PROTOCOL TO THE EUROPEAN SOCIAL CHARTER

SECOND REPORT

SUBMITTED BY THE GOVERNMENT OF FINLAND

10 October, 1996

REPORT OF THE GOVERNMENT OF FINLAND

For the period from 1 January 1994 to 31 December 1995 in pursuance of Article 6 of the Protocol to the European Social Charter, on the measures taken to give effect to the accepted provisions of the Protocol to the European Social Charter, the instrument of approval 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 communicated to the Central Organization of Finnish Trade Unions (SAK), Confederation of Technical Employee Organizations in Finland (STTK), Confederation of Unions for Academic Professions in Finland (AKAVA), Confederation of Finnish Industry and Employees (TT), Employers' Confederation of Service Industries (PT).

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ARTICLE 1

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

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

Wage discrimination

Under Section 8, sub-section 2, paragraph 2 of the Act on Equality between Women and Men (206/95, hereinafter referred as the Equality Act), an employer's actions are deemed to constitute prohibited discrimination if the employer applies to an employee or employees, on the basis of sex, less favourable conditions of payment or other conditions of employment than those he or she applies to an employee or several other employees employed by him or her in the same work or work of equal value. This Section of the Act is applied to both the basic wage and all component parts of the wage.

According to the Equality Act, a person suspecting wage discrimination may compare his or her pay only with the pay of an employee of the opposite sex employed by the same employer and performing the same work or work of equal value. At this moment there are no plans to amend the provision on wage discrimination.

Amendment to the Act on Equality

As was stated above, the amendment to the Equality Act referred to in the previous report entered into force on 1 March 1995 (206/95). In the amendment, the obligation of both the authorities and of the employer to promote equality between the sexes has been specified in more detail. Equality shall be promoted in a target-oriented and systematic manner. An addition to the Act laid down an obligation for the employer to facilitate the reconciliation of working life and family life, as regards both men and women, and to ensure, as far as possible, that the employee is not subjected to sexual harassment or molestation. In addition, employers employing at least 30 employees are requested on a regular basis to include measures expediting the realisation of equality (equality planning) in the annual plans on personnel and training or on the programme of action for labour protection.

The reform also specified prohibitions of discrimination. Indirect discrimination is particularly prohibited in Section 7 of the Act. The reform also reinforced legal remedies. Employers' obligation to give an account of their actions was extended to concern all cases of discrimination in working life and, where wage discrimination is suspected, to concern the bases of the employees' own wages and other necessary information concerning him or her. Provisions were also enacted on the right of a shop steward to obtain information on the pay and other terms of employment of another employee or employee group, where wage

discrimination is suspected. By law, however, information on an individual employee is only obtainable subject to that person's consent.

In addition, the reform of the Act increased the compensation payable as a consequence of discrimination so that the minimum amount of compensation is FIM 15,000 and the maximum amount FIM 50,000. In fixing the compensation, the nature and the extent of discrimination and its duration shall be taken into account. Should it be found justifiable - taking into account the type of discrimination and its circumstances - to exceed the maximum amount of compensation, this may be done, the upper limit being, however, FIM 100,000.

In some cases, the compensation may also be reduced or the obligation to pay it may be waived. According to Finnish legislation, this compensation is not in the nature of compensation for damage, nor is financial loss suffered *de facto* by the person discriminated against a prerequisite for obtaining the compensation. In addition to the compensation, the person discriminated against may claim damages for the financial loss incurred on the basis of the Damages Act or other legislation. Obtaining other damages may not, therefore, be based on the fact that the compensation has not covered the financial loss suffered.

According to the reformed Equality Act, a central organisation of employers' associations or a central organisation of trade unions may place a matter concerning an infringement of the prohibition of discrimination before the Equality Board.

Criminalisations

A prohibition of discrimination in working life (21.4.1995/578) was included in Chapter 47, Section 3 of the Penal Code which entered into force on 1, September 1995. The prohibition of discrimination serves to protect both job applicants and employees in an employment relationship from discrimination based on sex. The criminalisation of discriminatory job advertising has been transferred from the Equality Act to the above-mentioned Section of the Penal Code. The Equality Act further includes a prohibition of discriminatory advertising of training places, for an infringement of which the Equality Act prescribes a fine. The Penal Code also includes provisions on infringement of the secrecy obligation concerning information on wages and salaries and terms of employment obtained by the employees' representative on the basis of the provisions of Section 10, sub-section 4 of the Equality Act.

Constitutional law

According to the Constitution Act of Finland, discrimination is prohibited, *inter alia,*, on the basis of sex (Section 5, sub-section 2). It is further stated in the sub-section 4 that "*equality of the sexes shall be promoted in social activities and in working life, particularly in the determination of remuneration and other terms of service, in a manner more precisely specified by Act of Parliament*".

Section 86 of the Constitution Act concerns general grounds for promotion in office. According to the provision, *"the general grounds for promotion in State offices shall be skill, ability and proven civic merit"*. Naturally, the provision in the Constitution Act on the grounds for promotion in office cannot be passed over by a provision in an ordinary law or an equality plan. The interpretation of Section 86 of the Constitution Act in individual cases determines whether this provision is an obstacle to applying an equality plan. However, it can be stated on the basis of legal praxis that equality plans and the grounds for promotion in office referred to in Section 86 of the Constitution Act have not led to conflict situations in practice.

Vocational outplacement, vocational training, rehabilitation and retraining

The provisions of both the Equality Act enacted in 1986 and those of the amended Act cover vocational outplacement, vocational training and retraining. Section 5 of the Equality Act provides that the authorities and educational institutes as well as other corporations arranging training and education shall ensure that men and women have equal opportunities for education and occupational advancement, and that instruction, research and instructional material promote fulfilment of the aim of the Equality Act. Both the general prohibition of discrimination in Section 7 of the Equality Act, and Section 8, sub-section 1, concern the above activities. The last-mentioned Section expressly prohibits discrimination in selection for posts or training. The provision, therefore, also prohibits discrimination in vocational outplacement and in all training organised by an employer for employees.

The general prohibition in Section 7 of the Equality Act prohibits discrimination in vocational rehabilitation. The person discriminated in vocational rehabilitation cannot, however, claim the compensation referred to in the Equality Act from his or her employer. The Equality Board may, however, prohibit the activities infringing the prohibition of discrimination at the request of the Equality Ombudsman or a central organisation of employers or employees.

C. The protection of employees against possible retaliation measures by the employer

A provision on retaliation measures by the employer has been added to Section 8 of the Equality Act (206/95), which concerns discrimination in working life. In accordance with this provision, the actions of an employer shall be deemed to constitute prohibited discrimination if the employer weakens the employee's working conditions or the terms of employment of an employee after the employee has appealed to the rights and obligations prescribed in the Equality Act.

D. Promotion of equality and the machinery for its implementation

Equality Ombudsman and Equality Board

The observance of the Equality Act is supervised by the Equality Ombudsman and the Equality Board. The extent of the supervision has been specified in more detail in Section 16 of the Equality Act as follows:

> *"The Equality Ombudsman and the Equality Board shall supervise the observance of this Act in private activities, and in public administration and business, in accordance with this Act and other legislation".*

The fields of life and matters which have been excluded from the application of the Act in Section 2 of the Act remain outside the supervision. There are only limited possibilities for supervising such activities of Parliament that relate to a member of Parliament performing his or her duties as a representative, or the activities of the President of the Republic, although the Act does in fact also concern these organs. However, the opinion of the Equality Ombudsman is often heard when a law is being drafted or at the latest when it is dealt with in Parliament.

Section 16 of the Equality Act shows that, of public activities, legislation and application of the law remain outside the supervision. The supervisory authorities cannot, therefore, interfere with judicial decision-making by courts of law.

The Equality Ombudsman is an administrative authority. In supervising the observance of the Act, the emphasis of the Ombudsman's duties is on counselling and giving instructions. It is his or her special duty to settle cases where an infringement of the prohibition of discrimination has occurred. Counselling may constitute providing legal information, holding negotiations between the parties in a case of discrimination in order to resolve the matter, or other similar activities. In practice, the Equality Ombudsman gives statements in cases where an infringement of the prohibition of discrimination is suspected. The statements are in the nature of recommendations and expert opinions, and they cannot be enforced by using administrative coercive measures. Neither may the statements be appealed against, nor can they be used to order an alteration of the existing legal status.

The Equality Ombudsman receives some 200 requests for statements annually. The Equality Ombudsman gives some 170 - 200 statements annually. In approximately 22 - 30 % of these, actions have been found to be contradictory to the provisions of the Equality Act. In approximately the same number of statements the procedure has not been found to be contradictory to the provisions of the Act. In some cases the Equality Ombudsman has only been able to give instructions and advice in the matter, and some of the cases have not fallen within the Ombudsman's competence.

Since the Equality Act entered into force, most of the statements requested have concerned filling a post or job. In second place are statements requested on dismissals by notice. The number of dismissals has increased with the economic recession.

The Equality Board is a college consisting of part-time members whose duty is to apply the administrative coercive measures prescribed in the Equality Act and to give courts of law, by request, statements in matters relating to the ordering of compensation. In other words, the Equality Board may prohibit a person who has acted against the prohibition of discrimination from continuing or repeating their actions, if the prohibition is considered justified for the implementation of equality. When imposing the prohibition, it may at the same time be decided that the prohibition shall be observed as from a date specified in the decision, should it be necessary to allow the obligated party reasonable time to change the conditions or procedure on which the prohibition is based.

Appeals against decisions of the Equality Board can be lodged with the Supreme Administrative Court. A prohibitive decision by the Equality Board shall be observed immediately, even though it has not as yet gained legal force, unless the Board or the Supreme Administrative Court orders otherwise.

The Equality Board has been of relatively minor significance in recent years. The Equality Ombudsman has submitted only one case to the Equality Board since the entry into force of the Equality Act. During 1993 to 1994 the Equality Board gave a total of 6 statements to courts of law, in 1995 only one. Lately, the trend has been that courts of law have very seldom requested statements from the Equality Board in matters relating to ordering compensation, but rather the plaintiff has requested a statement from the Equality Ombudsman before bringing a suit. Nowadays, the decisions of the courts of law comply with the Equality Ombudsman's statements more often than was the case immediately after the Equality Act entered into force.

As an administrative court, a County Administrative Court may repeal a local government decision if it is contradictory to the provisions of the Equality Act. The County Administrative Court cannot, however, adjudge compensation based on discrimination. The decisions of the County Administrative Court may be appealled to the Supreme Administrative Court.

County administrative courts request annually a number of statements from the Equality Ombudsman in cases where the overruling of a decision of a local government has been demanded on the basis of the Equality Act.

In the reform of the Act the provision concerning the obligation of the employer to promote equality was amended and new provision on the measures to be taken to promote equality was added.

Section 6 of the Equality Act (17.2.1995/206, amended)
Obligation of employer to promote equality

> *"Each employer shall promote equality between men and women within working life purposefully and systematically.*
> *In order to promote equality in working life, the employer shall, with due regard to the resources available and any other relevant factors,*
> *(1) act so that both women and men apply for vacancies;*
> *(2) promote an equitable recruitment of women and men in the various jobs and create for them equal opportunities for promotion;*
> *(3) develop working conditions so that they are suitable for both women and men, and facilitate the reconciliation of working life and family life for women and men; and*
> *(4) ensure, as far as possible, that an employee is not subjected to sexual harassment."*

Section 6 a (17.2.1995/206, new)
Measures to promote equality

> *" If an employer regularly employs a staff of at least 30, said employer shall include measures to further equality between women and men at the workplace in the annual personnel and training plan or the action programme for labour protection."*

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

The Committee of Independent Experts asked for further information on the increase in part-time work. The Committee had paid attention to the matter in Finland's annual report to the ILO, where the Central Organization of Finnish Trade Unions (*SAK*) had stated that the percentage of female workers working part-time had increased considerably during recent years and that most of the women concerned were in this situation against their will. The Committee asked for details of working conditions for part-time work compared to full-time work (wages, holidays, social protection, etc.).

Female workers have for long constituted almost half of the total labour force in Finland. Deviating from the other Nordic countries, women usually work full-time, only 12 % of all women work part-time. Of all part-time workers, the percentage of women is 65 %. The proportion of part-time workers has remained the same for long. During the recession, the proportion of part-time work began slightly to grow. In 1990, the percentage of part-time workers was 7.2 %, whereas in 1993 it was 8.6 %. According to an inquiry made among the members of the *SAK*, part-time work among the *SAK*'s female members has clearly increased along with the recession. The increase has been most noticeable in the *SAK* private services, where the percentage of part-time workers has increased from 14 % to 27 % in three years.

Part-time jobs have been created primarily by reducing the number of working hours in former jobs. For example, 39.5 % of shop assistants had a weekly working time of less than 35 hours in 1995. Along with the recession, the reluctance to part-time work has increased. When in 1989, only 1 % of men and 11 % of women said that they were reluctant to work part-time, the percentage of reluctance in the autumn of 1993 was already 42 % for the men and 43 % for the women.

In Finland, collective agreements include provisions on wages, so also regarding part-time work. Article 2, para 3 of the Charter includes a clarification on the holidays of part-time workers. It may further be stated that there are, at the moment, legislative reforms pending, by which non-standard work will be made equal to full-time work and work until further notice. The Government intends to continue to apply these measures. As for social protection, the aim is that pension would accrue from all work done, regardless of the nature or duration of the employment relationship.

The Committee also asked for information on the measures that had been taken or were planned in order to remove the gender divisions of the labour market. Despite the high percentage of women in work, segregation has increased in the 1990's. The majority of men are still employed in the private sector, whereas almost half of the women are employed by local governments or by the state. Recently, the proportion of women in male-dominated fields has decreased, whereas the proportion of men in female-dominated fields has slightly increased. Due to segregation, unemployment has hit women differently than men.

Unemployment among men began to grow earlier and more rapidly than among women. In 1994, the increase in the unemployment among men came to a stop, whereas women's unemployment continued to grow. In 1995, there was even a decrease in the unemployment among men, whereas women's unemployment slightly increased. This trend has continued so that the percentage of unemployment among women is now already somewhat higher than that of men.

As regards measures, it may be noted that Finland has launched a national programme for developing working life, through which undertakings and communities may be granted financial aid to start concrete projects for developing workplaces. These projects also take into consideration projects which focus on equalizing jobs and which aim at reducing segregation, for instance.

In addition, there have been various kinds of school campaigns aimed at arousing the interest of girls in technology. The aim has also been to make girls more interested in industrial occupations. It may further be noted that the number of male teachers has attracted attention in Finland recently. It has been discussed whether gender quotas should be introduced when selecting new students for teacher education.

The Committee referred to the comprehensive economic and incomes policy settlement of 1990-91, mentioned in the first report, as well as to the equality increments and job evaluation schemes agreed on in that context. The Committee asked for information on the application of these measures and on the results.

The comprehensive centralized incomes policy settlement for 1996 -1997 includes provisions on equality and low-pay allowances. As of the beginning of the pay period starting on 1 October 1996 or primarily after that, equality and low-pay allowances are available to the sectors covered by the settlement. The more specific definition of the allowances is entrusted to the central organizations. Each trade union makes its own decision regarding the use of the allowances. The decision-making may also be transferred to enterprise level. When agreeing on how the equality and low-pay allowances are to be used, attention should be paid to the grounds on which the allowances are determined.

By means of the equality allowance, the contracting parties aim at raising the pay level of women whose salaries and wages are not in harmony in respect of job demands and education. The low-pay allowance aims at correcting the relative low-pay character of certain sectors. The allowance is determined by multiplying women's proportion of all employees in the sectors covered by the settlement by 0.6. The resulting figure is to be added with the proportion of employees within the sector, who earn less than FIM 54 per hour or less than FIM 9,200 per month, multiplied with 0.2. The introduction of equality and low-pay allowances has been agreed in the public administration as well.

According to the taxation data of 1994, the difference between the annual income of women and men has grown. In 1994, women's annual income for full-time work was 74.7 % of the corresponding income of men, whereas two years earlier it had been 76.8 %. As far as employment relationships in the public sector are concerned, recent statistical data of 1995 show that the average total income of women is 76.1 % of that of men. In 1994, the corresponding figure was 75.7 %, being 75.8 % in 1993. A comparison of the state employees by official titles shows that the proportion of women's earnings for regular working time varies between 90 - 107 % of the earnings of men.

The job evaluation working group, set up by the central labour market organizations in 1990 arrived at the conclusion in its final report, that job evaluation schemes should for the time being be drawn up separately for each industry or, if the employer organization is a very large one, for that organization alone. A scheme that comprises all the different industries within a national centre will be too complicated and cumbersome to deal with, since all the aspects of different industries and working conditions should be taken into consideration.

When developing the job evaluation schemes, the first-stage objective of the working group was that the industry-specific schemes would cover all jobs within each industry as comprehensively as possible. The long-term objective is that all jobs under the same employer could be assessed with the same job evaluation scheme.

In its report, the working group suggested that analytical job evaluation schemes be developed and taken into comprehensive use in the labour market. The working group finds that only through systematic application of evaluation schemes in workplaces can inequity in pay be avoided.

The central labour market organizations have set up a working group to monitor the job evaluation for the purpose of promoting the development and introduction of schemes for evaluating job demands. Besides development activities, the working group is responsible for the information. The working group may also, at the request of a central organization, give opinions on the evaluation schemes to be developed, when the working group is unanimous on the contents of the opinion. One opinion was given in spring 1996. The working group also keeps track of the European Court of Justice Case Law on equal pay. The working group will finish its manual on the development of evaluation schemes in autumn 1996.

Many sectors covered by an agreement are in the process of re-evaluating job demands and developing evaluation schemes. *E.g.* in the trade sector, there is a reform of the wage regulations going on among the unions. The wage regulations in the collective agreements of the trade sector are partly based on job demands, but the evaluation schemes are not analytical.

In the municipal sector, the development of the payroll systems takes place in two ways: by changing the basis for compensation as well as the methods for determining the wages. In practice, the reform of the basis for compensation has meant development of the scheme for evaluating the demands of jobs suitable for the municipal sector. The analytical job evaluation scheme jointly developed by the parties is scheduled to be completed in spring 1997, after which its application level will be determined.

G. Protection of pregnant employees

The amendment to the Penal Code described in connection with Article 1, paragraph 2, concerning discrimination in working life provides additional protection against pregnant employees being placed in an unfavourable position.

H. Other actions promoting equality between the sexes

Nothing new to report.

I. Occupations reserved for one sex only

In the legislation there is no provision preventing women and men being employed in the same occupations. The Act on Women's Voluntary Military Service (194/95), which entered into force on 1 May 1995, eliminated restrictions based on sex in the Defence Forces. Nowadays, it is also possible for women to apply for jobs in the Frontier Guard.

There are no restrictions based on sex in the provisions concerning the fire and rescue departments. However, not many women apply for training provided by the fire and rescue departments. On the other hand, very few are on the whole able to pass the demanding physical admission tests.

ARTICLE 2

Right to information and consultation

A. Informing and consulting employees and their representatives, and selecting personnel representatives

Nothing new to report.

B. Structure of information and negotiation procedure, procedures and systems at all levels concerned, their necessity and the frequency of recurrence of the procedure

The Committee of Independent Experts asked confirmation of their understanding that employee representation may be arranged on a general level or on specific levels. The Committee also asked details of representation at different levels, especially in large enterprises. In reply, reference is made both to the first report, where the decisive factor was found to be whether the matter concerns, for example, an individual employee or employees in general, and to the reply in Article 3, para 3 of the present report. It is also pointed out that at present there is no comprehensive information on the practical implementation of cooperation in labour protection, but the trade unions considered it possible to prepare a survey on this matter (*Final report on the project for the employees' health*, 28.2.1996).

The Ministry of Labour has published a labour policy survey concerning codetermination in working life, the purpose of which was to examine the functioning of the Codetermination Act; it was thus targeted at 750 establishments, mainly those with more than 30 employees. In major enterprises, that is, in enterprises with more than 500 employees, but also in medium-sized enterprises with 100 to 499 employees, there was usually an active committee. Especially in medium-sized enterprises, joint meetings were held and there were in practice no other procedures. The survey also showed that in the enterprises examined, negotiations were held both between the employer and the employee and between the employer and the personnel representative. The proportion of the latter type of negotiations was somewhat higher.

The Committee of Independent Experts wanted to know how the obligation to provide, *e.g.*, information on an undertaking's balance sheet and economic situation is fulfilled (Section 11 of the Codetermination Act). According to the above-mentioned survey, internal communication and the providing of information on matters relating to the enterprise's own social activities were handled more often between the employer and the personnel representative than directly between an employee and the employer, and approximately twice as often in enterprises with more than 500 employees as in enterprises with less than 100 employees.

The Committee requested a more detailed information on the mandatory or optional nature of information and consultation, or supervision of compliance with any obligations in this sphere. The employer is always primarily responsible for organising the negotiations relating to the Codetermination Act. Supervision of the observance of the Codetermination Act is in the responsibility of the Ministry of Labour - not of the labour protection authorities - and of those associations of employers, employees and clerical personnel which have concluded a national collective agreement, whose provisions must be observed in the enterprise's employment relationships.

The Committee of Independent Experts asked for further information on possible sanctions. An employer who infringes the codetermination obligation can be sentenced to pay a fine in accordance with the Codetermination Act. This is an offence subject to public prosecution. An employee may be compensated for a maximum of 20 months' wages if a matter falling within the codetermination obligation is resolved in such a way as fails to comply with the procedure and periods specified in the Act, and the employee is, as a result, transferred to work part-time, laid off or given notice. The claim for damages is lodged in a court of first instance.

The Committee of Independent Experts was interested in the situation of nationals of the Contracting Parties residing or working lawfully in Finland. The provisions of the codetermination procedure apply equally to all employees working in Finland, regardless of nationality. Therefore, there is no separate information available on the situation of nationals of other countries in relation to codetermination.

C. The nature of the obligation to provide information and to negotiate prescribed by the provisions of the Act, collective agreements or other at the workplace and enterprise level

The list of matters to be handled in the workplaces by the labour protection committee consisting of representatives of the employer and employees has been updated by an amendment to the Decree on the Supervision of Labour Protection (1086/94). The amendment was described above in connection with Article 3, para 3.

D. The number of employees below which enterprises are not required to observe the provisions on the obligation to provide information and negotiation procedure

The Committee of Independent Experts requested information on the number of employees working in enterprises employing more than 20 employees. In 1994, there were 184,931 enterprises in Finland, 5,369 of which employed 20 persons or more. These enterprises had a total of 716,661 employees and they comply with the codetermination procedure on the basis either of law or of a collective agreement. The number of personnel to whom this procedure applies was stated in the first report by the Government of Finland.

The Committee inquired about the role of the State as employer in the codetermination procedure. The State as employer and the employee federations have agreed on

codetermination procedure through collective agreements. State-owned enterprises or companies observe codetermination procedure complying either with the Codetermination Act or with collective agreements. Government offices and institutions are in addition subject to a national codetermination agreement. Local government offices and institutions are subject to a national convention on codetermination procedure.

Parishes, which are not subject to the Act on Codetermination in Companies, have agreed on recommendations on workplace democracy in parishes, which concerns the Church, the association of parishes and the federation of parishes. The agreement contains provisions on, for example, the right to obtain information on the activities of the parish and on matters concerning its personnel. There are also provisions on workplace meetings in which the whole personnel may take part. The workplace may also have a cooperation committee promoting, for example, internal communication, occupational health care and the organisation of canteen facilities as well as recreational activities. Workplace meetings may be held if there are ten or more employees, otherwise the agreement is applied to parishes with at least 30 employees.

The Committee of Independent Experts also asked for more precise information concerning undertakings where the codetermination procedure is not applied due to activities which are inspired by political, religious or other ideals. The restriction concerning the application of codetermination only applies to the ideological activities of associations inspired by political, religious or other ideals. The codetermination procedure does, however, apply to the other activities, such as business activities pursued by these organisations.

The Committee of Independent Experts asks, if legislation provides any protection for associations in accordance with the Appendix to the Protocol of the European Social Charter. The Constitution Act of Finland guarantees the right to found an association without permission. In addition, associations are subject to the application of the Associations Act.

E. Proportion of employees falling outside the scope of the laws on the obligation to provide information and to negotiate, on collective agreements and other procedures

The Codetermination Act does not apply to enterprises with fewer than 20 employees. According to Statistics Finland's publication "*Corporate enterprises and personal businesses in Finland 1993*", these enterprises number 111,669 and employ a total personnel of 302,416. The total number of employees in enterprises of all sizes is 1,036,590. Thus the share of those remaining outside the scope of application of the Codetermination Act is about 30 % of all employees working in private enterprises.

ARTICLE 3

Right to take part in the determination and improvement of the working conditions and working environment

A. The right of workers to participate in the determination and improvement of working conditions and the working environment, either directly or through representatives, and placing workers' representatives at different organisational levels

Certain provisions of the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection concerning codetermination between the employer and the employees were amended by provisions (768/94) which entered into force at the beginning of 1995, so that the forms of cooperation in labour protection and participation in such cooperation can be agreed on locally, applying the most suitable procedures. The duties of the labour protection manager, labour protection representative and labour protection committee were at the same time updated by an amendment (1086/94) to the Decree on the Supervision of Labour Protection (954/73). Factors taken into account in assigning the duties were the preparation of a programme of action for labour protection at the workplace and participation in activities to maintain working capacity. The amendment of Section 8 of the Act made it possible to replace the labour protection committee with a procedure better suited to the circumstances at the workplace.

An amendment (144/93) to the Labour Protection Act which entered into force at the beginning of 1994 obligated the employer to draw up an action programme for labour protection.

The aim of the programme is to develop the workplace systematically, taking into account factors relating to the working environment and occupational health. Participation in planning the programme increases the commitment of the personnel to the programme. The manner in which the personnel participates in planning the programme can be agreed on separately in the most appropriate manner at each workplace. However, the participation of the enterprise's labour protection personnel, labour protection manager, labour protection representative and labour protection committee in the drawing up, monitoring and implementation of the programme is considered necessary. Due to its broad range, the programme may include matters that need to be handled also under the codetermination procedure. This handling at separate levels can be combined, if necessary, in a manner most appropriate at each workplace. To emphasise the significance of the action programme, the handling of the programme and the duty to become familiar with it were added in the Decree, to the tasks of the labour protection manager, labour protection representative and labour protection committee, or to other tasks in the corresponding codetermination procedure.

In order to increase the efficiency of the activities maintaining working capacity at workplaces, cooperation is required between occupational health care, the labour protection organisation, line management and personnel administration. The action plan for occupational

health care presents the principles of activities for the maintenance of working capacity. For the activities to succeed, it has been found necessary for the labour protection manager, labour protection representative and the codetermination organ in labour protection to participate - in a manner to be agreed on at the workplace - in the planning, implementation and monitoring of the activities.

The aim of codetermination is also otherwise to encourage an atmosphere which is conducive for activities maintaining working capacity. It was for this purpose that activities maintaining working capacity were added to the duties of the labour protection manager, representative and committee, or procedure corresponding to the committee.

The Decree on the Supervision of Labour Protection lists some of the duties of the labour protection committee. In the Decree, the list of matters to be handled by a labour protection committee or by corresponding codetermination procedure was revised and updated.

The Committee of Independent Experts asked for more detailed information of the Act on the Supervision of Labour Protection and on how this Act relates to the Labour Protection Act, especially as concerns their scope of application. The Committee also asked whether the Act on the Supervision of Labour Protection or the Labour Protection Act cover, in addition to labour protection, working conditions, the organisation and the working environment.

Section 9, sub-section 5 of the labour protection Act includes a general obligation concerning codetermination between employer and employee. The Act on the Supervision of Labour Protection prescribes in greater detail the forms of codetermination and matters to be handled in codetermination. An amendment (768/94) to the Act on the Supervision of Labour Protection, which entered into force at the beginning of 1995, made it possible to combine different codetermination procedures.

The employer and employees or their representatives may agree on arranging codetermination complying with Chapter 2 of the Act on the Supervision of Labour Protection in a different manner, which is better suited to the conditions at the workplace. In such a case it is, however, required that the employees have at least equal opportunities to discuss matters relating to labour protection at the workplace as in codetermination complying with the Act. In practice, this usually means that matters belonging to the labour protection committee can be handled in connection with other codetermination procedures.

Working conditions may be handled in connection with codetermination on labour protection, insofar as they relate to occupational safety issues. Several factors, such as arrangements concerning working hours, relate by nature both to working conditions and to occupational safety. Where the different codetermination procedures in an enterprise are combined, there is no need to draw a line between matters relating to working conditions and occupational safety.

B. The right of the workers to participate in the determination of working conditions, the structures, procedures and arrangements of this participation in enterprises and divisions of enterprises

The Committee of Independent Experts wished to know how the different measures (providing information, discussion, participation in drawing up the action programme for labour protection, labour protection committee) relate to the participation called for in Article 3 of the Charter. Codetermination on labour protection includes receiving information in order that discussions can be held on any relevant matters falling within the scope of the obligation to negotiate. Employee representatives normally obtain information and participate in negotiations. The labour protection action programme covers the needs for developing working conditions and the impacts of factors relating to the working environment.

Under the Labour Protection Act, the aims of the labour protection action programme shall be discussed in negotiations with the employees. Since labour protection programmes are also drawn up at workplaces where there are no codetermination organs for labour protection, the aims of the labour protection action programme are discussed directly between the employer and employees at these workplaces. If the codetermination body at the workplace is the labour protection committee, the labour protection action programme can be discussed there.

The labour protection action programme shall be changed as dictated by the conditions at the workplace at any time, which means that the aims also change and these, too, must be discussed in codetermination negotiations with the employees. By virtue of the Act on the Supervision of Labour Protection, it is the duty of the labour protection representative and labour protection committee to monitor working conditions, and both may make suggestions for improving them.

The Committee also wished to know if and how the participation of employees was assured in supervising compliance in the areas specified in Article 3, para 1, sub-paragraphs A, B and C of the Additional Protocol. The labour protection authorities supervise the organisation of codetermination in compliance with the Act on the Supervision of Labour Protection, that is, primarily codetermination concerning the matters falling under sub-paragraphs A and B. The Ministry of Labour supervises the organisation of codetermination under the Codetermination Act, which includes some of the matters mentioned in sub-paragraph A and the matters presented in sub-paragraph C. The implementation of codetermination is in addition supervised by the associations of employers, employees and clerical personnel which have concluded the national collective agreement, whose provisions are to be observed by enterprises.

The Committee of Independent Experts also asked for information on any "thresholds" applied in those areas of Article 3, para 1, sub-paragraphs A, B and C, that do not fall within the scope of the Labour Protection Act. Social and cultural matters fall under the Act on Codetermination in Companies and under agreements on codetermination. Usually, provisions on social and cultural matters only exist respecting larger enterprises, that is, those with more than 30 employees. Smaller enterprises have not been obligated to arrange such matters.

The Committee of Independent Experts also wished to get further information on the arrangements concerning participation at different levels of an enterprise and on employee representation at these levels, especially in large enterprises. Codetermination can be arranged according to the needs of the enterprise. A large enterprise may have a joint codetermination body for the whole enterprise and, in addition, codetermination at a lower level, arranged by sector or by establishment, or in another manner appropriate from the viewpoint of the enterprise's activities. See also reply in Article 2, sub-paragraph B of the Additional Protocol.

The Committee asked for further information on whether the employees or their representatives are able to appeal in cases of infringement of their rights. Employees have the possibility of appealing against an employer's actions when they find that the employer has acted in a manner contradictory to the law or to a collective agreement. Where actions contradictory to a collective agreement are concerned, the dispute is settled by the Labour Court. Otherwise the disputes are settled in courts of first instance.

The Committee was also interested in the situation of nationals of the other Parties legally residing or working in Finland, with regard to this Article of the Additional Protocol. It is stated in reply that the status of the nationals of the other Contracting Parties is identical to that of Finnish nationals. See also reply in Article 2, sub-paragraph B.

The Committee inquired whether collective agreements or other agreements contain conditions concerning the participation of employees in the areas referred to in this Article. The following gives an account of the contents of codetermination complying with the labour protection agreements of the central organisations and codetermination agreements.

According to the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection, national associations of employers and employees and corresponding organs of central and local government and the Church which represent the employer, are entitled to agree on the arrangement of employees' codetermination concerning labour protection in a deviating manner. This also applies to the public authority concerned, the Commission for Local Authority Employers and the Board on Salaries, Wages and Work Conditions for Church Employees of the Evangelical-Lutheran Church and any such authority which makes agreements on behalf of and is authorised by the Commission for Local Authority Employers and the Board on Salaries, Wages and Work Conditions for Church Employees of the Evangelical-Lutheran Church. In 1995, there were six such national labour protection agreements in force.

Member enterprises of the Confederation of Finnish Industry and Employers, which employ clerical personnel performing office work, are subject to a national agreement on occupational safety cooperation in offices, concluded on 1 March 1990. According to the agreement, the labour protection representative and labour protection ombudsmen are elected as prescribed in the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection. The election of other organs and forms of codetermination are agreed on locally.

Issues discussed under codetermination include the development of working conditions in offices and development proposals concerning these, issues relating to the health and safety of clerical personnel, plans concerning changes and reforms affecting the working conditions in offices and their implementation, the training of clerical personnel relating to labour protection, arranging work guidance and job initiation and implementing occupational health care. In addition to codetermination duties, the agreement contains provisions on the participation of labour protection organs in action aimed at more effective maintenance of working capacity. These activities must be planned, implemented and monitored, and a conducive atmosphere should be encouraged. The labour protection representative takes part in drawing up plans concerning activities to maintain working capacity.

The agreement on occupational safety cooperation at workplaces, signed on 10 September 1990 between the Finnish Employers' Confederation (Confederation of Finnish Industry and Employers), the Central Organization of Finnish Trade Unions and the Confederation of Technical Employee Organizations in Finland, is applied to member enterprises of the Confederation of Finnish Industry and Employers, which carry on industrial or comparable activities and employ at least 20 persons. A labour protection representative must, however, be elected when the number of employees is at least 10. The employees and clerical personnel elect a labour protection representative or representatives, deputy representatives and labour protection ombudsmen. Other codetermination organs are selected locally as agreed. Unless otherwise agreed, a labour protection committee is established for codetermination.

The labour protection representative has the duties defined in the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection. The codetermination duties in compliance with the agreement also include - in addition to the duties mentioned in the above clerical personnel's agreement - drawing up an annual action plan which takes into account labour protection planning in the enterprise.

Codetermination also entails discussion of surveys on working conditions, the arrangement of monitoring of occupational safety and occupational health, the need for labour protection inspections and the dissemination of information on labour protection. The measures aimed at maintaining working capacity specified in the previous agreement are also included in this agreement.

The labour protection agreement on occupational safety in parishes, concluded on 1 January 1991, applies to parishes and the officials and employees in their employ. A parish may have an elected labour protection representative and labour protection committee. The duties of the labour protection representative and labour protection committee are defined in the agreement. The appropriate authority shall appoint a labour protection manager for codetermination in labour protection.

The labour protection representative shall acquaint him- or herself with the labour protection provisions, regulations and instructions at the workplace. He or she shall take part in inspections and surveys concerning labour protection and, where necessary, in other investigations which have been initiated due to an accident that has occurred, an occupational disease, or the threat of either of these, or diseases attributable to the work. He or she shall

acquaint him- or herself with the working conditions as regards the safety of the work through observation and by reporting deficiencies. He or she shall, in addition participate in planning activities which maintain working capacity and maintain contact with other labour protection organs and authorities, and may acquaint him- or herself with plans affecting labour protection which concern changes and reforms and the prevention of accidents and health hazards at the workplace, including costs estimates.

The labour protection representative also takes part in procedures complying with the agreement on recommendations on industrial democracy, when labour protection matters are discussed. The duties of the labour protection committee overlap with those of the labour protection representative, but in addition the committee follows the accident and health situation and work guidance. Its further duties include giving information about labour protection matters, planning training, controlling working conditions, planning and drawing up proposals for reducing the harmful effects of alcohol and other intoxicants.

The Church has in addition a shop steward agreement (dated 3.12.1993), according to which the shop stewards are members of the labour market organisations. The shop steward supervises the observance of collective agreements and labour market peace, and he or she is entitled to obtain information on wages and salaries and employment and service relationships.

Officeholders and employees of and people employed by local government districts and joint municipal boards are subject to a labour protection agreement which came into force on 25 January 1990. According to the agreement, a labour protection representative and a labour protection committee are to be elected for enterprises with more than 10 and more than 20 employees respectively, but may also be elected for smaller enterprises. Among other things, the labour protection representative shall take part in inspections and surveys, acquaint him- or herself with the working conditions and report his or her observations, maintain contact with other labour protection organs and authorities and participate in activities to maintain working capacity.

The labour protection committee acts as a joint body in labour protection matters in relation to other labour protection organs, issues statements on plans concerning changes and reforms, follows the accident and health situation and takes measures to initiate investigations, follows work guidance and occupational health care, plans labour protection training, develops the safety and healthiness of work, gives information on codetermination and plans measures for reducing the harmful effects of intoxicants. If there are fewer than 10 employees, the employer shall only nominate a labour protection manager.

Ministries, government offices, institutions and departmental enterprises and the personnel in their employ are subject to the codetermination agreement on labour protection signed on 8 October 1991. If there are 10 or more employees at a workplace, the employees shall be represented by a labour protection representative and two deputy representatives, who may be elected even if there are fewer employees. There may also be a labour protection ombudsman at the workplace.

The labour protection representative has otherwise the same duties as specified in the above-mentioned agreement concerning local government employees, but he or she does not actually take part in activities to maintain working capacity. He or she performs the duties stipulated in Section 4 of the Occupational Health Care Act (743/78) (codetermination in occupational health) and Section 29 a of the Health Insurance Act (745/78) (statement on claims for compensation), and takes part in the handling of matters falling under the Act on Codetermination in Government Offices and Institutions and the agreements based on the said Act, as agreed in the agreements for specific offices. The labour protection ombudsman's duties are not as extensive as those of the labour protection representative.

A labour protection committee is set up by an office-specific agreement, where required. The labour protection committee takes part, for example, in labour protection inspections and investigations and other surveys. Otherwise its duties are almost identical with those of the corresponding organ in the parish's agreement, except that it also acquaints itself with plans affecting the safety and healthiness of the work and other plans concerning changes or reforms, and submits reports on these to the office in question. It also follows the implementation of occupational health care, plans and annually prepares for the office a proposal for the general arrangement and development of labour protection activities at the workplace and for the prevention of accidents and health hazards.

Local government districts, joint municipal boards and the officeholders in their employ are subject to a codetermination agreement which entered into force on 25 January 1990. According to the agreement, a senior shop steward, shop steward, labour protection representative or other party named by the signatories shall be nominated if personnel numbers at least 20. The elections are agreed on locally. Rationalisation projects affecting the status of the personnel, laying off and reduction of work, principles of personnel administration, financial status, budget proposals, as well as any substantial changes in the arrangement of working premises all fall within the scope of codetermination, as do the principles of internal communication, the principles of activities maintaining working capacity, the principles of activities relating to initiatives, the arrangement of personnel services, plans concerning the promotion of equality between the sexes and codetermination in labour protection, unless otherwise specified in the labour protection agreement, and other matters of principle relating to an employment relationship.

Government offices and institutions are subject to the Agreement on Codetermination in Government Offices and Institutions of 31 December 1991. The parties to the agreement are the office and the personnel. In government offices, office-specific codetermination agreements may be used for agreeing on the election of personnel representatives and possible codetermination organs. Unless otherwise agreed in an office-specific codetermination agreement, personnel shall be represented by a shop steward, labour protection representative and the personnel representatives elected in the manner prescribed in Section 6 of the Act on Codetermination in Government Offices and Institutions (651/88).

Matters subject to codetermination according to the agreement are the duties prescribed in the Act on Codetermination in Government Offices and Institutions, of which the following comply with Article 3 of the Additional Protocol: substantial changes in duties, working

methods and tasks affecting the status of the personnel, as well as transfers concerning location, duties or office, changes in the organisation, duties, services and product range of the enterprise which affect the status of the personnel, machinery and equipment purchases and arrangement of working premises, closing of an office or part of it or its transfer to another location, or the expansion or reduction of its activities, development and rationalisation projects, and any arrangements made due to the above which affect the number, type and structure of personnel, the budget proposal and operational plan and budget plan, the time at which regular working hours begin and end, rest periods and lunch breaks, the principles of internal communications, the provision of canteen facilities and child care within the limits of the funds allocated for social activities, the use and planning of restrooms and other staff facilities, recreational and holiday activities, financial aid and donations granted to personnel.

There is, in addition, an Agreement on Codetermination in Personnel Matters concerning State Administration and Various Administration Sectors, dated 1 March 1990. Codetermination in compliance with this agreement is, on the employee side, carried out by representatives named by labour market organisations, and it deals with organisational changes concerning the personnel.

A national codetermination agreement concerning member enterprises of the Employers' Confederation of Service Industries was signed on 15 January 1990. The agreement applies to enterprises with a minimum of 30 employees. Personnel may be represented by a so-called supplementary representative, who belongs to the personnel of the workplace. Supplementary representatives are elected as agreed between the personnel group and employer. A committee is set up if the number of persons employed regularly exceeds 200.

The representatives of personnel groups and the employer may agree on setting up the committee, even if all personnel groups will not belong to it. If the matter dealt with concerns other persons in addition to the members of the committee, a joint meeting shall be organised to discuss the matter. The employer shall convene the committee when necessary, at least four times a year. A registered branch association of the federation which is party to the collective agreement and its department, shop or the like is entitled to organise meetings at the workplace, for example, on issues complying with the Codetermination Act. This also includes matters relating to the social activities of the enterprise, as specified in Section 6, paragraph 14 of the Codetermination Act.

Under the above-mentioned codetermination agreement concerning member enterprises of the Employers' Confederation of Service Industries, matters also agreed on include labour protection, the setting up of a labour protection committee in enterprises with more than 20 employees, a labour protection manager, a labour protection representative where the number of employees is 10 or more, a labour protection ombudsman, labour protection when using personnel engaged in a service relationship with another enterprise, cooperation on labour protection for persons working alone, and occupational health care and activities aimed at maintaining working capacity. The duties of the labour protection representative are prescribed in the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection. Where necessary, he or she will also take part in preparing the plans discussed by the labour protection committee.

In 1989, a national codetermination agreement concerning the member enterprises of the Confederation of Finnish Industry and Employers was signed. The agreement supplements the Act on Codetermination in Companies. The agreement applies to those member enterprises of the Confederation of Finnish Industry and Employers, whose employed personnel numbers at least 30. Where there are fewer employees, the sections concerning communications, confidentiality and settlement of disputes shall nevertheless apply. Personnel is represented by representatives in compliance with the Codetermination Act. A committee is to be set up at a workplace with more than 200 employees. Codetermination involves hearing experts at the workplace. In enterprises with more than 30 employees, separate reports shall be submitted on the financial statements (in writing if required), financial status, maintenance of trade secrets, personnel plans, changes in these without delay, general principles of the management of personnel matters and the enterprise's operational and personnel organisation. Organised personnel groups are entitled to organise meetings, for example, on issues complying with the Codetermination Act. The funds reserved for social activities may also be used for acquiring and disseminating information in labour market matters.

C. Coverage of provisions and regulations concerning the workers' right to participate in determination

The Committee of Independent Experts asked for information of how the participation of employees in the arrangement of social and socio-cultural services and facilities has been assured. In reply it is stated that the arrangement and supervision of these matters does not differ from other matters dealt under codetermination.

D. The minimum number of employees below which enterprises are not obliged to provide employees with the opportunity to participate in the determination of working conditions

Nothing new to report.

E. Employees falling outside the scope of labour protection provisions

Nothing new to report.

F. Enterprises other than those referred to in article 2, falling outside the scope of provisions (number of the workers fewer than prescribed in national legislation)

Nothing new to report.

ARTICLE 4

Right of elderly person to social protection

Finland has prepared a target plan and strategy on policy concerning the elderly, "*Vanhuspolitiikkaa vuoteen 2001*", which will be available in English in autumn 1996, on the basis of a recommendation contained in a decision made by the United Nations General Assembly in 1992. The results of this work are reflected in many directions, as they look at old age from the perspectives of working life, livelihood, housing and the environment, social welfare and health services and participation and learning.

The Finnish pension system is comprehensive in that all Finnish nationals are entitled to a national pension. Membership in the European Union required some changes to be made in the system, so that even a national pension has to be "earned" by living in Finland. The prerequisite for a full national pension is that the person has lived in Finland for 40 years. From the point of view of the livelihood and independence of elderly persons, the employment pension system is more significant in practice.

A person is entitled to a full national pension only if he or she has not earned any employment pension which accrues from work. The number of persons living only on a national pension is continuously on the decrease. To give an example, in 1980, 43 % of old-age pensioners received only a national pension; by 1994, this figure had fallen to 17 %. The proportion is the smallest in the Nordic countries. The functioning of the pension system is also shown by the fact that in 1994, only a little more than 2 % of the over 65-year-old population received income allowance, the last-resort form of assistance.

In addition to a pension, elderly persons may be paid a care allowance, which is independent of income, to cover special costs arising from disability or illness, and a housing allowance, which is tied to housing expenses.

There is no national system supporting the mobility of the elderly in Finland. On the other hand, municipalities offer various transport services for persons who are unable to move independently or to use public means of transport. Statistics have not been collected on the total cost of these activities on the national level.

There are numerous organisations in Finland, which enable elderly persons to take active part in various events (See *Protocol Appendix 1*). There are no comprehensive statistics on the activities arranged by these organisations, which include cultural, sports, study and discussion group activities. In addition to the above, there is a nationwide network of municipal civic institutes in Finland, a major user group of these being the elderly. In some university towns there are also universities for the elderly. Elderly women, in particular, are active users of various cultural services.

Survey *"Age and Attitudes in Finland"* was carried out in 1994 (*Protocol Appendix 2*). Finnish nationals were more interested in local history and culture, sports, peacework, the lives of people in Europe, national politics and religion, than other EU nationals.

The current official retirement age in Finland is 65, but people retire on average at the age of 59. To keep pension expenditure under control, the actual retirement age should be raised, although this is, on the other hand, in conflict with the high rate of unemployment. At present the aim is, however, to raise the actual retirement age, and it has in fact increased by one year over the past few years. Solutions for pension systems which would allow for more individual solutions are also being sought, for example, so that a person who so wishes, could simply continue working subsequent to having reached the official retirement age. On the other hand, the wide range of organisations in the country offers numerous possibilities for utilising one's professional skills even after retirement.

Of the residences of elderly households, 80 % were well-equipped, and somewhat fewer than 20 % were in some respect poorly equipped. A residence is defined as poorly equipped when it has no water pipes, sewage pipes, hot water supply, toilet or washing facilities. The number of people living in poor conditions is falling continuously as renovation assistance has been reserved for the residences of the elderly. Most of those living in poorly equipped residences were living in old detached houses in the country. In future, an increasing number of elderly people will be living in well-equipped blocks of flats and terraced houses in population centres and towns.

On the other hand, elderly people living in the most poorly equipped residences often have the opportunity to move into service flats, if they so wish. More service housing units are being built continuously, and at present they number 13,000 to 14,000, *i.e.*, they provide housing for 2 % of the 65-year-old or less than 5 % of the 75-year-old population. Service flats have usually been designed so as not to have obstructions and to support independent living. Kitchens and sanitary facilities, in particular, have been designed with the needs of the elderly in mind. Doorways, for example, are usually wider than normal. In addition to providing good living conditions, provision is made for services compensating the incapacities of the elderly. For this reason there are usually various common service premises in connection with service housing (*e.g.* dining room, meeting rooms, swimming pools, rooms for physical therapy, sports and hobbies), which may be used by outsiders in addition to the residents. Round-the-clock help is guaranteed by an emergency-call service.

Service housing

Service housing may have its own personnel or the services may be provided by the municipality's home-help personnel. Service housing may be owned either by municipalities or by private organisations.

In Finnish legislation, the home service concept includes home help and auxiliary services. Home help refers to personal treatment, help or care provided by an employee with vocational training (minimum of 250 hours' lower grade home helper training or 2.5 years' upper grade

home helper training/home nurse training). The legislation has been in force since 1984, and the term 'home help' no longer fully corresponds to the contents of the activity. In reality, the question is more of the treatment and care of those needing help, than household help, although these do not rule each other out.

Auxiliary services refer to various services provided to help elderly persons to continue living at home. They differ from home help in that auxiliary services are often organised so that several persons in need of help can be helped at the same time. Meals-on-wheels is a very typical auxiliary service. The elderly may have meals brought home or they may be offered them at a service centre or even at a nearby school. A meal obtained in connection with home help has been prepared for one person, couple or family only, whereas meals received as an auxiliary service may have been prepared for dozens of people at the same time. Typical auxiliary services also include bathing, transport and emergency-call services.

Municipalities are responsible for the provision of home services. In recent years, the strategy for producing home services has concentrated on guaranteeing the provision of help for persons requiring the most help. This has meant that the number of households receiving home help has fallen slightly, but the amount of services received calculated per household has increased. The strategy has also included integrating home help and home nursing services, *e.g.*, so that in several municipalities, home services and home nursing have been organised to form one area of responsibility. The needs of those requiring less help have been met by increasing the auxiliary services provided.

Client fees account on average for 10 % of the financing of municipal social welfare and health services. Client fees cover on average 20 % of the cost of care in an old people's home, and 12 % of the cost of care at the client's home. In connection with auxiliary services, the proportion covered by client fees is somewhat higher. The maximum limits of service fees are provided by decree and elderly persons of limited means may be eligible for exemption from fees.

The expenditure crisis in the public economy has forced municipalities to develop cost-effective working methods. The development of new forms of cooperation between different local instances (municipal social administration, health service, housing service, social welfare and health organisations, family members, private producers of services) has proved significant. The Ministry of Social Affairs and Health has also started a project for developing local services, with the main aim of promoting the networking of different actors, organisations, services and premises.

In 1992, the average monthly expense per care client incurred by municipalities for the home care allowances paid to persons caring for elderly, disabled or chronically ill persons, amounted to FIM 1,600.

The number of elderly persons in old people's homes has decreased. Information from previous years on the reasons for going into an old people's home revealed that, for example, the poor condition of the person's residence was one important reason. By offering a wider range of alternatives for service housing and by renovating the homes of the elderly, it has in

recent years been possible to avoid inappropriate placements in institutional care. Earlier inappropriate placements will, however, be seen in the statistics for several years to come, although elderly people in old people's homes have been rehabilitated to enable them to continue living independently.

Finnish municipalities are under an obligation to take care of the service needs of the elderly, but they are not obliged to produce the services themselves. This means that municipalities may purchase services, *e.g.*, from organisations. The share accounted for by services purchased from organisations of all services provided is still relatively small, but it is expected to grow.

Cooperation between voluntary organisations and municipal services has increased, and seems still to be on the increase. The cooperation is also continuously generating new local forms of work, on which no statistical data are accumulated. The forms of activity are also difficult to describe using conventional concepts. As a rule, the division of labour between voluntary organisations and municipal services is based on the principle that municipal services concentrate on guaranteeing basic care, and voluntary organisations provide various friendly visiting services and recreational services. The organisations make a significant contribution to supporting persons caring for family members, in that these persons are offered the opportunity for free, recreational activities, rehabilitation and training (*e.g.* information on different diseases, correct working positions, benefit systems).

The protection of the privacy of those living in institutions for the elderly has been increased through construction and renovation, so that most elderly persons are now able to live in single rooms. These room arrangements in themselves increase privacy. In addition, the privacy of residents can also be improved through the daily routines and the working methods of the staff at the institution. This has been the aim of various projects for developing institutional care and has also been promoted through further and continuation training of staff. At its best, this has meant in practice that institutional care has adapted to the needs and routines of the resident, and not vice versa.

Finnish legislation does not require that there should be residents' associations or the like in old people's homes. They do, however, exist although there is no information on their numbers. This is an operational model in which the clients may participate in decision-making concerning the institution.

Comments given by the labour market organizations:

The Central Organization of Finnish Trade Unions (SAK) notifies that it repeats its comments made in connection with the first report.

As regards Article 2, the Confederation of Unions for Academic Professionals in Finland (AKAVA) states its concern about the Act on Cooperation within Undertakings in that the concept of "staff group" is interpreted in quite different ways in industry and in the service branches. In the service branches, the interpretation of the concept of "staff group" referred to in the said Act emphasizes one single party to the collective agreement. This has led to a situation where the party, which has concluded the collective agreement and which represents the salaried employees, coercively represents all the persons covered by the scope of application of the said collective agreement, even though a major part of them belongs to a different staff group and a different trade union.

AKAVA also pays attention to the fact that the period for pension accrual in the public sector has been reduced so that it is not possible, even in theory, for women with an academic degree to earn a full pension.