

The Finnish Trade Union Movement

# WHAT EVERY EMPLOYEE SHOULD KNOW



## **THE FINNISH TRADE UNION MOVEMENT WHAT EVERY EMPLOYEE SHOULD KNOW**

The rights of employees working in Finland are guaranteed by law and by collective agreements made by the trade unions on behalf of employee groups. Most people nowadays take these rights for granted, and are unaware of how these rights were achieved. However, the modern situation is the outcome of decades of hard work by the trade unions. Through long-term solidarity the trade union movement has ensured security and benefits for employees in Finland that are still denied to most of the world's workers.

## **ACHIEVEMENTS OF THE TRADE UNION MOVEMENT**

Finland's trade unions have helped to establish a system of basic rights that protects employees in the event of unemployment or illness and that secures their standard of living in old age. This system includes an earnings-related benefit scheme that provides some 50 - 70 per cent income support in the event of unemployment. The annual holidays, maternity leave and other parental benefits and employment pensions enjoyed by employees in Finland are likewise the outcome of sustained lobbying work by the trade union movement.

The trade unions have been actively involved in improving the law on hours of work, working conditions and industrial safety. They have also negotiated collective agreements that improve employee working conditions and job satisfaction in many industries.

The main work of the trade unions nowadays is to negotiate collective agreements establishing rates of pay, working hours, holidays and other terms of employment in specific industries. Contrary to popular belief, there is no statutory minimum wage in Finland. Instead, the minimum wages and pay scales applied in various industries are specified in the relevant collective agreements. These minimum wage standards apply equally to Finnish and foreign employees. Bonuses must be paid for Sunday work and for work under other special circumstances specified in the collective agreement.





## **WHERE DO COLLECTIVE AGREEMENTS COME FROM?**

Organisation of interest groups and collective bargaining between them is a fundamental feature of Finnish society. Both employees and employers in Finland are highly organised. Every trade union has a negotiating partner representing the employers in its industry.

The government consults the trade unions and the employers in detail over any proposed amendments to the laws that affect working life. For example any proposal to change the law on working hours will automatically be considered by a working group including trade union and employer representatives. Working groups of this kind generally continue to negotiate for as long as it takes to reach a common understanding.

A collective agreement will often govern the terms of employment of all employees engaged in a certain industry or type of work, regardless of whether these employees belong to the trade union or whether their employers are members of the employers' federation that made the agreement. This generally binding character of a collective agreement depends on various factors, especially the organising rate of employers and employees in the line of work concerned.

## **THE INDIVIDUAL EMPLOYMENT CONTRACT**

Individual employees may influence the collective bargaining process through their trade unions, which represent them in the negotiations described above. On the other hand, everyone who works for an employer is automatically a party to an individual employment contract that states the work done, the pay, the hours of work, annual holidays and any specific benefits such as occupational health care. It is wise to set out this employment contract in writing before the work begins. The law also requires an employer to give the employee a written certificate of the main terms of employment no later than one month after the work begins. The employer must also often provide this information to the labour authorities when hiring a foreign worker.



## **A LONG AND STONY ROAD...**

Labour market organisations have a great deal of influence in Finland. The consensus society began developing after the Second World War, and particularly as of the 1960s. This growth continued right up to the 1990s. Nowadays about 75 per cent of employees in Finland are members of a trade union. This is a high organising rate by global standards and even in Europe. Only the other Nordic countries have similar levels of union membership. It also means that union membership is very much the norm for employees in many industries.

## **...AND THE JOURNEY IS STILL FAR FROM OVER.**

Fierce international competition affects working conditions in Finland and in other countries. Casual work, high job stress levels and concerns about security of employment are widespread in many industries. Employee burnout and feelings of inadequacy are all too common. These factors also undermine the sense of community and solidarity of employees at work. The only way to defend the interests of employees is by collective effort. This means that no one at work is an island: we all need one another's support.

Another factor that has brought new challenges to the trade union movement is globalisation. It is no longer enough for us to lobby in one country alone. The trade union movement must work together across international borders and promote the interests of employees wherever policies are made. Finland has been a Member State of the European Union since 1995. European Union institutions increasingly make policies on working life in the Member States of the European Union, and collective bargaining at European level is also becoming more common.

## **GET INVOLVED ... JOIN A UNION**

It is normal for employees to belong to trade unions in Finland. You are also welcome to become one of more than two million members in the Finnish trade union movement, and some immigrants have found that trade union activism is a good way to settle in Finland and make social contacts. There are about 70 trade unions in Finland, organising employees in all types of work, from engineers and scientists to painters, welders and shop assistants. These unions are affiliated to one of Finland's three labour confederations, SAK, STTK and AKAVA. These three confederations have jointly prepared and published this brochure. You will find brief descriptions of them below.

## **HOW DO I JOIN A UNION?**

Application forms are available through local union activists or directly from the offices of each trade union. You can also join many trade unions by completing an application on the union website. Union members pay a membership subscription, which is generally a certain sum each month. The size of the subscription depends on the union, and is generally between 1 and 2 per cent of the employee's gross pay. The impact of the union membership subscription on the member's take-home pay is substantially less than this, however, as the subscription is tax-deductible. This taxation policy is clear evidence that society encourages union membership. It is common for employers to agree with the trade union to deduct union subscriptions directly from the member's pay. This enables the member to benefit from the tax deductibility of the subscription immediately and with no separate tax formalities. A trade union member may also choose to pay the subscription separately, for example if there is some reason why it is not possible to make such an agreement with the employer.



## HOW TRADE UNIONS WORK

While each trade union has its own way of working, the most common operating format is as follows:

The member belongs to a union branch. This branch may include all of the union members at some large workplace, such as a major industrial plant. Employees at smaller workplaces or in more specialised occupations, on the other hand, will generally belong to local branches covering a geographical region or to some national, specialised branch.

Many workplaces have locally elected union representatives who are authorised to represent the affairs of employees at the workplace, often during paid working hours. While these local union representatives generally provide the easiest and most personal way for the member to contact the union, it is also possible for the member to contact the regional or national office of the union for assistance and advice when necessary. Trade unions are experts at settling disputes over terms of employment, and it is seldom necessary to take legal action. In the event that legal action must be taken to settle a dispute, the trade unions have special arrangements for providing either free or very low-cost legal aid to their members. Members generally become eligible for legal aid from the union only after a certain qualifying period of union membership.

Kuva: Eija Hiltunen



In most trade unions new members become eligible full services six months after joining. However, the terms of generally binding collective agreements protect all employees, regardless of trade union membership. It is easier to secure this protection when more employees are members of trade unions. If the organising rate in an industry declines, then its collective agreement may cease to be generally binding and the protection is lost.

## OTHER BENEFITS OF MEMBERSHIP

Each trade union provides a varied range of fringe benefits to members. Typically these benefits include a union newspaper and discounts on insurance and package holidays, together with partially or fully subsidised educational opportunities. The trade unions also administer unemployment funds for the industries in which their members work. Members of these unemployment funds are eligible for earnings-related unemployment benefit and other allowances paid by the fund. It is customary for new members to join both the trade union and the unemployment fund at the same time by completing a single application form. The membership subscription fee that is normally quoted by a trade union also includes the subscription fee for its unemployment fund.

To be eligible for unemployment benefit, an unemployed person must be enrolled as a jobseeker at a local employment office. It is wise to enrol at the earliest opportunity after learning that your employment is coming to an end. Your general eligibility for unemployment and certain other social security benefits may also be affected if you are in Finland on a temporary basis only. Your unemployment fund will advise you on the amount of benefit that you can expect to receive, on how long this benefit will continue to be paid, and on other details concerning the benefits paid from the fund. A member of an unemployment fund normally becomes eligible for earnings-related unemployment benefit at least ten months after joining the fund, provided that the member has been in continuous substantial employment over this period. More information on unemployment security is presented on the website of Federation of Unemployment Funds TYJ [www.tyj.fi](http://www.tyj.fi). A union member can turn to the trade union for expert help in the event of technical problems over eligibility for benefit.

It should be remembered, however, that the most important service provided by a trade union is bargaining collectively on the member's behalf and supporting the member when problems arise at work. The bargaining position of a trade union fundamentally depends on the number of members in the union and on how active these members are. As a member of your trade union, you will be helping to improve working conditions for yourself and your fellow employees.



## FINNISH TRADE UNION CONFEDERATIONS

### **The Central Organisation of Finnish Trade Unions (SAK)**

[www.sak.fi](http://www.sak.fi)

Tel. +358 20 774 000

SAK represents the interests of about one million members in its affiliated trade unions. These union members mainly work in industrial occupations, and include lumberjacks, woodworkers, shop assistants, bakers, restaurant staff and cleaners.

### **The Finnish Confederation of Professionals STTK**

[www.sttk.fi](http://www.sttk.fi)

Tel. +358 9 131 521

The trade unions affiliated to STTK have a total of about 630,000 members. These members work in clerical and technical occupations, and include nurses, managers and supervisors, police officers, bank clerks and public servants.

### **The Confederation of Unions for Professional and Managerial Staff in Finland - Akava**

[www.akava.fi](http://www.akava.fi)

Tel. +358 20 748 9400

Akava represents about 537,000 members of its affiliated trade unions. These members work in professions requiring higher education, and include teachers, engineers, doctors, lawyers, professional social workers, librarians, pharmacists and officers in the armed forces.

## USEFUL LINKS

Basic information on Finland for immigrants

[www.infopankki.fi](http://www.infopankki.fi), [www.suomi.fi](http://www.suomi.fi)

Information on social security and taxation for foreign workers

In To Infopoint

[www.intofinland.fi](http://www.intofinland.fi)

Finnish Tax Administration

[www.vero.fi](http://www.vero.fi)

Social Insurance Institution of Finland

[www.kela.fi](http://www.kela.fi)

Finnish Centre for Pensions

[www.etk.fi](http://www.etk.fi)

Occupational Safety and Health Administration

[www.työsuoja.fi](http://www.työsuoja.fi)

Finnish Immigration Service

[www.migri.fi](http://www.migri.fi)

Foreigners working in Finland

[www.mol.fi/mol/en/02\\_working/05\\_foreigners/index.jsp](http://www.mol.fi/mol/en/02_working/05_foreigners/index.jsp)



**SAK**

**STTK** 

 **AKAVA**