

# Conflict resolution in Denmark

## KEY FACTS

- Danish labour market regulation is characterised by the exclusive role of the social partners and with a strong built-in sense of ownership and joint responsibility based on mutual recognition.
- Wages and working conditions are primarily regulated through collective agreements concluded by the social partners at branch or company level.
- Legislation covers specific topics such as health and safety, holiday entitlements, sickness benefits, equal treatment, equal pay or maternity/paternity leave.

The Danish labour market is defined by five dynamics:

SECURITY STABILITY TRUST EFFICIENCY FLEXIBILITY

During collective bargaining, the social partners meet in a joint consensus of being responsible for ensuring a secure and well-functioning labour market.

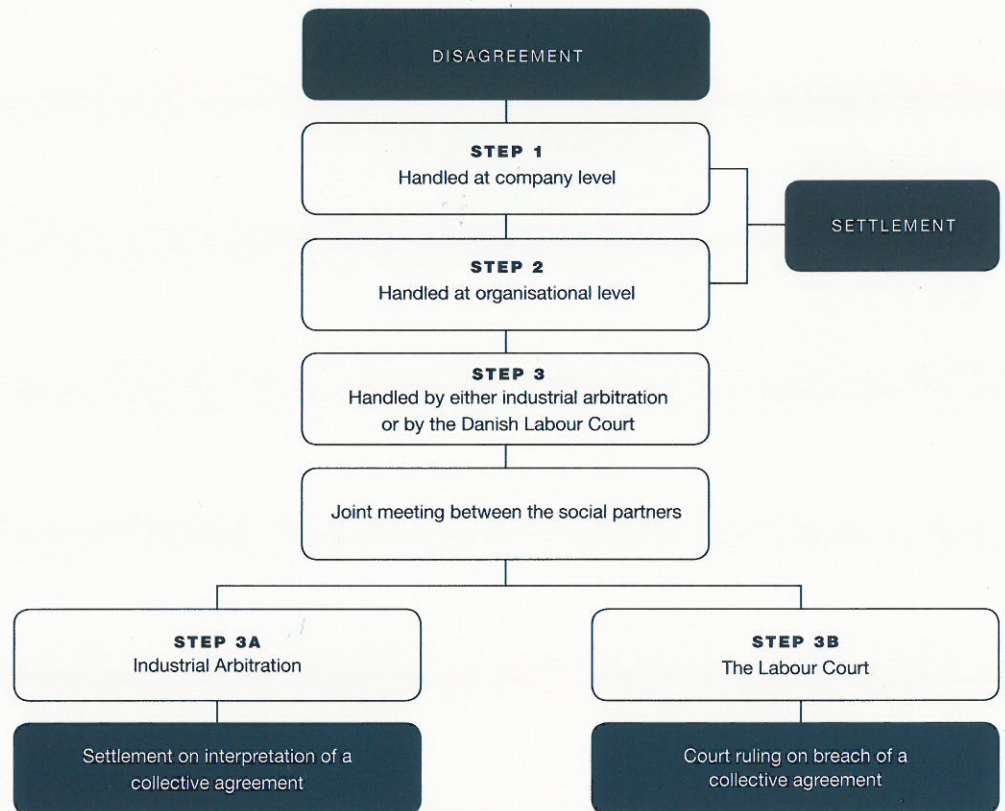
The **system of conflict resolution** is an established procedure of handling any labour market conflict in close cooperation with the involved parties and often at company level.

A special characteristic of the Danish system is the general **peace obligation**. This means that, in the periods between the renewal of the collective agreement, it is in effect, illegal for the social partners to take industrial action, although they retain the right to take industrial action if they cannot agree on renewing the collective agreements.

Through the procedures of **conflict resolution**, the social partners handle conflicts by negotiation and mediation, cf. figure 1.

Figure 1

## THE SYSTEM OF CONFLICT RESOLUTION



**Step 1:** A disagreement between employers and employees is handled at company level, where a settlement is sought through mandatory negotiations at company level.

**Step 2:** If the disagreement is not settled at company level, the social partners will continue to negotiate at organisational level.

**Step 3:** If the social partners are not able to settle the dispute, the case will be handled by either industrial arbitration or by the Danish Labour Court.

**Step 3A:** A disagreement on the interpretation of a collective agreement will be settled by Industrial Arbitration.

**Step 3B:** A disagreement regarding an alleged breach of a collective agreement will be settled by the Labour Court.

Conflict resolution is structured to settle a disagreement or a dispute as quickly as possible. A great number of labour market disputes are settled at company or local level at step 1 or 2. In most instances, the procedure of steps, as illustrated, is obligatory when handling a disagreement in order to make the system more efficient. As a result, the processing time is often shortened.

The industrial conflict resolution system in Denmark is managed autonomously with no interference from the Danish legislative assemblies. The specialised **Danish Labour Court** possesses specific competences, as the labour law define its jurisdictions.

The President and the 5 Vice Presidents of the Danish Labour Court are judges from the Danish Supreme Court, whereas members of the court are chairmen from trade unions, employers' organizations or heads of larger companies. Based on recommendations from a number of trade unions and employers' organizations, the Danish Minister of Employment appoints the members to the court for a period of 5 years.

The Labour Court holds the exclusive competence of ruling on an alleged breach of a collective agreement. Rulings by the Labour Court will set precedents for future ruling in similar cases. The Labour Court's rulings cannot be appealed.

If a settlement on a disagreement cannot be reached in the previous steps of conflict resolution, the presiding judge may pronounce a conclusion based on precedents in order to handle the case quickly – if both parties agree on such a procedure.

Cases filed with the Danish Labour Court has decreased during the past 10 years

Figure 3

## RESULTS OF CONFLICT RESOLUTION

