Denmark, Durkheim, and Decentralization: The Structures and Capabilities of Danish Working Lives

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ABSTRACT

Over the last two decades, a range of reports and cross-sectional surveys of European workers have highlighted Denmark as scoring exceptionally, and consistently, well across several dimensions shaping working life, for example, job quality, work-life balance, discretion and learning, and job satisfaction. This is despite a trend of increasing psychosocial risks of work across Europe. Providing a retrospective interpretation of this exceptionalism, the paper draws on data from 40 expert interviews in Denmark to theoretically map the advantageous institutional components shaping working life in Denmark. Aligning the theories of Émile Durkheim with the capabilities framework, the analysis highlights the role of interdependent collective agreements, which link macro and microwork contexts and generate resources that augment the experience of balance and control within working life.

KEYWORDS

Denmark / decentralization / durkheim / labour market institutions / capabilities / quality of working life

Introduction

A range of international reports have depicted the increasing pervasiveness and significance of psychosocial risks at work across Europe, including high psychological demands, high intensity, and heightened job insecurity (Eurofound 2015, Leka & Jain 2010). High levels of work intensity are strongly correlated with the experience of work-related stress (Eurofound 2015). An OECD (2012) report on mental health and work noted the changes in working conditions due to macro structural developments and queried whether these transformations might worsen the mental health of workers. Approximately 25% of European workers say they experience stress at work ‘always’ or ‘most of the time’ (Eurofound and EU-OSHA 2014). The twin message from research on work in Europe is working conditions can have a negative effect on workers’ psychological well-being, and the types of conditions usually depicted as having potentially negative effects are on the rise (Eurofound 2015; Leka & Jain 2010).

Despite these trends, international studies have also consistently highlighted Denmark for its positive scores across several dimensions shaping working life. These include production regimes which offer workers relatively high levels of discretion at work (Arundel et al. 2007; OECD 2014), intrinsic job quality, job satisfaction, working time quality (Eurofound 2012c), and low levels of job strain (OECD 2012) and work-family conflict.
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Work-life balance, a key determinant of subjective well-being, is a widely acknowledged feature of Danish working life (OECD 2014), as it regularly places near the top of the OECD’s Better Life Index for work-life balance (oecdbetterlifeindex.org/topics/work-life-balance). Danes score equally well on individual outcomes such as subjective well-being (OECD 2014), happiness (Doherty & Kelly 2010; Helliwell et al. 2016), life satisfaction (Christensen et al. 2006; Eurofound 2012b), and both hedonic (affective) and eudaimonic (cognitive) wellbeing (European Social Survey 2015). Denmark’s labor market ‘flexicurity’ has been acclaimed for its balancing of the needs of employers and employees (European Commission 2007). It has managed to maintain low levels of unemployment and stable (mobile) labor markets (Andersen & Svarer 2007), leading Richard Wilkinson to state; ‘If Americans want to live the American Dream, they should go to Denmark’ (2011). Kalleberg (2011; 2012) calls for a ‘new social contract’ to alleviate the detrimental impact of polarization and precarity on job quality in the US, emphasizing the importance of the key principles underpinning Danish flexicurity; organizational flexibility, employee security, and collective representation. These advantageous structures and positive outcomes, during a period of profound change and increasing psychosocial work environment (PWE) hazards (Eurofound & EU-OSHA 2014; OECD 2012), mark Denmark out as an exceptional case. Such is the range and consistency of these findings that the discourse on Danish happiness and well-being has garnered significant media attention seeking to unearth the secrets behind ‘Danish happiness’ (Booth 2014; Russell 2015).

Considering this range of evidence, the question emerges: how has Denmark maintained these positive outcomes across a range of working life dimensions during a period of increasing psychosocial risks at work? Drawing on data from 40 semi-structured interviews with ‘experts’ on Danish industrial relations, labor market, working conditions, and employment regulation, the paper connects the theoretical work of Durkheim (1893, 1897) with the capabilities framework (Hobson 2014; Sen 1999) to present an institutional account of the structural dynamics interlocking macro and micro work contexts, thereby promoting – and reproducing – the positive conditions of Danish working lives. Danish work and employment structures, like many European countries, are under pressure from global economic trends, immigration, liberalization, and deunionization. However, the purpose of this paper is primarily retrospective in nature in attempting to provide an institutional account of Denmark’s performance across work-life dimensions over the last two decades. Utilizing the qualitative data to theoretically map the Danish institutional model, the paper illustrates the critical role of collective agreements – functioning as decentralized ‘occupational groups’– which cultivate the reproduction of ‘agency freedoms’ (Sen 1999) for Danish workers.

Explaining Danish Working Life Exceptionalism

Denmark scores consistently well across several indicators of quality of working life, work conditions, health, and psychological well-being. These include highest in ‘intrinsic job quality and prospects’, third for ‘earnings’, and second for ‘working time quality’ (Eurofound 2012c), while having the second lowest proportion of workers in job strain conditions across European OECD states (OECD 2012), leading the OECD (2014:103) to comment that in Denmark ‘... work practices fully involve workers, give them some
flexibility in the organisation of their work and help them to perform well’. Across four waves of the European Working Conditions Survey between 1995 and 2010, Oinas et al. (2012) note that it is Denmark that stands out for high levels of job quality, even among its Nordic neighbors. Denmark was also categorized as having a work organization with high levels of autonomy, participation, learning, and discretion (Gallie 2003; Holm et al. 2010). According to a Eurofound (2012a) report on Health and Well-being at Work, Denmark had the third highest subjective well-being score (using the WHO-5 index) and the highest average job satisfaction. Denmark also scores very favorably on macro-level variables such as inequality (OECD 2014), trust in public institutions (Eurofound 2012b; Sønderskov & Dinesen 2014), and social cohesion (Bertelsmann Stiftung & Eurofound 2014).

Hypotheses attempting to identify the critical societal features promoting well-being have highlighted; low levels of inequality and status anxiety (Wilkinson & Pickett 2009), the type of social policies and welfare state (Esping-Andersen 1990), the distribution of security (Standing 2011), the extent of economic regulation (Pontusson 2009), and exceptionally high rates of trust in others (Larsen 2013) and state institutions (Sønderskov & Dinesen 2014). These explanations can be split into three broad themes, which are stated as follows.

**Low Status Anxiety**

Epidemiological research has established the link between social structures, socioeconomic status, and health outcomes (Marmot 2004) including psychological well-being (Pearlin 1989; Thoits 2010). Wilkinson and Pickett (2009) link a range of detrimental outcomes for societies and individuals to levels of inequality. In developed democracies, it is the differences between people which matter most, not overall levels of wealth, as ‘status insecurity’ threatens an individual’s self-esteem and produces ‘status anxiety’. Status anxiety is the key psychosocial mechanism linking structural contexts and individual outcomes in societies of modern capitalism (Layte 2011; Wilkinson & Pickett 2009). Positive individual outcomes are the result of low levels of inequality and limited societal hierarchy.

**Associationalism and Social Capital**

Denmark represents a model of modern representative democracy, as it comprises the universalism of a social democratic welfare state (Esping-Andersen 1990), the economic regulation of a coordinated market economy (Hall & Soskice 2001), and the high union density required for large-scale collective bargaining (Jørgensen 2014). Due and Madsen (2008) describe the Danish model as one of ‘centralized decentralization’ characterized by the self-regulation and integrative collective bargaining of the social partners. It is marked by high rates of negotiation (Mailand 2011), social cohesion (Bertelsmann Stiftung & Eurofound 2014), trust in others (Larsen 2013), and trust in state institutions (Sønderskov & Dinesen 2014). The combination of universal welfare state and inclusive institutions (e.g., childcare) have ensured Denmark has maintained high levels of social capital (civic norms and involvement, trust, and networks) despite
exogenous threats (Torpe 2003). In line with Putnam’s (1995) articulation, robust social ties, norms, networks, and low levels of corruption depict a Danish context of high social capital founded on mutually beneficial coordination. This institutional context matters for the creation and levels of cohesion and trust (Regan 2013).

**Working Conditions**

Working conditions in Denmark are characterized as high in job quality (Eurofound 2012c), control and ‘discretionary learning’ (Arundel et al. 2007), leading to lower levels of intensity and stress (Gallie & Zhou 2013). Control and discretion are critical conditions for workers’ freedom, thriving, and skills (Braverman 1974; Kohn 1976), dignity (Hodson 2001), and levels of strain at work (Karasek 1979). These frameworks illustrate the complex way agency and demands shape the psychosocial experience of work. These are further complicated by job insecurity and work intensification, which can have a detrimental effect on a worker’s sense of control (Glavin & Schieman 2014).

These perspectives offer several explanations. Danish exceptionalism may be a result of the accumulation of beneficial conditions at the macro and micro level. However, extrapolating from macro structures to microlevel outcomes (e.g., Wilkinson & Pickett 2009) does not do enough to explain the structural dynamics shaping Denmark’s range and consistency of outcomes. Many other countries have similar equality levels, universal social policies, worker representation, and high levels of job control (e.g., Finland, Sweden, the Netherlands), yet do not achieve the same range and consistency of outcomes. A reliance on the psychosocial causal mechanism of ‘status anxiety’ seems to overlook both the variety and reproduction of different structural contexts in which these individual perceptions take place. The institutional context shapes the constraints and capabilities (Hobson 2014; Regan 2013), which influence this status competition. The consistency of Danish outcomes over the last decade points to an institutional context, which can adapt to the volatile exogenous pressures of globalized capitalism (Due & Madsen 2008).

Understanding the well-being outcomes of workers across different capitalisms is a multidimensional task. However, it is a phenomenon increasingly shaped by the institutional context (Allvin 2008; Grönlund 2007). European countries vary in welfare states (Esping-Andersen 1990), production regimes (Gallie 2007; Hall & Soskice 2001), and work organization; ‘... the way work is organized is highly nation-specific ...’ (Arundel et al. 2007:1200). Drawing from historical and sociological institutionalism (Schmidt 2006), the distinct institutional structures (economic, social, and labor market policies, working regulations, employment relations, welfare regimes, and cultural frameworks) of variegated social and political contexts translate the exogenous forces of liberalized global capitalism into domestic policies, practices, and conditions of working life. Bringing the institutional context into analyses of the relationship between work and psychological well-being requires a broadening of the analytical lens. The influences on, and impact of, work cannot be compartmentalized when it comes to psychological well-being (Warr 2007). This is increasingly important, as both working conditions and employment security become increasingly individual and relational in nature (Allvin 2008; Halpin & Smith 2017; Hvid et al. 2010; Kamp et al. 2011). Seeing work ‘in its broadest terms’ (Budd & Spencer 2015), the institutional composition of Danish
working lives may offer a clue as to Denmark’s exceptionalism. A sociological extension of Due and Madsen’s (2008) ‘centralized decentralization’ asks how does the self-regulation and controlled, integrative bargaining of Danish industrial relations (IR) shape the capabilities of working life? The paper uses the theoretical approaches of Durkheim (1893, 1897) and the capabilities framework (Hobson 2014; Sen 1999) to explore these structural dynamics linking the institutional composition of work with the conditions of Danish working lives.

**De-functionalizing Durkheim: Institutional Capabilities**

For Durkheim, how individuals are bound to their social environments is key to the cohesion of society and the well-being of individuals (1893, 1897). The citizens of industrial capitalist societies required regulation for the good of their own health. However, the state is too far from regular consciousness to have any significant effect. The Durkheimian solution is decentralized intermediary organs, which function independently while connected to the state. Such institutional structures can maintain balanced levels of integration and regulation at societal and individual levels; ‘A nation cannot be maintained unless, between the state and individuals, a whole range of secondary groups are interposed’ (Durkheim [1893] 1984: liv). Durkheim’s (1893) organic solidarity is achieved through differentiation and complementarity. As the division of labor became increasingly complex, the specialization of roles generates interdependence. This specialization of tasks plays a bigger role in ‘integrating the body social’; ‘Division of labour gives cohesion to the societies in which we live’ (Durkheim [1893] 1984:141). Institutional decentralization not only shapes a societal ‘distribution of functions’ but also influences the solidarity and cohesion of a society. Society is experienced via these intermediaries, which are closer to the diversity of everyday reality.

Durkheim is often portrayed as one of the pioneers of functionalism. However, his focus on social bonds and solidarities is not as restrictive as the structural functionalism of Parsons (1991). Durkheim’s emphasis on decentralized intermediaries highlights his institutionalist dimension, linking the structures of organic solidarity, the conditions of working life, and psychological well-being. These conditions of organic solidarity (e.g., decentralization, interdependence, high industrialization, complex division of labour) leave more room for the act of accomplishment. Organic solidarity thus not only shapes the conditions of working life but is also constituted by them. Durkheim’s theories connect macro and microcontexts through structural conditions generating different mixes of regulation and integration within working lives. It is here where the capabilities framework outlined by Sen (1999) and elaborated by Hobson (2014) can display its ‘function’ as Durkheim enhancing, and enhanced by Durkheim.

Sen’s (1999) framework offers a theoretical space for capturing the divide between the aspirations and actions of individuals. Differentiating between ‘capabilities’ as means and ‘functionings’ as ends, this approach considers not only what individuals do but also their possibilities (capabilities) for choosing valued ways of living (functionings) – their ‘opportunities to be and do’. Agency freedoms represent the opportunities individuals have to achieve things of value to them (Sen 1999). Sen’s framework is not without its critiques. These include a lack of universalism (Nussbaum 2000), epistemological limits (Robeyns 2005), and the ‘situated agency’ (Zimmerman 2006) of
individuals. Capabilities are ‘context-dependent’ and significantly influenced by extra-
individual forces.

Hobson (2014) takes a multilevel institutional approach to the capabilities framework to examine the agency-capabilities gap (the difference between having rights and being able to claim them) for women across different contexts. She explores the role of economic, social, and normative (institutional) contexts, which enable or constrain the possibilities (capabilities) for achieving work-life balance and quality of life (functionings). Allowing for dynamism and agency, Hobson (2014) notes that norms, values, and practices evolve while embedded within specific institutional landscapes, thus shaping how rights and regulations are converted into capabilities. Put simply, the translation of working life rights and entitlements into everyday lives. Hobson’s institutional approach to capabilities links the dynamics of employment regulation and IR with individual outcomes, through structurally defined potentialities (collective capabilities) for worker agency freedoms (Evans 2002; Miles 2014; Zimmerman 2006). These institutional capabilities may assist Durkheim’s theories in moving from the structures of societal solidarity to psychosocial outcomes for workers. Figure 1 illustrates this theoretical complementarity in providing a sociological account of the structures of working lives.

The capabilities available to achieve the functionings of work-life balance and quality of working life are a product of institutional dynamics. Figure 1 illustrates the connections between macro social structures and the conditions and outcomes of working life, via the interplay of institutional intermediaries regulating and integrating workers, and the capabilities available to manage work. The focus on meso-level mechanisms highlight the role of intermediaries in converting institutional capabilities into agency for working lives. To reiterate, the macro structures of organic solidarity not only shape the conditions of working life but are also constituted by them. Hobson’s (2014) institutional capabilities account for this reciprocal evolving of norms, practices, and values between micro and macro levels. Durkheim’s theories highlight the key institutional components for working life, while Hobson’s institutional capabilities help translate these structures into experiences of agency and working life outcomes. Specific structural configurations are required to facilitate and sustain positive conditions across the multidimensionality of working lives. As noted by Hvid et al. (2011), the quality of working life (and working life research) is comprised of macro and microlevel factors from workplaces to labor markets to social partners and the politicoeconomic structures of society. Examining the link between these institutional dynamics and working life capabilities provides a broader understanding of the impact of Danish IR at societal and individual level and may provide a clue as to the perseverance of positive Danish working life outcomes over the last two decades. Underpinned by the theoretical framework in Figure 1, the paper maps the institutional components and dynamics linking Danish IR with the capabilities of working life.

Methods

The paper is part of the European Research Council funded New Deals in the New Economy project, which sought to qualitatively compare the socioeconomic context of postindustrial work bargains in Denmark and Ireland. The project conducted over 100 interviews with key informants to map the composition and coordination of the Danish model. These included academics in political economy, working life, and PWE; public
sector representatives; a range of union and business federation representatives; works council members; and IT, health, and retail sector representatives. One of the aims of the *New Deals* project was to examine how the Danish institutional model composes the conditions of working life. The paper seeks to address this question.

Following the identification of key institutional spheres of Danish working life, the project team (two postgrads, one postdoc, and a principal investigator) conducted an internet and academic database search to identify experienced individuals working or researching within these spheres. Using a purposive sampling approach, the team emailed individuals...
who were identified based on their ability to inform the research objective with the expectation that their knowledge and experience would advance our understanding (Stake 1998) of the key institutional components of working life in Denmark. Where appropriate, snowball sampling was used if an interviewee suggested a knowledgeable colleague.

Expert interviewees can speak from one of three positions: their own individual experience, their role within the organization, or as a representative of the organization (Thomas 1993). During data collection, we delineated which information was more important based on the type of interviewee. For example, with union representatives, it was the role of their organization and where this fits within the overall IR model. For academics, it was their overall experience of researching a specific facet of work in Denmark. In the case of works council representatives, the focus was on the form of employee representation sought as distinct from union representation. This approach involved an iterative process between data collection and analysis to map the structures of Danish IR. Interviewees provide a broad range of meso level perspectives on the decisive institutional components shaping working life in Denmark. Experts on both sides of the employment bargain (e.g., union and business federations representatives) serve to verify the data.

Table 1 provides an overview of the sample used in this paper. The analysis uses data from 40 interviewees who provided a range of insights into the institutional composition of Danish working life. The project received ethical approval from the University research ethics committee prior to fieldwork commencing. Interviews were conducted on four separate periods of week-long fieldwork in Denmark in November 2013, March 2014, October 2014, and November 2016. All but one interview took place in the interviewee’s place of work. The duration of the interviews ranged from 1 to 2 hours.

Table 1  Profile of participants

<table>
<thead>
<tr>
<th>Expert interviewees</th>
<th>n</th>
<th>Sex</th>
<th>Role</th>
<th>Field of expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>23</td>
<td>4 women</td>
<td>Professor (10)</td>
<td>Organization of work and labor market, working conditions, migrants, PWE regulation, flexicurity, social policies, political economy, welfare state</td>
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<tr>
<td></td>
<td></td>
<td>19 men</td>
<td>Associate Prof (9)</td>
<td></td>
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<td></td>
<td></td>
<td>Post-Doc/Fellow (2)</td>
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<td></td>
<td></td>
<td></td>
<td>Senior research (2)</td>
<td></td>
</tr>
<tr>
<td>Work environment and well-being researchers</td>
<td>5</td>
<td>3 women</td>
<td>Work Research Psychologist Senior Researcher</td>
<td>Psychosocial risks, workplace stress; well-being outcomes</td>
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<tr>
<td></td>
<td></td>
<td>2 men</td>
<td>Senior Researcher (Employment)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Senior Researcher (PWE)</td>
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<td></td>
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<td></td>
<td>Professor (PWE)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PWE &amp; Workplace Stress Consultant</td>
<td></td>
</tr>
<tr>
<td>Social partners</td>
<td>10</td>
<td>1 woman</td>
<td>State Representatives (3)</td>
<td>Industrial relations; collective bargaining; unions; role of state</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9 men</td>
<td>Union Representatives (3)</td>
<td></td>
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<td></td>
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<td></td>
<td>Business Federation Representatives (4)</td>
<td></td>
</tr>
<tr>
<td>IT organization employees</td>
<td>2</td>
<td>2 men</td>
<td>IT Firm Works Council Employee Representatives (2)</td>
<td>Works Council at firm level</td>
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Prior to fieldwork, an interview topic guide was constructed by the research team. The topic guide covered the following broad areas:

- Employee representation (unions and works councils);
- Industrial relations (collective bargaining, unions, and business federation strategies);
- Labor market (active labor market policies, training and education, employment regulation, flexicurity);
- Production and innovation;
- Coordination and tensions of the Danish model;
- The conditions of working life.

Topic emphasis was tailored to interviewee expertise. As interviews were not always conducted by all team members, following each interview, a review of proceedings and main themes was undertaken by the team to ensure accuracy of information. Interviews were audio recorded and transcribed verbatim. Transcripts were collated and analyzed using MaxQDA, a software package designed to assist with the storage, organization, and coding of qualitative data. Analysis entailed a two-step derivation process. A ‘base’ coding tree was developed by the project team based on the aims of the project, a review of key themes in the literature, and the primary topic guide. Interviews were divided among team members to code the data in line with these base codes. To strengthen coding reliability, a sample of coded interviews were swapped between team members for review. Team coding exercises were consequently carried out to define, classify, and refine salient themes underpinning the base codes.

For the purposes of this paper, the author analyzed the data for the key institutional components of Danish working lives discussed by participants. Qualitative researchers seek ‘… strategies of empirical inquiry that will allow them to make connections among lived experience, larger social and cultural structures, and the here and now’ (Denzin & Lincoln 1998: xi). Thematic analysis was undertaken by the author to seek ‘sensitising concepts’ (Blumer 1954) in how interviewees discussed the institutional structure of Danish working life. Reflecting the considerations of Due and Madsen (2008), several respondents discussed the pressures (EU, politics, globalization, etc.) on the system. However, the purpose of this paper was to account for the consistently positive scores of Denmark across a range of recent international cross-sectional surveys of dimensions of working life and well-being outcomes. The following discussion illustrates how a Durkheimian view of Danish working life uncovers the institutional capabilities providing – and reproducing – agency freedoms (Sen 1999) for workers.

A Durkheimian View of Danish Working Lives

Institutional Intermediaries: Collective Bargains as Occupational Groups

... its [the state's] action can be useful only if a whole system of secondary organs exists to diversify the action. It is, above all, these secondary organs that must be encouraged.

(Durkheim [1897] 1966:384)
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… the decision was taken by major Danish companies around ‘85 where everyone could see that we were becoming more and more part of the global world, global competition and therefore it was decided to bring to an end the very centralised system, the negotiating system we had at that time … it was a realisation that companies would be all competing, they would be in very different market situations, so therefore we simply needed to decentralise our collective bargaining system … negotiations should take place at the sector level. And therefore you needed stronger member federations …’ (Confederation of Danish Employers Representative)

Denmark’s institutional response to the economic imperatives of being a small open economy has been a coordinated decentralization of the regulation of work, in the form of collective agreements made between employer and union federations. This framework is shaped by the bargains made between the social partners representing the various interests of their occupation, in both the public and private sector. Due and Madsen (2008) describe this model as one of ‘centralized decentralization’, marked by the self-regulating social partners and integrative, coordinated collective bargaining, which is decentralized to enterprise level. The same norms and values travel through this multi-tiered delegation process. In Durkheim’s terms, these centralized collective agreements represent the ‘secondary organs’ of the Danish institutional structure. DA (Confederation of Danish Employers) as the most important employer confederation, and LO (LandsorganisationeniDanmark) as the biggest union collective in the private sector, meet every 2–3 years to set a general framework. Due to its traditional power and continued value to the Danish economy, the industrial sector usually sets the general frame for wage differentials. Following this, respective sector-based agreements are then set, which mark the boundaries for negotiations around wages, hours, holidays, etc. at the enterprise level, pointing to the ‘multi-level regulation’ of Danish working conditions (Due & Madsen 2008). In line with Durkheim’s (1897) thinking, Danish collective bargains - as decentralised occupational groups - have increasingly incorporated social provisions, for example, pensions, training funds, leave supplements, etc.

… we have, over the last years, taken more and more social issues into our collective agreements starting in fact with pension funds, which was not a success at the start but is a huge success now … we made a parental leave fund … this was part of the collective agreements … (Confederation of Danish Employers Representative)

Durkheim also acknowledged that ‘unions’ represented the initial stages of societal organization by occupation but ‘… unless they federate or unite there is nothing about them that expresses the unity of the profession … They lack a common organisation to draw them together … a common set of rules. …’ (1984: xxxv-xxxvi). Danish industrial relations rectify these weaknesses. The system brings unions into contact with each other regularly to agree on common goals, which will apply to each bargaining process. Regular collective bargaining federates unions of employees by profession under an agreed regulatory framework. Such processes rely on a context with high union density and collective bargaining coverage (Due & Madsen 2008). While decreasing over the last few years, union density is around two-thirds of the workforce in Denmark (Jørgensen 2014). The coverage rate of Danish collective agreements is 74% in the private sector and 100% in the public sector (Confederation of Danish employers 2013). Strong
federations on both sides of the labor market are a prerequisite to ensure the legitimacy of the system;

… we have this strong role of collective bargaining. And even if we have this split of having strong sector organisations, everything is coordinated … The government doesn’t play any direct role in our collective bargaining round. In the end it is only the mediator … But the system is built so we try to make maximum pressure on both sides to agree. (Confederation of Danish Employers Representative)

… in 1899 we had this big strike and that was terminated by a general agreement between workers, unions and employers where they mutually recognised each other and each other’s legitimate interests. So that was so to speak the basic of the Danish model … There is a strong tradition in Denmark that we try to make agreements first. (Professor of Work Psychology)

The system originates in 1899 when, following a long period of industrial conflict, an agreement was made between DA and LO - the September Agreement. This agreement introduced a dispute resolution system and acknowledged an employer’s right to direct and manage. The agreement also recognized both sides right to exist and organize collectively without the permission of the other in the employment contract (Hasselbalch 2010). This compromise institutionalized the role of the social partners in the regulation of work. The real consequence was the institutionalization of the need for consensus (Due & Madsen 2008). Employers and unions know it is in their best interest to ensure these processes function adequately and explicitly acknowledge the importance of compromise. Consequently, there have been relatively few general strikes, which reinforce the sustainability of the system.

Danish working life is therefore embedded in an institutional system of centralized decentralization, negotiation, compromise, and adaptable regulation, which integrates workers and businesses into occupationally sanctioned groups. These groups become more than just a negotiated agreement based on the vested interests of each social partner. They become interdependent occupational groups to which workers form attachments in terms of associated rights and responsibilities; ‘a definite institution’ (Durkheim [1897] 1966:390).

They are where you are attached from the employees’ point of view, you are not attached to a particular company. You work for a particular company but when it comes to your social rights you are covered by the collective agreement and that secures your rights. (Confederation of Danish Employers Representative)

Once more reflecting Durkheimian thinking, the collective agreements link workers to a societal structure via regular and adaptable regulation and integration into socially sanctioned (i.e., negotiated and agreed) occupational groups that ‘… play a social role instead of expressing only various combinations of particular interests’ (Durkheim [1897] 1966:379). They ensure a relevant and legitimate range of capabilities (Robeyns 2005). These agreements-as-occupational-groups, functioning as institutional intermediaries, represent a decentralized yet interdependent response to the economic pressures arising for sectors, organizations, and workers in Denmark.
Tessellated Solidarity: Divided and Interdependent

... if you look at system construction ... on both sides of the labour market you recognise that it is in your long-term interest to stand together as workers and stand together as employers ... DI [Dansk Industri] have to take into account that their fellow members of the DA [Confederation of Danish Employers], they have legitimate interests. So, I think that you have commitments within the confederations. It is extremely important that you have strong confederations ... as we have in Denmark ... about the framework ... just to have it that all the collective agreements are negotiated simultaneously in the same round and we have a vote altogether, that puts people together so to speak ... (Danish Confederation of Trade Unions Representative)

The distribution of functions within the division of labor goes beyond economic effects to the creation of solidarity through complementarity (Durkheim 1893). Similarly, the Danish collective bargaining process has unifying effects, as the negotiations are mutually dependent and occur within the same timeframe. The regulatory conditions for each sector are interdependent. During negotiations, employers’ and workers’ concerns are brought together in a process of co-operation and compromise to construct agreements, which suit the majority; ‘... this ongoing idea of a dialogue to reach a compromise is very Danish. We expect to compromise’ (Professor of Work and Management). Labor market ‘collectivities’ bargain over regulation and capabilities, which mould the options available to workers in each sector. Voting on proposals involves all unions under the agreement, who must agree to the terms.

... they report to us, the industry workers. They have their own process of course with their members, the Metal workers for example, and they come and they report what their main demands are. Then those from transport or those from retail, building and construction, cleaning, whatever, they come and they discuss their different demands and priorities. And usually there are a huge amount of similarities but there are also sector specific issues of course ... the system has to be flexible enough to say there should be enough common themes, so we can put everybody out to vote ... We have 500,000 people voting, it would be stupid if 100,000 are voting on something completely different from the other groups. So there has to be a huge amount of common ground but still allowing for sector specific solutions. (Danish Confederation of Trade Unions Representative)

All the unions have to agree to the agreement there is ... it often happens that one union may not agree. But we all agree or we all strike. And then that gives us the greatest amount of leverage. But we don’t strike very often anymore. (Representative from HK, Denmark’s largest union for salaried employees)

This system creates a web of institutional interdependence across sectors, occupations, and workplaces. Part of this is the desire to keep the state out; ‘... we have always asked politicians, there is no need to legislate ... we have always felt that we don’t want the politicians to be involved because ... we think that we can get better agreements’ (Representative from HK). Continuity is thus institutionally secured via regular relations which rarely break down due to the historical and institutional importance, and acceptance, of compromise for the collective good.
Solidarity through complementarity underpins this institutional system, which engenders socially integrated groups founded on the specialisation of work tasks and manifested in the form of interdependently regulated occupational groups. Unions and employer federations need each other to be strong to ensure adequate functioning of the bargaining process;

... we have a cooperation with the unions that is quite unique ... we are talking to each other. And we can see the advantage of having this cooperation in solving a lot of issues by negotiating agreements instead of by law. That is very important for us. (Confederation of Danish Enterprise Representative)

... we want, of course, to have a strong counterpart to be able to conclude agreements with them ... It is a political challenge to us ... we want to keep our opponent alive and kicking ... And well-functioning ... (Confederation of Danish Employers Representative)

Danish solidarity does not depend on a shared notion of who ‘we’ are (mechanical solidarity), but rather how much ‘we rely’ on each other. Thus, emphasizing the importance of societal contribution, that is, a universal welfare state, which requires a thriving labor market extols the importance of work and paying taxes. Current immigration and integration issues (Jenkins 2012) may have more to do with precarious and peripheral employment. Here, cracks are beginning to show. Tessellated solidarity depicts an interwoven strength resulting from an institutional structure, which acknowledges and accounts for how different pieces impact on each other and how different levels ‘fit’ together. However, this interdependent strength may also represent a vulnerability, as shifts in values and practices are felt throughout whole system. For example, an Associate Professor in Employment and Labour Migration noted how social dumping has become a political hot topic, as Eastern Europeans working in construction accept minimum wage levels and fall between the borders of a tightly bargained and institutionally important industry. These migrants reveal the complex interests underpinning the consensus of Danish IR. They pose a problem for employer organizations who not only want to preserve the system but also liberalize it, and present both a threat and revitalization strategy for unions;

... there is social dumping even inside the collective agreements because ... of flexibility for the local bargaining ... the trade unions really feel that they are losing ground ... you have workers working in conditions that no Dane would ever accept ... they don’t participate in the local bargaining at all ... this is really where trade unions get strong in Denmark ... they mobilise locally constantly ... for this group of migrants not to participate ... are we losing this system or are we losing the effect of this system? And then the second thing ... that actually puts pressure on wages and conditions. So, they do feel pressured ... (Associate Professor, Employment and Labour Migration)

This tessellation may have to shift again to cover these ‘outsiders’ who slip between the cracks of integrative bargaining (Due & Madsen 2008). Nonetheless, the institutional dynamics described so far acknowledge a multitude of post-industrial working contexts. An example is provided by a Confederation of Danish Employers Representative who discussed the sealing of an agreement which created a parental leave supplement
(approximately 10 weeks full pay). Issues arose around small companies’ potential reticence to hire women and the relatively higher burden on organizations with a high female employment rate in financing this supplement. To rectify this, a parental leave fund was posited as part of the agreement, into which employers would pay a standard minimum, creating a fund from which they could draw to subsidize the additional leave. The agreement passed, even though it involved a redistribution of funds from heavily male-dominated sectors to female-dominated sectors. The notion of the collective good - societal needs and the collective agreement structure itself - won out over vested interests; ‘… we pool our collective agreements centrally to look after some of the smaller people who would probably be weaker off in a collective bargaining agreement …’ (Representative from HK). This process provides a practical example of social solidarity through acknowledged interdependence. In addressing the variety of sectoral contexts, these institutional processes reinforce solidarity and trust.

Collective agreements enhance cohesion through the linking of the concerns of macro social structures with micro level conditions. Minimal ‘social differences and mental distances’ within the social institutions of the labor market may be a remnant of Danish industrialization where agricultural cooperatives and small workplaces normally had very few employees and little difference between the factory floor and management (Jespersen 2011: 166). These minimal distances are institutionally sustained by a regularly enacted link between the everyday contexts of working lives and the centralized aims of the state, providing flexibility and renewing the norms, practices, and values underpinning working life capabilities (Fig. 1). An example described by a Confederation of Danish Enterprise representative involved the Danish Prime Minister’s plan to push through a tripartite agreement on an increase of weekly working hours (from 37 to 38) prior to the collective bargaining round of 2012. The plan failed, as it was met by considerable resistance from the unions who stressed the work-life balance issues raised by their members. Here, an institutional intermediary (union collective) and decentralized negotiating practices assisted in resolving the tensions thrown up by the conjunction of global capitalism and the social structures of work.

A Durkheimian view of Danish industrial relations highlights a solidarity maintained through the regulation of working conditions via the institutional intermediaries of collective agreements - which group workers within frames that ensure their conditions and welfare are interdependent. This creates a lateral and vertical tessellated institutional structure. One that is fragmented but fits together, minimizes gaps, and links macro and micro levels to provide workers with legitimate capabilities to manage the demands of working life.

Figure 2 illustrates the close-knit nature of this institutional structure. It shows how Durkheim’s emphasis on institutional intermediaries can help us understand the integrating effects of the collective agreement system in Denmark. These cohesive institutions interlock the macro and micro structures of Danish working lives, reconnecting the tensions arising within a ‘disconnected’ capitalist system (Thompson 2003). Key here is the consistent line of communication between macroeconomic imperatives and the capabilities of individual working lives, preserved by the regular contact of the social partners in the collective agreement process, a process that socially integrates and regulates occupational groups within institutional intermediaries and in doing so enhances workers’ agency and psychosocial well-being via collective capabilities (Evans 2002; Miles 2014).
Psychosocial Well-being: Balance and Control

...those models [flexicurity and collective bargaining] have in common the idea that we have to deal with these sort of conflicts in a capitalist society in a way that is some sort of communicative or cooperative ... I think that is a shared ideology or notion or whatever from both employers and trade unions and the state ... That is another important thing that make the things cling together, some sort of ideology and common understanding on how this should be regulated. (Professor of Sociology)

Societal order forms around a collective conscience; a contextually shared set of beliefs which form a definitive value system and, in conjunction with formal institutions, shape the bonds linking individuals with their society (Durkheim 1893). ‘Mental systems’ are thus based on the organization of social elements (Durkheim 1897). Levels of integration and regulation - moderated by institutional contexts and collective conscience - are the key mechanisms shaping the bonds between the individual and society, and the type of psychosocial risks arising for workers (Durkheim 1897). This is the fundamental aspect of Durkheim’s explication of how structural circumstances impact on psychological wellbeing, further specified in this paper by the institutional capabilities (Hobson 2014) of working life (Fig. 1).

The PWE is an increasingly significant factor in the relationship between work and well-being (Leka & Jain 2010; OECD 2012). This is reflected in the amendment of the Danish Working Environment Act (2010) to bring the PWE in line with physical health and safety (Act no. 356 of 9 April 2013). The Work Environment Authority (WEA) - another institutional intermediary - ensures that the requirements of the Working Environment Act (2010) are complied with. Their remit includes providing guidelines, informing policy, and risk-based inspections of the psychosocial environments of Danish workplaces. They have the authority to penalize organizations where violations are identified;
if any problems are reported within a work place, they [WEA] have to go and check and they will ask for this APV [self-conducted workplace health and safety assessment] to see how the company has been evaluated … they take it very, very seriously. It is like when the police come, it is really serious. (Clinical Professor)

The Working Environment Act (2010) also stipulates that organizations with more than 50 employees must create a working environment committee of employer, employee, and occupational health representatives with the task of maintaining a safe and healthy work environment. Hence, the regulation of the PWE is also characterized by a tessellated solidarity, which provides local autonomy under centrally defined and supported institutional structures and permeates macro, meso, and microlevels from centralized legislation (Working Environment Act 2010), to intermediary inspectorate bodies (WEA), and organizational work environment committees and work councils. In conjunction with collective bargaining procedures, these institutional structures portray the distinctiveness of the relationship between work and psychological well-being in Denmark. Unlike Sweden, where trade unions have traditionally driven working life issues, the PWE in Denmark is tessellated across two distinct, linked, and cooperative institutional systems. As discussed, the collective agreement system is aimed at the social relations and conditions inherent in the employment contract, while the inspection of workplace health and safety is carried out by the WEA on behalf of the Ministry for Employment.

… there was a deal made in … 1995 … called the method committee … refers to how do we deal with the psychosocial work environment and the deal they cut at the time was that we should divide problems in two groups … either problems are related to particularly the job and the job content, or it can be related to social relations, management relations and those kind of issues. And if it is the first kind of problem … that is for the labour inspection or the safety committees as they were called at the time, now they are called work environment committees. … But if it is dealing with social relations, including relations between management and workers … it is the province of … the traditional trade union employers’ system which is not legislated, it is negotiated … They are very linked these systems but formally it is two different systems, one is a legally required system, the other is a negotiated system. (Senior Associate Professor, Work Environment)

Denmark is a coordinated market economy (Hall & Soskice 2001) with comparatively high levels of regulation over economic organization. High tax rates, high union density, and PWE regulation inhabit the institutional context of work alongside the regulation of working hours and wages filtered through the collective bargaining process. Durkheim (1893) asserted that institutional structures were required to regulate, and anchor, high levels of autonomy - a point aptly depicted by Danish institutional structures, which limit economic autonomy at the organizational and individual level. Recent workplace studies have illustrated how too much autonomy can translate into limitless demands, a high level of responsibilities, and a spill-over of work into non-work life (Anderson-Connolly et al. 2002; Schieman et al. 2006; Warr 2007). Thus, a regulation of economic autonomy may actually have beneficial effects for work-life balance; ‘I would say there is autonomy in the Danish case because the combination of parental leave … and there has been an increase in men taking care of the children. Most families can decide when they
want to go back to the labour market ...’ (Professor of Social Policy). These institutional provisions disrupt the adverse cycle of insecurity, intensification, and imbalance, which characterize the psychosocial risks of modern working lives (Eurofound & EU-OSHA 2014; Sennett 1998). Societal regulation may proffer more individual freedom; ‘... liberty itself is the product of regulation’ (Durkheim [1893] 1984:320).

In a Bertelsmann Stiftung and Eurofound (2014) study, Denmark had the highest rates of social cohesion across Europe during the period of 2003–2008. The study also found that social cohesion enhances psychological well-being, with the measure of ‘psychological functioning’ most strongly influenced; ‘Individuals who live in more cohesive societies are more optimistic about the future, have a stronger feeling that their lives are purposeful and feel greater freedom to decide how to live their lives ...’ (Bertelsmann Stiftung & Eurofound 2014:13). One of the three items used to measure ‘psychological functioning’ is ‘feel greater freedom to decide how to live their lives’. The notion of freedom underpins societal cohesion, psychological functioning, and the capabilities framework (Sen 1999). Denmark’s institutional dynamics excel in their provision of ‘agency freedoms’ (Sen 1999) for workers - in the renewal of legitimate options for managing the demands of working life. What Aakvaag (2015) refers to as the social conditions of ‘substantial freedom’.

The social structures of Danish work and employment enable congruous context-based capabilities to be converted into resources for managing the demands of working life, thus, reinforcing the psychological well-being of workers. The key capabilities for quality of working life relate to autonomy, security, and balance; ‘... greater control over one’s time, less daily stress and overwork, and a greater sense of security and well-being’ (Hobson 2014:5). In other words, how much choice do workers have over their work and non-work lives. Denmark's high levels of work-life balance and psychological functioning is the product of an interdependent institutional context, which seems to limit autonomy through regulation yet enhance the range of effective choices available. Danish Arbejdsglæde (‘work happiness’) is a product of regulated balance, which offers workers mastery over, and choice within, their working lives;

It is a rather well-balanced society ... at the same time life is expensive here, you need two incomes ... everybody works here no matter how many children you have. So, the country is organised with day care and after school programmes and life is totally organised here. ... Everybody in the working age actually can work ... having children at home, both partners working, you also need to organise your working life. (Senior Researcher in Psychosocial Work Environment)

I think the options that you have to improve your life, it is a future promise ... I think that is part of it as well. (Professor in Work and Organisational Psychology)

An institutional structure of decentralized regulation embedded within a universal welfare state provides a balanced and autonomous backdrop for workers to organize their working life. The emerging capabilities are maintained not by equality, social trust, or cultural norms, but by interdependent, socially integrated, and regulated occupational groups, which bring employers and workers together under a regularly updated ‘common set of rules’ (Durkheim 1893), thus empowering collective capabilities, and the ‘substantial freedom’ of workers (Aakvaag 2015).
Conclusion

Over the last two decades, international cross-sectional studies and reports have consistently placed Denmark at, or near, the top of scores across a range of work life dimensions (e.g., societal cohesion, trust, work-life balance, job quality, job satisfaction, happiness). Using semi-structured interviews with a range of experts to map the Danish model, this paper provides a sociological explanation for this exceptionalism.

Viewing collective agreements as institutional intermediaries in Denmark, the paper revives the work of Emile Durkheim to highlight the influence of these ‘secondary organs’ on the bonds between society, workers, and psychosocial well-being. The findings illustrate how these collective agreements-as-occupational-groups link, sustain, and reproduce compatible socioeconomic contexts shaping how work affects workers in Denmark. To summarize, they create a form of organic solidarity through the integration of workers into divided but interdependent occupational groups; provide a form of decentralized and legitimate regulation; link macroeconomic aims with everyday working contexts; and, most importantly, provide a legitimate range of capabilities to enable the experience of balance and control within working life.

A Durkheimian view of Denmark captures an institutional tessellation of decentralized, linked, and interdependent collective agreements, which maintain balanced levels of integration and regulation and convert collective capabilities into an augmented range of ‘agency freedoms’ (Sen 1999) for workers. The capabilities embedded within an institutional context (Hobson 2014) can potentially temper the ill effects of self-regulation demands (Allvin 2008), the fragmentation of working-life boundaries (Sennett 1998), and the disconnection of employment security (Thompson 2003) characteristic of working lives within contemporary capitalism.

The paper highlights the complexity of Danish institutional dynamics, pointing to the difficulties of attempting to export it to other European contexts. Furthermore, cracks in the Danish structure have been growing. Current imperatives of economic competitiveness have increased de-regulation, immigration has led to issues of integration and social dumping, and the retraction of unemployment benefit duration within the flexicurity model, all represent threats to the interdependence of the Danish institutional system. It is not just the centralized decentralization (Due & Madsen 2008) of the Danish IR model at stake, but the advantageous institutional capabilities which cultivate the capabilities of Danish working life.

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