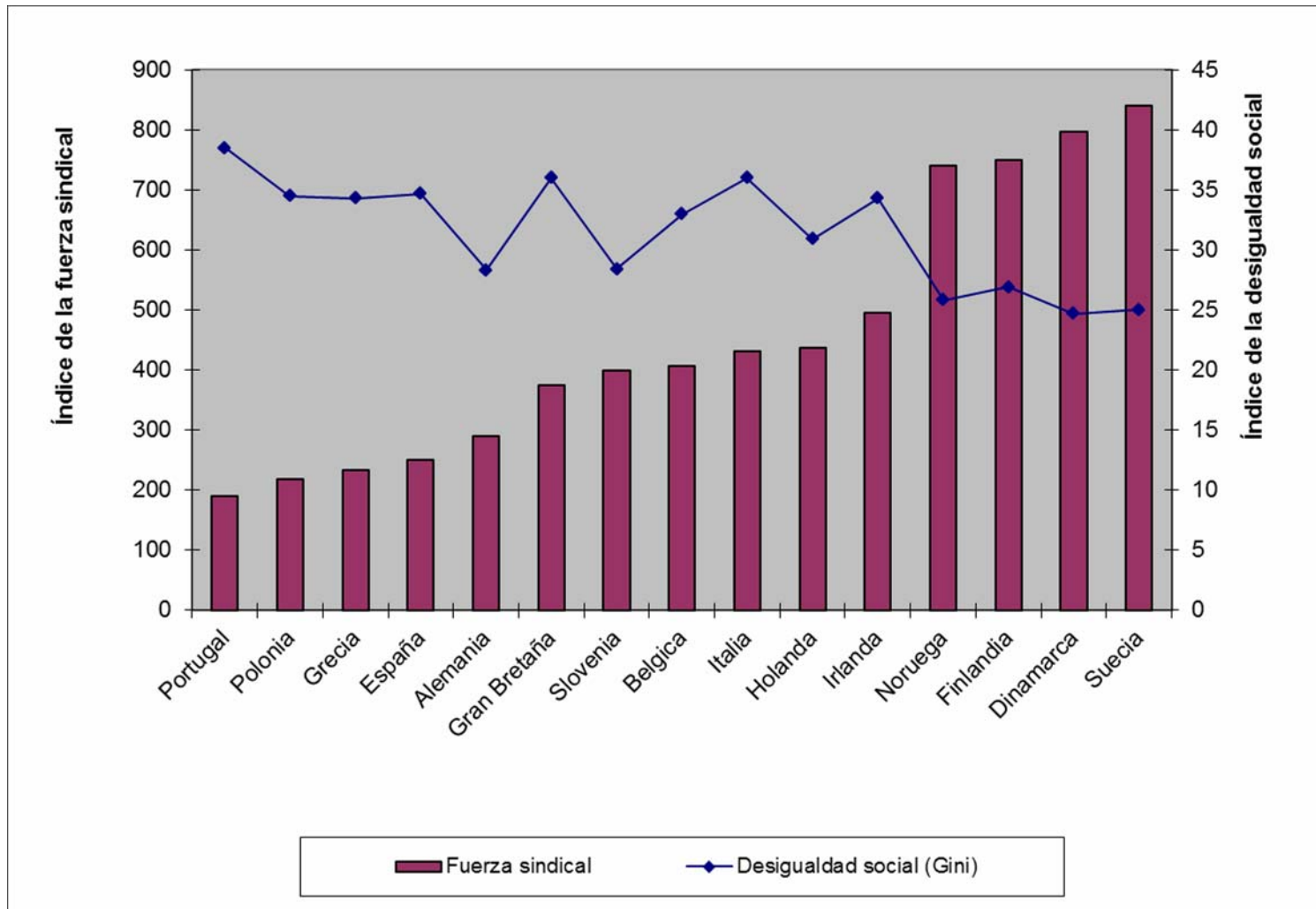
A well organized labor market

- ➡ The degree of unionization has dropped from 75 to 60% during the last 15 years.
- ➡ 85% of workers covered by sectoral or branch collective agreements.
- ➡ Nearly 100 % in public sector organized.
- ➡ Most employers organized.

The DK Workforce



Social equality and unionization



Labour court in DK

Conflicts of interpretation of rights and conventions

The Labour Court

Conflicts of interests

Consultation of the proposed agreement

Arbitration

Organizations meetings

Mediation meeting

Negotiation meeting

Local conflict

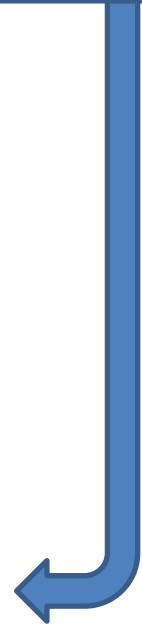
Mediation and arbitration

Strike, lockout, lockout etc.

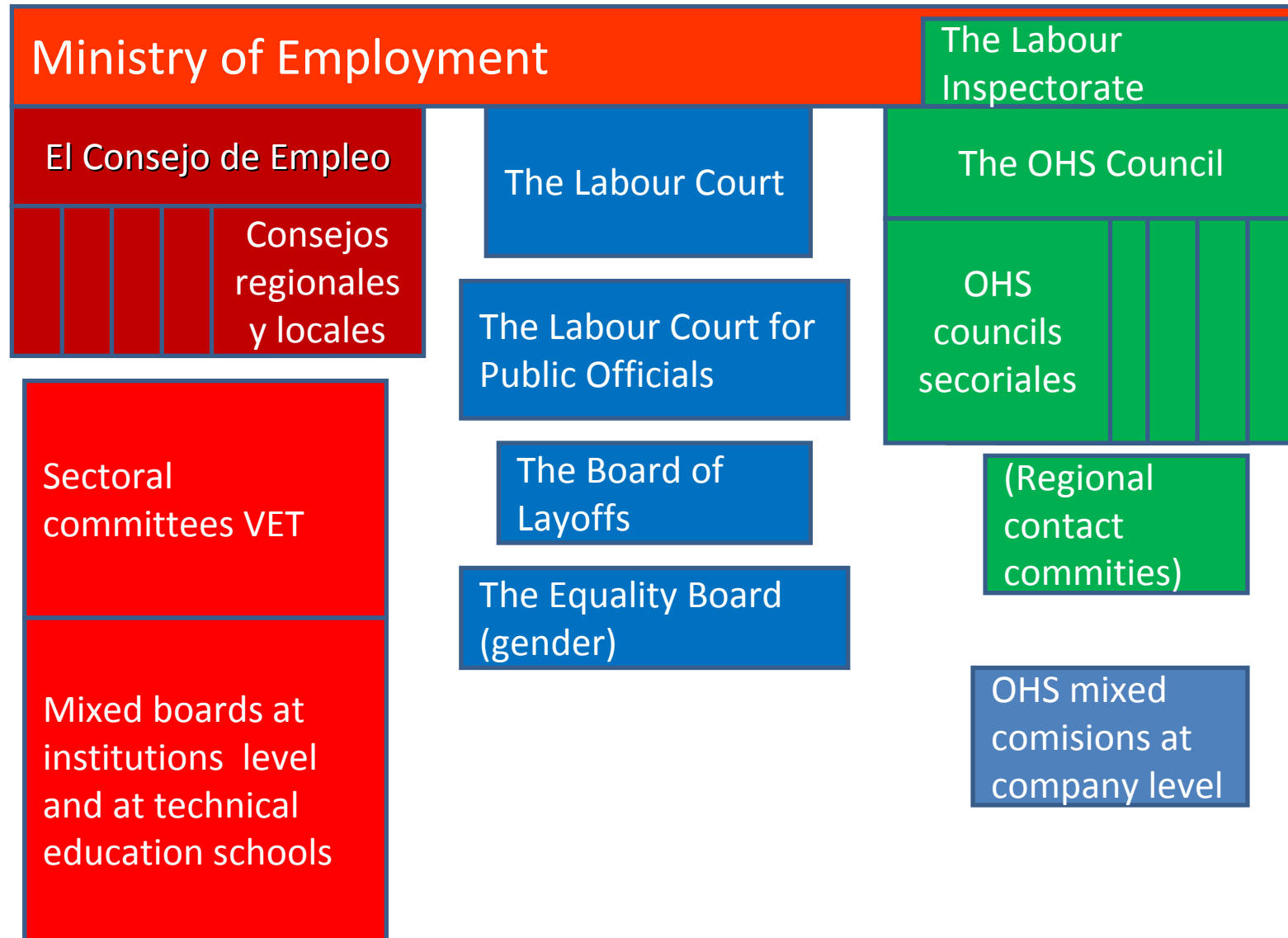
Conflict early warning

Collective bargaining agreement negotiations

List of Demands



The structure of social dialogue



Labour inspection in DK

- ➡ Only control on OHS, workpermissions, taxpayment, the law on vacations, the law on smoking in working centres, etc.)
- ➡ The ministry of labor have about 500-600 inspectors to do this.
- ➡ All employers registred will have a "smiley".
<http://arbejdstilsynet.dk/da/tilsyn/smiley.aspx>
- ➡ The job of the inspectors is to help the employers to make their OHS better and in a good shape.

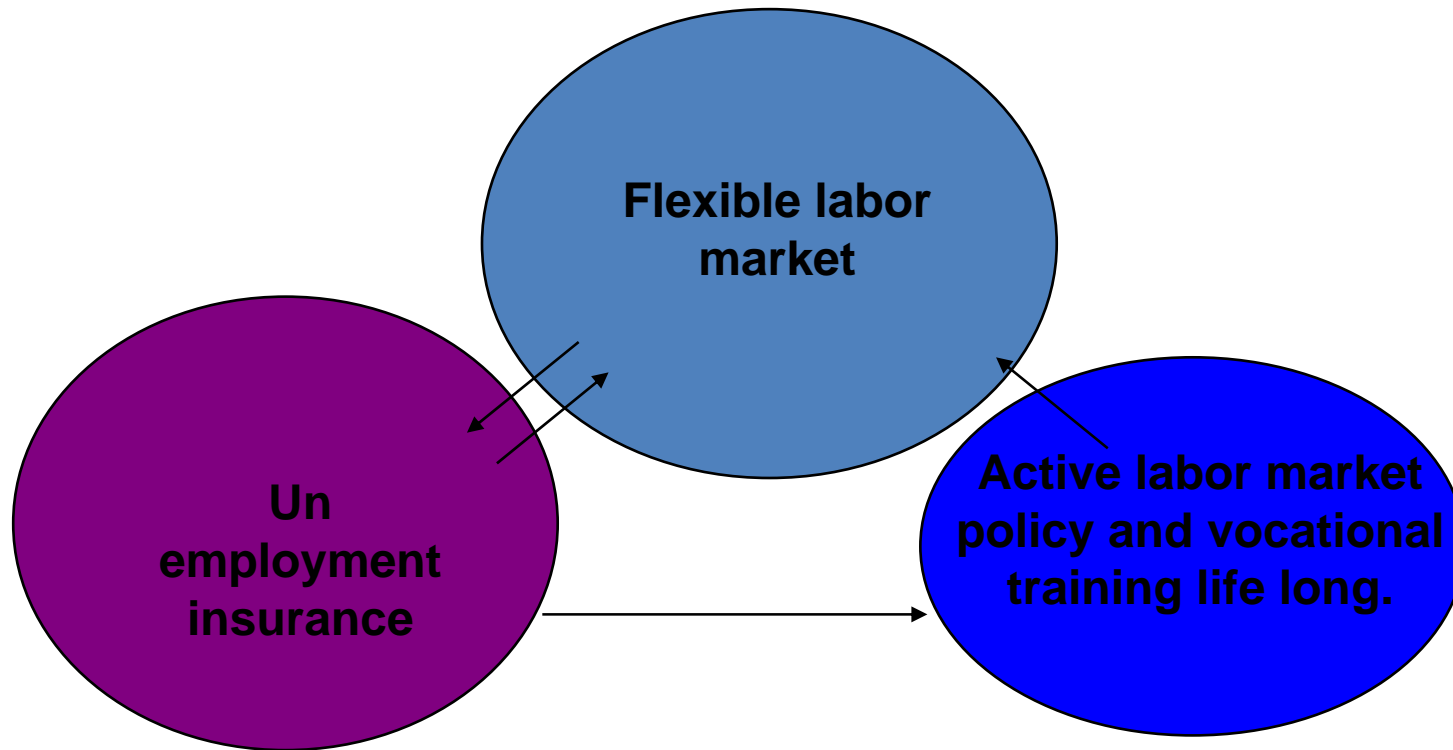
Councils, commissions and boards

- ➡ The Board of Appeals for the Job Market
- ➡ The Holiday Fund
- ➡ The Work Environment Council
- ➡ The Appeal Board Pension System Additional Labor Market
- ➡ The Employment Appeals Boards
- ➡ The Employment Council
- ➡ Regional Councils and Local Employment
- ➡ The National Network for Business CEOs
- ➡ The National Board of the Research Centre for Environment Education
- ➡ The Commission on Occupational Diseases
- ➡ The Board of gender equality on the labor market
- ➡ The Fund for prevention of risks on the labor market

“The FLEXISECURITY”

- A flexible labor market
- With a high degree of social security
- At low costs for the employers
- A commitment from the three parts to contribute to improve competitiveness
- With a workforce increasingly qualified

"FLEXISECURITY" in Denmark



Bi-and tripartite dialogue - important issues

- ➡ Employment and unemployment
- ➡ Early retirement and rules for the unemployed
- ➡ Economy and social welfare (holidays, maternity management policies of inflation and purchasing power)
- ➡ The inclusive labor market (disabled)
- ➡ Immigration (immigrants and refugees)
- ➡ Gender Equality
- ➡ Health and safety at work
- ➡ VET
- ➡ Employment Law
- ➡ Resolution of disputes
- ➡ Collective bargaining

Benefits for workers

- There are two social safety nets in case of unemployment: unemployment insurance and social benefits
- This supposedly keeps unemployment relatively low and a high level of security
- Right to free education and vocational education and training throughout working life
- A heavily unionized workforce, that keeps a relatively high social standard.
- Workers must remain available for the labor market and accept job offers

Benefits for the employers

- ➡ It's easy to hire and fire workers
- ➡ Increases flexibility and competitiveness
- ➡ The state and the workers themselves bear a large part of the social costs
- ➡ The state and the unions encourage investment in new technology
- ➡ It is usually possible to achieve national agreements and trust in their implementation

Benefits to the state

- ➡ Promotes technical and social development to improve the international competitiveness
- ➡ You can reach compromises with both sides of the labor market on state spending (subsidies and benefits)
- ➡ Maintaining a stable social and labor situation
- ➡ It is possible to handle the economic situation to some degree
- ➡ The involvement of the two major players in the detailed legislation to promote understanding, ownership and subsequent compliance
- ➡ It involves an expansion and cooperation with regard to enforcement

Denmark - a paradise?

- ➡ The country ranks first in "happiness"
- ➡ Among the countries with the wage and social security higher and moderate inequality
- ➡ But this is a fairly open economy affected by global crisis
- ➡ In ten years we have fallen from no. sixth to no. twelfth in "wealth"
- ➡ In 2008 and 2009 there was an economic decline and in 2010 a growth of 2%
- ➡ The number of "poor" is growing at an alarming rate
- ➡ We have much to learn from other parts of the world