

Minimum Wage & Collective Bargaining in Denmark 2025

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Christian Lyhne Ibsen, FAOS - University of Copenhagen



Denmark

Statutory Minimum Wage



• Gender pay gap

14.00%

82%

• Collective bargaining coverage

• Process of transposition:

Assessment of current situation completed by the Government: no further legislative actions required.

→ Compare with other countries



Minimum wage regime in Denmark

Denmark, along with a handful of other European countries, does not have a statutory minimum wage. It relies exclusively on collective agreements negotiated between trade unions and employer organisations to set and enforce minimum wages. The bargaining autonomy of the social partners is a cornerstone of the minimum wage regime in Denmark; statutory regulation of employment conditions is, in general, very limited. Only health and safety ([Lov om arbejdsmiljølov](#)) and general conditions for salaried workers ([Funktionærloven](#)) are regulated mainly by the state.

Collective bargaining coverage is stable in Denmark at 82 per cent of workers, with 100 per cent coverage in the public sector and approximately 73 per cent coverage in the private sector. Both trade unions and employers’ organisations fiercely defend bargaining autonomy and have been staunch opponents of the European Minimum Wage Directive. Across political parties there is also an understanding that Danish minimum wages fall under the strict domain of the social partners. Nonetheless, governments have in the past interfered with bargaining autonomy, most notably in public sector wages in 2024 through a tripartite agreement between the government, local government and trade unions.

Extraordinary wage increases were granted to certain occupational groups, such as social and care assistants, teachers, hospital staff and prison staff.

However, this unprecedented agreement was presented as a one-time interference to address problems in the wage structure. Minimum wages are stipulated in sectoral or occupational collective agreements but differ in their nature depending on the wage system. In the private sector, there are three wage systems: (i) minimum wage, (ii) normal wage and (iii) figureless. Minimal wage agreements define a minimum hourly or monthly wage for employees but explicitly refer actual wages to be negotiated at the workplace between management and the shop steward/employee representative. This two-tiered system for wage setting covers approximately 56 per cent of workers in the part of the private sector organised by the Confederation of Danish Employers (Dansk Arbejdsgiverforening, DA) and the Danish Trade Union Confederation (Fagbevægelsens Hovedorganisation, FH).

The normal wage system stipulates the actual hourly wage for employees with no local bargaining. This system covers approximately 20 per cent of workers in the DA/FH part of the private sector. Finally, the figureless wage system does not stipulate any wage level and wages are to be negotiated individually or collectively at the workplace level. This system covers approximately 23 per cent of workers – mostly salaried – in the DA/FH part of the private sector.

Public sector wages resemble the normal wage system, albeit with local pots allocated each year for workplace level bargaining based on function, performance or qualifications. Between 8–10 per cent of the wage sum (excluding overtime pay) is allocated for local wage bargaining in the public sector (Lønstrukturkomitéen).

The minimum wages in collective agreements not only differ in nature but also in their level. The normal wage in the cleaning agreement was 157.75 DKK (21.14 euros) as of March 2024. The minimum wage in the pattern-setting manufacturing agreement (see below) was 136.15 DKK (18.25 euros) as of March 2024. But because local wage bargaining in manufacturing typically exceeds this minimum wage, de facto wages are typically much higher in manufacturing than in the normal wage area. The average hourly wage for skilled workers in manufacturing was 308.18 DKK (41.30 euros) in 2023. Apprentice wages (students who receive workplace training during their vocational education and training programme) and workers under 18 years of age are also regulated by collective agreements and regulated through the normal collective bargaining process. The minimum wages for these two groups vary according to seniority. In the manufacturing agreement an apprentice/young person was paid 79.75 DKK (10.69 euros) per hour (0–1 year of seniority) and 136.00 DKK (18.23 euros) per hour (over 4 years of seniority) as of March 2024.

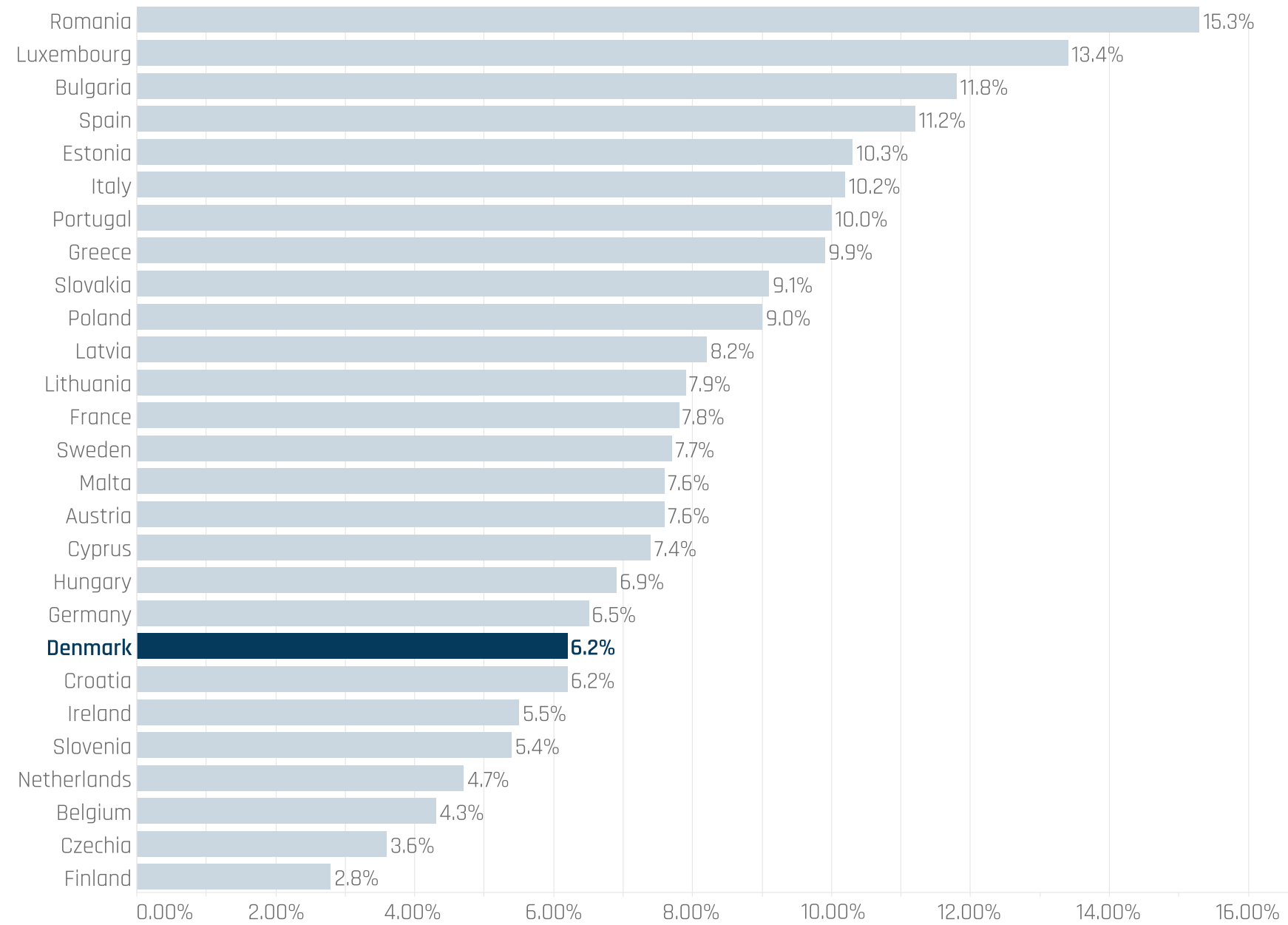
Statutory Minimum Wage
No

Wage inequality (inter-decile Ratio P90/P10)
3.10

Gender Pay Gap
14.00%

In-work poverty rate
6.20%

In-work poverty rate (%) per Country





Collective Bargaining system in Denmark

Given the absence of a statutory minimum wage, the legal basis for minimum wages are the collective agreements and their legal status according to collective and individual labour law (kollektiv arbejdsret og ansættelsesretten). The Basic Agreement (Hovedaftalen) between the FH trade union confederation and the DA employers confederation set out the general rules and procedures governing their relations (see more below). Basic Agreements also exist in the public sector. The Labour Court Law (Lov om Arbejdsretten og faglige voldgiftsretter) stipulates conflict resolution mechanisms in cases of breach of agreements or interpretation disputes. Representatives of trade unions and employer associations sit on the court together with ordinary judges.

Collective bargaining coverage is stable in Denmark despite the absence of extension mechanisms in the country. Collective agreements are multi-employer agreements that cover either whole industries or occupations. There are about 400 agreements in the DA/FH area of the private sector alone. In addition, individual companies that are not members of an employer association may have accession agreements that mimic the industry agreement closest to their business.

Approximately 57 per cent of unorganised employers are covered by these individual agreements. Typically, unorganised employers sign these agreements under pressure from trade unions.

There are no published data breaking down collective bargaining coverage by key factors such as industry, company size, geography or occupation. However, a recent proxy for coverage was used in a study commissioned by FH, which showed below 33 per cent coverage rates in hotels and restaurants, cleaning and agriculture. Traditional strongholds such as manufacturing, construction and utilities still have higher coverage rates estimated to be above 66 per cent.

In the absence of statutory minimum wages and extension mechanisms, bargaining coverage depends on employers’ willingness to accept coverage, either through membership of an employer association or through an accession agreement. This willingness may be under increasing pressure because of the decline in trade union density, especially in certain private sector industries such as hotels and restaurants, retail, agriculture and cleaning. According to recent figures, union density has declined from approximately 70 per cent of the workforce in 2000 to approximately 50 per cent.

These figures exclude members of so-called ‘yellow unions’, which are not part of the collective bargaining regime. If these are included, union density stands at around 65 per cent.

Equally concerning for collective bargaining parties is the indication that the fastest-growing industries are the least likely to sign collective agreements. Platform and gig workers are usually not covered by collective agreements, although there are some exceptional examples of collective agreements between platforms such as Hilfr and Just Eat.

Collective Bargaining Coverage
82.00%

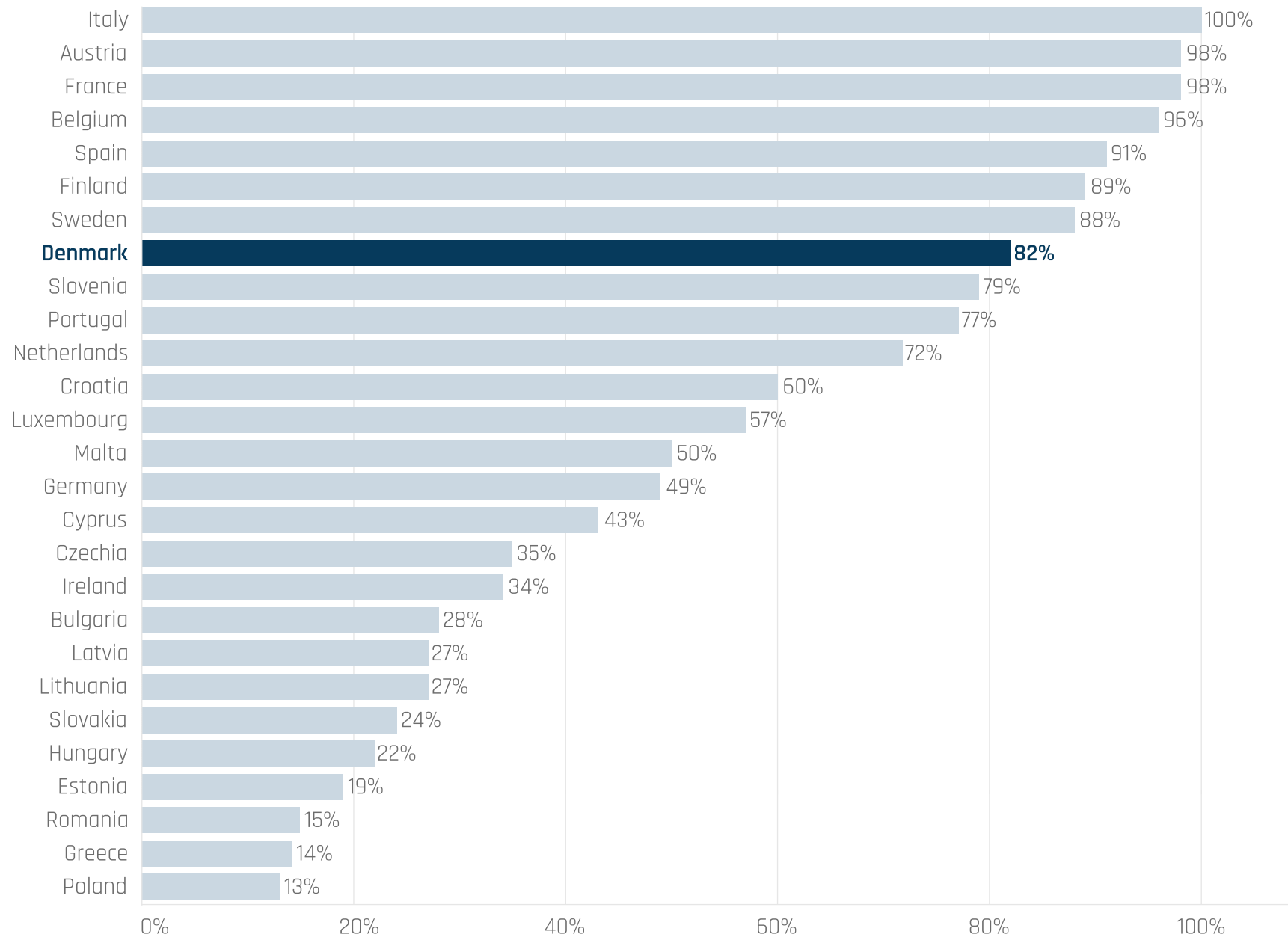
Trade Union Density
67.00%

Extension Mechanism
No Extension Mechanism

Valididy of Collective Agreements after expirations?
TBA

Protection of workers and trade union representatives against dismissal/discrimination
Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Denmark

Danish employers’ associations have – like their German counterparts – introduced agreement-free membership types that do not include collective bargaining coverage. The extent of this membership type is not known. In addition, it is unclear whether agreement free membership is a stepping stone to a regular membership with collective bargaining coverage or a sign of decreasing support for the collective bargaining system.

Validity of collective agreements after their expiry

Collective agreements at both sectoral and company level remain in force after their expiry until a new agreement is signed or until one or both parties terminate the agreement. Termination must be given with sufficient notice (typically three months). Once the agreement is terminated, either party may initiate industrial action against the other. During the agreement, industrial action is required to withdraw from the agreement. One party may, however, withdraw from the agreement if it can be proven that the other party has neglected the obligations of the agreement (however, the requirements for ‘negligence’ are strict).

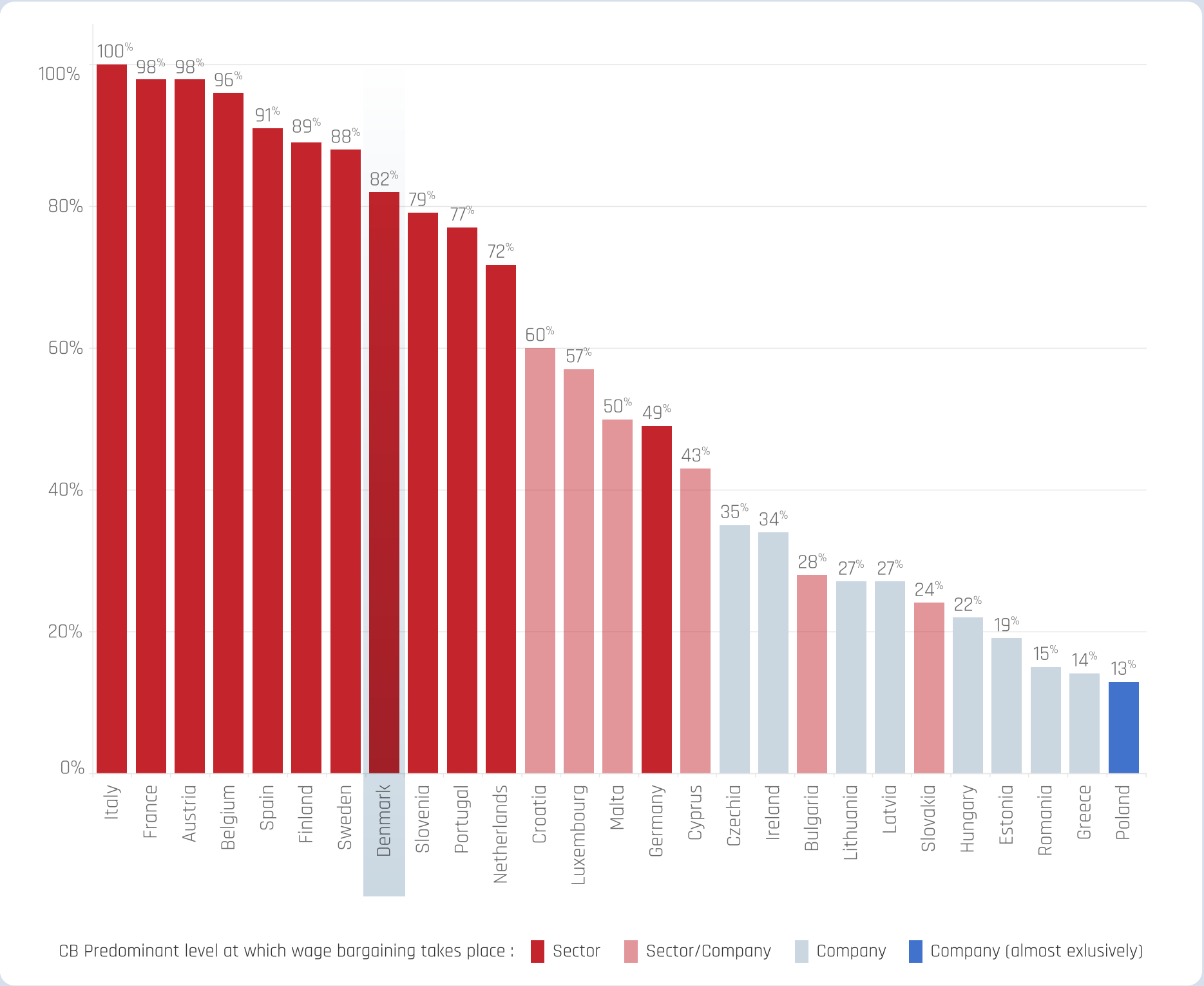
Exclusion of groups of employees from collective bargaining

In principle, all employees have the right to be covered by a collective agreement except for those employees that do not meet the definition of an employee, such as particular civil servants (tjenestemænd), self-employed, and most managers.

Collective bargaining clauses in public procurement

Denmark has introduced ‘social clauses’ (arbejdsklausuler) in public procurement for contracts involving construction, production or service provisions for the state, regions and municipalities. These clauses serve the purpose of protecting terms and conditions of employment for workers involved in public procurement contracts, but do not require the work to be covered by a particular collective agreement. Instead, the clauses require that the terms and conditions of the workers concerned not be inferior to the terms and conditions of workers doing the same kind of work as set out in the national collective agreement between the most representative social partners. As such, the clauses protect covered workers from social dumping. In addition, most municipalities – 90 per cent of all municipalities – use social clauses with chain-liability (kædeansvar) in construction projects, meaning that the main contractor is responsible for upholding the terms and conditions of sub-contractors. Some 70 per cent of municipalities have chain-liability for service provision projects.

CB Predominant level at which wage bargaining takes place per Country





Collective Bargaining system in Denmark

Right of access to workplace for trade unions

Basic agreements and collective labour law establish the right of trade unions to organise workers freely. Actions deemed ‘organisation hostile’ (organisationsfjendtlige), that is, which impede workers from organising, are illegal. Moreover, collective agreements establish the right to elect shop stewards who can access workplaces with the aim of organising. This right was refined in the manufacturing agreement in 2023 by stipulating that shop stewards be allowed to meet newly hired employees with the aim of organising them. This new provision merely codified existing practices but underlined this right of access for trade unions. Moreover, the 2023 agreement simplified the process of electing shop stewards or employee representatives.

Protection of workers and trade union representatives against dismissal/discrimination

Protection against dismissal and discrimination is provided by collective labour law that affords special protection to shop stewards.

Obligation for employers to engage in collective bargaining

No obligation exists and collective bargaining is voluntary. Industrial action – direct or sympathy strikes – can be used to force employers to the bargaining table.

Transposition of the European Directive on Adequate Minimum Wages in the EU

With coverage above 80 per cent, Denmark fulfils the European Minium Wage Directive and will not take further legal action regarding transposition of the directive. The Danish social partners and government strongly oppose the European Minimum Wage Directive, viewing it as a threat to the voluntary collective bargaining regime. In 2023, the Danish government filed a case before the European Court of Justice seeking to annul the adopted EU Directive. At the time of writing, the Advocate General has recommended full annulment, thus siding with Denmark.



European Trade Union Confederation
Confédération Européenne des Syndicats
Boulevard du Jardin Botanique, 20
1000 Brussels

Tel: +32 (0) 475 60 15 01
www.etuc.org

IN COOPERATION WITH



Friedrich - Ebert - Stiftung
www.fes.de/en/



European Trade Union Institute
www.etui.org



WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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