

**PROTOCOL TO THE
EUROPEAN SOCIAL CHARTER**

FOURTH REPORT

**SUBMITTED BY
THE GOVERNMENT OF FINLAND**

REPORT BY THE GOVERNMENT OF FINLAND

For the period from 1 January 1996 to 31 December 1998, in pursuance of Article 6 of the Protocol to the European Social Charter, on measures taken to give effect to the accepted provisions of the Protocol to the European Social Charter, the instrument of approval of which was deposited on 29 April 1991.

In accordance with Article 8 of the Protocol and Article 23 of the Charter, copies of this report in the English language have been delivered to the Central Organisation of Finnish Trade Unions (SAK), Confederation of Technical Employee Organisations in Finland (STTK), Confederation of Unions for Academic Professionals in Finland (AKAVA), Confederation of Finnish Industry and Employees (TT), Employers' Confederation of Service Industries (PT) whose comments will be forwarded on 30 May 2000 at the latest.

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ARTICLE 1

Right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex

Reference is also made to the appended reports submitted to the International Labour Organisation on the implementation of Convention No. 100 in 1996 and 1998, and Convention No. 111 in 1997 and 1999 (*Appendices 1-4*). As to subparagraph D below, reference is also made to the appended report on the measures taken to give effect to the provisions of Convention No. 156, submitted to the International Labour Organisation, in 1999 (*Appendix 5*).

A. Provisions against direct and indirect discrimination on the grounds of sex

Amendments to the Equality Act and new legislation

The provision in the Act on Equality between Women and Men (hereinafter the Equality Act) which allowed the maintenance of different pension arrangements for women and men in occupational pension schemes (e.g. age-related pensions), established prior to the entry into force of the Act for women and men in occupational pension schemes, was repealed in 1997 (1037/1997). At the same time, a separate Act on the Equalisation of the Voluntary Occupational Pension Arrangements (schemes) (1038/1997) was passed, by virtue of which the retirement age and benefits under those schemes were changed to be the same for both women and men. The equalisation of benefits covers all additional pension arrangements connected with the employment relationship. The new legislation entered into force on 1 December 1997.

The amounts of compensation payable due to discrimination have been increased. The minimum amount of compensation is FIM 15,600, the maximum FIM 51,900. In severe cases of discrimination the maximum amount may be exceeded, doubled at the most. The amount of compensation is reviewed every three years.

B. Case law

Reference is also made to the decision of the Labour Court (TT 1998/34), of which an account was given in the report to Convention No. 111, submitted to the International Labour Organisation in 1999 (See, *Appendix 4*).

Clauses of the municipal collective agreements in conflict with the Equality Act

The Labour Court invalidated by its judgement (R 63/97) of 14 April 1998 certain clauses of the municipal collective agreements on the basis of the provisions of the Equality Act. The Commission for Local Authority Employers appealed to the Supreme Court for annulling the judgement, but the Supreme Court held the Labour Court's position in force.

The case concerned clauses relating to the determination of experience bonus in the general collective agreements (1995–1996), signed between the Commission for Local Authority Employers and two trade organisations in the local authority sector (Kunta-alan unioni ry and Kuntien Tekniikan ja Peruspalvelujen Neuvottelujärjestö KTN ry). The collective agreements determined, *inter alia*, that the calendar days when the employee's attendance to work has been interrupted are deducted from the time of service entitling to experience bonus. The period of service is not, however, reduced by the period of annual leave, or a leave of absence, unpaid leave for having another job or other permissible absence totalling at the most 30 calendar days during one calendar year.

The employee organisations that were plaintiffs in the case considered that these clauses are contrary to, for example, the provisions of the Equality Act concerning pay, since they prevented the inclusion of maternity and parental leaves as time qualifying for experience bonus. The organisations required the Labour Court to confirm that the said clauses of the agreements were in this respect null and void or invalid. The Labour Court declared the said clauses as invalid in so far as they prevent the inclusion of maternity and parental leaves as time entitling to experience bonus.

This was the first judgement by the Labour Court in which a clause of a collective agreement was declared invalid on the basis of the provisions of the Equality Act. As early as in 1995, the Ombudsman for Equality gave an opinion on clauses concerning the determination of experience bonus, stating that they were contrary to the Equality Act. The Ombudsman for Equality also considered that the clauses were in conflict with, *inter alia*, the equal pay legislation of the European Union.

C. Protection of employees against possible retaliation measures by the employer

Reference is made to previous reports.

D. Promotion of equality and the machinery for its implementation

The Employment Contracts Act (320/1970) was amended in 1998 to the effect that a Chapter 2a, concerning family leaves, was added to the Act (357/1998, *Appendix 6*). The chapter includes provisions on the employee's right to maternity, special maternity, paternity and parental leaves. In addition to leaves based on parenthood, the chapter also provides on the right of the employee to temporary absence from work in cases where the presence of the employee is necessary for compelling family reasons. The amendment was meant to facilitate the use of parental leaves.

Section 35a of the Employment Contracts Act (357/1998) includes provisions on maternity, special maternity, paternity and parental leaves. Section 35b provides for working during the maternity allowance period. The right to work during maternity leave has been restricted so that work is not allowed during two weeks before the estimated date of delivery, nor during two weeks after the child was born. Section 35c provides for child-care leave. In this Section, the minimum length of child-care leave has been shortened to one month. The employer and the employee can agree on more than two child-care leave periods as well as on the shortening of the minimum length of the leave period. By virtue of the amendment of the Act, one of the parents may use one child-care leave period while the other parent is on maternity or parental leave. Section 35d lays down the conditions for getting partial child-care leave. Section 35e provides for the interruption of partial care leave. Section 35f provides for temporary child-care leave. The provision in Section 35g, concerning absence related to compelling family reasons (force majeure leave), is based on the Directive on Parental Leave (96/34/EC). The provision gives the employee the right to temporary absence from work, if his immediate presence is

necessary due to an unforeseen and compelling reason due to an illness or accident that has befallen his/her family. Section 35h provides for the preemptory nature of the family leave provisions. According to Section 35i, there is no wage-payment obligation during family leave. The employer is obliged, however, to compensate a pregnant employee for the loss of earnings caused by medical examinations made before childbirth, if these examinations cannot be made off working hours. The provision is based on the Directive on Pregnancy Protection (92/85/EEC).

Most collective agreements do, however, include provisions on the employer's obligation to pay wages during maternity leave. As a rule, the length of the paid period varies by collective agreement from six weeks to three months. In the government and municipal sectors, the length of paid maternity leave is 72 workdays. In the valid collective agreements for state civil servants and municipal employees, paid maternity leave covers 72 working days.

Provisions on employee's right to return to work when the leave is over are laid in Section 35 j.

Section 23 of the Act on Civil Servants (750/1994) lays down on leave of absence. Sections 23 and 24 of the Civil Servants Decree (971/1994; as amended 696/1998) and Sections 22-30 and Section 33 (force majeure leave) of the Collective Agreements for State Civil Servants Act provide for civil servants' right to maternity, paternity, parental and child-care leave, which corresponds to the provisions of the Contracts of Employment Act. Municipal employees' right to maternity, special maternity, paternity and parental leave is determined in the Collective Agreements for State Civil Servants and Municipal Employees, based on the maternity, special maternity, paternity and parental allowance period laid down in the Sickness Insurance Act (364/1963). Section 19a of the Act on the Service Relationship of Municipal Employees (484/1996), effective as of 1 July 1999, provides for the working of officeholders and of the interruption of the tenure during maternity allowance period. Municipal employees are subject to the provisions of Section 2a of the Contracts of Employment Act.

The Ministry of Labour has, together with the Ministry of Social Affairs and Health, produced a brochure on family leaves to inform the public about the new legislation (*Appendix 7*).

The Plan of Action for the Promotion of Gender Equality prepared by the Government of Finland

The Finnish Government's Plan of Action for the Promotion of Gender Equality for 1997-1999 was approved in February 1997. The main principles of the Plan of Action follow those of the Beijing Platform of Action and consequently emphasise the empowerment of women, the promotion and protection of the human rights of women, and the promotion of equality by mainstreaming, *inter alia*, by extending the equality dimension to the preparation stage and all decision-making levels. It focuses on working life, education and training, the information society, men's role in promoting equality and prevention of violence against women.

In addition to being an instrument of the Finnish Government's equality policy, the Plan of Action is a channel through which the Government informs citizens of its principles and practices in matters of equality.

The objectives set out in the Plan of Action were carried out as projects or tasks. The Plan of Action contains a total of 96 projects. Of these, 23 have already been completed and 65 are in progress. In 8 projects no measures have been taken yet. Examples of ongoing projects include an assessment of the implications of the Equality Act, mainstreaming of gender equality in the administration, and strengthening the equality objectives in the national employment programme and the EU structural funds programme.

A major achievement of the Plan of Action is a cross-sectoral five-year project on the prevention of violence against women.

As regards the achievements of the Plan of Action, support for women entrepreneurs has expanded considerably. Women entrepreneurs have been granted special loans and tailor-made training and counselling have been provided to encourage women's entrepreneurial activities. Recently there has been an increase in the number of women entrepreneurs in repair services and services to business. Special efforts have been made to support entrepreneurship and self-employment among women in rural areas.

In most ministries, an internal follow-up was organised to monitor the implementation of the Plan of Action. Furthermore, an individual contact person or a person in charge was designated for each project in the follow-up process.

One of the aims of the Plan of Action, based on the principle of mainstreaming, was to involve the different sectors of the state administration more evenly and efficiently in the equality work. Monitoring of the Plan of Action was given to the first interministerial body ever dealing with equality issues, a working group consisting of public authorities and representatives from each ministry. It was also noted that equality policy became more visible and effective, and equality considerations were even reflected in projects outside the Plan of Action.

A follow-up report of the Plan of Action was submitted in May 1998. The report presented the measures carried out by the ministries in 1997 and their plans for the year 1998. The aforementioned working group completed its work in February 1999, when it submitted its final report. The Plan of Action and the Final Report are enclosed to this report (*Appendices 8-9*).

E.-F. Problems and actions taken to solve them, and application of social security provisions

The income policy agreement: Wage differences between women and men

The income policy agreement for the years 1998-1999 draws particular attention to the pay differentials between women and men. According to the agreement, the working group, set up in 1990 by the central labour market organisations, would continue its work to promote and follow the development of the work assessment systems and to issue opinions on work assessment at the request of central organisations, the Ombudsman for Equality or the trade unions jointly.

The parties to the income policy agreement also agreed about a so-called equality allowance to be distributed as agreed by the trade unions. The allowance is meant to improve the position of those women whose pay does not correspond to the requirements of their work and their education. This is not enough to bridge the pay gap between women and men, but by agreeing about the issue the parties recognise the problem of pay differentials between women and men. It can be seen as a measure contributing to the levelling off of the pay differentials.

In 1997, the central labour market organisations together with the Ombudsman for Equality introduced so-called roundtable discussions in order to intensify dialogue and interaction between the labour market organisations and the equality authorities to promote equality in the labour market. The parties decided to continue the co-operation, among other things, to collect data on pay differentials between women and men.

The income policy agreement also contained a provision on the launch of a specific development project on *"Equality Standards for a Good Workplace"*. The purpose of this project was to encourage workplaces to promote equality based on their own needs and in the context of other development work. A summary of the results of the project is enclosed to this report (*Appendix 10*).

The Ministry of Labour has examined the problems of agency work in 1998. This work was carried on in the Employment Contracts Act Committee.

G. Protection of pregnant employees

Reference is made to previous reports.

H. Other actions promoting equality between the sexes

Reference is made to previous reports.

I. Occupations reserved for one sex only

Reference is made to previous reports.

Further questions of the Committee of Social Rights

The Committee of Social Rights has requested to receive information on access to and participation in vocational guidance, training, retraining and rehabilitation; information, inter alia, of the extent to which women are trained for jobs which have traditionally been occupied by men and vice versa

Training for jobs

Students in vocational training quite clearly choose their field of study based on their gender. The care sector, crafts and design industries and also teacher training are among the fields where women predominate. Men opt for courses related to transport, telecommunications and technology.

Women account for more than half of university students. Their share has risen steadily since the mid-1970's among graduates with upper secondary education and tertiary education programmes. Out of persons with a university qualification, 58% were women in 1997, and almost half of those taking a licentiate and doctorate were women. Furthermore, 18.4% of all professors are women, the highest figure for any EU country.

At universities, many areas of study formerly evenly divided between the sexes have become more female-dominated, and the number of study fields where women predominate has increased. A growing number of law, medicine and theology graduates are women. For example, over 80 % of students graduating as veterinary surgeons and psychologists were women in 1995. However, with the exception of chemical engineering and architecture, about 80 % of students in the technical and scientific sectors are still men.

Further information on adult education will be provided later.

The Committee of Social Rights has wished to receive information on differences in terms of employment and working conditions, including remuneration, that may exist in practice, with an indication of the differences between full-time workers on permanent contracts and part-time workers or workers on fixed-term contracts of other forms of temporary contracts

An account of men's and women's part-time work is been given later, on page 12. Statistical data, provided by Statistics Finland, on wage-earners in various working relationships in the years 1997 and 1998 is appended to this report (*Appendix 11*). In the statistics, wage-earners with a fixed-time and/or part-time contract are classified as workers in atypical working relationships.

In addition, the following information is provided as regards part-time work.

Approximately 20% of all part-time workers (women and men) in 1997 stated that they had opted for part-time employment because they did not want to work full time. About 40% of women working part-time stated at the same time that they had opted for part-time work because they had failed to find any full-time employment. A little over 30% of men were of the same opinion.

In 1997, a total of 192,000 women and 136,000 men held a fixed-term employment; that is 21% of all female wage-earners and 15% of male wage-earners in the 30–39 age group. During the economic recession and shortly after it, fixed-term employment contracts have largely been entered to because of lack of other alternatives. In 1997, only 4% of women and 10% of men in fixed-term employment stated they worked in fixed-term contracts “voluntarily”. A couple of years later over 90% of women and 80% of men stated that they worked in fixed-term employment because other type of employment was not available.

Fixed-term employment has increased among women who are over 30 years of age. It seems that education does not have very much effect on women's situation in relation to fixed-term employment. According to a survey made in 1997, highly educated men were the least likely to hold a fixed-term employment, while fixed-term contracts were the most common among highly educated women.

Based on research from 1997, fixed-term contracts were the most uncommon among highly educated men (10%). Of highly educated women, every fourth held a fixed-term employment. That is, women officials in the over 30 age group with a good education most often carry the burden of flexibility caused by fixed-term contracts. Fixed-term employment is the most common in the public sector.

Several legislative amendments have been made concerning fixed-term employment. They aim at harmonising the status of persons in atypical employment and that of regularly employed persons. In this respect reference is made to the account given later on pages 12-14.

Furthermore reference is made to the report on ILO Convention No 111, submitted in 1997, pages 2-3 (See, *Appendix 3*), and to the report submitted in 1999, page 4 (See, *Appendix 4*).

Remuneration

In 1997, female wage-earners' average income (regular working time) out of male wage-earners' income was 80% in the private sector, 82% in government service, 86% in the service of municipalities.

The Committee of Social Rights has wished to receive information on differences in career advancement between the sexes in the various sectors of the economy

New statistics are not available on the development of career advancement of women in the private sector after 1995.

The number of female managers in the private sector has increased slowly during the 1990's. The proportion of female managers rose from 21% in 1990 to 24% in 1993 and 25% in 1995. After the recession in 1993–1995, the number of female managers increased by nearly 1,300 and that of male managers by over 900, indicating a growth of 11% and 2%, respectively.

There was no change in the managerial profile in the 1990's,; in general, the majority of male managers are found in technical and marketing management positions, while female managers cover a broader managerial spectrum. Female managers are in the majority only in human resources management with the proportion of 61% in 1995 compared to 56% in 1990.

The “glass ceiling” still exists in both the private and public sectors. According to a recent study on balanced participation of women and men in the decision-making in the EU-countries, women hold only 6% of the second highest posts within government administration. The Minister responsible for equality affairs and the Minister of Finance have decided to take up actions to change the situation and promote the career advancement of women within the government administration.

The Committee of Social Rights has asked whether compensation on the basis of discrimination in vocational rehabilitation may be claimed under the Damages Act or other legislation in such cases

A person can claim compensation under the Damages Act (412/1974).

The Committee of Social Rights has asked on which basis and according to which procedure clauses in individual or collective agreements, which are contrary to the principles laid down in Article 1 of the Protocol, may be rendered null and void

The Labour Court invalidated by its judgement (No. 34, R 63/97) of 14 April 1998 the municipal collective agreements in so far as they were contrary to the Equality Act. The Supreme Court did not grant a leave to appeal the judgement.

The Committee of Social Rights has asked whether there are any collective agreements still in force to which Section 25 of the Equality Act applies

The conditions for granting a pension have been equalised by means of the legislation dealt with above (1037 and 1038/1997). A suit has been filed in which a male employee considers that the legislation referred to is discriminatory for men.

The Committee of Social Rights has requested whether differences exist between men and women in matters relating to social security and unemployment benefits, old age and survivor's benefit and whether the equality of benefits does not lead to indirect discrimination

The following tables show the amounts of benefits paid in 1996-1998. Social security legislation makes no difference between men and women.

Table 1. *Average pensions in 1996-1998.*

	Average overall pension FIM per month (both sexes)	men	women
1996	5,058	5,952	4,418
1997	5,111	5,999	4,476
1998	5,191	6,082	4,551

Source: Statistical Yearbook of Pensioners in Finland

Table 2. *Recipients of basic daily employment allowance*

	Recipients			Average amount		
	Total	Male	Female	Total	Male	Female
1996	93 634	53 989	39 645	119,5	121,4	116,8
1997	58 876	34 396	24 480	118,3	121,0	114,7
1998	50 786	28 720	22 066	117,9	121,5	113,4

Source: Social Insurance Institution

Table 3. *Recipients of earnings adjusted daily employment allowance*

	Recipients			Average amount		
	Total	Male	Female	Total	Male	Female
1996	468 805	216 887	251 918	212,9	234,4	194,9
1997	418 286	186 434	231 852	214,8	238,3	196,4
1998	369 798	154 236	215 562	216,3	243,7	197,3

Source: The Ministry of Social Affairs and Health

Table 4. Recipients of labour market benefit

	Recipients			Average amount		
	Total	Males	Females	Total	Male	Female
1996	314 922	182 941	131 981	113,6	114,3	112,6
1997	308 624	173 735	134 889	112,4	113,6	110,6
1998	322 594	173 589	149 005	114,1	115,7	112,1

Source: Social Insurance Institution

Furthermore, appended are also statistics on recipients of surviving spouse's pension by size and composition of pensions (*Appendix 12*).

The Committee of Social Rights has asked how the opinions of the Equality Ombudsman have been followed up

An survey of the practical implications of the Equality Act (in force since 1 January 1987) was launched in autumn 1998. The survey covers the implementation of the Act and its implications on society, *inter alia*, working life and societal decision-making. Interviews with clients who have contacted the Office of the Ombudsman for Equality constitute a part of the survey.

Finland has reported on the activities of the Ombudsman for Equality in its earlier reports. In 1997, the Ombudsman received 138 requests for an expert opinion and 176 in 1998. The majority of these requests concerned discrimination in working life. In 1997, 58 % of those requesting an opinion were women and 28 % men. In 1998, the share was 47 % for women and 35 % for men.

The Ombudsman for Equality sent out questionnaires in 1992 to investigate the frequency of cases of counteraction arising from the fact that appeals have been made based on the Equality Act. The questionnaires were distributed to persons who had requested an opinion from the Ombudsman for Equality in the years from 1989 to 1990 (opinions asked for by private persons numbered 293). The survey showed that counteractions had been submitted with reference to the Equality Act. Therefore a ban on counteraction was incorporated into the Equality Act when it was amended in 1995 (206/1995). The amended Act entered into force on 1 March 1995.

The Committee of Social Rights has asked for information about the legislative reforms concerning "non-standard" work.

By international standards, part-time work is uncommon in Finland. Women do part-time work two times more often than men. The situation has remained the same since the beginning of the 1990's. However, compared to the situation in 1990, part-time work among men has increased slightly more than among women. This happened during the recession. After the recession, part-time work among men has decreased, whereas the number of women part-timers has somewhat increased. In the period from 1995 to 1998, there was a clear fall in part-time work among men against a slight increase among

women, as can be seen in the following table. The table describes the number of employees who, in their own opinion, are doing part-time work

Table 5. Proportion of employed persons in part-time work by sex in Finland

	Total	Men	Women
1990	9.5	5.9	13.4
1995	11.7	8.3	15.4
1996	11.5	8.2	15.2
1997	11.0	7.0	15.3
1998	11.4	7.3	15.9

Source: Labour Force Survey

The nature commitment in part-time work has changed to some extent. According to a labour force survey conducted by the EU (of which data is available from 1995), half of the women and 44% of the men were still doing part-time work in the spring of 1995, since there was no full-time work available. By the spring of 1998, the shares had dropped to 37 and 30 % respectively; the decrease had, in other words, been slightly faster for men than for women. The years from 1996 to 1998 thus witness a positive development. Yet, almost 40 % were still doing part-time work against their will in 1998.

The main legislative amendments designed specifically to improve the status of employees in atypical employment relationships are as follows:

Fixed-term employees

The Employment Contracts Act (320/1970) sets limits on the making fixed-term agreements. Section 2, paragraph 2, lays down the preconditions for fixed-term agreements; i.e. that the nature of the work, a substitution, a traineeship or other comparable reason must call for a fixed-term agreement or that the employer must have some other justified cause for making a fixed-term agreement, related to the enterprise's operations or the work to be done. These preconditions were amended temporarily, from 1 February 1997 to 31 December 1999 (56/1997). Irregularity of demand for services was added to be another acceptable ground for concluding a fixed-term agreement, facilitating the use of fixed-term agreements in the service sectors in particular. In addition, the former specific prohibition of 'chains' of short employment contracts was removed. If a fixed-term employment contract is made for reasons other than those permitted in the Employment Contracts Act (320/1970), it must be considered indefinitely valid. The amendment referred to above did not alter this principle, and in this respect the legal situation has not changed.

Pay during sickness according to the Employment Contracts Act

Section 28 of the Employment Contracts Act provides for pay during sickness and applies to all employment relationships. The Act was amended by an act of 23 May 1997 (459/1997) as regards the

employer's duty to pay the salary to an employee who is on sick leave. The employer used to be under the obligation to pay the salary for up to seven days in case of sickness of an employee in employment relationships which had lasted for at least one month. After the amendment, the period was expanded to cover employment relationships that have lasted less than one month. The amendment, which came into force on 1 June 1997, grants employees in employment relationships of less than one month the right to sick-pay which is 50% of their normal pay. An employee is entitled to full sick-pay only if the employment relationship has lasted without interruption for one month before the illness. A employee's right under Section 28 of the Employment Contracts Act may only be restricted by a collective agreement.

In addition, Section 24, paragraph 4, was added to the Employment Contracts Act (368/1996) in 1996. According to this section, the employer shall, at the request of the employee, give him/her a certificate stating the amount of his/her pay. The purpose of the amendment, which came into force on 1 July 1996, was to improve an unemployed person's position with regard to the waiting period for receiving unemployment benefit.

Employment Accidents Insurance Act

Employees are paid compensation for accidents under the Employment Accidents Insurance Act (608/1948). Section 16, paragraph 1, lays down the principles for determining the daily allowance. Section 16a, paragraph 4, had to be amended because of the change in the sick-pay provisions under the Employment Contracts Act, so as not to reduce the daily allowance paid in accordance with Section 28, paragraph 1, of the Employment Contracts Act. This amendment (462/1997) came into force on 1 June 1997.

Agency work

Agency work normally refers to situations in which an employer places his employees at the disposal of a client in need of labour for a given period and against remuneration. An agency employee is employed by the agency concerned, but works under another employer's direction and supervision. The Act on Occupational Safety and Health (299/1958) was amended on 17 January 1997 so as to improve the occupational safety and health of agency employees: the provisions concerning the employer were also made applicable to the commissioning party that uses an employee employed by another employer under his own direction and supervision. Because of this amendment, the commissioning party is now responsible for this employee's occupational safety just as for the occupational safety of his own employees. This amendment (57/1997) came into force on February 1997. In addition, a tripartite team from the Ministry of Labour examined the problems of agency work in 1998. This work was carried on in the Employment Contracts Act committee.

Right to study leave in short-term employment relationships

The Study Leave Act was amended on 17 January 1997 (58/1997). Employees were given the right to at least five days' study leave if they have worked at least three months for the same employer in one or several periods. This amendment which concerns short-term employment relationships took effect on 1 February 1997.

Annual Holiday Act

The provisions on holiday remuneration in the Annual Holiday Act (272/1973), aiming to compensate employees for the lack of annual holiday, have been amended several times in order to improve the position of employees in short-term employment relationships. The amendment not only improve such employees' right to annual holiday but also place them in a similar position as regards the cost of their employment. Section 9 of the Act provides for holiday pay in general during the employment relationship, Section 10 lays down on holiday remuneration in case the employment relationship ends, and Section 10a provides for holiday pay in cases of several employment relationships with the same employer.

If the workers work under contract for so few days and for such a short time during a given holiday credit year that they do not clock up a single full holiday credit month, or if only some calendar months were full holiday credit months, their right to holiday compensation is decided according to Section 9, paragraph 1, of the Act. The amount of holiday compensation is eight and a half per cent of wages paid or payable during the previous holiday credit year. The precondition for getting holiday compensation is that the worker has worked at least the number of hours laid down in Section 9 during the holiday credit year. An amendment that took effect on 1 April 1998 (460/1997) reduced the required number of hours worked from 35 to 6. At the same time, the minimum periods of work required under Sections 10 and 10a of the Annual Holiday Act were cut, and in the holiday credit year that started on 1 April 1998 holiday compensation was payable after a minimum of six hours of employment.

The Committee of Social Rights has observed that, according to the previous report, segregation increased in the course of the 1990's

A few detailed studies have been made in Finland of horisontal (the distribution of women and men to different occupations) as well as vertical (the distribution of women and men as regards different positions in the same occupation or occupational group) segregation. The studies have, however, covered the period up to 1999. A study conducted by Melkas and Anker in 1998 (Gender equality and occupational segregation in Nordic labour markets. ILO, Geneva), for example, shows that the level of segregation is high in Finland, as it is in the other Nordic countries. An essential explanation to this is the high proportion of women in working life and their being often in female-dominated occupations, e.g. care work. In many countries, the same tasks are done at home without any increasing effect on segregation. Men appear to be more equal in the labour market in the Nordic countries than men on average in the OECD countries.

In Finland, considerably more often than elsewhere in the OECD countries, there is a gender bias in the labour market shown in the number of so-called "women's occupations". The level of segregation dropped, however, in the 1970's and 1980's. Vertical segregation is also obvious in Finland. Women are much more likely to hold occupations of a lower status than men. In 1990, the gap was several ten percentages, although there had been a decrease by a few percentages in favour of women since 1970.

Reference is also made to the report on Convention No. 111 (pages 2-3), submitted to the International Labour Organisation in 1999 (See, *Appendix 4*).

The Committee of Social Rights has also observed that unemployment among women is somewhat higher than that of men

In this respect, reference is also made to the report on Convention No. 111 (page 7), submitted to the International Labour Organisation in 1997 (See, *Appendix 3*), to the report submitted in 1999 (page 2) (See, *Appendix 4*), and to the 5th periodic report of Finland on the European Social Charter (page 9), submitted to the Council of Europe in 1999.

Unemployment development

The deep recession at the beginning of the past decade increased unemployment among both genders manifold. Men who are working more often than women in fields that are taxed by depression, e.g. processing and the export industry, were hit most severely. The same male-dominated fields began to recover first and, as a consequence, the employment situation among men improved and unemployment decreased faster than among women.

The unemployment rate of men has by tradition been higher than that of women. This was still the case in 1995, although unemployment among men had already taken a clearly downward trend at that time. In 1996-1998, unemployment among both genders decreased consistently, yet, the decrease in men's unemployment was clearly faster. For this reason, the unemployment rate of women has been slightly higher. The reflection of the economic revival in the domestic-market sector and in service production is most clearly seen as a decrease in unemployment among women. But this was not yet observed during the years under review.

Table 6. Unemployment rates by gender in 1990 and 1995-1998

	Total	Men	Women
1990	3.2	3.6	2.7
1995	15.4	15.7	15.1
1996	14.6	14.3	14.8
1997	12.7	12.3	13.0
1998	11.4	10.9	12.0

Source: Labour Force Survey

The Committee of Social Rights has asked about the wage differences between women and men.

Reference is made to the reports on Convention No. 100 submitted to the International Labour Organisation in 1996 and 1998 (See, *Appendices 1-2*), and to the report on Convention No. 111 (pages 8-9) submitted in 1999 (See, *Appendix 4*)

The Committee of Social Rights has asked to receive information on the number of women in senior positions in the private as well as in the public sector

In 1999, of the highest positions in the ministries 16% and of the second highest 6 % were held by women. In the supreme courts, 19.1% of the positions were occupied by women.

No information is available on women's proportions in the private sector since 1995. In this respect this question will be replied, as far as possible, in the next report.

The Committee of Social Rights has asked for information on the results of the National Workplace Development Programme.

The projects under the Workplace Development Programme focused especially on the upgrading of professional skills and on the enhancement of staff management, client services, the functioning of the working communities and internal co-operation.

According to estimated results, in 90% of the companies participating in the projects, improvements have been made and team work has become more common. Co-operation between the management and the staff and the possibility of the staff to upgrade their skills have been considered to have increased in almost 80% of the projects. In two projects out of three, there has been improvement in productivity, in product and service quality and in client services.

The interim report on the National Workplace Development Programme of 1998 is appended to this report (*Appendix 13*). The report on the Workplace Development Programme of 1996-1999, published in January 2000, is so far available only in Finnish (*Appendix 14*). The English translation will be submitted at a later stage. The second period of the Workplace Development Programme started in January 2000 on the basis of preparations between the Ministry of Labour and the labour market organisations.

The Committee of Social Rights has asked whether the requirement introduced in the Equality Act, that an employer with more than 30 employees include measures to further equality between women and men in the annual personnel and training plan for the workplace, has had positive results.

The Ombudsman for Equality gave, in 1996, instructions for equality planning at workplaces. They deal with the duty of the employer to implement equal pay and give instructions and practical advice, using examples, as to how pay issues should be dealt with in the equality plans. The instructions lay particular emphasis on the commitment of the management of the workplace to implementing the measures designed, the significance of the basic survey to be made at the beginning of the planning work, the fact that measures need to be goal-oriented and sustained and an efficient follow-up is undertaken.

The Ombudsman for Equality has commissioned a study regarding equality planning at workplaces in the public and private sectors. The situation was studied at about a hundred workplaces. The study was carried out using a questionnaire which was sent out to all ministries, 44 offices and institutions, 19 universities, five public corporations, the ten biggest cities, 30 enterprises, and 5 labour market organisations. Furthermore, face-to-face interviews were carried out in nine enterprises and two labour market organisations. The offices and institutions that were included in the study employ at least 30 persons on a permanent basis. The group of enterprises consisted of the largest Finnish and multinational companies operating in Finland and representing all major branches, except construction. Nineteen of the enterprises involved are quoted companies. As regards labour market organisations,

only the central organisations were included. A total of 126 questionnaires were sent out and 95 organisations replied. The response rate was 75%.

According to the study, the state of equality planning is fairly good. It has to be taken into account, however, that a major part of employees are working in companies that were not included in the study. Of all the groups studied, 78% had either completed an equality plan or were planning one. More than half of all organisations had, at the time of the study, an equality plan. Many organisations had incorporated the promotion of equality into various personnel development programmes or action programmes for occupational safety and health, or the issue had been taken into account in some other way without an actual equality plan.

Since several organisations are only formulating their equality plan, it is too early to assess the impact of equality planning on their employees and on the functioning and output of the organisation. As a rule, concrete effects of the measures undertaken will be seen at a later stage even at those workplaces where the plan had already been completed. It was stated in the context of the study that making the plan as such is significant, since attention is then paid to issues associated with gender.

The Ombudsman for Equality encourages companies to undertake equality planning through instructions, advice and visits to companies. In addition, since 1998, the minister responsible for equality issues and the Ombudsman for Equality have awarded honorary diplomas to workplaces for their merits in the promotion of equality by means of equality planning.

The Committee of Social Rights has asked to be kept informed of the results of the distribution of equality and low-pay allowances.

Reference is made to the reports on the implementation of Convention No. 100, submitted to the International Labour Organisation in 1996 and 1998 (See, *Appendices 1-2*). Reference is also made to the report on Convention No. 111 (page 10), submitted to the International Labour Organisation in 1997 (See, *Appendix 3*), and to the report submitted in 1999 (page 9) (See, *Appendix 4*).

Reference is also made to the account given above, in Article 1(E), on the incomes policy settlement for 1998-1999 concerning equality allowance.

The Committee of Social Rights has also asked to be informed about different activities concerning job evaluation.

Reference is made to the reports on the implementation of Convention No. 100, submitted to the International Labour Organisation in 1996 and 1998 (See, *Appendices 1-2*). Reference is also made to the report on Convention No. 111 (pages 8-9), submitted to the International Labour Organisation in 1999 (See, *Appendix 4*). The guidebook "*From Illusion to the Real World*" mentioned in the report is also appended (*Appendix 15*).

The Committee of Social Rights has also asked about positive actions concerning equal opportunities.

Projects promoting women's status in working life, desegregation and female entrepreneurship have been implemented under the Community Initiative "*Employment-NOW*" during the programme period 1995-1999 of the European Social Fund. These projects (20 in Finland) have been transnational development

projects. Results and new models developed by them have been disseminated through publications, seminars and national as well as European thematic work. In the other European Social Fund programmes, equal opportunities have been mainstreamed and, for example, projects promoting female entrepreneurship have been implemented. During the next programme period 2000-2006, more attention will be paid to equal opportunities as special positive actions and as actions mainstreamed in all projects.

ARTICLE 4

Right of elderly persons to social protection

Article 4 para. 1: Measures intended to allow elderly persons to remain full members of society for as long as possible.

Policy of ageing and its follow-up

The National Committee on Ageing Policy submitted its report in 1996. The target and strategic plan drawn up by the Committee has provided the general frame of reference for the national decision-making and activities concerning the policy of ageing. It also supports the development of the local and regional policies. According to the Committee, the main future challenges related to the policy of ageing at the local and regional levels are: to change attitudes in working life and the ageing of the labour force, to increase healthy years of life, to ensure pensions, to make use of the possibilities of housing and community policy, to hand over certain social welfare and health services to be taken care of various forms of community services, and to remove obstacles to participation and learning. The Advisory Board for Ageing and Pensions Policies, set up in 1997 by the Ministry of Social Affairs and Health, has followed the implementation of the Committee's proposals. Several of its proposals have been implemented or are being implemented.

The Government introduced a National Programme for Ageing Employees 1998-2002 with a view to supporting the status of persons aged over 45 on the labour market. The goal is that as many employees as possible could avoid premature retirement. The aim is also to bring about a change in attitudes so as to improve the status of ageing employees.

The year 1999 was named the United Nations' International Year for Older Persons. The Ministry of Social Affairs and Health appointed two working groups for this purpose: the National 99-Committee and the 99-Lead Agency. The theme of the year in Finland was "*Adding Life to Years*", and the goal was to promote the social participation of older persons and to increase respect for them in society. During the theme year, the local authorities' efforts to make up a strategy concerning older people were also promoted and, by the beginning of the year 2000, about half of all Finnish municipalities had a strategy for ageing of their own.

Old-age barometer

The Ministry of Social Affairs and Health published the second old-age barometer in 1998. According to information based on the barometer, persons who are over 60 years of age experience ageing as positive. They feel that their economic situation is safe, but fear that the circumstances may deteriorate.

On the basis of the old-age barometer from 1994, elderly Finns are active compared with their European peers. According to the latest data, they have become increasingly active and, at the same time, the feeling of loneliness has decreased.

Support for informal care as a social service

According to the Social Welfare Act (710/1982), local authorities are responsible for the provision of social services for their inhabitants. The support system for informal care - usually provided by close relatives - is one option to meet the need for social services. At the beginning of the 1990's, the Social Welfare Act (1365/1992) was supplemented with basic provisions on informal care and a Decree on Informal Care (318/1993) was issued. Thus the support for informal care was incorporated into the social services that have to be provided by the local authorities.

The support for informal care is a service package which can consist of the remuneration paid to the caregiver, various supplementary services to support the care provided, and leave arrangements for the caregiver. In 1998, the support covered more than 13,000 people aged over 65.

The legislation on informal care has been developed by degrees, adjusting the measures to the parameters of public finances. The provisions of the Decree on Informal Care (166/1997) concerning the remuneration payable to caregivers have been specified to be effective as of 1 April 1997. The Decree prescribes the minimum amount of the remuneration, which is determined on the basis of how demanding and binding the care is. On the basis of an amendment to pension provisions, which entered into force on 1 January 1998, informal caregivers are entitled to pension accruing from the care work. An act that entered into force at the beginning of 1998 provides for informal caregivers' statutory right to leave.

The Target and Action Programme for Social Welfare and Health Care 2000–2003

The Government has approved A Target and Action Programme for Social Welfare and Health Care 2000–2003 which defines the developmental goals for social welfare and health, gives recommendations for necessary measures and sets a four-year schedule for implementing them. The state supports the local authorities to achieve the goals. The programme contains a number of recommendations relating to old-age care: developing residential and non-residential services, improving the quality of care and ensuring the adequacy of skilled personnel.

The Committee of Social Rights has inquired further information on "Vanhuspolitiikkaa vuoteen 2001"

Reference is made to the appended report "A national ageing policy up to 2001" (Appendix 16)

The Committee of Social Rights has requested information on the number of complaints brought before the provincial administrative courts and on any decisions reached by the courts in matters governed by Article 4 and on the activities of the Basic Security Board set up in 1993

The Basic Security Guarantee Board has not dealt with cases concerning old age care. Neither have supreme courts had particular cases in the area of Article 4 during the years covered by the report.

The Committee of Social Rights has requested an assessment of the situation in Finland as regards the level and development of national expenditure for social protection and services for the elderly and their funding, and the accessibility of measures, including the number of elderly people benefiting from them

The brochure "Policy on Ageing" (Appendix 17) contains (page 33) statistics on Social welfare expenditure in the main category of the elderly in the years 1996–1999.

The Committee of Social Rights has insisted that future reports provide information on average pension levels compared to the national average wage as well as data on the overall living standards of the elderly population

Table 7. Rough statistical presentation on average pension levels compared to national average wages

	Gross wages	Pension		Net wages	Pensioner (single)	
1996	10641	5262	49%			
1997	10894	5336	49%			
1998	11285	5440	48%	7354	4284	58%

Developments in the 1990's: Because of the economic recession that mainly affected the working-age population and because of the maturation of the pension scheme, the development of the incomes of the elderly population (65+) was better than that of the other population groups. In the past few years when the economic situation has improved, the development of the incomes of older age groups has, however, been weaker than that of other age groups.

An analysis of the situation shows that the development of the income of an individual pensioner is different, since the impact of the maturation of the pension scheme is excluded. It can be observed on the basis of the calculations made at different income levels that the actual net incomes of pensioners have hardly increased in the 1990s, although possible losses have not been big either. The development of the incomes varies slightly depending on the original pension level.

Reference is also made to "Pension benefits as a share of social welfare expenditure and the gross domestic product at price market" (Appendix 18), an abstract on the "Old age Barometer" (Appendix 19), to a publication titled "Social Protection in Finland" (Appendix 20), "Independent Living of Older Persons with Disabilities 21) and "Policy on Ageing (See, Appendix 17).

The Committee of Social Rights has wished to be kept informed of any changes in the pension system.

As of 1 January 1996 the National Pension Scheme has been a pension scheme providing a minimum pension to all residents in Finland while the other pension scheme - the Employment Pension Scheme - is aimed at maintaining the standard of living unchanged. To this end, a national pension will be paid, if there is no entitlement to an earnings-related employment pension at all, or the if the amount of the employment pension is very small. Before 1996 a basic flat-rate amount was paid to all pensioners irrespective of other pension entitlements. From the beginning of 1997 the changes in the structure of the national pension were completed and former majors parts (Basic amount and basic amount addition) pension were combined to a single national pension.

In 1998 most pensioners, 86 %, received a pension from both pension schemes. Solely national pension was paid only to 14 %.

The statutory retirement age is sixty-five years and it has not been questioned. However, the target has been to promote longer working career and reduce early retirement. Measures aiming at rehabilitation, re-training and re-employment have been encouraged.

The Committee of Social Rights has requested that the next report explain the justification for retaining a length of residence requirement of five consecutive years, immediately preceding application for benefits, and it asks whether the Finnish Government plans to extend the principle of equal treatment to nationals of other Contracting Parties to the Charter (not members of the EU nor parties to the Agreement on the European Economic Area)

With regard to national pensions the principle of equal treatment is extended by concluding bilateral social security agreements. According to standard provision on national pensions the old age pension is granted to a national of a Contracting Party when a person has resided in Finland for a minimum of 3 years after having reached the age of sixteen years.

Article 4 para. 2: Measures intended to allow persons to choose their lifestyle freely and to lead independent lives in their familiar surroundings for as long as they wish and are able to

Housing

In Finland, older people live in houses which are more spacious than the national average and they more frequently own their homes. According to data from 1997, persons falling in the age bracket of 60-64 years, that is, those approaching retirement, seem to live in the most sizeable homes with about 46 square meters per person.

However, the homes of older people in Finland are generally less adequately equipped than those of the rest of the population. A dwelling is considered well equipped if the following conveniences are available: piped water, sewer, hot water, flush toilet, washing facilities (shower/bathroom or a sauna) and central or electric heating. In 1996, about 22 percent of those aged 65 and over lived in substandard dwellings while the corresponding figure for the whole population was 14%.

There has been much government funding for repairs on the dwellings of older people or handicapped persons. In 1996, the State Housing Fund supported repairs of approximately 9,500, and in 1997 and 1998, approximately 16,000 dwellings. Typical repairs have been installation of bathroom facilities. The amount of support averaged 40 percent of the repair costs, in special cases as much as 70 percent. Additionally, improving physical accessibility has been financially supported. For instance, support was paid to the installation of lifts in 42 old multi-storey buildings in 1996, to 110 in 1997 and to 157 in 1998.

This has markedly improved the standard of older people's housing, especially of those living outside urban conglomerations. However, much remains to be done to improve accessibility in multi-storey residential buildings.

New housing which meets the needs of older people is also being built. The State Housing Fund has awarded loans for this purpose. In 1996, loans were awarded for the construction of 394 such dwellings, in 1997 for 725, and in 1998, for 650.

In the 1990's, Finland has reformed the structure of national social and health services. Institutional care for older people has been reduced and it has been substituted with service-based housing and non-residential services. Most older people wish to continue to live at home for as long as possible. This is made possible by means of adequate support services.

Almost nine out of ten persons of the age group 75 years or over live in their own homes. Finland has approximately 22,000 service-based homes, in which about 2.2% of the age group 65 or over live. About 4% of persons aged 75 or over live in such service-based homes. Of this age bracket, about 8% are in institutional care. However, the borderline between non-institutional and institutional care is not unambiguous.

As the demand for services has increased, there has also been an increase in the provision of private services. In 1998, there were nearly 900 private enterprises offering private social services, and 300 enterprises offering home services.

If an aged household has a low income and little property, a housing allowance towards housing costs is available. In 1996, housing allowance was paid to 135,000 households consisting of retired persons. The average area of the dwellings of these households was 37.6 square meters per person.

The Committee of Social Rights has asked for more precise information on the sharing of the burden of social protection for the elderly between the public and the private sector.

The municipalities are responsible for providing social welfare and health care services for their inhabitants. The public sector provides 90% of the services targeted at the elderly. However, the proportion of social services purchased from private service providers is on the increase.

In 1997, the net expenditure on the social services given to older people amounted to FIM 5.3 billion. The net expenditure arising from the maintenance of old people's homes was reduced by almost FIM 200 million, owing to, for example, the fall in the number of places in old people's homes. The net expenditure was FIM 2.7 billion. The municipalities financed about 73% of the net expenditure and the rest, 27%, was covered by state subsidies. In the same year, the client fees accruing from residential care provided for older people amounted to FIM 722 million. The net expenditure on home services obtained by older people was approximately FIM 1.3 billion, which was 200 million less than in the previous year. The local authorities' share of the net expenditure was 73% and the remaining 27% was financed

by means of state subsidies. The clients paid approximately FIM 263 million for the home services that were provided.

Article 4, para. 3: Guarantees of appropriate support to elderly persons living in institutions, while respecting privacy, and of participation in decisions concerning living conditions in the institution

The Committee of Social Rights has asked for information on legal and administrative arrangements to protect the privacy of elderly persons living in institutions

The vocational education of social welfare and health care staff takes into account the principles of good care and treatment of older persons, as well as emphasises the autonomy of clients. In addition, attention is paid in particular to the demands involved in the care of elderly persons suffering from dementia.

A shift of the balance of care, that has been under way since the 1980's, has reduced the institutional capacity and increased service housing. Service housing is a more meaningful option for older people than institutional care, since people are able to live in homelike surroundings. The following table show how service housing has increased from 1990 to 1998.

Table 8. Service housing for older people

	1990	1991	1992	1993	1994	1995	1996	1997	1998	Change
Service housing for older people 1990-1998	7440	8720	10090	11420	12754	14661	16318	17932	18802	153 %

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Report on ILO Convention no. 100 in 1998.

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Report on ILO Convention no. 111 in 1997.

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Report on ILO Convention no. 111 in 1999.

Appendix 5

Report on ILO Convention no. 156 in 1999.

Appendix 6

Employment Contracts Act (320/1970). Unofficial translation.

Appendix 7

Family leaves- a brochure (The Ministry of Labour).

Appendix 8

From Beijing to Finland. The Plan of Action for the Promotion of Gender Equality of the Government of Finland (The Ministry of Social Affairs and Health. Publications 1997:20).

Appendix 9

Mainstreaming Equality. The State of Gender Equality on the Eve of the 21st Century. Final Report on the Plan of Action for the Promotion of Gender Equality of the Government of Finland (Office for the Ombudsman for Equality. Ministry of Social Affairs and Health: Working Group Memorandums 1999:3).

Appendix 10

Kauppinen Kaisa, Ojala Leenamajja: Gender Equality, Work Organization and Well-being: Equality Standards for a Good Workplace. A Finnish research and development project set by the central labour market organizations. (The Finnish Institute of Occupational Health).

Appendix 11

Statistics on wage earners in various working relationships in the years 1997-1998.

Appendix 12

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Appendix 13

Interim report on the National Workplace Development Programme of 1998.

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Report on the National Workplace Development Programme of 1996-1998.

Appendix 15

From Illusions to the Real World. A Guide for Developing Job Evaluation Schemes. Job Evaluation Monitoring Group of the Central Labour Market Organisations. Helsinki 1997.

Article 4Appendix 16

A National Ageing Policy up to 2001. Report of the National Committee on Ageing Policy. Committee Report 1996:1 (The Ministry of Social Affairs and Health).

Appendix 17

Policy on Ageing. Brochures 1999:4 (The Ministry of Social Affairs and Health).

Appendix 18

Pension benefits as a share of social welfare expenditure and the gross domestic product at market prices, 1980-1997. Statistical Yearbook of the Social Insurance Institution, Finland.

Appendix 19

Vaarama, Maija, Hakkarainen Anne, Laaksonen, Seppo: Old Age Barometer 1998 (Abstract). Helsinki 1999.

Appendix 20

Social Protection in Finland. (The Ministry of Social Affairs and Health).

Appendix 21

Independent Living of Older Persons and Persons with Disabilities. Publications 1999:18 (The Ministry of Social Affairs and Health).