



25/01/2016

## **EUROPEAN SOCIAL CHARTER**

Comments by the Confederation of Finnish Industries (EK), 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)

on the 11th national report  
on the implementation of  
the European Social Charter

submitted by

**THE GOVERNMENT OF FINLAND**

(Article 1, 20 and 28 for the period  
01/01/2011 – 31/12/2014)

Report registered by the Secretariat on  
25 January 2016

**CYCLE 2016**



## **Statement by the Confederation of Finnish Industries (EK)**

The Confederation of Finnish Industries (EK) appreciates the opportunity to express its views on the Finnish Government's 11th Periodic Report on the Implementation of the Revised European Social Charter.

The Report describes mainly accurately the legislation relevant to the Social Charter Articles in question and its development. While not scrutinizing the Government Report in detail, we would raise a few points as follows:

- Article 1: The legislation on the wage subsidy was amended in 2014 (amendments into force in 2015). If not outside the reporting period, it may be appropriate to mention also this development and not merely the more extensive reform that took place in 2012.
- Article 20: It could be useful to point out that the figures provided refer to the unadjusted (as opposed to the adjusted) gender pay gap, if this is not clear. Further, though the most recent evaluation of the Equal Pay Programme concerned the period of 2010-2014, it took place in 2015. The evaluation, arguably, raised gender segregation in the labor market as an issue having a clear consequence in the form of the gender pay gap.
- Article 28: The Report generally only deals with shop stewards, and even them in a fairly limited manner. There are also other worker representatives with strengthened protection against dismissal, along with other rights.

We would also express our concern as to the scope of examination by the European Committee of Social Rights. The Committee appears to extend its examination beyond the content of the Charter. This is a development that we do not encourage.

As a practical suggestion for the future, we would appreciate receiving also the questions of the Committee to which the Government Report replies. Also the relevant Committee Conclusions could be clearly referenced in the Report.

Translation of the statement by Central Organisation of Finnish Trade Unions (SAK), Finnish Confederation of Professionals (STTK), and Confederation of Unions for Professional and Managerial Staff in Finland (Akava):

## **Council of Europe; Revised European Social Charter; Eleventh Periodic Report by Finland**

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), state the following:

### **Article 20**

#### Cuts already made by the Government

On 15 December 2015 the Finnish Parliament adopted a legislative amendment (Government proposal HE 80/2015) that weakens the subjective right of children to early childhood education (day care). In future, children will be entitled to only 20 hours of early childhood education per week if their parents are not working or studying full time.

According to the current legislation, the right to early childhood education entitles a child to full time day care, regardless of the labour market status of the parents. The amended legislation will take effect at the beginning of August 2016. The reduction of the hours of full-time early childhood education to 20 hours per week will weaken the labour market position of women.

The decision of the Government to cut the amount of increased parental allowances is problematic from the standpoint of gender equality. The cut in the allowances affects nearly exclusively women, because only approximately 3 or 4 % of all fathers use their right to a period of parental leave with allowance. By cutting the increased paternity allowance and thus reducing the incentives for fathers to take more responsibility for caring for their children, the Government may discourage fathers from using their right to the period with paternity allowance and increasingly shift the responsibility for children to mothers.

#### Cuts planned by the Government

The Government has proposed the following amendments to the current employment legislation:

- To reduce the right of employees to annual leave so that the leave would accumulate for the maximum of six months of maternity, paternity and parental leave. According to the current legislation, the annual leave accumulates for the total period of maternity, paternity and parental leave.

- To cut the pay for sick leave so that when an employee falls ill, the first day of sickness would be unpaid. For the next eight days the employee would be entitled to 80 % of the normal pay. According to the current legislation, the employer is obliged to pay full pay for all nine days.

- To reduce the length of annual leave to the maximum of six weeks and the holiday bonus to the maximum of 35 % of the pay for the annual leave. Currently there is no maximum length of annual leave. The holiday bonus payable in the context of annual leave is now usually half of the pay for the leave.

The Government submitted its proposal for the legislative amendment (HE 145/2015) concerning the accumulation of annual leave during maternity, paternity and parental leave to Parliament at the end of 2015. Parliament will start considering the proposal in February. The proposals for the cuts in the pay for sick leave and the cuts in the annual leave and the holiday bonus will be submitted to Parliament in spring 2016. The purpose of the cuts is to save public funds and to improve the competitiveness of Finland by weakening the legislation on working life.

All above-mentioned cuts would affect women more than men. The proposal concerning the accumulation of annual leave during maternity, paternity and parental leave concerns primarily women, because women use 90 % of all periods of parental leave. From the gender equality perspective, the proposals to reduce the length of annual leave and the amount of the holiday bonus are also significant. Many sectors affected by these reductions are female-dominated sectors.

The largest affected sector is that of local authorities, where nearly 80 % of all employees are female. This is also mentioned in the draft of the Ministry of Employment and the Economy.

In Finland, the long holidays of the public sector compensate for its lower pay level compared with that of the private sector. The proposed legislation to change the criteria for earning annual leave, to shorten the annual leave and to cut the holiday bonus would also increase the pay gap between the sexes. Moreover, the limitation on the accumulation of annual leave during the period of maternity, paternity and parental leave would affect different forms of families differently. One-parent families would always earn less annual leave than two-parent families, where the parents could divide their annual leave between each other.

According to the draft of the Ministry of Employment and the Economy, women take more often a short sick leave from work than men, and work more often than men while they are ill. The Ministry estimates that if Parliament passes the proposed legislation, the difference between the sexes regarding work during illness would further increase.

The Ministry further estimates in the draft that employees performing physical work and those low-income employees who cannot afford the first unpaid day of sick leave or have no flexible working hours or cannot work remote would arrive at their workplace despite illness. Thus, the cuts would have the most serious impacts on low-income women.

Most part-time employees are women. The unpaid first day of sickness would affect them really badly if they work for a number of different employers. Such employees might have many unpaid first days of sickness because the Government proposes that the one-day waiting period should apply to each employer separately.

There is no guarantee that the proposed cuts will bring the savings pursued by the Government. This is also stated both in the government proposal and in the draft of the Ministry. Besides, the envisaged savings could be achieved in manners that are less discriminatory against women or would not discriminate against them at all, for instance by increasing taxation.

Therefore, the proposals are incompatible with Article 20.

### Pay differentials

Despite the equal pay programmes carried out in Finland over many years, the pay gaps between women and men persist.

The pay survey to be conducted as part of the statutory equality plan is an important instrument for employers for eliminating the pay gaps. The survey studies the categorisation of tasks, the pay paid and the pay differentials between women and men.

The Act on Equality between Women and Men should be supplemented with a provision on the right of a staff representative to participate in the pay survey throughout the process. Moreover, it must be ensured that the representative has sufficient rights to be informed about the criteria of the applied pay scheme, the criteria for determining the competence classification of each task, the different elements of pay, and the pay of the represented persons. This information must be broken down in a manner that makes it possible to identify any pay gaps between the sexes. Because individual employees are afraid of losing their jobs and being stigmatised as difficult persons, the pay discrimination could also be eradicated by stipulating that the labour organisations have the right to bring an action on behalf of an individual employee.