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 chances 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

<table>
<thead>
<tr>
<th></th>
<th>Lockout possible/used</th>
<th>Legal intervention</th>
<th>Autonomous state employer</th>
<th>Conflict level</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>X/X</td>
<td>X (by Parliament)</td>
<td>-</td>
<td>(High)</td>
</tr>
<tr>
<td>SW</td>
<td>X/-</td>
<td>-</td>
<td>X</td>
<td>Low</td>
</tr>
<tr>
<td>NO</td>
<td>X/-</td>
<td>X (partly by Parlia.)</td>
<td>(X)</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

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?