



Lockouts and other industrial relation conflicts in Denmark - a bargaining model in crisis?

Mikkel Mailand

Employment Relations Research Centre, FAOS
Department of Sociology University of Copenhagen

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What I want to talk about

.....for the next **15 -20 minutes**

- Problem indicator – three of latest five CB-rounds in trouble
- The basics of the Danish public sector IR-model
- CB round 2008 and 2011
- CB round 2013 and 2015
- CB round 2018
- Summing up challenges – structures, power, interests and trust
- Discussing the needs for adjusting the model

Problem indicator – three of latest five CB-rounds in trouble

Low level of conflict traditionally....

- The Danish IR-model normally perceived as relatively **consensual** - also in the public sector
- The number of **work stoppages** due to industrial conflicts has declined since the 1990s
- Roughly speaking a major **industrial conflict every 10th year**
- **No industrial conflict** in private sector CB rounds since 1998



Problem indicator – three of latest five CB-rounds in trouble

...but recently a high level of conflict in public sector CB-rounds

- **`08**: Focus wages in health and care, mediation failed, long strike, no legal intervention
- **`13**: Focus working time in teaching, mediation failed, lockout without prior strike, legal intervention follows employers' demands
- **`18**: Focus three major issue in total public sector. Strike and lockout warnings, long mediation process, no conflict



Basics of the Danish public sector IR-model

The bargaining structure – three levels

- **Cartel** bargaining - trade union coalitions (state, regions and municipalities) w/ Ministry of Finance, Danish Regions, Local Government DK
- **Organisation** bargaining – individual unions, same employers
- **Local level** bargaining (not incl. in triannual bargaining rounds)
- **Regulation Mechanism** ties public sector pay to private sector

The triannual CB rounds – cover cartel and organisation bargaining

- **Hierarchy:** 1) state 2) municipalities 3) regions. Has become more marked in recent years as Ministry of Finance clear leader
- In case the parties cannot reach agreement > conflict warning + involvement of **Mediation Institution (MI)**
- If mediation futile and government find conflict ‘too damaging’ > **legal intervention**



Basics of the Danish public sector IR-model

Sources of possible unequal power-relation

- **State employer** is the Ministry of Finance, i.e. **not independent**
- **Double role** of Minister of Finance as negotiator and legislator > two possibilities, bargaining and legal intervention
- Strike and **lockout legally possible**, lockout also without strike
- Strikes don't work as economic weapon, but as **political weapon**
- In sum: **Power more unequal** than in private sector CB rounds – unlimited possibility of lockout 'unfair'?

2008 and 2011 collective bargaining rounds

CB 2008

- Context: Economic **boom** and focus on quality in public sector
- '**Warm hands**': More jobs and more pay to health and employees, support from general public + part of parliament
- Health and care workers wanted **higher pay** increases (15 %) than rest of employees. Mediation failed
- Surprisingly the strike allowed to run **without legal** intervention. Health & care workers got marginally more, but for a price

CB 2011

- Context: Economic **crisis** and crisis-consciousness in population
- Employers' starting with '**tougher**' demands
- De facto **pay-freeze** and very few other changes (mutual 'no')
- Employers strengthen **management prerogative** after CB-round



2013 and 2015 collective bargaining rounds

CB 2013

- Context: Economic **crisis** continuous, but less severe
- Agreements everywhere but **teaching areas**
- Employers' demand: wind-up **working time** CAs for Folkeskolen (6-15 yo) and Gymnasium (15-19 yo). Re: educational reform
- **Gymnasium** teachers 'sold' their bargaining right on working time, **Folkeskole** teachers lost theirs after fruitless 'bargain', mediation and 3 ½ weeks of lockout and finally legal intervention

CB 2015

- Context: Economic **crisis over**
- **Real wage increases**, but changes in RM and 'depth' introduced
- After CB-round: Min. of Finance try to **improve budget by further extending** 'space' for the management prerogative



2018 collective bargaining round

CB 2018 context and process

- Context: Economic **growth**, state trust-crisis, musketeers oath
- **3 issues**: Pay and 'depth', paid lunch, teachers working time
- **No agreements** late February: All three main CB-areas to MI.
- Strike warning (10 %) followed by near **total lockout warning**
- After 1st extension part of regional CB-area **agreement was made in late April**. The other areas followed with similar deals

CB 2018 result

- **Real wage** increases near TU demands, '15-changes in RM **gone**
- **Paid lunch** secured politically (for free) or legally (small price)
- No **working time** agreement, but commission preparing CB 2021
- **How possible?** Musketeers oat, no one wanted conflict, others?



Discussing needs for adjusting the public sector IR-model

Høgedahl (2017) - public conflict resolution models in Scandinavia

| | Lockout possible/used | Legal intervention | Autonomous state employer | Conflict level |
|----|-----------------------|-----------------------|---------------------------|----------------|
| DK | X/X | X (by Parliament) | - | (High) |
| SW | X/- | - | X | Low |
| NO | X/- | X (partly by Parlia.) | (X) | Moderate |

Discussion on IR-model in the public sector during 2018

- Three largest political parties declared themselves ready to '**discuss** the model'. Two have proposed changes in favour of TUs
 - But should the Parliament or the social partners decide on this?
- **Employers' savings** during conflict returned to welfare area
 - Government accepted, but does this make strikes to a economic weapon?
 - Does CB 2018 show that the political weapons of TU are strong?



Discussing needs for adjusting the public sector IR-model

Discussion on IR-model in the public sector during 2018

- An **autonomous state employer**
 - But would this secure 'real' autonomy?
- More **powerful Mediation Inst./National Mediation Council**
 - Maybe a good suggestions
- In sum: Not bag suggestions, **but**
 - ...are the sources of recent public sector IR not as much (mis)trust and diverging interests, as power and formal structures?