

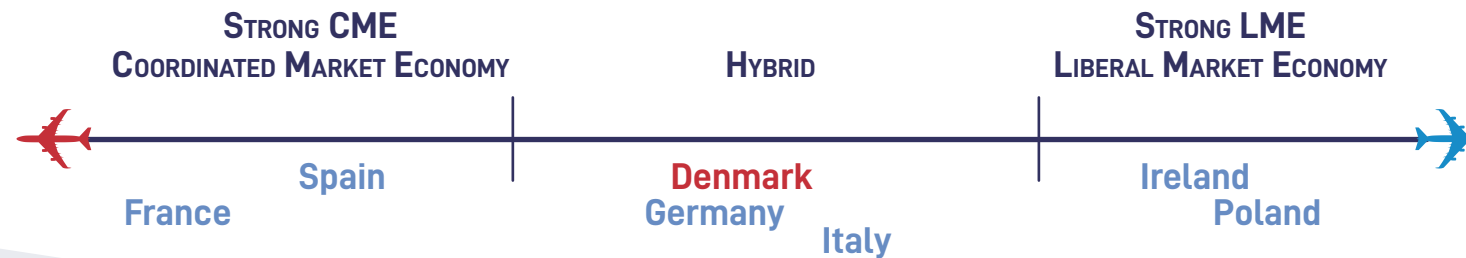


VS/2021/0188



Varieties of Industrial Relations in Aviation Lockdown

ROLE OF STATE LEGISLATION IN INDUSTRIAL RELATIONS



DENMARK

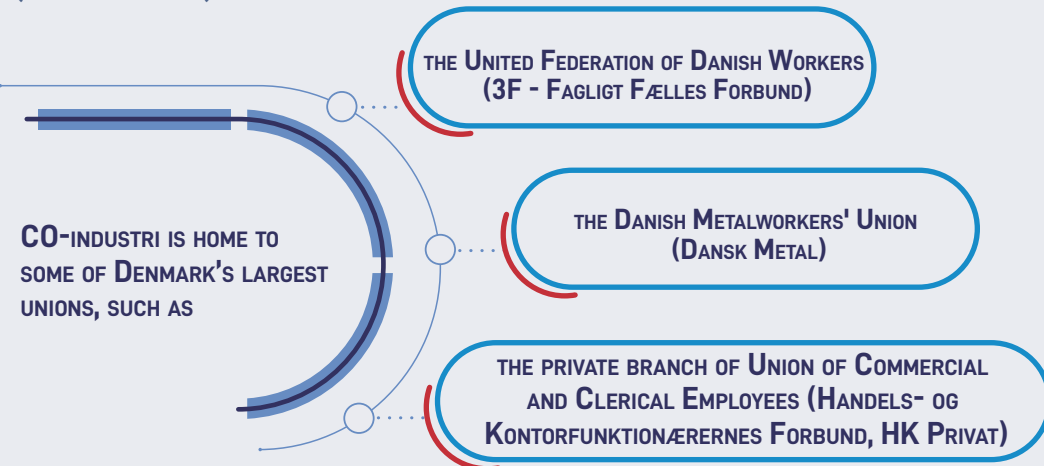
Industrial Relations

LABOUR UNION REPRESENTATION

UNION DENSITY



Main labour unions: the Central Organisation of Industrial Employees in Denmark (CO-industri)



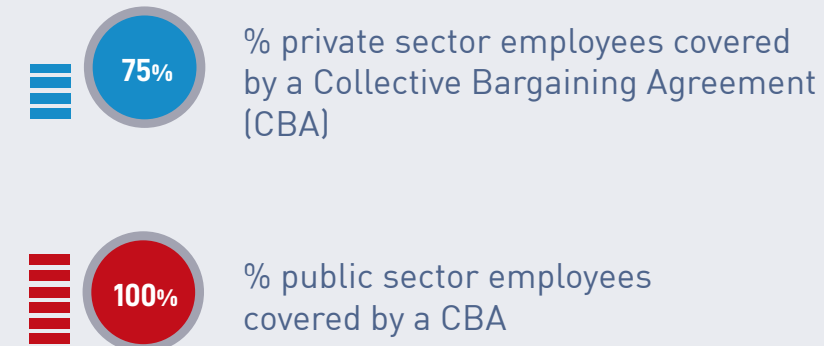
EMPLOYER REPRESENTATION



Main employer representatives:
CONFEDERATION OF DANISH INDUSTRY (DI - DANSK INDUSTRI)
DANISH CHAMBER OF COMMERCE (DE - DANSK ERHVERV)



COLLECTIVE BARGAINING COVERAGE



WORKPLACE REPRESENTATION

Works Councils prominent in companies with 35+ employees

Smaller firms:

The Cooperation Agreement obliges management to keep employees informed on major organizational changes

52% Shop steward coverage (as of 2010)



Bargaining primarily occurs at the sectoral level

REGULATION OF INDUSTRIAL RELATIONS

1899 September Compromise

A compromise that laid the foundations that guide negotiations between employees and employers until today. Ultimately, it represents a set of rules designed to resolve conflict. A key aspect of this compromise involves the fact that IR are primarily regulated through collective agreements signed by the social partners. It is not legal to strike (or lockout) while a collective agreement is in force – here the peace obligation applies



Tripartite dialogue:

the State takes up a relatively withdrawn role in Danish IR, nevertheless tripartite cooperation and regulation plays an important role, especially when major welfare State issues are at stake (i.e. pension, paternity leave, vocational training).



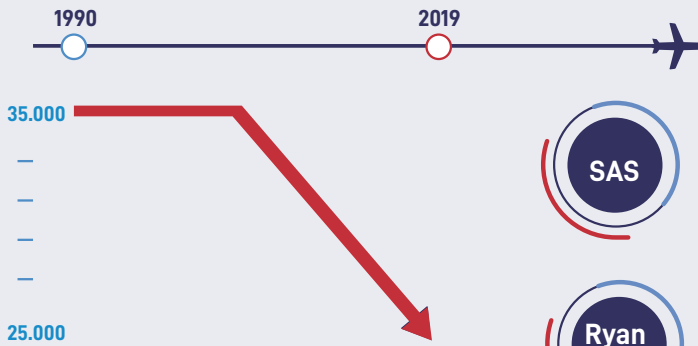
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Air Transport Sector

AIR TRANSPORT PRE-COVID

Since the '90s, increasing competition and lower ticket prices have put SAS, the Nordic Flagship Carrier, under pressure, requiring multiple savings plans.

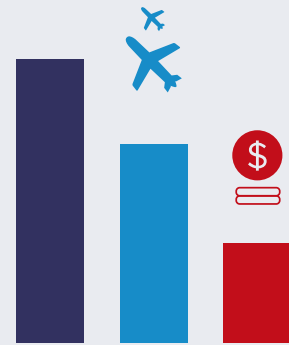


WHILE SAS HAD SOME **35,000** EMPLOYEES IN THE EARLY '90s, IN 2019 SAS ONLY EMPLOYED **10,000**



DESPITE HAVING NO BASES IN DENMARK, RYAN AIR IS THE **3rd** LARGEST AIRLINE FLYING IN AND OUT OF CPH AIRPORT WITH **2.4 MILLION** PASSENGERS IN 2019.

AIRLINES



AIRPORTS

CPH Airport has grown from **18 MILLION** passengers in 2002 to **30 MILLION** per year.

As of 2019, some **25,000** are employed in CPH airport including all support functions. The airport is servicing some **30 MILLION** passengers/year.

Billund Airport.

The airport serves **3.6 MILLION** passengers as of 2019

Employment:
Directly employed by airport: **800**, total employed within airport **1600-1700**.

INDUSTRIAL RELATIONS IN THE DANISH AIR TRANSPORT SECTOR

MAIN ACTORS THE STATE

39.2% of CPH Airport owned by the Danish State

SAS: **14.2%** of stock in Nordic flagship carrier owned by Danish State

TRADE UNIONS

% OF WORKERS ORGANISED

70%

Union of Airline Staff (Flyvebranchens Personale Union, FPU) Pilots and cabin crew

100%

Danish Air Traffic Controllers Association (Dansk flyvelederforening, DATCA)

95%

Cabin Attendants Union (CAU) SAS cabin crew; pursers, stewards and stewardesses

100%

Danish Airline Pilot's Union (Dansk Pilot Forening, DPF): SAS pilots

75%

United Federation of Danish Workers (Fagligt Fælles Forbund, 3F) transport workers, handling assistants in airports

80%

Danish Metalworkers' Union (Dansk Metalarbejderforbund, Dansk Metal) Technicians and flight mechanics*

45-50%

Union of Commercial and Clerical Employees in Denmark/ Federation of Salaried Employees in Air Transport (Handels- og Kontorfunktionærer Forbund, HK) salaried employees, white-collar, commercial and clerical workers

80%

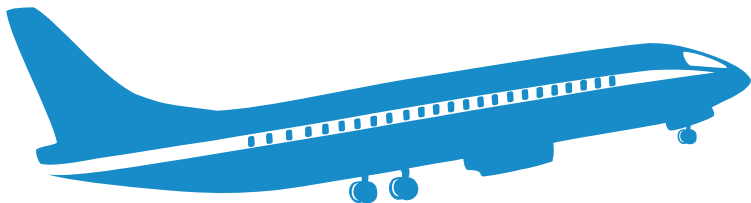
Danish Union of Electricians (Dansk El-Forbund, DEF)

45-50%

Danish Association of Managers and Executives (Ledernes hovedorganisation, Lederne)

EMPLOYERS' ORGANISATIONS

Confederation of Danish Industry (Dansk Industri, DI) represents **20** member companies in aviation, covering **35,000** employees



WORKPLACE REPRESENTATION

DUAL CHANNEL, WITH MOST EMPLOYEES REPRESENTED BY SHOP STEWARDS AND COOPERATION COMMITTEES

COLLECTIVE BARGAINING COVERAGE

% OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT: **80-100%**

*Within the Danish system of Industrial Relations, Air Transport stands out as an exception, as most bargaining happens at the company, and not sectoral, level.

*as of 2021: SAS pilots now also members of Danish Metalworkers' Union



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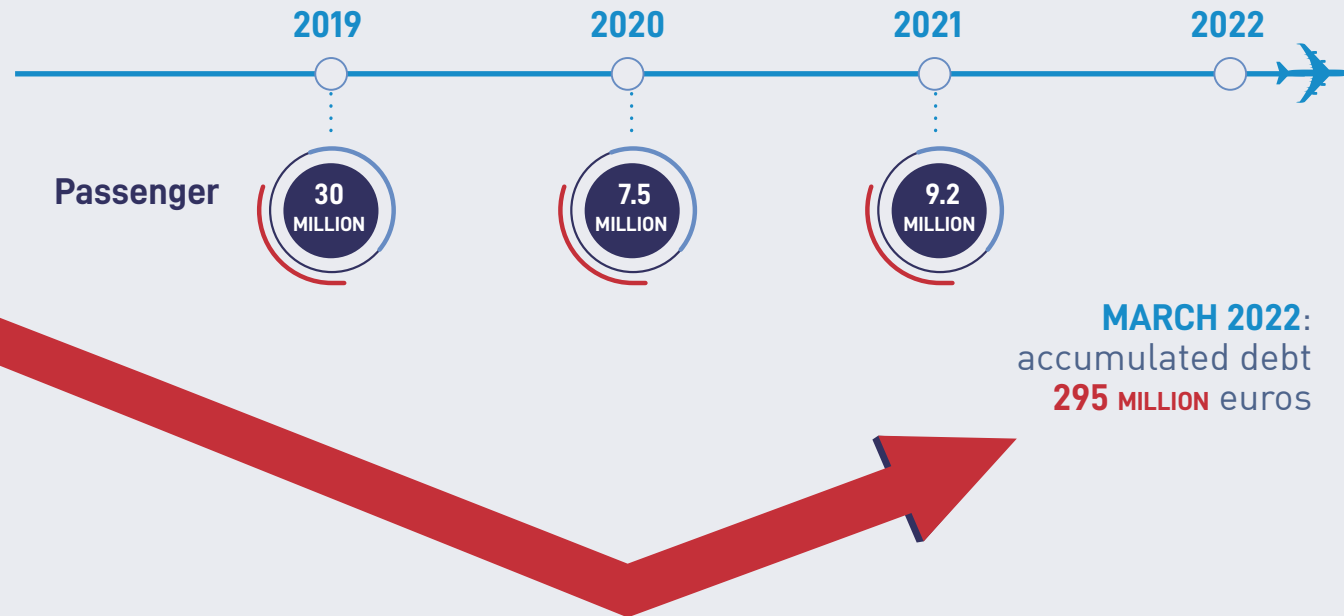


DENMARK

Impact of COVID-19

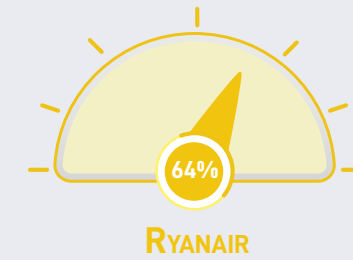
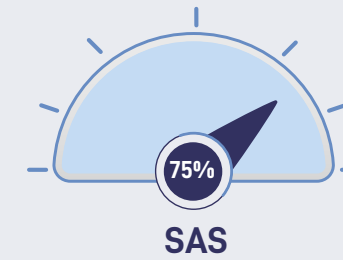
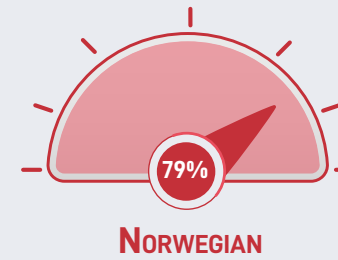
IMPACT ON AIRPORTS

CPH AIRPORT



KEY LEGISLATIVE RESPONSES

Impact on airlines (decrease in passenger volume 2021 vs. 2019)



DANISH RESPONSE

Activation of Tri-Partite Social Dialogue
SPECIFIC SUPPORT MEASURES:

Temporary Wage Compensation Scheme

Deferral of VAT payments

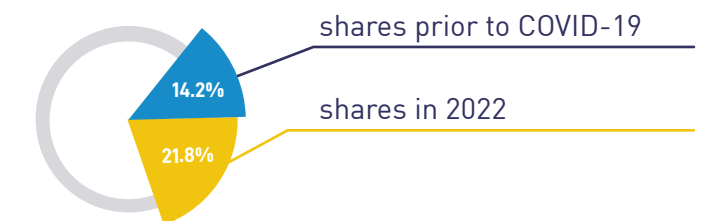
Special Aviation Relief Package (EUR 34.5 million)

"Summer Business Package" to support tourism
EUR 215 million

State support for SAS:



Increase in percentage of shares owned by Danish state:





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Varieties of Industrial Relations in Aviation Lockdown



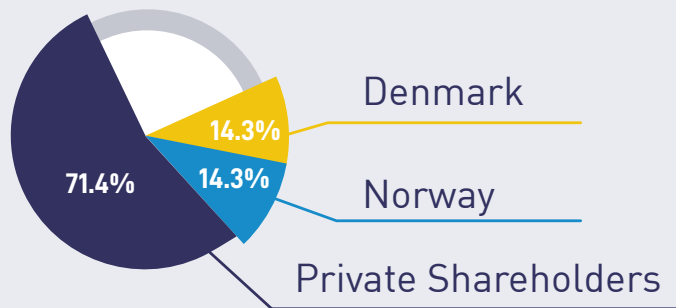
DENMARK

Case Studies

PILOT STRIKE IN SAS

SAS: FLAGSHIP AIRLINE OF NORDIC STATES

OWNERSHIP: (2019)



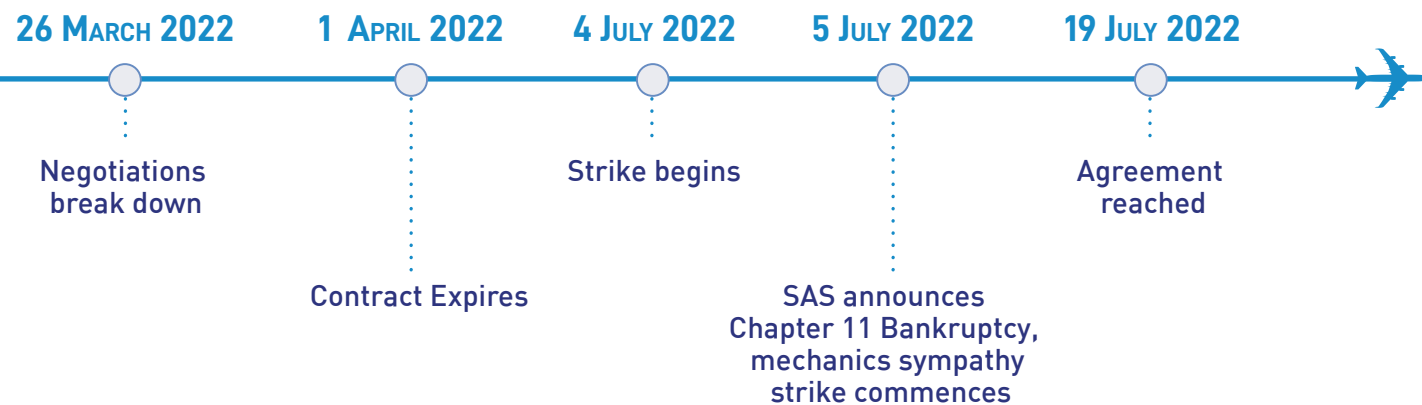
INDUSTRIAL RELATIONS IN SAS

- Based on company (not sectoral) agreements
- SAS represented by Confederation of Danish Industry (Dansk Industri, DI)
- Workers represented by:
 - Pilots: Dansk Pilot Forening (Danish Airline Pilot Association – DPF)
 - Cabin crew in SAS is represented by the union Cabin Attendants Union (CAU)
- Union merger: in 2022 DPF and CAU merge with Dansk Metal (Danish Metal Workers' Union), which already represented SAS mechanics
- Under Danish Labor Relations, strikes not allowed while Collective Bargaining Agreement in force

IMPACT OF COVID 19:

- MARCH 2020**
4,000 out of 4,200 workers sent home on wage compensation schemes
- APRIL 2020**
1,593 workers laid off
- MARCH 2021**
SAS exercises opt-out clause to terminate contract
- New contract negotiated; pilots agree to forgo 2021's 4% raise

2022 PILOT STRIKE



IMPACT OF STRIKE

- 3,700 flights cancelled
- 370,000 passengers affected
- Euro 135 MILLION lost

DEAL REACHED

- 5 1/2 YEAR AGREEMENT
- PILOT WAGES REDUCED, FLEXIBILITY (HOURS) INCREASED
- TERMINATED PILOTS MUST BE REHIRED BEFORE HIRING NEW PILOTS
- UNION COMMITS TO NOT NEGOTIATE AGREEMENTS WITH COMPETITORS THAT WOULD UNDERMINE SAS CONTRACT
- SAS COMMITS TO INCLUDE LOW COST SUBSIDIARIES IN SAME CONTRACT AS SAS PILOTS



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Varieties of Industrial Relations in Aviation Lockdown



DENMARK

Case Studies

DANISH AIR TRAFFIC CONTROLLERS

A SCARCE RESOURCE AFTER CRISES

