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## **EUROPEAN SOCIAL CHARTER**

18th National Report on the implementation of the European  
Social Charter

submitted by

**THE GOVERNMENT OF FINLAND**

Follow-up to Collective Complaints No. 70/2011, 71/2011,  
88/2012, 106/2014, 108/2014, 129/2916 and 139/2016

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**REPORT FOR FINDINGS 2023**

**EIGHTEENTH PERIOD REPORT  
ON THE IMPLEMENTATION OF  
THE REVISED EUROPEAN SOCIAL CHARTER  
SUBMITTED BY THE GOVERNMENT OF FINLAND**

**DECEMBER 2022**

## **EIGHTEENTH PERIOD REPORT ON THE IMPLEMENTATION OF THE REVISED EUROPEAN SOCIAL CHARTER**

Submitted in accordance with the Secretariat for the European Social Charter's request by a letter of 26 May 2022 to report, under the new reporting procedure adopted by the decision of the Committee of Ministers on 2 April 2014, on the follow-up on seven collective complaints Nos. 70/2011, 71/2011, 88/2012, 106/2014, 108/2014, 129/2016 and 139/2016, which concern Finland and were handled in accordance with the collective complaint procedure.

In this report, the Government refers to the information submitted in the 16<sup>th</sup> periodic report and submits any new information available.

In accordance with Article C of the Revised European Social Charter (Finnish Treaty Series 78 and 80/2002), the instrument of acceptance which was deposited on 21 June 2002, and Article 23 of the European Social Charter, copies of this report in the English language have been communicated to the Central Organisation of Finnish Trade Unions (SAK); the Finnish Confederation of Salaried Employees (STTK); the Confederation of Unions for Academic Professionals in Finland (AKAVA); the Confederation of Finnish Industries (EK); and the Federation of Finnish Enterprises (FFE).

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**INFORMATION ON THE FOLLOW-UP GIVEN TO THE DECISIONS OF THE  
EUROPEAN COMMITTEE OF SOCIAL RIGHTS RELATING TO THE FOLLOWING  
COLLECTIVE COMPLAINTS**

**Association of Care Giving Relatives and Friends v. Finland (No. 70/2011)**

1. The Government refers to information given in connection with its 16<sup>th</sup> periodic report and submits the following new information below.

*Development of support for informal care in terms of volume*

2. The numbers of recipients of support for informal care and the numbers of the informal carers of these recipients as well as the informal care allowances paid to carers, broken down by municipality, are indicated in official statistics published annually.

3. In 2021, support for informal care recipients numbered 52,073 and 67% of them were over the age of 65. The number of informal carers was 50,241, of whom 57% were aged 65 or older. In a departure from trends in earlier years, the number of informal carers declined slightly while the number of persons cared for continued to rise. The amount of informal care allowances increased by 2% from 2019.

Table. Support for informal care 2019–2021.

<b>INFORMAL CARERS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Annual total no. of carers with agreement on support for informal care	48,927	50,283	50,241
- of them, annual no. of carers aged 65 or older	28,218	29,215	29,512
<b>SUPPORT RECIPIENTS</b>			
Support for informal care, annual no. of recipients aged 0–17	9,176	9,446	9,726
Support for informal care, annual no. of recipients aged 18–64	7,984	7,857	7,658
Support for informal care, annual no. of recipients aged 65–74	8,664	8,658	8,398
Support for informal care, annual no. of recipients aged 75–79	6,695	6,929	7,103
Support for informal care, annual no. of recipients aged 80–84	8,133	7,989	8,289
Support for informal care, annual no. of recipients aged 85 or older	10,284	10,470	10,847
Total no. of support for informal care recipients	50,936	51,325	52,073
INFORMAL CARE ALLOWANCES, EUR MILLION EUR	239.3	245.0	...

Sources: Sotkanet.fi Statistics and Indicator Bank 2005–2021  
Statistics Finland, statistics on the finances of municipalities and joint municipal authorities

*The health and social services reform will harmonise the criteria for granting support for informal care*

4. While support for informal care is a statutory service provided by all municipalities, its population coverage varies. Municipalities investigate the need for support for informal care and the appropriate forms of support in the context of the statutory individual service needs assessment and the preparation of the client plan based on this assessment. The general criteria for granting the support are laid down by law, yet there remain differences between municipalities and regions in the detailed criteria.

5. However, in recent years the trend has been towards regional harmonisation of the criteria and the allowances paid to informal carers. Many of Finland's 18 regions have already adopted uniform criteria and informal care allowances.

6. At the start of 2023, responsibility for organising health and social services transfers from the municipalities to the 21 wellbeing services counties. The only exception is the City of Helsinki, which retains responsibility for organising health and social services within the city. A key goal of the health and social services reform is to safeguard equal and quality health and social services for all. Regional equality is better accomplished when the services are arranged by self-governing areas larger than a single municipality, *i.e.* by the wellbeing services counties. In the early stages of the reform, the funding of the wellbeing services counties will primarily consist of central government funding.

7. The health and social services reform also covers support for informal care. The wellbeing services counties are required to harmonise the criteria for granting support for informal care and the informal care allowances within the counties as of 1 January 2023. The health and social services reform will thus boost the equality of informal carers and support for informal care recipients living in different parts of Finland.

#### *Measures taken by Prime Minister Marin's Government to develop informal care*

8. The Ministry of Social Affairs and Health outlines and supports the substantive and functional reform of services linked to the health and social services reform by means of the Future Health and Social Services Centres programme (2020–2023) and the associated discretionary government grants. The programme involves enhancing basic-level health and social services, improving access to them and coordinating the services to match the needs of people. The 2021 call for government grant applications was an additional call for projects that received discretionary government grants in 2020. The funding in the additional call (not to exceed EUR 141 million) will be available until the end of 2023. Informal care development is also part of the Future Health and Social Services Centres programme.

9. The additional call in 2021 contained a more detailed description of topics including the development of support for informal care. Under the programme, the counties are urged to adopt a consistent approach to supporting informal care and to leverage best practices that have already been innovated, such as providing a wide range of substitution options during informal carers' time off. In addition, the general basic services, counselling and client guidance as well as preventive and proactive work developed under the programme are relevant also to the wellbeing of informal carers and their families. The Finnish Institute for Health and Welfare, which supports and coordinates the implementation of the programme, organised on 31 August 2022 a national event themed on informal care for the elderly.

10. In autumn 2021, the Finnish Institute for Health and Welfare, commissioned by the Ministry of Social Affairs and Health, initiated a study aiming to establish the current situation *vis-à-vis* the criteria for granting support for informal care and the harmonisation of these criteria. The study, to be completed in autumn 2022, will consist of the following sections: (1) a description of the current situation in municipalities and joint municipal authorities *vis-à-vis* the criteria for granting support for informal care; (2) an assessment of the potential for criteria harmonisation, taking into account also the various groups of informal care support clients; (3) a proposal for the national criteria for granting support for informal care; and (4) an assessment of the cost and client impacts of harmonising the support criteria.

11. The study steering group appointed by the Finnish Institute for Health and Welfare includes representatives of the Ministry of Social Affairs and Health, the Association of Care Giving Relatives and Friends, and service organisers, among others. The study will provide the foundation for consideration of possible further measures, such as the need for legislative amendments in the term of the next Government. The study will also support the harmonisation of the criteria for granting support for informal care in the wellbeing services counties.

12. The reform of the legislation on services to elderly persons started in the previous Government's term has been continued in the term of Prime Minister Sanna Marin's Government (2019- ). The aim of this second stage of the reform is to improve the adequacy and quality of services provided at home to the elderly. The range of housing services will also be augmented. The legislative amendments implementing the reform will enter into force on 1 January 2023. The reform is also significant with regard to supporting informal care, as many persons receiving informal care also require home care services, which in turn support the coping of informal carers. In future, services provided at home will be divided into home care, which can also include home nursing needed by clients, and the various support services as a distinct service category. The wellbeing services counties are required to arrange home care commensurate with the client's needs round the clock, also at night. In order to strengthen the adequacy of home care, legislation will be augmented with new provisions on matters such as planning house calls, securing adequate staffing level and addressing personnel shortages. A further aim of the reform is to promote a wider range of flexible housing solutions. Communal housing is to replace the current 'standard service housing'. In municipally organised communal housing where services are not available round the clock, residents would also be eligible for support for informal care, which is not the case in current service housing.

#### *Views by non-governmental organisations*

13. According to non-governmental organisations, the measures implemented and planned do not guarantee the equal treatment of informal carers. Having uniform criteria in place by 2023 at the latest, when the wellbeing services counties assume responsibility for organising support for informal care, would be vital in order to eliminate inequality and provide adequate social protection for the elderly also by means of support for informal care.

#### **Association of Care Giving Relatives and Friends v. Finland (No. 71/2011)**

14. The Government refers to information given in connection with its 16<sup>th</sup> periodic report and submits the following new information below.

15. The Government reformed the Act on Client Charges in Health and Social Services in order to remove barriers to treatment and to increase equality in health by introducing more free services and by making client charges more equitable.

16. A government proposal for amending the Act on Client Charges in Health and Social Services was submitted to Parliament in September 2020. The proposal covered fees for service housing and service housing with 24-hour assistance. In service housing with 24-hour assistance, the proposed fee is based on the client's income in a manner similar to the fee for long-term institutional care. The upper limit of the proposed fee is 85% of the client's monthly net income. However, the client must be left with at least EUR 164 per month. Parliament passed the proposal and the legislation entered into force on 1 July 2021.

### *Views by non-governmental organisations*

17. Non-governmental organisations have drawn attention to the adequacy of places suitable for service housing. They also drew attention to the fact that when an elderly person lives in service housing other than 24-hour service housing, municipalities remain free to set the fees for housing and services at their discretion. This sustains inequality depending on place of residence. The organisations consider it important that the criteria for reducing and waiving client fees should be observed in accordance with binding instructions for their application and that the implementation of the legislation should be monitored in this respect.

### **Finnish Society of Social Rights v. Finland (No. 88/2012)**

18. The Government refers to information given in connection with its 16<sup>th</sup> periodic report and submits the following new information below.

### *Sickness allowance, parental allowance and rehabilitation allowance*

19. The index adjustments made in 2020, 2021 and 2022 to benefits linked to the national pension index have increased the amounts of the benefits. In 2020, the index adjustment increase was 1.0%, in 2021 it was 0.4% and in 2022, 2.1%. Index adjustments are carried out annually.

20. In 2020, the minimum rates of the daily allowances under the Sickness Insurance Act, *i.e.* the sickness allowance, parental allowance and special care allowance, were increased by EUR 20 across the board. The increase also applied to the rehabilitation allowance. The increase was intended to reduce inequality and to emphasise the primary benefit.

21. In 2021, the minimum rate of the sickness allowance, parental allowance, special care allowance and rehabilitation allowance was raised to EUR 29.05 per day or EUR 726.25 per month. In 2022, the minimum rate of the sickness allowance, parental allowance, special care allowance and rehabilitation allowance was raised to EUR 29.67 per day or EUR 741.75 per month. In addition, an additional adjustment of 3.5% was made in 2022 to nearly all social security benefits linked to the national pension index in order to maintain the solvency of low-income benefit recipients in the current times of rising inflation. The index adjustment results in a raise in the minimum rates of sickness allowance, parental allowance and rehabilitation allowance in the period of 1 August – 31 December 2022.

22. After the additional adjustments, the minimum rate of sickness allowance, parental allowance and rehabilitation allowance as of 1 August 2022 is EUR 30.71 per day or EUR 767.75 per month. The next index adjustment of social security benefits will take place in January 2023 as usual.

### *Unemployment allowance and labour market subsidy*

23. The amount of the basic unemployment allowance and the labour market subsidy was raised to EUR 33.66 per day in 2020 and to EUR 33.78 per day in 2021. The index adjustment in early 2022 brought the amount of these benefits to EUR 34.50 per day. The additional index adjustment of social security benefits in 2022 increased the basic unemployment allowance and the labour market subsidy by roughly EUR 26 per month. Between 1 August and 31 December 2022, these benefits amount to EUR 35.72 per day or roughly EUR 768 per month.



24. The labour market subsidy has no maximum duration; instead, it is payable indefinitely. Jobseekers can furthermore improve their income level by participating in services that promote employment and thus receive an increment of EUR 5.08 per weekday in their labour market subsidy and basic unemployment allowance for up to 200 days. During participation, they are also entitled to compensation for expenses (EUR 9 per weekday). Persons who have custody of a child are entitled to an increment of EUR 5.61 per weekday for one child, while two children entitle to an increment of EUR 8.23 per weekday and three or more to an increment of EUR 10.61 per weekday.

#### *Guarantee pension*

25. The full guarantee pension has been raised in recent years. At the start of 2021, the guarantee pension was raised to EUR 837.59 per month. A second increase at the start of 2022 put the full guarantee pension at EUR 855.48. In 2022, the additional index adjustment of social security benefits brought the full guarantee pension to EUR 885.63 per month.

#### *Social security reform*

26. A parliamentary committee tasked with preparing the social security reform was appointed in early 2020 for a term extending until 2027. The committee is tasked with a holistic reform of social security. It will address questions related to basic social security, earnings-based benefits and social assistance as well as the financing of and connections between these forms of support. The committee will furthermore look into better reconciliation of services and benefits. The work of the committee will cater for the diversity and development of life situations as well as transitions between benefits.

27. The social security reform will be carried out in stages and the various elements of the reform may be completed and take effect on different timetables. Some changes in social security are also subject to front-loaded preparation as separate projects. The social security committee will issue its interim report in March 2023.

28. A broad representation of experts from central government, the social partners and non-governmental organisations are involved in the preparation of the social security reform. In addition, the preparation will involve targeted consultations with various groups including young people, student and youth organisations, child and family organisations, and organisations of people with disabilities. In summer 2020, the social security committee identified four key sets of problems: the complexity of social security; combining gainful employment and social security; minimum social security, basic social security and housing; and coordination of services and benefits. Reports on these were issued in January 2022. A report was also issued on choices and basic principles of the Finnish social security system.

29. Separate research projects examining the legislative framework conditions for the reform from the viewpoint of fundamental and human rights and looking into the coordination of income security benefits and services in different countries are also being pursued in the context of the social security reform.

#### *Finnish social security system*

30. The core of social security in Finland can broadly be divided into three tiers: minimum security, basic security and earnings-related security.

31. Minimum security in Finland generally refers to social assistance, basic security is represented by cause-based benefits of a fixed amount, and earnings-related security by benefits whose amounts are linked to earnings. Various manners of expenses reimbursement fall outside this division. These include housing benefits, reimbursements for medical expenses, child benefits and disability benefits, which supplement all three tiers. Services and payment ceilings may also be considered a part of social security.

32. When assessing the compliance of the Finnish social security system with the provisions of the Charter, the system should be taken into account as a whole. Failure to include supplementary benefits when any individual basic security benefit is at a level of less than 40% of the country's median income will not provide a correct picture of the true overall level of social security. In Finland, the majority of labour market subsidy recipients supplement their income with housing allowance, those with the lowest incomes also with social assistance. All low-income households are entitled to general housing allowance in order to cover their housing expenses.

33. A certain percentage of the country's median income also fails to correctly illustrate the standard of living it renders possible in Finland. Services and payment ceilings are an important element with regard to livelihood. Daycare receives public financial support, it is available free of charge to people with low incomes, and the monthly fee for early childhood education and care may not exceed EUR 295 for the first child (the fee is lower for siblings). All children are equally entitled to early childhood education and care irrespective of their parents' labour market status and family situation. The child of a parent on labour market subsidy, for example, is thus entitled to full-time early childhood education and care. In Finland, pre-primary, basic and secondary education is free of charge up to the age of 18.

#### *Views by non-governmental organisations*

34. Non-governmental organisations have drawn attention to the level of basic security.

#### **Finnish Society of Social Rights v. Finland (No. 106/2014)**

35. The Government refers to information provided in its 15<sup>th</sup> periodic report.

36. In Finland, labour legislation is drafted on a tripartite basis. Based on previous experience, it has been concluded that the possibility of reinstatement would not work in practice in the Finnish system.

37. It has been considered in Finland that the continuity of an employment relationship and, on the other hand, the position of a dismissed person are safeguarded by other means, such as a high threshold for dismissal, liability for compensation for groundless termination of employment, compensation for breaching the Act on Equality between Women and Men, the unemployment security system, and public services. A significant percentage of disputes relating to termination of employment are settled in a negotiation system based on collective agreements. Introducing the possibility of reinstatement would require a more comprehensive review of the entire employment security system. This review should also take into account the collective agreement system, unemployment security and public services, and the court system.

38. In Recommendation CM/RecChS(2021)6 issued to Finland in consequence of collective complaint No. 129/2016, the Committee of Ministers acknowledges that Finland, by demonstrating the existence of sufficient safeguards in labour legislation, has provided acceptable justification for the absence of the possibility of reinstatement under Finnish law.

*Views of the Confederation of Finnish Industries (EK)*

39. The Confederation of Finnish Enterprises refers to the views expressed by it in the context of the 15<sup>th</sup> periodic report.

*View by the Federation of Finnish Enterprises (FFE)*

40. The Federation of Finnish Enterprises refers to the views expressed by it in the context of the 15<sup>th</sup> periodic report.

*Views by the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Academic Professionals in Finland (AKAVA) and the Finnish Confederation of Salaried Employees (STTK)*

41. The Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Academic Professionals in Finland (AKAVA) and the Finnish Confederation of Salaried Employees (STTK) submit that with regard to the level of compensation payable for unlawful termination, the situation cannot be considered satisfactory. As concerns reinstatement, employees under employment contracts and employees under public service contracts are treated unequally under law.

**Finnish Society of Social Rights v. Finland (No. 108/2014)**

*Labour market subsidy*

42. The amount of the labour market subsidy was raised to EUR 33.66 per day in 2020 and to EUR 33.78 per day in 2021. The index adjustment in early 2022 brought the amount of the benefit to EUR 34.50 per day.

43. The additional index adjustment of social security benefits in 2022 increased the labour market subsidy by roughly EUR 26 per month. Between 1 August and 31 December 2022, the labour market subsidy amounts to EUR 35.72 per day or roughly EUR 768 per month.

44. The labour market subsidy has no maximum duration; instead, it is payable indefinitely. The benefit is moreover not conditional upon having a previous employment history. Unemployed jobseekers can furthermore improve their income level by participating in services that promote employment and thus receiving an increment of EUR 5.08 per weekday in their labour market subsidy and basic unemployment allowance for up to 200 days. During participation, they are also entitled to compensation for expenses (EUR 9 per weekday). Persons who have custody of a child are entitled to an increment of EUR 5.61 per weekday for one child, while two children entitle to an increment of EUR 8.23 per weekday and three or more to an increment of EUR 10.61 per weekday.

*General housing allowance*

45. The maximum recognised housing costs for general housing allowance were adjusted in 2020, 2021 and 2022 by the cost of living index, which resulted in slight increases in these amounts. Due to the national pension index adjustment, the basic deductible in the housing allowance has also fallen in the said years, which translates into a slight rise in the level of income which still entitles to the full allowance.

46. The general housing allowance can cover up to 80% of housing costs. For people living in rental housing, housing costs consist of rent and charges for water and heating. Social assistance may also be paid to cover housing costs if the household is unable to pay the deductible.

47. At year-end 2021, there were 830,951 persons living in households that received general housing allowance and housing allowance for pensioners. This is equal to nearly 15% of Finland's population. In other words, housing allowance is a key component in the Finnish social security system. Many recipients of other social security benefits also receive housing allowance.

#### *Finnish social security system*

48. With regard to the Finnish social security system, reference is made to paragraphs 30–33 of this report.

#### *Views by non-governmental organisations*

49. Non-governmental organisations find that basic social security in Finland is at an insufficient level.

### **University Women of Europe v. Finland (No. 129/2016)**

50. The previous Equal Pay programme was subject to an external assessment where the evaluator was of the opinion that the focus in promoting equal pay should be on the more effective measures and that new measures should also be introduced. Finland has seen a shift in the system of collective agreements, away from centralised agreements towards union-level agreements, with local agreements gaining in significance as well. Bridging gaps between sectors and industries presents a challenge. Finland has taken into account the recommendations of the overall evaluator and also sought guidance from the Commission Recommendation on strengthening the principle of equal pay between men and women through transparency (COM 2014/124 EU). The evaluator underscored the importance of determining the essential elements of work of equal value as well as the means for evaluating these and tools for addressing segregation. According to the assessment, implementation of the family leave reform would be an important measure also with regard to pay equality.

51. Prime Minister Marin's Government has intensified measures to achieve equal pay. The gender pay gap will be narrowed by means of a broad set of measures including legislative action, a joint equal pay programme between the Government and the central labour market organisations, and governmental research and development programmes. The focus areas in these efforts are work of equal value, gender impact assessments of collective agreements, pay systems based on job requirements, pay transparency, and desegregation of working life.

#### *Pay transparency in the Act on Equality between Women and Men*

52. The Government Programme 2019–2023 includes a strong commitment to increase pay transparency in all sectors by amending the Act on Equality between Women and Men. The Ministry of Social Affairs and Health appointed a tripartite working group to prepare amendments to the Equality Act based on the relevant entries in the Programme of Prime Minister Marin's Government. The term of the working group ran from August 2020 to August 2021.

53. The objective of increasing pay transparency is to prevent gender-based pay discrimination and to promote equal pay. The legislative proposal was circulated for comments last spring. However, the parties represented in the Government had divided views on the proposal and ultimately the drafting of the government proposal was suspended.

54. Nonetheless, the EU continues its efforts to promote equal pay through transparency through the negotiations for a ‘Pay Transparency Directive’ (4.3.2021 COM(2021) 93 final, 2021/0050(COD)).

#### *Family leave reform*

55. There is considerable gender disparity in taking family leave, with women using most of the leave allotted. The current situation has a negative impact on the labour market standing and careers of women, and hence also on women’s pay. The Ministry of Social Affairs and Health implemented a family leave reform which took effect in August 2022 (Government proposal HE 129/2021 and Acts 28/2022 and 29/2022 – 59/2022). The family leave reform aims to promote the equal sharing of care responsibilities and family leave.

56. The reform introduces an equal quota for parental leave. In two-parent families, both parents are assigned an equal quota of 160 parental leave days. No more than 63 days of this quota may be transferred to the other parent. Non-transferrable parental leave days left untaken are forfeited. It has been observed that quotas earmarked for fathers result in parental leave being taken more equally, because fathers tend to make use of the leave earmarked for them. The reform will considerably increase the quota assigned to the other parent and consequently it may be estimated to increase the rate at which fathers take parental leave. The reform will boost equality in the world of work and also serves to bridge the gender pay gap.

#### *Equal Pay Programme 2020–2023*

57. There is a tripartite equal pay programme currently underway in Finland. The programme is committed to the objective of bridging the gender pay gap at an increasingly faster rate. Key themes of the programme include remuneration and contract policy, remuneration schemes and pay awareness, desegregation and reconciliation of work and family life. The programme measures aim to promote gender impact assessments of collective agreements, remuneration schemes that are based on job requirements and support pay equality, pay awareness and the equal division of parental leave between parents. Equality planning and pay surveys at workplaces will also be made more efficient. The Equal Pay Programme is heavily invested in desegregation.

58. The Equal Pay Programme will examine the impacts of collective agreements on the pay to women and to men and on the pay gap, both in the private and public sectors. According to the assessment, the gender pay gap on the entire labour market has been narrowed by monetary raises, measures specified in collective agreements, local solutions and structural factors. In the review period, median pay differences for full-time employees decreased by roughly 0.3–1.3 percentage units depending on sector. In all sectors, women’s pay improved faster than men’s. Very roughly speaking, the assessment suggests that the gender pay gap is the smallest in basic salaries and the largest in total salaries. The most recent assessment was carried out during the current Equal Pay Programme and it covers the years 2017–2020. The current Equal Pay Programme will be evaluated by an independent expert.

59. The Equal Pay Programme 2020–2023 is strongly committed to ending the traditional division of labour between genders, *i.e.* segregation. Two research and development projects are being carried out as part of the programme.

60. The purpose of the 2021–2023 project (under the Equal Pay Programme), which focuses on tools for a more equal working life in order to end segregation, is to reduce gender-based segregation in the working life by means of developing best practices and network cooperation. The project builds cooperation in regional networks and pilot organisations together with working life actors, education providers and education authorities. This cooperation will result in a permanent modelling of the key measures and tools for ending gender segregation. The project aims to improve operating cultures and practices, particularly in highly segregated sectors and workplaces. The project also promotes more gender-aware and equal communication, in particular to break gender stereotypes related to professions, workers and jobs in highly segregated sectors.

61. The project compiles a survey of the practices of addressing segregation based on research literature and the operations of gender equality projects and workplaces and prepares a policy brief for decision makers on the more permanent methods of ending segregation. The output of this project will be a permanent toolkit that is distributed widely and published on the Finnish Institute for Health and Welfare’s Gender equality website.

62. The 2022–2024 research project on working careers and occupational segregation behind the gender pay gap (under the Equal Pay Programme) studies the career development of women and men as well as changes in occupational structures. In particular, it examines how career changes and changes in duties are connected to the gender pay gap. Carried out by Statistics Finland, the project also includes an extensive statistical analysis using long-term data.

63. The project has a particular focus on the working careers of salaried employees in the industrial sector at the beginning of and during their careers. It is also expected to shed light on when the working careers of women and men become segregated and how gender-segregated career paths, for example changes in duties, affect their pay. The project furthermore involves an extensive review of changes in occupational structures and their effects on the pay gap in the private sector, municipal sector and central government. The review will provide information about the placement of women and men in different occupations, changes in this placement and the effects of such changes on their pay. The research project will lay a foundation for developing working careers and occupational structures on a more equal basis.

#### *Study on employers’ gender equality plans and pay surveys 2020*

64. Statistics Finland conducted a survey in 2020 to examine how the objectives of the Gender Equality Act are implemented in the private and public sectors. The survey focused on the prevalence and quality of employers’ gender equality plans and pay surveys. The frame of the study consisted of the provisions on equality plans and pay surveys in the Equality Act. Under the Equality Act, an employer who has regularly at least 30 employees must prepare a gender equality plan that also includes a pay survey.

65. The results of the survey show that while the majority of organisations draw up an equality plan and pay survey, there is considerable variation in the scope and quality of these. Problems were observed especially in the prevalence and quality of pay surveys. There are development needs related to cooperation with staff, pay comparisons, procession of pay data, and concrete measures included in plans. With regard to pay comparisons, in most cases, the comparisons were made between employees doing the same work, and in some cases, between occupational and employee groups.

66. This did not necessarily reveal pay gaps in work of equal value. The minimum size of the reference groups used in the pay survey was often quite large, meaning that some employees might be excluded from the survey. The manner in which pay comparisons are performed impacts on the coverage of the pay survey in determining and assessing the reasons for the pay gaps. The results of the study suggest that the Equality Act and its enforcement should be reinforced.

#### *Research and development project Work of Equal Value 2021–2022*

67. The Government Programme's objectives on equal pay will be advanced in an extensive research and development project that investigates the assessment criteria of the demands of work from the perspective of the equal pay. The research is funded by the Ministry of Social Affairs and Health. This R&D project examines the manner in which job requirements and work of equal value are assessed from the perspectives of Finnish and EU law, relevant literature and the pay systems under the key collective agreements in the private and public sectors. The project consists of three parts: a judicial review, an examination of the pay systems and job requirement assessment systems in private and public sector collective agreements, and development efforts at three pilot organisations.

68. The research will draw conclusions regarding to how the assessment of job requirements should be standardised between different sectors and occupations so that the demands of female-dominated fields and occupations could be better recognised. The objective is to develop pay systems that could better support equal pay for work of equal value. Part of the project will be carried out as a pilot study in collaboration with labour market organisations, trade unions and enterprises. The project assesses amendment of the Equality Act from the perspective of the Act and prepares recommendations for pay system development to reflect equal pay for equal work.

#### *Study on gender impacts of collective agreements 2022–2023*

69. Funded by the Ministry of Social Affairs and Health, the project "Gender impacts of collective agreements from the perspective of equal pay" examines collective agreements from the perspective of gender equality. The research focuses particularly on the impact that collective agreements have on the achievement of equal pay. The effects will be examined by independent experts.

70. The project explores the practices applied by the social partners in gender impact assessment and the manner in which these practices are reflected in collective agreements. The project identifies areas, particularly those related to equal pay, where improvements could be made in assessing gender impacts. It also develops recommendations.

71. The project assesses whether collective agreements contain structures or provisions that treat genders differently or lead to differences in pay for women and men. The research will take place in two stages. First, a survey will be conducted among labour market organisations to examine the role of gender impact assessment in collective agreements and bargaining. Based on the survey, some collective agreements will be selected for a more detailed analysis. For each of these agreements, the project will assess wage formation and pay systems and examine how the provisions are applied at workplaces.

## *Summary*

72. The findings of the Equal Pay Programme and the projects of the Ministry of Social Affairs and Health will be leveraged to some extent already during the term of the current Government as well as in planning future action towards equal pay. They will also be made available as background information in collective bargaining in the private and public sectors.

73. The overall assessment of pay equality 2019–2023 will be carried out in autumn 2022 by an independent external evaluator. The assessment covers the Equal Pay Programme and the other Ministry of Social Affairs and Health projects. The overall assessment is an impact assessment that examines the extent to which the measures implemented were successful in bridging the gender pay gap. Assessment of the change in the labour market and the system of collective agreements and the impact of this change on equal pay is of particular importance.

74. Another topic for assessment is the link between working-life segregation and the gender pay gap. The overall assessment will furthermore gauge which measures might be most effective in bridging the gender pay gap and whether new tools should be introduced. A key question in the assessment is the manner in which the change in the operating environment should be accounted for in promoting equal pay.

75. The projects of the Ministry of Social Affairs and Health and the overall assessment will be of assistance to Finland in reviewing and reinforcing measures already taken to bridge the gender pay gap and considering the adoption of new measures, as suggested in the Recommendation of the Committee of Ministers.

## *Views by the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Academic Professionals in Finland (AKAVA) and the Finnish Confederation of Salaried Employees (STTK)*

76. The Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Academic Professionals in Finland (AKAVA) and the Finnish Confederation of Salaried Employees (STTK) find that the Act on Equality between Women and Men comprehensively takes into account the principle of equal pay. However, the legislation lacks sufficient binding nature and its coverage in respect of equality planning and the associated pay surveys only extends to workplaces that regularly have a personnel of at least 30 employees. This requirement excludes roughly 90% of workplaces in Finland from the binding scope of the Act.

77. Individual workers have insufficient access to legal remedies in Finland. A worker who suspects pay discrimination has very limited if not entirely non-existent access to reference data. This is an issue of the de facto implementation of the prohibition of pay discrimination under the Constitution and of effective legal remedies. The pay of the reference person must be known in order to determine discrimination and seek legal remedies.

78. When examining the gender pay gap, it should be noted that the gap is not caused only by labour market segregation. Instead, as individualised remuneration schemes become more commonplace, ‘unexplained’ pay gaps are increasing. This makes concrete measures and increased pay transparency the key tools to promote equal pay.



**Central Union for Child Welfare v. Finland (No. 139/2016)**

79. Act 1395/2019 adopted in December 2019 amended the relevant Act to eliminate the limitation applicable to the subjective right of a child to full-time early childhood education and care. The amendment entered into force on 1 August 2020.

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