



COUNTRY FICHE – Finland

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Document Information

Project Acronym	INNOVAWORKING
Grant Agreement	101126491 — INNOVAWORKING
Deliverable number and title	D6 Country Fiche – Finland
Dissemination level	Public — fully open.
Organisation Name	*University of Helsinki, ** Tampere University
Submission date	31/10/2024



**Funded by
the European Union**

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A. Overview, sociological framework of working time

Flexible working time practices are becoming more popular in different sectors of working life and in addition to digitalisation they can be considered as trends that have permanent effects on the ways work is conducted. Drivers for flexible working practices include increase in female employment and demand for better work-life balance, developments of digital technologies, cutting costs in office spaces, commuting and travel and Covid-19 and the consequent lockdown measures (Chung 2022).

Despite all the different developments in working life, full-time employment is still the standard form of work in Finland as in 2018 64,9 per cent of employees aged 15–64 worked full-time. Experiments of flexible and shorter working hours have been conducted in Finland particularly in 1990s (Anttila, Nätti and Väisänen 2005) and the issue was raised in 2019 in the media lights in Finland and beyond, when the previous Prime Minister Sanna Marin put forward the possibility of introducing 4-day-work week (or 6 hour working day). The idea faced fierce opposition from the employer central organization Confederation of Finnish Industries (EK, Elinkeinoelämän keskusliitto), and careful interest from the Central Organisation of Finnish Trade Unions (SAK).

The recently amended *Working Time Act* (872/2019) (discussed more extensive in section B) accommodates now better the developments in working hours, forms of working hours and the flexible practices of working time (Sutela, Pärnänen & Keyriläinen 2018). However, full-time employment remains the norm in Finland and the share of part-time work has stayed relatively low: in 2018, the number of part-time workers revolved around 16 per cent. As in many countries, part-time work is clearly more common with women, as around 22 per cent of women worked part-time in 2018 compared to 10 per cent of men working part-time. But in comparison to many European countries, women work full-time, even mothers, since the public childcare facilities are affordable, available and high quality. Of different sectors, part-time work is most common in the service sector, especially in retail and hotel and restaurant sectors. (Sutela, Pärnänen & Keyriläinen 2018).

In Finland, changes in working time and flexible working time practices can be reviewed through the *Quality of work life survey*, which has been conducted by Statistics Finland from 1977 onwards approximately with five-year intervals. According to the latest survey (Sutela, Pärnänen & Keyriläinen 2018), the number of employees working regular daytime jobs has declined over the years to around 60 per cent, the decline being steady for women throughout the years and for men the major decrease has been witnessed after 2013. About 20 per cent of Finnish employees do regular shiftwork, which has continuously been more common for women, whereas men are more often able to decide the timing of their working hours autonomously.

The form of working hours is related to the employees' socio-economic status and age: senior salaried employees more often either work regular daytime hours (71 per cent in 2018) or can more autonomously decide the timing of their working hours (26 per cent in 2018), whereas 59

per cent of officials and 55 per cent of workers worked regular daytime hours while more than quarter (27 per cent) worked in shifts. Of employees over 55 years old 68 per cent worked regular daytime hours, while the autonomous timing of working hours was most common for employees aged 35–44 years. While regular working at evenings or nights has stayed around two per cent, almost half of the wage earners (47 per cent) had during the last four weeks at least sometimes worked after 6 pm and 16 per cent had worked after 11 pm. (Sutela, Pärnänen & Keyriläinen 2018).

Over the years the number of employees who have autonomy over the timing (i.e. start and finishing time of working) of their working hours has grown so that in 2018 60 per cent of women and 70 per cent of men had this opportunity. In all socio-economic groups, men had more control over their working hours: for example, 90 per cent of men and 78 per cent of women working as senior salaried employees had the opportunity to control their working time. In comparison only 55 per cent of men and 45 per cent of women workers had control over the timing of their working hours. When considering flexibility of working times, 47 per cent of employees considered they had enough control regarding their own needs of flexible working hours. Especially those working as senior salaried employees are more satisfied with the flexibility their working hours offer. When comparing employees with different forms of working time, those who had autonomous control over their working hours were more satisfied (73 per cent) with the flexibility their work offered than those working regular daytime hours (53 per cent) or shiftwork (under 30 per cent). (Sutela, Pärnänen & Keyriläinen 2018).

B. Legal regulation of working time flexibility (for the employer, for the employee)

The newly amended *Working Time Act* (872/2019) regulates the general working hours, regular working hours, shift work, working hours averaged over a period and night work. While regular working hours in Finland is 8 hours a day, 40 hours a week (5 §), weekly working hours can be organized to equalize to an average of 40 hours in a maximum of 52 week period without exceeding the daily maximum of 8 working hours. In addition, in certain lines of work working hours can be averaged to a maximum of 120 hours over a period of three weeks or to a maximum of 80 hours over period of two weeks (7 §). *The Working Time Act* (872/2019, 34 §, 11 §) also specifies the terms based on which it is possible to deviate from the general working hours by collective agreements or to extend the daily general working hours by agreements made between the employer and the employee.

The Working Time Act enables different forms of flexible working time arrangements, including flexible working hours (12 §) and flexible working time (13 §). *Flexible working hours* is essentially an arrangement with which it is possible to adjust the working hours according to the workload and to avoid working overtime, since it allows the employee to determine the starting and ending hours of the working day within a predetermined time limit. With collective agreements, it is possible to derogate from the limits of the daily flexible period and the flexible hours accumulation that the *Working Time Act* regulates. *Flexible working time* allows the employee the autonomy to allocate at least half of the weekly working time independently, i.e. when and where to work. What combines these two flexible working arrangements is that in both cases the regular weekly working hours should be on average 40 hours during the four-month reference period. (Occupational Safety and Health Administration 2020.)

Working hours account (14 §) exemplifies another form of flexibility: it is a working hours accounting system that allows combining and saving working hours, holiday allowances and

accrued time off. The system can be implemented based on an agreement made between the employer and the shop steward, or if a shop steward has not been chosen, another elected representative of the employees or another representative of the employees or group of employees can sign the agreement. The agreement applies to those employees that the personnel representative is deemed to represent. The agreement includes at least the terms of which items of working hours or accrued time off can be transferred to the account, limits of accumulation, proceedings regarding dissolution of the agreement and principles of how holidays saved should be kept and proceedings of taking time off. The employee has a right to a minimum of two weeks' time off during each calendar year (Occupational Safety and Health Administration 2020).

In situation where an employee would, for personal reasons (other than partial parental leave), like to work less than the regular working hours, according to the *Working Time Act* (15 §) the employer should organize the work in such a way that part-time work is possible. Employers are also obligated to state the reasons for refusing to organize part-time work.

Section 5 of the *Working Time Act* entails clauses regarding working overtime and extra work, including the maximum working hours average of 48 hours per four-month time period. Based on clause 34, national level employer and employee organizations can collectively agree to deviate from the reference period mentioned. In addition, wages paid from working overtime or extra hours or the increased wage from working on Sundays can be in lieu compensated as time off (21 §). Section 6 of the *Working Time Act* includes clauses regulating rest periods and breaks, starting from daily breaks to daily rest periods and weekly free time. With collective agreements it is possible to deviate from these provisions.

As has already been stated, *The Working Time Act* allows a wide range of deviations from its clauses, specified in clause 34. The extent of these deviations depends on the negotiating parties. Collective agreements negotiated by national level employer and employee organisations allow for the highest level of deviations to be achieved. Some of the deviation options require a local agreement, which (for now) is possible only for organised employers. The option of negotiating a local agreement is determined in the collective agreement with specific regulation and terms regarding which terms can be deviated from. Local agreements may also contain stipulations about issues not regulated in laws or collective agreements or by employment contracts. These include for example remote work/telework or mobile work. The negotiating parties of a local agreement are stated in the collective agreement. In the case of the *Working Time Act*, they are the employer and the shop steward, or if a shop steward has not been elected, an elected representative or another representative of the employees, or a group of all employees or all employees (Occupational Safety and Health Administration 2020).

Other principal acts regarding working time include the *Employment Contracts Act* (55/2001), which regulates the general terms of employment contracts. It also entails clauses about the universally binding collective agreements (2 ch, 7 § & 8 §), as well as clauses regarding the employer's obligation to offer more hours to part-time workers (2 ch, 5 § & 6 §). Chapter 4 of the given law dictates the terms of parental and childcare leaves, including partial leaves.

The reach of binding collective agreements in Finland has stayed high (Ahtiainen 2024; Käräylä 2024), which ensures that the *Collective Agreements Act* (436/1946) regulating the general terms of collective agreements remains a prominent part of the legal framework of the Finnish working time. In addition to the *Collective Agreements Act*, the *Act on Mediation in Labour Disputes* (420/1962) is in the core of the Finnish corporatist regime (Käräylä 2024) as it defines

the outlines of the actions possible for employees and their representatives in case of labour disputes. These issues are also topical since the current government amended the legislation by, for example, restricting the terms of sympathy strikes and the length of political industrial action (Valtioneuvosto 2024).

C. Main features of industrial relations in the country

Finland can be considered as an example of the ‘Nordic model’ in its industrial relations, which are determined by the high level of organisation of both employers and employees and their established role in the decision-making of labour markets (Kärriylä 2024). These are exemplified by the national collective agreements and participation of employers and trade unions in designing employees’ social security policies (Sippola and Bergholm 2023).

Main actors of industrial relations in the national level are the employer central organization Confederation of Finnish Industries (EK, Elinkeinoelämän keskusliitto), which represents private sector companies and Local Government and County Employers (KT, Kunta- ja hyvinvointialueuetyöntajat), The Office for the Government as Employer (VTML; Valtion työmarkkinalaitos) and the Church Employers (KiT, Kirkon työmarkkinalaitos), which represent the public sector employers. The Federation of Finnish Enterprises (SY, Suomen yrittäjät) is another major interest organization of the employers, though it is quite rarely a contracting party in collective agreements (Ahtiainen 2024). On the trade union side, the main actors in the national level are the Central Organisation of Finnish Trade Unions (SAK), Confederation of Unions for Professionals and Managerial Staff in Finland (Akava) and The Finnish Confederation of Professionals (STTK).

Trade union density in Finland has been declining in recent years: in 2021 the total degree of unionisation calculated by the members whose interests were represented by the trade unions was 54,7 per cent. In 2017, the degree of unionisation was 60,2. per cent, meaning that the degree has fallen by 5,5 percentage points. The degrees of trade union membership vary according to gender, the unionisation degree of women being 60,9 per cent and men 48,5 per cent in 2021. Regarding different sectors, the degree of unionisation in the private service sector was 41,6 and in manufacturing 63,6 in 2021. As an exception to the declining levels of unionisation, the unionisation level of public services has risen 3,9 percentage points from 72,8 to 76,7 per cent in 2021. (Ahtiainen 2023.) The declining levels of unionisation in Finland have been associated with the possibility from the late 1980s onward to join an unemployment fund without joining a trade union, thus partly departing from the so-called ‘Ghent system’ (Sippola and Bergholm 2023).

National collective agreements form an essential part of the Finnish industrial relations. Normally applicable collective agreement is binding for those employers who are members of an employer organisation and their employees who work in an area that falls under the collective agreement's scope of application. Generally applicable collective agreement binds all employers who operate in the field of the collective agreement in question. This means that also employers who are not members of employer organisations are obligated to follow the collective agreement. Generally applicable collective agreements set a minimum standard of conditions that all employers must follow, and contracts with inferior conditions are invalid. (Ahtiainen 2024.)

Collective agreements are usually considered generally applicable, if about half of the employees in the industry are covered by the collective agreement. Other criteria include e.g.

whether the agreements are nationwide and the general unionization of the industry. The Committee for Confirming the General Applicability of Collective Agreements (subject to the administration of Ministry of Social Affairs and Health) decides whether a collective agreement is normally or generally applicable. (Ahtiainen 2024.)

In the public sector (the government and municipalities; also, wellbeing services counties that are not included in the study) collective agreements cover all employees (Ahtiainen 2024). In the private sector, 83,9 per cent (1 236 027) of all employees were covered by collective agreements in 2021. 64,0 per cent (943 708) of the employees were covered by normally applicable collective agreements, meaning that the extension procedures brought 19,9 per cent (292 319) of employees under the scope of the generally applicable agreements (total being 1 181 887 employees). In total 237 630 employees were not covered by either type of collective agreement. When considering the public sector too, 88,8 percent of employees were covered by collective agreements in 2021. The coverage of collective agreements decreased only slightly in recent years. (Ahtiainen 2024.)

On the national level changes have been introduced in the negotiating system as the Confederation of Finnish Industries (EK 2015) announced in 2015 that it will opt out of negotiating general incomes policy settlements from 2016 onwards. These settlements were a central part of the Finnish employment and social security systems from the late 1960s, as they formed institutionalised tripartite arrangements between the government, employers and trade unions that led to centralised agreements (Sippola & Bergholm 2023). This decision meant a move from centralised, national level agreements to sector and local level negotiation (Sippola and Bergholm 2023; Liukkunen 2024).

On the sectoral level structural changes in the negotiating process have arisen since The Finnish Forest Industries Federation (Metsäteollisuus) disengaged from collective bargaining after transition period, with last collective agreements ending by the end of 2022. The stated reasons behind this move were the rigidness of the Finnish labour market system and the view that negotiating in the local (company, factory, product line) level would produce better results for both the employers and employees as it would take better account of the existing market and business environment. (Metsäteollisuus 2021.) In 2021 Technology Industries of Finland (Teknologiateollisuus 2021) announced a withdrawal from collective agreements and a new organisational structure, in which responsibility for collective agreements was delegated to Technology Industry Employers of Finland (Teknologiateollisuuden työnantajat ry). Similar to the actions of the Finnish Forest Industries Federation, the objective of this measure was to further enable local and company level bargaining, though also negotiating national level collective agreements is still possible.

On the local level, agreements are made between trade unions and individual organised companies (Ahtiainen 2024). Most agreements are, for now, negotiated on the sector level (Ahtiainen 2024), but the situation might be changing as the government of Finland is putting forth legislation that would enable also non-organised employers to negotiate on the local level (TEM 2023). Increases in local level negotiating might weaken the significance of the collective agreements and the role of the employer and employee organisations (Ahtiainen 2024; Sippola and Bergholm 2023). For now, privatization of public services in sectors such as postal services, railway traffic and health care and social services has not led to lowering levels of organisation on the employer or employee side. The future development will depend on the nature of operation and units to be privatized, and the shape of the business structure on these sectors. (Ahtiainen 2024.)

At the time of the writing the fiche, the Finnish Government is pushing forward a bill to increasing local bargaining to develop the Finnish labour market into a more flexible direction. The Government's self-declared goal is that local collective bargaining should be equally possible in all companies, regardless of whether the company belongs to an employer association or the kind of employee representation the company has (TEM 2024). This raised various waves of industrial action (including 4 week strikes in certain sector) in spring 2024 and continued disagreement between the social partners in the collective bargaining round of autumn.

D. The role of collective bargaining in working time

The interviews conducted in this research project reflect the role of both labour regulation and collective agreements in the regulation of working time. According to our interviewees, *The Working Time Act* (872/2019) allows for a wide range of negotiations regarding working time and these opportunities materialise in the collective agreements, which are responsible for a major portion of the regulation of working time in Finland. As these agreements are negotiated between the national and/or sectoral organisations of employers and employees, they are implemented in a similar manner across the sectors and the country.

On the employers' side a wish to negotiate matters relating to working time at the local level is evident, as stated in the earlier chapters. This is also indeed the view of our interviewees, the motive being the need for employees concentrating on certain times and days of the week (especially in the hotel and restaurant sector). The employees' side is more vary of additional flexible practices that originate from the employers' side, but they as well recognise the realities of different sectors and on other hand, the needs of the employees to have additional flexibility regarding their working time.

Overall, it can be stated that based on the interviews the employer organisations and the trade unions have achieved a balance in the flexible practices originating from either the needs of the employer or the wishes of the employees. This is mainly due to the collective agreement system that is effectively used to accommodate the demands of the working life to the needs of the employee to maintain a sustainable balance between work and personal life.

E. Overall conclusion regarding flexible working time arrangements

The new *Working Time Act* (872/2019) of Finland offers employers and employees a wide range of flexible working time practices that are implemented through collective agreements. These forms of flexible working time include (e.g.) flexible working hours, flexible working time and working hours account. Although flexible working time practices have along remote work become a new norm at least in professional and expert work, shorter working hours are not seen as a realistic opportunity in Finland. Especially the employer organisations do not view shorter working hours as desirable in a situation where there already exists a shortage of employees. In the larger picture shorter working hours are seen as problematic from the perspective of preserving the Nordic welfare state model.

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