Bargaining and Social Dialogue in the Public Sector (BARSOP)

National report Denmark

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1. Introduction

1.1 Short presentation of the project
The project Bargaining and Social Dialogue in the Public Sector (BARSOP, EU grant VP/2015/004, led by AIAS, Amsterdam University) addresses, from a multidisciplinary and multi-level governance perspective, how the economic and financial crisis has transformed industrial relations, social dialogue and employment in the public sector within the European Union and in particular in nine EU Member States: Denmark, Germany, Italy, the Netherlands, Slovakia, Czech Republic, Spain, France, and the United Kingdom. The BARSOP project has, in the nine countries mentioned, reviewed how social partners have been responding to the pressures created by the crisis, with regard to terms of collective bargaining and social dialogue processes, with regard to specific social partner crisis initiatives and with regard to outcomes. In addition, it has reviewed changes in the legal, budgetary and broader public policy setting in which the public sector social partners operate, their effects on industrial relations and the quantity and quality of employment in the public sector. It has drawn lessons from this analysis concerning the ways in which social partners in the public sector can deal with the challenges posed by the crisis.

Within the public sector, BARSOP focuses on three major sub-sectors: healthcare (hospitals), education (primary education), and local and regional authorities (within which each partner country chose one subsector to focus on). In Denmark the choice was eldercare.

1.2 Research question, methods and structure of the report
The project coordinators have asked the project partners to answer two closely interrelated research questions with a set of sub-questions/points of focus. In practice they are however inseparable and the empirical work to answer the two questions will overlap substantially:

1) The evolution of industrial relations in the public sector. This first question concerns the evolution of industrial relations in the three (sub)sctors. Here the focus will be on the changes that have taken place in the past 15 year with regard to:
   • the social partners’ structure and organizational capacity, ideologies and strategies, relationships (consensual or conflictive) and the coverage of collective bargaining, social dialogue and other relevant processes
the reasons for changes in the above, including changing economic and financial conditions, changing power resources, changing ideas on the role of industrial relations, changing political colours of governments, etc. Special attention will be given here to the role of the economic crisis.

2) The role of industrial relations in shaping the public sector in times of New Public Management (NPM) and austerity - in particular the effects on the changes on quantity and quality of employment and the availability and quality of public services. Again the focus will be on the past 15 years, and emphasis will be put on four sub-questions:

- What shape has public sector reform taken in the country in general and in the three sectors in particular?
- To what extent and in what way have industrial relations actors (trade unions and employers and their organizations) influenced these reforms?
- What effect have reform policies had on the number and quality of jobs in the public sector?
- What effect have the changes in quantity and quality of jobs had on the availability and quality of public services?

The present report is the projects’ national report regarding Denmark. The first chapter gives an introduction to the public sector in Denmark in general and the relevant public sector reforms from the last 15 years, whereas the second chapter present public sector industrial relations in general and the impacts of the crisis on this across sectors. The third, fourth and fifth chapters analyses the impact on the crisis and other drivers on industrial relations and the qualities of employment and public services in hospitals, primary and lower secondary education and eldercare. The discussion of the results and the findings are found in the sixth chapter.

With regard to methods, the national report uses mainly secondary sources such as academic publications, statistics from Statistics Denmark, collective agreements from the three chosen sectors and report and statistics from social partners organizations and public authorities and newsletter and newspaper articles. Semi-structured interviews have only been used to a limited extent – in total six semi-structured interviews were conducted in the period October 2016 – May 2017. Moreover, part of the chapters on the hospital sector and the school sector recycles findings from other projects (see these chapters for further information). The data-collection period ended in May 2017, although a few updates regarding events taken place later than that are included.

1.3 Introducing the public sector in Denmark
Denmark has one of the largest public sectors in Europe both measured in share of the economy and share of employment. This was the case 15 years ago and it
is still the case today. The public sector’s share of BFI\(^3\) remained between 26 and 28 % since 2000 (27 % in 2015), and the public sector has employed between 28 and 31 % of all employees in the same period (29 % in 2015) (Statistik Årbog 2017). The number of employees in the three main areas of the public sector is 173,000 in the state area, 122,000 in the regional area and 416,000 in the municipal area (Statistics Denmark 2017; see below for more details). As many as 38 % are working part time - and the large majority of these people are women. Moreover, 10 % are on temporary contracts (Mailand 2015b).

Subcontracting of public services is possible in the majority of the public service areas and is used to a large extent. The interest organization of the municipalities - Local Government Denmark (LGDK) - agreed in 2007 that 25 % of the public services (of the services it is legally possible to sub-contract according to legislation of social services) should be ‘exposed to competition’, meaning that they should be contracted out, but that it would be possible for the municipality itself to make a bid. A non-binding target set in 2011 aimed at increasing the share to 31.5 % (Økonomi- og indenrigsministeriet 2013). In 2011, 25.0 % of the public services legally possible to subcontract were exposed to competition. In the municipal sector, de facto subcontracting to private providers accounted for 26.9 % of the services in 2016 (see table 1.1.)

It is noteworthy that the level of outsourcing (measured as the percentage of services exposed to competition) has remained the same before and after the crisis.

<table>
<thead>
<tr>
<th>Year</th>
<th>'06</th>
<th>'07</th>
<th>'08</th>
<th>'09</th>
<th>'10</th>
<th>'11</th>
<th>'12</th>
<th>'13</th>
<th>'14</th>
<th>'15</th>
<th>'16</th>
</tr>
</thead>
<tbody>
<tr>
<td>IKU</td>
<td>19.5</td>
<td>22.6</td>
<td>24.0</td>
<td>24.1</td>
<td>24.9</td>
<td>25.0</td>
<td>25.4</td>
<td>26.0</td>
<td>26.4</td>
<td>26.5</td>
<td>26.9</td>
</tr>
</tbody>
</table>

Note: IKU = services exposed to competition as a percentage of all services, which it is legally possible to expose to competition. Source: KL (2015; 2016).

As indicated in table 1.1, the exposure to competition increased substantially, but this happened before the crisis and was a reaction to a political demand for increase in exposure to competition in connection with the so-called Structural Reform from 2007, which restructured the administrative map of Denmark and the division of responsibilities between the different levels of administration (see below) (Mailand 2014a). In this way the Structural Reform established a point of departure for seeking economies of scale through larger administrative units and more widespread use of contracting out (Hjelmar et al. 2012).

1.4 The public sector reforms
In this section we will first present the pre-2008 reforms, and then the post-2008 reforms. The pre-2008 reforms chosen for presentation here consist of the

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\(^3\) ‘Bruttofaktorindkomst’ (BFI) is measure of national income alternative to and lower than Gross Domestic Product (GDP). BFI = GBP – (production taxes – subsidies).
NPM-reforms, the Structural Reform (of regional/local administration) from 2007 and the Quality Reform from the same year.

The pre-2008 reforms

The NPM-reforms have included, inter alia, privatization, contracting out, consumer choice, competitive tendering, performance related management and decentralization (of wage-setting and other issues) (Ibsen et al. 2011; Greve 2006; Hansen & Mailand 2013). The NPM-reforms - or reforms with NPM-elements - have in recent years been accompanied by other reform trends that, nevertheless, only rolled back NPM to a limited extent (Greve 2012). It is important to note that the trade union in most of the reforms presented below were involved through bargaining or at least consultation processes. Some are the social partners own initiatives agreed upon in the collective bargaining arena while others have a political origin.

The basic features of the public-sector industrial-relations system remained unchanged; rather, this system shaped the type of NPM that was introduced. Some researchers find it more accurate to talk about "modernization" rather than "marketization", meaning that the reform-path taken in Denmark has mixed marketization with other types of reforms, and hence, NPM has been described as moderate. The path has also been moderate in the sense that social partners have, by and large, been dedicated to the modernization agenda, initiated in the early 1980s through the following decades (e.g, Ejersbo and Greve 2005; Ibsen et al. 2011).

The development of NPM in Denmark has gone through several phases. Firstly, in the 1980s, the Conservative-led government initiated the first ‘Modernization-program’, which included NPM. However, privatization and contracting out was not achieved to any large extent, but consumer choice was introduced, and local wage determination in various forms was introduced from 1987 (Ibsen et al. 2011).

In the 1990s, a center-left government continued many of the NPM-oriented reforms, especially in the form of management by contract and large-scale privatizations of public utilities. Regarding wages, the trials from the 1980s were made permanent and formalized when social partners in 1998 agreed to decentralize part of wage determination within the framework of the new wage-system ‘Ny Løn’ and allow deviations from central working time provisions (Ibsen et al. 2011). It was also in the 1990s that the important system of occupational pensions was established covering private as well as public sector employees and linked to the collective agreements (Due and Madsen 2003). The development of this new form of pension was not a NPM-reform, in the strict sense, but can be seen as a special form of privatization of a public service involving social partners (Trampusch 2006). This development marked the beginning of the gradual development of a comprehensive, bipartite occupational-pension system.
into which contributions of ‘bonuses’ equal to up to 19% of public-sector employee wages are now paid. In addition, rights to further training and tools to include employees with reduced capacity to work were introduced in the public sector collective agreements during this period.

In the 2000s, the Liberal–Conservative government strengthened NPM with free customer choice in welfare services and extended compulsory competitive tendering while maintaining strong central controls through performance and quality management (Ibsen et al. 2011). However, the government also introduced a number of reforms that were not NPM reforms in the strictest sense, although they included some NPM elements: 1) The Welfare Reform from 2006, whose aim was to redesign the public sector and its financing in order to meet the challenge of an aging population and other challenges and 2) the Quality Reform from 2007 that aimed to improve service levels and job satisfaction for public employees; this reform promised to end detailed control systems and enhance the focus on skills development and local innovation. Social partners in the public sector followed up this reform by allocating financial resources when they made a tripartite agreement to support it in 2007 (Mailand 2006); 3) the aforementioned Structural Reform, which was implemented from 2007. NPM dimensions of this reform included central control of performance and the mandate that quality and budgets should also be increased (Ibsen et al. 2011). Regarding the IR-system, the Welfare Reform and the Quality Reform have had consequences for the retirement age and further training whereas the Structural Reform has led to larger workplaces and larger areas being covered by collective bargaining and codetermination. Moreover, it has contributed to a decline in municipal employment.

In the 2010s, a new centre-left government continued the work on reforms with NPM features. One area where this can be seen is in the subcontracting of public services, which is possible in the majority of public service areas and is used to a large extent. The organization of the municipalities, Local Government Denmark (LGDK), agreed in 2007 that 25% of municipal public services (of the services it is legally possible to subcontract) should be ‘exposed to competition’, as mentioned above. There is no doubt, that subcontracting has had consequences for wages and working conditions, but the issue is under-researched in Denmark. The studies that have been conducted point mainly in the direction of a negative impact from outsourcing on wages and working conditions (Petersen et al. 2014; Mori 2014).

To some extent, the present decade has also seen a slowing down in the deepening of existing NPM initiatives and in the introduction of new ones. In the industrial relations (IR) system this is reflected in the low and stagnating share of wages negotiated at local level. This wage-related development is partly crisis connected, but the slowing down of NPM is in some cases also a reaction to NPM itself. The so-called "trust- reform" launch by the centre-left government illustrates this. The reform aims at reducing control over public-
sector employees and managers and reducing the time they spend on reporting in order to allow them more time for the core tasks of delivering quality welfare service (Mailand 2012). Social partners in the public sector have also picked up on this agenda and have signed both tripartite and bipartite agreements on the issue. Furthermore, at least in some parts of the public sector, user involvement is now an important tool (Hansen & Mailand 2015). In addition, there is currently a lack of willingness at the national level to allocate financial resources for decentralized wage increases, and in the Ministry of Finance it is now openly admitted that individual wage setting is not appropriate in all areas.

Some observers see the reform trend from the 2000s onwards as a departure from NPM and into New Public Governance and other trends, with an emphasis on networks, partnerships, user involvement and digitalization rather than NPM focusing on marketization in various forms (e.g. Greve 2012). Such changes might have been real, but NPM certainly still plays a role in public-sector employment. In reality, a whole new reform paradigm has been added to NPM rather than replacing it. This was, for instance, reflected in the then center-left government’s grand scale economic plan from 2012, ‘Danmark i arbejde’, in which the chapter on the public sector calls simultaneously for an increasing use of governance by goal and measurement and for a trust-reform (Regeringen 2012). The same development was evident during the 2015 collective bargaining round where the Ministry of Finance was criticized. The criticism was for, on one hand, negotiating a large-scale project on increasing trust and cooperation with trade unions, and on the other hand developing a new ‘employer policy’ where performance-related management was planned to play an important role. The challenge here is to make NPM and post-NPM features work together in a fruitful way. That goal is something the Ministry of Finance thinks is possible but is one that some trade unions and other interests doubt will succeed.

The Structural Reform implemented from 2007 changed the responsibilities of the three main areas for public services – state, county/region and municipalities. Moreover, it was a centralization exercise: the 273 municipalities were amalgamated to 99 and 14 counties were liquidated and replaced by 5 regions with a narrow range of responsibilities. The aim of reform was to create economies of scale and to improve welfare service by reshuffling the division of responsibilities between the three main areas. The municipalities (local governments) were a net-gainer of areas of responsibility from the reform.

The areas of responsibilities are now:

- State: Policy, defence and juridical system; Foreign relations and foreign aid; Tax; Education and research (except for below mentioned); Social policy area (only a national knowledge-center for education for citizens with special needs); Roads and railways; Overall nature, environment and plan-
ning tasks; Culture (only a few sub-areas); Industrial grants; Receiving asylum seekers; Overall planning of all policy and activities not mentioned under this bullet-point

- Regions: Health (most subareas, incl. hospitals, practitioners and special practitioners); Institutions for a number of groups with special needs; Regional development; Earth pollution; Raw materials; Set-up of public traffic companies
- Municipalities: Social policy area; Childcare; Initial schooling (up to 10th grade); Education for adults with special needs; Eldercare Health (minority of sub-areas); Activation of unemployed and employment service; Integration and language skills of immigrants; Water, gas and electricity and rescue service; Culture (sub-areas such as libraries, music-schools, sport-facilities, etc.) Local roads (Indenrigs- og Sundhedsministeriet 2006).

The *Quality Reform*, also from 2007, is perhaps the least important of the three selected reforms/series of reform, but still important. The aim of the Quality Reform was to improve the quality of services and job satisfaction emphasizing the consumer-citizen as agent in evaluating the quality of welfare. The reform was a reaction to, *inter alia*, an increasing perception in media and the population about reduced quality in the public service. The social partners became involved in the reform when the leader of the largest trade union confederation, LO, and the leader of one of the two largest general workers union, FOA, asked if the prime minister ‘was ready to dance’. He accepted the invitation and invited to tripartite talks which resulted in an agreement with 180 major and minor proposals, most of which survived the following Parliamentary process guided by the Liberal-Conservative government. The reform – including its Quality Fund – was allocated around 8.6 billion Euro (Greve 2012). This made it quite an expensive welfare reform in the Danish context. It included a management reform, an investment package and incorporated several opportunities to improve the qualification level through further training. The most important part of the reform might have been its further training dimension, which funded further training of public employees at all qualification levels for more than half a decade.

*The post-2008 reforms*

In Denmark, the Liberal-Conservative government responded initially to the economic crisis by introducing stimulus packages and bank packages. These packages were followed by budget cuts and welfare reforms that combined austerity measures with measures to increase labor supply in the long term. With the first of these reforms, the government included a tax reform and a gradual liquidation of the mostly tax-financed early-retirement scheme for employees and the self-employed aged 60-64. The government’s main policy response to
the crisis was the 2010 Recovery Plan (including an unemployment benefit reform). The plan was implemented inter alia via the 2010 and 2011 budgets and was the first real austerity measure. It included postponing the tax reductions; a 0.5% spending cut for all ministry budgets; a ceiling on tax reductions for unemployment insurance contributions; and an unemployment benefit reform reducing the maximum unemployment benefit period from four to two years. In 2011, municipal budget cuts - as a result of the Recovery Plan - totaled €0.6bn. Partly as a result of this plan 20% of municipalities experienced cuts in their budget of 4% or more between 2009 and 2011 (KL 2011).

The center-left government that came into office in September 2011 continued the tight budget policy, but also introduced a stimulus package (‘Kickstart’) for 2012–2013. The aim here was to stimulate the economy by investing €2.3bn in public infrastructure and other public spending measures in 2012 and 2013. As such, the package was part of the 2012 and 2013 budgets. The purpose of improving public finances and increasing labour demand is found in several of the government initiatives included in its ‘2020 Plan’ (Regeringen 2012).

Exclusively related to the public sector was the aforementioned 2020 Plan’s section on ‘Modernizing the public sector’, where the government both calls for greater use to be made of performance measurement, management by results and evaluations and trust. Furthermore, the government calls for initiatives to streamline work processes and eliminate unnecessary tasks, increase working hours in general (part-time work is very widespread in the public sector) and particularly in education (see below for how this aim was fulfilled). Also directly related to the public sector is "Growth Plan DK – Strong companies, more jobs" (Regeringen 2013). In the plan, the government states that it will ‘set free’ €1.6bn in the public sector for ‘new initiatives’ and ‘targeted improvements in the public sector’. Furthermore, the government will aim for ‘balanced growth’ in the public sector of between 0.4 and 1.0% per year until 2020. Certain public sector trade unions see the sum of these formulations and calculations as de facto austerity, leading them to refuse to cooperate with the government (also because of the 2013 bargaining round described below), whereas other unions do not see any dramatic measures here and are willing to cooperate. No matter which of these interpretations is right, it is clear that the public sector collective bargaining system will increasingly be leveraged to make the public sector more efficient (Mailand 2014b; Mailand & Hansen 2016).
2. General overview of public sector industrial relations

Whereas the formation of the IR-system in the private sector in Denmark is normally dated to 1899 and the so-called September Compromise, the IR-system in the public sector has a much shorter history. Some collective bargaining has taken place in the public sector since the Law on Civil Servants came into force in 1919. However, it was as late as 1969 that collective bargaining on wages and working conditions was formally recognized and the government became obliged to bargain with trade unions. The right and duty to negotiate covered both the state employees and the increasing number of regional and municipal employees, but civil servants were still not allowed the right to strike (Due and Madsen 2009). In summary, the Danish public-sector IR-model is characterized by relatively limited legislation, bipartite collective agreements at all levels with high coverage rates, (ad hoc) tripartite social dialogue, an extensive system for employee involvement, and relatively strong trade unions.

2.1 The organizations

The employer in the state sector is the Ministry of Finance (de facto, the Agency of Modernization, until 2011 the Personnel Agency). Hence, the state employer is not a separate unit. This situation emphasizes the political character of employers in the state sector and might have facilitated the public sector IR becoming a more important part of the budget policy in recent years. During the reconstruction of the Agency of Modernization in 2011, nearly all managers were replaced as part of a merger between this and another department. In some sectors, trade unions have since then experienced a tougher management approach, and they have understood the replacement of managers as a part of this development whereas in other subsectors, they have experienced a more cooperative approach (Mailand 2014b). This issue will be discussed further in section 5 and section 6.

As for the municipalities, their employer is LGDK. The large number of responsibilities, the relative autonomy of the municipalities, and the high number of municipal employees means that LGDK is a relatively strong organization. This is true even though it may have lost power during recent decades due to the centralization of political power in the Ministry of Finance. At the local level, individual municipalities and public institutions themselves are the employers. In the regional area, the employer is Danish Regions (with the bargaining unit being The Regional Pay Council). At the local level bargaining takes place between the individual regions and the unions, but public institutions (de facto, the hospitals) might be the most important employer units because of their size.

Whereas the employer structure in Denmark as described is generally straightforward, it is more complex on the trade union side. Of the three confederations - the Danish Confederation of Trade Unions (LO), the Confederation of Professionals in Denmark (FTF), and the Danish Confederation of Professional
Associations (Akademikerne), only the latter plays a direct role in collective bargaining.

Put simply, one or two bargaining cartels exist in each of the three main bargaining areas. The cartels are more or less permanent cooperation structures between individual trade unions, and they take hand of bargaining at cartel-level (see below). The unions in the state and regional areas are predominantly professional unions, organizing one or a few occupations. The professional unions are also important in the municipal sector, but so are the general unions. The two largest of these are 3F and FOA. 3F is cross-sectoral and covers many unskilled and semi-skilled workers, whereas FOA is focused on the social policy area and health. In addition, the average education level and income level is highest in the state area and lowest in municipal area.

There has been a decline in trade-union organizational density between 1996 and 2011, but less so in the public than in the private sector. For the subsectors where statistics exist for the whole period from 1996 to 2011 the decline has been between 91 and 89% (public administration), 86 to 80% (education) and 92 to 83% (health) (Statistics Denmark, "tailor-made" figures).

2.2 Collective Bargaining
Collective bargaining covers no less than 98% of the employees in the state sector. The remaining 2% covers employees who solely have individual contracts or whose pay and conditions are unilaterally regulated by legislation (Due & Madsen 2009: 360). No statistics exist for the regional and municipal sector, but the collective bargaining coverage is estimated to be at least as high as in the state sector.

However, these high percentages do not imply that collective bargaining is the sole important type of regulation of pay and conditions. Legislation plays a role, most importantly when it comes to employment conditions (terms of notice etc.), holiday regulation, leave of absence due to childbirth and working environment issues. Moreover, in the higher parts of the job hierarchy individual agreements often supplement collective agreements.

All three main bargaining areas - state, regions (health) and municipalities – have a three tier structure, where the first two (highest) tiers are closely related (see table 2.1) (Hansen & Mailand 2013). The first tier is ‘cartel bargaining’, which normally takes place every second or third year. During these bargaining rounds the state, the regional and the municipal employers respectively bargain with cartels (coalitions) made up of representatives of trade unions. The second tier is organizational bargaining (individual unions), which takes place more or less simultaneously with the sector-level bargaining. Here the individual trade unions conduct bargaining themselves on all occupation-specific parts of wages, pensions and working conditions within an established economic frame. Moreover, development of various projects is often agreed at this level. In times of tight budgets, there can be very little to bargain on at this level. The local level
is the third bargaining level. This has gained in importance due to the partial de-
centralization mentioned above (Hansen 2012). As a general rule it is a trade
union related shop-steward who conducts the bargaining. Bargaining issues in-
clude wages, working time, training and policies for senior employees.

Table 2.1 Levels, bargaining tables and actors in the public sector IR-model

<table>
<thead>
<tr>
<th>Sector level</th>
<th>The bargaining process</th>
<th>The actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cartel bargaining</td>
<td>Ministry of Finance</td>
<td>Local Government Denmark (LGDK)</td>
</tr>
<tr>
<td>(bi/triennial)</td>
<td>Danish Regions</td>
<td>Trade union bargaining cartels (coalitions)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization</td>
<td>Ministry of Finance</td>
<td>Local Government Denmark (LGDK)</td>
</tr>
<tr>
<td>(bi/triennial)</td>
<td>Danish Regions</td>
<td>Individual trade unions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local level</td>
<td>Institutions within the Government</td>
<td>Regions/institutions within regions</td>
</tr>
<tr>
<td>bargaining</td>
<td></td>
<td>Municipalities/institutions within municipal</td>
</tr>
<tr>
<td>(continual)</td>
<td></td>
<td>Local branch union officials/shop stewards</td>
</tr>
</tbody>
</table>

It is worthwhile to describe the framework around the sector level bargaining
round, which could be seen as the ‘heart’ of the collective bargaining structure. Here only four of the most basic features will be described:

Firstly, there exists a hierarchy between the three mentioned main bargaining
areas (state, regions and municipalities). Although they are formally independ-
ent of each other, the state area is de facto the lead bargaining area for the other
two. One of the most important effects of this hierarchy is that it is difficult for
the social partners in the municipal and the regional sectors to strike agreements
that are more expensive or which deviate in content from the agreements in the
state sector, unless the issue is something specific to the municipal or the re-
geonal sector.

Secondly, one of the bargaining partners, the government (more precisely
the minister of finance) has a double role as both negotiator and legislator. This
has several consequences. One of them is that if the government fails to get a
bargaining demand through during a collective bargaining round, the double
role provides them with the opportunity to attempt to push it through the politi-
cal arena (unless the issue is dealt with exclusively on the collective bargaining
arena, such as pay). However, there is another consequence that is more rele-
vant for the case in focus here: If the social partners fail to come to an agree-
ment during the bargaining process, the National Arbitrator cannot facilitate an
agreement either, and an industrial conflict has not made one of the social part-
ners give up, it is the government who – if they have support from a majority in
Parliament – write up the legislative intervention. If the industrial conflict has been in the municipal or regional sector, this is less controversial. However, if the state sector has been involved, the Government role as both bargaining partner and legislator could be seen as problematic. Public employers thus hold a strong position and can make the power-balances somewhat lopsided vis-à-vis the trade unions.

Thirdly, if the social partners fail to strike an agreement, it is legal for both trade unions and the public employers to initiate an industrial conflict – a strike or a lockout. This is contrary to the situation in several other European countries, where it is either illegal for both social partners or illegal for only employers to do so. The latest industrial conflicts prior to 2013 in the public sector in connection to the collective bargaining rounds took place in 1985, 1995, 1999 and 2008, but most of these were related to specific occupational groups.

Fourthly, although not necessarily fruitless, since they can be politically efficient, strikes are in general less efficient in the public than in the private sector. It is impossible to make a public institution on whatever level bankrupt through striking – they just save money during the strike. Together with the double role of the Ministry of Finance this implies that the power balance between employers and employees is more unequal than in the private sector.

2.3 The role of the crisis

With regard to employment level, this was reduced in the public sector in the early 1990s (Andersen et al. 1999), but has since increased until 2010. Since then, employment in the public sector has declined by 4.7 %, as illustrated in table 2.2. The decline has been uneven and is concentrated in local government. In regional government, employment increased by 2.5 % from 2010 to 2017 and in central government it decreased only by 0.6 %. Contrary to this, employment in local government (the municipalities) decreased by 8.4 %.

The crisis has clearly contributed to the initial decline, but it is also noteworthy that the recovery of the Danish economy from 2013 does not spill over to public employment very much, in that employment in state and regional government remains near constant and employment in local government continues, although at reduced pace.

If 2010 is used as a point of departure a net reduction in employment is found. The whole of this reduction is found in the municipal sector. However, this reduction is as much an expression of the implementation of pre-crisis changes (the Structural Reform) and demographic trends (fewer children being born) as a manifestation of the direct impact of the crisis (Hansen & Mailand 2013).
Table 2.2 Employment in the three main subsectors in Denmark, 2002-17

<table>
<thead>
<tr>
<th>Year</th>
<th>Central government (state)</th>
<th>Regional government</th>
<th>Local government (municipalities)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002*</td>
<td>159,000</td>
<td>159,000</td>
<td>409,000</td>
<td>727,000</td>
</tr>
<tr>
<td>2005*</td>
<td>151,000</td>
<td>164,000</td>
<td>408,000</td>
<td>723,000</td>
</tr>
<tr>
<td>2008</td>
<td>166,000</td>
<td>113,000</td>
<td>433,000</td>
<td>712,000</td>
</tr>
<tr>
<td>2009</td>
<td>171,000</td>
<td>116,000</td>
<td>444,000</td>
<td>731,000</td>
</tr>
<tr>
<td>2010</td>
<td>174,000</td>
<td>119,000</td>
<td>454,000</td>
<td>747,000</td>
</tr>
<tr>
<td>2011</td>
<td>176,000</td>
<td>117,000</td>
<td>448,000</td>
<td>741,000</td>
</tr>
<tr>
<td>2012</td>
<td>175,000</td>
<td>116,000</td>
<td>439,000</td>
<td>730,000</td>
</tr>
<tr>
<td>2013</td>
<td>175,000</td>
<td>119,000</td>
<td>434,000</td>
<td>728,000</td>
</tr>
<tr>
<td>2014</td>
<td>174,000</td>
<td>122,000</td>
<td>433,000</td>
<td>726,000</td>
</tr>
<tr>
<td>2015</td>
<td>174,000</td>
<td>122,000</td>
<td>426,000</td>
<td>723,000</td>
</tr>
<tr>
<td>2016</td>
<td>174,000</td>
<td>120,000</td>
<td>420,000</td>
<td>716,000</td>
</tr>
<tr>
<td>2017</td>
<td>173,000</td>
<td>122,000</td>
<td>416,000</td>
<td>712,000</td>
</tr>
</tbody>
</table>

Source: Statistics Denmark, OFBESK2 and OBESK3, Q1-figures, full-time equivalents * = The dramatic changes in some of the figures between 2005 and 2008 are not only a result of the Structural Reform, but also due to change in calculation-methods.

Regarding employers and trade union reactions to the crisis, there have been no formal pay reductions or pay freezes, but the development in real wages has in some years been negative. In a situation like the one around 2008-09, where economic conditions deteriorated quickly, ‘The Regulation Mechanism’ (which ties wage-development in the public sector to the wage development in the private sector) has worked as a hidden austerity measure in that it led to an automatic downward regulation of wages in the public sector. The outcome of the 2015 bargaining round included real wage increases, but also a tightening of The Regulation Mechanism to prevent public sector wages from increasing more than private sector wages (Hansen & Mailand 2015).

Moreover, employers have strengthened the management prerogative, likely under the influence of the crisis, although there were no radical changes in wages, working conditions, employee rights, or any other basic qualitative features of the public-sector employment regulation system as a response to the crisis (the possible exception of primary and lower secondary education will be discussed below). Trade union membership is declining, but only marginally and less so in the public than in the private sector. Membership-related protests, among them a one-day large-scale manifestation on June 8, 2010, were organized by the largest Danish trade union confederation (LO) and a number of their member-organizations against the Conservative-Liberal government’s austerity measures. But in general, manifestations and other forms of protests have been few in number and there was no calls for general strikes (Mailand 2013a). The crisis and austerity policies did not lead led to important qualitative changes in public sector IR (Mailand & Hansen 2016).
The strengthening of the management prerogative could, however, be a part of more substantial changes, where the crisis might have been the trigger but not the only driver. Since 2011, there has been increasing pressure on LGDK from the Ministry of Finance to adopt a ‘tougher’ stance, and now the employers - and not the trade unions - are turning up to the negotiation tables with the most far-reaching demands. This situation was most clearly illustrated by the collective bargaining round in 2013, where the Ministry of Finance and LGDKs successfully used a lockout followed by legal intervention in order to move teachers’ working-time issues from collective bargaining to a unilateral regulation.

Again, the crisis (weakening trade unions and increasing budget pressure) signified only one element in the creation of a rare ‘window of opportunity’ that the government would not let pass. Other elements included the political situation (very limited opposition in Parliament, a Social-democratic government, and the inclusion of the new working-time regulation in a high profile educational reform) as well as historical factors (government defeat on similar issues in previous bargaining rounds and widespread LGDK dissatisfaction with the trade unions role in working-time regulation) (Mailand 2016). Some public sector trade unions saw this process as violating the self-governing principle in the Danish ER model (Mailand 2014a; 2014b). The 2015 bargaining round was not so marked by this ‘tougher’ employer approach, (Mailand & Hansen 2016). However, it is too early to judge it as only a temporary phenomenon, as illustrated by the withdrawal of the trade union bargaining cartel in the state sector, CFU, in December 2016 from three main joint projects decided upon in the 2013 and 2015 bargaining rounds. CFU explained the withdrawal with six areas of ‘unacceptable behavior’ on behalf of the state employer: limiting trade unions and shop stewards access to information with regard to lay-offs and transfer of employees; attempts to force employees to move around the whole country; the introduction of courses for employers where 10% of the public employees are described as unwilling to work; a ‘tight’ juridical reading of collective agreements and other regulations; ‘attacks’ on the lunch break as part of the working time (CFU 2016). The Agency of Modernization/Ministry of Finance has so far refused to accept that there are any problems with their approach to cooperation.

Quality of employment has several aspects and there is no commonly agreed definition of the term. However, here we will focus on wages, contract types and work load/work environment. It is difficult to draw a picture of this across the public sector, but here an attempt will be made: Regarding wages, we have already described that the crisis has caused a slow-down in wage development, and in some years even a (limited) decline in real wages, but no reductions in nominal wages.

With regards to contracts types, the accessible statistics do not indicate any major changes after the crisis. However, this general picture hide changes in
some sectors, including some of the three sectors from the present studies (see these below).

**Table 2.3: Atypical contracts 2009-15, percentage of all public sector employees**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary employees</td>
<td>10,7</td>
<td>10,5</td>
<td>10,5</td>
<td>10,0</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>32,3</td>
<td>30,9</td>
<td>29,6</td>
<td>29,4</td>
</tr>
<tr>
<td>Self-employed without employees</td>
<td>0,5</td>
<td>0,6</td>
<td>0,6</td>
<td>0,5</td>
</tr>
</tbody>
</table>

Note: Public sector here defined as the Eurostat NACE-categories: ‘Public administration and defense’, ‘Education’ and ‘Human health and social work activities’. Break in the time series make comparison with years before 2009 unreliable. Temporary Agency Workers are likely to be classified as temporary workers. Source: Eurostat, Labour Force Survey.

Regarding work environment issues, there is an increasing focus on the psychological work environment in general and on work related stress in particular. It is difficult to draw an precise and comprehensive picture across sectors, but the psychological work environment is an issue in most subsectors and have also entered the collective bargaining agendas.

Regarding the highly complex and difficult to measure question about *quality and quantity of services* and the role of the quality and quantity of jobs for this, no studies exist that attempt to measure the development of this at a cross-sector level in the Danish sector, and the present study has not included the resources to pursue this question. However, the question will be addressed in the studies of the three public sectors.
3. The hospital sector

3.1 Introduction to the sector

The five regions – the tier between the state and the municipalities in the structure of the public sector – have operational responsibility for the public hospitals in Denmark, whilst overall responsibility remains with the National Health Authority, which is part of the Ministry of Health (Sundheds- og ældreministeriet). There are currently 57 public hospitals, but the number is declining fast due to the decision to introduce a new hospitals structure where (nearly) all hospitals are so-called ‘super-hospitals’ covering at least 200,000 patients. When this new structure is fully implemented in 2020 the number of hospitals is reduced to 21 (Johansen 2014). Most hospitals will both be larger and more specialised than the existing ones.

The budgets for public hospitals has overall increased rather than decreased since the crisis. Figures from Danish Regions show that from 2009 to 2014 the budget has increased with 5 %. Measure as share of GDP the expenditure has increased as well. With 9,6 % the expenditure were just above the OECD average on 8,6 % in 2013 (Danske Regioner 2016).

The public hospitals employed in 2016 a staff of 117,000, divided into:

- 14 % doctors,
- 45 % nurses (incl. lead nurses),
- 7 % nurse assistants,
- 7 % doctors secretaries and
- 27 % other support staff, including administrative staff, psychologists, cleaning staff, technical staff, porters, etc. (DSR 2016).

Besides the public hospitals, there exist around 18 private hospitals and larger clinics, but the number is uncertain. The number of employees here is unknown, but the units are much smaller than in the public sector. The trade union for nurses (DSR) estimates that only around 1 % of their members works in private hospitals. The number of employees and the turnover of the private hospitals increased up until 2008, but declined afterwards as an effect of the economic crisis, improved competences at the public hospitals and new political priorities, when the government changed from liberal-conservative to centre left in 2011. This development includes both a decline in the extent to which private hospitals are used as subcontractors for public hospitals and a reduction in the prices paid to subcontractors providing health care services. However, from 2013 the turnover of the private hospitals and clinics started to increase again, but it stood in 2015 still only at half the level compared to 2008 (Sundhed Danmark 2016). After the Liberal Party regained governmental power in 2015 they have reduced the time-limits for some treatments down to one month, which might

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4 Parts of this chapter are edited and updated versions of Larsen & Mailand (2014).
put the public hospital under pressure and force them to increased subcontracting to private hospitals and clinics.

In sum, the scale of the private hospitals and clinics are limited in Denmark, and this national report will focus on the hospitals in the public sector. The municipalities also have responsibility for a number of functions within the health care sector. Employees working in health care within the local government sector often have the same occupations as employees in the regional sectors. However, since the focus in the present project is hospitals (which is part of the regional health care sector), the part of the health care sector administrated by the municipalities will be touched upon only briefly.

3.2 The social partners and the collective agreements
Regarding social partner organizations, the employers’ interests are represented by Danish Regions (Danske Regioner), including the Region’s Board for Wages and Tariffs (RLTN at the national level). Danish Regions is the only employers’ organization for the hospitals. Danish Regions/RLTN is the bargaining partner in the bi- or triannual collective bargaining rounds.

There are two other levels of employers’ organizations worth mentioning. One is the administrative level of the regions (five in all). The hospitals are the only major responsibility left for the regions. There are councils for employee involvement at this level (so-called Cooperation Councils), and the general guidelines for staff policy at the hospital are formulated here, but no collective bargaining takes place. It is also at this level that the agreements with the TWAs are set.

The second level is the hospitals themselves. At this level, collective bargaining takes place within the framework of the sector agreements (those with Danish Regions as the employers’ association). Because the hospitals are large employer units, there is great variety between their HR policy and industrial relations.

The structure is somewhat more complex on the employee side. The Health Care Cartel includes 11 trade unions, none of which are trade unions for doctors. Many of these 11 trade unions organise employees at the hospitals. The trade union for nurses (DSR) is by far the largest. The Health Care Cartel negotiated until recently general working conditions and some more occupation-specific conditions, whereas other occupation-specific conditions are negotiated by the individual trade unions. However, the Health Care Cartel became in mid-2014 part of a new broader cartel, Forhandlingsfællesskabet, together with the bargaining cartel for employees in the municipalities, KTO, among others. Forhandlingsfællesskabet is now the only bargaining cartel regarding the hospital’s group of employees. This development should be seen as a reaction to the 2013 industrial conflict described above, which included an incentive for creating stronger organizations on the trade union side.
Among the trade unions in the cartel the trade union for nurses - DSR – is the largest with 61,000 members. Their precise organizational density is unknown but is estimated to be around 85–90%. However, it has declined during the last decade for several reasons. One is a weakened tendency for newly graduated nurses to automatically sign up as union members. Another is a consequence of an increase in the member fee due to a major industrial conflict related to the collective bargaining round in 2008.

3F (Fagligt Fælles Forbund) is the largest member organization of the largest Danish trade union confederation, LO. 3F has around 350,000 members and is a general union organization which organises employees with shorter or no vocational education, primarily in the private manufacturing, construction and transport sectors, but also in some private services and in the public sector. Of the selected occupations in this report, 3F organises hospital porters, cleaning assistants and skilled service assistants.

FOA (Fag og Arbejde) is also a member of LO and represents occupations with short education nearly exclusively in the public sector. FOA has around 200,000 members. Of the selected occupations here, FOA organises social care workers, hospital assistants and skilled service assistants.

Other unions organizing hospital employees include Dbio (The Danish Association of Biomedical Laboratory Scientists), The Danish Association of Midwives, and a number of other smaller organizations under the umbrella of the Health Cartel.

The alternative, so-called yellow, unions, do not have many members working in hospitals, according to the interviewees.

In the public sector, the collective agreements create a complex web. The hospitals are no exception, and there is a plethora of collective agreements covering the hospitals. Some have already been mentioned. The most important for the present study are those between Danish Regions/RTLN and these organizations:

- Health Bargaining Cartel (Sundhedskartellet), KTO, AC and FOA regarding most health staff below doctors (sector level)
- DSR regarding nurses (occupational level)
- FOA regarding social and health care workers
- 3F regarding skilled service assistants (occupational level)
- FOA and 3F regarding cleaning assistants etc., including hospital helpers (occupational level)
- FOA regarding hospital porters (occupational level)

Areas that have been partly privatized – for instance, cleaning – are covered by private sector collective agreements and will not be covered in the present chapter.

Collective bargaining coverage is close to 100%.
3.3 Reforms and the role of social partners

Basically, reforms in the Danish public sector can either be decided upon in the political system or in the collective bargaining system.

In the latter, the role of the social partners is naturally extensive in that it is a system of social partner self-governance. However, there is a difference between the state sector where the employer part is the Government and the regional and municipal sectors, where the employer is not the Government (see also above). None of the three sectors analysed in the present project has the Government as the employer.

In the political system, the role of the social partners can vary from none to extensive. The social partners can attempt to influence the policy formulation processes individually through lobbying activities. Additionally, they might have the opportunity to influence the processes through ad hoc tripartite consultation or negotiation in the case these set up.

The collective bargaining rounds

Industrial relations in the hospital related areas has been relatively conflictual, with industrial conflicts involving the nurses in 1995 and again 1999. The first bargain round to be included here is the 2008 bargaining round - completed months before the first signs of the crisis - was also included industrial conflict. As already mentioned in section 2.3, it was the members of the Health Care Cartel (the largest organization of these being DSR) and FOA (with nurse assistance working at the hospitals as one of the largest groups) who did end up in an industrial conflict, which was all about the money. The favourable economic context – and maybe also the political pressure - had made the three public employers in the state, regions and municipalities accept a 12,8 % wage-increase during the 3-year period lasting to the next bargaining round. However, The Health Care Cartel and FOA asked for 15 % and was for a long period not open for compromises and it was not even with the help of the National Arbitrator possible to strike an agreement. The employee-organizations had support from the majority of the population. The strike started in mid-April. Unlike earlier sector-wide public sector strikes on this length the Government - a Liberal-Conservative government - did show no intention to intervene. In early May the parties agreed on a compromise on 13,3 %, which – because of internal distribution among FOAs members – implied 14 % wage for the nurse assistants. The Health Care Cartel, however, only came to an agreement in mid-June. Also in this case the compromise was a 13,3 % wage increase (Due & Madsen 2008). At first sight it could seem as if the strike paid off for the trade unions. However, the strike was so expensive especially for DSR, that they had to increase membership fee substantially for a long period and lost more than 3 % of their members (DSR 2016). Despite of the increased membership fee, neither DSR
nor FOA could have financed another strike at the next bargaining round in 2011.

The following bargaining rounds were less dramatic. As a result of the crisis and The Regulation Mechanism the 2011 bargaining round implied near-zero wage growth and negative real wage-development in part of the period to the next bargaining round. Among the basically insignificant changes agreed was the initiation of more local decision-making power for the regional and local Cooperation Councils to set their own agendas – a process which have since then continued. Attempts to introduce more working time flexibility for hospital doctors failed (Mailand 2012). The 2013 bargaining round – which was very dramatic in other areas (see chapter 4) – went much more smooth in the hospital-related areas. The agreed wage-increases were again very modest, and further decentralization of decision-making power with regards to the Cooperation Councils was agreed. Most importantly, however, was that the flexibilization of the hospital doctors working time - which had been aimed for since 2008 - succeeded this time, although only for some doctors. This was a strong wish from the employers who wanted a better utilisation of hospitals equipment beyond normal working hours (Mailand 2014). The 2015 bargaining round included for the first time since the economic crisis more than marginal wage-increases and further working time flexibility for the hospital doctors, but no major changes for the hospital employees (Hansen & Mailand 2015).

Summing-up, industrial relations in the hospital-related areas has taken an interesting development in the present decade, so that it not anymore represent a part of the public sector with a high conflict-level, but rather a lower conflict level than the state bargaining area and the municipal bargaining area. Time will show if this is a lasting trend.

The involvement of social partners in public policy reforms
The interviewees cannot point to a large number of reforms in the hospital area within the last 10 years. Moreover, there exists in the hospital/health care sector no general tripartite forum where the social partners could seek influence on health policy issues.

In chronological order, the reforms touched upon in the interviews with the social partners were:

The Structural Reform (implemented 2005-07) changed as described the regional structure (from 14 counties to five regions) and was important for this reason. This was ‘high politics’ and the social partners in the hospital areas were not among the most influential organizations. The reform was important for the regional employers in that it restructured their interest-organization from one with focused on counties, several policies areas and public authority roles as well as employer role to one focused on regions, one policy area (health) and
Apart from that, however, the interviews did not highlight this as one of the most important initiatives for the hospitals.

Neither the *Quality Reform* from 2007 was evaluated as one of the most important reforms. According to one of the interviewees the extra funding for training provided by the reform lead to replacement of previous sources of funding, not to higher training activity. When the funding provided by the reform subsequently was exhausted around 2011, it became difficult to get further training financed.

By far the most important political initiative was according to the interviewees the abovementioned plan to introduce a *new hospital structure with ‘super-hospitals’*. This was prepared in the ‘Expert panel regarding investment in hospital’, which was established after an agreement between government and Danish Regions in 2007. The panel and its report, which was published late in 2008, had strong influence on the government’s plan to create a new hospital structure with super-hospitals. In the government’s followed nearly all the panel’s major proposals. The panel was chaired by the medical professor Erik Juhl who also acted as a personal adviser to the Prime Minister Anders Fogh Rasmussen regarding the Structural Reform. The panel still exists and is involved in the implantation of the new hospital structure. Regarding the role of the social partners, Danish Regions was one of the initiators of the panel, but not represented in it. Neither was any of the trade unions in the areas. However, it was possible to influence the decision-making through hearings.

Other initiatives emphasized in the interviews includes ‘*Eight goals for health care authorities*’, which was agreed by the Ministry of Health, Danish Regions and LGDK in 2016. The new eight goals is a way to further improve the quality by setting broad goals and having fewer indicators and fewer demands on processes and less registration. The eight goals replace the ‘The Danish Quality model’ from 2004, which included accreditation of all major hospital-related occupations and had much more detailed indicators. The introduction of a simpler model should be seen in the light of the political aim of ‘de-bureaucratization’ and development of alternatives to NPM, which has been supported by most actors in the Danish health care sector, but which nevertheless still mainly are intentions rather than initiatives.

Finally, the ‘*annual economic agreements*’ should be mentioned. These agreements are bargained on an annual basis between Danish Regions and the government, and spell out the spending in different categories which during the last few years have become less detailed compared to previous agreements. This

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5 A special dimension regarding the power-balance between government and social partners is worth to mention: The existence of Danish Regions depends obviously on the existence of the regions, and this cannot be taken for granted, although the voices arguing for a liquidation of the regions have less often been heard during the two-three last years. Although seldom said directly during negotiations, bad performance or to too ‘independent’ ideas could still end the existence of the regions.
agreements have not included cutbacks in total, but have framed the development towards higher productivity, which at 2.4% annually has increased more in the hospitals than anywhere else in the public sector. The trade unions are not involved in the annual economic agreements.

In sum, DSR finds that they – when they are involved in the political decision making processes at all – are involved late and/or are involved in so-called ‘following groups’ in distance from the key decision making processes. Furthermore, are accordingly most often involved when problems have to be solved in connection to, for instance, cutbacks, work environment issues and working issues. The weak government’s limited initiatives to involve DSR implies that often seeks ‘to invite’ themselves in order to seek influence. The Union of Specialized Doctors (Foreningen af Speciallæger, FAS), on the other hand, give a picture of a stronger influence and earlier involvement, illustrating the higher status and stronger power-position of the doctors than of the nurses and the support staff.

3.4 Quantity and quality of jobs and the effect of reforms on these
This section and the following sections will focus primarily, but not exclusively, on the employee groups with lower education (the support staff) and medium level education (the nurses), whereas the situation of employees with longer education (the doctors) will only be touched on briefly. Services that have been outsourced are mainly cleaning and ambulance-service. These could be argued to belong to other sectors than the hospital sector and will not be covered here.

Quantity of employment and overview of employment types
A tailored calculation from Statistics Denmark (see table 5.1) allows us to draw a number of conclusions about employment and employment types (across occupations) in hospitals.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2010</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>74,000</td>
<td>85,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Part-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Of these marginal part-time*</td>
<td>36,000</td>
<td>42,000</td>
<td>88,000</td>
</tr>
<tr>
<td></td>
<td>11,000</td>
<td>11,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Fixed-term contracts</td>
<td>14,000</td>
<td>12,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Open ended contracts</td>
<td>96,000</td>
<td>115,000</td>
<td>106,000</td>
</tr>
<tr>
<td>TAW</td>
<td>4,000</td>
<td>2,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Self-employed, no employees</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Total (not a sum of the above)</td>
<td>114,000</td>
<td>129,000</td>
<td>123,000</td>
</tr>
</tbody>
</table>

NB: The figures are numbers of employees, not full-time equivalents. Both private and public hospitals and clinics are included. Source: Statistics Denmark, tailored calculation, AKU. * = 15 hours or below, de facto working hours. Numbers below 2,000 not reported by Statistics Denmark (= n.a.).
Firstly, the number of employees increased until 2010 (but has started to increase again already from 2012, which the table does no show). Hence, the effects of the economic crisis were seen later in the hospitals than in the private sector, and it lasted shorter. Secondly, as expected, part-time work is very high. However, for our project report, it is more important that the numbers of marginal part-timers is below the national average, because they have an increased risk of precariousness. It is noteworthy that Danish Regions has formulated a ‘policy for full-time positions’, which took force in January 2014. The policy implies that new positions in the regions in general should be full-time positions and includes targets for full-time employees in the regions (64 % in 2015 and 80 % in 2021) but also a number of possibilities for exemptions, which could be a barrier for reaching the targets (Danske Regioner, 2013). However, the interviewees stated that the policy was serious and genuine. The reason for the regional employers to formulate such a policy was not to improve the employment situation for part-timers, but due to foreseen labour shortages. During labour shortages, which can be seen in some occupations in the hospitals, it is a problem if three employees on average only deliver working hours for two full-time employees.

Thirdly, fixed-term contracts are relatively widespread too. Fourthly, although TAW has attracted quite some attention, the numbers are quite low. Fifthly, self-employment is nearly non-existing.

However, table 3.1 hides interesting differences between the occupation. Most importantly, nearly all categories of employees (doctors, nurses, support staff with higher education, support staff with middle-range education) has increased in numbers, whereas the category ‘support staff with short education’ has decreased as the only one since 2010. Of the occupations which has grown, doctors has had the largest relative increase (esundhed.dk). Hence, one of the most important challenges for at the support staff is related not so much to wages and working conditions but to job security and employment security. The main explanation given for this development by the interviewees is that the periods the patients are hospitalised has shortened substantially in recent years, leading to less near for support/care and more need for ‘cure’. But one interviewee added that nurses are in a better position to influence recruitment processes at hospitals now than previously. Whatever the explanation, the situation has created some tensions between DSR, the nurses’ trade union, and FOA, the social care workers’ trade union. With respect to hospital porters, cleaning assistants and hospital helpers, the pressure may primarily come from increased competition for jobs from the new occupation, skilled service assistants.

The quality of employment for nurses — contract types and health & safety
As seen from table 3.1, the majority of nurses are employed on open-ended contracts, and self-employed nurses are nearly non-existing. Part-time contracts and
Part-time work (below 30 hours per week) is extremely widespread among the nurses. In 2011, 51% of the nurses worked part-time. According to the interviewees, most employees held long part-time contracts with more than 30 hours per week. The average working week for Danish nurses is 34 hours. No specific figures exist for hospitals, but according to the interviewees, the average working week may very likely be higher than in the local government sector. Since 2008, the part-timers have had the right to be upgraded to full-time employees, but very few have exploited this opportunity (dr.dk, 16.06.11). Indeed, part-time work among nurses is predominantly voluntary. Apart from being paid according to working hours, part-timers have the same wages and the same employment and working conditions as full-timers, and the social benefits are the same. As a result, precariousness does not seem to be a problem for part-time nurses.

The nurses working as temps often hold a full-time or a part-time open-ended contract and are therefore mainly temping as a secondary job. This needs further explanation. Between 2000 and 2010, a shortage of nurses developed. This led the hospitals to follow a dual strategy. One part of the strategy was to recruit nurses from abroad (often from non-EU countries), and the other was to increase the use of temp nurses. Temp nurses are paid higher wages and have better opportunities to influence working hours than nurses employed on open-ended contracts at the hospitals.

High salaries and severe labour shortages (which had to do with, among other things, a high level of dropouts from nursing schools (Jakobsen and Rasmussen, 2009)) created strong incentives for both employers and employees to use TAW. It has not been possible to get figures for the development in the use of TAW for nurses in hospitals only. However, since nurses make up the majority of hospital temps, the general wage-sum statistics are still relevant. The use of TAW peaked in 2007-2009, when it accounted for approximately 3% of the total wage sum in the regions. In 2010, however, the figure decreased to 1% and has remained at this level since (regioner.dk 14.08.14); see also table 3.1 for numbers of TAW, which shows a similar, although less dramatic, reduction). Figures for sold hours of work from TWAs for all nurses (also those working elsewhere than in the hospitals) shows a decline in the same period from 6 to 3% of all hours across branches/occupations (Statistic Denmark 2014). The main reason for the dramatic decline was the hospitals’ overspending in relation to their use of TAW in 2007–2009. This led to cutbacks in the use of both external TWAs and permanent staff in 2010. In terms of hours sold by TWAs, the number peaked in 2008 at 255,000 hours (Dansk Erhverv 2011) but has since been reduced substantially. Instead of using external TWAs, the hospitals started to set up their own TWAs (here labelled ‘internal agencies’) in order to lower the
cost. Nurses that sign up to the internal agencies still have the advantage of influencing their own working time, but, in contrast to external temps, they do not have the advantage of higher wages.

Both before and after 2010, the large majority of nurses signing up for external or internal temp work were on open-ended contracts in the hospitals, as mentioned earlier. Hence, temp work has been used by employees as a voluntary supplement. So far no statistics about temps are available, but according to the interviewees, the number of nurses working only as temps is very limited (see also Jakobsen and Rasmussen 2009). Hence, temp work for nurses cannot be seen as precarious work.

Fixed-term contracts are relatively widespread in hospitals, and the figures are a bit higher than the national average for all sectors. However, the use is not very widespread among nurses or among the support staff, according to the interviewees. Unfortunately, it has not been possible to provide figures for this type of employment.

The nurses face health and safety problems due to work intensification/excessive workloads. The problems seem to have increased during the last years. In the national Barsoris-report (Larsen & Mailand, 2014) we concluded that health and safety was a problem in some hospitals, but that the overall picture was contradictory. We emphasized that in 2013, 11 hospitals received a ‘bad smiley’ (representing serious health and safety problems) from the national health and safety authorities. At some hospitals, this was related to physical health and safety, in others to time and work pressure. However, the 2014-interviewee from DSR was not sure whether work intensification really had taken place, although there was no doubt that the nurses were under time pressure. DSR-commissioned research (Kristensen 2013) on the work environment for nurses had shown a (small) positive overall development, including development in stress and job satisfaction. But it is also noteworthy that the studies confirmed serious work environment problems in some areas, such as specific hospital departments (emergency department and medical departments).

Since the data-collection period from the Barsoris-project, problems seem to have increased. Alternatively, there is now less doubt on the trade unions side that the problems are severe. In a large-scale independent survey of all Danish employees including the work environment issues, members of DSR score their work environment as clearly more problematic than the average Danish employee on all dimensions, including psychological burdens, time pressure and work load. Also with regard to ‘increasing demand for documentation in recent years’, the difference is substantial: 90 % of DSR members agree on this statement compared to 63 % of all employees (Caraker et al. 2015).

According to DSR the most important explanation is that although the number employees at the public hospitals (and the number of nurses) has increased rather than decreased the last 15 years, the workload has increased substantially. Taking 2001 as a point of departure the index of the budgets for hospitals had
increased to index 130, whereas the activity index had increased to 150. The resulting average productivity increase has been 3.9% p.a. The work load increase in the health care sector (including the hospital sector) has been 40% for each employee. The reasons for this increase include also that each patient is hospitalised for shorter periods then previously and therefore is in worse shape and demands more care. Moreover, each health employee has to do more tasks now than before. On the background of this, DSR finds the cuts have now reached the bone and that the even the current demand on a 2% yearly productivity increase is counter-productive and the time-pressure a treat not only to health safety of the employees but also to the security of the patients. DSR welcomes the Government’s promise to reduce documentation demands and asks for more funding (Kjeldsen 2015). As an professional organization for leading doctors FAS is less outspoken in their critic might be less outspoken than DSR in their critic, but regarding the 2% productivity demand they agree with DSR and are optimistic regarding the possibility to get political support for removing it. What according to FAS will be important is what demands will replace it. Danish Regions recognises that problems exists in certain department in hospitals, but is of the opinion that the right type of work organization is able to solve large parts of the problems.

The intense critique of the 2% productivity demand seems to have had an effect. In late September 2017 the government announced – under pressure from the largest opposition party and their own supporting party – that the demand will be abandoned.

Quality of employment for other health care staff and support staff
Apart from medical doctors and nurses, hospitals employ a large number of other health care staff and support staff. It would be impossible to cover all of these in the present report, and only some are relevant to discuss in relation to precariousness. In this report, we will focus on the largest group from the category ‘other health staff’ and, in addition, a number of occupations among ‘support staff’, mixed ‘support staff’ and ‘other health staff’ – groups that typically have contact with patients. Several of these are found in the category support staff with short education’ mentioned above’. For all of these groups, a discussion of precariousness is relevant. The occupations are as follows:

- **Social and health care workers (social og sundhedsassistenten, SOSU):** This is by far the largest group of health care staff besides nurses and doctors. However, their numbers have declined in recent years – from 11,300 when the numbers peaked in 2010 to 9,700 in 2016 (esundhed.dk). The division of labour between social care workers and nurses is often blurred and tends to differ from hospital to hospital. The work tasks of social and health care workers include personal care, med-
ication, instructions/talks, retraining etc. Depending on previous education, it can take up to three and one-quarter years to become a social care worker. The education is a so-called dual education (periods at school combined with practical training at a workplace). Most social care workers are organised in the trade union FOA (foa.dk). Their do also exist a minority of unskilled social and health care workers.

- Hospital porter (portør): The core task of hospital porters is to transport patients, including lifting patients up to surgery tables etc. However, hospital porters also transport equipment and other items between departments in the hospitals. It takes eight months to become a hospital porter, and the education is also a dual education. The majority of the hospital porters are union members of FOA (foa.dk).

- Hospital helper/hospital assistant (hospitalsmedhjælper/hospitalsserviceassistent): Their tasks include cleaning, bed making and different forms of caring for patients, including serving food. The occupation is unskilled. The vast majority are women and are organised in 3F.

- Cleaning assistant: This is strictly a cleaning occupation. The vast majority are women and are organised in 3F.

- Skilled service assistants (erhvervsuddannede serviceassister): This is a relatively new occupation. It resulted from employers’ wishes to increase functional flexibility along with trade unions’ need to train their unskilled members in order to improve their job and employment security. The occupation was developed from the cleaning assistant occupation but includes some of the tasks of hospital porters and hospital helpers. It takes two years to become a skilled service assistant. The education is a dual education. The broad range of tasks improves the opportunity to set up full-time positions. Most skilled service assistants are organised in 3F and are women. According to the interviewees, there have been some tensions between 3F and FOA regarding the set-up of the occupation for skilled service assistants. Moreover, hospital porters – which are nearly all male – seem uninterested in the new occupation, possibly because of its strong cleaning duties. In the future, some regions will employ only skilled service assistants and not hospital helpers, hospital porters or cleaning assistants.

As long as the focus is on the hospital sector, the abovementioned occupations appear not to be precarious to any notable extent. The positions are, in general, full-time open-ended contracts or long part-time contracts that tend to be voluntary. For the abovementioned groups organised by FOA, 58% were on full-time contracts (FOA 2012). With a collectively agreed monthly minimum wage of around €3,000 for the full-time positions – along with the possibility of (limited) locally agreed wage supplements – ‘working poor’ and other pay-related elements of precariousness are rare.
There are, however, some problems and challenges which are relatively similar across the five selected occupations. With regard to part-time employment, so-called hourly employees represent a challenge in some regards. In the regions (including the hospitals), 6% of the employees in those areas where FOA sign collective agreements are paid by the hour, whilst the figure for the municipalities is 12% (FOA, 2012). The problem with hourly employees is that their access to some social benefits is restricted compared to their colleagues on open-ended contracts. Whilst they do receive occupational pensions after 10 months of employment (graduated according to the number of hours they work), they have no rights to pay during sick leave or maternity, paternity and parental leave. However, since August 2014, it has only been possible to employ hourly employees if their contract lasts one month or less (see below). In that way, a number of formerly hourly employees have become eligible for various forms of social benefits.

Regarding temps, the use of external TWAs in relation to other health care staff and support staff has declined substantially during the last few years. The number of temps in these employment categories is, however, unknown. But as in the case of the nurses, most temps also have a full-time/part-time open-ended contract according to the interviewees. In general, these temps cannot be seen as precarious. There has been a similar trend in the shift from external to internal temps among social and health care workers as seen among the nurses.

There are some employment types in the hospitals which include real elements of precariousness. One special category of fixed-term employees is ‘employees on occurrence of a special event’ (begivenhedsbegrænset ansættelse). This type of fixed-term employment relates to an event, which can be sick leave, maternity/paternity leave or another kind of leave. A study conducted by one of the authors of the present report, but which, however, covers only the municipalities and not the regions, showed that the use of this type of temporary contract is a direct consequence of the EU directive for fixed-term employment from 2002, simply because it was not legal to use this type of fixed-term contract before (Larsen 2008). The implication of the use of this type of fixed-term contract is that the employment relation can be terminated on short notice (one day notice). Hence, it is a very flexible type of contract and very popular with employers. According to the trade union FOA, this type of fixed-term contract is used mainly to meet employers’ need for flexibility rather than employees’ need for job security. Another type of fixed-term employment used is the ‘call temp’ (tilkaldevikar), which are on a type of 0-hour contract. These are not from TWAs but can be called for when sudden needs for more labour arise. According to the trade union FOA, the problem with call temps is, that the employee often cannot reject the assignment when called (FOA, 2012). The extent of the use of these contracts for the occupations in focus is, however, limited on the hospitals – according to the interviewees – whereas they are much more widespread in other parts of the health care sector. The pattern is seen regarding the
use of marginal part-time employees. These are increasing in the parts of the health-care sector and the social care sector (FOA 2017), but not in the hospitals. In this worth here to mention that it is part of Danish Regions employer policy to reduce the number of part-time employees to 20% in 2021 (Danske Regioner 2013).

Regarding the rights to social benefits, thresholds for accruing rights to these – already described in the previous chapters – also represent a challenge for temps, fixed-term employees and also some marginal part-time employees the ‘other health care staff and support staff’. However, the majority of the ‘other health care staff and support staff’ employees do not face these thresholds, although a minority face a threshold up to 10 months or even longer. For the nurses no such threshold exists. All monthly employees have – according to the Salaried Employees Act – a three-month notice period after a trial period of three months.

Work intensification/excessive workload has increasingly become an issue of concern, as indicated in the section on nurses. For several of the support groups with lower level of qualifications the problems is according to trade union interviewees that the reduction in the number of employees has not been accompanied by a proportional reduction in the volume of work tasks.

3.5 Effect of the job changes for quantity and quality of the service
As shown above, the total number of employees has also increased, but the number of patients has increased more and some degree of work intensification has taken place and the extent to which this has 'spill-over' to work environment problem is a matter of controversy. But could there be seen an effect on quantity and quality of services also?

By far the majority of the main goals and indicators of the hospitals show a positive development. Since 2009 overall activity, productivity and patients’ satisfaction has increased, whereas waiting time and mortality has been reduced (Danish Regions 2016). Hence, the effect of the work intensification on service quantity and quality does not (yet) show in the statistics. One interpretation of this is that the lack of ‘real’ cuts in budget and number of employees rescue the quality of service despite of work intensification. Another interpretation comes from the DSR – the most outspoken organization regarding work intensification. A DSR interviewee, who acknowledge the positive development in the main indicators, but nevertheless argue that an increasing share of their members find their work situation ‘professionally indefensible’ and that the risk of

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6 The pattern is rather complex: Social and health care workers (skilled) and porters have no pension threshold when the education is finished and, whereas Social and health care workers (unskilled) face a 10 months employment threshold and an age threshold of 21 years. Skilled service assistants face a pension threshold including 10 months of regional employment and an age threshold of 21 year. Hospital helpers/hospital assistants (unskilled) have a pension threshold of 48 months of regional employment and an age threshold of 25 year.
making mistakes, including serious ones, has increased due to the work intensification. And when mistakes take place and are reported, the trade union finds recently and 100% increases in cases where the nurses have been accused for the mistake, which according to DSR in reality is a result of work intensification and there a management issue.

During 2017, political mobilisation to abandon or at least change the Government demand for a 2% yearly increase in productivity has increased and so has the media coverage of the negative consequences of it. As described, DSR and other stakeholders see the demand as one of the main courses of the problems with work intensification and service quality. In late September, just two weeks prior to the publication of this report, the Government announced that they would abandon the demand. The question is what will replace it and if the new regulation will reduce the work load overall.

It is also notable, that the use of outsourcing – apart from cleaning and ambulance service - has been limited at the hospitals, again with dissimilarity with the municipal health care sector. Outsourcing in these two areas have a longer history, but it is still occasionally debated if the service has been reduced here, most often in connection with specific problematic cases in individual regions.

### 3.6 Summary

In industrial relation terms, ‘hospitals’ are not really a sector, but this group is nearly identical with the ‘regional’ sector in Denmark. Hospitals could also be seen as part of the health care sector. Most forms of collective bargaining and other forms of social dialogue with relevance for the issue of precariousness regarding hospitals take part at this regional level between the employers in Danish Regions and the bargaining cartel Sundhedskartellet and – regarding more occupation-specific issues – between Danish Regions and the single trade unions.

Regarding quantity of employment, the total number of employees has increased after the crisis as one of the few sub-sectors in the public sector. The number of nurses and – especially – doctors has been increasing, whereas the number of the support staff (typically with lower education) has been decreasing.

Regarding quality of employment, the nurses and health care and support staff analysed in this chapter generally face few precariousness challenges, whether they are on open-ended full-time contracts or other types of contracts. The use of (external) TAW has been reduced to a very low level, and, more importantly, TAW (whether of the external or internal type) is nearly exclusively voluntary and is used by workers to top up full-time or long part-time open-ended contracts. Self-employment is nearly non-existing. However, both fixed-term work and marginal part-time work are relatively widespread. In general, the atypical employees are eligible for pensions, paid sick leave and other social benefits, but some of the thresholds are still long and longer than in the private
sector. Wage-subsidy jobs are rising in number, but from a very low level. The largest problem with regard to the quality of employment seems to be work-intensification, but the employer’s organizations and the trade union do not seem to agree on the extent of this problem. Additionally, the declining number of jobs for the support staff represent a job quality problem for these employees in that they job and employment security are challenged.

Interestingly, there seems to be a difference between the regions (hospitals) and the part of the health care sector belonging to the municipalities. The use of nearly all the ‘problematic’ employment types (call temps, employees on occurrence of a special event, hourly paid) is more widespread in the local government–administered health care sector than in the regional sector. For example, nearly all of FOA’s health care–related legal cases are in the local government sector. According to some interviewees, one important reason is that the workplaces are much bigger in the regions (they are hospitals) than in the municipalities, which allows for planning and use of resources in the regions. In the local government workplaces, which are much smaller (e.g., home care, nursing homes), employers feel more dependent on flexible types of contracts and, more so than the regions, use them in ways seen as problematic by the trade unions.

The question if the changes in quantity and quality of employment has ‘spilled-over’ to problems in the quantity and quality of the service is a matter of controversy. Most outspoken is the trade union for nurses, DSR, that already see a connection between work intensification and declining quality of services, including the safety of patients. Those who do not see such a connection point to that nearly all main service indicators point in the right direction. However, some political mobilisation is currently taking place around abandoning or at least change the Government demand for a 2 % yearly increase in productivity.
4. Primary and lower secondary public education

4.1 Introduction

In 2013, Denmark had 1,312 public schools for the age group 6-15 and 548 private schools for the same age group. Less than a fifth of all students attended private schools, though the tendency has been growing in recent years. In the remainder of this section, the focus is on the public schools.

The Danish Folkeskole (‘Peoples School’) was founded in 1814, providing for the basic right of all children to receive seven years of education. It covers both (public) primary and lower secondary education, i.e. grade 0–6 and grade 7–9/10 (pupils traditionally from age 6 to 15). The first year is an introductory preschool which emphasizes play. Upon completing the ninth grade, pupils must take the compulsory public school final examinations. The tenth grade is an educational opportunity for pupils to better themselves in order to continue in secondary schooling.

The Folkeskole is regulated through the Folkeskole Act, which sets the overall framework for the schools’ activities. According to the act, it is the municipal local council that is responsible for the running of the school. From 2004 to 2007 Danish local government was restructured. The Structural Reform has resulted in the merging of a number of schools locally in order to create larger, more specialized school units. Many schools today cover two or more school units, with one shared management. Moreover, the number of children has decreased in recent years.

Regarding the job level, figures show a 7.2% decrease in the total number of employed teachers from the school year 2008/09 to the school year 2011/12 (UNI.C 2012). According to Local Government Denmark (LGDK), there were 51,453 full-time teaching positions within Folkeskolen in December 2013. However, this number will probably further decrease as 35,000 fewer school-children are expected to enter the public school system in 2025 (KL 2013).

Regarding expenditure, expenditure in Folkeskolen per pupil had in 2013 decreased by 10% (adjusted for price- and wage development) compared to 2007. Increased expenditure in connections with the 2013/14-reform reduced the decrease to 4% (Økonomi- og indenrigsministeriet 2017).

4.2 The social partners

In the school sector at the national level in Denmark, social dialogue has taken the form of a strong collective bargaining partnership and the inclusion of trade unions and other organizations in the decision-making processes through tri-

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7 While the BARSOP-project as such focus on primary education as one of the three sectors, the organizational, pedagogical and industrial relation divides in the Danish school system are not between primary and secondary school, but between primary + lower secondary (age 6-15) and higher secondary school (age 15+). The focus of the present chapter is on the public part of the former, ‘Folkeskolen’.

8 Section 4.1 and 4.3 are edited versions of sections from Hansen & Mailand (2015).
and multipartite partnership. The latter implies that consultation is widely used concerning development of the schooling system. A number of organizations are involved in the traditional social dialogue in the basic school sector, including the employers’ organization Local Government Denmark (LGDK), which is also the interest group and member authority of all Danish municipalities. The Danish Union of Teachers (DLF) organises teachers of public and private schools and counts 91,000 members. The DLF was established in 1874 and is the only union to organise the teachers of the Folkeskole. However, another and an increasingly significant employee group in the Folkeskole is the Early Childhood and Youth Educators, represented by the trade union BUPL. School principals are represented by their own organization, the Danish Association of School Leaders. This trade union represents principals, head teachers, deputy head teachers, heads of department and others with leadership responsibilities in and around the public school. However, DLF and the Danish Association of School Leaders bargain together through the Confederation of Teachers’ Unions (LC). Thus, LGDK, BUPL, DLF and the Association of School Leaders (the last two represented by LC) are the main collective bargaining partners in the school sector. In accordance with the Scandinavian corporatist tradition, these organizations are also represented in the social dialogue on the general development of the school.

4.3 The collective agreements

In this section we will focus on collective agreements for the teachers. This follows the structure described in section 2.2 with sector-level agreements and local level agreements (although the latter is limited).

Working time has always been a controversial issue in industrial relations in the teaching field, and since the 1990s the regulation of it has gradually been decentralized and made more flexible, although DLF has managed to maintain a strong influence over the issue (Hansen 2012). In 2013 working time was removed from the collective bargaining arena. The new working time regulation resulting from this should be seen in connection with the 2013 Folkeskole reform (see below), in that the changes made during the collective bargaining round 2013 contributed to the financing of the reform.

The employers’ demands at the collective bargaining round 2013

The public employers’ aim was a winding-up of all existing local agreements on working time for teachers in the Folkeskole (municipal employers’ demands) and in most post-15 education institutions (state employers’ demands) in order to strengthen management prerogative, and in the case of the Folkeskole, also to

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9 Large parts of this section are edited sections from Mailand (2016).
facilitate and finance the implementation of a large scale reform of the Folke-
skole (see below).

According to employers, the aim was not to make the teachers work longer, but to enable them to spend more time in the classroom with the pupils. This was a long standing wish of the employers. The wish, among other things, was rooted in 1) the PISA-studies, which showed mediocre performance of Danish 15 year old pupils despite relatively high funding of the primary and lower-secondary education in Denmark; 2) studies showing that Danish teachers were spending relatively few hours in the class-room compared to teachers in other OECD countries, and 3) belief in a positive correlation between hours in the classroom and the quality of the education. DLF contested the employers’ claims arguing, that, on the contrary, reduced hours in preparation would reduce the quality of education, and that LGDK and the Government were applying an outdated teaching concept when they concluded that Danish teachers in the municipal sector were only teaching 16 hours per week on average. The real figure was, according to DLF, 25 hours per week.

In the Folkeskole area, the latest steps towards a more flexible and decentralised and less bureaucratic working time regulation had been agreed upon during the 2008 collective bargaining round. LGDK recognised this as a step in the right direction, but found it insufficient. In the case of the gymnasiums, an agreement had almost been reached with the Danish National Union of Upper Secondary School Teachers (GL) during the 2011 bargain round, but failed at the last minute, causing considerable frustration in the Ministry of Finance.

The public employers were well prepared. Already in late 2011 they established a joint working group to prepare the negotiations. One of the controversial issues during the bargaining round was the allegation, that the working group had decided not to compromise, because the bargaining process could be concluded with legislative intervention to secure the employers’ main demands. This has been denied by both the Government and LGDK, who nevertheless refused public access to the documents of the working group.

The bargaining process in the gymnasium area was planned to end in early February - and so it did. After a long standstill in the negotiations, GL agreed to waive their claim for the right to bargain on working time, and for the phasing out of the special senior conditions, which was also one of the employers’ demands. In return, they received a substantial wage increase and a (limited) fixed framework (‘fence’) to secure planning and avoid an excess teaching workload. In justifying the decision to strike an agreement, GL’s general secretary explained that GL would have lost their bargaining right in any case, because the

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10 By removing the preparation factor per teaching hour (which required a removal of the bargaining right of the trade unions on the use of working time) the teachers could be forced to teach more hours (as prescribed in the proposal for School reform) and prepare themselves for fewer hours. The formal working week would still be 37 hours.

11 Post-15 education prior to university. Included both general education and some more vocational education. In all around three years long.
Ministry of Finance would have been willing to initiate an industrial conflict on the issue which GL could not have won. By accepting ‘the unacceptable’ during the bargaining phase, GL obtained a substantial economic compensation.

Until the agreement between the Ministry of Finance and Akademikerne/GL was signed, not much was happening at the bargaining table in the parallel negotiations between LC\textsuperscript{12} and LGDK. These negotiations had to be concluded before March 1, 2013, if an arbitration process were to be avoided. Prior to this date LGDK was reluctant to present any written proposals about how they imagined working time regulation was to take place in practice if full management prerogative were to be applied. Then, shortly after the agreement was signed on February 9, DLF was offered a similar deal. However, LC made it clear that they needed a compromise, and not only compensation as the offer to GL included. However, a very different/better deal to LC than the one GL had agreed to, was not a very realistic scenario, firstly, because the hierarchy in the bargaining model as described means that the state sector sets the trend and only small variations from this are allowed, and secondly, because the number of teachers in the Folkeskole is so much higher than in the gymnasiums. A better deal for the former would therefore end up being expensive for LGDK.

During the latter half of February, a few bargaining meetings between LC and LGDK were held. During these meetings LC proposed a number of models which - to some extent – met with LGDK’s wish for room for manoeuvre enhanced management. However, they still included two features which were unacceptable to LGDK. First, and most importantly, they all included some form of teaching maximum or teaching preparation factor. Secondly, they all included the special conditions for senior employees.

With the bargaining partners’ positions still being far from each other, and with the perception of LGDK that no movement had taken place on the part of LC, and their dissatisfaction with the latest reactions from LC to KLS proposals, LGDK decided unilaterally to declare a breakdown in the bargaining process on February 27\textsuperscript{th}. LC wanted to continue the bargaining process until the last minute saying that the effort and number of bargaining meetings had been very limited. Still, LGDK refused to make another attempt. Hence, the attempt to strike an agreement then continued under the leadership of the National Arbiter.

*Lockout and government intervention*

The rules of the National Arbiter prescribe that she has one month to find a solution, which the negotiators can accept. If such a solution is achieved, the proposal will afterwards be shown for approval to the social partner organizations involved. If she fails to convince the social partners within the deadline,

\textsuperscript{12} LC (Lærerorganisationernes Centralorganisation) is the bargaining organization for DLF and a number of other much smaller teacher organizations. DLF represents the majority of the employees covered by LC.
she can still postpone industrial action two times for a period of fourteen days each.

Since LC also had failed to reach an agreement for a number smaller post-15 educational institutions within the state area on the same issue, two separate but similar arbitration processes were taking place: One with LGDK and one with the Ministry of Finance. In none of these processes did the arbitrator succeed in getting the parties close to an agreement.

The public employers had asked for a ‘normalisation’ of the teachers working time, in order to illustrate and facilitate their management prerogative aim. At the end of the bargaining process, after having failed to convince the employers to accept working time regulation from a number of other collective agreements (+ maximum hours for teaching/preparation factor and special senior rights), LC suggested using the legal framework for the civil servants, which was both an occupational group more fitting to the teachers’ situation than the previous suggestions, and an agreement with a more limited regulation framework – as the employers wanted. However, again, the teachers’ suggestion included a preparation factor and special senior rights and was therefore unacceptable for the employers. The arbitrator did not use her right to postpone the conflict, since she found the parties to be too far from each other. No compromise was within sight. Hence, a lockout was put in to force from the 2nd of April. 56,000 teachers in the Folkeskole and 17,000 teachers from the vocational schools in the state area were locked out.

During an industrial conflict – at least in Denmark – it is the employee side that has to bear the direct economic burden. This is also the case during a lockout. DLFs strike fund would have lasted for approximately 10 weeks, but by initiating a loan system with a right to tax-reduction, the trade union was able to extend the conflict for much longer.

Neither LC, nor LGDK and the Ministry of Finance, changed their positions during the lockout. After three and half weeks, two of the three parties in the Government decided that it was time to intervene to prevent the lockout from having too great an effect on the final examinations of both the Folkeskole and the vocational education sector. The Government had, well in advance, secured its backing from the opposition. Hence, after a speedy two-day process in Parliament, the legislative intervention came into force on the 25th of May, and the pupils and student were able to return to school.

The main features of the intervention were:

- Full management prerogative on working time regulation (but still a 37 hours working week)
- Working time ‘fence’: working time normally to be scheduled during normal working hours on weekdays. Overtime pay will be paid for some activities placed outside normal working hours
• Annual norm: The total working time of teachers is still calculated annually, and not monthly, as DLF wanted.
• The special senior conditions to be phased out gradually.
• Wage-compensation: The teachers will be compensated with nearly 300 million Danish kroner (40 million euro) in total. The compensation was calculated as the value of the special senior conditions.
• Projects on cooperation, trust and better working environment at the cost of 20 million Danish kroner (2.7 million euro).
• Further education: one billion Danish kroner (130 million euro) for the further education of teachers. However, these were already included in the Government proposal for Primary School reform. Hence, they cannot be included as part of the compensation to the teachers.

In sum, the intervention met the employers’ main demands, and the compensation was limited and mainly related to wage. Calculated per teacher it was substantially lower than the sum the gymnasium teachers received. DLF complained about the calculation of the compensation, which they found too low. Moreover, they found the working time ‘fence’ inadequate. LGDK was in general satisfied with the intervention, but would have liked an even more limited working time ‘fence’.

Additions to the working time regulation from bargaining round 2015
As a result of the abovementioned government intervention, the teachers working time has been regulated by legislation (Act 409) from 2014, as social partners have been unable to reach collective agreement in the subsequent collective bargaining rounds. Technically, Act 209 is now a part of the collective agreement. However, during the collective bargaining round 2015 LGDK and LC (and LGDK and Ministry of Finance in the state bargaining area) agreed on a ‘common understanding’ in order to improve relations between the parties – which were still tense – and facilitate the implementation of the new working time regulation regime locally. Among the most important points in the paper is an intention to strengthen cooperation and dialogue and thus contribute to success of the Folkeskole and ensure that teachers' work is given the respect and recognition it deserves. The paper also mentions that ‘the parties are aware of the ability to enter into local working time agreements’ and that working time planning should ensure time for preparation and that ‘committing forms of follow-up actions’ should be taken in relation to the common understanding paper during the school year 2015/16. Moreover, the joint paper states that although working hours continue to be regulated by the law resulting from the government intervention, the result should be seen as a foundation for re-establishing trust between teachers and administration, both centrally and locally. The common understanding add to, rather than replaces, the Law 409 (Hansen & Mailand 2015).
The extent to which the new working time regulation regime has changed job quality and quantity and influenced teaching itself will be discussed in section 4.5 and 4.6.

4.4 Reforms
During the last 15-20 years some of the main developments in the Folkeskole have been to: Differentiate between the educational needs of pupils with different learning capacity; strengthen basic skills in maths, reading and writing; introduce English at an earlier stage; use more national tests and common goals; introduce individual ‘learning plans’; and deal with increased competition from private schools.

The latest reform prior to the ‘big reform’ agreed in 2013 was the new Folkeskole Act from 2009. One of the main elements of the 2009 reform is that the nine years in Folkeskolen should no longer be seen as a closed process ending with the final exam, but as a process that prepares for further education. Worries about the approximate 20% of the youth cohort who never completes a further education is clearly reflected in the reform (Aarhus Universitet 2017).

The main elements of the school reform 2013 was:

- A longer school day: The school day for the youngest pupils on level 1 (age 6-9) ends around 2.00 p.m., for pupils on level 4–6 around 2.30 p.m. and for pupils on level 7–9 around 3.00 p.m.
- More lessons in Danish and Maths for level 4–9, because the two core subjects are seen as fundamental to be able to learn other subjects
- Earlier foreign language learning: English from level 1, a second foreign language (German/French) from level 5 and an opportunity to choose an optional third foreign language in level 7
- Homework assistance at the school
- Exercise and movement integrated in all students' school days for an average of 45 minutes each day in order to enhance students' motivation, learning and health
- Continuing education of principals: The school principals will be trained so they can establish objectives for and follow up the school's development, and develop pedagogical practice in teaching (Undervisningsministeriet 2013).

4.5 Quantity and quality of jobs and the effects of reforms on these

In this section the effect of the abovementioned reform - which came into force in august 2014 (for the school year 2014/15) – and the new working time regime for teachers, pedagogues and school management is analysed. First, the

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13 Most parts of this section 4.5 and the following section 4.6 has been provided by associate professor Nana Wesley Hansen and student assistant Sarah Ann Ansel-Henry, both FAOS. The sections use own data and literature studies from the project (Hansen
quantity of jobs and the balance between different employment types are described. Next, the new local institutional set-ups for working time are described. This is followed by a discussion of a number of job quality-related indicators related to the reform and working time changes.

**Quantity of jobs and employment types**

The number of employed teachers in Folkeskolen has decreased by 4.7% from 2010 to 2015. However, in the same period the number of pupils decreased by 4.4%, indicating that the demographic development might be the most important driver. Regarding employment types, teachers with open-ended contracts decreased by 7% during the same period, while fixed-term employed teachers in Folkeskolen more than doubled from 2200 to 5500 in the period from 2013-2016. Moreover, figures from Kommunernes og Regionernes Løndatakontor (KRL) call attention to the fact that nine out of ten hourly paid employees in Folkeskolen in 2012 did not have completed a teacher education (Drescher et al. 2016).

LGDK found that the increased use of hourly paid employees is a consequence of the reform’s qualification requirements, which send teachers and pedagogues through further training and thereby create a need for replacements, but point also to the increasing teaching time as part of the explanation (Pedersen 2015). By contrast, DLF points to the shortage of teachers as the main reason for the increasing use of hourly-paid teachers. The teachers must work faster, and according to DLF this has created a negative spiral and makes it less attractive to be a teacher (Hansen 2015).

An increased number of teachers have found a job in another profession after the new reform and new regulations. More specifically, 3.6% of the teachers employed in 2014, had by the following year found a new job in another profession. This compare with teachers employed in 2012, only 2.2% had found of whom new job in another profession (Drescher et al. 2016).

**Types of local working time regulation and changes in management**

Teachers working time is, as described, regulated by Act 409, but how working time is implemented at municipal and local level varies. A framework agreement between the main social partners in the municipalities have since 1999 made it possible for all personnel groups in local government to sign local agreements on working time. This possibility also includes teachers before as well as after 2013.

In the immediate aftermath of the 2013 conflict, LGDK advised local municipalities to refrain from entering into new local agreements on working time. Nevertheless, some municipalities engaged early on in forms of social dialogue (2017). We are thankful that Nana and Sarah allowed us to include findings from their project.
with the local branches of DLF. Over time LGDK have softened their stance on local social dialogue, though they still warn municipalities of entering into agreements that tie up resources.

At municipal level four types of local regulation can be identified. Local agreements and common understandings are jointly prepared and/or signed by the local municipality and the local branch of the DLF. Although the term ‘local agreement’ signals a higher level of commitment than does ‘common understanding’, in reality there are no systematic differences between the two. The difference between the two describe the variation regarding the negotiating parties intentions rather than variation with regard to content. A third type of regulation is administrative papers prepared unilaterally by the municipal administration and politicians from the local school council. These do not represent a mutual agreement between the local branch of DLF and the municipalities, but on several instances the local branch of DLF will have been heard during the formulation process, and in some instances these papers are also signed by both parties. Finally, the fourth type of regulation is by means of municipalities who solely govern working time by the central legislation (Bjørnholt et al. 2015; Hansen 2017).

For the school year 2015/2016, 54 local municipalities out of the 98 Danish municipalities reached an agreement or mutual understanding with the local branch of DLF. In addition, 12 municipalities formulated an administrative paper (Hansen 2017). A newly published memo from DLF indicates that the number of local agreements by March 2017 had increased to 69 (DLF 2017).

The new working time regulation has – across the different types of local regulation – increased the school principals’ management prerogative. Overall school principals report that they have always had a high degree of influence on their schools, and this in general has not increased with either the latest reform or the new working time regulation. However, some school principals do mention, that they have a stronger say on the teachers working time now than prior to the reform (Bjørnholt et al. 2015). Moreover, the tasks of the school management have changed, and today school principals must balance several key elements, such as planning of the new longer and more varied schooldays, time allocation for realising the professional pedagogical framework, and controlling budgets. This balancing act can create dilemmas of prioritization (Nørgaard & Bæk 2016:13).

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14 The Danish Institute for Local and Regional Government Research (KORA – since July 2017 ‘VIVE – The Danish Centre of Applied Social Science’) and FAOS have collected all of the local agreements between local municipalities and DLF. Data-collection took place from March 14, 2016 to June 29, 2016. This is the source of the 2015-16 statistics (Hansen 2017).
Regulation of the teacher’s preparation time

The reform resulted in a higher numbers of hours for class lessons, while the preparation time was not changed. The regulation on teachers working time distinguishes between teaching time and remaining time. The remaining time includes all other work assignments apart from class lessons. Freed from the collective agreement’s restrictions, employers can in principle increase the hours of class lessons for the individual teacher, without paying for more working hours. However, an increased number of class lessons decreases the remaining time. Therefore, the teachers and the pedagogues are required to rethink the use of the preparation time to optimise it (Hansen 2017). Survey data indicates that time for preparation and evaluation of teaching is found to be the biggest challenge among teachers and pedagogues in the Folkeskole after The School Reform. Thus, both professional groups direct attention to the difficulties related to finding time and space for preparation time (Bjørnholt et al. 2015:6).

Presence during the full workday

Another significant change following the regulation on the teachers working time is the principle regarding presence at the workplace during the workday. According to this principle, all work-tasks – including individual preparation – should take place at the school. This has challenged both the physical working space at the schools with a need for more office and meeting areas and traditional working organization.

For some teachers, the sharper division between workday and time for leisure this has been a positive experience. For others, it is a negative experiences challenging their professional norms with not enough time for preparation and creativity. This is formulated as the difference between being merely a salaried employee and being a teaching professional (Hansen 2017).

Teachers are found to be more positive about the regulations in municipalities with the new local agreements/common understandings, if these resemble earlier agreements (Bjørnholt et al. 2015). Moreover, an increasing number of municipalities try to meet the teachers’ requests for increased working-time flexibility, providing individual opportunities for flexible hours and/or local agreement with the possibility of partial presence (Hansen 2017).

Sickness leave and benefits

The proportion of teachers on sick-leave was below 3% during the period from 2010 to the mid- 2013. After the reform the number increased to about 4% . However, it decreased slightly in the fourth quarter of 2015 (Drescher et al. 2016:9).

Furthermore, absence due to illness rose from 11,1 days in 2013 to 13,9 in 2015 in Folkeskolen. In comparison, sickness absence increased by 0,7 day for the whole of the local government sector (Drescher et al. 2016). The increase
seen in the school sector might be ascribable to the changes in relation to the reform and the working hour regulation, but it could also be based on other factors. Local budgetary difficulties, municipal austerity, and restructuring of local school systems are factors of huge importance for the pressures experienced at school level (Hansen 2017).

Motivation, job satisfaction and types of local working time regulation
In overall terms, both pedagogues and teachers are still motivated to work after the implementation of the reform and the new working time regulation, and the teachers still believe that they have some autonomy in the class lessons. However, several teachers report that the new working time regulation has had a negative impact on their motivation and job satisfaction. According to the teachers surveyed this is, among other factors, due to the requirement of the increased presence. The increased presence weakens the flexibility in the job and thus creates a more stressful working life (Bjørnholt et al. 2015).

In general the teachers give a more positive reaction to the working hour regulations if the new local agreement have a closer resemblance to earlier regulations. Moreover, around 4% of the teachers employed in municipalities without local agreements/common papers in 2014 changed job to another municipality. This number is 1%-point higher than in municipalities with a local agreement / understanding paper (Ibid.).

Further training among teachers and school principals
Further training activities have increase due to the reform. The number of teachers receiving further training increased with 110% from 2014-15 to 2015-16 (The Ministry of Higher Education and Science 2016). The number of principals taken a diploma degree has increased from 67% to 81% since 2011. In the same period the number of attendants in a professional master programme has increased from 10% to 19% (Winter 2017).

Summary: The effect of the school reform on job quantity and job quality
It is difficult to draw decisive conclusions on the effects of the reform for at least two reasons: Firstly, as stated above, we are still in the yearly days of implementation. Secondly, since the issue is highly politicised with diverging interests, the social partners do not agree on the issue and point to different sources of information. However, the following might give some indication about short-term effects: The decline in the number of teachers has been matched by a decline in the number of students, so the decline cannot be seen as an expression of austerity. Whatever the explanation for this, there has been an decrease in open-ended contracts and an increase in the use of atypical employees, representing a declining job quality. Whether this change will be permanent is difficult to judge. As planned the principal’s decision-making power has increased and the teachers voice regarding working time has been reduced, but the
local agreements/common papers reflect variation in this reduction. There are some (vague) indications of a positive effect of the presence of local agreements/common papers on work environment dimensions. Regarding working environment, there are some positive indications after the implementation of the reform (such as less use of leisure time for work, the feeling of still having some autonomy and being motivated), but most indications are negative (reduced motivation, reduced job satisfaction, slight increase in sickness absence, preparation outside normal working hours).

However, the indications listed here are interview based and changes before and after the reform are in some cases minor. So these points should be understood precisely as indications rather than conclusions.

4.6 Effect of the job changes for quantity and quality of the service

Due to the early stage of the reform it is difficult to make solid conclusions regarding the effect on the quality of services i.e. quality of teaching. However, the pupils perception of the quality – which can be taken as one important dimension of the quality of service – has been evaluated in large scale surveys more than once since the reform. One of the latest of these surveys compares the pupils’ experiences in early 2016 with the situation before the reform in early 2014. The pattern is more or less similar to those regarding the quantity and quality of employment from the previous sections: Either no change has taken place, or the changes are small and mainly in a negative direction. The former is the case concerning the support from parents and teacher-parent relations, the latter is the case concerning the overall satisfaction, the content of the lessons, and the extent to which there are clear goals with the teaching. The only main indicator which shows a change of more than a few percentage-point change is the share of the pupils that is of the opinion that the school day is too long. The share increased from 46 % in 2014 to 82 % in 2016 (Nielsen et al. 2016).

Another recent official evaluation has analysed six elements of the school reform: Supporting teaching, physical activities, at school help with homework at school, ‘open school’, cooperation among the pedagogical staff, and work plans for the pupils. Also this evaluation could not point to more than the reform - so far – have led to more than marginal changes, with the exception of the reform element increased physical activities, which had led to an increase in motivation and well-being (Jacobsen et al. 2017).

The social partners’ readings of this and other official evaluations differs – maybe not surprisingly. LGDK emphasises in their summary of the reform: That the share of pupils with ‘high participation’ in teaching has increased by 3,5 % 2014-16, that the increases is largest among girls, pupils from homes with weak educational tradition and ethnic minorities, and that 95 % of the parents still have an overall positive evaluation of Folkeskolen. However, LGDK also emphasise that the share of parents that report on disturbing noise in teaching is
no less than 30% and that the share of parents who take part in school related activities has dropped from 58 to 38% (KL 2017). DLF has a less positive view of the effect of the reform. Their own evaluation show that only 13% of their members in 2015 found that the reform worked well, and that this number had dropped to 12% in 2016. Moreover, DLF point to the general lack of effect found in Jacobsen et al.’s evaluation (Folkeskolen June 9, 2016; Folkeskolen January 24, 2017). Also in relation to the longer term development of Folkeskolen DLF is critical. Although DLF admits that the increase in average size of the class from 20,4 pupils in 2009 to 21,7 in 2017 is not that dramatic, the same period also show that the number of pupils in classes with more than 25 pupils has increased in the same period from 17 to 27%. The class size has not changed since 2013 (DLF 2015).

4.7 Summary
The Structural Reform 2007 resulted in the merging of a number of schools locally in order to create larger, more specialized school units. Many schools today cover two or more school units, with one shared management. Moreover, the number of children has decreased in recent years and so has the number of teachers. Compared with the situation before the crisis and the Structural Reform (2007), expenditure had in 2013 decreased by 10% (adjusted for price- and wage development). Increased expenditure in connections with the 2013 reform reduced the decrease to 4%.

Focussing on the reforms other than the Structural Reform, key issues of the reforms during the last 15 years (and a decade before that) have been: Differentiation between the education needs of pupils with different learning capacity; more focus on basic skills in math, reading and writing; introduction of English at an earlier stage; use of more national tests and common goals; and introduction of individual ‘learning plans’; increased competition from private schools. Elements of NPM- are seen here, but not to the same extent as in the hospital sector.

With regard to the role of the social partners, in the collective bargaining arena an agreement to restructure working time regulation was made in 2008. Nevertheless, employers and politicians made a withdrawal of the working time from the bargaining agenda an essential demand in 2013, that was realised only after industrial conflict and government intervention. Involvement in political initiatives have traditionally been widespread in the sector, but in relation to initiatives around the 2013 reform the trade unions were by and large excluded.

Regarding quantity and quality of jobs, most major changes have taken place in connection with the collective bargaining round 2013 and the related school reform 2014. Contrary to the two other sectors the number of citizens covered by the service (the pupils in the case of Folkeskolen) has declined recently (after 2010). However, changes are seen in employment types, whereas full-time employment is in decline and fixed-term employment is raising. Whether this is
permanent development or a temporary one, connected to the implementation of the school reform 2014, is a matter of controversy. Regarding working environment, there are some positive indications after the implementation of the reform (such as less use of leisure time for work, the feeling of still having some autonomy and being motivated), but most indications are negative (reduced motivation, reduced job satisfaction, slight increase in sickness absence, preparation outside normal working hours).

With regard to the effect on service quality, the picture is un clearer in terms of the 2014 school reform. Conclusions with regards to the effects of the reform are uncertain both because the reform is very recent and because the high political priority of the reforms implies that several alternative evaluations exist as well as several alternative readings of the evaluations. Using the most official evaluation as a source, the pattern in the dimension analysed is either that no change has taken place, or the changes are small and mainly in a negative direction. The former is the case in regard to the support from parents and the relations with teachers, the latter is the case with overall satisfaction, the content of the lessons, and the extent to which there are clear goals for the teaching. The only main indicator which shows a change of more than a few percentage-point is the share of the pupils that is of the opinion that the school day is too long.
5. Eldercare

5.1 Introduction to the sector
Denmark figures at the very top when it comes to eldercare provision compared to other European countries. Elder care is provided free of charge and consists of a wide range of services such as residential care, home help, personal care and various forms of health care. Danish municipalities are responsible for eldercare provision and it is one of their core services. Elder care accounts for a significant share of the municipalities’ annual expenditures and amounted to 4.5% of the Danish GDP in 2015 (Rostgaard & Matthiessen 2016).

Like many other European countries, Denmark faces a demographical challenge due to rising numbers of elderly citizens. An ageing population is not necessarily associated with increased financial expenditures, but this depends on the volume of care-required citizens. However, the European Commission points out that the ageing population is expected to lead to increased budgets on health care and elder care and estimates that the Danish eldercare budget will increase from the above-mentioned 4.5% of GPP in 2014 to 7.5-8% in 2060 (Knudsen & Rostgaard 2015).

The eldercare sector employs overall 105,000 employees, which roughly is equal to a quarter of all municipal employees. In the period from 2010 to 2015 the number of employees within eldercare decreased by 2% (FOA 2016a). During the same period, the number of elderly citizens over the age of 80 increased by 6% to 241,000 persons (Statistical Denmark).

Compared to the situation in 2017 with 2007 (that is before the economic crisis and the implementation of Structural Reform) expenditure on eldercare has increased. However, when the number of users (elder persons) are taken into account the adjusted for price and wage development spending has been reduced by 25% per elder person (Økonomi- og indenrigsministeriet 2017).

The budget for eldercare is decided by the individual municipalities within the framework of the annual economic agreement signed by LGDK (Local Government Denmark) and the Government. Therefore, the service provision vary across municipalities.

Different eldercare institutions
The eldercare is divided into two main parts. One part includes traditional nursing homes where the elderly live in housing facilities with small apartments or rooms for each person and provision of full time nursing. In several cases, the nursing homes have additional living facilities, so-called ‘protected accommodation’ (‘beskyttede boliger’) where the elderly can stay in e.g. an apartment with extra help and assistance, but still have to manage on their own. The second type is nursing care at home (aka home help services). It is a public provided service including cleaning, cooking and personal care to the dependent older people, who are approved by the municipalities to receive help. The fact
that home help is free of charge and primarily publicly funded is unique in a Scandinavian context (Rostgaard 2015).

The nursing homes can be divided into four different types: Public nursing homes run and funded by municipalities, which are in majority. Independent or self-owned nursing homes owned by private actors, but publicly funded and run for non-profit. A third type of nursing homes are the so-called free nursing homes which is a result of legislation passed in 2007. The free nursing homes are privately owned, but partly subsidised by the public sector, partly funded through user charges, which give them the possibility from profit-making. Last but not least are the outsourced nursing homes which are delivered by a private provider of eldercare following public tendering (Hjelmar et al. 2016).

Table 5.1 – Four types of nursing homes

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Public nursing homes</th>
<th>Independent/self-owned nursing homes</th>
<th>Free nursing home/&quot;Friplejehjem&quot;</th>
<th>Private nursing homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>Public</td>
<td>Public/private</td>
<td>Public/user charge</td>
<td>Public/private</td>
</tr>
<tr>
<td>Regulation</td>
<td>Municipalities</td>
<td>Operating budget from the municipalities</td>
<td>Operating budget from the municipalities</td>
<td>Contract after competitive tendering</td>
</tr>
<tr>
<td>For-profit</td>
<td>No</td>
<td>No</td>
<td>Rarely used</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Inspired by (Hjelmar et al. 2016)

The eldercare sector employs a wide ranges of health and social care staff, which can roughly be divided into the following groups:

- **Social and health care assistants**, who work in nursing homes as well as provide home help and personal care. The formal education of this group ranges from 3 years and 10 months to 4 years and 7 months.
- **Social and health care helpers**, who have completed a 2 years and 2 months course and perform similar care-related tasks within the eldercare sector as the Social and health care assistants.
- **Nutrition assistants** who ensure that older people receive proper nutrition. These nutrition assistants have completed an education of between 2 years and 4 years and 2 months of duration.
- **Other occupations such as nurses and doctors** are as also present in the sector, but the aforementioned groups are the most widespread.

Since 2005 the eldercare sector has overall experienced an improved skills level. 19 % of the employees in nursing care at home and 33 % in nursing homes had completed 2 years of vocational education in 2005, compared to 33% and 46 % in 2015 respectively. In 2015, less than 3 % of the employees had not completed any formal relevant education (Rostgaard & Matthiessen
This development has contributed to increasing the wage-level of the employees in the sector. This development may be explained by the introduction of a new educational scheme for social- and health care helpers and assistants and social partners initiatives (Kamp et al. 2013) which means that an increased number of employees in the sector holds an educational level above 2 years and fewer with less than 11 months of education (Rostgaard & Matthiesen 2016).

5.2 The social partners in the sector and the collective agreements
The Danish municipalities are as employers in the eldercare sector organized in the interest organization LGDK. Thus, LGDK has the employer role in collective bargaining and other forms of labour market regulation. FOA is the largest trade union in the eldercare sector. It mostly organises public employed workers with shorter education within cleaning, cooking, childcare, and social and health services. FOA is the third largest trade union in Denmark with approximately 182,000 members. FOA is a member of The Danish Confederation of Trade Unions (LO) (see also section 2.1).

The Danish eldercare sector is characterized by high union density estimated to be around 90% and almost full collective agreement coverage (Larsen et al. 2010:268). Wage- and working conditions within the eldercare sector are determined 1) at the cartel bargaining-level between LGDK and Forhandlingsfællesskabet, 2) at the organizational bargaining level with negotiations between FOA and LGDK and 3) to lesser extent at company level, where local bargaining involve on the employers side HR- and other directors and, on the employee side, shop stewards or the local branch’ of FOA. 7 out of 10 of FOA’s members reported in 2016 that local-level bargaining do not take place related to them (FOA 2016c).

Results from a survey among leaders og and care institutions in 2010 describe that 88% of self-governed or independent institutions are covered by collective agreements (Ibid.). The collective agreements will affect the working conditions and terms of employment of none-covered areas of the private sector as a spill over impact on the expectations and demands from the employees (Larsen et al. 2010).

It should be added that most of the employees in the sector are covered by the Salaried Workers Act in addition to the coverage of collective bargaining.

5.3 Reforms and the role of the social partners
This section describes the changes that have taken place in the past 15 years in the municipality-governed eldercare due to reforms, and the social partners role in these reforms.

Due to an ageing population and a political request for effectiveness and modernization, the Danish eldercare sector has experienced a series of changes. NPM-reforms have to a large extent affected the Danish eldercare sector with
the adoption of NPM-measures such as time registration, documentation and use of private providers to ensure productivity and effectivity (Kamp et al. 2013).

In the late 1990s, quality standards and the initiative ‘Mutual Language’ (‘Fælles Sprog’) were developed to streamline the provided service and the time spend on care for each elderly person. In 2003, another management tool was introduced: The divide between purchaser and provider. Requests by public authorities for increased documentation is also an important development. From 2005 to 2015 the number of employees working with documentation and administrative tasks has increased from 10% to 44%. In addition, the eldercare sector employees experienced an increasing amount of more practical services regarding cleaning and a decrease in the volume of care-related services in the period from 2005 to 2015. For example 69% of employees in 2005 described coffee drinking with the elderly as a part of their job description – this share had decreased to 36% in 2015 (Rostgaard & Matthiessen 2016).

Marketization through contracting-out and free client choice are also important NPM-tools in Danish eldercare. Free client choice means that the municipalities are obliged to provide different options of providers for cleaning and eldercare services to older people entitled to home help (The National Board of Social Services 2016). Especially regarding the delivery of home help to older people living in their own homes, the share of private contractors has increased from 26% in 2008 to 38% in 2014 (KRL 2016). Regarding nursing homes the use of private providers are less widespread, but different types of ownership have become more widespread due to recent modernization reforms in the public sector.

Table 5.2 – Number of private providers of nursing care at home, 2008-15

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>319</td>
<td>377</td>
<td>413</td>
<td>396</td>
<td>396</td>
<td>459</td>
<td>432</td>
<td>387</td>
</tr>
</tbody>
</table>

Source: Statistikbanken, table VH33

The volume of home help provided by private contractors has increased in recent years following the introduction of the principle of free consumer choice. As showed in table 5.2, the number of private providers show some fluctuation, have increased from 319 in 2009 to 387 in 2015.

Public tendering is used to insure the free consumer choice. Approximately 38 private providers of home help have faced bankruptcy since 2013, which may indicate financial conditions too narrow to compete and fulfil the contract agreed. According to a trade union interviewee, the tendency of bankruptcies has led to the necessity of municipal backup teams to ensure and maintain the nursing care.
The increased involvement of private providers is often closely related with an intensified use of volunteers and civil society organizations. Many activities in the daily life at Danish nursing homes are managed by volunteers and the so-called ‘third sector’ is in a greater extend responsible for public duties apart from the core service as personal care.

Regarding the large-scale reforms covering the entire public sector, the eldercare sector was only briefly mentioned in the policy papers of the Structural Reform 2007 and was not one of the sectors that the Commission of Structure - preparing the Structural Reform - pointed out as problematic, but the sector was nevertheless affected by the reform. As a method to enhance the effectiveness of the health sector - including eldercare - a compulsive collaboration between the municipalities with responsibility for eldercare and the regions with responsibility of the hospitals was agreed in 2007. The agreement compelled municipalities to create new solutions within prevention and rehabilitation to prevent hospitalization and through that retrench the financial support from the municipalities to the regions (Dahl 2008). To support this, a joint coordination committee was set-up with the aim to implement the so-called ‘Agreements on health’ (part of the Structural Reform) to ensure the coordination between hospital and the municipalities.

The most important reforms since the economic crisis has been the aforementioned annual economy agreements between the Government, LGDK and Danish Region and the Recovery Plan, which caused that 20 % of the 98 Danish municipalities experienced budget cuts of 4 % in the period 2009-11 (LGDK 2011). In the post-crisis era, focus on rights of clients has also been prioritized. The ‘Commission of the Elderly’ was set up as a part of the agreement regarding the annual budget in 2011 and aimed to enhance focus on the individual’s quality of life and self-determination (The Commission of the Elderly 2012). According to a trade union interviewed, the economic crisis has legitimated these budget cuts and the increased focus on efficiency and further modernization of the eldercare sector.

Additional earmarked funds have been part of the annual national finance acts for 2014 and 2016, respectively with the aim to ensure the ‘dignity’ of the Danish elderly. This illustrates, along with the recent appointment of a Minister for the Elderly in 2016, that eldercare is high on the political agenda. However, the recent statistical figures provided in section 5.1, suggest that the expenditure per elderly continues to decline.

*The role of the social partners*15

The following section provides insights into the role of the social partners in the development of the eldercare sector. Contrary to the two other case-studies, the trade union interviewees representing the eldercare sector emphasized nearly

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15 Where nothing else is stated, the sources of this section is the interviews.
exclusively their role in the collective bargaining arena, indicating that this is there arena where they have by far the greatest influence. Thus, this section will not include the role of the social partners in the political (reform) arena to any great extent.

Regarding the collective bargaining arena, the collective bargaining round in the public sector 2008 diverged - as mentioned in chapter 2 and 3 - from the moderate level of conflict in the Danish model of labour market regulation. Relevant also for the negotiations in 2008 were the increased focus on employees, the so-called ‘warm hands’, to insure the quality of care prior to and during the bargaining round at sectoral level. Another key trade union demand was equal pay. These issues became the focal points in the negotiations and were brought forward as a struggle for equal pay in a sector traditionally occupied by women (Due & Madsen 2009).

It was the members of the Health Care Cartel (the largest organization of these being DSR) and FOA (with nurse assistance working at the hospitals as one of the largest groups) who ended up in an industrial conflict, which was all about the money. The favourable economic context – and maybe also the political pressures - made the three public employers - the state, regions and municipalities - accept a 12,8 % wage-increase over a three year period. However, The Health Care Cartel and FOA requested a 15 % pay increase and were for a long period not open for compromises, even with the with the help of the National Arbitrator it was not possible to strike an agreement (Due & Madsen 2009).

The trade unions had the support from the majority of the population. During the strike in 2008, an emergency staff (‘nødberedskab’) was set-up to ensure that care and assistance were provided for the elderly in the Danish municipalities. It was of high priority among the social partners – especially FOA – to get support from the public opinion obtain a public endorsement and to avoid political interventions. This was a way for the union to mediate the conflict and change public opinions. This indicated that FOA performed an active media strategy with an argument of ensuring the future of Danish eldercare regarding future recruitment and employee retention as a point of departure to achieve a better quality of care. The strike started in mid-April in 2008. Unlike earlier sector-wide public sector industrial strikes, the Government - a Liberal-Conservative government - did show no intention to intervene. In early May 2008, the parties agreed to a pay increase of 13,3 %, which due to internal distribution among FOAs members – implied a 14 % wage increase for nurse assistants. The Health Care Cartel, however, only reached a compromise in mid-June, after planned lock-outs had been added to the industrial conflict. Also in this case, the compromise was a 13,3 % wage increase (Due & Madsen 2009). Another result of the bargaining process in 2008 was the set-up of the so-called ‘Commission of Wage’, which was a government led initiative that focused on wage formation in the public sector and equal pay (Mailand 2012).
The collective bargaining round 2011 was less dramatic, and what will be reported here is relevant for most of the municipal sector and not just the eldercare sector. The agreement signed by the social partners included only moderate results and gains for the employees in Danish municipalities (Mailand 2012). Among the few results were an agreement that offered unskilled employees rights to training within one year from the start of the start in a new job. Due to the economic crisis, the members of the FOA called for increased job- and employment security. An agreement of a ‘security fund’ financed further training and counselling in the case of dismissal became part of the 2011 agreement.

The interviewees from the social partners representing the eldercare sector emphasized the change in power relations. After the crisis and the ‘expensive’ 2008 bargaining round, the municipalities and LGDK - pushed by their stakeholders – the employers developed a stronger employer profile. This could be seen during the bargaining round in 2011 and peaked with the formulation of an employers’ policy in 2012 and the lockout in the school area in 2013. This development reflected - and might have contributed to – strengthen the bargaining position of LGDK. Moreover, one interviewee pointed to a more hierarchical relations on the employers’ side, where the Ministry of Finance now more clearly than before frame the negotiation also in the municipal area (see also chapter 2).

Around the same time, FOA tried to influence the political agenda regarding the physical and psychological work environment in the eldercare sector. They pointed to the shorter life expectancy for the social care workers compared to e.g. academics and pointed the possibilities of differentiated retirement age. These attempts was a joint attempt with other relevant trade unions.

As a part of the cartel-level bargaining in at the collective bargaining round in 2015 was the set-up of fund aimed to ensure education possibilities for unskilled employees and further training for employees with short education. The target group was employees above the age of 25 with more than 5 years of experience in the Danish municipalities. This training initiative may have affected the formerly mentioned enhanced skill-level of the eldercare sector in Denmark.

5.4 Quantity and quality of jobs

Quantity of jobs

As previously mentioned, the number of employees within eldercare has decreased by 2 % in the period from 2010 to 2015 (FOA 2016a) and a 4 percentage-points decline in employee per elderly person in the period from 2010 to 2015 (Rostgaard & Matthiesen 2016).

According to representatives from FOA, the way the economic crises has affected the quantity of employment in the eldercare sector by increasing the
number of employees with longer education, such as legal advisors and economic consultants. This may alienate the care professions from the decision-making and consequently reduce the professional autonomy.

According to FOA, the unemployment rate for their members stands at 2.7%, compared to the average of 3.4% for the remaining members (FOA 2016b).

**Quality of jobs**

Regarding the quality of jobs, we will in the following focus on three broad dimensions of this:

**Non-standard employment:** The sector registers a growing number of employees working part-time (under 35 hours a week). In 2015, only 21% of the employees providing home help and 23% of the employees in nursing homes worked 35 hours or more per week. Moreover, FOA has also experienced a rapid increase in the number of members in marginal part-time positions in the municipalities working 7 hours a per week or less (FOA 2017). Finally, a study from 2009 showed that eldercare is one of the areas within the public sector that uses most temporary employees – the share at that time were 21% of all employees (Larsen 2008).

**Work satisfaction and health and safety:** Worth highlighting is that 75% of the employees in the Danish eldercare sector perceive their work as interesting and meaningful. This level has little changed since 2005. However, approximately 33% of the employees providing home help describe their working day as too stressful (Rostgaard & Matthiesen 2016). This result was also found in a survey among shop stewards within the eldercare sector, which shows that approximately 67% agreed or partly agreed that the employees where compelled to work faster than previously (Larsen & Navrbjerg 2010).

Regarding work satisfaction, there seems to be a tension between the new market-oriented rationality in the sector and the high level of professionalism and occupational identity of the employees. With the introduction of time registration and documentation demands a perception of degraded quality of the service is widespread by the eldercare workers, of which the majority has experienced increasing workloads (Kamp et al. 2013).

The trade union FOA has in recent years registered a substantial increase in the number of workers with stress-related sickness. This issue was addressed in the collective agreement of 2015 with a significant focus on physiological work environment. The changing working conditions and NPM reforms described above may be part of the explanation for this.

Moreover, the eldercare sector was affected by the changes in early-retirement scheme for workers aged 60-64, that has made it less rewarding. A high number of employees within the eldercare sector had planned for early retirement due to hard physical work, but decided as a result of the recent reform of the scheme to carry on in paid employment.
Job- and employment security: In the second half of the last decade, as a result of the Structural Reform, many municipalities were amalgamated into larger units. These profound organizational changes created insecurity among workers due to transformed work places and tasks (Dahl 2008). Moreover, as a result of outsourcing and price competition, the number of suppliers who have experienced insolvency and with that have many elderly citizens been left without the help needed. Therefore, an increasing number of employees in the eldercare sector are worried about their job and employment security due to repeated rounds organizational changes. The number has increased from 11 % in 2005 to 32 % in 2015 (Rostgaard & Matthiesen 2016).

5.5 The effect of changes in job quantity and quality on the service

The impact of the recent changes in the quantity and quality of jobs and regarding the quality of the care services provided will be discussed in this section.

Media and politicians are highly interested in measuring the quality of eldercare services, but it is a complicated task and it is difficult to formulate true and fair definitions of quality care. Moreover, it is difficult to ensure comparability in a Danish context with standards of quality, because the standards are determined by the individual municipality. This may also be the very reason why the quality of eldercare has only to a limited extent been researched in Denmark (Hjelmar et al. 2016). The Danish Health Authorities’ conduct national inspections on health related issues. However, these do not include the quality of the social interaction between staff and the elderly (procedural quality).

The only encompassing large-scale study to date of the quality of eldercare builds on a survey among directors of Danish nursing homes and the coding of inspection reports (Hjelmar et al. 2016). According to this study, the quality of services provided within the Danish eldercare have only to a limited extent been affected negatively by the marketization reforms and increased use of private providers.

The report by Hjelmar et al measures three forms of quality: Structural quality – defined as the general conditions for the nursing home such as the number of employees and the living facilities of the elderly. The private nursing homes have a larger group of hourly-paid workers, which makes it difficult to provide a stable and continuous level of service. The procedural quality of care is defined as the activities and the interaction with the elderly citizens. The public nursing homes are good performers when it comes to health related aims such as safeness procedures and handling of medicine. On average, the private driven and outsourced nursing homes receive more bad remarks than public nursing homes in the inspection reports, but the amount of private nursing homes in Denmark is minimal compared to the number of public nursing homes and therefore the results need to be analysed with reservations. However, private and self-owned nursing homes provide a higher level of quality when it comes
to food. *Outcome related quality* is measured as the effect of the provided service such as rate of mortality, lifetime and injuries the private nursing homes perform marginally better than the public, but the measurement of outcome related quality is flawed and hardly measured because of many depending variables. Hence, it is not possible to point to a clear difference in the quality level between the public and private providers or any clear effects from the changes in the quantity and quality of jobs.

Another of the rare sources to evaluate the service quality are the national inspection reports, conducted by The Danish Health Authorities. The conclusions of these inspections state among others the extent of serious remarks concerning patient safety. The number of serious remarks have remained fairly stable in the period from 2009 to 2015, fluctuating between 5% and 9% of the inspections. Also the number of nursing homes without any remarks continues to be relatively unchanged at 3 – 4% in the period from 2009 to 2015 (The Danish Health Authorities 2011; The Danish Patient Safety Authorities 2015). Hence, no change over time in service quality using this source either.

Whereas there is a lack of evidence in the research community for a negative impact on the quality of eldercare of outsourcing, most stakeholders seems to agree that problems exists. The former responsible minister for eldercare (now minister for public innovation and chief negotiator for the state employer), Sophie Løhde, find that the municipalities look to much at the price and too little at the quality when eldercare is outsourced (dr.dk February 24, 2017). FOA asks for mechanisms that could force the municipalities not to accept the lowest bid, if this is unrealistically low. FOA sees furthermore a connection with the unrealistically low bids and the continuously high level of bankruptcy among the private eldercare providers (FOA February 20, 2017). Also the organization Danish Industries (DI), representing the service providers, has warned against always choosing the cheapest offer from their member companies, because this might lead to insufficient quality and bankruptcy. LGDK, as the main responsible actor, find that the municipalities already have an eye for the price-quality balance and refers to LGDK’s guidelines for outsourcing (Politiken October 10, 2015).

### 5.6 Summary

Eldercare is a core service for the Danish municipalities and accounts for approximately 4.5% of the Danish GDP. The municipality-governed eldercare in Denmark employs 105,000 persons. The number of employees has declined by 2% since 2005, whereas the number of elderly and care-required citizens has increased. Compared to the situation before the Structural Reform and the economic crisis in 2007, expenditure has without adjustments increased in the sector, but adjusted for price and wage development spending has been reduced by 25% per elder person.
Industrial relations within the Danish eldercare sector are dominated by two major organizations: The trade union FOA represents approximately 90% of the employees of the eldercare sector and LGDK represents all the Danish municipalities and they are thereby the unions’ counterpart in the collective bargaining. The municipality-governed eldercare is almost covered entirely by collective agreements at cartel and organizational level. However, local (workplace) level bargaining is not very widespread.

The sector has been subject to several policy reforms in the past 15 years. The general Structural Reform that amalgamated several Danish municipalities into larger units, did not explicitly focus on eldercare, but affected nevertheless the sector. Moreover, the sector has been effected by a number of reforms targeting eldercare. Recent reforms have often been of the NPM-type and have in this sector especially led to increasing documentation demands, standardisation of services, free consumer choose and increased use of private providers. The economic crisis has been one of the drivers of change, but so has the recent demographic development towards an ageing population.

According to the interviewees, mutual respect and a good negotiation environment characterises industrial relation of the eldercare sector in Denmark in general, but in 2008 the eldercare sector was nevertheless involved in a largescale industrial conflict. Moreover, the crisis has affected the power relations also in the eldercare in favour of employers. The collective bargaining rounds of 2011, 2013 and 2015 have been less conflictual and have led to moderate results regarding new possibilities for further training, education and employment security.

The policy reforms of the public sector have also affected the quality as well as the quantity of jobs in the eldercare sector. The reduced number of jobs in the sector may be explained by austerity measures. Regarding the job quality, especially the NPM-reforms have changed the job content of the eldercare workers and challenged the professionalism and autonomy of the employees. Moreover, the reforms have resulted in an increased workload. It is, however, a number of surveys report that most employees find their work meaningful and interesting.

The social partners are aware of this development and try to influence policy-makers by increasing focus on the growing number of employees with contracts of few hours.

The effect from the changes in the job quantity and quality as well as regarding the quality of the services provided is difficult to measures and there is no clear evidence for the direction of change. The few available source point to stability rather than change, whereas the trade union as well other stakeholders find that the municipalities are weighting price too much in the public tendering processes which leads to bankruptcies and reduced quality in eldercare.
6. Comparison and conclusions

In the following we will relate the six sub-questions mentioned under the two overall research questions (see section 1.2) to the findings. The answers will as far as possible first use the cross-sector sections of the report to address the six questions, and then address each of the six questions with regard to the three sectors in focus. Finally, similarities and differences between the three sectors will be discussed.

6.1 Changes with regard to the social partner organizations

The first sub-question concerned changes within the last 15 years with regards to ‘the social partners’ structure and organizational capacity, ideologies and strategies, relationships (consensual or conflictive) and the coverage of collective bargaining, social dialogue and other relevant processes’. Because of the questions very broad scope, it is nearly impossible to answer generally for the public sector within the limits of this national report. But a focus on the three selected sectors might also provide some information that can contribute to a general picture.

Regarding ideology in the public sector as a whole, it is worth to mention that a sort of NPM-agenda – that some observers prefer to label ‘modernization’ in its Nordic version – has developed under government and employer leadership. It is a version that in general has not excluded the public sector trade unions and the role of collective bargaining. The trade unions have gradually, but only partly, accepted the NPM-agenda.

Another overall development might be partly related to this, but has only been visible in the present decade: that the public employers have become the most pro-active part in collective bargaining, often leaving the trade unions with a reactive role.

In the hospital sector collective bargaining coverage is still close to 100 %. Some organizational change has taken place, in that the employers’ organization has developed from a mixed employer/public authority organization to a more ‘pure’ employer organization. On the employee side, the trade unions in the Health cartel were in the beginning of the 15-year period part of the wider collective bargaining cartel, before leaving and the coming back to it recently. Hence, their strategy with regard to ‘alone or together’ seems to vary. Also the balance between consensus and conflict has varied throughout the years, with 2008 being a peak on the conflict side. The organizations’ organizational capacities have declined due to declining membership, but only marginally so. The organizational capacity - and strike capacity - of the nurses’ union (DSR) was however seriously reduced for a couple of years after 2008.

The school sector could be argued to show a little less stability throughout the 15 years period, but mostly due to what has happened since 2013. The grad-
ual decentralization of the working time issue, that began in the 1990s and developed until 2008, was insufficient for the public employers and the previous Social-democratic led government. The bargaining process - especially the government intervention without a prior strike or strike warning - demonstrated a change of employer-strategy and a development in power relations. Moreover, the relations between the parties changed from relative consensus to conflict. The more conflictual relations and more lop-sided power relations contributed to a changed of the bargaining institutions and trade union strategies, in that they were part of the reasons for the set-up of Forhandlingsfællesskabet and a the gradual development towards unity on the trade union side. However, some features are more or less unchanged in the sector. The trade unions are nearly all the same as 15 years ago and the organizational density and the collective bargaining coverage have not changed substantially.

In the eldercare sector, power relations might have been influenced by the much larger scope of contracting out than in the two other sectors. Also the fact that the average qualification level is lower than in the two other sectors might be of benefit for the employers. The 2008 industrial conflict involved the eldercare sector, and represents a peak on conflict scale. Organizationally, nothing much changed during the 15 year period in focus, apart from the fact that the trade union FOA, like the Health cartel, has travelled in and out of the larger bargaining coalitions.

6.2 The reasons for these changes

The changes described above, as well as in the following sections, is unlikely to be explained by just one or two factors. It is more likely that the developments are explained by a more complex web of inter-connected factors. At least six of these are worth pointing out:

First, the economic cycles (including economic crisis) have been of importance. The economic cycles were very favorable in the first half of the 15 years period in focus, and much less favorable in the second half – especially until 2013. The business cycles have directly and indirectly impacted on the relations between the social partner, the quality and quantity of jobs as well on the public services themselves.

Second, the evaluation of the economic crisis - which in many countries was a game-changer for the public sector and for public sector IR – is in a Danish context challenged by the fact that the implementation of a major political reform of administrative structures and welfare service institutions - the Structural Reform - took place more or less simultaneously with the economic crisis in the years following 2007. Hence, what is due to the effect of the crisis and what is the effect of the Structural Reform is often not clear (see also Hansen & Mailand 2013).

Third, demographic change has been a driver. The ageing of the population in the form of more elderly people has impacted, e. g., the hospital sector and
eldercare sector, whereas the – at least temporary – decline in school age children has affected the school sector.

Fourth, technological development impacts in several ways. One of these impacts is that it in some sectors seems to be possible to reduce staff and/or spending per user without damaging the service quality – but also, that there might be limit to this effect.

Fifth, although less marked than in the private sector, there seems to be a change in power-relation to the benefit of the public employers – a change that cannot only be explained by the business cycles. This change has impacted on other changes, especially with regards to IR.

Finally, the change of ideologies, especially on the employer side, that include some variation of NPM and learning from the private sector. It could, however, also be seen as a cause of several of the changes described above and below.

6.3 What shape has public sector reforms taken?
Although there has been a reduction in public sector employment from 2010 to 2017 on 4.7 %, Denmark has one of the largest public sectors in Europe both measured in share of BFI and share of employment. This was the case 15 years ago and it is still the case today. The public sector’s share of BFI has been between 26 and 28 % since 2000 (27 % in 2015), and the public sector has employed between 28 and 31 % of all employees in the same period (29 % in 2015).

Nevertheless, a number of NPM-inspired reforms, as well as a restructuring of administrative and organizational units towards larger ones, have changed the public sector. Contracting out, privatisations, free consumer choice, local wage determination, contract management and widespread use of targets and registration of activities have been introduced from the late 1980s and onwards. However, these reforms do not imply that all structures and processes have changed. For instance, only 25 % of the municipalities’ services are exposed to competition and only 11 % of the wage sum in the public sector is set at the local level. Moreover, a reaction to the NPM-reforms - especially to the control and registration aspects of it- has slowly developed in the present decade, but it is still too early to judge what the real impact of this reaction will be.

Although the 15 year-picture show certain stability, the economic crisis starting in 2008 has been followed by some (comparatively mild) austerity policies. Although, as mentioned above, it is difficult to separate the effects of the austerity initiatives from other factors, such as the demographic development and the Structural Reform, the austerity policies have no doubt contributed to the abovementioned decline in the number of public sector employees, which has been seen since 2010, and which continued (at a lower) pace even after the improvement of the business cycle from 2013.
In the hospital sector there has been an increase rather than a decline in the financial resources allocated to the sector. However, the activities have - due to the ageing population and medical and technological development making new treatment possible – increased much more than the budgetary increase. Hence, the hospital sector has shown substantial productivity increases. Most of the NPM-reforms mentioned above have been seen in this sector.

In the school sector (public primary and lower secondary school) key issues of the reforms during the last 15 years (and a decade before that) have been to: Differentiate more between the educational needs of pupils with different learning capacity; focus more on basic skills in math, reading and writing; introduce English at an earlier stage; use more national tests and common goals and introduce individual ‘learning plans’; face increased competition from private schools. Elements of NPM are seen here, but not to the same extent as in the hospital sector. Compared with the situation before the crisis and the Structural Reform (2007), expenditure had in 2013 decreased by 10 % (adjusted for price- and wage development). Increased expenditure in connections with the 2013 reform reduced the decrease to 4 %.

In the eldercare sector, NPM reforms have very much been on the agenda for the past 15 years and even longer and have in this sector especially led to increasing documentation demands, standardisation of services, free client choice and use of private providers. The number of employees has decreased and the number of care-demanding elderly has increased. Compared to the situation before the Structural Reform and the economic crisis 2007 expenditure has without adjustments increased in the sector, but adjusted for price and wage development spending has been reduced by 25 % per older person (without the adjustment by 8 %).

6.4 The industrial relations actors involvement in the reforms
The overall picture of the influence of the industrial relations actors on the public sector is varied, but generally speaking they have had strong influence through the collective bargaining arena - and varied, but much weaker influence through the political arena. However, the division between the two arenas are blurred by the fact that a key person on the collective bargaining arena, the Minister of Finance, is also the chief negotiator on the employer side in the path-setting state area.

Since legislation regarding wages is close to non-existent and limited regarding employment and working conditions, the collective bargaining arena is of major importance for regulation of these issues and the reforms covering these, such as decentralization of wages and working time flexibility. Public sector industrial relations have traditionally been relatively consensual, but large scale industrial conflicts in relation to the bi- or triennial bargaining rounds have taken place two times during the last 15 years, in 2008 and 2013. In 2013, it was only ended by government legislation.
The role of the social partners in the main cross-sector reforms on the political arena takes place ad hoc either through lobbying, hearings/consultations or – more rarely – tripartite negotiations. In general, the social partners’ role on the austerity policies have been limited.

In the hospital sector, the social partners have contributed to the development of the reform policies – NPM-reforms as well as non-NPM – themselves in the collective bargaining arena. A largescale wage-related conflict in 2008 was followed by some stalemate in the negotiations in 2011, which partly was overcome in 2013 and 2015 with agreements on working time flexibility for the medical doctors. For the trade unions – especially the nurses’ trade union DSR - unequal pay and increasing workloads are among the still unsolved challenges in a sector, that in recent years has seemed less conflictual than the two other main public sectors areas, the state areas and the municipal area. Regarding the political arena, the influence of the social partners is ad hoc and uneven –not only between employer and trade unions, but also between the trade unions in that the doctors’ trade unions seem to have the best access to the political system. In general, involvement of the trade unions – when it takes place – takes place late in the decision-making processes.

The social partners in the eldercare sector were also involved in the 2008 industrial conflict, and have since then experienced bargaining rounds with relatively few changes (such as the ‘security funds’ for persons facing lay-off), no or limited wage-increases and a strengthening of the power of the employers. The trade unions role on policy-making has been limited.

The social partners’ role in the school sector show another pattern. In the collective bargaining arena an agreement to restructure working time regulation was made in 2008, but employers and politicians nevertheless made a withdrawal of the working time from the bargaining agenda an essential demand in 2013. This demand was realized only after industrial conflict and government intervention. Involvement in political initiatives have traditionally been widespread in the sector, but in relation to initiatives around the 2013 reform the trade unions were by and large excluded.

### 6.5 The reform policies effects on the number and quality of jobs

As mentioned above, a decline in the number of employees in the public sector has taken place since 2010, but employment is still at the same level as in 2008. The national labour force survey shows that atypical employment in the form of temporary employees, part-time employees and self-employed without employees has been more or less stable since 2009. However, these figures 1) hide the fact that some of these employment types are increasing in some sectors, 2) hide the fact that marginal part-time work is rising in general especially in some sector (e.g. health care sector besides hospitals) 3) do not cover outsourced services, and 4) do not cover the early part of the 15 year period in focus in the present project.
In the hospital sector the total number of jobs has remained stable, but focusing on occupations, it is only the number of nurses that has not shown notable change: The number of doctors has increased and the number of support staff (with lower education) has decreased. This reflects a development towards shorter periods of hospitalisations and higher number of patients. Voluntary (long) part-time is widespread in the sector, whereas the employment types associated with precariousness are at the same level or lower than on the Danish labour market on average. The main job quality related problem seems to be work intensification, and the problem is – according to the trade unions – huge.

The eldercare sector shares with the hospital sector a situation where an increasing number of citizens needs the service of the sector. But in the eldercare sector the number of employees has decreased (at least since 2010). Regarding the job quality, part-time work generally and marginal part-time work has been increasing. The NPM-reforms and decreasing time per elder persons have created a situation where a fair share of the employees fair losing their job, feel that the professionalism of their occupation is under pressure, and that they have to work faster than previously. However, the majority of the employees still find their job interesting and meaningful.

In the school sector most major changes have taken place in connection with the collective bargaining round 2013 and the related school reform 2014. Contrary to the two other sectors the citizens covered by the service (the pupils in the case of schools) has declined recently (after 2010), and the number of jobs has declined proportionally. However, changes are seen in employment types, where full-time employment is in decline and fixed-term employment is raising. Whether this is a permanent or a temporary development, connected to the implementation of the school reform 2014, is a matter of controversy. Regarding working environment, there are some positive indications after the implementation of the reform (such as less use of leisure time for work, the feeling of still having some autonomy and being motivated), but most indications are negative (reduced motivation, reduced job satisfaction, slight increase in sickness absence, and preparation outside normal working hours).

6.6 Effect of the job changes for quantity and quality of the service

The most difficult of the sub-questions to answer is this final one. We have made no attempts to make an initial answer for the public sector in Denmark generally. And for none of the three sectors is it possible to say anything conclusive about changes in the quantity and quality of the service.

Regarding the hospital sector no clear conclusions can be drawn as to whether the work intensification - which without any doubt has taken place - has spilled over to problems in the quantity and especially quality of the service provided. The trade union for nurses, DSR, sees a connection between work intensification and declining quality of services, including declining safety of pa-
tients. Those who do not see such a connection, including the hospital employers in Danish Regions, point to the fact that nearly all main service indicators point in the right direction.

The picture is not much clearer in the school sector. Conclusions with regards to the effects of the 2014 school reform are uncertain both because the reform is very recent and because the high political priority of the reforms implies that several alternative evaluations exists as well as several alternative readings of the evaluations. Using the most official evaluation as a source, the pattern in the dimensions analysed is either that no change has taken place, or that the changes are small and mainly in a negative direction. The former is the case in terms of the support from parents and the relations with teachers, the latter is the case with overall satisfaction, the content of the lessons, and the extent to which there are clear goals with the teaching. The only main indicator which shows more than a few percentage-points change is the share of the pupils that is of the opinion that the school day is too long.

In the eldercare sector the effect from the changes in job quantity and quality on the quality of the service provided is difficult to measures and there is no clear evidence with regard to direction of this change and the few available source point to stability rather than change.

6.7 Comparing the sectors and perspectives

Table 6.1 below show a brief formulated attempt to compare the findings from the three sectors. There are several commonalities. All three sectors:

- show no major changes with regard to the social partner organization, to their organizational densities or to the coverage of the relevant collective agreements
- have seen a development towards ‘tougher’ and more active employers (although not to the same extent)
- have been affected by the same drivers for change (although not to the same extent)
- have been affected by NPM-reforms (although not to the same extent)
- show stronger social partner influence through the collective bargaining arena than the political arena
- have experienced work-intensification
- have been subject to intense discussions of the quality of services, though without leading to any clear picture of this quality, and without any clear link to the development in quality and quantity of jobs has been established.

Variation is seen with regard to:

- the relations between the social partners (most conflictual in the school sector (since 2013))
- the scope of NPM-reforms (least extensive in the school sector)
- the shape of NPM-reforms (most widespread use of outsourcing in the eldercare sector)
- the overall number of jobs (changed the least in the hospital sector)
- the use of atypical employment (least widespread in the school sector)

### Table 6.1: Comparing findings from the three sectors

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<tr>
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<th>Hospital sector</th>
<th>School sector</th>
<th>Eldercare sector</th>
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<tbody>
<tr>
<td>1. Changes SP</td>
<td>No major, although ’08</td>
<td>Major re: relations due</td>
<td>No major, although employers has become ‘tough’. No</td>
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<td>organizations and</td>
<td>conflict and new employers org.</td>
<td>to ’13 conflict and</td>
<td>big org. changes</td>
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<td>relations</td>
<td>Employers’ org. not so ‘tough’ as the other public</td>
<td>tougher employers, but</td>
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<td></td>
<td>employers</td>
<td>no big org. changes</td>
<td></td>
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<td>2. Reasons for</td>
<td>NPM-ideologies</td>
<td>Economic crisis &gt; budget cuts/austerity policies +</td>
<td></td>
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<tr>
<td>changes</td>
<td></td>
<td>changing power-relations</td>
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<td>Structural Reform; demographic development;</td>
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<td>technological development</td>
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<td>3. Scope and</td>
<td>Extensive NPM-reforms, limited outsourcing</td>
<td>Some NPM-reforms, limited outsourcing</td>
<td>Extensive NPM-reforms, extensive outsourcing</td>
</tr>
<tr>
<td>shape of reforms</td>
<td>Overall increased budget, reduced per user</td>
<td>Overall reduced budget, reduced per user</td>
<td>Overall reduced budget, reduced per user</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Role of SP in</td>
<td>Policy arena: Uneven between org., greatest</td>
<td>Policy arena:TU important role until ’13,</td>
<td>Policy arena: Limited for TU</td>
</tr>
<tr>
<td>reforms though:</td>
<td>for employers’ org. and doctors TU</td>
<td>then reduced CB arena: Important,</td>
<td>CB arena: Important</td>
</tr>
<tr>
<td></td>
<td>CB area: Important</td>
<td>but reduced from ’13</td>
<td></td>
</tr>
<tr>
<td>5. Quantity and</td>
<td>Same number of jobs, but more doctors, fewer</td>
<td>Reduced number of jobs</td>
<td>Reduced number of jobs, Atypical widespread, and</td>
</tr>
<tr>
<td>quality of jobs</td>
<td>support staff Atypical</td>
<td>Atypical limited, but increasing</td>
<td>seems to increase</td>
</tr>
<tr>
<td></td>
<td>widespread, but mostly long part-time and not</td>
<td>since ’13? Work-intensification</td>
<td>Work-intensification</td>
</tr>
<tr>
<td></td>
<td>increasing Work-intensification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Effect on quality</td>
<td>Nearly all quality-indicators show positive</td>
<td>Very controversial issue. Effect of the ’13</td>
<td>Few studies and few registrations to use,</td>
</tr>
<tr>
<td>of service</td>
<td>development, but TU says work intensification leads</td>
<td>reform not yet certain, limited negative overall</td>
<td>those that exist show stability and limited/no</td>
</tr>
<tr>
<td></td>
<td>to negative effects on quality</td>
<td>development?</td>
<td>effect of outsourcing on quality of service</td>
</tr>
</tbody>
</table>

Note: SP = social partners. CB = collective bargaining. TU = trade unions. Org = organization or organizational.

A number of observations can be drawn from this pattern and the sector-analyses.

Firstly, although three quite different - in terms of services - parts of the public sector are covered and there the presence of challenges specific to each of
the three sectors, challenges and developments are to a large extent the same as it has been described above. Moreover, it is not possible to conclude that any one of the three sectors are facing more challenges from crisis, reforms and other drivers than the others. This said, however, it might be that the eldercare sector in the 15 years period has changed the most in the 15 year period in terms of organizational structure and work-organization (due to e.g. the widespread use of out-sourcing). It might also be the sector where the trade union has been least able to influence reforms and have the weakest power-position. The dominant union in the sector - FOA - is basically a general workers union (of employees with no or low formal education) and they have never had the strong occupational identity, organizational capacity and history of (occasional) trade union militancy to use, as for instance the nurses’ and the teachers’ trade unions have. However, that the presence of these feature on the other hand is no guarantee for influence illustrated by the industrial conflict 2013 and the following school reform.

Secondly, one of the common challenges that shows most clearly in the sector analyses is work intensification. Whereas solid conclusions on the effect on quality and quantity of employment on the quality of service could not be drawn, there is no doubt that work-intensification – and the related challenges for the psychological working environment – in recent years has become a major issue across sectors.

Thirdly, interestingly, a high intensity of NPM-reform does or a high level of budgetary reductions does not seem necessarily to lead to more conflictual relations. Table 6.1 and the sector-analyses indicate that other factors plays a role. One is the level of involvement of social partners, especially the trade unions. Involvement of these in NPM-reforms (though one of the two arenas or both) in formulation and implementation of these seems in many cases to prevent conflicts. But also the power of the trade unions might play a role, in that more powerful trade unions are able to be more vocal and efficient in their complains, if they are bypassed, than weaker ones.

Fourthly, although change has taken place there are also a great deal of stability. The reforms, the Great Recession and the other drivers have impacted on the public sector, but fundamentally IR institutions are the same and the social partner organizations show a high level of stability in the 15 years period. Likewise, although employment has been reduced in the most recent years, the job-level in 2017 is the same as in 2008 and the public sector is still in terms of resources and in terms of employment among the absolute largest in the Europe when compared to the private sector.

The short-term perspectives for the social dialogue in the public sector looks conflictual. 2018 is the first year with a collective bargaining round since 2015. The ‘trust-crisis’ between the social partners in the state sector (see page 15) is still present at the time of writing. Moreover, it seems that the teachers working
time will again be a conflictual issue during the coming round. Maybe less conflictual will be bargaining regarding the conditions of atypical employees, where LGDK has signaled that they want to further reduce, or totally eliminate, remaining thresholds. Moreover, psychological work environment and work intensification seems also to be an important part of the agenda.
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List of interviews\(^{16}\)

Marianne Brinch-Fischer, Head of General Collective Agreements, Local Government Denmark (KL).

Jakob Oluf-Bang, Head of Collective Bargaining Department, FOA.

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Kasper Axel Nielsen, Director, The Union of Specialized Doctors (Foreningen af Speciallæger, FAS).

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\(^{16}\) All interviews were conducted in the period October 2016 – May 2017. The list only includes interviews conducted especially for the BARSOP project. The report includes interview-based findings from other project. It is indicated in each chapter where this is the case.