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# Navigating the EU Directive on Adequate Minimum Wages: Danish Perspectives on collective bargaining and adequate minimum wages

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1. Introduction. 2. The regulation of wages in Denmark. 3. The opposition to the AMW Directive: The Danish paradox. 4. The transposition of the AMW Directive in Denmark. 5. Concluding remarks.

## Abstract

The contribution aims to offer some Danish perspectives on Directive 2022/2401 on adequate minimum wages in the European Union. Three aspects are considered, including the characteristics of the Danish regulation of wages, how the Directive has been received in Denmark, and finally the Danish transposition of the Directive. The contribution highlights that the Danish opposition to the Directive has been a matter of principle and has become a salient example of the underlying tension connected to EU impact on the autonomy of social partners and negotiated rights.

**Keywords:** Minimum wages; Wage-setting; Collective bargaining; Autonomy of social partners; Transposition.

## 1. Introduction.

The EU Directive 2022/2401 on Adequate Minimum Wages (‘the AMW Directive’) has been received in Denmark as a significant challenge to the Danish labour market model. It is a fundamental characteristic in Denmark that social partners negotiate wages autonomously through collective bargaining without state interference in wage-setting. The AMW Directive has faced considerable opposition from Danish social partners and the government.

This contribution seeks to offer some Danish perspectives on the AMW Directive by focusing on three aspects: 1) the characteristics of the Danish regulation of wages, 2) the reception of the Directive in Denmark, and 3) the Danish transposition of the Directive. The judgment by the CJEU in C-19/23 (*Denmark v. Parliament and Council*) is, thus, not the main focus of this article. Instead, this article outlines how Denmark has navigated the adoption of the AMW Directive and its subsequent implementation.

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The process has been a balancing act, demonstrating the inherent paradoxical nature of the Danish opposition to the Directive. Whereas the transposition of the Directive in Denmark does not require any new legislation, it is argued that Article 4 of the Directive may – over a longer timeframe – lead to indirect or direct actions that seek to promote the collective bargaining coverage.

## 2. The regulation of wages in Denmark.

The Danish labour market model entails that the regulation of wages is primarily a result of negotiations between social partners rather than regulated by statutory legislation. The social partners enjoy extensive autonomy, which serves as a fundamental condition for the labour market model as such.<sup>1</sup>

Collective agreements are binding on the parties and for those on whose behalf the agreement is entered into. Most collective agreements are so-called ‘area agreements’, as the employer is obliged to apply the agreement to all employees performing work under the professional scope, irrespective of whether the employees are members of the trade union. There is no duty to register a collective agreement, as it is essentially an agreement between private parties.<sup>2</sup>

Denmark has a high collective bargaining coverage of 81 per cent according to most recent estimates.<sup>3</sup> In the public sector, the collective agreement coverage is close to 100 per cent, whereas the private sector coverage is estimated to be 72 per cent. These figures describe how many employees in their employment relationship are covered by collective agreement. The coverage rate has declined from 82 per cent over the last few years.<sup>4</sup>

The collective agreements provide for various *wage-setting mechanisms*. There are two main models; ‘minimum pay’ and ‘basic/normal pay’. The latter is the most wide-spread model used in the Danish public sector, but the model is also used to some extent in the private sector. Here, central collective agreements stipulate relatively uniform wage levels that serve as the employee’s basic/normal wage level. Only a small part of the employees’ wage amount may be negotiated as wage supplements at the local level. The ‘minimum pay’ model is the most widespread wage-setting scheme in the private sector, covering approximately 80 per cent of the workforce.<sup>5</sup> Many variations exist, but it typically entails that central collective

<sup>1</sup> For a general overview of Danish labour law, see Hasselbalch O., *Labour Law in Denmark*, 5<sup>th</sup> ed., Kluwer Law International, Alphen aan den Rijn, 2019. See also, Herzfeld Olsson P., Søsted Hemme M., *Scandinavian States*, in Ratti L., Brameshuber E., Pietrogiovanni V. (eds.), *The EU Directive Adequate Minimum Wages: Context, Commentary and Trajectories*, Hart Publishing, Oxford, 2024. See also Lyhne Ibsen C., *Collective bargaining and minimum wage regime (Denmark)*, ETUI report, Brussels, 2025.

<sup>2</sup> The public conciliators may, however, always request a copy of any collective agreement entered into between any employer association and employee association, pursuant to Act on Public Conciliation (*forligsmandsloven*), section 2(3).

<sup>3</sup> Danish Confederation of Employers (DA), *Aftalesystemet – Table 1*, 23 June 2025, available at <https://www.da.dk/analyser/arbejdsmarkedet-i-tal/aftalesystemet/> (last accessed on 1 December 2025).

<sup>4</sup> Danish Confederation of Employers (DA), *Aftalesystemet – Table 2*, 23 June 2025, available at <https://www.da.dk/analyser/arbejdsmarkedet-i-tal/aftalesystemet/> (last accessed on 1 December 2025).

<sup>5</sup> Lønstrukturkomiteen (Danish Committee on Wage Structure), *Report: Local wage-setting in the public and private sector*, 2023, 2.

agreements only determine the minimum wage amount, whereas the employee's total wage amount, including wage supplements, is negotiated locally at company level. The employer is typically obliged to carry out further negotiations at the local level, either collective or individual negotiations, and it serves as a general presumption that the minimum wage amount does not represent the actual salaries at the company level.

Under this minimum pay mechanism, some central collective agreements do not contain any minimum wage amount and are limited to stipulating a wage-setting process (*figureless collective agreements*). Within the DA/FH area, which covers the majority of the private workforce, one in four full-time employees is employed under figureless collective agreements.<sup>6</sup> There has been an increase in figureless agreements over the last 30 years.<sup>7</sup> The wage-setting process stipulated in those central collective agreements may include a duty to include certain criteria in wage-setting at the local level and/or to carry out annual salary negotiations. Wages are, thus, for these areas negotiated and determined at the local level only. The decentralisation of wage-setting can be characterised as requiring a degree of trust, acting on the premise that employees are granted a fair share of the profits when the individual company succeeds.

Wage levels typically form one of the most central negotiation points in the ordinary collective bargaining rounds, which are carried out every second or third year. Regarding the private sector negotiations in 2025, it is worth highlighting that the social partners in the industrial sector agreed on a minimum wage increase of 8 per cent over 3 years.<sup>8</sup>

Even though collective agreements are the primary form of regulation, when it comes to setting wages, *statutory legislation* may play a role in certain situations in Denmark. For *vocational trainees* the legislation entails that their salary must be at least equal to the amount stipulated by the collective agreement within the field of education, pursuant to the Act on Vocational Training, section 55(2).<sup>9</sup> This means that social partners that are parties to the collective agreement establish the minimum wage for trainees with binding effect upon all companies and trainees within the sector, irrespective of whether the specific employer is a member of the employers' association party to the collective agreement. For fields of education not covered by (any) collective agreements, the minimum wage is determined by a Board composed of social partners' representatives and a chairman appointed by the Danish Labour Court, pursuant to the Act on Vocational Training, section 55(3).

For *civil servants* (*tjenestemænd*), representing the traditional form of public employment but today limited to approximately 5 per cent of public employees, their employment relationship is governed by statutory legislation, the Civil Servants Act.<sup>10</sup> Wages for civil servants have over time adapted to negotiated wages, and they are today negotiated between

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<sup>6</sup> Danish Confederation of Employers (DA), *Aftalesystemet* – Table 3, 23 June 2025, available at <https://www.da.dk/analyser/arbejdsmarkedet-i-tal/aftalesystemet/> (last accessed on 1 December 2025).

<sup>7</sup> *Ibidem*.

<sup>8</sup> *Forlig om industriens overenskomster*, in *Dansk Industri*, 9 February 2025, available at <https://www.danskindustri.dk/ok25/nyhedsarkiv/2025/2/forlig-pa-industriens-overenskomster/>.

<sup>9</sup> *Act on Vocational Training (erhvervsuddannelsesloven)*, Act. no. 961, 16 August 2024, available at the following link: <https://www.retsinformation.dk/eli/lt/2024/961>.

<sup>10</sup> *The Civil Servants Act (tjenestemandsløven)*, no. 511 of 18 May 2017, available at the following link: <https://www.retsinformation.dk/eli/lt/2017/511>.

the Ministry of Finance and four employee confederations in an agreement, which is renewed every third year in connection with the ordinary collective bargaining negotiation in the public sector. Although there are no recent examples, the Minister of Finance is in principle entitled to propose legislation on the financial framework for wages in case the parties should not be able to reach an agreement. Thus, wage-setting for civil servants may – theoretically – be set by law.

However, the cited examples constitute distinct exceptions within the Danish legal framework, which is otherwise characterized by a robust tradition of collective wage formation and minimal state intervention.

### 3. The opposition to the AMW Directive: The Danish paradox.

From the very outset, opposition against the AMW Directive has been strong in Denmark, where social partners and government have been united in their opposition.<sup>11</sup> The Danish Parliament submitted a reasoned opinion in 2020, claiming that the proposal for the Directive did not comply with the subsidiarity principle.<sup>12</sup> During negotiations in the Council, Denmark sought specific clarifications in the text of the Directive, for example, to emphasize that the Directive does not confer individual rights.<sup>13</sup> On 4 October 2022, Denmark and Sweden voted against the adoption of the Directive in the Council.<sup>14</sup> In connection with the Danish parliamentary election in 2022, it was decided by the new government that Denmark would file an action for annulment of the Directive. The case was filed on 18 January 2023. Sweden, whose labour market model shares the same characteristics, subsequently intervened in support of Denmark in the case.

Initial debates in Denmark regarding the Directive centered on the concern, whether the state would be obligated to introduce a statutory minimum wage.<sup>15</sup> Such a development would represent a fundamental challenge to, and alteration of, the existing collective bargaining framework in Denmark. However, it became apparent at an early stage that the Danish Ministry of Employment assessed that the Directive was generally expected to have a negligible impact on the legal framework. In fact, no concrete legislative amendments were anticipated following the Directive's adoption, and this assessment was subsequently confirmed by the report from the Danish Implementation Committee in November 2024. The Danish transposition is dealt with below.

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<sup>11</sup> *Aftale om mindsteløn i EU rykker tættere på og skaber bred bekymring i Danmark*, in DR.dk, <https://www.dr.dk/nyheder/politik/aftale-om-mindsteloen-i-eu-rykker-taetere-paa-og-skaber-bred-bekymring-i-danmark>.

<sup>12</sup> Council of the European Union, *Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union – Reasoned opinion on the application of the Principles of Subsidiarity and Proportionality*, 16 December 2020, ST\_14106\_2020\_INIT, available at the following link: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST\\_14106\\_2020\\_INIT](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_14106_2020_INIT).

<sup>13</sup> Ministry of Employment, *Memorandum of 24 November 2021 (Samlenotat til EPSCO-rådsmøde den 6 December 2021)*.

<sup>14</sup> Council of the European Union, *Voting result – Adoption of the legislative act 3898th*, ST 13171 2022 INIT, [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST\\_13171\\_2022\\_INIT&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_13171_2022_INIT&from=EN).

<sup>15</sup> See nt. (11).

The strong opposition in Denmark has been *a matter of principle*. The Danish labour market model rests on the very principle that wages and working conditions are primarily negotiated by social partners with minimal intervention from the legislator. Denmark has no statutory minimum wage, and there is no model for extending or making certain collective agreements universally applicable. The autonomy of social partners in wage-setting was cemented with the historic ‘September Agreement’ of 1899. Against this background, it runs completely counter to the Danish model of wage negotiation for the state to interfere in or regulate the negotiation process. The Danish principled opposition has been expressed several times during the legislative process.

On 15 December 2020, in Denmark’s reasoned opinion, the Danish Parliament stated that the proposal for the Directive failed to comply with the principle of subsidiarity. ‘Wage conditions are best regulated at national level and by taking into account traditional national practices.’ The parliament also emphasised that it did not oppose the purposes of the Directive to create fair competition and encourage closer convergence on better wage and employment conditions, but those purposes should be achieved *by other means*.<sup>16</sup> During the legislative process, Denmark reiterated its concerns regarding the autonomy for social partners, e.g. in this statement to the Council:

*The social partners are responsible for wage setting in Denmark and it is essential to preserve the autonomy of the social partners in this regard. Against this background, Denmark is as a matter of principle opposed to introducing any binding regulation at EU-level regarding minimum wage. Consequently, Denmark has consistently opposed the Directive on adequate minimum wages in the European Union. We appreciate the efforts to accommodate concerns that have been made by the Presidencies involved in the negotiations of the Directive in the Council. However, as a matter of principle, Denmark cannot support the Directive on adequate minimum wages in the European Union. Denmark fully agrees that all workers in the European Union should be able to live a decent life for their wage when working full-time. Achieving this objective must be done with respect for the fact that wage setting is national competence and with respect for the autonomy of the social partners.*<sup>17</sup>

Consequently, the robust Nordic opposition to the Directive has presented somewhat of a paradox. Although the legislation will likely have negligible consequences for Danish labour law and the collective bargaining model, the insistence on its annulment has remained strong. This contradiction is clearly manifested in several places, e.g. as noted by Advocate General Emiliou in his opinion:

*... one may regard the arguments presented by the Danish and Swedish Governments in the present case as the product of a mere principled opposition, that is to say, of those Member States’ stiff opposition against*

<sup>16</sup> Council of the European Union, *Reasoned opinion on the application of the Principles of Subsidiarity and Proportionality*, 15 December 2020, ST\_14106\_2020\_INIT, available at the following link: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST\\_14106\\_2020\\_INIT](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_14106_2020_INIT).

<sup>17</sup> Council of the European Union, *Draft Directive of the European Parliament and of the Council on adequate minimum wages in the European Union (first reading), Adoption of the legislative act – Statements*, ST\_12616\_2022, available at [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST\\_12616\\_2022\\_ADD\\_1\\_REV\\_2](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_12616_2022_ADD_1_REV_2).

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*any form of interference with the contractual autonomy of social partners, rather than as being rooted in the substance of the obligations contained in that directive itself.*<sup>18</sup>

Notably, the Danish Implementation Committee found it imperative to state in its report that the situation does *not* constitute a paradox:

*Since the legal action (action for annulment, author) does not have suspensive effect, the implementation process has not awaited the judgment in the case, which is expected to be delivered in mid-2025. Consequently, the Implementation Committee has proceeded on the premise that the Directive is valid until the Court of Justice of the European Union potentially rules otherwise. Therefore, this report may contain assessments that do not immediately appear aligned with the government's arguments in the legal proceedings; however, this is entirely consistent, as the assessments rely on two distinct premises.*<sup>19</sup>

From a strictly legal perspective, this situation has not presented an insurmountable challenge, as the action for annulment fundamentally concerns whether the EU has exceeded the competencies conferred upon it by the Treaties – a matter of a constitutional nature. As observed by Advocate General Emiliou, the specific motivations or interests prompting a Member State to initiate annulment proceedings are irrelevant to the legal merits of the case.<sup>20</sup> In other words, the CJEU's assessment of these legal questions operates independently of the legal act's specific impact on the individual Member State's national law. On a more political level, the action for annulment has without doubt been a balancing act for the Danish (and Swedish) Governments, as the Directive has only very limited consequences for both countries.

Without engaging in an in-depth analysis of the CJEU judgment in Case C-19/23, it is the view that the principled considerations raised by the Nordic countries were to some extent taken into account. The judgment underscores more than once, that the Directive respects the autonomy of social partners, e.g:

*Second, Article 4 neither governs the content nor prescribes the result of collective bargaining. As the Parliament and the Council contend, the various measures which Article 4 lays down impose on the Member States not obligations as to the result to be achieved but, at most, obligations as to means.*<sup>21</sup>

Furthermore, the CJEU emphasises that there are limits to the EU legislature's competence regarding legislative measures on wages:

*Consequently, that exclusion of competence must be construed as covering measures – such as the equivalence of all or some of the constituent parts of pay and/ or the level of pay in the Member States, or the*

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<sup>18</sup> Opinion of Advocate General Emiliou, 14 January 2025, C-19/23, para. 35.

<sup>19</sup> Implementation Committee, *Implementation Committee Report*, November 2024, 3, available at <https://bm.dk/media/ybzfadaaj/afrapporteret-fra-arbejdsgruppe-mindsteloensdirektivet.pdf>.

<sup>20</sup> Opinion of Advocate General Emiliou, 14 January 2025, C-19/23, para. 36.

<sup>21</sup> CJEU judgment of 11 November 2025, C-19/23, *Denmark v. Parliament and Council*, para. 79.



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*setting of a minimum guaranteed wage at EU level – that amount to direct interference by EU law in the determination of pay within the European Union.*<sup>22</sup>

Regarding the outcome of the case, it is noteworthy that the CJEU ultimately annulled parts of Article 5.<sup>23</sup> An Article which is not applicable to Denmark, nor Sweden, as there is no statutory minimum wage. The fact that the Court did not dismiss the Danish concerns altogether, but rather conceded that certain provisions of the Directive required annulment, while preserving the EU legislature's basis for adopting social policy measures, suggests a balanced ruling.

Even before the CJEU delivered its final judgment in the case, Denmark had initiated the work connected with transposition of the Directive, as the transposition deadline was 15 November 2024. The transposition report was carried out on the premise that the Directive was valid, and following the CJEU judgment of 11 November 2025 the scope of the Directive in the Danish context has indeed remained unchanged.

#### **4. The transposition of the AMW Directive in Denmark.**

In Denmark, the task of transposing EU directives on labour-related issues is assigned to the Implementation Committee (*Implementeringsudvalget*), which is composed of Danish social partners with representatives from the Ministry of Employment. This standard procedure was also adhered to regarding the transposition of the AMW Directive. A working group was established under the Committee in September 2023, and they presented its report in November 2024. The report analysed the content of the Directive and determined if any measures were required to comply with the Directive.

The Implementation Committee concludes that the AMW Directive does not require any amendments to Danish law. The assessment is that the existing framework and the Danish labour market model already comply with the Directive's minimum standards. The following sections detail the Committee's findings on specific provisions.

With respect to Article 1, the Implementation Committee finds that it does not confer any new substantive rights regarding minimum wages, whether by statute or collective agreement. Consequently, Denmark is not obliged to establish a statutory minimum wage or to declare collective agreements universally applicable.

Regarding Article 4, the Implementation Committee highlights parts of the Expert Group report on transposition of the Directive published by the European Commission.<sup>24</sup> Here the Commission points out that the expression 'as appropriate' was introduced to acknowledge that some Member States already have functioning protection measures in place. If this is the case, those Member States do not need to adopt such measures again. Member States will be required to present a "package of measures" demonstrating how they comply with

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<sup>22</sup> CJEU judgment of 11 November 2025, C-19/23, *Denmark v. Parliament and Council*, para. 68.

<sup>23</sup> More specifically, Article 5(1), in part, (2) and (3) in fine.

<sup>24</sup> European Commission, *Expert Group report (final), Transposition of Directive (EU) 2022/2041 on adequate minimum wages in the European Union*, November 2023.

Article 4(1) within the transposition deadline, with the involvement of social partners being a central part of the process.

In this connection, the Implementation Committee refers to existing Danish measures that ensure such protection. First, the Act on Freedom of Association (*foreningsfrihedsloven*), which protects the right to association and contains a prohibition against refusal to hire or dismissal based on union affiliation (both positive and negative freedom of association).<sup>25</sup> Moreover, the General Agreement between the Confederation of Danish Employers (DA) and the Danish Trade Union Confederation (FH), as well as the general agreements in the state, municipal, and regional sectors, contain protection against anti-union behavior, stipulating that no obstacles may be placed in the way of employers and workers organizing (*organisationsfjendtlig adfærd*).<sup>26</sup> The General Agreements also contain protection against discrimination if a worker participates or wishes to participate in collective bargaining on wage setting. Regarding Article 4(1), the Implementation Committee also finds that Member States are given margin of manoeuvre to assess, whether measures must be adopted to promote collective bargaining on wage-setting, and it concludes that Danish legislation and General Agreements comply with the Directive.

In Article 4(2), the Directive mandates an action plan for Member States where collective bargaining coverage is below 80 per cent. Since the collective bargaining coverage in Denmark exceeds 80 per cent (currently at 81 per cent), there is no requirement to establish an action plan at this point. The Implementation Committee notes that if the coverage at a later stage should fall below the threshold, Denmark already possesses a broad framework of enabling conditions for collective bargaining, e.g., the Labour Court Act, the Public Conciliation Act, the General Agreements on the labour market, tax deductions for union dues, etc. It is also stressed in the Committee's report that there is no obligation of result under the provision. Finally, if coverage falls below 80 per cent, the Committee will discuss how Denmark meets the requirements of the Directive.

Chapter II of the Directive concerns statutory minimum wages. As Denmark has no statutory minimum wage, but instead leaves wage-setting to the social partners in collective agreements, the Committee concludes that Articles 5-8 require no implementation.

Article 10 contains rules on effective data collection tools for monitoring minimum wage protection. This provision is the primary obligation that stems from the Directive in the Danish context, as Denmark will be obliged to report specific data on collective bargaining coverage and wage levels to the Commission every second year. The first submission was due by 1 October 2025.

The Committee acknowledges pursuant to Article 10(2) litra a, that no exact official calculation of collective bargaining coverage exists in Denmark. Consequently, the Committee recommends utilizing the methodology developed by the Confederation of Danish Employers (DA), which has been in use for over 20 years and is utilized by Danish ministries. This method synthesizes employment data from Statistics Denmark, DA's own

<sup>25</sup> *Act on Freedom of Association (foreningsfrihedsloven)*, Act no. 424 of 8 May 2006, available at the following link: <https://www.retsinformation.dk/eli/lt/2006/424>.

<sup>26</sup> *The General Agreement (Hovedaftalen) between DA and FH*, available at the following link: <https://fho.dk/wp-content/uploads/lo/2017/03/hovedaftaledalo.pdf>.



statistics, and information from the financial sector, while assuming full coverage in the public sector.

Similarly, it is not feasible to establish an exact calculation that compares wage levels for workers covered and not-covered by collective agreement, respectively, pursuant to Article 10(2), *litra c ii*. Instead, the Committee notes, the methodology will rely on cross-referencing data from Statistics Denmark's Wage Structure Register with the 'Other Labour Costs' survey, supplemented by sector-specific data.

Finally, Article 12 establishes rights regarding dispute resolution and redress. It is the assessment of the Committee that these provisions apply where a worker holds a substantive right to minimum wage protection, either through statutory provisions or collective agreements. In the Danish context, workers, whose collective agreements stipulate a minimum wage, may through his/her trade union bring the case to the Danish Labour Court (*Arbejdsretten*), who can assess whether the collective agreement has been breached and issue sanctions such as penance (*bod*) and repayment. The Committee assesses that Article 12 only cover the situation, where an employees' wage and working condition follow from a collective agreement.

Furthermore, the report highlights that the Danish system provides a subsidiary recourse for individual workers. If a trade union declines to pursue a case regarding an alleged breach of a collective agreement within the industrial system, the individual worker is entitled to bring a civil action before the ordinary courts to claim outstanding wages, pursuant to Section 11(2) of the Act on the Labour Court.<sup>27</sup>

Regarding the protection of workers and their representatives from adverse treatment or consequences resulting from complaints under Article 12(2), the Implementation Committee concludes that Danish law and collective agreements already satisfy the Directive's requirements. Protection against such adverse treatment is inherent in the existing General Agreements and collective agreements, e.g. established by legal principles prohibiting the abuse of managerial rights (*ledelsesretten*) and protection against anti-union behavior (*organisationsfjendtlig adfærd*). Based on these mechanisms, the Implementation Committee concludes that Article 12 does not necessitate any amendments.

In conclusion, the transposition of the Directive in Denmark is limited to the reporting obligations of Article 10. The method of calculating the collective bargaining coverage will rely on the same mechanism as traditionally used in the Danish context, which means that it will continue to partly be an estimate. This estimate is assumed be somewhat generous. Also, according to most recent data, the coverage rate in Denmark is now (down to) 81 per cent. In this respect it is likely that the 80 per cent threshold of Article 4 will have an impact in Denmark. The impact becomes *direct*, if Denmark should fall below 80 per cent, but there may be an *indirect* impact already in the coming years should the social partners – eg in coordination with the legislator – choose to adopt measures to further increase the coverage rate. In this way, actions may be put in place within – but possibly also without – the obligation to draft an action plan.

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<sup>27</sup> *Act on the Labour Court (arbejdsretsloven)*, Act. no. 1003 of 24 August 2017, available at the following link: <https://www.retsinformation.dk/eli/lt/2017/1003>.

## 5. Concluding remarks.

The adoption of the Directive on adequate minimum wages in the European Union has become a salient example of a fundamental tension between the EU legislature and the Nordic Member States, who view the measure as a potential threat to their autonomous collective bargaining models. It has been a balancing act to seek annulment of a Directive, which is deemed to have very limited impact on national law in both Denmark and Sweden, and a directive that specifically sets out to promote collective bargaining.

The Danish transposition is limited to data reporting every second year to the Commission. On a larger timeframe, it is contended that the threshold set out in Article 4(2) may, however, lead to direct or indirect measures capable of increasing the collective bargaining coverage rate. The extent to which the social partners and the legislator will embrace this approach in the future will be interesting to monitor. In the context of Danish labour law, there are signs of a tendency to design legislation that affords the social partners privileged access to specific opt-out arrangements, most recently in the working time regulation.<sup>28</sup>

As highlighted in this contribution, the Danish opposition to the AMW Directive has been a matter of principle. Despite the balanced outcome of the CJEU judgment in Case C-19/23, it may be suggested that the fundamental concerns giving rise to the Danish action, which more generally concerns EU impact on autonomy of social partners and negotiated rights, have not been entirely allayed by the recent judgment.

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<sup>28</sup> *The Working Time Act (arbejdstidsloven)*, Act no. 982 of 12 August 2024, section 4a. For more information, see Søsted Hemme M., *Denmark implements the opt-out of maximum weekly working time in 2024 – why this recent change?*, in *Global Workplace Law & Policy*, 2025.