

Tripartite agreement

The Danish Labour Market Model builds upon a division of labour between the state and labour market organisations. The large degree of influence these organisations have on employment policy, wage and working conditions is particular to the Danish Labour Market Model. The Danish model builds on three parts: tripartite cooperation, collective bargaining agreements and a high level of organisation.

A **tripartite agreement** is an agreement negotiated between the three central parts of the Danish labour market: employer organisations, labour organisations (representing salaried employees) and the Danish Ministry of Finance (representing the Government). The Government's cooperation with labour and employer organisations is an integrated part of the whole employment policy. Even in areas that are strongly regulated by legislation, such as working environment, job centres and unemployment insurance, there is a broad cooperation and involvement of all parties. Motions for legislation that concern the labour market are sent for hearing to the labour and employment organisations before the Danish Parliament adopts them as law. In many areas, decisions are made by central or local councils, in which the organisations are also involved. There is also regular contact on an informal level between the state administration and labour and employer organisations.

As far as possible, the state does not interfere in the regulation of wage and working conditions, as long as the organisations are capable of solving the problems themselves in a responsible manner. This is something very special about the Danish labour market. For this to succeed, the Danish Labour Market Model requires strong and representative organisations, and that these show a high degree of responsibility towards the agreements entered into. Regulation of wage and working conditions is done through collective bargaining agreements. The parties involved in a collective bargaining agreement will, on behalf of the workers, always be a group of salaried employees generally in the form of the unions, while from the employers' side, this can be either the individual employer or an employer organisation.

The collective bargaining agreements regulate wages and working conditions for salaried employees within the various industries. The collective bargaining agreements thus lay down some rules, which are relevant to the employment conditions of the individual employee. Employers covered by a collective bargaining agreement are also obliged to observe the rules of the agreement even for those employees in the company, who are not themselves members of a union.

Facts from the Ministry of Employment, translated by the Ministry of Foreign Affairs