

COUNTRY BACKGROUND: FINLAND

> National Context

> Legal and Industrial Relations Context

The Finnish system of collective bargaining has a history dating back to 1940 when labour market organizations recognized each other as negotiating partners. The process of tripartite cooperation further developed in 1968. Finland's industrial relations are characterized by a high level of centralization, with close cooperation between various trade unions and employers' organizations in peak-level organizations. In addition to addressing employment issues, the Finnish labour market organizations also play a significant role in developing policies in other areas, such as the pension scheme. Consensus is a central aspect of the Finnish system, and the government typically consults extensively with social partners when proposing amendments to laws affecting the working life. Traditionally, Finland has employed a three-tier system of collective bargaining, with negotiations taking place at the national, sectoral, and local levels. In addition to formally negotiated collective agreements, the social partners engage in continuous negotiation and discussions throughout the agreement period, known as the "continuous negotiation system." This system allows ongoing dialogue and adjustments to address emerging issues and changes in working life.

> Legal Acts

Minimum wage	no
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Contr. requirements	yes
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Working time	yes
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Leave provisions	yes
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Health & welfare	yes
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Pensions/ Old-age	yes
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> National Legislation

In Finland, the working conditions of employees are determined through a combination of legislation and collective agreements. Key legislation pertaining to employment relationships includes the Employment Contracts Act, the Annual Holidays Act, and the Working Hours Act. These laws provide the legal framework for various aspects of employment, such as contractual terms, annual leave entitlements, and working time regulations. labour market organizations and collective bargaining are governed by important laws such as the Collective Agreements Act. This act establishes the framework for the agreement system, outlining the rights and responsibilities of the parties involved in collective bargaining. Additionally, the Act on Mediation in Labour Disputes and the Act on the Labour Court play crucial roles in resolving disputes related to collective agreements. These laws provide mechanisms for mediation and arbitration in case disagreements arise. labour market legislation in Finland is developed through a tripartite approach, involving the active participation of trade unions and employers' organizations in the legislative process. This ensures that the perspectives and interests of all stakeholders are taken into account when drafting labour laws and regulations.

Maternity, paternity	yes
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Sick leave	yes
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Vocational training	yes
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> Actors

> Trade Unions

- > In Finland, all workers, regardless of their sector, have the right to join trade unions as stated in the Employment Contracts Act. Trade unions in Finland have gained popularity due to their involvement in providing individual security through pensions and unemployment schemes. While other institutions also offer similar services, trade unions remain a preferred choice for many workers.
- > There are no specific statutory regulations regarding representativeness in Finland. However, the Collective Agreements Act establishes the central principles of collective bargaining. According to this act, a collective agreement is any agreement reached between employers or employer associations and employee associations, outlining the conditions to be followed in employment contracts or employment in general.

- > The three major trade union confederations in Finland are the Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Professionals (STTK), and the Confederation of Unions for Professional and Managerial Staff in Finland (Akava). SAK primarily represents blue-collar occupations, while STTK focuses on officials and clerks, who are mainly white-collar workers. Akava serves as the trade union confederation for individuals with higher education or professional qualifications.

> Coverage

Number of members (in 1000s)	1306 (2019)
Density (%)	67 (2019)

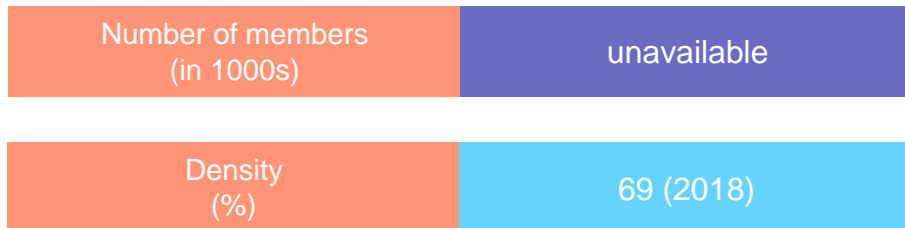
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> Actors

> Employer Organizations

- > All employers have the right to associate, and membership in employers' associations in the private sector is voluntary. There is a noticeable trend of organizations merging within the employers' associations, and this trend is expected to continue in the future. The relatively high density of employers' associations is likely attributed to the significant influence that labour organizations hold in the context of collective agreements.

> Coverage



> Workplace-Level Employee Representation

- > Employee representation is primarily based on the role of shop stewards, who are affiliated with trade unions and regulated by sectoral collective agreements. Shop stewards serve as key partners for information, consultation, and collective bargaining at the establishment level. Collective agreements stipulate the presence of shop stewards in workplaces across various sectors. The election and terms of office for shop stewards are determined by the internal statutes of the trade unions.
- > In cases where there is no trade union shop steward or for specific personnel groups without trade union representation, a shop steward without trade union affiliation may be elected, with their position regulated by law. Their responsibilities are similar to trade union-affiliated shop stewards. If neither type of shop steward is present, employees have the option to elect a cooperation representative to represent them in negotiations and activities with the employer, addressing work, working conditions, and the employees' position at the workplace.
- > For employer-employee cooperation that involves multiple personnel groups, employers and employees can establish works councils, including representatives from all parties to facilitate negotiations. The positions and functions of cooperation representatives and works councils are defined by legislation.
- > In private companies with 150 employees or more, employees have the right to be represented in the company's relevant governing bodies.

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> Collective Bargaining

> Nature of Collective Bargaining Laws

In Finland, the collective bargaining system operates under the principle of general applicability, which has been in place since the 1970s. According to this principle, employers who are not engaged in collective bargaining or are not party to a collective agreement must adhere to the nationally applicable sector-level collective agreement that is considered representative in their industry or sector. To determine the representative nature of a sector-level agreement, a confirmation procedure for universally binding collective agreements was introduced in 2001. A sector-level agreement is considered generally applicable if it is deemed representative of the respective field or industry. This ensures that even employers who are not directly involved in collective bargaining still abide by the terms and conditions established in the collective agreements that apply to their sector. It aims to maintain a level playing field and prevent non-participating employers from gaining a competitive advantage by avoiding collective bargaining.

> Levels of Collective Bargaining

National	Yes, existing
Sectoral	Yes, dominant
Company	Yes, existing

> Involved Parties

Tripartite

> Coverage

Density (%)	88.8 (2017)
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> Duration

- > According to Article 4 of the Collective Agreement Act, collective agreements remain in effect until a new agreement is reached. On average, collective agreements in Germany have a duration of 26.5 months as of 2018. The duration varies across sectors, with the shortest duration observed in the chemical and energy sector (15 months), and the longest duration observed in the public sector (30 months).



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> Data Sources

Eurofound, 2023, Living and Working in Finland. Retrieved on: 07.06.2023, from: <https://www.eurofound.europa.eu/country/finland>

ILO, 2011, TRAVAIL Legal Databases – Conditions of Work and Employment Programme. Retrieved on: 07.06.2023, from: https://www.ilo.org/dyn/travail/travmain.sectionReport1?p_lang=en&p_structure=2&p_sc_id=1368&p_sc_id=1694&p_sc_id=1390&p_sc_id=1717&p_countries=REG4&p_start=1&p_increment=10