

# Employee participation and co-determination at the workplace level in Denmark during years of crisis.

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Paper ILERA Congress Philadelphia 2012

## Introduction

In this paper we discuss strategies for strengthening employee participation and co-determination in regulating working conditions and enterprise policies in Denmark. The paper examines both formal and informal opportunities for employee representatives to participate in and actuate the regulation of working conditions and working environment, as well as their influence on major issues of interest, relating to rationalization, technology, staffing, budget and strategy development.

Opportunities for employee participation and co-determination are discussed in the paper within a framework established by 1) *agreements concluded by the social partners*, 2) *The EU social dialogue initiatives*, as well as 3) *employers' strategies and trade union strategies in a Northern European context*. The paper argues that the relationships at the enterprise level cannot be conceptualized and reduced merely to an employment relationship, but must be studied in a **conceptual framework of collective cooperation and agreement systems**. Employee participation and co-determination are also illuminated from an **industrial democracy** understanding, where different models and forms of influence are applied.

## Issue

The Danish system of cooperation with employee representation at the enterprise level ("*Samarbejdsudvalgssystemet*" in Danish - abbreviated "*SU-systemet*") can be seen as an element of **Industrial Democracy**. It represents a form of **Workplace Democracy** where employees are given a degree of co-determination ("*Mit-bestimmung*" in German/"*Medbestemmelse*" in Danish) and influence and consultation ("*Medindflydelse*") on the organization of work at the enterprise level. In the Danish case, we can talk about assigning a collective influence and co-determination to employees on the operational as well as the tactical and strategic levels of decision-making. The Danish "SU system" includes and is based on a number of decision-making structures such as formation of cooperation committees and consultative bodies ("*Samarbejdsudvalg*") to facilitate communication between management and Unions.

The SU system has its roots mainly in the collective agreement system and is based in part on agreements on cooperation between the social partners ("*Samarbejdsaftaler*") and in part on legislation

on occupational health and safety (“*Arbejdsmiljølovgivning*”). Other factors as well have had an influence and impact on the system. This is the case, for example for EU legislation, for new management strategies and for the economic crisis, which all affect employees' opportunities for participation and influence.

For many years, European wage earners have gained institutional opportunities from EU initiatives to strengthen and support employee participation in various aspects of workplace policies. This has been the case since the 1970s, but especially since the 1990s a number of important EU legislative efforts have helped increase employee representation and consultation. Notably the European directives on employee representation at company level have been supportive in this respect: the European Works Councils Directive from 1994/1995, directives on the involvement of employees in European Companies (adopted in 2001) and European Cooperative Societies (2003) and, finally, the framework directive on information and consultation at the national level, adopted in 2002 (Transfer 2011).

However, the economic crisis since 2008 and the shift in EU economic policies towards prioritizing market-conforming policies raise questions as to the persistency of employee participation as a powerful tool of interest representation. Procedural rules and “soft” consultation are viewed by many to have been defeated by economic integration and crisis management. The voluntary character of the employee participation approach is considered to have been overruled by other strategies, and, in the public sector, by those of New Public Management. Still others think that the approach has been a breakthrough as part of a multi-level regulation system and a way of intensifying cooperation between the two sides of industry.

In Denmark, employee representation systems at the enterprise level have been known since 1947 in the private sector and since the 1970s in the public sector. Denmark has a long tradition for conducting cooperation at the local level and maintaining strong information and consultation architectures. The Danish system was actually built before the country's EU membership in 1973 and the new EU initiatives introduced since the 1990s. Therefore, Denmark represents a fine testing ground for investigating the influence and co-determination during the recent years of crisis and changing economic and political climate.

One could say that it is the soft regulation and the “social dialogue” at the local level which are at the focus of this investigation.

## Presentation

The paper builds on a newly concluded empirical study<sup>1</sup> of the Danish system of cooperation with employee representation at the enterprise level (the “*SU system*”).

In the study we examine employee representatives’ participation and co-determination. Over the years new management forms and management strategies have been introduced. These new strategies imply changes and adjustments of the system of cooperation. *The question is whether the system is fully compatible with the new management strategies and organizational forms and whether these new management strategies are consistent with the employees' wishes for the system of cooperation. Do employees and management want the system of cooperation developed in the same direction and along the same lines and in accordance with the same ideas?*

**Three main theses** have been guiding for our research:

- 1) The formal sets of rules of cooperation will generally be observed, but there will be major differences in how frequently and how well employee representatives will be consulted and actually involved in defining the enterprise's policies.
- 2) The employees' actions in the collaboration and cooperation system are expected to be predominantly reactive
- 3) The employees' influence and co-determination will depend on the degree of collective understanding and action locally, but mainly on the existence of representatives with the ability to interpret their members’ needs, wishes and moods.

It will mainly be in connection with operational aspects that the procedures of co-determination will be developed, we expected. Tactical and strategic issues will rarely be at the center where co-determination is found. The skills of the employee representatives should match the competency requirements triggered by the modernization processes, and it is therefore necessary for the unions to ensure that employee representatives acquire the necessary skills and competencies through education and training. If a weak local system of cooperation develops, the desire to use the system of negotiation instead of the collective system of cooperation could become strong among employee representatives.

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<sup>1</sup> ”Medhør uden medbestemmelse” (Caraker et al., 2012). The survey was conducted among 13,700 employee representatives and safety representatives within the Confederation of Professionals in Denmark (FTF). Semi-professionals thus constitute most of the representatives. The survey was conducted in the period November 2010 – January 2011 as a web-based questionnaire covering 164 issues. The survey received responses from 8,562 representatives, corresponding to a response rate of 63%, which is a high response rate for this kind of study in Denmark. The survey is representative by gender, age and professional body, while the employee representatives are slightly over-represented (66%) compared to safety representatives (56%). The representativeness must thus generally be considered satisfactory. Subsequently, 21 representatives each participated in a qualitative interview to clarify their experiences, assessments and opinions regarding participation and co-determination at their workplace. On average the interviews lasted 1 ½ hour (Ibid., 128-136).

If so, there will be a risk of decoupling between the system of cooperation and the system of negotiation.

After this introduction, we will present the theoretical components in the next section, followed by an introduction to the Danish system of cooperation. It will describe the impact of New Public Management (NPM) and new management strategies within the financial sector. In the fourth section we analyze the relationships between management strategies, participation, and system changes. The analyses are based on results from the above-mentioned study. It is a study of experiences, assessments and opinions on employee involvement among employee representatives – organized under FTF, the Danish umbrella organization for white-collar workers<sup>2</sup>. Finally, the article ends with a conclusion that contains recommendations on trade union initiatives in relation to a new strategy to actuate participation and influence.

The paper ends up with a recommendation on possible initiatives to be taken by employees' organizations in response to changes and adjustments of the system of cooperation: They must launch an offensive in order to ensure greater participation, galvanized by institutional support and realized through what we call “*self-organized democratization*” of the system of cooperation. A strategy which requires both the unions and the individual employee representatives to be provided with new skills and qualifications.

## **The Context**

### **The Danish system of cooperation with cooperation committees and safety representation**

The democratization of working life and society in general was on the program of the labor movement after 1945 and followed a parallel development in many Western European countries. As a result, information, consultation and employee participation systems were installed in most European countries (Knudsen 1995).

The first cooperation committees were formally established in 1947 in the Danish private sector. Two years later, the first collaborative trials were also launched in the state administration. From 1972, works councils became mandatory in all government institutions with more than 50 employees, a rule which also applies to organizations in the municipal sector. So there are more than 60 years of experience behind the current system, which covers different forms of employee participation in corporate decision-making. From 2004, the system of rules for influence and co-determination was further defined with the implementation of the EU directive on information and consultation (EU

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<sup>2</sup> The Confederation of Professionals in Denmark (FTF) is an umbrella organization for 81 independent trade unions with a total of 450,000 public and private sector white collar workers, corresponding to 16% of the Danish work force. The Confederation is covering employees with an education at 2-4 years, who are working in the private finance sector as well as in the public sector as teachers, social workers, nurses, police officers.

2002). The fundamental principles have remained the same throughout: empowerment and participation of the employees through cooperation committees and occupational health and safety committees, all of which are here referred to as one system.

Workplaces and administrative units are required to set up joint local cooperation committees. In addition, larger workplaces are required to set up joint central liaison committees to discuss overall issues and issues affecting the entire organization. For this reason, the vertical system of cooperation may include two levels in addition to the local level. At many public sector workplaces, it is furthermore customary for the central liaison committee to ask the committees at the other levels to submit written consultation responses to selected issues. In both the private and public sector, all committees are required to have at least 4 meetings a year, and the management is required to circulate a qualified written decision-making basis and background material to the representatives. The rules of the cooperative system give employees a collective say in the company or institution. They seek to balance the power relations, and they are generally intended to help boost confidence and cooperation between management and employees.

But does the system work democratically? It was not an industrial democracy that was established with the introduction of the system of cooperation. Democratization has its limits within the system. But it does allow participation: information, consultation and co-determination, all implying empowerment and broader participation through participation in joint decision-making. It is therefore an important extension of the Danish "industrial relations" system. The levels are linked – but how and to which extent? The system has its structural limitations because it rests merely on the "good intentions" of employers, as opposed to the regulative system of collective bargaining, which is founded on common agreements and offers the opportunity to negotiate a more cooperative system.

### **The economic crises, Public administration and New Public Management**

The data for the study was collected during a time of crisis and at a critical point in the development of the Danish social structure. Social and political forces seek to transform the universal welfare state framework for the development of the capital system into a finance market oriented capitalism with a weaker state administration. Undoubtedly, the crisis has also strengthened the articulation of the neo-liberal project. Public policies must be mobilized for the benefit of the private sector's competitiveness on the world market, which will further change the public workplaces and policies.

The financial sector has been dominated by signs of crisis since 2008. The banks - whose employee representatives have participated in this study - have witnessed a series of bankruptcies, mergers, cutbacks, rationalization concepts and measures to outsource IT jobs to third-world countries. The private sector's employee representatives encounter many of the management strategies faced by the public sector employees. In the public sector, the strategies are expressed as general reductions of the public budgets and in the form of persistent implementation of New Public Management reforms.

It is important to note that the crisis in the 1970s and 1980s brought less far-reaching political influence to the cooperation committees. The USA was an example to a crisis-ridden Europe dominated by high unemployment and balance of payments problems. Deregulation, decentralization and the delegitimization of collective systems and institutions were now part of a neo-liberal wave that hit Denmark also politically and culturally, albeit in a much delayed and reduced form. The initial conditions were bad for that kind of market radicalism. So it was rather an emerging "New Public Management" securing the public sector which began with the management and governance reforms at the center. It was especially promoted towards the change of the millennium and has since then been accelerated. Also, despite promises of "quality reform" and other measures that would curb rampant bureaucracy and fetishism of "measurements" of life. Private role models for leadership and concepts for control have been used extensively. Realignments, restructuring, repeated "modernization" of the institutions have become dominant themes. Reform has become routine. Management strategies have been changed (Madsen, 2012).

NPM is thus the common denominator for a multitude of ideas and practices: a political strategy to change and reduce the public sector's role in society; a special way to present considerations of usefulness and neo-liberal values; an administrative policy based on a transfer of the private sector's management and control methods, and finally a sort of toolbox for public-sector officials which enables them to become "managers", capable of tackling both external and internal problems – the latter including also the influence and co-determination of the professional staff (Madsen, 2012). In the public sector, dismissals in the municipal, regional and government organizations create very difficult conditions for empowerment and participation. It is no longer the extension of democracy which is on the central management's agenda, but the opposite. Management now restricts democratic values (Madsen, 2009).

As mentioned before, the new management strategies in the private and public sectors share many features, and the change intensity must be considered high at the workplaces included in the study. Our study shows that the majority of the representatives have experience with change and new management strategies (Caraker et al., 2012). The majority of the representatives have had experience from the past 3 years with budget reductions, reorganization of work procedures, organizational changes, intake of additional tasks without additional staffing, introduction of new technology, dismissals and mergers/amalgamations. About every third representative has experience with new forms of governance (centralization/decentralization of management) and experience with the introduction of standardized quality models. In the financial sector, 27% of the representatives have experience with management strategies on outsourcing jobs to third-world countries (Ibid., pp. 51-54). We shall address the high change intensity and its impact on co-determination in our analysis. The tasks of representing employee interests are expected to become increasingly difficult. But much more is also required in the form of updated knowledge and strategically relevant information about the actual experience gained.

## Analytical framework

Our theoretical starting point is to be found within the framework of the industrial relations tradition applied to a Northwest European context and combined with an actor-oriented institutionalism. In our view, labor market relations cannot be studied and comprehended essentially on the basis of "Employment Relations" concepts, since wage and working conditions are not determined by individual agreement but through collective regulation founded on collective rights (Jørgensen 2002).

Industrial relations systems have been weakened on the global level and also in the countries of Western Europe. This development has implied a "disorganized decentralization", leading to partial deregulation of the collective agreement systems (Traxler 1995, Rönmmar 2008). The "disorganized decentralization" further implies that the parties at the local workplace level agree on flexible rules for individual employees, or that individual agreements between the individual employee and the employer become the standard. This theoretical framework cannot, however, be used to study labor market relations in a Danish and North European context related to the testing of various theses about existing labor market regulations and relationships.

In this case, we are dealing with collective regulation, either in the form of voluntary agreements and systems of cooperation agreed on between the social partners, or with political regulation which may be initiated on the national or the supranational (EU) level. In Denmark, the regulation of the system of cooperation has been orchestrated like this since 1899, when the first general agreement, "*Septemberforliget*" ("the September Compromise") was concluded. An ideal about self regulation and autonomy for the social partners which has been upheld ever since with varying degrees of success in relation to shifting government's intentions (Jørgensen 2002).

The rate of unionization among Danish wage earners remain relatively high compared to other countries, with 67% of all wage earners being unionized (DA, 2009). The collective bargaining coverage also remains on a relatively high level with 71% of Danish wage earners being covered by collective agreements in 2009 (DA 2009). Wage, thus, remains an element of the collective bargaining – not a local management instrument. At the same time, wage earners are subject to the rules on the setting up of cooperation committees in private companies and public institutions. Collective bargaining on the central agreement level between the employees' central organizations and the private and public employers' associations<sup>3</sup> remain the standard process for concluding agreements on wages, working conditions, cooperation, HR policies, etc., and implementation of EU directives. Following

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<sup>3</sup> On the employee side, these are The Danish Confederation of Trade Unions (Danish abbreviation: LO), the Confederation of Professionals in Denmark (Danish abbreviation: FTF) and the Danish Confederation of Professional Associations (Danish abbreviation: AC) – and on the employer side, they are the Confederation of Danish Employers (Danish abbreviation: DA), Local Government Denmark (Danish abbreviation: KL), Danish Regions (Danish abbreviation: DR), and the state administration.

EU requirements, this has since 2002 been accompanied by supplementary legislation covering employees who are not covered by the collective agreement system. Collective representation of interests thus remains at the heart of the system of cooperation, which the central organizations on the employee and employer sides have agreed on as the competent structure at the enterprise level. Thus, when studying labor market relations in Denmark, it is essential to apply an institutional theoretical frame of reference.

One should also keep in mind that the EU strives to promote employee participation in corporate financial and strategic decision-making, both on the sectoral and cross-sectoral levels (Transfer 2011). Rules on the right to information and consultation have been established since the 1970s, and in the following decade were extended to also cover the working environment. A number of directives have since provided the framework for EU legislation which has become implemented in Danish agreements: For instance the directive on European Works Councils (EWC, 1994, revised 2009), the directive on employee involvement in European companies (2001) and the directive on information and consultation (2002). Employee participation is part of the realization of a European social model and thus contributes directly to further consolidating the Danish rules on cooperation agreements and cooperation committees.

The notion of "Industrial democracy" in the sense of full participation and co-determination in corporate transactions has been on the agendas of West European trade union movements for decades. In recent times, the strategic objective has been brought into play in Denmark via two strategies. One of these strategies was introduced after 1968 as a result of the radicalization of the West European and Danish working class. For several years, the strategy was known as "Economic Democracy", and from 1973, LO, the Danish Confederation of Trade Unions (for blue collar workers) presented a proposal for parliamentary adoption of "Economic Democracy". The proposal aimed to transfer profits from private enterprises to a central investment fund, where representatives of the national trade union executives would be given co-determination in deciding the investment development and other internal corporate matters jointly with the employers' associations. Because of resistance from the Confederation of Danish Employers and the company owners, the reform proposal ended as a blocked path of development and was effectively abandoned by the end of the 1980s – in parallel with developments in Sweden where a similar proposal, presented in 1977 by the Swedish LO suffered a similar fate due to an even sharper reaction from the Swedish employers' association SAF (Thörnqvist 1999).

The other strategy, "*Det Udviklende Arbejde*" ("The Developing Work") was launched from the beginning of the 1990s in response especially to the new HRM concepts' individualization of the perspectives for influence and co-determination in enterprises (Hvid and Møller 1992). The strategic aim was to maintain a collective perspective for the employees' wishes concerning a democratization and humanization of working life. However, the strategy must be considered largely unsuccessful, as the trade union movement failed to establish an active and broad support for the strategy among its own members. And since the employers were also not keen on strengthening existing or new collective

types of representation and opportunities of influence for employees beyond those already contained in the new management strategies and production concepts, the strategy has proved rather unfavorable as a route to "Industrial democracy". Since then, the level of ambitions has been somewhat reduced. Now "the good work" is at the center, and here the system of cooperation is seen as a cornerstone in the decision-making process.

In terms of democracy theory one must distinguish between the public and the private sector. In the private sector, the power to make strategic decisions is the exclusive prerogative of managements, and from a democracy theory point of view, the forms of governance in the private sector are less open to democratization within the system's own value sets and fundamental perceptions of the relationship between the players. There are no demands for openness, insight, objection and democracy.

From a democracy theory perspective, the public sector is different. Here, governance is elected on the basis of political disagreement. Political decisions and their implementations must be characterized by openness. And there are institutions which keep the exercise of political power in check. The democracy aspect itself is part of the way in which the sector is organized, i.e. the rights of the individual as an employee and as a citizen are constitutionalized in a qualitatively different way, which gives rise to other types of awareness. For objective reasons, professional competence – professionalization – is considered important, but this being the case, the employees are also aware that they must be able to justify their professional choices and performance.

In the private sector, the management decides and is accountable to another main structure, namely considerations for the owners behind the enterprise, and thus ultimately to profit decisions made without similar considerations of objectivity and openness. Unlike the public sector, where there are many counter decisions because the governance model is based on political disagreement. This in turn raises awareness of alternative options. Our concrete study has attempted to reveal whether things really are like this, i.e. whether the systems of cooperation in the public sector can be used to gain more influence and co-determination than in the private sector, or whether employers behave the same way in both sectors. This is also related to the way in which New Public Management is implemented, which is addressed below in our description of the current Danish context.

The cooperation agreements in Denmark are part of the collective agreement system, but it is important to note one major difference between the two systems, the collective negotiation and agreement system and the system of cooperation: The agreement system is based on rights, and open clashes are usually reserved for the collective bargaining process (conflicts of interest), while disputes of interpretation are reserved for the industrial law system (conflicts of law). However, the system of cooperation is different, as it does not rest on a formal agreement on the possibility of conflict, but rather on mobilized cooperation. The system of cooperation is intended to balance mutually opposite interests by observing defined rules of procedure and by developing dialogue and joint decisions at the enterprise level. For this reason, the rights conferred under the system of cooperation have indeed been considered a bit of a

"grey zone". Finally it should be mentioned that the mandatory safety system with elected safety representatives among the employees of an enterprise-based organization is becoming an integral part of the system of cooperation, starting with full implementation in the public sector from 2005 with plans developed for a similar organization in the private sector.

In other words, it is not an industrial democracy which has been realized with the establishment of the cooperation committee system, but rather a hybrid between sovereign management and industrial democracy – a cross between a management-centered and a democracy-centered process of making decisions and developing organizations. The cooperation agreements describe which types of decision the representatives of the employees (typically union representatives and safety representatives) can influence. From a definition point of view it is important to distinguish between the notions of influence and co-determination: influence concerns information and consultative involvement in representative bodies where representatives can gain varying degrees of influence, but where this influence is not secured, whereas co-determination should be seen as agreements on procedures or as a real possibility to actuate and shape decisions in the system of cooperation. Here, representatives participate directly in developing and adopting policies within the framework provided by the system. This is more than just a dialogue.

In other words, the co-determination must be able to visibly change the "social architecture" in the enterprise and public institution in question. In the case of influence, however, representatives can only hope to be able to affect the management's preferences and priorities via dialogue. The obvious asymmetric power distribution in favor of the management must then be tackled by the management and representatives, respectively, in such a manner as to effectively constitute a quest for compromise and a mutual liability on both sides; otherwise the system of cooperation could easily become just an "empty shell" or a "play to the gallery". Furthermore, there are differences between the levels involved: For both influence and co-determination, we distinguish between the operational level, which deals with concrete policies and their implementation (such as the organization of working hours); the tactical level (for instance HR policy principles, organization of training, etc.), and the strategic level (overall policies concerning economy, investments, etc.). With the new management strategies based on HRM, etc. in mind, we can thus distinguish between different types of managerial involvement of the employees:

- Industrial democracy (full participation which has never been realized)
- Influence and co-determination (derived from collective rights and exercised through elected representatives)
- Employee involvement (a management-driven way to enhance motivation, productivity and efficiency via direct participation).

In this study, we are interested in the second type, only.

## Empirical results

In this section, we will review selected results from our study. We are presenting the representatives' experience with and views on the level of co-determination at their workplace. The first table provides an overview of the representatives' co-determination, or more specifically, the representatives' influence on the management's decisions on central issues. A clear trend can be observed in table 1: The highest number of representatives are able to influence issues which concern working environment, HR policies, and working conditions. In comparison, far fewer state that they are able to influence issues related to the strategic level, such as development plans, new technology, budgets, investments and staffing. Generally, table 1 shows that the representatives' influence drops significantly from issues on the operational level to issues on the tactical and strategic levels.

**Table 1: Co-determination at the workplace 2010 – FTF representatives (%)**

Which level of co-determination have you had as a representative in the past 3 years on the following issues at your workplace?							
	Very high	High	Some	Less	No	I don't know	N
The psychological working environment	6	26	39	17	6	7	7532
The HR policy	6	23	37	17	10	7	7512
The physical working environment	5	21	38	20	8	8	7502
Organization of the work	6	19	32	20	15	8	7491
Organization of the working hours/duty roster	5	17	29	21	18	9	7488
The professional/technical development of the work	4	17	41	20	10	8	7482
The workplace's/enterprise's strategy and development plans	3	11	26	22	27	11	7446
Wage issues	3	9	20	18	41	10	7488
Introduction of new technology	2	7	18	23	31	20	7416
Budgets and investments	1	4	14	24	47	11	7465
Staffing	1	3	11	21	54	11	7465
The LEAN concept	1	2	5	7	23	63	7337

Note: As expected, representatives with seniorities of less than 2 years are over-represented in the "I don't know" answer category. Concerning the issue of "Wage conditions", the cooperation agreement does not generally include powers to negotiate wages in the cooperation committee, but since this might be an unofficial practice, the question has nevertheless been asked to the representatives. Concerning the last issue on the "LEAN concept", the LEAN concept has been implemented at only 25% of the workplaces, which would explain the high rate of "I don't know" responses.

Further analysis shows that a total of 43% of the representatives do not have 'Very high/High' co-determination on any of the areas. This must be considered a high rate, given the fact that 'some influence' is a conditional possibility to affecting the management's policy. At this stage of the analysis, the distribution of the responses indicates that the formal system of cooperation does not work in an optimal way enough in terms of securing influence and co-determination for all representatives. Even though our analysis, in line with expectations, shows that the co-determination (up to a certain level) increases among representatives at the top level of cooperation (central liaison committee level), and that the co-determination also (up to a certain level) increases among representatives with longer seniorities, the level of influence and co-determination does not seem to be determined solely by virtue of the institutional powers of the cooperation agreement.

In a Danish context, it has often been discussed in trade unions and among representatives whether the system of cooperation gives any actual influence and co-determination to the representatives, or whether it is merely a consultative body. The term "consultative body" is an expression commonly used to indicate that the representatives gain only a limited level of influence and commit their energy to the cooperation committee without achieving any significant results. Our analysis of this question, which is illustrated in table 2, indicates a clear differentiation between the representatives' assessments.

**Table 2: The system of cooperation between consultation and co-determination – FTF representatives (%)**

**The cooperation committee seems to be more of a consultative body rather than a body of real influence for the representatives**

	I agree completely	I agree	I neither agree nor disagree	I disagree	I disagree completely	I don't know	N
<b>Total</b>	<b>14</b>	<b>29</b>	<b>21</b>	<b>21</b>	<b>6</b>	<b>10</b>	<b>7672</b>

The highest number of representatives, 43% in total, agrees that the system of cooperation is more of a consultative body, while a total of 27% see it as a body of real influence. Supplementary analyses show that the differentiated views correspond to the differentiated experience illustrated in table 1: If a representative can exercise a high level of influence on the management policies, he will disagree with the view that the cooperation committee is a consultative body. Furthermore, senior shop stewards and other representatives on the central liaison committee tend to be more critical, with 57% agreeing with

the view that the cooperation committee is more of a consultative body. This is an interesting finding, as these representatives are closer to the top management's decision area where strategically important decisions about the workplace are made.

The interviews conducted clarify the distribution of responses indicated in table 1 on influence and co-determination. Namely:

That the representatives' influence and co-determination exercised via the system of cooperation is found mainly on the operational level, in a few individual cases on the tactical level but not on the strategic level. On the operational level, this relates to the implementation of directives and provisions of collective agreements (which some of the representatives do not consider actual influence and co-determination, but rather a task of implementation), and occupational health and safety efforts and policies as well as specific HR policies (pregnancy policy, smoking policy, absence policy, preparation of staff manuals, communication of written information from administrative levels and managerial layers, etc.).

In contrast, we have found that as to more fundamental policies and general policies, a characteristic of the relationship of cooperation is that the representatives are not briefed or notified or being consulted. This generally applies to the overall majority of the representatives seen in relation to the other management strategies. The committees typically discuss issues of new technology, rationalization concepts, reorganization of work procedures, staffing, new forms of governance and budgeting, and finances only after the decisions have been made. In other words, the management representatives do not offer any actual influence, let alone co-determination, on decisions regarding these issues.

The managements "*listen*", which enables the representatives to adjust the management policy through dialogue. This may arguably be the representatives' most important function in the system of cooperation, as it allows inadequacies of a given management policy to be modified. This is necessary for the representation of interests, but takes place mainly on the operational level and immediately before – or during – the actual implementation stage. So this is also a predominantly reactive position where tactical and strategic objectives for the employee representation work are not used particularly offensively in most places.

A few responses (over-represented among senior shop stewards and representatives at the central liaison committee level) support the conclusion that co-determination within the system of cooperation can be achieved on the tactical level. This applies to co-determination in issues regarding job profiles, dismissal of inefficient managers, handling of redundancy programs, deciding which of two possible departments to close down, handling of notice procedures in connection with involuntary dismissals and concluding agreements with the management on reducing staff benefits rather than reducing staff. This also underlines the fact that co-determination on the tactical level is mainly of a defensive nature. It usually implies also that "the game has already been played" when the representatives enter the cooperation structure and try to gain influence on issues going *beyond* the operational level. In

addition, a few responses report about situations in which a management has disregarded formal rules of cooperation in connection with e.g. implementation of organizational changes, which causes some disruption in the cooperative climate of the affected institutions. A very special case was the representatives' conditions up to and after privatization of a public institution. The privatization caused a significant drop in the influence on even the operational level. A private sector position is generally also indicating less chances of affecting employer's decisions.

### **New Public Management and co-determination**

As pointed out above regarding the use of NPM in management policies, managements are employing a host of NPM initiatives at the workplaces. A majority among the representatives have comprehensive experience with change and new management strategies. The analyses identify links between some of the NPM initiatives and the representatives' level of influence and co-determination. Generally the representatives find it harder to maintain their influence and co-determination in a change-intensive workplace context. This is illustrated in table 3 which illustrates the representatives' influence on the management's agendas over a shorter experience timeframe – "recent years".

**Table 3: Influence on the management's agendas – FTF representatives (%)**

<b>It has become harder to influence the management's agendas</b>							
	<b>I agree completely</b>	<b>I agree</b>	<b>I neither agree nor disagree</b>	<b>I disagree</b>	<b>I disagree completely</b>	<b>I don't know</b>	<b>N</b>
<b>Shop stewards</b>	<b>16</b>	<b>34</b>	<b>27</b>	<b>14</b>	<b>3</b>	<b>7</b>	<b>4733</b>
<b>Safety reps/ working environment reps</b>	<b>12</b>	<b>27</b>	<b>33</b>	<b>15</b>	<b>4</b>	<b>8</b>	<b>2137</b>
<b>Senior shop stewards</b>	<b>25</b>	<b>37</b>	<b>22</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>425</b>
<b>Total</b>	<b>15</b>	<b>32</b>	<b>28</b>	<b>14</b>	<b>3</b>	<b>7</b>	<b>7295</b>

It appears that nearly half (47% agree completely/agree) find that it has become harder to influence the management's decisions. It can be observed that a higher share of the senior shop stewards find it more difficult to influence the decision. This is interesting, as it is mainly the senior shop stewards who work vertically in the cooperation structure, negotiating more general and strategic matters with the top management. This cooperation experience is linked to the management strategies which have been implemented. Table 4, below, shows links between the implemented management strategies and the representatives' influence on management agendas.

**Table 4: Change and co-determination - FTF representatives (%)**

**Did your workplace experience the following changes in the past three years? / It has become harder to influence the management's agendas**

		<b>I Agree completely I agree</b>	<b>I disagree completely I disagree</b>	<b>N</b>
Intake of additional tasks without addition of staff resources	Implemented	53	15	4862
	Not implemented	31	26	1401
	<b>Difference</b>	<b>22</b>	<b>-11</b>	
Centralization or decentralization of management	Implemented	56	13	2544
	Not implemented	40	22	3509
	<b>Difference</b>	<b>16</b>	<b>-9</b>	
Restructuring of work procedures and organizational change	Implemented	50	16	5160
	Not implemented	35	25	1310
	<b>Difference</b>	<b>15</b>	<b>-9</b>	
Budget reductions	Implemented	49	17	5486
	Not implemented	36	24	862
	<b>Difference</b>	<b>13</b>	<b>-7</b>	
Mergers / takeovers / amalgamations	Implemented	52	14	3015
	Not implemented	41	22	3289
	<b>Difference</b>	<b>11</b>	<b>-8</b>	
Introduction of the LEAN concept	Implemented	55	12	983
	Not implemented	45	20	3936
	<b>Difference</b>	<b>10</b>	<b>-8</b>	
Introduction of standardized quality models (including accreditation, etc.)	Implemented	53	15	1871
	Not implemented	44	21	3016
	<b>Difference</b>	<b>10</b>	<b>-6</b>	

The main trend observed in table 4 is that where the specified management strategy has been implemented, a higher share of representatives finds it harder to influence decisions. If, on the other hand, we look at the 'I disagree completely/I disagree' categories, the share of representatives who disagree with the view that it has become harder to influence the management's agenda is higher among those respondents where the management strategies have *not* been implemented. Consequently,

implementation of some of the management strategies makes it harder to influence the agenda – and thus maintain or extend the influence and co-determination.

The interviews conducted confirm and clarify the distribution of responses in table 4 on influence and co-determination. This means:

The current economic slowdown, cost saving initiatives and substantial agendas on economy, staffing and reorganization of work processes tend to distract attention from other issues which, consequently, tend not to make it onto the agenda. The representatives report that the management's attention tends to shift from areas of implementation or follow-up or including occupational health and safety efforts and HR policies on the agenda to areas of cost savings and downsizing because of urgent directives from the top management layers of institutions and enterprises. This trend reinforces the situation where top priority is given to the "heavy" far-reaching strategic agendas, which is where the representatives tend to have the least influence and co-determination. The overall majority of the representatives on the local level found that it had gradually become increasingly difficult to gain influence, and in all cases, the explanation was the very strong focus on the economy. Efforts to centralize management contribute further to this trend.

In addition, the intensity of change itself contributes to a situation where the representatives are forced to play a predominantly reactive role. All major initiatives are taken by the managements. With such a strong intensity of change towards new management strategies, the cooperation committees' structuring of meeting frequencies and circulation of background materials seem quite inadequate. The higher the intensity of change, the less able are the representatives to currently address all management strategies proactively and strategically.

Finally, the NPM principles contribute to giving particular types of knowledge and resources a higher importance and authority than other types of knowledge. There are many reports about the way in which the financial rationale tries to displace the professional and practical knowledge and insights possessed by the employees because of their education and work experience. This is a trend which is supported by the fact that managements to an increasing extent use external consultants and a new layer of officials (notably political scientists and economists) to problematize the professional work, its knowledge and assessment basis and the way in which the professional work is organized. This develops a new language which is neither that of the professionals nor that of the collective agreements. It is a language in which the employees do not recognize themselves or which they adopt without reflecting on its effects on the basis on which influence and co-determination are to be created.

### **Co-determination and the institutional system**

As mentioned in section 2, employers have long wished to "slim" the decentralized system of dialogue and co-determination at the workplace level. In the latest rounds of collective bargaining in 2010 and 2011, both public and private employers' associations have aired their views and made specific

proposals. The employers' associations argue that the present system of cooperation is too big, bureaucratic and slow. They wish to simplify the system of cooperation so that it can serve its purpose with fewer representatives, fewer meetings and less time spent, and they also want the cooperation agreement to contain fewer "must" provisions and more "may" provisions. These views are well in line with the wish to reduce the number of representatives with protection as union representatives and with the wish that the actual rules of the system of cooperation should no longer be laid down in the central national bargaining between the organizations. Instead, the employers want the rules to be freely negotiable at the local workplace level.

Our analysis shows that institutional practices affect the level of co-determination, or, to put it differently: Institutions make a difference. Thus, it is not free of cost to the representatives' level of co-determination to reduce such institutional practices as proposed by the employers. This applies to 1) the frequency with which the committees meet over a year, 2) the level of quality and completeness of the written decision basis for the meetings, 3) the amount of time available to the representatives to prepare the meetings, and 4) the representatives' ability to consult their "Hinterlands" and properly scan the relevant interests. Table 5 below illustrates the link between institutional practices and the co-determination levels measured in terms of meeting frequency. We have discovered similar links between the other institutional practices mentioned and the levels of co-determination.

**Table 5: Meeting frequency and co-determination - FTF representatives (%)**

<b>How often does your committee meet in the course of a year?</b>						
<b>Which level of co-determination have you had as a representative in the past 3 years on the following issues at your workplace?</b>						
<b>The shares of representatives with 'Very high/High influence on decisions</b>						
	<b>HR policy</b>	<b>Psychological working environment</b>	<b>Working time organization</b>	<b>Workplace strategy</b>	<b>New technology</b>	<b>Staffing</b>
<b>&lt; 4 times</b>	<b>21</b>	<b>25</b>	<b>19</b>	<b>13</b>	<b>10</b>	<b>4</b>
<b>4 times</b>	<b>25</b>	<b>30</b>	<b>21</b>	<b>11</b>	<b>7</b>	<b>3</b>
<b>5-6 times</b>	<b>34</b>	<b>37</b>	<b>21</b>	<b>17</b>	<b>9</b>	<b>4</b>
<b>7-10 times</b>	<b>37</b>	<b>38</b>	<b>25</b>	<b>19</b>	<b>9</b>	<b>4</b>
<b>&gt; 10 times</b>	<b>41</b>	<b>43</b>	<b>30</b>	<b>19</b>	<b>8</b>	<b>6</b>
<b>Difference</b>	<b>+20</b>	<b>+18</b>	<b>+11</b>	<b>+6</b>	<b>-2</b>	<b>+2</b>

A clear link can be observed in table 5 between the meeting frequency and the level of co-determination. Co-determination goes up with an increasing meeting frequency in the cooperation

committee. Looking for instance at HR policy, it appears that in committees which meet less than 4 times a year, 21% of the representatives have a very high influence on the HR policy, while this is the case for 41% of the representatives where the committee meets more than 10 times. The difference between committees that have less than 4 meetings a year and committees that have more than 10 meetings a year amounts to 20 percentage points. Gradually, as we move towards the right in the table, there is a percentage decrease in the level of influence, and the differences between the lowest and highest meeting frequencies are reduced and nearly cancelled out for the categories New technology (-2) and Staffing (+2). This is in line with the previously presented findings: The representatives find it harder to influence decisions on the tactical and strategic level, and this cannot be remedied by increasing the meeting frequency. The general trend, nevertheless, is clear: The current institutional system and the rights and obligations conferred on managements and representatives by virtue of the system affect the level of co-determination.

A majority of the representatives also reject the idea of "simplifying" and "streamlining" the system to "increase the flexibility" of the institutions of cooperation based on local needs assessments. A majority rejects the idea that trade unions should participate in negotiations to merge representative functions (union representative and safety representative in one function). A majority also rejects the idea of minimizing the number of representatives in the cooperation committee. On the general level, they reject the employers' idea that the rules of the system of cooperation should be laid down by decentralized negotiations. This appears from table 6.

**Table 6: System of cooperation - centralized or decentralized negotiation of rules - FTF representatives (%)**

<b>How should the rules of the system of cooperation be laid down in future?</b>		
	<b>%</b>	<b>N</b>
<b>Rules and frameworks of the system of cooperation must be laid down centrally by negotiations between the organizations</b>	57	4371
<b>It must be possible to freely agree on the rules of the system of cooperation locally at the workplace between management and representatives</b>	29	2220
<b>I don't know</b>	15	1135

About twice as many representatives wish to maintain the right to negotiate rules at the centralized level. Thus, a decentralized agreement model is not something that the representatives want for the system of cooperation. Our study reveals a similar finding when the representatives are asked to consider centralized or decentralized agreements within the agreement system for collective

agreements. Thus, the centralized collective safeguarding of rights and opportunities is clearly preferred, both for the system of cooperation and for the agreement system. It is pointed out that the centralized form of negotiation is a type of bargaining which ensures "solidarity" and "equality". It is also pointed out that the decentralized form of bargaining could reduce the influence on agreements and in the cooperation committee if the representatives do not have the support and collective strength of their "Hinterland", the workers they represent. We consider this an expression of specific experience and insight from the representatives' work at the workplace. The representatives want rights structures like in the collective bargaining system, for in the system of cooperation, in the agreement "of the good will", they have experienced too many failures, having had to rely on either managerial styles or "friendly managers". In the system of cooperation, the rights constitute a bit of a "grey zone", because in case of disputes, the representatives are not equipped with institutionalized powers to balance the imbalance of the relationship and the system – as is the case in the collective bargaining system.

### **The perspective of co-determination**

As illustrated so far in the analysis, large groups of representatives have not been secured a satisfactory level of influence and co-determination on the operational, tactical and strategic levels. In terms of the future, this is expressed in the representatives' wish to strengthen co-determination. Table 7 presents an overview of the areas of interest where representatives wish to see increases in the level of co-determination.

**Table 7: Co-determination at the workplace – FTF representatives (%)**

**Should there be more co-determination at the workplace?** (Several response options. N = 7337)

	%	N
<b>Yes, regarding the general decisions on budgets, cutbacks, staffing, technology, etc.</b>	<b>54</b>	<b>3962</b>
<b>Yes, regarding the organization of the daily work</b>	<b>71</b>	<b>5193</b>
<b>Yes, regarding occupational health and safety matters</b>	<b>68</b>	<b>4955</b>
<b>No, there is no need for more co-determination</b>	<b>15</b>	<b>1065</b>

We assume that the distribution of responses reflects the current general conditions for the employee representation work as they have been presented along the way in our analysis. It seems that an increased level of co-determination on the daily work and the occupational health and safety is considered particularly important, but the majority also finds co-determination in general matters important. Our analysis further shows that there is a difference between the representatives in the two sectors in terms of the question of co-determination in general decisions. This is supported by 58% of the public sector representatives and 38% of the private sector representatives. This must be interpreted as an indication that the democracy aspect is an integral part of the organization of the public sector. This means that the rights of the employees are constitutionalized in a qualitatively different way, which leads to other types of awareness and preferences. This finding is in accordance with our expectations.

## **Discussion and conclusion:**

### **Self-organized democratization – a way forward for co-determination**

In Denmark, trade unions' demands for increased co-determination in deciding the overall strategic questions and the organization of work have faded over an extended period. The trade union movement's demands for Economic Democracy and co-determination in defining the investment policies and other general policies of enterprises were phased out during the 1980s under the influence of the neo-liberal concepts which began to dominate government policies and agreement systems. Among the trade unions under the Confederation of Professionals in Denmark (FTF), co-determination has probably been embedded in the member professions' knowledge monopolies and central position in the handling of public and private jobs but has not been linked to any formulated union policy perspective of co-determination extending beyond the cooperation agreement.

The empirical results presented here express the fact that the trade unions have been given authority to put co-determination more clearly on the agenda. Indeed, the level of enterprises and institutions is an arena where battles are fought to ensure a better and stronger representation of interests. However, the employee representatives realize that in order for this goal to be attained, new rights must be won in more central arenas. However, it is important not to be naive and overly optimistic as regards the cooperation committee system which has its structural limitations. It rests fundamentally on the "good intentions" of employers, as opposed to the collective bargaining system. Today much is actually just "listening" according to the dominant view of the employee representatives. But it is also possible to achieve results through the system of cooperation. The system is to be used – and used better. This calls for stronger ties between analysis, strategy and action. The system of cooperation is currently considered slow and cumbersome, whereas the collective bargaining system is seen to yield immediate results. Some representatives thus prioritize the rights-based collective bargaining system where they engage in negotiations with cooperative managements, supported by the formal backing of their colleagues. In such workplaces, the management does not decide in any matter until it has been

discussed by the senior representatives. This results in greater influence and co-determination at the operational and tactical levels, but is of course an exception to the normal workings of the cooperation committee system.

The established system of cooperation is no longer compatible with the new administration and management strategies developed in both the private and public sectors. For one thing, the system is affected by new issues as a result of the considerable change in the financial and political conditions – most recently the advent of the financial crisis in 2008 – for another, the management strategies have taken a turn towards more "management" and less co-determination, and towards more management control which try to bypass the elected employee representatives. Public leaders themselves openly admit that they are less willing to cooperate and that the management profile has been strengthened compared to the employee side. Since, as empirically demonstrated in this study, the views and wishes expressed by the representatives do not coincide with the employers' demands for less co-determination, but instead seek to reinforce co-determination, a sign of crisis have begun to emerge in the existing system of cooperation, calling for new institutional rights and stronger actuating management decisions.

Another result of the study which is worth noting is that the employee representatives are not interested in a development of the system of cooperation along the lines and ideas suggested in recent years by the employer side. The representatives clearly reject the idea of reducing the number of meetings and the number of elected representatives, along with the idea of merging the systems and implementing other initiatives in order to reduce the amount of "bureaucracy" and the amount of time spent. The representatives equally vehemently reject the idea of strong decentralization of the decision-making process and significant local levels of freedom. Instead they want many decisions to be taken centrally and want more procedural and substantial rights of content. These wishes are on a collision course with the employers' strategies.

From the management side, NPM initiatives may be presented as initiatives paving the way for more employee influence. This applies in particular to:

- Increased involvement in the development of public services or "products". A government program for higher "quality" in the public sector from 2007 presented a concept of "employee-driven innovation", which had been borrowed from the field of trade and industry policy.
- Increased involvement as a general philosophy, in which "basic initiatives", suggestions from the employees can be submitted to the management.
- Contractualization of the employment relation: in addition to the formal employment contract, the employees are invited to conclude a contract with the workplace in which the management can prioritize wishes and ideas on which agreement has been reached.

- New types of process organization where the employees are themselves required to help optimize the work processes. Thus, in the LEAN production philosophy and similar management strategies, employees get to help the management organize the flow of work processes.
- HR management must be geared more towards delegating responsibility to the employees – provided they are willing to work to realize the formalized vision and mission of the institution or company.

In other words, it is not in the different management control instruments, benchmarking exercises, performance measurements, internal competitions and budget procedures, etc., that higher levels of "democratization" are likely to be promoted. Rather, it is the aspects which directly and in terms of value concern the relationship between managements and the individual employees which are in play. In real terms, the employee involvement has been increased only on the individual level, while the managerial right has remained unaffected.

Thus, according to the management strategies, it is *not* the collectively based system of influence and co-determination which should be used. These concepts are developed on the basis of the model of the individual which is then transferred to other areas where the employees' knowledge, skills and determination can be instrumentalized for the benefit of the institutions and enterprises. This is also the reason why the strategic decisions, staffing rules, controlling systems, etc., remain unaffected by the new ideas and tools intended to confer higher levels of – collective – influence and co-determination on the employees.

The question, then, is whether to wait for the employer side to finally realize that the path thus laid out will not lead them anywhere. Or whether the employee side itself could launch an offensive to develop and change the system. It will be an obvious strategic guiding principle to take the lead themselves. However, this cannot be realized without first providing a number of conditions which do not currently exist. You cannot simply proclaim a voluntaristic principle of "taking personal responsibility" any more than you can expect matters of will to be decided by short-term opportunities of compromise. The questions that need to be asked are more fundamental ones about upgrading employee representatives' skills, collectively sharing experience, and introducing new types of activities, standards and guides for ensuring employee co-determination. Only then could it become relevant "to take personal responsibility". In short, it must be concluded that a "service overhaul" of the Danish system of cooperation is required, which should be tied to a redefinition of the employee side's efforts in and through the system of cooperation.

Given the current economic climate and the existing power constellations, employers cannot be expected to voluntarily endorse reforms which are not direct extensions of their own strategies. Not even if strengthening co-determination is objectively found to potentially benefit the employers. In other words, improvements must be gained through fighting, and many of the institutional supports for

this fight must be established via improvements of the collective agreement system. This means that the collective bargaining effort must seek to escalate the development of the system of cooperation to become a prioritized item on the agenda.

At the same time, the employee side must launch its own initiatives to improve the possibilities of influence and co-determination. This involves working with both dialogues and consent strategies if the balance between both sides power is to be effectively improved. The limits to influence and co-determination are currently drawn too narrowly by the employers' strategies.

We would like to propose a concept of *self-organized democratization of the system of cooperation* for such initiatives which aim to improve the balance of power between management and employees in the system of cooperation. Dialogue forms and decision-making processes must be so developed as to ensure that the relationships and interaction raise questions up to the tactical and strategic level of enterprise decisions. A change like that, where joint discussions and joint decisions are developed, is also not possible without a "democratization" of the institutions. More equal and effective possibilities of information, communication and participation in the institutional decision-making process are some of the required conditions. At the same time, this will help to ensure an improved democratic legitimation of the system of cooperation.

Of course, this is all based on the central premise that the employee representatives are willing to *sharpen their will*, collectively share their experience, clarify their preferences and priorities and subsequently work to develop the available *resources and capabilities*. The latter includes an enhanced ability to analyze and anticipate developments, decode management strategies and see opportunities of change in the institution, but it rests equally much on the ability to produce meaningful documentation and clear argumentation. The latter is required simply because it will not be possible to set the agenda without these kinds of advanced skills. In a sense, a broader upgrading of the representatives' analytical skills is required, and at the same time, a sort of politico-sociological imagination should be developed to make it possible to grasp the surrounding world's signals as well as the opportunities to take action which are inherent to the system of cooperation. And none of these elements will materialize spontaneously, but will require organizational build-up, support and active participation.

A higher institutionalization of rights, supported by the collective bargaining and industrial law systems is important. Measures are required to prevent violations of rights and duties on both sides. But *rules and programs* do not in themselves provide sufficient influence and co-determination, for in the end, it is a *matter of behavior* whether influence and co-determination is given or taken. Power and influence are specifically defined in the processes. And the better the qualification of the processes, the stronger and more robust the results will be. The main reasons why it is currently so difficult to develop co-determination are not just the new management strategies and agendas (on modernization, economy, cost savings, redundancies, etc.). Part of the explanation is also a strongly accelerated rate of change which compresses the pressure to act. And finally, an equally important explanation is the institutional

limitations, the inadequate powers in the present system of cooperation and its absence of rights to take industrial action. If these limitations are to be overcome, stronger institutional powers regarding information, communication, and interaction, must be both formalized and specified. It will also be necessary to clarify where such powers should be anchored: In the system of cooperation itself, in the agreement system – or possibly via political decisions.

In relation to the prevailing institutional order, employers and employees have chosen rather different approaches. The employers cling to their managerial right and the newly developed management tools and will therefore reject any attempts to curb managerial powers through the system of cooperation. With this kind of managerial understanding and perception of their own role in the organization, the employers will be keen to protect their managerial right and NPM inspired tools, rather than utilize the employees' professional skills, knowledge, insight and experience, commitment and collective intelligence. This "old-fashioned" understanding of the exercise of the managerial right can constitute a very counter-productive role definition. Management is about a relation and about concrete partnerships where results are to be achieved via the employees' coordinated action to accomplish the tasks of the institution – not a unilateral employer's "right".

The employees themselves must try to optimize their influence and co-determination – even before a skill upgrading offensive is launched. Mandatory training for the work in the system of cooperation for both employees and employers is one element; another is initiatives from each union to train elected representatives in order to be fully dressed for representing interests. This must include attempts to demonstrate to and convince employers that better decisions, more well-functioning institutions, better production and better occupational health and safety will be the results of a well-functioning system of cooperation where the power distribution between the parties is not as imbalanced as it is today. The self-democratization of the system of cooperation is also about being able to present arguments to explain why the management should listen to the employees' wishes and ideas and allow room for co-determination, how alternative proposals to the management could be designed and substantiated, and how a more comprehensive joint responsibility for decisions and services production can be realized.

The self-organized democratization of the system of cooperation could be the strategic response from the employee side, which could also help employers fulfill their roles more productively and in a more ethically responsible manner. Development of the dialogue and consultation-based influence and the more negotiation-based co-determination regarding principles for corporate policies, makes very heterogeneous demands on both sides. Otherwise – with continued reliance entirely on the situation of mere "consultation" where the management ritualizes the cooperation – strong confrontation could be brewing.

The self-organized democratization of the system of cooperation, however, is not something that local employee representatives can promote on their own, as this will require the active participation of the unions. It is a question of making stronger ties between joint *analysis, strategy* and *action, towards*

*realizing Industrial democracy*. This will only happen where more *joint cognitive maps* can be developed, where *action is coordinated* in several arenas and on several levels, and where a *better institutional framework* for the cooperation is secured. The trade unions must help local representatives with assistance, support and possibly concrete intervention in situations which prove difficult to resolve because of an employer's resistance. In other words, any visible short or medium term effects on the system of cooperation of a new offensive from the employee side can be expected only as a result of a broader development of the organizational power.

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