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# **Equal Opportunities and Collective Bargaining in the European Union**

Selected Agreements from Finland

Phase II

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WP/97/14/EN



**EUROPEAN FOUNDATION**  
**for the Improvement of Living and Working Conditions**

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by

Riitta Martikainen

## SUMMARY

Many people consider Finland a model of equality, a country where men and women are active on the labour market and in other arenas of social influence. Promoting equality through collective agreements would not, perhaps, seem very necessary against this background. However, women's pay averages only 80-90% of men's, depending on how this is calculated, and because of the high level of unionization and the principle of 'general applicability' followed here, collective agreements play a key role in stipulating pay and working conditions. In addition, most wage-earners, both men and women, are covered by collective agreements. In the '60s, separate pay scales for men and women were eradicated from these agreements, and since then they have all been couched in a 'gender-neutral' form. An outsider finds it hard to detect gender-based discrimination or preferential treatment in these agreements. However, their application in practice means that there are different working conditions for male and female employees.

The aim of the present report was to identify and analyse collective agreements or clauses on working conditions that promote equal opportunity goals. This was not an easy task in the Finnish negotiating culture. As gender neutrality is the aim when collective agreements are drawn up, they are not made to include any clauses that specifically and openly promote equality. This is not, it must be said, the case with incomes settlements between central organizations or with equality plans drawn up by individual companies.

The fact that it is not easy to find overtly pro-equality clauses in Finnish collective agreements is not only because of the principle of gender neutrality, but also because the law rules on many matters related to equality. For instance, maternity leave, paternity leave, parental leave and care leave are statutory rights, as is the right to look after a sick child at home for a short period (Employment Contracts Act). Thus, collective agreements only have a supplementary role to play in such matters. The Act on Equality between Women and Men (Equality Act), in turn, covers wage discrimination, discrimination in recruiting, and sexual harassment. Consequently, there is almost nothing to be found related to these matters in collective agreements, though that is not true of equality plans and programmes.

In line with my research assignment, I looked for clauses promoting equality in agreements at the central organization, union and local levels. The main focus of bargaining in Finland is at union level, and as yet rather few agreements are made at the local level, though there has been some increase in recent years. A large proportion of the examples I found were in incomes settlements between central organizations. All such settlements from the late '80s onwards have included at least one clause related to equality, and often more. This seems to me to show that thinking on sexual equality has made some headway at the highest level of collective bargaining. In contrast, it was much harder to find examples in agreements concluded at union level. There is little bargaining at workplace level, and it is more difficult to get information about agreements made. In accordance with my instructions, I have also included in my research equality plans agreed on jointly by corporate management and staff.

I have divided the pro-equality clauses that I found into four groups:

- 1) family/work interface
- 2) sex segregation and job access
- 3) working time
- 4) pay discrimination/pay equity

Altogether I have analysed 16 clauses in 12 different collective agreements, and two equality plans. A considerable proportion of the clauses analysed concern pay.

### ***Family/work interface***

#### Pay for publishing workers during maternity leave

The agreement for publishing workers calls for full pay for three months during maternity leave. This is more than the law prescribes, which is a daily maternity allowance currently averaging 60% of pay. Other wage agreements stipulate various lengths of paid leave, but the three month clause in this agreement is exceptional for 'blue collar workers'. Nearly half those working in this sector are women, so the agreement has practical significance.

#### Clauses on maternity leave and temporary absences in the hotel and restaurant sector

From the '70s up to 1991, the hotel and restaurant sector collective agreement included a clause stating that a pregnant worker could be placed on unpaid leave for two months before the statutory maternity leave began. This clause was eliminated because it was contrary to the new Equality Act, which came into force in 1987. At the same time, a clause was removed from the part of the agreement on care of a sick child stating that the father had to provide the employer with written consent from the other parent if he wanted to stay at home to look after a sick child. It is extremely rare to change a collective agreement on the grounds that it is contrary to the Equality Act.

### ***Sex segregation and job access***

The section on personnel policy in the Finnish Broadcasting Company (YLE) equality plan prescribes numerous means to ensure a more even vertical and horizontal division of labour between the sexes. Concrete results have also been achieved. In the area of programme policy, there have been many projects aimed at promoting equal opportunities. YLE has been doing equality work on the mainstreaming principle for several years now.

The Metsä-Serla Äänekoski mills equality plan is new but already significant. It has been made in the traditionally male-dominated paper industry, where the promotion of sexual equality has met with a great deal of resistance from workers.

### *Working time*

The working conditions for part-time workers in trade and commerce are basically the same as for full-time workers. This is a good thing in terms of equal opportunities, as most part-time workers are women. It is also important because an exceptional amount of part-time work is done in trade.

### *Pay discrimination/pay equity*

The evolution of job evaluation systems in incomes policy agreements derives from the debate on 'equal pay for jobs of comparable worth' at the end of the '80s. Such systems have been studied and developed as a way of ensuring fair pay policy and of increasing respect for women's work. The efforts of a high-level working party on job evaluation have been given a great deal of publicity and have helped to promote public debate about pay differentials between the sexes. Work has now progressed from the central organization level to projects in various individual sectors.

Since 1989, what are called equality awards have been used four times in incomes policy agreements as a means of reducing pay differentials. An equality award is a way of raising pay levels in low-paid and female-dominated sectors, which are thereby given an additional pay increase.

Monitoring pay differentials between men and women. The 1990-1991 incomes settlement stipulated that the central employer and employee organizations were to make a survey of pay differentials. Two working parties were set up which have investigated differences in pay between the sexes and the effect of equality awards.

The job evaluation project in the municipal sector has been launched as a result of the debate on equal opportunities. The aim was to set up a pay scheme based on job evaluation in the sector by the end of 1996.

The new pay system for salaried staff in the chemical industry is based on job evaluation. The aim is to integrate the pay systems for technical and office workers in the sector by 1999. One goal in combining the pay systems for these groupings, which are respectively male and female dominated, is to level out pay differentials.

## FOREWORD

This report forms part of the European Foundation for Improvement of Living and Working Conditions project 'Equal Opportunities and Collective Bargaining in Europe'. The project will include three phases and is being carried out in all the EU Member States. The main aim is to influence the social partners by providing information on innovative collective agreement practices in various countries designed specifically to promote equal opportunities. The objective of phase 2 of the project, to which this report relates, is to seek out and analyse various agreements and clauses that further the cause of equal opportunities.

My report is based on Brian Bercusson and Linda Dickens' analysis of concepts used in the project.<sup>1</sup> Another useful guideline was Brian Bercusson's guidelines for the compilation of phase 2 reports. I have myself been a member of the group planning and coordinating this research from the start (1994), so I was able to influence procedures.

I shall only touch on the Finnish labour market, the collective bargaining system and the environment in which agreements are made, as these are covered in Virpi Köykkä's phase 1 report. Likewise, I have not given any in-depth description of the process by which the agreement clauses promoting equal opportunities, dealt with in what follows, were formulated. This is a task for phase 3 of the project, when a case study will be made of one collective agreement or clause that has had a favourable impact on equality.

My work was greatly facilitated by my earlier research project on collective agreements for the University of Tampere and my existing contacts with the labour market organizations, where several people have given me concrete assistance. Without their help, it would have been difficult to get hold of the collective agreements concerned, particularly the oldest ones, which had to be sought in the archives. I have already received comments and suggestions for corrections. I should like to offer all those concerned my warmest thanks!

Helsinki, July 6, 1996

Riitta Martikainen

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<sup>1</sup> Brian Bercusson and Linda Dickens: Equal Opportunities and Collective Bargaining in Europe 1. Defining the Issues. European Foundation for the Improvement of Living and Working Conditions. 1996.

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## 1. INTRODUCTION

On the Finnish labour market, both men and women tend to work full time, and part-time work is fairly rare. The collective bargaining system is rather centralized, and the central labour market organizations have concluded what Finnish calls 'incomes policy settlements' ever since the 1960s. Sometimes, indeed, agreements have been made at union level, but subsequently bargainers have returned to the former collective approach. The level of unionization is high in Finland, and has risen throughout the post-war period. In 1994, about 79% of all employees were union members. In addition, valid collective agreements considered to be of 'general applicability' also bind employers who are not members of a sectoral organization. An agreement is generally applicable if over half of all the employees in the sector concerned work for companies that are members of the signatory employers' organization.<sup>1</sup> Because of the high rate of unionization and the general applicability principle, collective agreements play a key role in determining working conditions and pay in Finland.

It proved difficult to find clauses promoting equal opportunities in collective agreements for the purposes of this sub-project. There were several reasons for this. First, collective agreements tend to be written in a gender-neutral form, though this does not mean that their application in practice precludes distinctions between working conditions for men and women. The ideal of gender neutrality seems to me to derive from government equality policies. Second, the Equality Act which came into force in 1987 and was revised in 1995 includes provisions on many issues related to sexual equality (e.g. pay discrimination, discrimination in hiring, sexual harassment) which may well be written into collective agreements in other countries. Third, the statutory leaves related to pregnancy, childbirth and child care are rather well provided for in Finland. The legislation on matters related to the care of small and sick children, and other family issues takes priority, and collective agreements therefore only play a supplementary role.

I deal in this report with 16 clauses in 12 collective agreements, and with two equality plans. Half of the collective agreements are incomes settlements, the reason for this high proportion being that there are relatively speaking more clauses linked specifically to equality in agreements made at the central organization level than there are in agreements at the union or workplace level. My choices thus reflect the context and manner in which equality issues find prominence in Finnish agreements. Admittedly, agreements at union level are the most common type of agreement in Finland; there are altogether some 200 national collective agreements and about the same number of local ones. The clauses dealt with in this report tend to concern pay, and especially the job evaluation. This fact reflects the 'job evaluation boom' going on in Finland at the moment. It would have been possible to find more clauses promoting equal opportunities, but I have tried to pick out only the best, and in some way exceptional, cases for analysis, striving also to avoid repetition.<sup>2</sup> The required length of the report was also a limiting factor.

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<sup>1</sup> For more on the Finnish collective bargaining system, see e.g. Virpi Köykkä: Equal Opportunities and Collective Bargaining in Europe. Exploring the national situation in Finland. European Foundation for the Improvement of Living and Working Conditions. WP/96/49/

<sup>2</sup> I could have found more examples related to maternity pay and job evaluation systems.

The Ministry of Labour maintains a register of collective agreements with which the Collective Agreements Act requires employers concluding collective agreements to supply a copy. This register provides computerized data on the contracting parties, the sector concerned and the validity of the agreement, but can supply no other information on agreements electronically or otherwise. There is no other source of computerized data, and though the original agreements are available to researchers, the only way to view their contents is to read them through in hard copy. There are altogether some 200 nationwide collective agreements, and these can all be found in the above-mentioned register. There are also roughly the same number of local, workplace-specific agreements. Unfortunately, the register's staff resources are very limited.

The unions, employers' organizations and central labour market organizations also file collective agreements in their own archives. For reasons of convenience, I acquired the agreements used in this report from the contracting parties concerned. The Ministry of Labour register is in Tampere, whereas nearly all the unions and employers' organizations are in Helsinki, where I live. Also, the expertise available at the employers' organizations and unions proved absolutely crucial in my search for clauses promoting equal opportunities. The collective agreements that I needed were all available from these organizations, whose staff kindly supplied me with them. It sometimes took considerable time to seek out old agreements.

## **2. FAMILY/WORK INTERFACE**

### **2.1. PAY DURING MATERNITY LEAVE FOR PUBLISHING WORKERS COLLECTIVE AGREEMENT FOR PUBLISHING WORKERS 1988**

#### *Identification of the agreement*

1. Collective agreement between the Employers' Federation of the Graphic Arts Industries in Finland and the Finnish Printing Workers' Union, 1988. (Appendix 1)

Agreement signed 27.4.1988.

Came into force retroactively on 13.4.1988.

Original validity 13.4.1988-31.1.1991; extended several times, valid until 31.1.1998.

2. Contracting parties

- employer: Employers' Federation of the Graphic Arts Industries in Finland

- union: Finnish Printing Workers' Union

3. Agreement type

Nationwide, generally applicable collective agreement.

4. Scope

The agreement covers printing works employees.

There are some 19,000 such workers, c. 46% of them women.

The agreement covers nearly all publishing workers.

#### *What does the agreement say about maternity leave pay?*

Section 48. Pay during sick leave and maternity leave

6. "If a worker is unable to work because of pregnancy and childbirth, she shall be entitled to her wages for 3 months, on condition that she applies for maternity allowance as laid down in the Sickness Insurance Act at least two months before the calculated due date, and otherwise observes the provisions of the same Act which are preconditions for getting maternity allowance." (p.26)

9. "The stipulations of this section do not apply to contracts of employment made for a fixed period of up to one month as referred to in the Employment Contracts Act." (p.26)

#### *How are wages usually paid during maternity leave?*

The law prescribes that all workers are entitled to maternity, parental and paternity leave, and stipulates the daily allowance payable during this period. Under the Sickness Insurance Act, all women are paid an earnings-related maternity allowance, averaging 60% of their pay, during maternity leave (105 weekdays)<sup>3</sup>

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<sup>3</sup> For the parental leave period (158 weekdays) that begins immediately after maternity leave ends, parental allowance is paid to the parent that looks after the child at home. Paternity allowance is paid to the father for the period of paternity leave (12 + 6 weekdays).

Some sectoral collective agreements also prescribe the payment of wages during maternity leave. In the public sector (central and local government), for instance, wages are paid for 72 weekdays. The same applies to salaried employees in banking and insurance. Technical and office employees in industry are usually paid full wages for three months of the maternity leave. In the female-dominated hotel and restaurant sector and in trade, no wages at all are paid for maternity leave, and the same is true of the textile and clothing industry, which is also female-dominated. In some sectors of industry - chemicals, metal & engineering, paper - workers are paid wages for about 42 weekdays/6 weeks. Under all agreements affecting the graphics industry (publishing and newspaper distribution workers, salaried workers in printing), workers are paid wages for three months of the maternity leave.

Wage payment during maternity leave can be roughly divided as follows: in the public sector *all employees* and in the private sector *all salaried employees* are paid for 72 days/3 months. *Wage-earning employees* in the private service sector are not paid wages at all. Some industrial *workers* are paid for about 6 weeks, and some not at all. In most cases, the precondition for payment is a specific period of service (6 months) before maternity leave begins, or then the wages paid are staggered according to length of service. In the publishing workers' agreement, the only employees excluded from the provision are those on a fixed-term contract for under a month.

***Why is the clause on maternity leave in the publishing workers' agreement good in terms of equality?***

The graphics industry is the only sector of *industry* whose *workers* are paid for three months during maternity leave. Nearly half are women, which increases the importance of the clause. The preconditions related to period of service are also more favourable to the worker than in most other agreements. The maternity leave provisions in the graphics industry in general are in fact better than the corresponding ones in other sectors of industry.

## **2.2. CLAUSES ON MATERNITY LEAVE AND TEMPORARY ABSENCES IN THE HOTEL AND RESTAURANT SECTOR**

### **HOTEL AND RESTAURANT WORKERS' COLLECTIVE AGREEMENT**

#### *Identification of the agreement*

##### 1. Agreement and date of signing

The hotel and restaurant sector collective agreement came into force on 5.4.1991 (Appendix 2), and the clause on maternity leave at the end of June 1991.

Validity: 5.4.1991-29.2.1992

The clauses on maternity leave and temporary absences remained unchanged in later collective agreements.

##### 2. Contracting parties

employer: Hotel, Restaurant and Café Employers' Association

union: Hotel and Restaurant Workers' Union

##### 3. Agreement type

Nationwide, generally applicable collective agreement for the hotel and restaurant sector.

##### 4. Scope

The agreement applies to workers in the hotel and restaurant sector (hotels, restaurants, cafés, staff canteens and train services).

Women account for 85% of workers in the sector, which employs a total of some 60,000 people. There was a sharp fall in the workforce during the recession years of the early '90s.

5. The agreement replaces the former collective agreement on the sector (1.3.1990-28.2.1991). The clause on maternity leave in the new agreement is very different from the earlier one, and the clause on temporary leave to care for a sick child was altered completely.

#### *What has been agreed on regarding maternity leave and temporary care leave?*

The clause on maternity leave in the agreement is as follows:

Section 13. Maternity, paternity and parental leave and care leave.

##### "1. Statutory rights

The employee's right to maternity, paternity and parental leave and to care leave is determined in accordance with the Employment Contracts Act and Sickness Insurance Act. The length of the statutory maternity, paternity and parental leave is 275 weekdays.

##### 2. Maternity leave

The length of maternity leave is 105 weekdays; it begins 50-30 weekdays before the calculated due date. If the employee intends to start her maternity leave earlier than 30 weekdays before the due date, the employer must be notified at least 3 months beforehand." (Collective agreement on hotel and restaurant workers, 1.3.1992-31.10.1993,

p. 69) (Appendix 3) This part of the agreement continues with clauses on paternity leave, parental leave and care leave.

The corresponding clause on maternity leave in the earlier agreements in force from 1970 onwards, was as follows:

Section 13, sub-paragraph 11. Maternity, paternity and parental leave and care leave

"a) The employer and employee shall agree jointly on when maternity leave starts. Unless unanimity prevails concerning some other date because of the type of work concerned, the worker's physical characteristics, care obligations or period of service, or other comparable factors, maternity leave begins 180 days after the start of pregnancy. If the worker's care obligations or financial position require her to go on working after pregnancy has lasted 180 days, every effort will be made to provide her with suitable work considering her physical characteristics and state of health.

b) The worker's right to maternity, paternity and parental leave and to care leave is determined in accordance with the Employment Contracts Act and Sickness Insurance Act." (Hotel and restaurant workers' collective agreement 1.3.1989-28.2.1990, p.31)

In practice, the earlier provision on maternity leave meant that the employer could lay off a pregnant worker after pregnancy had lasted 180 days. No wages were paid for this lay-off time. Under the Sickness Insurance Act, maternity allowance is only paid once statutory maternity leave has started. It was in fact common practice in the sector to lay off workers six months into pregnancy. Thus, a pregnant worker covered by the agreement got neither wages nor maternity allowance for two months. In effect, she had to take unpaid leave because she was pregnant.

The provision on temporary absence reads as follows:

Section 14. Temporary absence

"1. In the case of the sudden illness of a child under 10, the child's guardian shall be paid wages in accordance with the provisions on wages during sickness for a short absence that is essential in order to arrange for or provide care of the child.

Protocol:

The length of such sudden short absences is determined according to what is essential to arrange for or provide care of the child. If arranging for or providing care takes 1-3 days, the absence is considered absence as referred to in the agreement. Except in the case of a single parent, the precondition for paying wages is that both guardians go out to work and that neither can arrange for, or him/herself provide, care for the child because of this work and working hours.

The explanation referred to in the clauses of this collective agreement concerning payment of wages during sickness shall also be provided concerning the absence. The same applies to an explanation of why the other guardian is unable to care for the child.

Absence in accordance with the above shall not reduce the worker's annual holiday entitlement." (Hotel and restaurant sector workers' collective agreement 5.4.1991-29.2.1992, pp. 24-25) (Appendix 2)

Earlier, the provision on temporary absences ran as follows:

Section 15. Temporary absences:

"1. If a child under 10 suddenly falls sick, the child's guardian shall be paid wages in accordance with the provisions on pay during sickness for a short absence which is essential in order to arrange for or provide care of the child.

Protocol:

The length of a sudden short absence is determined according to what is essential in order to arrange for or provide care of the child. If arranging or providing care takes 1-3 days the absence is considered absence as referred to in the agreement.

Except in the case of a single parent, the precondition for paying wages is that both guardians go out to work and that neither can arrange for or him/herself provide care for the child because of this work and working hours. *In the case of a father who is not a single parent, a further precondition is that the other guardian must consent.* [My italics.] (Hotel and restaurant workers' collective agreement 1.3.1990-28.2.1991) (Appendix 4)

The Equality Ombudsman's Office opinion (13.6.1991) stated: "A collective agreement provision on temporary care leave, or a supplementary protocol, stating that, in the case of the father, the other guardian's consent is required marks a tightening of the provision on temporary care leave in the Employment Contracts Act. According to the Act, only one parent at a time can have temporary care leave, and it is enough for the worker to inform the employer of the intent to take care leave. As the collective agreement provision clearly places the men and women workers to which it applies in different positions, it must be considered contrary to section 8, paragraph 2, subparagraph 1, of the Equality Act."

### ***How were the clauses changed?***

In 1988, the Hotel and Restaurant Workers' Union asked the Equality Ombudsman for an opinion on the collective agreement clause on maternity leave. According to the Ombudsman's enquiries, about 90% of employers interpreted the clause as meaning that maternity leave started when pregnancy had lasted 180 days. The 'other work' referred to in the collective agreement was not usually arranged. Employers defended the clause by appealing to the heavy physical demands of work in the hotel and restaurant sector. The union considered the period without pay before maternity leave began to be a problem.

The Equality Ombudsman's view was as follows: "Rigid application of the collective agreement, regardless of the individual employee's physical ability to go on working, means that in reality men and women are obviously placed in different positions. This is

considered discrimination as referred to in section 7 of the Equality Act.<sup>4</sup> The Ombudsman proposed that the clause should be changed when the next collective agreement was signed.

The matter was raised in several collective bargaining negotiations, and was pursued extremely actively by the union's woman lawyer. However, no change was made until 1991. In spring of that year there was a week-long strike in the sector (because of other issues). The proposed settlement that ended the strike included the appointment of a special committee (representing employers, employees and the central organizations) to study the clause on maternity leave in the collective agreement. The clauses on maternity leave and temporary care leave were therefore left open. At the end of June the same year, the special committee presented its report, stating that "The committee considers it established that the provisions on maternity leave and temporary care leave now at issue are supposedly contrary to the Equality Act. In the committee's view, the signatories to the collective agreement should as soon as possible agree on new clauses concerning maternity leave and temporary care leave that comply with the Equality Act, and on their entry into force."<sup>5</sup> The clause in the collective agreement was therefore changed to its present form in June 1991.

***In terms of equality, what are the good aspects of the clauses on maternity leave and temporary care leave?***

The new clauses on maternity leave and temporary care leave are examples of how features in agreements that are found to be discriminatory can be changed and made non-discriminatory. The process took at least three years. It seems to me that the first prerequisite was the entry into force of the Equality Act in 1987. Another important factor was the pro-active attitude taken by the trade union, particularly its woman lawyer. The other union negotiators did not consider the matter sufficiently important to keep on the agenda to the last. The third element was the active role played by the Equality Ombudsman at the various phases. The general climate in the late '80s and early '90s was strongly in favour of equal opportunities, and this was probably significant, too.

The new clause on maternity leave grants pregnant workers the same rights as women in other sectors. Here as elsewhere, if working proves too arduous it is now possible to stop work on sick leave before maternity leave proper begins. According to the information I received from the trade union, immediately after the revised clause on maternity leave came into effect some members considered it a step backwards. They preferred maternity leave to start earlier, even without pay. Later, no such views were expressed. In my view, though, these expressions of opinion show just how complicated it is to say what different people consider good in terms of equal opportunities.

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<sup>4</sup> Letter from the Equality Ombudsman's Office to the Hotel and Restaurant Worker's Union, 10.2.1988.

<sup>5</sup> Special committee report, 19.6.1991.

***Why is the example an exception?***

The amendment of the clause on maternity leave in the hotel and restaurant sector collective agreement is one of the few cases in which the agreement has been changed because it is seen to be in conflict with the Equality Act. The clause concerned is of real significance because the sector is extremely female-dominated and workers tend to be of an age at which maternity leave is really used. In turn, changing the clause on temporary care leave removed a concrete obstacle to involvement of fathers in care of a sick child. The new clause will also help workers in the sector to achieve better reconciliation of work and family.

### **3. SEX SEGREGATION AND JOB ACCESS**

#### **3.1. EQUALITY PLAN FINNISH BROADCASTING COMPANY (YLE)**

##### *Identification of the agreement*

1. The equality plan was approved on 11.6.1991. (Appendix 5)  
It is in force indefinitely.

2. Contracting parties

The YLE Board and the cooperation committee <sup>6</sup> approved the equality plan.

3. Type of agreement

The equality plan is a framework programme, implementation of which is constantly monitored. It applies to the entire staff of this private, but parliamentarily monitored, enterprise at all its locations throughout the country (mostly in Helsinki).

4. Scope

Production of TV and radio programmes.

40% of the 4600 personnel are women.

5. Form taken by the plan

The equality plan has been published, e.g. as part of a brochure called 'Equality at YLE' (1996), taking up four of its 13 pages. It is the company's first equality plan.

##### *General features of the equality plan*

YLE is Finland's national TV and radio company,<sup>7</sup> operating under parliamentary supervision. YLE has two TV channels and radio channels in Finnish and Swedish. It is a private enterprise, financed out of TV viewing licences.

The equality plan concerns YLE's entire staff and is the first of its kind in the company. The entry into force of the Equality Act on 1.1.1987 provided the impulse for its compilation, together with initiatives from the trade unions. It is a framework programme.

The 'Equality at YLE' brochure distributed to the entire staff states, "Discrimination means placing men and women in different positions because of their gender. Discrimination can also be activity as a result of which men and women find themselves in unequal positions in reality, though equality may seem to exist on the surface." The brochure explains that "it is the employer's duty to ensure that there is no discrimination in hiring, in selecting employees for various jobs or training, in working conditions, in pay and other benefits, in

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<sup>6</sup> The cooperation committee is a statutory cooperation body within a company on which the management and all personnel groupings are represented.

<sup>7</sup> The Act on the Finnish Broadcasting Company came into force on 1.1.1994. In passing the Act, Parliament attached 'equality resolutions' to it.

dismissals or lay-offs, and in failure to eliminate sexual harassment". (p.2) Elsewhere, the brochure states, "Improving the position of the minority gender on the basis of the equality plan does not constitute discrimination." (p.3)

There is an equality committee at YLE which monitors and supervises compliance with the Equality Act and promotes the realization of equal opportunities for men and women in the company's operations. The committee issues opinions and recommendations on equality issues, both general and individual, arranges training and provides information about relevant matters. The committee also keeps an eye on recruitment and guides the work of the company's full-time equal opportunities officer.

### ***Personnel policy***

#### hiring and recruitment

"The aim of the equality plan is to even out the gender breakdown at all levels of the YLE hierarchy, at all workplaces and in all jobs." (p.6) "In the recruitment of staff for clearly male or female dominated workplaces or duties, advertisements of vacancies should specifically urge the gender in the minority to apply for posts.

"If applicants otherwise have equal merits, the representative of the gender in the minority in the workplace or duties concerned should always be chosen." (p.6)

"When duties are defined and job titles changed, any previous gender orientation must be eliminated." (p.6)

In a separate document on recruitment policy (approved 31.5.1995), one principle mentioned is that the possibility of internal recruitment should always be considered first when new employees are hired. It continues: "If the company decides to hire someone from outside, the choice must pay special attention to the balanced development of age and gender structures." (p.8)

The same document also states (p.9) that at the latest when the recruitment process has reached the selection stage, those taking the decision should have a clear idea of the demands and future needs of the job. These must be kept in mind when screening out the best applicant. Clear selection criteria are also needed in order to comply with the requirements of the Equality Act.

The document also states, "The following documents must be attached to the selection decision:

- an account of the successful candidate's merits and the reasons for choosing him/her
- a comparison of the merits of the successful candidate and the most highly ranked candidate of the opposite sex
- a list of all applicants." (p.10)

### vertical division of labour

The equality plan states, "It is essential for there to be both men and women in supervisory posts. The proportion of women in such posts must be increased in line with targets set by the Board, both when choices of supervisors are made and by means of training, substitutions and trainee periods in supervisory posts." (p.7) Women accounted for 15% of YLE supervisors in 1991 and 20% in 1995.

### combining work and family

"Men should also be encouraged to use their right to paternity and parental leave and care leave, and to look after a sick child.

Employees on maternity, parental and care leave will be given opportunities to keep up to date in terms of professional skills and the development of the work community. Those returning to work from such leave must be given sufficient guidance." (Equality plan, p.7)

The lengths of maternity, parental and paternity leaves at YLE are statutory: maternity leave is 105 weekdays, paternity leave 6+12 weekdays, and parental leave 158 weekdays. In accordance with its rules on employment relationships, YLE grants women who have worked with the company continuously for at least six months before the due date 72 weekdays of 'childbirth leave' on full pay. In the case of the other leaves mentioned above, employees get the compensation laid down in the Sickness Insurance Act (averages some 60% of pay). The length of the paid maternity leave given by YLE is fairly typical of salaried jobs elsewhere. After maternity, paternity and parental leaves, employees have a legal right to (unpaid) care leave until the child reaches the age of three. Both fathers and mothers have an equal right to this leave, but not both at the same time.

### training

"In selecting staff for training, the aim is equal opportunities for both sexes, and care is taken to ensure that selection procedures do not apply discriminatory criteria that prevent the attainment of sexual equality." (p.6)

"When re-training is planned, staff will be encouraged and urged to apply for training in fields where the other sex is over-represented. When the company arranges basic vocational training in distinctly male or female dominated fields, advertising will urge representatives of the minority sex in the field to apply, and where applicants are otherwise equal, they will be chosen." (p.7)

### ***Equality training and information provision***

"Equality issues and viewpoints will be brought out as appropriate in all training arranged by the company. Trade unions are also recommended to deal with equality questions in their own training and seminars." (p.8)

"In particular, every effort will be made to increase awareness of equality issues among the top management and other managerial staff. The equality committee not only produces topical news items for the staff magazine but also, at least once a year, a broader survey of progress towards equal opportunities in the company. Equality work, information and training in the company is organized and coordinated by a specially appointed full-time officer." (p.8)

### ***Programme policy***

Programme policy is the other key area covered by the equality plan, side by side with personnel policy. The equality plan states the following on the matter:

"Programming strives actively to break down conventional role models and to provide material for a world of values founded on human equality. The company maps out the world of values communicated through TV and radio programmes from the viewpoint of gender roles." (p.9)

It is the function of the 'male and female image project' to generate research data and train programme makers to work towards more equal programme production. ('Equality at YLE', p.11) For instance, radio and TV news and TV children's programmes have been studied, and staff training arranged based on the findings. A full-time programming expert and a research assistant have been engaged for the project.

### making the equal opportunities policy known in the company

The equality plan includes several measures by which company employees can be told about the Equality Act and the company's own equality plan. Special attention is paid to training for top management and other managerial staff. New employees are given information about equality matters as part of their induction into the company, and are issued with copies of the equality plan.

A full-time equal opportunities officer was engaged in March 1992 to organize equality work, information and training.

The equality plan includes targets for programme policy, as well as personnel policy. The objective is that YLE's programming should help to increase sexual equality in Finnish society. Concrete measures to this end are outlined in the plan, and several actual projects have been carried out.

### supervision and reporting

Implementation of the equality plan is supervised all the time. The equality committee provides the management with an annual report on its work and an assessment of progress towards equal opportunities in the company.

***Why is the YLE equality plan particularly good?***

Though this equality plan is only a framework programme with targets at a fairly general level, considerable progress has been made within the company on equal opportunities. In other words, the plan does not only exist on paper. For instance, the proportion of women among supervisory posts has risen (1991 15%, 1995 20%), and the percentage of women in the staff as a whole has grown. Various equality projects have been launched. Considerable resources are devoted to equality work, in that a full-time equality officer, programming expert and research assistant have been engaged. This is exceptional for Finland.

There are at least three factors contributing to the effectiveness of YLE's equality work. First, the company management has committed itself to the goal of equal opportunities. Second, equality work has been integrated into the company's day-to-day operations, i.e. programme production. Third, the active contribution made by YLE's women staff has been crucial. In 1994, for instance, they arranged a march-out when not a single woman was among the proposed Board members.

All in all, the company has done conscious equality work on the mainstreaming principle for years now, and the results are visible.

### **3.2. EQUALITY PLAN METSÄ-SERLA OY, ÄÄNEKOSKI MILLS**

#### ***Identification of the agreement***

##### **1. Agreement and date of signing**

The equality plan for Metsä-Serla's Äänekoski Mills was approved on 10.10.1995 (Appendix 6).

The plan took effect on the same date and remains in force indefinitely.

##### **2. Contracting parties**

The equality plan was approved by the company's cooperation committee.<sup>8</sup>

##### **3. Agreement type**

Equality plan for one individual privately owned company.

##### **4. Scope**

One paper mill in central Finland.

- total personnel at the mill 1316, 20% of them women
- total number of workers 1002, 15% of them women
- office staff 83, 94% women
- technical salaried staff 123, 7% women
- higher salaried and professional staff 108, 27% women.

##### **5. Form taken by the plan**

The equality plan is a 3-page duplicated publication.

#### ***What does the equality plan cover?***

##### **Hiring**

"All jobs at Metsä-Serla's Äänekoski Mills are suitable for both sexes. In some, the working conditions could be developed further to make the work even more suitable." (p. 1)

"When a job becomes vacant, a check should first be made to see whether anyone from within the company can be trained to do the work in question in the time available. If no one can be found within the company, applications are invited from outside the company, and applicants are assessed according to the Equality Act. The aim is to balance the gender structure in different vocational groups. No family issues (such as pregnancy and family-related leaves of absence) should exercise any influence over selection."(p. 1)

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<sup>8</sup> An Act on Cooperation in Companies has been in force in Finland since the 1970s, emphasizing cooperation by management and employees in line organizations.

### Career plans (career path)

"In support of personnel policy, a system should be set up to help balance the gender structure in different vocational groups and jobs in accordance with the Equality Act.

"On-the-job training can be used to ensure that equality issues are taken into account in hiring people.

"On this basis, people's wishes and potential, particularly considering the woman's point of view, should be dealt with in discussions between the management and employees." (p. 2)

### Career paths and training plans

"Training plans should take the spirit of the Equality Act into account in order to enable equal career opportunities. In practice, this means aiming for a more balanced gender structure in training participation at all levels. Training plans should state the gender breakdown of planned and actual training.

"Training should also be used to minimize the possible effects of family-related leaves of absence." (p. 2)

### Improving working conditions

"In workplace inspections, attention should be paid to factors which may make it more difficult for a woman worker to perform certain tasks, and problems should be reduced to a minimum.

"In designing new restrooms and other facilities for the staff, it should be ensured that they are suitable for both sexes." (p. 2)

### Other family policy issues

"The division of family-related leaves (paternity leave, care leave, short temporary leave of absence) between both parents should be promoted by encouraging an unprejudiced approach; in this way, their impact can be prevented from affecting the career opportunities of women alone. Whenever possible, the aim should be flexibility in arrangements related to work and working times made necessary by family policy issues." (p. 2)

### Discrimination

"Policy on issues such as pregnancy, single parenthood, family-related leaves of absence and similar issues may not cause people to be treated differently in hiring, transfers, career development and pay." (p. 3)

### Attitude training

"The dissemination of information, information given out at departmental meetings and practical action will be used as means to influence the entire staff in promoting operations in the spirit of the Equality Act.

"Management, members of the cooperation committee and labour protection committee, and departmental shop stewards will act as examples in this matter." (p. 3)

### Monitoring implementation

"The cooperation committee and labour protection committee have dealt with these guidelines and will be monitoring their implementation." (p. )

### *Why is the Metsä-Serla Äänekoski Mills equality plan particularly good?*

The forest industry is one of the most important sectors in Finland, and it accounts for a considerable proportion of total industrial exports. It is the country's second biggest sector of industry as far as employment impact is concerned. There are about 30,000 people employed in the Finnish paper industry, about one fifth of them women. Paper industry workers are thus mainly men, and the gender division where jobs are concerned is very fixed. The production facilities at paper mills could be described as male strongholds that women have always had difficulty in entering. The paper industry is also one of the highest-paid sectors of industry, with the wages of paper machine operators among the highest for all industrial workers. For decades, women were prevented from working at paper machines through various expedients.<sup>9</sup> The forces behind these arrangements included both employers and male workers. Now, women are also allowed to work at paper machines, but due to the 'vacancy system' (workers progress from one job to the next along a specific 'career path') and the low turnover of employees, it will in practice take many years before women can become paper machine operators.

The equality plan at Metsä-Serla's Äänekoski Mills is one of the first ever made for a paper mill. The initiative in the matter was taken by the women workers and company management. This equality plan is important as an example to the whole sector, in addition to this individual mill. It focuses on the key issues in this specific field. For instance, the statement that all jobs are suitable for both sexes is not a truism in this field, as many people still feel that some jobs are only suitable for men. This has long been used as a justification for excluding women from certain jobs in the industry. Even measures that sound very simple, such as designing restrooms and other staff facilities to suit both sexes, are a way of removing one more tangible obstacle and of giving women access to the sector. As an example, some of the paper mills' own vocational schools had no women's toilets at all. This is just one instance of how self-evident it has been considered that this is a sector for men alone.

The equality plan in question is so recent that its effect in practice cannot yet be assessed. It is important that the plan incorporates a monitoring system. The cooperation committee and labour protection committee will monitor implementation and all personnel groups can follow progress through these bodies.

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<sup>9</sup> Under the Working Hours Act, in force from 1955 to 1989, special permission was required for women to do nightshifts. The paper mills applied for and got such permits for jobs such as operation control. They did not apply for permits for work on paper machines. (For further details see Riitta Martikainen & Päivi Yli-Pietilä (1992): *Työehdot ja sukupuoli - sokeat sopimukset* ('Terms of employment and gender - blind agreements'). Tampere University, Working life research centre, publications 12/1992, Tampere.

## **4. WORKING HOURS**

### **4.1. WORKING CONDITIONS FOR PART-TIME WORKERS IN TRADE**

#### **COLLECTIVE AGREEMENT FOR SALES AND WAREHOUSE STAFF**

##### *Identification of the agreement*

1. Agreement and date of signing

Collective agreements for sales and warehouse staff 26.11.1993 - 31.10.1995

Agreement made on 25.11.1993

Agreement entered into force on 26.11.1993

Agreement period: 26.11.1993 - 31.10.1995, extended in autumn 1995 until 28.2.1998.

2. Contracting parties

- employer: Commercial Employers' Association

- union: Union of Commercial Employees

3. Agreement type

Nationwide, generally applicable collective agreement for the sector.

4. Scope

The agreement covers retail and wholesale trade in all of Finland.

There are altogether about 70,000 sales and warehouse staff.

In 1995, 39.5% of salespeople worked in part-time jobs with under 35 hours (over half of these worked less than 30-34 hours a week). In 1995, 23% of warehouse and transport staff in retail sales were part-time.<sup>10</sup>

5. Form taken by the plan

The agreement has 108 pages. The protocol concerning part-time workers is 6 pages.

#### **What has been agreed on the employment terms of part-time workers?**

The protocol appended to the agreement defines a part-time worker as one whose average regular maximum working time per week is 34 hours or less. It further states that the protocol concerning part-time workers does not deal with wages and holiday compensation, with the exception of part-time workers called in separately as needed ("extras"), whose wages and holiday compensation are defined in this protocol (p. 74).

Wages: "A part-time worker's wages are paid by the hour. The hourly wage is calculated by dividing a corresponding full-time worker's wage according to the pay tables by 160." (p. 75).

The agreement contains a separate hourly wages table for part-time workers (p. 95).

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<sup>10</sup> Raimo Lehtonen: Tutkimus tukku-, vähittäis- ja autokaupan palkansaajista ammatin ja työajan mukaan 1994 ja 1995 ('Study of employees in retail, wholesale and car sales according to job and working time in 1994 and 1995'). Union of Commercial Employees. 1996, p. 34.

Weekly working time: "The employer and the part-time worker agree on the average regular minimum of weekly working hours." (p. 74).

Weekly days off: "In addition to the statutory weekly day off, the employer shall give the worker another day off for each week of six workdays. This day off can be given either during the same week or by adding up several days off on consecutive days, in which case notice of this must be given at least two weeks in advance. More than four consecutive days off may not be combined without the worker's consent." (p. 75).

Holiday compensation: "Part-time workers who have worked a minimum of 35 hours during their employment relationship during the holiday credit year, are entitled to holiday compensation..." (p. 76).

The holiday compensation is calculated as a percentage (10% and 12.5%) of pay, the percentage being higher for workers whose employment relationship has continued for over a year. In practice, holiday compensation gives more money to part-time workers than full-time workers, as remuneration for additional working hours is included as a basis for calculation.

Holiday bonus: "If the worker is entitled to annual holiday, 50% of the holiday compensation will be paid as a holiday bonus." (p. 78) In this respect, the terms are the same as for full-time workers.

Coffee breaks: "The clauses on coffee breaks in the collective agreement for sales and warehouse staff also apply to part-time employees who work at least four hours consecutively in a day." (p. 79).

Illness among part-time workers: "If a part-time worker falls ill, the period of sick leave with pay is the same as for full-time workers. In such a case, part-time workers are entitled to receive their wages for working hours entered in the workshift list. If no list has been drawn up for the period of illness, wages will be paid according to the agreed average weekly working time." (p. 79).

According to the collective agreement, workers are entitled to receive wages from employers in cases of illness or accident. How long they can receive wages for depends on the duration of the employment relationship. If the employment relationship has continued for at least a month, wages are paid for the first day of illness and 9 weekdays. If the employment relationship has continued for at least 3 consecutive months, wages are paid for a maximum of 4 weeks. The scale then continues, in that if the employment relationship has continued consecutively for at least ten years, wages are paid for a maximum period of 8 weeks (pp. 36-37).

Other clauses: Part-time workers' employment contracts shall be subject to what is laid down in the collective agreements on employment terms and wages for sales and warehouse staff, as applicable, unless otherwise agreed in the protocol appended to the agreement (p. 79).

Maternity, paternity and parental leave: Part-time workers have the same right to these leaves under the Employment Contracts Act and Sickness Insurance Act as full-time workers in the sector. Maternity, paternity and parental leave are unpaid for all workers in the sector.

Overtime compensation: Part-time workers are entitled to overtime compensation in the same way as full-time workers. If their daily working hours exceed eight hours or their weekly working time exceeds 40 hours, they are paid overtime compensation. In practice, part-time staff get overtime compensation to some extent.

Definition of period of service: In defining a part-time worker's wage according to the wage tables a one-year period of service, as taken into account in defining years of service, requires the person to have:

- worked for a year with an average weekly working time of 30 hours or more
- worked eighteen months with an average weekly working time of 20-29 hours or
- worked 2 years with an average weekly working time of 19 hours or less.

For many part-time workers, it thus takes a longer time to accumulate years of service than for full-time workers (p. 75-76).

The agreement does not define groups which have a special right to transfer to part-time work or who do not have such a right. In practice, it is easier for a full-time worker to transfer to part-time work than vice versa.

### ***Part-time working in Finland and especially in trade***

In Finland, it is usual for people to be full-time employees. This applies to both men and women. Only about 8% of wage-earners work part-time, and the majority of them are women. Part-time work focuses on certain fields, especially the private service sector. In trade, people often do part-time work against their will, simply because full-time work is not available. One of the problems arising from this is that a part-time salary is not enough to live on. This shows that although the protocol on part-time work treats part-time workers in trade equally, this does not make their situation problem-free.

In many sectors and in many jobs, workers find it hard to transfer to part-time work if they wish to do so. Duties requiring expertise are a case in point.

In Finland, all parents of small children have a statutory right to partial care leave. This form of shorter working hours is available to both fathers and mothers (one parent at a time) until the end of the year when the youngest child starts school. In Finland, children usually start school at the age of seven. A parent on partial care leave usually works 30 hours a week, although shorter weekly working times are possible, subject to agreement. Wages are paid in proportion to hours worked. This statutory right applies in practice to full-time employees, as part-time employees often work less than 30 hours a week anyway. All in all, partial care leave is not used much.

***Why are the agreement terms concerning part-time workers good in terms of equality?***

The protocol concerning part-time workers in trade can be considered good in terms of equality because it ensures that part-time workers, the majority of whom are women, have largely the same employment terms and employment-related benefits as full-time workers in the sector. Another positive aspect is that the clauses apply to all permanent and fixed-term employees, however few their weekly working hours. Other sectors do not generally have separate protocols on part-time work. The clauses concerning part-time workers in trade are of practical importance because part-time work is far more common in this sector than in many others.

## 5. PAY

### 5.1. DEVELOPING OF JOB EVALUATION SYSTEMS IN INCOMES SETTLEMENTS FOR 1990-1991, 1992-1993 AND 1996-1997

#### *Identification of the agreements*

##### 1. Agreements and date of signing

- a) Comprehensive incomes and economic policy settlement for 1990-1991, 15.1.1990 (appendix 8)
- b) Incomes settlement for 1992 and 1993, 29.11.1991 (appendix 9)
- c) Incomes settlement for 1992 and 1993, revised version 30.11.1992 (appendix 10)
- d) Agreement on economic policy, employment and labour market policy for 1996-1997, 29.9.1996 (appendix 11)

##### Validity

- a) 1.3.1990 - 29.2.1992
- b) 1.1.1992 - 31.12.1993
- c) 30.11.1992 - 31.12.1993
- d) 29.9.1995 - 31.1.1998

##### 2. Contracting parties

Confederation of Unions for Academic Professionals in Finland (AKAVA)

Church delegation for collective agreements (KiSV)

Commission for Local Authority Employers (KT)

Employers' Confederation of Service Industries (PT)<sup>11</sup>

Central Organization of Finnish Trade Unions (the SAK)

Finnish Confederation of Salaried Employees STTK<sup>12</sup>

Confederation of Finnish Industry and Employers<sup>13</sup>

Confederation of Salaried Employees in Finland (TVK)<sup>14</sup>

State Employer's Office (VTML)

Delegation for collective agreements for private state-subsidized institutions<sup>15</sup>

##### 3. Agreement type

Nationwide, generally applicable collective agreements.

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11 Previous name used in the last agreement.

12 Previous name used in the last agreement.

13 In the last agreement as: Confederation of Finnish Industry and Employers.

14 Did not sign last two agreements, bankrupt in 1992.

15 Did not sign the last agreement.

#### 4. Scope

The agreements apply to all the central labour market organizations and, through them, to most trade unions. In practice, almost all Finnish wage-earners are covered by the incomes settlements. There are about 2 million wage-earners, about half of them women.

#### *Terms concerning job evaluation in agreements*

##### a) Comprehensive incomes and economic policy settlement for 1990-1991

###### Section 3.3 Job evaluation systems

"A working party will be set up to study the job evaluation systems currently in use and, on this basis, to make proposals for how to develop them, with particular attention to predominantly female sectors and jobs. The working party should also investigate the potential for job evaluation systems across sectoral boundaries. Each of the parties involved will appoint one member to the working party and also jointly invite a person to be chairman. Four experts will also be called in, one proposed by the Council for Equality and one by the Ministry of Labour. One secretary will be appointed by the employer organizations and one by the employee organizations. The working party shall submit its report by the end of 1991." (P. 7-8).

##### b) Incomes settlement for 1992 and 1993

###### Section 7. Working party for job evaluation systems

"In the comprehensive incomes and economic policy settlement for 1990-1991, it was agreed that a working group on job evaluation systems would be set up for a period ending on December 31, 1991. The working party is to continue its work, and will also investigate whether the job demands that it has studied can be used as a pilot study for workplaces, on which the working party will report by December 31, 1992." (p. 2).

##### c) Incomes settlement for 1992 and 1993, revised version

###### Section 4. Working party for job evaluation systems

"It was agreed that the working party for job evaluation systems appointed in the comprehensive incomes and economic policy settlement for 1990-1991 shall continue to perform the work set down in the incomes settlement for 1992 and 1993 and that the report should be submitted by October 31, 1993." (P. 1-2).

##### d) Agreement on economic policy, employment and labour market policy for 1996-1997

###### Appendix 2. Developing working life

###### Section 7. Developing job evaluation systems

"On August 31, 1994, the central labour market organizations appointed a joint supervisory committee to promote the development and introduction of job evaluation systems. The supervisory committee is a group of experts which can also, at the request of the central labour market organizations, issue opinions on assessment systems being set up in cases where the working party concurs with the content of the opinion.

"The central organizations are also trying to speed up work on the job evaluation handbook which the working party had been asked to compile at an earlier date. The working party will also be given the task of reporting on how systematically and continuously data on the position of men and women in working life are collected. This report and any proposals on the subject must be submitted by May 31, 1996. The signatories are jointly responsible for the working party's costs." (p. 15-16)

### ***What is the practical significance of the clauses on job evaluation?***

At the end of the 1980s, there was lively discussion in Finland on the differences between men's and women's pay for the work of comparable worth. At this time, job evaluation systems as a way of improving women's pay also became a subject for public debate. The most active parties in this discussion were women activists (in the trade unions and government bodies for equality) and women researchers. International debate on pay differentials was extended to Finland by, for instance, Joan Acker and Margaret Hallock at a seminar in 1989. The motto "equal pay for work of equal value" was an inspiration, especially to women active in the trade unions, who had great expectations of job evaluation systems as a way of reducing pay differences between men and women. The women chairmen of the employee organizations played an active part in this process. The general debate mentioned above lay behind the establishment of a national job evaluation working party by the labour market organizations in May 1990.

In the incomes policy negotiations in autumn 1989, the issue was brought to the negotiating table and a clause was included in the agreement to say that a national working party should be founded. The working party consisted of representatives of the central labour market organizations and experts. Not all the members of the working party may have considered the primary goal of job evaluation systems to be to ensure equal pay for women, but rather the improvement of wage systems overall. Job evaluation systems had, after all, been used on a small scale before in Finland, but not enough attention had been paid to sexual equality in developing these systems. The working party appointed in 1990 has produced two reports (1992 and 1994) and commissioned four studies of the use of job assessment systems and the potential they offer for promoting equality.<sup>16</sup>

### ***Why is appointing a job evaluation working party in an incomes settlement a good thing in terms of equality?***

Firstly, appointing a national job evaluation working party somehow made the comparable worth discussion legitimate. A highly respected party made up of representatives of the central labour market organizations gave the subject more clout, both in the labour market organizations and in society at large. Talking about work of equal value and the underestimation of women's work is no longer dismissed as 'feminist nonsense' to the same extent as before.

Secondly, in Finland, where the labour market system is highly organized and centralized, it is difficult to make any headway on a labour market issue without support from the central organizations. It may well be that appointing an official job evaluation working party was the only way of promoting job evaluation systems aimed at equality in the Finnish system.

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<sup>16</sup> For more information on the work and research done by the job evaluation working party, see: Heiskanen, Tuula (1997) *Comparable Worth as Social Problem Solving*. In Liisa Rantalaiho & Tuula Heiskanen (eds.) *Gendered Practices in Working Life*. Macmillan.

Thirdly, the existence of the job evaluation working party meant that debate on work of equal value and wage differences between men and women did not die out completely, even during the worst of the recession.

The fourth, and perhaps the most important, argument is that the work of the national job evaluation working party has given rise to a number of sectoral job evaluation projects. Wage systems based on job evaluation are being developed and introduced in sectors including a number of industries, certain private service sectors, and local and central government.

### ***What problems are there with the clauses as far as equality is concerned?***

It has been suggested that this movement, which began as a clear-cut women's project at the start of this decade, might have suffered a decline partly because the issues involving comparable worth were transferred into the hands of a high-level working party. In other words, while the issue was made legitimate, it also became subject to bureaucracy. This claim may have some truth in it, in the sense that expectations of the working party's work were (too) high and that people eagerly awaited its results. On the other hand, the working party's work received a lot of publicity and thus kept the problem of women's pay in the foreground. (See also Heiskanen 1996.)

The clauses in the incomes settlements do not clearly state that the purpose of job evaluation system is to promote equality and to discourage underestimation of women's work. In its own reports, the working party has made this more clear. The topic has been discussed a great deal within the working party and this discussion continues in one form or another everywhere that practical job evaluation is carried out.

Agreement clauses cannot guarantee that ongoing job evaluation projects take enough notice of the idea 'equal pay for work of equal value'. Each sectoral project is making decisions which have an effect on trends in differences between men's and women's pay. In other words, the sectoral projects are where the decisions are made on whether the introduction of job evaluation systems really promotes equal pay for men and women. The work done and commissioned by the national job evaluation working party provides some incentive for promoting equality, however. So far, there are no results available about what new wage systems mean for the differences between men's and women's wages. The outcome of the experiments carried out so far would, however, tend to indicate that women do benefit from the introduction of job evaluation as a basis for pay.

### ***What is particularly good about the clauses?***

In practice, the clauses cover nearly all wage-earners. They have set off a process, as a consequence of which wage systems in general are being developed on the basis of job evaluation. It seems that the fairness of pay increases in wages systems based on job evaluation. Talk about the underestimation of women's work has been made legitimate in public debate, partly due to the work of the national job evaluation working party. Thanks to the clauses, the labour market organizations have devoted considerable resources over the years to research and other studies of pay differences between men and women.

## 5.2. 'EQUALITY AWARDS' IN INCOMES SETTLEMENTS

### INCOMES SETTLEMENTS FOR 1989-1990, 1990-1992 AND 1995-1996

#### *Identification of the agreements*

1. The agreements in question are four incomes settlements signed in four different years
  - a) Comprehensive incomes and economic policy settlement (1989-1990) (Appendix 12)
  - b) Comprehensive incomes and economic policy settlement for 1990-1991 (appendix 13)
  - c) Agreement on revision of the comprehensive incomes and economic policy settlement for 1990-1991 (appendix 14)
  - d) Agreement on economic policy, employment and labour market policy for 1996-1997, (appendix 15)

#### Date of signing and validity:

- a) signed on 23.9.1988, valid 1.3.1989 - 28.2.1990
- b) signed on 15.1.1990, valid 1.3.1990 - 29.2.1992
- c) signed on 15.11.1990, valid 15.11.1990 - 29.2.1992
- d) signed on 29.9.1995, valid 29.9.1995 - 31.1.1998

2. The contracting parties include all the Finnish central employer and employee organizations:

Confederation of Unions for Academic Professionals in Finland (AKAVA)

Church delegation for collective agreements (KiSV)

Commission for Local Authority Employers (KT)

Employers' Confederation of Service Industries<sup>17</sup> (PT)

Central Organization of Finnish Trade Unions (SAK)

Finnish Confederation of Salaried Employees (STTK)<sup>18</sup>

Confederation of Finnish Industry and Employers (TT)

Confederation of Salaried Employees in Finland (TVK)<sup>19</sup>

State Employer's Office (VTML)

Delegation for collective agreements for private state-subsidized institutions<sup>20</sup>

#### 3. Agreement type

Nationwide, generally applicable collective agreements, to which most of the employee and employer organizations in Finland are committed through their central organizations.

#### 4. Scope

The agreements cover almost all Finnish wage-earners in the private sector and the entire public sector, i.e. about 2 million people, about half of them women.

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<sup>17</sup> Previous name used in the last agreement.

<sup>18</sup> Previous name used in the last agreement.

<sup>19</sup> Did not sign last two agreements, bankrupt in 1992.

<sup>20</sup> Did not sign the last agreement.

## *Women's pay and equality awards in incomes settlements*

### Comprehensive incomes and economic policy settlement (1989-1990)

#### Section 2.2 Pay rises

"From the beginning of the wage payment period starting on March 1, 1989 or a corresponding time set down in the agreements, wages will be raised in all collective agreements by FIM 0.40 per hour or FIM 68 a month or a minimum of 1.0%, and by an equality award. In defining the equality award, FIM 0.10 an hour is multiplied by the number of women working in the sector concerned. The use of this sum will be decided separately for each sector. If the parties involved cannot agree on its distribution, the equality award will be distributed as an equal pay rise at the same time as the general rise for all wage-earners in the sector." (p. 2)

### Comprehensive incomes and economic policy settlement for 1990-1991:

#### Section 2.2.1. Equality award

"In connection with the increase to be paid on October 1, 1990, there is also a sum denominated in per cent at the disposal of the parties to the collective bargaining agreements. This sum is calculated as follows:

"The percentage of women workers in the sector is multiplied by 0.6. To the resulting figure is added the percentage of all workers in the sector who earn less than FIM 34 an hour or under FIM 5678 a month. Use of this equality award will be decided by the individual sectors." (p. 3)

### Agreement on revision of the comprehensive incomes and economic policy settlement for 1990-1991:

#### Section 1.3. Equality award

"The equality award is calculated as follows: The percentage of women workers in the sector is multiplied by 0.4. To the resulting figure is added the percentage of all workers in the sector who earn less than FIM 38 an hour or under FIM 6270 a month, times 0.8. The central organizations calculate the equality award for the sectors concerned. In agreeing on use of the equality award in individual sectors, the principle is that the grounds for calculating it are taken into account.

"Unless agreement has been reached in a sector about use of the equality award by November 15, 1990 at the latest, the equality award will be paid out in the form of a general pay rise." (p. 2)

### Agreement on economic policy, employment and labour market policy for 1996-1997

#### 2.4. Award for women's wages and low wages

"For the wage payment period starting on October 1, 1996, or the next one, a award for women's wages and low wages is at the disposal of the sectors covered by the agreement."

"The award is determined for each sector covered by the agreement in the following way: The percentage of women workers in the sector is multiplied by 0.6. To the resulting figure is added the percentage of all workers in the sector who earn less than FIM 54 an hour or under FIM 9200 a month, times 0.2.

"The central organizations calculate the award for women's or low wages for the sectors concerned, based on the second quarter of 1996 or a corresponding statistical period. The award is used in the manner agreed by the labour unions and employer's unions, which can also allocate the award or part of it for local use. If the unions are unable to reach

agreement, or local agreement cannot be reached, about distribution of the award, it will be paid on October 1, 1996 or from the beginning of the following wage payment period, in the form of a general rise denominated in per cent.

"In agreeing on use of the award for women's and low wages, the grounds for calculating the award should be taken into account. The parties to the agreement will strive to use the equality award to improve the pay situation of women whose wages do not correspond to the demands of their work or their educational background. The low wages award is intended to correct the relative lowness of pay in the sector." (pp. 6-7)

### ***What is an equality award?***

An equality award was included for the first time in an incomes settlement in 1989. At the time, it was based exclusively on the female-dominated nature of the sector concerned. The equality award was proposed in the incomes policy negotiations by the women-dominated Confederation of Salaried Employees in Finland (TVK).<sup>21</sup> The low wage arrangements (7 in all) which were made as part of solidarity-based wage policies in the 1970s and 1980s played an essential role in the history of the equality award. The increases in minimum wage and low wage arrangements at the time were primarily focused at women (i.e. women on low wages).

The equality award is an instrument used in incomes policy agreements to raise the pay of women and those in low-wage sectors. It allows an additional pay rise to be focused on female dominated sectors and sectors with low wages. With the exception of the first agreement studied, the equality award has been divided into two parts, one calculated on the percentage of women in the sector and the other on the lowness of wages in the sector. In the 1989-1990 comprehensive incomes and economic policy settlement, the equality award is based solely on the percentage of women in the sector.

The equality award is calculated separately for each sector concerned, based on the percentage of women and of low wages there. The sectors with the most women and the lowest wages get most benefit out of the equality award, while those with more male workers and higher wages get least benefit. The coefficients which determine the amount of the equality award are agreed on separately in each incomes policy negotiating round. The effect of the first equality award (1989) on the economy as a whole was only 0.1% of the wage sum, that of the second (1990) 0.4% and that of the third (1991) 0.3%. The effect of the equality award varied in different sectors. The effect on costs in 1990, for instance, was 0.1% in the male-dominated paper and pulp industry, while it was 1.4% the same year in the female-dominated clothing industry.

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<sup>21</sup> For more on this, see Päivi Yli-Pietilä's research 'Naisten intressit ja tulopoliittikka - tasa-arvoerä tulopoliittisissa neuvotteluissa 1988-1990.' ('Women's interests and income policy - equality awards in the income policy negotiations in 1988-1990') In: Martikainen, Riitta & Yli-Pietilä, Päivi (1992): Työehdot ja sukupuoli - sokeat sopimukset (Terms of employment and gender - blind agreements). Tampere University, Social Sciences Research Institute, Working life research centre, Series T publications 12/1992.

The employer organizations and trade unions in each sector negotiate on the distribution of the equality award. According to the clause in the latest incomes settlement, use of the equality award can also be decided at the workplace level. The Council for Equality has studied the use and distribution of the equality award allocated in 1990 in different contract sectors. However, this study did not reveal exactly how the equality award was used, as it was integrated with other pay rises and implementation varied greatly from sector to sector. In some sectors (power stations, insurance), the award has been distributed to women only, while in some, it has focused on professional women-dominated groups (central government, local government) or on low-paid vocational groups (including the chemical sector), and in yet other sectors has been distributed equally to all workers (hourly paid church employees, the metal and engineering sector)<sup>22</sup>

### *Why are equality awards useful in promoting equality?*

The inclusion of equality awards in incomes settlements has kept the wage differential between men and women in the forefront, both in collective bargaining negotiations and in the public eye. On the other hand, the issue could also be regarded in another way, namely that equality awards were introduced into incomes settlements in the late 1980s and early 1990s, when equality issues and the pay differential between men and women were topical issues in any case. The equality award may have been the first time that the significance of gender in wage formation was placed openly on the negotiating table. Usually, negotiations had been held in formal, gender-neutral terms and the significance of gender for wage formation was possibly even denied. The effects of the equality awards have been studied, and they have apparently reduced pay differentials between men and women, especially in certain sectors. In the municipal sector, which is dominated by women, the pay differential between the sexes narrowed at the beginning of the 1990s. The difference between men's and women's wages in the municipal sector was reduced by about 3 percentage points between 1989 and 1992. In addition to the equality award, other factors admittedly also affected the reduction in the pay differential.<sup>23</sup>

The symbolic significance of the equality award is also considerable. Its inclusion in agreements has been interpreted as a form of admission of the need to do away with pay differentials between the sexes <sup>24</sup>. During the worst years of the recession, equality awards were not included in either incomes settlements or union-level agreements (1992-1995). Equality awards were again included in these agreements in autumn 1995. The awards are not, however, a feature only of favourable economic trends, as the economic situation was still problematic in Finland when they were included in the incomes settlement for 1996-1997.

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<sup>22</sup> For more on this subject see: Selvitys tasa-arvoeristä ('A study of equality awards'). Report of the working party agreed on in Kallio's adjustment of the comprehensive economic and incomes policy settlement (15.11.1990) (Duplicated report).

<sup>23</sup> See the work referred to above, pp 11-12.

<sup>24</sup> See Yli-Pietilä, Päivi. In the work mentioned above, Riitta Martikainen & Päivi Yli-Pietilä 1992.

### ***Problems involved in equality awards***

Equality awards have been controversial during their entire existence. From the point of view of promoting equality between the sexes, the first and foremost problem is the size of the equality award. The sum set aside for the equality award is so small that, even at its best, in highly female-dominated or low-paid sectors, it only raises wages a little. Some people believe that equality awards are only possible if they are small enough. The most severe critics claim that equality awards take the edge off women's wage demands and act as a way of keeping them quiet.

In addition to the size of equality awards, their focusing has also been criticized. Each sector decides for itself how to focus the awards and if agreement cannot be reached, the equality award is distributed equally among all workers in the sector. This means that it is not distributed according to the original intention. In order to prevent this, the new agreements give more specific directions on how equality awards should be used.

Thirdly, equality awards are a fairly imprecise instrument, which can only be used to influence one aspect of women's pay problems.

The fourth difficulty is that, in years with favourable economic trends, market forces have exerted an influence which counteracts the effect of the equality awards. There has thus been more wage drift in male-dominated sectors than in female-dominated ones.

### ***Why are equality awards a particularly good agreement clause?***

Equality awards focus a pay rise specifically on women with the aim of reducing the pay differential between men and women. Incomes settlements apply to all Finnish employees, which means that the equality awards have a very comprehensive impact. Despite the small sums involved, the awards have, in fact, had some effect in reducing pay differentials between the sexes. I also feel that the symbolic value of equality awards is considerable, as it has contributed to keeping the pay differential between the sexes in the public eye.

### **5.3. MONITORING PAY DIFFERENTIALS BETWEEN MEN AND WOMEN AGREEMENT ON REVISION OF THE COMPREHENSIVE INCOMES AND ECONOMIC POLICY SETTLEMENT FOR 1990-1991**

#### *Identification of the agreement*

##### 1. Date of signing

Agreement on revision of the comprehensive incomes and economic policy settlement for 1990-1991, 15.11.1990 (appendix 16)

Entry into force:

15.11.1990

Validity:

15.11.1990 - 29.2.1992

##### 2. Contracting parties

Confederation of Unions for Academic Professionals in Finland (AKAVA)

Church delegation for collective agreements (KiSV)

Commission for Local Authority Employers (KT)

Employers' Confederation of Service Industries (PT)

Central Organization of Finnish Trade Unions (the SAK)

Finnish Confederation of Salaried Employees STTK

Confederation of Finnish Industry and Employers (TT)

Confederation of Salaried Employees in Finland (TVK)

State Employer's Office (VTML)

Delegation for collective agreements for private state-subsidized institutions

##### 3. Agreement type

Nationwide, generally applicable collective agreement, to which most of the employee and employer organizations in Finland are committed through their central organizations.

##### 4. Scope

The agreement covers almost all Finnish wage-earners in the private sector and the entire public sector, i.e. about 2 million, about half of them women.

#### *Clauses on monitoring pay differentials between men and women*

##### Agreement on revision of the comprehensive incomes and economic policy settlement for 1990-1991

Appendix 1, section 7. Equality

"If one of the parties so requires, the social partners shall monitor pay differentials between men and women at agreed intervals. Based on such monitoring, the parties shall then negotiate and decide on measures to be taken when needed. The parties will appoint a working party to compile a report on the need for equality awards, their effects and their implementation in eventual earnings developments." (p. 4)

### ***What does this agreement clause mean in practice?***

The clause means that pay differentials between men and women are monitored at the level of the central organizations. Monitoring the effect of equality awards was also agreed on.

In spring 1991, an equality working party for the central labour market organizations was set up under this clause and on the initiative of the female-dominated Confederation of Salaried Employees in Finland (TVK). The equality working party has produced a 14-page report on equality awards.<sup>25</sup>

The equality working party appointed a statistical group (TASTI), to compile data on pay differentials between men and women, using wage statistics from different sectors. In 1992, the equality working party had a study of wage discrimination compiled.<sup>26</sup>

### ***Why is the clause good in terms of equality?***

The generation of data about pay differentials between men and women is essential if they are to be systematically reduced. Close study of the effects of the agreement clauses on equality awards is also necessary in order to assess their functioning.

Pay differentials between men and women are a subject of constant controversy. Differences of opinion concern aspects such as their actual size and the mechanisms which cause them. The labour market organizations' joint equality working party and statistical group are a way of acquiring a common information basis on the subject. The study made generated new information about the formation of pay differentials between men and women in certain sectors. It disproved the claim that there is no such thing as women and men being paid different wages for same work, and proved the existence of wage discrimination through empirical calculations. The central labour market organizations have committed their own funds to monitoring and studying pay differentials between men and women.

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<sup>25</sup> Report on equality awards. Report of the working party agreed on in Kallio's adjustment of the comprehensive economic and incomes policy settlement (15.11.1990) (Duplicated report).

<sup>26</sup> Vartia, Yrjö & Kurjenoja, Jaana (1992) Palkkadiiskriminaatio. Naisten ja miesten palkkaerot samasta työstä metalli- ja metsäteollisuuden suuryrityksissä v. 1990 ('Wage discrimination. Wage differentials between men and women for equal work in major companies in the metals and engineering and forest industries in 1990'). Helsinki University. Department of Economics research reports, No. 60:1992. Helsinki.

## **5.4. DEVELOPING JOB EVALUATION SYSTEM IN THE MUNICIPAL SECTOR**

### **MUNICIPAL COLLECTIVE AGREEMENT (FOR WORKERS AND CIVIL SERVANTS) 1995-1996**

#### *Identification of the agreement*

1. Agreement and date of signing

Municipal collective bargaining agreement 1995-1996, 30.1.1995 (appendix 17)

Agreement enters into force: amended clauses 1.2.1995

some of the clauses concerning wages 1.5.1995

Agreement valid until 31.1.1997.

2. Contracting parties

- employer: Commission for Local Authority Employers

- employees: Union for the Municipal Sector

KTN, the negotiating body for municipal technology and basic services

TNJ, the negotiating body for salaried and professional personnel

3. Agreement type

Nationwide, generally applicable collective agreement which applies to the employees and officials of local authorities and joint municipal boards<sup>27</sup>

The agreement covers employees and officials at all levels of the hierarchy, from blue-collar workers to top white-collar grades.

4. Scope

The main sectors which fall within the scope of the agreement are: health care, social services, education (other than teachers) and general administration.

The agreement covers a total of about 282,000 people, that is, about 71% of the total 395,000 municipal employees and officials.

About 87% of the people covered by the agreement are women.

5. The agreement is in printed form and comprises 464 pages.

#### *Clauses concerning job evaluation*

The agreement also includes a signed protocol which constitutes an agreement on developing job evaluation.

"The parties to this agreement shall develop and implement job evaluation at the central level according to the coordination document appended to this agreement, and by regulating work on a basis of local job evaluation experiments." (Signed protocol, p. III)

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<sup>27</sup> In addition to the agreement concerned, the municipal sector also applies four other nationwide agreements, including the collective bargaining agreements for teachers, doctors and technical staff.

The same document further states:

"A working party will be appointed to continue the work of the municipal sector job assessment working party which ended on November 30, 1994. By December 31, 1996, this working party will develop an analytical job evaluation system (with guidelines) for the municipal sector, which will then be used in changing the wage structure in the municipal sector. The system must be applicable to working life in practice and experimental studies should be carried out on a scale adequate to ensure that it is reliable and functional." (Signed protocol, p. IV)

A "coordination document on implementation of job evaluation in the sectors represented by the parties to this agreement" was approved as part of the agreement. Section 6 of this document says, of the job evaluation system:

"According to the parties to the agreement, the system must be balanced and fulfil the requirements of the Equality Act concerning the implementation of equality of wages for men and women." (Coordination document p. 427)

Section 7 of the Equality Act (1986, 1995) says that "Direct or indirect discrimination on the basis of sex is prohibited. For the purposes of this Act, discrimination on the basis of sex means:

- (1) treating men and women differently on the basis of sex;
- (2) treating women differently for reasons of pregnancy or childbirth; or
- (3) treating men and women differently on the basis of parenthood, family responsibilities or for some other reason related to sex.

Discrimination is also involved in any procedure whereby people are *de facto* assigned a different status in relation to each other for the reasons mentioned in paragraph 2."

In section 8 of the Equality Act, it is further stated that "The action of an employer shall be deemed to constitute discrimination prohibited under section 7, if the employer...

- (2) applies to an employee or employees, on the basis of sex, terms of payment or employment less favourable than those he or she applies to an employee or several other employees in the same work or work of equal value."

### ***The negotiating system in the municipal sector***

The municipal negotiating system is independent and not subject to parliamentary control. The municipal sector is nevertheless largely dependent on State subsidies distributed through the national budget, which gives Parliament an indirect means of exerting influence over negotiations in the municipal sector.

Finland has 455 municipalities and 252 joint municipal boards which provide joint health care and social services. The Commission for Local Authority Employers (KT) is authorized to conclude collective bargaining agreements on behalf of the local authority employers. There are four negotiating bodies authorized to act on behalf of employees:

Union for the Municipal Sector. This is the biggest negotiating body and is made up of two trade unions: the Trade Union for the Municipal Sector (KTV) and the Federation of Municipal Officers (KVL).

The negotiating body for salaried and professional personnel. This negotiating body is made up of two women-dominated trade unions: the Union of Health Professionals TeHy and the Finnish Union of Practical Nurses.

The Negotiation Organization for Academic Professionals in the Public Sector (AKAVA-JS), the negotiating body for academic professionals employed in the public sector.

KTN, the negotiating body for municipal technology and basic services, which mainly represents technical staff in the municipalities.

### ***Why are these clauses good in terms of equality?***

Making job evaluation the key factor in determining wages in the municipal sector is all part of the debate about comparable worth which began in Finland at the end of the 1980s. Militant female trade union activists and women researchers were actively involved in this discussion, which played an important role in the equal pay issue, but also in efforts towards equal opportunities in a wider perspective.

The municipal collective bargaining agreement is one tangible example of how the debate in public forums has been channelled into practical action and agreement clauses over the years. Job assessment was mentioned for the first time in municipal-sector agreements in 1992. The municipal sector has thus been one of the pioneers in introducing job evaluation. The introduction of such systems has been promoted with great determination throughout the municipal sector for a number of years now. In addition, considerable research on the introduction of job assessment systems has been carried out in some municipalities (such as Espoo). The introduction of such systems has not remained merely the concern of high-level working parties in the municipal sector; in fact, extensive training on the subject has been arranged for people such as trade union representatives, giving rise to conflicting opinions and lively debate within and between the unions. The idea of comparable worth which lay at the bottom of job evaluation has not been frittered away over the years in discussion about the technical details of wages, thanks to the dedication of women union activists, among others, emphasizing the need for fair wages.

As agreement has so far only been reached on the development of some type of job assessment system, and the system itself is not in place yet, it is impossible to assess its impact on equal pay for men and women. If equality is to be promoted, it is essential for job assessment systems to cover all work in the municipal sector. However, the experiments already carried out in the municipal sector seem to indicate that introduction of the system will reduce the pay differential between men and women.

## **5.5. NEW PAY SYSTEM FOR SALARIED WORKERS IN THE CHEMICAL INDUSTRY**

### **COLLECTIVE AGREEMENT FOR OFFICE STAFF IN THE CHEMICAL INDUSTRY**

#### *Identification of the agreement*

##### 1. Agreement and date of signing

a) Amendments arising from the incomes settlement and valid as of September 29, 1995, and a new pay system for integration into the collective agreement for salaried workers in the chemical industry (appendix 18)

Agreement signed 4.10.1995

Agreement valid 29.9.1995-31.1.1998.

b) Appendix 1: Pay system for salaried employees in the chemical industry (Replaces the pay system in the present collective bargaining agreement as of 1.10.1996) (appendix 19)

Dated 7.3.1996

Valid indefinitely, further negotiations on the pay system will be included in the 1998 round.

##### 2. Contracting parties

- employer: Chemical Industry Federation of Finland

- trade union: Union of Salaried Employees in Industry in Finland

##### 3. Agreement type

The agreement is a nationwide generally applicable collective bargaining agreement for the chemical industry, on employees in commercial and administrative duties.

##### 4. Scope

Salaried employees (office staff) in the chemical industry (basic chemicals, techno-chemicals and petrochemicals). There are about 4,500 in the office staff in the chemical industry, 76% of them women.

##### 5. Form of the agreement

The agreement is an 18-page printed collective bargaining agreement, and the appendix concerning the pay system in the chemical industry has four pages.

#### *Clauses concerning the pay system*

##### Section 5. Revising the pay system

"Testing of the new pay system will end on December 31, 1995. Based on the results, the unions will select the system to be introduced throughout the chemical industry and the sectors acceding to the agreement via protocols by June 1, 1996 at the latest. By this date, pay clauses and scales for the new system will also be agreed on. The system will be introduced in all companies by October 1, 1996 at the latest. When the companies transfer to the new pay system, the individual monthly salary of workers may not fall in consequence.

"Transitional provisions:

Companies which do not have adequate resources to introduce the new system on October 1, 1996 have until February 1, 1997 to carry out the job assessment and other measures and arrangements required by the new system. Any delay in pay rises which may be caused by these transitional provisions will be paid to office staff retroactively as of October 1, 1996." (Amendments arising from the incomes settlement... p. 3)

1. The pay system

"The pay of a salaried employee is based on the demands of his or her job and his or her personal competence. An additional increment is paid, based on the number of years of service." (Appendix 1, p. 15)

"As of the implementation date of pay rises set for 1999, pay according to the job demand classification will be the same for all salaried employees who come under the collective bargaining agreement for the chemical industry..." (Appendix 1, p. 16)

### ***What does the new pay system entail in practice?***

The new pay system is based on a job evaluation system (though the previous pay system was also based on job demands). Pay also includes a component determined by personal competence and years of service.

The main thing agreed in the appendix on the pay system is that by 1999 all salaried industrial workers in the chemical industry will fall within the scope of the same pay system. This means that the pay systems of technical staff and office staff will be combined over a certain period. So far, technical and office staff have had separate agreements.

### ***Why can the clauses on revising the pay system be considered to promote equality?***

The clauses concern two groups of salaried employees almost equal in size (about 4,500 people), who work in the same sector of industry and at the same workplaces. 76% of office staff are women, while 64% of technical staff are men. In 1995, the monthly income of office staff in the chemical industry was about 88% that of technical staff.<sup>28</sup> The aim in combining the pay systems is to harmonize the pay scale of both groups of salaried employees by 1999; the component of salary determined according to job demands will also be assessed using the same method. Revision of the pay system started in the 1980s.

The work done to combine these two pay systems could be viewed as a project aiming to put the pay of one female-dominated group on a level with one male-dominated group working in the same sector. In this sense, it can be viewed as an equality project. It is, as far as I know, an effort unique in Finland to level out pay differences between female- and male-dominated groups within the same sector by combining their pay systems.

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<sup>28</sup> Source: Palkkatilastokatsaus 1996. Confederation of Finnish Industry and Employers.

***What problems have been involved in revising the pay system as far as equality is concerned?***

The revision of the pay system has not met with unanimous favour among office staff. Criticism has focused firstly on the length of the 2½-year transitional period, which is considered too long. During this period (as of October 1, 1996) technical staff will still be paid a higher salary than office staff, even if they get the same points for job demands. This is considered unjust. However, a counter-argument to this is that the situation will change for the better in the long term, and that a transitional period is necessary for the companies involved.

It has also been pointed out that the new system will make it more difficult to compile statistical data on the pay differentials between the sexes. Only time will tell how the new pay system works in practice: will skills and jobs typical of women get the same recognition as those typical of men? The personal component of pay could well continue to be determined partly on a gender basis. At present, male office workers get much higher personal increments than their female counterparts. This is a problem the new system will not solve.