
Equal Opportunities and Collective Bargaining in the European Union

A Case Study on the Equality Award from Finland
Phase III

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by
Riitta Martikainen

FOREWORD

This report is a part of the “Equal Opportunities and Collective Bargaining in Europe” project, which is funded and co-ordinated by the Dublin-based European Foundation for the Improvement of Living and Working Conditions. This involves a study project spread over several years, which is being implemented in all countries of the EU. Its objective is to bring to public attention such collective agreements that are positive from the viewpoint of gender equality and in this way to produce models for the promotion of gender equality by means of collective agreement policy.

The study project includes three phases. In the first phase reports were drawn up on each country’s collective bargaining system from the point of view of equality. In the second phase, those agreement clauses which were positive from the point of view of gender equality were collated and analysed. In the final phase, a case study of one such agreement or agreement clause is to be carried out in each country. The case study for Finland concerns the equality award. In this report I do not deal extensively with the Finnish collective bargaining system, the position of women in the labour market or equality legislation. Virpi Köykkä has dealt with these subjects in the report on the first phase.

This case study is based primarily upon interviews with agreement negotiators, which were carried out both at the beginning of the 1990s and at the end of 1996. I carried out an earlier study of collective agreements and equality at Tampere University with Päivi Yli-Pietilä, who has also written Chapter 3 of the present report.

I would like to thank all the social partner representatives who have supplied me with material and information. I would also like to thank the interviewees for their valuable viewpoints and opinions, without which it would not have been possible to carry out this study. Warm thanks go to Päivi for taking part in the project and for the discussions which we have initiated.

Helsinki, Easter Sunday 1997

Riitta Martikainen

ABSTRACT

This report is a part of the “Equal Opportunities and Collective Bargaining in the European Union” project. The purpose of this project, which is financed and coordinated by the European Foundation for the Improvement of Living and Working Conditions, is to communicate positive experiences of how gender equality can be promoted by collective bargaining. In each EU country a case study is being carried out of a collective agreement or agreement clause which is “good” from the viewpoint of gender equality.

The Finnish case study concerns the “equality award”, which is a part of the national incomes policy agreement; its objective is to level out wage differentials between the sexes. The equality award was included for the first time in the 1989 settlement and has been part of incomes policy settlements four times in all, most recently in 1995. These awards were preceded by settlements covering low pay made in the 1970s and 1980s, in which the very lowest wages were increased more than the others. With the equality award, gender arose openly for the first time as a basis for payment of wages. The award is determined for each sector on the basis of how predominant women and low pay are in the sector. On the first occasion, the basis was proportion of women only. The size of and form taken by the award are negotiated in each negotiation round at the national level. At sector level negotiations it is decided to which groups it shall be allocated. Recommendations on the allocation of the award are written into the text of the agreement. The principle is that it should be allocated to those groups which are the reason for its existence, i.e. to women and the low paid.

The equality award is negotiated at the highest level, i.e. at the national level. Other matters which are clearly connected with equality are likewise dealt with at this level. When examining the equality award it must be remembered that it is one agreement clause among many which aim at equality.

The most recent equality award was 0.8% of the total payroll. It was obtained in full by the most female-dominated and low-paid sectors of all. The equality award is paid

alongside the general increases, which amounted to 3.1% in the last agreement round. The equality award meant in most cases a rise of about FIM 30 - 60 in the monthly wage, which in the case of a woman with average monthly earnings is about FIM 9,000.

The case study is principally based upon interviews with social partner negotiators, which were carried out both at the beginning of the 1990s and at the end of 1996. All negotiators who played a central role in the making of the incomes policy agreement have been interviewed at least twice. In addition, in the final round of interviews, interviews were carried out with negotiators at union level. Besides the interviews, documents and articles in the press on the subject of social partners were used as material. The description of the various phases of the equality award is based primarily on interviews with the negotiators. Because of the scarcity of material, study of the negotiation process other than by analysis of interviews is not possible.

When the equality award was part of the incomes policy agreement on three occasions at the turn of the decade, we were living through a time of boom and of vigorous discussion of the equality question in society. During this same period other measures aimed at improving the position of women in the labour market were also introduced. The female-dominated Confederation of Salaried Employees in actively pushed for the equality award in the incomes agreement and obtained support from the larger Central Organisation of Finnish Trade Unions representing employees. In those days the male-dominated trade union federation for salaried technical staff opposed the equality award, but did not overturn the incomes agreement for this reason. The employers had not then opposed the equality award for the first time. Once the equality award had been introduced into the agreement, it was easier to have it included again on subsequent occasions. Now it enjoys quite broad acceptance as a part of the incomes policy agreement.

The trade union federations have diverging interests with regard to the equality award. The size of and form taken by the equality award, like the recommendations on its distribution, give rise to heated debate. The trade union federation which represents

low-paid workers would like to emphasise the low pay award portion; the trade union federation representing mid-range salaried women, the women's pay award; and the trade union federation representing educated workers, for its part, pushes for special increases for educated and relatively underpaid groups of women. There may also exist conflicts of interest with respect to the equality award within a trade union federation, both between men and women and between the highly-paid and the low-paid membership groups. At certain bargaining tables, where several female dominated trade unions are represented, conflicts of interest among women also arise. To the trade unions, the equality award is a single interest political tool. The employers' side has not taken a very active part in negotiations concerning the form taken by the award; the most relevant matter from their point of view is the total size of the wage increase.

The size of the equality award has increased since the turn of the decade, but it is still criticised for being too small. The most severe critics claim that it is merely of symbolic importance; it keeps the wage differentials between the sexes under discussion, but it does not in reality reduce them. Others are of the view that the equality award has greater potential for reducing wage differentials. In the female-dominated municipal sector, the wage differentials between women and men were reduced at the turn of the decade by three percentage points. At the same time, three equality awards became payable. Direct conclusions cannot be drawn from this, however, concerning the effects of the equality award, since at that time other wage increases were also directed at female-dominated groups in the municipal sector. The effects of the equality award on the wage differentials between the sexes is very difficult to establish precisely. The relation between the wages of men and women is monitored at a general level and by sector, but separation of the effect of the equality award from other factors is almost impossible.

The size of the equality award presents a dilemma: it is not possible to get the support of the male sectors for a really significant award, while on the other hand a small one will hardly affect wage ratios. The negotiators are confronted with this dilemma at

each bargaining round, and the equality award is a compromise between the different interest groups.

As well as its size, the allocation of the equality award has been much criticised. The award is not apportioned among the women and the low-paid in all sectors which are covered by the agreement, but to all employees in the occupation in question. This is possible because only recommendations as to apportionment are written into the incomes policy agreement. The final decision is left to negotiators at union level. It is also stated in the text of the agreement that if the unions fail to come to an agreement with regard to apportionment, the award shall be apportioned equally to all employees of that occupation. This “fall-back position” has been greatly criticised. Many negotiators suggest, in fact, that the content of the fall-back position needs to be changed, so that apportionment of the award in a way contrary to what was originally intended would not be possible.

Various trends are discernible in the Finnish labour market which may erode the effect of the equality award. The position of women in the labour market is being weakened by the increase in fixed-term and part-time employment. These “atypical employment contracts” are on the increase especially in the service sector in which women have traditionally been employed. Up to now, women in Finland have chiefly done full-time work on permanent employment contracts. Female unemployment has also increased, for the first time, to a level greater than male unemployment, and this does not appear to be abating despite the fact that the economy has started to revive.

The most recent equality award was agreed in the autumn of 1995, when the economic situation was still poor and unemployment high. The award is not therefore merely a solution for periods of economic success. Women have a strong position in the Finnish trade union movement, which helps the passage of initiatives such as the equality award in negotiations. Women do not feature as negotiators in the first rank of trade union federations, but there are many female negotiators at union level. However, the negotiator of many female-dominated union is still a man. Many male negotiators are strongly committed to the line of their union which is supportive of the equality award.

There are noticeably fewer female negotiators in the employers' organisations than on the trade union side.

It appears from this that the equality award has established its place in the Finnish incomes policy system. The negotiators presume that equality awards will also be part of the settlement in the future, if incomes policy agreements are concluded.

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I INTRODUCTION

The equality award is a distinct part of the incomes policy agreement; its purpose is to even out wage differentials between the sexes. It has been a part of a national incomes policy agreement four times in all, the first time in 1989 and most recently in 1995.

This case study forms a part of the “Equal Opportunities and Collective Bargaining in Europe” project¹, which is being implemented in all countries of the EU, in which collective bargaining agreements and agreement clauses that are positive from the viewpoint of gender equality are being highlighted. The objective is to influence the social partners through positive examples. In the first phase of the project the collective bargaining system was described, in the second phase agreement clauses which are positive from the viewpoint of equality were analysed. In the third phase we concentrate, with the aid of a case study, on how one agreement clause has developed - in Finland’s case, the equality award. An essential aspect is depiction of the process through which the clause was included in the agreement, and how the agreement is applied in practice. The objective is to convey experiences of why and how an agreement clause which is “good” from the viewpoint of equality has come about.

What, then, is a “good” agreement clause from the point of view of gender equality? There is no simple answer. Brian Bercusson and Linda Dickens have dealt with this question in the project’s conceptual report, “Defining the Issues” (Bercusson and Dickens 1996, 15 - 21). Equality between the sexes is a complex matter; one may speak of equality of opportunities and equality of results, equality of value, similarity, difference, specific differences, etc.. The starting point of the project is not to discover the one correct definition of gender equality. The following classification of agreements which are good from the point of view of equality has been developed for the purposes of the project:

¹ The project is financed and coordinated by the European Foundation for the Improvement of Living and Working Conditions, which operates from Dublin, Ireland. The project began in 1994 and will conclude in 1998. Its objective is to communicate experiences to the labour of how the collective bargaining system is used for the promotion of gender equality in the EU countries.

1) agreements which of themselves may appear to be good agreements

- agreements which explicitly attempt to address discriminatory practice
- self-declared Equal Opportunities agreements

2) agreements which appear good once they are considered in context

- good when compared to previous agreements
- good compared with provisions in other relevant agreements
- good in relation to legal regulation

(Bercusson and Dickens 1996, 26-28)

In Finland it is noticeably easier to find agreements which belong to the second group than to the first. There are only a few agreements / agreement clauses which belong to the first group; the equality award is one of these. Choosing an agreement clause that is “good” from the viewpoint of equality to be the subject for the case study was not simple. In the report on the second phase of this study project I presented 16 agreements / agreement clauses which were good from the viewpoint of equality (Martikainen 1997b). There were thus several possibilities. I ended up choosing the equality award, because it is an exceptional agreement in the European dimension and perhaps of interest in this sense. There was also a practical justification for this choice: at the beginning of the 1990s I examined the same topic along with Päivi Yli-Pietilä (Martikainen - Yli-Pietilä 1992). The topic was thus a familiar one, and furthermore study material was readily available. The access to material for some case study topics which I had considered proved to be a matter of great difficulty, and for this reason these were ruled out.

The choice of the equality award as the subject for the study has not been devoid of problems. There is the basic question: is the equality award really “good” from the point of view of equality of the sexes? The answer varies depending on criteria, point of view and respondent. I finally chose the equality award as the subject of the study, fully aware of the conflicts associated with it. As I have stated above, the determination of what is “good” from the point of view of equality is a complex matter. In my opinion, having the equality award as the subject of the study offers an

excellent opportunity to bring out this complexity. The original demand was for the equality award to be incorporated in the incomes policy agreement specifically to promote equality between the sexes. The matter begins to get complicated when one looks at its application in practice. The description of the process brings out the true interests and emphases of the different groups, the possibilities and limitations of the equality award. The award is not, at any rate, too simple to be the subject of a case study.

Is the equality award, then, a good subject for the case study, in the sense that it may be taken as a lesson for other countries? Income policy agreements are not made in very many EU countries, and so there are few countries in which the equality award as such could be implemented. Similar clauses, however, could - with suitable adaptations - be built into other bargaining systems. Analysis of it will also cast light upon the opportunities and problems to which its amendment might give rise.

II THE EQUALITY AWARD AND THE STUDY OF IT

The Finnish collective bargaining system became established after the Second World War. It has operated as a three-level process since the end of the 1960s. The trade union federations and the central employers' organisations negotiate a framework agreement i.e. incomes policy agreement, the occupational sector trade unions negotiate collective agreements for their fields of activity on the basis of this, and the application of these collective agreements is agreed within each company between the representatives of the employer and those of the employees. At the core of the labour market system are the negotiations between trade unions and employers' organisations, which are independent and unconnected with the State. The State or Government has, however, participated in many negotiations at central level. Its participation is linked to the making of decisions on incomes policy. The objective is the creation of a general settlement concerning wages, agricultural income, taxes, and reforms of labour and social policy (Köykkä 1996; see also Kauppinen 1992).

Incomes policy agreements have been made on 16 occasions since 1968, and agreements have been made at union level five times. During the entire incomes policy era, arrangements to level out wage differentials have been used in centralised settlements. In the earliest years of incomes policy, increases were agreed for minimum wages. Low wage settlements were made on seven occasions between the mid-1970s and the end of the 1980s. The starting point of these arrangements was a wage policy of solidarity. The objective of increasing the minimum wages and of low wage settlements was to increase the wages of those who were low paid in absolute terms. Although gender was not a criterion for wage increases in these settlements, they benefited female-dominated low-paid sectors (A study of equality awards).

1. What is the equality award?

The first incomes policy agreement in which the equality award played a part was that agreed for the year 1989². It was then that the proportion of women in a sector came

² The combined economic and incomes policy settlement to cut inflation was agreed in autumn 1988.

to be seen as a justification for a wage increase. The equality award³ has featured in national incomes policy agreements four times in all⁴ (Appendix 1). The incomes policy agreements covered the major part of the working population⁵.

There was a demand for an equality award to be part of the incomes policy agreement in order to even out the wage differentials between the sexes. It is an instrument by which larger wage increases may be allocated to those sectors which are female-dominated and low-paid than to others. The size and form taken by the equality award are negotiated separately in each agreement round. Its size is calculated for each agreement sector on the basis of the proportion of women and the relative low level of pay of the sector⁶.

The award is calculated as a percentage of the payroll of a sector. The most recent equality award was, at its maximum, 0.8% of the payroll for a sector. The most female-dominated and low-paid sectors, for example the clothing industry, received the full amount. The most male-dominated and highly-paid sectors correspondingly receive the smallest cash allocation of the equality award, or do not receive it at all. It is at the national negotiations that the decisions are made concerning whether the equality award will be part of the incomes policy settlement and how big it will be. On the other hand, the question of how the equality award is to be allocated between the different sectors is agreed in negotiations on a sector-by-sector basis between the employers' association and the trade unions on the basis of the recommendations written into the incomes policy agreement. If agreement is not reached concerning allocation, the equality award is allocated as a uniform percentage increase to all employees in that sector (men as well as women).

³ Different terms are used for the women's and low-pay awards in different agreements. From now on, in the interests of clarity, all these awards will be referred to as equality awards..

⁴ The equality supplement was absent in one incomes policy agreement concluded after 1989. This agreement was concluded for the years 1992 and 1993 and was a "zero agreement", i.e. no wage increase at all was paid because of the economic recession. No incomes policy agreement was concluded for the years 1994 and 1995; instead, agreements were reached at union level. In the incomes policy agreement concluded for the years 1996 and 1997 (which was concluded in September 1995) the equality award was once again included.

⁵ For more on the Finnish collective bargaining system and on incomes policy agreements, see Köykkä 1996.

⁶ The first equality award was determined solely on the basis of proportion of women.

The equality award is thus negotiated in two separate phases and at two separate levels. First of all, assuming that an incomes policy agreement is to be concluded at all, the question of whether an equality award is to be part of the agreement, how large it should be and what form it is to take (i.e. the relationship between the women's wage award and the low pay award) is negotiated at national level. Following this, negotiations proceed for each sector at union level on how the award should be allocated to each sector.

The model for the equality award has always been the same: the model of the equality award is determined with certain coefficients (the form of the equality award). When an agreement was first reached on the equality award in 1989, it was allocated solely on the basis of the proportion of women in a sector. Subsequent equality awards have been based on two factors: proportion of women and low pay. Sometimes the proportion of women has had a greater influence, at other times the emphasis has been on low pay⁷. The emphasis on proportion of women or on low pay is important as regards how large a award will be paid to any given sector. If the emphasis is on proportion of women, it benefits female-dominated sectors, although these may not be low-paid in absolute terms (for example nurses). If, on the other hand, the emphasis is on low pay, those sectors which feature low pay in absolute terms will benefit the most (in practice, these are usually also those sectors in which women work).

The impact of the first equality award (1989) at the level of the national economy as a whole was only 0.1% of the total payroll, the second (1990) was 0.4% and the third (1991) was 0.3%. The impact varied according to the proportion of women and the low level of pay in each sector. The impact on costs in 1990, for example, in the male-dominated paper and wood pulp industry, was 0.1%, and in the female-dominated clothes industry 1.4% (see Appendix 1). All things considered, the equality award has not involved particularly large sums of money.

⁷ For example in the agreement concluded for 1991 the ratio of women working in a sector to all employees in the sector was multiplied by **0.4**. To the figure thus obtained was added the ratio of low-paid (the threshold was agreed) to all employees in the sector multiplied by **0.8**. (Agreement on economic...) In the incomes policy agreement concluded for the years 1996 and 1997, on the other hand, the ratio of women was multiplied by **0.6** and the ratio of those defined as being low-paid was multiplied by **0.2**. (Results of Negotiation.....)

On the other hand, although the equality award forms only a small part of the total payroll, the part it plays in the wage increase to be distributed in each round may be considerable. For example the general increase under the most recent incomes policy increase agreement, which was apportioned at the same time as the equality award (1.10.1996) was 1.3% of salary. The women's and low pay award, for its part, was at its highest 0.8%. Looked at in this way, the equality award is no longer so modest in size. Measured as a sum in markka, it varies but generally it has stayed in the vicinity of FIM 30 - 60 per month (the average wage for women being around FIM 9,000 per month). The women's and low pay award is always paid in addition to the general increase. It is thus a separate increase directed at female-dominated and low-paid sectors, which is paid by the employer.

2. Observations on the investigation of the subject, and on study materials

The subject of this study is the development of the equality award and its application in practice. I investigate the topic chiefly by describing and analysing the negotiations. Besides the official negotiations, the preparations leading up to them and various unofficial sketches are points of interest. There are only a limited number of documents available on this topic. For example, detailed minutes of the negotiations are not generally kept. The study material consists for the most part of interviews (see Appendix 2). With the aid of the interviews I have attempted to reconstruct and to analyse what happened in and around the negotiations and why. How the equality award came to be included in the matters under negotiation, how the final outcome came about in the course of the negotiations, what sort of interests were represented by the parties to the negotiations etc. In addition to the interviews, I have used many types of material produced by the social partners on the topic, particularly with regard to the apportionment of the most recent (1996) equality award.

The picture of the phases of development of the equality award thus emerges from the interviews with the negotiators and is based upon my interpretations of these. The viewpoints of employees and the directors of firms, for example, are not considered. When I try, upon the basis of interviews with the negotiators, to form a picture of what

happened, I am conscious of the many limitations associated with this research method. In the use and interpretation of interview material it is noticeable that for example the people being interviewed recount what they remember and wish to tell, and leave out any points they do not wish to reveal. Each interviewee interprets events from their own point of view, which is influenced for example by their commitment to a certain organisation, their personal opinion and perhaps also their sex. The researcher interprets what the interviewees say from his or her own standpoint (externality with respect to the parties to the negotiation, own opinions and experiences, sex, age, professional status etc.). When the researcher then writes something on the basis of this material, it is by now a question of a text which has already undergone several layers of interpretation, which the reader will further interpret in his or her own way. Such a method of research has its problems, but on the other hand it is also an enriching one. The negotiation process is tackled from different points of view, without striving to establish a single “truth” as to what happened, why it happened etc. In addition, it should be borne in mind that no other methods of researching this subject are available.

In addition to the interviews, I have also had the use of a variety of materials on wages, pay systems, wage trends, wage differentials according to gender, allocation of the equality award, attitudes taken by the social partners to the equality award, etc., in the various occupational sectors. The social partners themselves are carrying out a study of the use of the most recent equality award. The effect of the award on the relationships between the pay of women and men is difficult to evaluate. The wage statistics clarify the wage trends of women and of men, but it is not possible on the basis of this to draw unambiguous and direct conclusions on the effects of the equality award, because many other factors have exercised an influence at the same time. Establishment of what the specific effects of the equality award have been is a very difficult if not impossible task.

In this case study, the arrival of the equality award on the scene of incomes policy agreements is examined on the basis of the 1989 agreement. That agreement round was significant in that the equality award played a part in an incomes policy agreement

for the first time. This initiated a new era, in the sense that the proportion of women in a sector was for the first time taken as the basis for a wage increase. The equality awards for 1990 and 1991 are dealt with briefly. Researcher Päivi Yli-Pietilä has written Chapter III, which deals with the first three equality awards. The allocation of the award is most easily studied on the basis of the most recent one, because only a short time had passed since the application negotiations at the time of the study, and the social partners have collected data on the topic. A good deal of space is thus devoted to this most recent award. It is not the object of this case study to write a chronological or any other kind of history of the award; it is rather to shed light, with the aid of the available study materials, on those central factors which have influenced the development and practical application of the equality award.

Linda Dickens has written guidelines for the carrying out of the case study for the third phase of the investigation (Dickens 1996). Efforts have been made to observe these in the drawing up of this case study. Those who commissioned the study have specified in advance how long the study report should be, which imposes clear quantitative limits on the treatment of the topic. In the manner of treatment and presentation of the topic, efforts have been made to allow for a varied readership. On the one hand, there are the Finns, who are already aware of the bargaining system and the questions of equality between the sexes in our country. On the other hand, the report is also intended for foreign readers, whose basic knowledge both of Finland's labour market system and of the Finnish viewpoint of the equality is likely to be negligible.

III THE FIRST EQUALITY AWARDS IN INCOMES POLICY AGREEMENTS

The history of the equality award is shorter than that of the centralised economic and incomes policy agreements. The award first played a part in the negotiations which took place in 1988. How did this new proposal, linked directly to the wages of women, make it into the collection of initiatives under discussion, who supported it and why? Answers to these questions will be sought by examining the progress of the equality award in the bargaining rounds for 1988, 1989 and 1990.

1. Who took part in the negotiations?

The equality award first appeared on the agenda at the national-level negotiations in 1988, when the incomes policy agreement for the 1989 year was being negotiated. The representatives of the employees and the employers negotiated between themselves on the economic and incomes policy agreement. Government representatives also took part in the negotiations, to an extent which varied. At the most central and, with regard to number of negotiators, most restricted level, known as the “first circle”, just one leader of each central organisation generally participates. Before 1992 no woman had ever chaired any of the central organisations (cf. Colling-Dickens 1989; Kumar 1993, 209); on the other hand, a woman was vice-chair of the female-dominated salaried staff members’ trade union federation TVK from 1984. As well as the first circle, various expert groups are present at the incomes policy negotiations.

It was chiefly men who negotiated on the first equality award, although the TVK vice-chair was present at some first circle negotiations. The scarcity of women at the negotiations is partly explained by the fact that only a few women had been appointed to leading positions in these organisations. Although the majority of employees who are organised into unions are women, women have been under-represented in, for example, the hierarchy of the trade unions (given the number of their members) in those posts which offer the greatest possibilities of exercising influence (Kauppinen-Köykkä 1991; The Position Of Women 1984; Virta 1985). The central task of the chairmen who negotiate the equality award is to push the interests of their members.

The organisations behind the negotiators determine what initiatives they take and support in the negotiations.

Trade union federations

The weight brought to bear by each federation at the negotiations is influenced by, among other things, its **size**. At the time of the negotiations on the first equality award, the largest of the trade union federations (in terms of membership) was **SAK** (representing **wage-earners**), to which over half of all unionised employees belonged. In SAK, the male-dominated industrial unions exercised great influence over decision-making. A little under half of the membership of SAK (45%) was female. The average wage and educational level of the membership was the lowest of all the federations. The next largest federation was the heavily female-dominated **TVK**⁸ (representing **salaried staff and civil servants**), to which one fifth of unionised employees belonged. The third largest, **AKAVA** (representing **academic senior-level salaried staff**), comprised 14% of unionised employees. Just under half of AKAVA's membership was female (AKAVA annual report, 1989). The smallest and most male-dominated of the federations at the end of the 1980's was **STTK**⁹ (representing **salaried technical staff**). Only a fifth of its membership were women (STTK media card, 1990) (See Appendix 3).

Employers' central organisations

Of the central employers' organisations, the most influential in the incomes policy negotiations were the **private sector employers' associations STK** (Finnish Industrial Employers' Central Federation) and **LTK** (Business Employers' Central Federation). The predominant role of STK in the labour market negotiations was based on the fact that the greatest part of industrial employers belong to its associations. LTK represents **employers in the private service sectors**. Public sector employers were represented in the negotiations by the **Commission for Local Authority Employers KT** and the **State Employer's Office VTML**, which had less influence than the private sector associations (cf. state labour market institute...). The role of the Church delegation for collective agreements in the incomes policy negotiations was quite minor.

⁸ Toimihenkilöiden ja Virkamiesten Keskusliitto TVK.

The central employers' federations may also be examined on the basis of how large a proportion of the workforce is employed by their member companies. In terms of the number of employees working for their member associations, the largest employers' organisation at the end of the 1980s was STK, the Finnish Industrial Employers' Central Federation, the member companies of which employed about 600,000 workers. There were just under 300,000 employees working for member companies of associations belonging to LTK, which represents the private service sectors; the greater part of these were women (LTK's annual report, 1990). About 230,000 workers were employees of the State, and of these, women made up well over two fifths (Women and Men..., 1991). Municipal employers belonging to the municipal labour market institute employed almost half a million workers in 1990, three quarters of whom were women (Women and Men..., 1991).

There were noticeably fewer women than men in a managerial capacity in the employers' organisations than in trade unions. The central employers' federations represent employers' associations in different sectors, to which in turn belong the companies in each sector. The minor part played by women in management and representation of the employers' federations is partly linked to the fact that fewer women than men are entrepreneurs (for example Allén et al., 1990, 19). Both on the employees' and on the employers' sides, it has generally been men who carry out the collective bargaining, even in female-dominated sectors.

A team of female trade unionists - the Chairwomen's Group

During the early stages of the equality award, there were hardly any women in top positions among the social partners. Some unions, however, did have women in leading positions. In 1988, along with other female trade union activists, these chairwomen founded their own network, the Chairwomen's Group. The approach of this group has been to examine labour market and incomes policy from the woman's point of view. The Chairwomen has no official position in the corporate system, and has exercised its influence chiefly by stimulating public debate, by proposing

⁹ Suomen Teknisten Toimihenkilöiden Keskusliitto STTK.

alternatives, for example, for the form taken by the equality award and by encouraging its members to exercise influence through their federations and unions.

In its early stages, the award was clearly linked specifically to the reduction of gender-based wage differentials and to the interests of women. Besides the Chairwomen's Group, the award also received support from women working in the various unions and parties, even though in the negotiations themselves there was a clear male majority. It was now after all the first time that a award, which was targeted directly towards the low wages of women, had played a part in the negotiations. All in all, at the end of the 1980's gender-based wage differentials were more to the forefront of public debate than had previously been the case. Arguments ranged for and against the various methods for measuring the differences between the wages of men and of women, and also on the very existence of such differences. Wage statistics broken down by sex had been compiled only for certain sectors, and for example in the statistical material produced for incomes policy negotiations the wages of women and men were not originally presented separately. So, obtaining more precise statistics was one of the demands of the groups pushing for an improvement in the wages of women.

How did the equality award get onto the agenda?

Prior to 1988, wage increase awards had been determined most often on the basis of low pay. Awards of low wages which were allocated on the basis of low pay had been a part of incomes policy agreements since the end of the 1970s. Determination of a wage increase award on the basis of the proportion of women in a sector was, by contrast, a new idea in wage negotiations and in the policy of collective bargaining as a whole. The first wage increase calculated upon the basis of the ratio of women in a sector was proposed in the autumn of 1988, when the economic and incomes policy for 1989 - 1990 was under discussion. The initiative for a new kind of basis for a wage increase came from the female-dominated, salaried staff federation TVK, in which new ways of dealing with the problem of women's pay and low pay had been under debate. As early as the beginning of the 1980s, a "women's pay solution" had been under development within TVK; this had included a award which was to be determined

specifically on the basis of the proportion of women in a sector (A framework....., 1980).

Apart from in TVK, such a award linked to women's wages had hardly been discussed before these negotiations, and acceptance of this new idea did indeed take some time. At the beginning, many negotiators regarded this objective as being completely unrealistic, and a disparaging attitude was taken to the proposal.

When we first proposed the women's wage award, people just laughed out loud at us: "You must all be crazy, with an idea like that". (Female negotiator, employee's organisation)

The TVK negotiators, however, one of whom was the woman acting as the organisation's vice-chair, regarded the women's wage award as a make-or-break issue: without it, they were not willing to sign the agreement as a whole. In the negotiations, TVK received support for their demand from the workers' union SAK, which had earlier pushed for low wage resolutions. As the negotiations progressed, however, the demand for a women's wage award dwindled, in the face of opposition, to a mere FIM 0.10 per hour.

One of the employers' negotiators described the progress of the equality award in such a way that its approval sounded like an industrial accident, and its significance was not at first understood.

Well, I guess it got started more or less by accident. Some of the people at the negotiations suggested this women's wage award. And then in the end they proposed such a small award that I, for one, imagined that it was a sort of joke, and I said that if that's all it is, then okay. It was just like an accident. I never imagined that it was something that was put forward seriously, and that's how it ended up being accepted. (Male negotiator, employer's organisation)

The parties concerned accepted the women's wage award as part of the agreement. STTK, which had opposed the award in the negotiations, also signed the agreement. The size of the award was determined on the basis of the number of women workers in each sector.

The opposition to the women's wage award in the negotiations did result in it dwindling to a very small sum. Its size is well illustrated by the fact that in a completely female-dominated sector it would have meant an additional increase of FIM 17 per month for each employee (TVK council document, 1990). What was more important than the monetary value, however, was that the new basis for a wage increase was approved for the first time.

3. The equality award on the bargaining table for the second time

The second equality award; the negotiations of autumn 1989

When the two-year economic and incomes policy agreement for 1990 - 91 was being negotiated in the autumn of 1989, a TVK representative also brought up the idea of an equality award at the negotiations. TVK, with its demand for a women's wage award, and SAK, which had decided to demand a award to be apportioned on the basis of low pay, carried on negotiations of their own during the process. These organisations joined forces and together demanded that an equality award, which incorporated both a women's and a low wage award, be included in the agreement. All parties to the negotiations finally accepted an economic and incomes policy settlement for 1990 - 91 which included an equality award. This second equality award was determined both on the basis of the proportion of women in a sector and on low levels of pay¹⁰.

The second equality award was discussed much more than the previous one, both in public and by the social partners. Its significance was debated and trade union members were keen to calculate how much it would benefit them. This time, the negotiators on the employers' side also took the award seriously.

¹⁰ The second equality award was determined in such a way that the ratio of women working in a sector to all employees in the sector was multiplied by **0.6** (the women's wage award). The figure obtained was added to the ratio determined by specific criteria for the low-paid. In addition, the agreement stated that "the utilisation of the equality award shall be decided on a sector-by-sector basis" (Appendix 1).

Well, by the last round (at the 1989 negotiations) that equality award had of course come to be seen as a serious item. Nobody imagined it to be a joke any more. (Male negotiator, employee's organisation)

In the second round, the equality award had already begun to gain a firm place on the bargaining table along with the various other matters.

The third equality award; the negotiations of autumn 1990

The equality award was on the bargaining table for the third time in 1990, when the wage increases for 1991 were under negotiation. In these negotiations SAK and TVK demanded a fixed-sum general increase and an equality award. Both AKAVA and STTK demanded a percentage general increase, and in addition AKAVA proposed an equality award. STTK did not demand an equality award, but proposed as if in the way of a compromise that a specific part of the wage increase allowance, the “settlement allowance”, could if required also be used as a award.

The Chairwomen contributed to the debate by proposing that the equality award be bound to the abolition of gender-based wage differentials within a specific time. The award would be employed in such a way that it would reduce wage differentials between the sexes by 4 percent by 1995. The model would act as a wage development guarantee, giving an equalising allowance to those sectors in which wages do not increase in excess of what is agreed through collective bargaining, so as to keep them in line with sectors where they do. In the proposal, the wage development guarantee was to ensure the attainment of the goal: if the wage differentials did not in fact shrink as agreed, they would be evened out by retroactive increases.

The wage increases in the agreement reached as a result of the negotiations remained, in the end, quite small compared to earlier ones, because of the deterioration in the economic situation. An equality award was included in the agreement, however, and for the second time it comprised both a women's and a low wage award¹¹.

¹¹ The women's wage award component was determined as follows: the ratio of women to all employees working in the sector was multiplied by **0.4**. To this was added the low-pay award, which was obtained by multiplying by **0.8** the ratio of those defined as being low-paid to all workers in the sector (Appendix 1).

In comparison to the previous agreement, the portion of the entire wage increase represented by the equality award was slightly reduced. The significance of the ratio of women in its basis of determination was slightly less, and that of low pay greater, than for the previous equality award.

By the time of this third bargaining round, in the autumn of 1990, the equality award had become a quite familiar initiative in the labour market negotiations and debate. Its position among the initiatives up for discussion had become more established.

If getting it included seems easier now, since we've had it twice already, then in a way it's because even the central organisation chairmen understand that there'll be no incomes policy without it. Or rather, everybody understands that except STTK. And then just last week a message came from AKAVA, that they too see the equality award as being so important that it needs to be included. (Female negotiator, employee's organisation)

It became possible to find supporters for the equality award other than within the ranks of the workers' SAK and the salaried staff members' TVK. AKAVA, too, had begun to take it more seriously and to consider its usefulness from the point of view of their membership.

In the incomes policy negotiations of autumn 1990, two other matters linked to gender equality, in addition to the equality award, were agreed. Firstly, the social partners decided to commission a study of wage differentials between women and men, on the basis of which the parties concerned would negotiate and decide upon possible measures. Secondly, an investigation of the need for and effect of the equality award was agreed. The study of wage differentials between the sexes, in particular, has been of subsequent importance from the point of view of the equality debate. The presence of a number of initiatives connected with equality in the national incomes policy agreement bears witness to how the profile of equality matters was raised at the turn of the decade.

4. Conflicting interests in the determination of the award

Definition of the equality award from the viewpoint of the trade union federations and employers' organisations

It was only the first equality award which was determined exclusively on the basis of the proportion of women in a sector. In the subsequent agreements, the award was a combination of a women's award and a low pay award. A wage increase accorded exclusively on the basis of the proportion of women in a sector did not therefore gain sufficient support. Why was this the case?

The strongest supporters of the equality award in the early stages were the salaried staff members' TVK and the workers' SAK, whose interests with respect to the form taken by the award diverged from one another. The remuneration of TVK's educated female members (for example in nursing and the public sector) was, in the opinion of the federation's negotiators, too low, especially when compared to educational level and the demands of the jobs, rather than in absolute terms. The federation's negotiators defined the equality award explicitly as a women's issue: remuneration in female-dominated sectors failed to match the demands of the work. The TVK negotiators strove to incorporate into the agreement an equality award which was accorded exclusively on the basis of ratio of women.

The largest of the central organisations, SAK, used to have the image of a typical industrial workers' organisation. By 1989, however, over half of its membership was earning a living in the public sector or in private services. In negotiations, SAK has pursued various settlements favouring the low-paid such as a minimum wage, low wage awards and fixed-sum wage increases. The SAK negotiators did not want a award which was calculated only on the basis of proportion of women. In SAK, support for the low wage award and the line on wage increases which supported the low-paid were based on the consideration that it would not be fair to target the equality award exclusively towards women, because there are also men who are low-paid. With regard to the membership of SAK, the low wage and the women's awards went largely to the same people. In the opinion of the negotiators the problem was

primarily the wage differentials between low-paid and highly-paid groups; the relatively low remuneration of female-dominated groups took second place to this. From viewpoints such as that held by SAK, the equality award is thus a means of dealing with low pay.

In the negotiations, TVK and SAK discovered a common interest in the equality award, but its pursuit entailed compromises for both of them. TVK ended up accepting the low wage award and SAK the women's award. The role of the other trade union federations in this affair was more passive.

At the turn of the decade **AKAVA**, the academic staff federation, was not, in public, a very keen supporter of the equality award. In the opinion of AKAVA's negotiators, they did not have the type of equality problems which could be tackled by the equality award. The low wage portion of the equality award would be of no benefit to the women of AKAVA, but a wage increase determined on the basis of ratio of women would benefit these like the rest, since the membership featured several groups of highly educated women who were relatively low-paid in comparison with men who had received a similar level of education. An equality award determined on the "AKAVA formula" could, according to the negotiators, include parts specified according to education and ratio of women. The representatives of the organisation, however, did not propose such an equality award in the negotiations at the beginning of the decade.

The smallest and most male-dominated of the federations, **STTK**, opposed the equality award both in public and openly in the negotiations, but did not reject the final agreement because of this. STTK, like AKAVA, has pursued percentage wage increases, which benefit the medium- and highly-paid membership and maintain the wage differentials between groups. Because most of STTK's sectors were male-dominated and not low-paid, the equality award would have been of only slight benefit to STTK as a whole. In STTK too, however, there are considerable wage differentials between women and men, and so some groups of women would have benefited from

the award. In the view of the negotiator, there was hardly any scope for such a award; he compared it to a special increase aimed at the top men.

At the time of the negotiations, the **employers** - unlike the trade union federation negotiators - appeared united, and there was no talk of different opinions and conflicts. In the negotiations the employers followed the lead of STK, whose central role was justified by the negotiators on the grounds of the leading role it plays in wage settlements. “It seems only natural that such things should first be dealt with by STK, and not on the initiative of the “closed sector”, was how one male employer’s negotiator characterised the strength of STK’s position.

To employers, wage increases mean expenses. To them, the equality award is an expense which has to be borne primarily by employers of women and in low-paid sectors. An employer in a low-paid and female-dominated sector will end up paying a relatively larger increase when an equality award is part of the agreement. In the private sector it is possible to increase wages in excess of what has been agreed, but employers in the public sector are more closely bound in their wages policy. One could imagine that the equality award would be of interest to employers in female-dominated sectors, at least during a time of workforce shortage, but their opinion may end up being disregarded if efforts are made to reach a common viewpoint in the negotiations and weight is given primarily to the demands of male-dominated industrial sectors.

In the interviews, negotiators representing public sector employers suggested that the different awards could have been left for the trade unions to argue over, especially when the funds available for a wage increase are limited. In fact none of the employers’ negotiators stated that they were strongly opposed to the equality award. From their point of view, the differing views of the trade unions on its existence, size and form are the greatest obstacle to its use. The employers did not propose the equality award; it was the trade unions who demanded it, just as they did all the other wage increases. It is of course possible that the employers’ negotiators would nevertheless play an active role with regard to the equality award.

Linking the equality award to reductions in wage differentials

The interviewees expressed many reservations as to the usefulness and significance of the equality award. The most central problem with the award was regarded as being the fact that it was only the way in which it was apportioned which decided its significance in the reduction of wage differentials. On the other hand, it was stressed that even if the award were to focus only on female-dominated sectors, increases above the amounts fixed in the agreements in the male-dominated industrial sectors could still increase wage differentials once again.

The Chairwomen drew up a proposal for the autumn 1990 negotiations, in which they attempted to respond to the problems associated with the methods of apportionment and the effect of increases above those fixed in agreements in increasing wage differentials. Their proposal aimed at narrowing the differentials between the wages of women and those of men by four percent by 1995. Acceptance of this proposal would have meant apportionment of almost the whole of the wage increase allowance to women in this negotiation round. The Chairwomen's proposal was new and radical in that it bound the apportionment of the equality award tightly to the removal of wage differentials. If wage differentials had not been reduced in the agreed manner during the period in question, female-dominated sectors would have received additional increases.

Many of the male negotiators were of the opinion that this was unrealistic. In their opinion, too large a portion of the available sum of money for wage increases was being demanded for the equality award, and in addition to this they took the view that the implementation of a wage development guarantee would require more precise statistics than those available at present. Some negotiators also defended their opposition to the proposal with the argument that it would arouse discontent among male employees.

The significance of gender in the negotiations

The significance of gender may be examined from the points of view of topic, negotiators, and groups receiving the wage increase. The equality award, as an initiative, was clearly associated in the interviews with women, and to a certain extent the opposition to it was judged to stem from the leaders of the male-dominated unions. Some of the negotiators on the employers' side judged that the equality award might give rise to conflicts between different employee groups, i.e. the male-dominated and the female-dominated. If the equality award was larger than it is at present, the male-dominated (industrial) unions would not accept it. Also, any attempt to increase the equality award to a size where it would have a genuine effect on wage differentials, would (on the basis of these interviews) founder, for example upon the resistance of male-dominated groups. Some trade union negotiators also suspected that the equality award would engender resistance and demands for compensation in male-dominated sectors.

In the interviews, the negotiators also discussed the significance of a negotiator's gender with respect to the course taken by the negotiations and the shaping of the content of the agreement.

It (sex, PY) affects attitudes, at least.....I think this has a bearing in the trade union movement on what things are important, in the way they come up. But in a concrete negotiation situation, what is in my opinion of most importance, is what kinds of objectives the movement sets, and what it regards as being important. Certainly when you look at the behaviour of the Chairwomen, then certainly gender is important here. But definitely, in their judgement, a very important consideration is also which actual sector they represent, because the problems are so awfully different in each of the unions. (Male negotiator, employee's organisation)

Some of the people interviewed judged gender also to influence a negotiator's ideas at the negotiations. It is perhaps easier for male negotiators to identify with the position of male employees and the problems associated with this. One may also draw this conclusion from the fact that not a single male negotiator talked about how unfair employees found the wage differentials between women and men. On the other hand, the opposition of men to the increasing of women's wages was repeatedly anticipated.

Obtaining the equality award as part of the incomes policy agreement for the first time happened largely at the demand of the female-dominated TVK. It was pushed particularly forcefully by the vice-chair of TVK at that time (a woman). Gender was, therefore, significant at the birth of the equality award. The question of what is regarded as realistic in labour market politics is surely influenced not only by a negotiator's gender and background organisation, but also by assumptions regarding what kind of initiatives it is possible for other organisations to accept. Options and visions easily contract to match that which it has previously been possible to bring about. Before 1988 the women's wage award was a new initiative and some of the negotiators actually regarded it as being impossible, but it went through nevertheless. During the next two negotiation rounds this new, woman-specific wage increase award was put forward again, and was accepted. In this way it demonstrated that it was entitled to an established place among the range of proposals to be dealt with at the bargaining table.

IV THE MOST RECENT EQUALITY AWARD IN AN INCOMES POLICY AGREEMENT

1. Parties to the negotiations

The social partners¹² entered into negotiations on an incomes policy agreement at the beginning of September 1995, when recovery from the worst of the recession had begun but the level of unemployment in the country was still high. The objective was the agreement of a two-year incomes policy settlement which would promote employment. This agreement had been preceded by an incomes policy agreement concluded in 1992 which was based on a zero line (i.e. no wage increases at all), and union-by-union agreements concluded in 1994 and 1995, in which an equality award did not feature. The officially declared objective was to clinch an incomes policy agreement in an unprecedentedly short time, i.e. in under a week. The official negotiations, however, took a couple of weeks.

The trade union federations which were negotiating the incomes policy agreement had, since the previous equality award, shrunk from four to three. The female-dominated salaried staff members' federation TVK went bankrupt in 1992, only a few months after a woman had been elected as its chair. The career of the first female chair of a central trade union was as brief as Finland's summer. The bankruptcy of TVK brought about an entirely new configuration in the arrangement of the trade union federations. The majority of TVK's unions joined the technical salaried staff federation, STTK. The most male-dominated, and the smallest, of all the federations thus changed in a short time to one which was clearly the most female-dominated, and the second largest (See Appendix 4).

¹² On the trade union side, the organisations are the Central Organisation of Finnish Trade Unions (SAK), which represents workers, the Finnish Confederation of Salaried Employees (STTK) and the Confederation of Unions for Academic Professionals in Finland (AKAVA). The employers' central organisations are the Confederation of Finnish Industry and Employers (TT, previously STK), Employers' Confederation of Service Industries (PT, previously LTK), the Commission for Local Authority Employers (KT), the State Employer's Office (VTML) and the Church's delegation to the agreement.

At the time of the negotiations for the 1996 - 1997 incomes policy agreement, all chairmen of the social partners were men. This being the case, it was only men who sat as negotiators at the “top table”. The most important negotiations take place between the leaders of the three trade union federations (SAK, STTK and AKAVA) and two central employers’ organisations (TT and PT). The public sector employers and the church are not so much involved in these negotiations as the other organisations. The incomes policy agreement is prepared before the negotiations and while they are underway by a group of experts, which also includes women.

2. The return of the equality award to the bargaining table

An equality award had not been agreed since 1990¹³. The incomes policy negotiations were initiated officially in August 1995, but unofficial negotiations between the social partners had already commenced before this time. The initiation of incomes policy negotiations between the social partners and the Government does not automatically mean that a national incomes policy agreement will be born. In the negotiations, the preconditions for a general broad-based framework agreement are first mapped out. If sufficient preconditions cannot be agreed, then sector-by-sector collective bargaining is carried out without an incomes policy agreement (see Kauppinen 1994, Köykkä 1996).

In addition to the size of and form (fixed sum or percentage) of the pay adjustment, questions relating to the development of working life and social policy are generally on the agenda at incomes policy negotiations. At the latest income policy round, the equality award was put on the bargaining table right at the beginning of the negotiations.

¹³ During the recession in the beginning of 90’, one incomes policy agreement was concluded in which there were no wage increases at all, and on another occasion agreements were concluded at union level.

The interviews which I have held revealed that the female-dominated salaried employees' confederation STTK kept the women's wage award at the very forefront of the negotiations from the beginning.

I stated to the employers that we, as STTK, would not conclude a comprehensive incomes policy agreement if this equality award was not included. As the talks proceeded it seemed at times as if my stance was being tested.....But.....after all, our executive committee had set it in place as a central objective and I knew that it is such an important part of our total scheme, it was the specific item which STTK wanted to get resolved successfully. (Male negotiator, trade union)

STTK's female-dominated unions were in a crucial position. They had set the women's wage award as a condition for entry into the incomes policy agreement.

Because of STTK becoming so women-dominated, it came to the incomes policy bargaining table with women's demands. They were so definite about that award, that STTK could not go to the incomes policy negotiations without it being included. But what kind of profile should it have: should it be an equal sum in Markka for all women, should it be in percentages or should it be limited? That has been a niggling point. Another niggling point has been how big a proportion of the total amount to be shared out should be allocated to this. These were the main problems. (Female negotiator, trade union)

The workers' SAK publicised their concrete negotiation objectives at a relatively late stage, demanding fixed-sum wage increases, which favoured the low-paid. Most of the women in SAK's membership were also low-paid in absolute terms (see Appendix 3).

We wanted the entire kitty to be in a fixed-sum form, the entire wage increase....so that the entire wage settlement would be a matter of solidarity, not just the award.....But we knew that this would never be the final outcome, so we had already decided internally that, okay, there is this second alternative of a "mixed bag", the general increase as it now stood and then the award, which was in the form we'd wanted. (Male negotiator, trade union)

SAK's demands became more precise in the course of the negotiations, to the extent that it demanded that an equality award be part of the agreement, if the general increase were to be percentage based rather than a fixed sum.

The academics' confederation AKAVA pushed for an education-related wage settlement in these negotiations, in which a special wage increase would be targeted at educated women. The demand was based upon the results of a study, which indicated that the greatest of all wage differentials between the sexes were in jobs which required the most education (see for example Vartia-Kurjenoja 1992).

.....Within AKAVA there arose a demand that educated women ought to receive higher wages.....And then at the autumn incomes policy negotiations, the details of the women's wage award were being hammered out. At the start we had the same model in mind, that we would link it to the educational classification system of the Statistical Centre..... (Male negotiator, trade union)

The employers did not propose the equality award as part of the agreement but neither did they oppose its inclusion. They left the details of the equality award for the trade union federations to draft.

These [*the equality awards* - RM] have all stemmed from initiatives from trade unionsOn the other hand, from our point of view, so long as it does not have a destructive effect on the final outcome, then we don't want to grumble at someone else's good fortune. (Male negotiator, employer organisation)

Last time the pay model which was sought was quite reasonable in my opinion: a combination featuring a general wage rise and then a low-wage or women's wage kitty on top of that.....it was a quite reasonable part of the deal, that. (Male negotiator, employer organisation)

In the case of each of the trade union federations, the equality award became the focus of their own interests, which were based on their membership. STTK, with its majority of women, pushed strongly for a women's wage award, accorded on the basis of the proportion of women in a sector. SAK wanted, by means of a fixed-sum general increase or the equality award, to direct money specifically at low-paid groups. AKAVA, for its part, wanted to rectify the remunerative position of highly educated women by means of an education wage award. It was no simple matter to reconcile these different interests in the negotiations. In the end a compromise was decided upon, whereby the equality award contained both a women's wage award and a low

wage award. The recommendation on the allocation of the equality award also stated that “by means of the women’s wage award, the contracting parties are attempting to rectify the remunerative position of women whose wages are not commensurate with the demanding nature of their work and their level of education” (underlining, RM) (Results of Negotiations.....). In this manner, the educational viewpoint was also given recognition in the agreement.

From the interviews it becomes apparent that reconciling the interests of the various trade union federations was a difficult task. There were three key questions when the equality award was being negotiated. **Firstly**, there was the relative weight to be given to low pay, proportion of women and education in the determination of the award. In this connection, each federation pursued the interests of its own membership. The model according to which the equality award is determined affects the amount which it produces for the sectors represented by each federation.

Secondly, the proportion of the entire wage increase “kitty” represented by the equality award, i.e. the size of the award, had to be decided. Under the incomes policy agreement for 1996 - 1997, the equality award was to be paid only for 1997¹⁴. It was decided that the equality award should be 0.8% of the total payroll. The general increases for the agreement period were, in total, at least 3.1%.

My message was a simple one: I said that it had to be included and that it must be significant, it was a waste of time coming away with something small.....And now the final outcome shows that relatively speaking, it is the most significant one that we have had to date. (Male negotiator, trade union)

The latest equality award is, relatively speaking, the largest of all four equality awards¹⁵. Despite this, there has been much criticism of how small the award is.

¹⁴ “**The general increase 1.10.1996**. Wages were to be increased from the beginning of the pay period beginning 1.10.1996 or from the beginning of a pay period beginning soon after that date by a general increase of FIM 0.65 per hour or FIM 110 per month; or by 1.3% if this was greater. (Result of Negotiations.....).” The first general increase under this agreement was paid a year earlier and was not less than 1.8%

¹⁵ The earlier equality supplements were 0.1%, 0.4%, and 0.3% of the payroll.

Thirdly, a consensus had to be found on what was to be written into the agreement concerning the allocation of the equality award. In connection with this it has to be agreed - among other things - where the allocation of the award is to be decided. The employers proposed that it be apportioned at local level, in firms in which the very problems linked with the wages of women were. The allocation of previous equality awards had been decided at sector level between the employers and the trade unions. The option of using either of these models was written into the agreement. Experience had taught the importance of recommendations concerning the allocation of the equality award, since it was known from earlier experiences, for example, that the award was sometimes apportioned equally to all employees. There was a desire to prevent this happening by making more precise recommendations, so that the award would be targeted specifically at those groups on whose account it is, after all, paid (women and the low paid). The reference to education in the recommendations concerning allocation also gave rise to some long and laborious discussions. A crucial part of the recommendations was the “fall-back position” and its form, i.e. what happens to the equality award kitty if the unions do not reach agreement - or if agreement is not reached locally - on the allocation of the award¹⁶. It was written into the agreement that in such an event the award was to be apportioned as a percentage-based general increase to everybody. The fall-back position is of great importance in the negotiations on allocation at union level, which will be dealt with later.

Although there were a variety of interests - including mutually conflicting ones - in respect of the equality award, it proved possible in the negotiations to find a compromise which all parties could support. The willingness to negotiate and to reach a compromise reflected the desire to bring about an incomes policy agreement. After

¹⁶ Recommendations on the use of the equality award were written into the agreement as follows: “The award shall be used in a manner agreed by the unions (trade unions and employers’ organisations), and they may transfer the award to be apportioned locally. If the unions do not reach agreement, or if agreement is not reached locally, on the method of allocation of the award, it shall be paid from the beginning of the pay period starting on 1.10.1996 or soon after that as a general increase in percentage form. When agreeing the use of the women’s and low pay award, consideration must be given to the principles of calculation of the supplement. By means of the women’s pay award the contracting parties are attempting to improve the remunerative position of women whose pay is not commensurate with the demands of their work and with their level of education. The low pay award is intended to raise pay levels in sectors where pay is relatively low.” (Results of Negotiations.....)

all, if agreement had not been reached on the equality award, the incomes policy agreement would have collapsed.

The background was that we made a decision where everybody had to go along 100%. This meant that all the unions had to join in, and that's what happened, and this of course required a settlement which everybody could accept. In this sense it is a compromise from everybody's point of view. (Male negotiator, trade union)

In this case the question was of course to get everybody to join the incomes policy agreement, particularly everybody from the public sector, and the female-dominated unions.....At the level of the leaders of the trade unions the problem is how to get all these people to go along with the incomes policy, and I can imagine that in STTK especially they have had to ponder how to get all these women to go along with the incomes policy agreement. (female negotiator, trade union)

V. APPORTIONMENT OF THE EQUALITY AWARD

1. Recommendations for allocation and the “fall-back position”

There were no directions given in the text of the agreement concerning the apportionment of the first and second equality awards. When an equality award was included for the third time in an incomes policy agreement, in the autumn of 1990, it was accompanied by a recommendation as to how it should be apportioned. With all the equality awards there has been a stipulation to the effect that they should be paid to all employees working in a sector, as a general increase, if no agreement is reached between the employer and the union concerning its allocation¹⁷. This “**fall-back position**” was included at the request of the trade unions. They wanted a guarantee that the award would not be distributed at all in the case of such disagreement. It does not thus necessarily follow that, because the equality award is included in an agreement, female-dominated and/or low paid sectors will receive an additional wage increase over and above what they would receive simply on the basis of the general increase.

The amount of and the model for the most recent equality award were agreed in autumn 1995. It was also agreed that the award would be paid on 1.10.1996 at the same time as the general increase which was also to be paid¹⁸. Negotiations at sector level concerning the apportionment of the award were held for the most part in September 1996. The incomes policy agreement contained a recommendation on the allocation of the women’s and low pay award, which read as follows:

¹⁷ For example in respect of the first equality supplement the following clause was included: “If the parties involved fail to reach agreement regarding the method of allocation, the equality award shall be implemented as a flat-rate increase together with the general increase to all employees of the sector.” (A Combined Economic and Incomes Policy Settlement.....)

¹⁸ The award shall be used in a manner agreed by the unions, and they may transfer the award to be apportioned locally. If the unions do not reach agreement, or if agreement is not reached locally, on the method of allocation of the award, it shall be paid from the beginning of the pay period starting on 1.10.1996 or soon after that as a general increase in percentage form. (Results of Negotiations.....) (See Appendix 1)

When agreeing the use of the women's and low pay award, consideration must be given to the principles of determination of the award. By means of the women's pay award the contracting parties are attempting to improve the remunerative position of women whose pay is not commensurate with the demands of their work and with their level of education. The low pay award is intended to raise pay levels in sectors where pay is relatively low. (Results of Negotiations.....)

The principles of determination referred to above mean that the women's and low pay award is accorded on the basis of the proportion of women and low pay in a sector. The social partners in each sector thus commenced their negotiations on the apportionment of the award on the basis of the same recommendation. The size of the award, on the other hand, varied from sector to sector, between 0% and 0.8% depending on the low level of pay and proportion of women in the sector. In this connection it is necessary to remember that the general increase which was paid along with the equality award represented a sum of FIM 110, or not less than 1.3%, per month. There follow examples of the size of the equality award in various sectors:

KVTES (largest municipal agreement)	0.7%
Municipality : technical staff	0.2%
Teachers	0.4%
State, VES (collective agreement on civil servants)	0.4%
Garment industry, wage workers	0.8%
Textile industry, wage workers	0.6%
Hotel and catering sector, wage workers	0.7%
Metal industry, wage workers	0.2%
Banking, salaried staff	0.5%
Pharmacists (Municipal)	0.6%
Doctors (Municipal)	0.4%

Making the equality award a percentage means that in a better paid sector, though smaller as a percentage, it may produce the same sum in markka as a award which is

larger in percentage terms in a low paid sector. This represents a problem, particularly from the viewpoint of low pay policy.

2. Methods of allocating the equality award

At the beginning of the decade the social partners commissioned a report on the earlier equality awards and their use (Report on the equality awards.....). The allocation of the equality award by sector was classified roughly into four groups:

- 1) women only
- 2) low-paid occupational groups
- 3) female-dominated occupational groups
- 4) all waged workers / salaried staff in a sector (cf.10 - 11)

The apportionment of the most recent equality award can be examined using the same categories. A sector may use more than one method of allocation, for example by apportioning part of the equality kitty to female-dominated occupational groups and part to all employees. In addition, it should be borne in mind that for each sector the women's wage kitty and low wage kitty are calculated separately.

There follows below an examination of the allocation methods mentioned above, in relation to the objectives set for the equality award. The classification ignores the reference - which is present for the first time in the most recent equality award - to the demands of the work and to education, to which we will return later.

1) Women only

Allocation of the equality award to women only is the most radical solution to the problem of women's wages. Doing so, however, is no simple matter. The allocation of the award to women only poses problems, if it is to be included in the pay scales , because you then have a situation in which different pay scales develop for men and for women, which is contrary both to Finnish and to EU equality provisions. The award may be apportioned to women only by paying it as a personal bonus to female

employees in a sector or in a firm. However, many trade unions definitely want to have the equality award included in the pay scales, where it becomes more “permanent” than a personal bonus, which disappears with future increases or when the person in question leaves her post. The allocation of the equality award to women only also poses problems if there are low-paid men in the sector concerned, since the low wage kitty needs to be apportioned to these men as well.

2) Low-paid occupational groups

This method successfully implements the guidelines on apportionment of the low wage award. In sectors that are both low-paid and female-dominated it is a reasonably good way of achieving the desired objectives. On the other hand, in male-dominated and mixed sectors the allocation of the equality award to low-paid occupational groups entirely passes over those women who are not low-paid in absolute terms. The equality award is then being used as an instrument of low pay policy but not of women’s pay policy.

3) Female-dominated occupational groups

The apportionment of the equality award to female-dominated occupational groups corresponds in broad outline to the objectives set for the women’s wage award. Female-dominated occupational sectors always also include men who end up having a share of the women’s wage award. If there are men who are low-paid in absolute terms in a sector, they should be catered for in the allocation of the low wage kitty. The apportionment of the equality award to female-dominated occupational groups is in many cases easy in practice and, to a large extent, complies with the objectives set for the women’s wage award.

4) All wage workers / salaried staff in a sector

The allocation of the equality award to all employees in a sector often conflicts with the objectives set out for it. It is only in a highly female-dominated sector that such an apportionment will be in line with the objectives. An equal division of the award is most problematical of all in male-dominated or mixed sectors. The more female-dominated a sector, the closer to the objective becomes such an equal division. The

equality award may be allocated to everyone either as a fixed amount or as a percentage. The highly paid benefit more from the equality award when it is allocated as a percentage than do the low-paid. In some sectors it is agreed that the award be allocated to everyone as a fixed sum increase of the same size.

In the recommendations written into the most recent incomes policy agreement concerning the demands of the work and education, the practice of the academics' trade union confederation AKAVA is taken into account in the guidelines on the use of the women's wage award¹⁹.

A) The wages of female-dominated sectors to be increased by more than the average.

B) The wages of women whose wages are not commensurate with the demands of their work and with their level of education in each sector to be increased.

C) The wages of women who receive a smaller wage than men for the same work or for work of the same value to be increased. (Akkavaaka 4/1996, 5)

With regard to sectors employing women who are particularly highly educated and relatively lowly paid (for example librarians, social workers, the museum sector) it is necessary to also take into consideration the education dimension. The use of the last two alternatives involves practical problems. How does one specify women who receive too small a wage given the demands of their work and their level of education? As regards education, it has been suggested that the educational classification scheme of the Statistical Centre be used. The specification of work of comparable worth is not a simple matter, especially if there is no analytic evaluation system in use for the demands of work in a sector. Criteria linked to education and to the demands of work were used in each sector when allocating the most recent equality award. If the equality award was apportioned at workplace level, the use of these criteria would be easier.

¹⁹ In agreements concerning only AKAVA members, the low pay award was of no practical significance.

3. How have the equality awards been allocated?

The way in which the first equality award was allocated varied considerably from one sector to another. It was not systematically apportioned to that group for the benefit of which it was accorded, i.e. to women. When in certain sectors, for example the municipal sector, no common solution was found in negotiations between the employer and employees, the women's wage award was allocated in accordance with the fall-back position: a fixed sum of the same size went to all women and men employed in the sector. According to the negotiators, at this stage the equality award was often used together with other increases. This reveals that the equality award was not perceived in any way as a special sum of the pay roll. Some negotiators supposed that in some sectors an attempt might have been made to even out or reduce the significance of the equality award by allocating a discretionary settlement sum to those groups that did not receive an increase on the basis of the equality award.

Up to now no comprehensive survey of the apportionment of the most recent equality award has been conducted, but the social partners' joint equality award statistical group (TASTI) is preparing a survey concerning the utilisation of the equality award allocated in 1996²⁰. The trade union federations have also each conducted a survey²¹ of the use of the award in their own areas (there are several hundred sectors in total). These surveys have been conducted in so many different ways that it is difficult, on the basis of them, to draw conclusions on the apportionment of the equality award which are valid for the entire country. The general impression is that the equality award has, on the most recent occasion, been allocated in a way which better corresponds to its objective than was the case at the turn of the decade. In most negotiations at sector level agreement was reached on the allocation of the award and the "fall-back position" was seldom used. This in itself is positive, because the use of the fall-back position generally means that the objectives set for the equality award will not be met, or at least not in their entirety.

²⁰ This survey was not available when this study was being prepared.

²¹ **AKAVA:** AKKAVAANKA 4 / 1996. A Study of the Implementation of the Women's and Low Pay Awards in various Agreement Areas in the AKAVA field. **SAK:** A Study of the Method of Allocation and Apportionment of the Women's and Low Pay Award. **STTK:** Women's and Low Pay Settlements in STTK's Agreement Areas.

The four allocation models set out above were also used in the most recent round. Other models were also employed.

- Apportionment to women only was rare: only in some small agreement areas or in firm-level agreements. It was also proposed in certain larger sectors, but this did not reach the agreement stage. Those interviewed considered that the use of this model entailed problems.

It's not possible for a new women's pay scale to be made, with higher figures than for men. Not in that way; but into the personal salaries, which are in practise higher than those in the pay scales. We spotted the problem straight away and I'm sure that there will be single instances where things will go wrong in this way, if two people really are doing the same job, and getting the same salary, then one will get more pay just because of her sex. But there have always been individual cases of anomalies, and they can be corrected at company level. I'm sure it is not impossible to give that extra 50 markka to the man, either. It's more or less a question of some fine-tuning at company level. (Male negotiator, trade union)

- Apportionment to low paid occupational groups or to the lowest wage groups took place in several industrial sectors. The equality award was quite often apportioned on the basis of low pay, especially in the area represented by the SAK unions, and there was therefore no special emphasis on women. This method of allocation apportions the award chiefly to women if they are in low paid groups.

Those who get the smallest wages of all in each group will get noticeably more than the others. No regard will be paid to whether they're men or women. We've had this type of policy before in the allocation of the equality award. It has never been the case that women have been singled out. That would make it very difficult. (Male negotiator, trade union)

- The award was apportioned to female-dominated occupational groups quite often, for example in the state sector and parts of the municipal sector. Likewise, with Church employees the award was directed at female-dominated occupational groups and wage categories.

Of course we could have followed this fall-back position model, that everybody gets the same percentual increase, but we didn't want to because after all the incomes policy agreement has stipulated that this should be directed to women. We agreed about this with the unions. We implemented it on the basis of proportional shares. With 20 salary grades in the pay scales, the first question we had to ask ourselves was: what proportion of the total amount in each salary grade do women account for, and secondly we chose as the primary factor how big each salary grade's share was of the total of all the salary grades. These were the two influencing factors, and we then channelled the amount which was to be used for the equality award in accordance with them. (Male negotiator, employer organisation)

.....The basic pay of word processing workers, librarians, speech therapists, social workers, kindergarten teachers, social educators, and home help directors was adjusted. These were clearly female-dominated groups. (Female negotiator, employer organisation)

- The award was apportioned to all wage workers / salaried staff in a sector in many female-dominated sectors especially, for example, in the textile and garment industry, in banks and insurance companies. Furthermore, in the largest area within the municipal sector (KVTES) over half of the equality kitty was allocated as a general increase to everybody. The award was also allocated as a general increase to everyone in some mixed sectors, for example in the food industry. The general increase was paid either as a fixed sum to everyone or as a percentage.

..... If it had only been given to women, it would be 0.6, but because it was given to men and women it was 0.5. It would have meant sixty (markka) but since it was given to everybody it ended up being fifty, so I don't suppose there's a lot of difference..... (Male negotiator, trade union)

I don't suppose it's morally right that even the small number of men that we have received this female award. (Female negotiator, trade union)

The most important trade unions have commented after the event on the allocation of the most recent equality award. According to the academics' **AKAVA**, "experiences of the implementation of the women's wage award have been contradictory. It is true that the female-dominated sectors have received larger increases than the male-dominated sectors, but in practice the implementation of the item in the social partners'

agreement concerning the method of allocation caused problems in the sector-level negotiations.” (AKKAVAANKA 4/1996, 5).

No general discussion has as yet been held on the success of the allocation of the women’s pay award. But I should imagine that when the basis for the next round of negotiations comes to be planned, that’s when we’ll have to think about whether this has been a successful arrangement. (Male negotiator, trade union)

The judgement of the workers’ **SAK** was that “it seems, at least from a cursory survey, that the women’s and low-pay award allocated to the SAK sectors’ employees in the autumn of 1996 has been apportioned quite well in the way intended by the incomes policy agreement.” (Study of women’s and low pay....., 2).

Of course the allocation should be evaluated on the basis of past experience, because it’s not good from the point of view of the credibility of the system that it could be allocated willy-nilly. Well, I don’t suppose that it would have happened on the basis of that (*the SAK report* - RM), but there seems to be some evidence.....that it did. (Male negotiator, trade union)

The salaried employees’ **STTK** criticised the method of allocation of the women’s wage award in the private service sectors. In the municipal, state and industrial sectors a solution was generally reached which was satisfactory to both sides, and the kitty was largely allocated in accordance with the incomes agreement. Private service sectors such as the banks and insurance institutions formed the exception; here, negotiations did not bear fruit and the money was divided equally among everyone (Helsingin Sanomat 14.11.1996).

Implementation was certainly better than ever before in this round. But it’s still not completely satisfactory in our opinion. But at least we are going in the right direction. (Male negotiator, trade union)

The **employers’ organisations** did not comment publicly on the allocation of the equality award or on how the award fulfilled the objectives set for it. This is a logical continuation of the way in which the central employers’ organisations, as early as the incomes policy negotiations stage, left matters concerning form and recommendations

largely for the trade unions to settle. Some of the representatives of the central employers' organisations who were interviewed thought that the equality award had been allocated chiefly as a general increase to all employees in a sector.

These increases have been allocated according to what the unions have decided. And it has to a great extent been up to the unions, how the women and the low paid have been taken into account. Generally speaking I feel that these allocations have to a great extent involved general increases, and because of this the objectives of the equality awards have been promoted only in principle, not in practice. (Male negotiator, employers' organisation)

There is that fall-back position where it is said that everybody will get the same amount as a percentage. It has been easy to implement that way, and this will also keep the pay structure between the professions roughly the same as before. (Male negotiator, employer organisation)

Other central employers' organisations, in turn, thought that the equality award had been used in a way corresponding to the objectives set for it, and some at least regarded it as important that the award be allocated in the way intended.

I'm sure that it has been possible to use this in some areas to correct these women's inequality matters. And if it has been possible to do this, that can only be to the good. (Male negotiator, employer organisation)

The objective for the method of allocation which was clearly favoured by the employers' organisations in private sector was that it should be local, at company level. This option was in fact written into the incomes policy agreement, but it was used relatively infrequently.

We were pushing for this matter to be decided locally, because we said that how otherwise will we have any idea whether it will go to the women at all? If this increase is going to go to women and the low paid, why do the unions decide on this? Why can it not be in the companies? (Male negotiator, employer organisation)

4. Conflicting interests in the apportioning of the equality award

The composition of the membership of the trade unions varies from one union to the next. Furthermore, quite different groups may all be members of the same union. Each union wants the equality award to produce increases which are as large as possible for its own membership. When several unions as well as the employers are involved in negotiations on the allocation of the award, the interests of the different unions have to be reconciled. Such a situation arises for example when the largest agreement in the municipal sector (KVTES) is being negotiated. Within the scope of this agreement - the largest in the country - come a total of 270,000 employees. Employees in the municipal sector are mostly women. Each organisation wishes to guarantee for its membership at least that share of the equality award to which it is entitled, and preferably a little bit more.

All the organisations of course speak for their own groups of women. The most common division of course is between the educated and uneducated. Then there are the highly paid and the low paid women. Then there are mixed groups that you can find in the social sector and even among librarians, that have a high level of education but a low salary. (Female negotiator, employer organisation)

“He who pays the piper calls the tune.”Of course you first look after your own, then you look at the whole picture, and only after that do you start planning the fine details. However, this is done so that you keep a tight hold on your own kitty, and in that sense it is a very cruel game. I know that we, in the trade unions, continually look for ways of making that kitty bigger and how to get some of someone else’s kitty to put into our own.So I have to be sure that our team gets the share we deserve. (Male negotiator, trade union)

The trade union negotiators have to present the results of the negotiations to the decision-making executive bodies of their unions. It is difficult to bring back a proposal which is weak from the viewpoint of one’s own membership. Such a negotiator will soon be an ex-negotiator.

Within a single union, too, the members will have different interests. When the representative of a union is negotiating the use of the equality award, he must take into

account these different interests²². In this situation the interests of the larger and stronger group will weigh more heavily than average.

If we had a certain fixed amount of money, like I suppose we normally do, and we were (in practice) to invest it in the lower paid group then the higher paid group would get nothing. It's just like the situation with the magpie on the newly tarred roof: whatever you decide, there's always somebody who'll say it's a bad idea [*Translator's Note:- Refers to a fable about a magpie whose beak gets stuck in the tar if he leans forward, and his tail if he leans backwards*]. (Male negotiator, trade union)

The conflicting interests of women

The conflicts of interest between different groups of women became most clearly apparent in the negotiations in the municipal sector. Does the fact that they are all pursuing the interests of women unite the negotiators of the women's unions?

There is no place other than the sauna where brotherly feelings develop between men. And this is the case in this kind of affair, when you are playing a zero-sum game, then sex is not so unifying that you'll say "I'll give you this because you're a woman like me....." However, I think that women are perhaps more flexible in their approach to equality. (Male negotiator, employee's organisation)

Some negotiators see the emergence of conflicts of interest as posing a threat to women's co-operation.

Certainly these (*conflicts of interest* - RM) will come between women, but they shouldn't come yet. The fact that women are set against women won't benefit women, but men; and it will be said that now they're squabbling amongst themselves. (Female negotiator, trade union)

Considering the importance of this matter, too big a fuss is being made, and this kind of unnecessary conflict created. I think it would be worth raising the amount of the award a bit. (Female negotiator, trade union)

²² The same applies of course to all wage negotiations.

The negotiations on the collective agreements, in which women who represent different grades and posts are in line for the same kitty, gives concrete form to the question raised by women researchers concerning the differences and similarities between women and brings to the fore the complexity involved in promoting women's interests (see Bercusson and Dickens, 16 - 17). Are the common interests of women independent of their social status, and how can they find expression in such a concrete situation? According to Anna Jonasdottir, it is in the interests of all women to refuse to submit to discrimination which takes place on the grounds of sex (Jonasdottir 1987, 175). In the negotiations concerning the women's pay award this may be considered to mean that the representatives of women's unions should take care that money which is paid on the basis of proportion of women is actually allocated to women, and not to men. In addition to this clear principle the question of how the money should be allocated amongst the women also needs to be resolved. The solution in the municipal sector took the form of a compromise, in which the equality kitty was divided up into several parts. The objective was at all times to take into account the recommendations for allocation which had been written into the incomes policy agreement.

It was the principle of the central employers' organisation in the negotiations in the municipal sector that the equality award should be allocated to those groups on the basis of whom it was actually being paid, i.e. to women and to the low paid. On the first occasion when the equality award was awarded it had been allocated equally to all employees in the municipal sector, since no agreement could be reached. There was no desire for this to happen again.

If we, as the female-dominated and low-paid sector that we are, had not reached some kind of agreement about the female award and the low pay award, it would have been quite an embarrassing gaffe. (Female negotiator, trade union)

The employers were not very active in making suggestions concerning the allocation of the award; the initiative was left to the trade unions. From their viewpoint, the facts of the situation were that the same amount of money (in this case 0.7% of the total payroll for the sector) would be paid out in increases, however it was actually

allocated. They did, however, certainly have their own objectives in this regard and they were to obtain a settlement which would satisfy all parties to the negotiations.

The employer has to create a package from which everybody benefits to some extent at least.
(Male negotiator, trade union)

The significance of gender in the negotiations

The chief negotiators of the large trade union organisations are generally men, even in female-dominated unions. In the above-mentioned negotiations in the municipal sector, three of the employee negotiators were women, and seven were men. The line-up of the negotiating group for the employers was not fixed, but it was usually composed of three women and three men. All in all, the majority of negotiators were thus male.

The negotiators interviewed stressed that the decisions made by a union were binding on a negotiator, whether that negotiator was a man or a woman. The significance of gender on the outcome of the negotiations was, in these negotiations, not regarded as being great, although in some other negotiations it does have an influence.

Well, in a way, in this case I am - or have been - a kind of chief negotiator for the union; so I suppose I've committed myself to this union's strategy which is based upon equality. And this is where I see my own position as a kind of representative of an "equality union".....But of course I'm not able to say whether or not I've got some things in my subconscious which affect this matter. But in my opinion this situation is very clear; easy, in a sense, if you think of the basic principle: where the money has come from, that's where it should go to. And I think that that's exactly what we've done. (Male negotiator, trade union)

VI A DISCUSSION OF THE SIGNIFICANCE OF THE EQUALITY AWARD

The significance of the equality award has been the subject of debate throughout the period of its existence. At the turn of the decade great expectations were based on the equality award, as they were for on the appraisal of the demands of work, especially within the women's movement. Today, those expectations have turned out to be excessive. There have also been criticisms directed at the equality award throughout this period. I shall now run through the arguments for and against the equality award.

It is possible to state on the basis of the interviews that, in the most recent round, there was widespread support for the inclusion of the equality award in the incomes policy agreement. Among negotiators the idea was regarded as deserving of support, or at least acceptance. One may, it is true, question how far the interview situation influence the answers received. When an interviewer who is carrying out research on the equality award is asking the questions, it may be more comfortable to give positive answers than to rubbish the whole idea. I believe, however, that the attitude which emerged in the interviews, which was in principle positive, largely reflects the social climate; understanding of the need to correct pay differentials between the sexes has clearly grown among the social partners in the course of the last ten years. Nor were the interviewees sparing with their more critical opinions.

1. Symbolic and practical significance

Perhaps the most important thing of all was considered to be this: that the equality award constituted a kind of admission that the remunerative position of women needed to be improved.

The fact that society officially admits that women are given more money than men is such a big symbolic admission in this case that it cannot be underestimated. The problem will be how much money we can get for this purpose. (Female negotiator, trade union)

Many other negotiators also viewed the equality award, above all, as sending a signal to the rest of society and stressed its symbolic value. The most serious criticisms

levelled against the award also relate to its symbolic nature. Some people regard the equality award as a merely symbolic sum, which is of no practical significance in the reduction of wage differentials.

Whether this is just a message to the outside world that this issue has been considered, or whether there is a real intention to even out these differences in pay is another matter. The objective of its use has mostly been such that in itself it has not been of any significance from the point of view of evening out pay differentials between women and men. It does, however, constitute a message at central level. (Male negotiator, employer organisation)

Perhaps it has a symbolic value, or perhaps its value is considered greater than it really is. If we manage to agree about it the way we have now, i.e. that it raises the minimum level, one feels obliged to take it further. Then its significance in practice would be greater, although it won't make anyone's pay packet any fatter. (Male negotiator, trade union)

The closer one gets in discussion to the actual effect of the equality award on women's wages, the more criticism there is. All the equality awards have been small in absolute terms, although the most recent award did make up a considerable part of the general increase (0.8% / 3.1%).

We won't be able to change pay relationships by the equality award. When we talk about the closed and the open sector, the market forces are so great that it is like a drop in the ocean. It is not going to solve the problem. (Male negotiator, trade union)

The equality award generally means around FIM 30 - 60 per month in absolute terms, although awards which are larger than this have also been paid. Their effect on wage differentials is extremely difficult if not impossible to establish. Statistics are kept on the development of wages between men and women at a general level, but it is almost impossible to isolate the specific effect of the equality award in this. The social partners' working group has made a cautious judgement, on the basis of the first three equality awards, that "by means of the equality awards it is possible to some extent to narrow the wage differentials between sectors" and, further, that "if the equality award is directed at female-dominated and low paid groups, then it will be possible by this means also to influence wage relationships within a sector." (A Study of the Equality Awards, 13). The only statistical data available on this topic concerns the development

of wage differentials in the municipal sector. In this sector, the earnings of women for regular working hours as a proportion of men's earnings grew by about three percent from 1989 (76.5%) to 1992 (79.4%)²³. During the period in question three equality awards became payable. Other agreed increases, in addition to the equality award, have also helped narrow wage differentials.

2. Possibilities and counter-tendencies

Some of the negotiators are very optimistic with regard to the potential of the equality award:

This equality award is an excellent tool, a real tool. A tool which openly states that women will be paid more money in this round than men. How this money is going to be allocated within each sector is a different matter. If it's been done as it's meant to be, it is a tool which is unusually deserving of support. (Female negotiator, trade union)

It (*the most recent equality award - RM*) could be considered the best possible thing, I would say, considering the nature of Finnish society. If only we could continue to adopt this policy several times more in the future, then this size of increase in relation to the general increase.....It would be interesting to see if it is already showing up in statistics. (Male negotiator, trade union)

When debating the potential of the equality award, attention is drawn to the fact that, at the same time, many of the developments which are taking place in the labour markets tend to erode the effects of the equality award:

1) Wage drifts in collective agreements mainly affect male-dominated sectors. These extra increases are also generally paid to groups other than women and the low paid, no matter what the sector is. Those who have not received the equality award will attempt to obtain other wage increases in order to preserve their wage differentials. This concerns the private sector only, since such wage drifts do not exist in the public sector.

²³ The same trend applied to total earnings in the municipal sector, but even more strongly.

Even if in practice we get that FIM 0.32 from it (*the equality award* - RM), if we go to some capital-intensive sector it's like a joke to them, from FIM 0.32 like that, it's not enough.....
(Female negotiator, trade union)

In our sector it is only the salaries of those who get the general increase that tend to increase. There is an attempt to keep the differences in salaries the same, and then those who only receive the general increase will go for more money.The differences in salaries, in the free shaping of salaries, are influenced by so many other factors within the sphere of influence of the employer. (Male negotiator, trade union)

2) A pay settlement may favour men and the higher paid in other ways.The same pay settlement which includes the equality award may favour the better paid for example by including an increase which is in percentage form. This is, in particular, contrary to low pay policy.

In my opinion, it's a kind of pseudo-equality, that it should be assumed automatically that the results of these salary negotiations will always be negative for women. Then some element is picked out so that it all looks cleverer. (Female negotiator, trade union)

3) Changes in the labour markets seem to be leading to more atypical employment relationships than previously for most women. Fixed-term and part-time employment have become more common in recent years, especially in the service sectors in which the proportion of women has traditionally been large. Women's unemployment has also increased for the first time to become greater than men's unemployment. The economic recovery does not seem to be resulting in any immediate improvement in women's unemployment (Working Group on Women's Unemployment...). Many of the interviewees contrasted the equality award with the changes underway in the labour markets, which are weakening the position of women:

These structural factors seem to be steamrolling in another direction than the one we should be aiming for. I feel that these equality awards really are important. If we come to some kind of mutual solution, even after this, I'm sure that there will be an element like this in that solution, as there should be. But everything that happens in the structure of work, and especially behind the scenes, somehow shatters our traditional concept of equality. (Male negotiator, trade union)

4) Decentralisation of the collective bargaining system is, in the view of some trade union negotiators, a threat to the position of women's remuneration. If the centre of gravity of negotiations shifts more to the local workplace than was the case in the past, it is felt that women will be left in a weaker position since they will not have sufficient bargaining power (see Martikainen 1997a). The use of instruments such as the equality award in the levelling out of wage differentials between the sexes between and within sectors would also be impossible in a decentralised system. Such decentralisation does not seem to be proceeding very rapidly, however, especially with respect to wage questions.

3. Other means of improving the pay of women

The equality award came into the incomes policy agreements at the turn of the decade upon the wings of an intense debate over equality. At that time other means of improving the remuneration of women, besides such an award, came up for discussion in negotiations between the social partners, for example the demand for job evaluation as an equal pay strategy (Heiskanen 1997). Throughout the period of its history the equality award has been one strategy among many to bring about an improvement in women's remunerative position. Systems for assessing how demanding a job was were developed in the 1990s and these are gradually being worked into the remuneration systems in many sectors (see Martikainen 1997b). Some of the negotiators judged such assessment to be a better and more permanent tool than the equality award, others are of the opposite opinion.

If I had to decide right now which one I would choose, I would choose the women's pay award. That (*job evaluation*, RM) is going to be incredibly hard and burdensome, that is, as a female pay strategy. I wonder if it would be possible to create a slightly firmer strategy for this? (Male negotiator, trade union)

I believe more in making these job evaluation systems gender neutral, so that they can withstand the criticism. If you ponder very deeply about equality, you find that these other matters guarantee a lasting solution, and that this fiddling about with salaries is just a stop-gap measure. (Male negotiator, trade union)

Besides job evaluation, positive action programmes at workplace level were also raised as possible means for improving women's remunerative position. With these it would be possible, for example, to open up career possibilities for women, and through this they could gain access to better paid jobs. Positive action programmes are rare at the moment, although the Equal Opportunities Act requires that they be set up in workplaces that are above a certain size.

Taxation cropped up as one means of increasing the income available to women. This is quite a new theme, since in recent years taxation has hardly been discussed from the gender point of view. It is possible to use tax to intervene in the low pay problem, which is largely also a women's pay problem. On the other hand intervention in the relatively low remuneration of educated women and medium-paid women using the tools of taxation would be difficult.

For lasting solutions to increase gender equality, the negotiators looked to changes in attitude, guarantees of career development for women, the abolition of the division of labour between the sexes and the above-mentioned job evaluation and positive action programmes.

In the long run, changes will come through a change in values and attitudes, and job evaluation system. Nothing will bring money so rapidly to women as this [*the equality award* - RM]. (Female negotiator, trade union)

4. How can the equality award be improved?

The greatest problems of the equality award have, with hindsight, turned out to be its smallness and the fall-back position which allows the award to be divided equally among all employees in a sector. In principle, it is possible to increase the size of the equality award above its present levels and it has indeed clearly increased since the turn of the decade²⁴. In the view of many negotiators, however, at some stage there will be a critical point beyond which it will be impossible to go without losing the support of

the male-dominated sectors. In general, opposition was felt to be rising from the male-dominated industrial unions (cf. Cockburn 1991, 112; Cunnison - Stageman, 1993).

I say that the larger it [*the equality award* - RM] grows, the more of a problem this question will become. (Male negotiator, employer organisation)

The question of the “largest possible” equality award is intertwined with that of the apportionment of the award. The more of a free hand there is in the allocation of the award, the easier it is to obtain support for it in the incomes policy negotiations. The majority of those interviewed regarded the presence of the fall-back position in its present form (if agreement is not reached, the award is apportioned equally to all employees in the sector) as being a problem. The negotiating parties find themselves presented with what is, in a way, too easy a path; a back door through which they can escape. Many are prepared to consider improving the fall-back position.

It would certainly be worth expending some brain power, so that a fall-back position could be found that is not quite so disastrous. (Male negotiator, trade union)

No recommendations at all concerning the allocation of the equality award were included with the first two awards. In the case of the most recent equality award, the recommendations are clearly more detailed than previously.

It must at least be possible for there to be a fall-back position that is focused towards women, in a way that can be arranged separately by the unions, and if general consensus cannot be reached then a general increase will go to women. (Male negotiator, trade union)

How precisely, and in what way, the allocation of the equality award is targeted will influence its acceptability. If it must definitely be allocated to women and to the low paid, it may be difficult to obtain support from some male-dominated sectors. Precise allocation guidelines were also opposed by appealing to the practical difficulties and tediousness involved in apportionment of the award. In areas where seeking the “correct” apportionment seemed troublesome, a method of allocation was generally

²⁴ The size of the equality award as a proportion of total payroll has increased as follows: 0.1%, 0.4%, 0.3% and 0.8%.

found which corresponded to the objectives set for the award. The same applies to the size of the equality award: sufficient understanding for a really large equality award is unlikely to be found in the male-dominated sectors. In the negotiations, proponents of the equality award must evaluate what is the best possible equality award for which across-the-board support can be obtained.

VII SUMMARY

The equality award is an award which has been part of the incomes policy agreement on four occasions, and its objective is to reduce wage differentials between the sexes. It made its way onto the agenda of the incomes policy negotiations at the end of the 1980s on the initiative of women. The award in its present form was preceded by the low pay settlements made in the 1970s and 1980s, in which the basis for a wage increase was low level of remuneration, not the proportion of women in a sector. Nowadays the equality award includes both a low pay component and a women's pay component. Gender has been openly adopted as a basis for a wage increase for the first time,²⁵ and in this way has disturbed the atmosphere of gender neutrality which prevailed in the negotiations.

When the equality award entered into the incomes policy agreement for the first time, we were living throughout an economic boom time and the debate on equality was intense in the media as well as among the social partners. At the turn of the decade there was also discussion of comparable worth strategies, and the female-dominated trade unions in particular demanded the introduction of job evaluation systems. At the beginning of the 1990s Finland entered a deep recession and unemployment grew to an unprecedented 20%. Talk of equality faded. There were no wage increases, and no equality awards. In the autumn of 1995, when the recession had faded but unemployment was still high, an incomes policy agreement was negotiated which included an equality award once again.

Among trade unions, a regrouping took place in the early years of the 1990s. The female-dominated salaried employees' federation TVK was declared bankrupt in 1992. It was this very organisation that had most forcefully demanded that the equality award be part of the incomes policy agreement. Almost all the former member unions of TVK joined the male-dominated STTK federation, which was transformed into an organisation which had a majority of women members and grew to become the second largest trade union federation. The renewed STTK made the equality award a

²⁵ If we discount the separate pay scales for women and men which were abolished in the 1960s.

condition for an incomes agreement in the 1995 negotiations. The same male chairman who had opposed the award at the turn of the decade was now the loudest speaker on its behalf. The equality award gained support from all employees' organisations, and it was not opposed by the employers' organisations. The activism of female negotiators and of male negotiators representing female-dominated organisations made the genesis of the equality award possible and has helped to keep it as part of the incomes policy agreements.

Throughout this period the equality award has been small, even though its size relative to the total wage amount has clearly grown. The smallness of the equality award has been criticised ever since its inception, but on the other hand it is seen as having not only practical value but also a symbolic value. It keeps gender wage differentials to the forefront, both in public debate and at the bargaining table. Many, indeed, regard its symbolic value as being greater than its actual effect on wage differentials.

The dilemma of the equality award is linked to its size: it is not possible to obtain the support of the male-dominated sectors for a really large equality award. A small equality award, on the other hand, hardly affects the wage differentials between men and women. Without the support of all the social partners it would not be possible to obtain an equality award into incomes policy agreement. The desire to conclude a comprehensive national incomes policy agreement has been so great, however, that an agreement will not be overturned by those who are not particularly keen on the award.

Besides its small size, another problem with the equality award is the way it is allocated. To be apportioned in accordance with its objectives, it has to go to female-dominated and low paid groups. This, however, has not always been done. In some sectors the award is allocated equally to all employees in the sector, to men as well as to women. All the trade union federations have criticised this but the power of decision in this matter lies with the unions at sector level. A remedy for the situation has been sought by including recommendations concerning apportionment of the award in the text of the agreement. In the most recent agreement round, apportionment has been more in line with the clearly defined objectives than in the early stages.

The trade unions regard the equality award as a single interest policy tool: it is supported if it is of benefit to their own membership. Some male-dominated unions state that they support it out of solidarity with the low paid sectors. This solidarity no doubt has its limits when it comes to the size of and form it takes. The different interests of the trade unions are in conflict with one another with respect to the award. In the negotiations there is bargaining for a settlement of how much the award will benefit each union's membership. Furthermore, the interests of the members of one union may give rise to a conflict between male and female members, or between the high and the low paid. The negotiations concerning the scope of the equality award also bring to the surface conflicts of interest between female employees in different posts. The equality award is, from every point of view, a compromise. The conflicting interests are also reflected in the way that the different trade unions have different conceptions about the equality award.

The employers do not oppose the equality award, so long as it is not too large and does not have an excessive effect on wage relationships. From their viewpoint, the total size of the wage increase is more important than the form which it takes. Up to now, the equality award has obviously been sufficiently non-threatening from the employers' point of view.

The equality award seems to have secured its position in Finnish labour market politics. In the early stages it had a strong mass movement behind it, and the social climate favoured its introduction. The most recent award was included in the agreement in a situation in which the equality debate hardly featured in public; nor was the economic situation anything to boast about. Has the equality award become a part of the Finnish equality establishment then? Discussion of wage differentials between the sexes has by no means ceased among the social partners, although in public it is no longer conducted with the same intensity as at the turn of the decade. Understanding of the need for improvement in the remunerative position of women has increased. Discussion of wages is now conducted in a more specialised and - perhaps - a more well informed manner than previously.

There are many trends in society which do not support the equality award. On the other hand, the lively debate at the turn of the decade has obviously changed the atmosphere among the social partners in a way which favours gender equality, since it is the experience of many male negotiators that one cannot oppose the equality award without being labelled a chauvinist. There are also men working as negotiators who are genuinely committed to the equality objectives of their female-dominated unions. Women's unions and female negotiators have played a key role throughout the history of the award.

I have chosen the equality award as the subject of this case study as an example of a contract clause which is good from the viewpoint of gender equality. It is the focus of a great deal of justified criticism. Despite this, the women's trade unions push it in agreements, and also gain support from others. In my opinion, the equality award, with all its conflicts and shortcomings, is a tool which is worth developing, along with others, in the promotion of equal pay for men and women.

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APPENDIX 1

Women's wage - and equality awards in the incomes policy agreements

Combined Economic and Incomes Policy Settlement to Cut Inflation (1989 - 1990).

Article 2.2 Wage Increases.

“From the beginning of the pay period beginning 1 March 1989 or at a similar date as specified in the agreement, wages shall be increased in the wage, salary and civil service collective agreements by FIM 0.40 per hour or FIM 68 per month, or by 1% if this is greater, and by an equality award. The equality award shall be determined by multiplying the number of women working in a sector by FIM 0.10 per hour. The use of this sum of money shall be agreed at sector level. If the parties involved fail to reach agreement regarding the method of allocation, the equality award shall be implemented as an increase of equal size, together with the general increase, to all employees in the sector.” (p.2)

Comprehensive Economic and Incomes Policy Settlement for 1990 - 1991

Article 2.2.1 The Equality Award.

“At the disposal of parties to the wage, civil service and salary collective bargaining agreements there shall be, together with the agreement increase to be paid on 1.10.1996, a award, defined as a percentage, which shall be determined as follows: the ratio of women working in a sector to all employees in the sector shall be multiplied by 0.6. To the figure thus obtained shall be added the ratio of employees earning under FIM 34 per hour or under FIM 5678 per month to all employees working in the sector.

The use of the equality award shall be arranged at sector level.” (p.3)

Agreement on the Revision of the Comprehensive Economic and Incomes Settlement for 1990 - 1991:

Article 1.3 The equality award.

“The size of the equality award shall be determined as follows: The ratio of women working in a sector to all employees in the sector shall be multiplied by 0.4. To the figure thus obtained shall be added the ratio of workers in the sector earning under FIM 38 per hour or under FIM 6270 per month to all employees in the sector, multiplied by 0.8. The central organisations shall calculate the size of the equality award in each sector. When agreeing the use of the equality award at sector level, the principle shall be that the bases for its determination be taken into consideration. If the method of use of the equality award is not otherwise agreed at sector level by 15.11.1990 at the latest, the equality award shall be paid in the form of a general increase.” (P.2).

Economic, Employment and Labour Market Policy Agreement for 1996 - 1997

2.4. The Women's and Low Pay Award.

“From the beginning of the pay period beginning on 1.10.1996 or soon after this, a women's and low pay award shall be at the disposal of the sectors.

The award shall be determined at sector level as follows: The ratio of women to all employees working in the sector shall be multiplied by 0.6. To the figure thus obtained shall be added the ratio of employees earning under FIM 54 per hour or under FIM 9,200 per month to all employees working in the sector multiplied by 0.2.

The central organisations shall calculate the women's and low pay award for each sector on the basis of the second quarter of 1996 or some statistical period corresponding to this.

The award shall be used in a manner agreed by the unions, and they may transfer the award or a part of it to be apportioned locally. If the unions do not reach agreement, or if agreement is not reached locally, on the method of allocation of the award, it shall be paid from the beginning of the pay period starting on 1.10.1996 or soon after that as a general increase in percentage form. When agreeing the use of the women's and low pay award, consideration must be given to the principles of determination of the award. By means of the women's pay award the contracting parties are attempting to improve the remunerative position of women whose pay is not commensurate with the demands of their work and with their level of education. The low pay award is intended to raise pay levels in sectors where pay is relatively low." (pp 6 - 7).

APPENDIX 2

MATERIALS FOR THE STUDY

The interviews for this case study were carried out in two separate stages. In the autumn of 1990 we (Riitta Martikainen and Päivi Yli-Pietilä) interviewed labour market negotiators as part of the University of Tampere's research project "Terms and Conditions of Employment, the Workings of Agreements and the Gender System".

We interviewed chief trade union federation and employers' organisation negotiators, employers' organisations, most of them twice: before the negotiation round and afterwards. In the case of certain organisations we also interviewed "second rank negotiators". There were 11 negotiators interviewed in all, one of whom was a woman. All interviews were taped, with the permission of the interviewees. There were a total of 21 interviews, of which 19 were transcribed completely and 2 in part. In the interviews carried out before the negotiations we dealt with the approaching negotiations and the objectives of the organisations in these, and the significance in the negotiations of the equality award. These interviews normally lasted about an hour. The interviews carried out after the conclusion of the revision agreement were more extensive than the first interviews, and lasted on average two hours.

For the purposes of this case study, Riitta Martikainen carried out 15 interviews, the majority of them in November - December 1996. Seven of the interviews were carried out at trade union federation level and eight at sector level. Of those interviewed, seven were women and 11 men. The interviews were transcribed onto paper from tape. The interviews which I carried out for the case study concentrated on the equality award, and in particular upon the application of the most recent equality award. The subject was quite fresh at the time of the interviews, since the negotiations on the allocation of the equality award had been held in September 1996. In addition to the interviews, information was obtained by several phone calls to employer associations and trade unions.

APPENDIX 3

Table 1 Number of members of the trade union federations, proportion of male members, ratio of federation membership to total of unionised employees for 1989 and proportion of men in executive committees of trade union federations.

FEDERATION	Number of members, 1989*		Ratio of membership to total of unionised employees*	Proportion of men in executive committee (%)**
	Total	Men (%)		
SAK	1 081 000	55%	57%	85%
TVK	387 000	15%	20%	43%
AKAVA	256 000	59%	14%	81%
STTK	153 000	80%	8%	96%
Total	1 877 000	49%	100%	

Sources: Kauppinen - Köykkä 1991; Report of Equality Working Group 1989

Table 2 Average salaries (FIM / month) of members of trade union federations and salaries of women as a proportion of salaries of men

TRADE UNION FEDERATION	Level of salary of members	
	Average salary FIM / month*	Women's salaries as ratio of men's salaries (%)
SAK (1990)	6 693	78%
TVK	7 197	79%
STTK (1989)	9 046	74%
AKAVA (1990)	13 300	75%

Sources: Helin and Erkkilä 1990, TVK's survey of members 1990, Akava's survey of members 1990 and Lovio - Kohtamäki 1991. Salary data is only indicative, since principles of determination vary to some extent.

APPENDIX 4

Table 1

NUMBERS OF MEMBERS OF TRADE UNION FEDERATIONS, 1996

FEDERATION	NUMBER OF MEMBERS	WOMEN AS PROPORTION OF MEMBERS %
AKAVA	329 530	51%
SAK	1 114 725	46%
STTK	639 550	68%

Sources: Federation figures, January 1997.

Table 2

AVERAGE SALARIES OF WOMEN AND MEN IN THE TRADE UNION FEDERATIONS

FEDERATION	AVERAGE SALARY OF WOMEN, FIM / MONTH	AVERAGE SALARY OF MEN, FIM / MONTH
AKAVA	13 300	17 400
SAK	8 200	9 900
STTK	9 150	12 700

Sources: Federation figures, January 1997.

The salary data above depicts the average pay for regular working hours for full-time workers (except that this is gross pay in the case of AKAVA). There are variations in the manner of calculation and date of the study, thus the salary information is only indicative.

The central employer organisations cannot be characterised by presenting similar parameters. From the point of view of the study material what is important is that TT represents chiefly industrial employers. Industrial employees are chiefly men. The service sector employers represented by PT employ many women, as do the municipalities and the Church. There are roughly as many women as men working for the Government.