Yellow Unions in High Union Density Industrial Relations - The Case of Denmark

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Dias 1
Agenda

1. What is a yellow union?
2. The Danish IR model - collective bargaining
3. Yellow challenges – central level
4. Yellow challenges – local level
5. Is the Danish model challenged by yellow unions?
Yellow unions – characteristics

- Fundamental ideology: No conflict of interests between employers and workers
- Hence, no basic conflict possible
- Do not engage in collective bargaining
- But do administer collective agreements, signed by traditional ‘red’ unions
- Have a lower union fee (as they do not need an apparatus to negotiate collective agreements)
- Often affiliated to christian organisations
The Danish IR Model

The State Legislation

Labour Market Regulation

Employers’ org. → **Coll. Agreements** ← Unions
Conditions for the Danish Model

Collective agreements as main means of regulations necessitates:

- Strong, representative bodies of unions and employers organisations (high union density)
- High coverage of collective agreements
- → high level of membership
The Threat!!

*Low(er) union density*
- Questions the legitimacy of the negotiating parties
- Might lead government to consider more legislation
- Fewer shop stewards $\rightarrow$ weak local bargaining power
  $\rightarrow$ centralisation

*Low(er) collective agreement bargaining:*
- Segmentation as fewer are covered by social benefits (pension etc.)
- Coverages through legislation
  $\rightarrow$ Weakening of the Model

*Weakening of unions and employers’ organisations:*
  $\rightarrow$ Weak political influence
The Danish IR Model

The State
Legislation

Labour
Market
Regulation

Employers’ org. → **Coll. Agreements** ← Unions
The Danish IR Model on retreat

The State
Legislation

Labour Market Regulation

Employers’ org. → Coll. Agreements ← Unions
The reality: The Danish model of Industrial Relations

Most labor market issues regulated through collective agreements → voluntaristic model

### The Danish bargaining model in numbers
- in per cent (2010)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Signed collective agreement</td>
<td>70</td>
</tr>
<tr>
<td>Union density</td>
<td>67</td>
</tr>
<tr>
<td>Shop steward coverage</td>
<td>52</td>
</tr>
<tr>
<td>Companies in employers’ organisation</td>
<td>58</td>
</tr>
</tbody>
</table>

→ Thoroughly regulated labor market
The reality over two decades – more bleak...

**Union density:**

<table>
<thead>
<tr>
<th></th>
<th>1985</th>
<th>1995</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>All in all</td>
<td>70 %</td>
<td>73 %</td>
<td>67 %</td>
</tr>
<tr>
<td>Traditional unions</td>
<td>69 %</td>
<td>71 %</td>
<td>59 %</td>
</tr>
<tr>
<td>Yellow unions</td>
<td>1 %</td>
<td>2 %</td>
<td>8 %</td>
</tr>
</tbody>
</table>

**Collective agreement coverage:**

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector</td>
<td>75 %</td>
<td>70 %</td>
</tr>
<tr>
<td>Private – not-meber employers</td>
<td>60 %</td>
<td>40 %</td>
</tr>
<tr>
<td>Public sector</td>
<td>100 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>
Yellow unions – local level consequences

*Shop steward survey 1998 and 2010:*

Shop stewards with one or more ‘yellow’ co-workers:

1998: 32 % 2010: 64 %

More than 25 % yellow: On 17 % of work places

*More than 60 % of shop stewards states that the presence of ‘yellow’ co-workers makes their job as shop steward more difficult – or creates conflits*
Yellow unions – managements’ perspective

<table>
<thead>
<tr>
<th>Management view on non-organised yellow unions (per cent)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer non-organised employees</td>
<td>2</td>
</tr>
<tr>
<td>I do not interfere in my employees’ union affiliations</td>
<td>69</td>
</tr>
<tr>
<td>I actively supports and encourages my employees to be member of a union</td>
<td>28</td>
</tr>
<tr>
<td>DNK</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

n = 1583

17 % of managers states that the presence of ‘yellow’ employees weakens the shop stewards’ mandate
Summing up – yellow unions and the Danish Model of IR

Stronger yellow unions
→ More difficult tripartite negotiations
→ Example: pension reform in 1987- not possible
→ Legislation more likely

Ownership: Social partners do not own labour market regulations
→ Conflicts and strikes more likely

BUT:
Yellow unions do not have any policy
→ Do not deliver over-all solutions for the challenges meeting the wellbeing state
→ No support from responsible political parties or employers’ organizations
→ Not really an alternative for the political parities or employers
→ But a very real alternative for employees!!!
Summing up
Union strategies and shop stewards

Unions: Explain advantages of membership: 93 %

Shop stewards following this strategy: 62 %

One in four lack arguments as of why to join the union!!

Unions: Do not help and assist non-union members: 56 %

Shop stewards: 48 % follows this strategy....

...but 39% do help and assist non-union members

Insufficient narrative/framing – no clear-cut strategy

One in four lack arguments as of why to join the union!!