REPORT

ARTICLES 2, 3, 4, 9, 10 AND 15 OF THE CHARTER
ARTICLES 2 AND 3 OF THE ADDITIONAL PROTOCOL

FOR THE PERIOD FROM 1 JANUARY 1996 TO 31 DECEMBER 1997, MADE BY **THE GOVERNMENT OF FINLAND**, IN ACCORDANCE WITH ARTICLE 21 OF THE EUROPEAN SOCIAL CHARTER AND ARTICLE 6 OF THE ADDITIONAL PROTOCOL, ON THE MEASURES TAKEN TO GIVE EFFECT TO THE ACCEPTED PROVISIONS OF THE EUROPEAN SOCIAL CHARTER AND ITS ADDITIONAL PROTOCOL, THE INSTRUMENT OF APPROVAL OF WHICH WAS DEPOSITED ON 29 APRIL 1991.

IN ACCORDANCE WITH ARTICLE 23 OF THE CHARTER, COPIES OF THIS REPORT HAVE BEEN COMMUNICATED TO THE CENTRAL ORGANIZATION OF FINNISH TRADE UNIONS (SAK), THE CONFEDERATION OF UNIONS FOR ACADEMIC PROFESSIONALS (AKAVA), THE CONFEDERATION OF FINNISH INDUSTRY AND EMPLOYERS (TT), THE FINNISH CONFEDERATION OF SALARIED EMPLOYEES (STTK) AND THE EMPLOYERS' CONFEDERATION OF SERVICE INDUSTRIES (PT), WHOSE COMMENTS WILL BE FORWARDED TO THE SECRETARY GENERAL OF THE COUNCIL OF EUROPE SEPARATELY.

TABLE OF CONTEXT

ARTICLE 2; THE RIGHT TO JUST CONDITIONS OF WORK 1

ARTICLE 2, PARA 1: REASONABLE DAILY AND WEEKLY WORKING HOURS 1
A. Provisions on daily and weekly working hours 1
B. Provisions in collective agreements 3
C. Average working hours for major categories of workers 4
D. Reducing of working hours 5
E. Workers not covered by the working hours provisions 5
ARTICLE 2, PARA 2: PUBLIC HOLIDAYS WITH PAY 5
A. Number of public holidays with pay 5
B. Provisions and collective agreements concerning paid public holidays with pay 6
C. Workers not covered by the provisions on public holidays 6
ARTICLE 2, PARA 3: ANNUAL HOLIDAY WITH PAY 6
A. Length of annual holiday and minimum working period carrying holiday entitlement ... 6
B. and C. Coverage of the provisions 7
ARTICLE 2, PARA 4: ADDITIONAL PAID HOLIDAY OR REDUCED WORKING HOURS FOR WORKERS IN DANGEROUS OR UNHEALTHY OCCUPATIONS 7
A. Occupations regarded as dangerous or unhealthy 7
B. Provisions in legislation and in collective agreements or elsewhere concerning reduced working hours and additional paid holidays 7
C. Proportion or workers falling outside the scope of the provisions concerning reduced working hours in dangerous occupations 8
ARTICLE 2, PARA 5: WEEKLY REST PERIOD 8
A. Provisions concerning weekly rest periods 8
B. Action to safeguard weekly rest period 9
C. Workers not covered by the provisions on weekly rest periods 9

ARTICLE 3; THE RIGHT TO SAFE AND HEALTHY WORKING CONDITIONS 10

ARTICLE 3, PARAS 1 AND 2: ISSUING AND SUPERVISING REGULATIONS 10
ARTICLE 3, PARA 3: CONSULTATIONS WITH EMPLOYERS' AND WORKERS' ORGANISATIONS 10

ARTICLE 4; THE RIGHT TO A FAIR REMUNERATION 13

ARTICLE 4, PARA 1: ADEQUATE REMUNERATION 13
ARTICLE 4, PARA 2: RIGHT TO REMUNERATION FOR OVERTIME 13
A. Legal provisions applied to remuneration for overtime and calculation of the higher pay; types of work and workers governed by these provisions 13
B. Proportion of employees not entitled to remuneration for overtime 18
ARTICLE 4, PARA 3: EQUAL PAY FOR WORK OF EQUAL VALUE 19
A. Application of the principle of equal pay for work of equal value to all employees 19
B. Progress made in applying the principle of Equal Pay 19
ARTICLE 4, PARA 4: PERIOD OF NOTICE FOR TERMINATION OF EMPLOYMENT 22
ARTICLE 4, PARA 5: DEDUCTIONS FROM WAGES 22
A. Restrictions concerning deductions from wages 22
B. Scope of the provisions 22

ARTICLE 9; THE RIGHT TO VOCATIONAL GUIDANCE 23

A. Description of the vocational guidance system 23
B. Promotion of vocational and social progress 23
C. Providing easy access to the services for potential clients and their parents 23
D. Cost effects 23

ARTICLE 10; THE RIGHT TO VOCATIONAL TRAINING 25

ARTICLE 10, PARA 1: PROVIDING TRAINING SERVICES 25
A. Functions, organizations, duties and funding related to the promotion of vocational training 25

B. Arrangements for vocational training by type of vocational training and number of starting places......26
C. Access to higher education and to gaining a degree at university through vocational training......27
D. Guaranteeing equal opportunities for foreign citizens and their children to participate in vocational training......27
ARTICLE 10, PARA 2: PROMOTION OF APPRENTICESHIP......28
A. and B. Encouraging young people to participate in apprenticeship training and labour market training, promoting the system and number of participants......28
C. and E. Division of vocational training by type of vocational activity and sex......29
D. Public funding for private apprenticeship programme......29
ARTICLE 10, POINT 3: TRAINING AND RETRAINING FACILITIES FOR ADULT WORKERS......29
A. Retraining of the underemployed......29
B. Distribution of training by field......32
C. Effect of measures on groups needing training......33
D. Number of adults participating in training......33
E. Special measures targeted at women......34
ARTICLE 10, PARA 4; THE RIGHT TO VOCATIONAL TRAINING......34
A. Description of measures encouraging the use of vocational training opportunities......34
B. The coverage of provisions in sub-para A......37

ARTICLE 15; THE RIGHT OF PHYSICALLY OR MENTALLY DISABLED PERSONS TO VOCATIONAL TRAINING, REHABILITATION AND SOCIAL RESETTLEMENT......38

ARTICLE 15, PARA 1: TRAINING OPPORTUNITIES FOR THE DISABLED......38
A. The right of the physically and mentally disabled to vocational education, rehabilitation and social resettlement......38
B. Statistics......39
ARTICLE 15, PARA 2; PLACEMENT IN WORKING LIFE......40
A. Services provided by the manpower authorities for disabled persons......40
B. Number of disabled persons in work......41

ARTICLE 2; RIGHT TO INFORMATION AND CONSULTATION......43

A. Informing and consulting employees and their representatives, electing employee representatives......43
B. Structures, procedures and organizations of communication on all relevant levels, compulsory communications and frequency......43
C. The nature of information and negotiation requirements provided for by law, collective agreements or other provisions at the workplace and company level......46
D. The maximum number of employees for which companies are not required to observe the information and negotiation procedures......46
E. The proportion of employees to whom the information and negotiation requirement specified by law, collective agreement or other procedure does not apply......47

ARTICLE 3; RIGHT TO TAKE PART IN THE DETERMINATION AND IMPROVEMENT OF THE WORKING CONDITIONS AND THE WORKING ENVIRONMENT......48

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......48
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......49
C. Coverage of the provisions and regulations concerning the workers' right to participate in determination......50
D. Employees falling outside the scope of labour protection provisions......50
E. 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)......50

ANNEXES

1. Report on the ILO Convention No. 146
2. Report on the ILO Convention No. 100
3. A Guide for Developing Job Evaluation Schemes
4. National Programme of Action for Vocational Rehabilitation and Employment of Disabled Persons

LEGISLATION

Working Hours Act (605/1996)
Act on Codetermination within Undertakings (725/78)
Act amending the Mental Health Act (383/1997)

ARTICLE 2; THE RIGHT TO JUST CONDITIONS OF WORK

Article 2, para 1: Reasonable daily and weekly working hours

A. Provisions on daily and weekly working hours

The Working Hours Act which came into force on November 23, 1996 (605/96) is a general law which simplified the earlier legislation by repealing the earlier Working Hours Act and the main separate acts on working hours in particular spheres (shops and offices, agriculture, janitor's work and bakeries). When the new Act was drafted, the European Council Directive 93/104/EEC of 23 November 1993 concerning certain aspects of the organization of working hours was taken into account.

The Working Hours Act applies to work performed in an employment relationship as referred to in section 1 of the Employment Contracts Act (320/70). Its scope of application also includes State civil servants, local authorities, municipal federations, and holders of office in the Evangelical-Lutheran Church and Orthodox Church, who were not covered by the earlier law. Section 2 of the Act provides for certain exceptions to its coverage. For instance, it does not apply to work under a contract of employment as referred to in the Seamen's Act (423/78).

The Working Hours Act also applies to an employment relationship as referred to in the Act on Apprenticeship Training (1605/92). Employees under the age of 18 are also governed by the Young Workers' Protection Act (998/93), which applies equally to civil servants and other employees.

According to the Working Hours Act (605/96), working hours are considered to be all time spent working and also time that the worker has to spend at the workplace at the employer's disposal. Daily resting time is not counted as working time if the worker can then leave the workplace freely. Time spent travelling is not normally counted as working hours either. According to the general provision of the Act, regular working hours cannot exceed 8 hours a day or 40 hours a week. Regular working hours means time during which workers, civil servants or post-holders are entitled to their normal standard pay. The Act also lists the enterprises and jobs in which working hours can be arranged in periods. In such periodic work, the regular working hours within a three-week period may not exceed 120 hours or 80 hours in a two-week period. There are separate provisions on the regular working hours of a motor vehicle driver.

If working hours within a 24-hour period are longer than six hours, the worker must be given a regular rest period of at least one hour during which time he may freely leave the workplace. The employer and worker may also agree on a shorter rest period of at least half an hour. If there are more than 10 working hours within a 24-hour period, the worker is entitled to have a rest period of at least half an hour after eight hours' work. In shift work or periodic work, the worker must be given a rest period of at least half an hour or the opportunity to have a meal, if the working period is more than six hours.

The new Working Hours Act includes the possibility of agreeing on an arrangement different from what is provided in the law. The parts of the new Act dealing with worker protection are mandatory, so in principle it is not possible to agree on arrangements contrary to its provisions to the worker's detriment. In the aspects of the new Act that are non-mandatory, it is possible to diverge from it through collective agreements, an agreement between employer and employees, an employment contract between employer and worker, or with the worker's consent.

According to section 9 of the Working Hours Act, it is possible to agree on arrangements for working hours contrary to what is provided in the Act through some kind of collective agreement. Such agreement may also confer the authorization to agree on regular working hours locally, within what the agreement allows.

Section 10 of the new Working Hours Act states that it is possible to agree on regular working hours locally at workplaces where the employer is required to observe a 'universally binding' agreement under section 17 of the Employment Contracts Act. Earlier, contract law did not extend to an unorganized workplace that did not belong to the employers' organization concerned. The precondition here is that the nationwide collective agreement grants authorization for such local agreement on regular working hours. The local agreement must conform with the provisions on local agreements in a universally binding collective agreement and with additional preconditions laid down in section 10 of the Act.

Under section 10 of the Working Hours Act, the introduction of working hour arrangements must be agreed on in some kind of collective agreement before the provisions on local agreements on working hours in a universal collective agreement can be applied at workplaces between an employer and an individual employee. The same section 10 states that the employee party is determined according to the collective agreements followed in the field concerned, i.e. in industry the staff are divided into various personnel groups: wage-earning employees and lower and upper salaried employees. Negotiations on working hours are usually held with the shop steward representing each group. Thus the contracting party on the employees' side in a local agreement is a shop steward as laid down in the collective

agreement. If no shop steward has been elected, the contracting party can be some other staff representative, the entire personnel, or a staff group. Some collective agreements specifically state that agreement on flexible working hours must be reached with a shop steward.

There are provisions in section 11 of the Working Hours Act concerning the making of the agreement referred to in section 10 in writing, on periods of notice, and on provision of information about the agreement.

If a universal collective agreement does not contain any provision allowing for local agreement, enterprises are unable to make the agreement referred to in section 10. It is likewise impossible to make a local agreement if the universal collective agreement contains no provisions at all about the arrangement of regular working hours. These hours are then determined according to the main provision of section 6 of the Working Hours Act or according to section 12.

Under section 12, the employer and employee can agree on the extension of regular working hours within one day by a maximum of one hour. The regular hours must then be balanced out at an average of 40 hours a week over not more than four weeks. The weekly working hours may not exceed 45.

The Working Hours Act also contains some other provisions allowing for divergence from its provisions on a local basis, through an employment contract between the employer and shop steward, or the employer and employee.

As of June 1, 1997 a new section 22, paragraph 3, was added to the Labour Protection Act (299/58). Especially when work is continuously arduous or requires staying in one place for a long time, opportunities for short breaks allowing the worker to leave the work location must be provided if necessary. The employer must assess the need for and number of these breaks, applying what the Working Hours Act states concerning rest periods. In most jobs, breaks are arranged to fulfil requirements stated in the law or collective agreements. The provision reflects an important principle concerning the need for breaks whatever the form of the worker's employment relationship or how his working hours are arranged, and this is particularly important for workers whose working hours are under six per day.

B. Provisions in collective agreements

Under the Working Hours Act, collective agreements between employer and employee organizations whose sphere of operations covers the whole country may diverge from the legal provisions on time to be counted as working

hours, regular working hours and the rest period in a 24-hour period, for instance. Under the old Acts, contract capacity was restricted solely to national employer and employee organizations. Under the new Act, an individual employer can also make the collective agreement on regular working hours arrangements referred to in section 9, paragraph 1. The company does not need to operate nationwide. In contrast, the employee organization (union) acting as the other party to the agreement must operate nationwide. For instance, a metal industry employer can only make the kind of agreement referred to here with the Finnish Metal Workers' Union. Similarly, any employer organization making a collective agreement in accordance with section 9 of the Working Hours Act must operate nationwide. For instance, the Confederation of Finnish Construction Industries can only sign the collective agreement referred to here with the Construction Union. Overall, however, regular working hours under such an agreement must even out at an average of 40 hours a week over a maximum period of 52 weeks.

The provisions in collective agreements on the lengths of the period over which overall regular working hours are calculated typically range from 26 to 52 weeks. It has been possible to delegate agreement on the length of the period to the local level. In addition, what is agreed on as the average for regular working hours is also influenced by the provisions of collective agreements on maximum working hours. In the financial sector, for instance, the maximum agreed on is 10 hours per day and 48 hours per week. In certain other sectors, the maximum within a 24-hour period is 12 hours. The length of the regular working week usually ranges from 40 to 50 hours.

See also under Article 2, paragraph 1A.

C. Average working hours for major categories of workers

In 1995 and 1996, the average working week for regular employees in the main sectors was as follows. The figures are based on Statistics Finland employment statistics.

	1996	1995
All industries	38.4	38.3
Agriculture and forestry	48.4	47.8
Manufacturing	38.7	38.4
Construction	39.6	39.6
Trade	38.6	38.6
Transport	40.1	39.2
Finance and business services	37.0	36.9
Public and other services	35.4	35.4

D. Reducing of working hours

In many sectors and companies, the practice is something approaching 35 hours a week. International trends in working hours are monitored, and the labour market organizations also keep an eye on development through a special working group set up under the incomes settlement of December 12, 1997.

E. Workers not covered by the working hours provisions

Section 2 of the Working Hours Act contains provisions on work not covered by the working hours legislation. First and foremost, the Act does not apply to work that, in terms of the duties concerned and the worker's standing otherwise, must be considered management of an enterprise, corporation or foundation or an independent part of such, or independent activities directly comparable to such management. Similarly, the Working Hours Act does not apply to workers performing religious functions in a religious community. Work that the worker does at home, or otherwise in conditions where it cannot be considered the employer's duty to supervise how working time is arranged, is likewise beyond the scope of the Act. That means work that the worker does solely at home or in a place of his choice, if the worker himself also decides when the work will be done. Work done outside a permanent workplace is also excluded if the worker himself decides when and possibly where he will do the work, without the employer supervising how the time spent on the work is arranged. The precondition in such cases is that the work is so independent in nature or in the conditions under which it is done that the employer cannot be expected to arrange or supervise the working hours, and does not in fact do so. Similarly, family day care of children, certain forestry work and log-floating, and fishing are also outside the scope of the Act, which does not apply to work done by the employer's family members, either. Finally, work in which working time is provided for separately in legislation such as the Act on the Employment of Domestic Workers (951/77) lies outside the scope of the Working Hours Act.

Article 2, para 2: Public holidays with pay

A. Number of public holidays with pay

Nothing new to report.

B. Provisions and collective agreements concerning paid public holidays with pay

The religious festivals laid down in the Church Act (635/64) may fall on a day of the week other than Sunday, in which case the provision on Sunday work applies. Section 33 of the Working Hours Act (605/96) applies to 'Sunday work', which refers to work done on a Sunday or some other religious festival. The provision states that Sunday work can only be required if its nature dictates that it has to be done regularly on the days concerned, this is agreed in the employment contract, or the worker specifically consents. A 100% supplement is payable for Sunday work. If the work is additional, overtime or emergency work, the compensation laid down in section 22 or 23 of the Working Hours Act must be paid, calculated on the worker's standard pay. Under paragraph 3, the provisions of section 22 on the calculation of the higher pay rate payable for overtime must be complied with when the higher pay for Sunday work is calculated.

C. Workers not covered by the provisions on public holidays

Nothing new to report.

Article 2, para 3: Annual holiday with pay

In the case of section A, we refer to the report made in 1997 on compliance with ILO Convention No. 146 (annex 1).

A. Length of annual holiday and minimum working period carrying holiday entitlement

The provisions on holiday compensation in the Annual Holidays Act (272/73) have been amended several times in order to improve the position of workers in short-term employment. Section 9 of the Act contains provisions on holiday compensation when employment continues, and Section 10 when it comes to an end. As of June 1, 1996, a provision was added to the Act on holiday compensation on the basis of several employment relationships. Under section 10a of the Act, working hours done for the same employer under several employment relationships all within the same month are added together. If they total at least 35, the worker is paid 8.5% of pay earned in that calendar month as holiday compensation. Thanks to this provision, several people working in 'a typical' employment and other short-term jobs are now also covered by holiday benefits. If the worker works per contract on so few days and for such a short time during one holiday definition year that he does not accumulate a single full holiday definition month, or then only some calendar months are full holiday

definition months, his right to holiday compensation is determined according to section 9, paragraph 1, of the Annual Holidays Act. The precondition for holiday compensation is that the worker has worked at least the number of hours laid down in section 9 during the holiday definition year. In the Act that comes into effect on April 1, 1998 (460/97), the number of these hours has been reduced from 35 to six. At the same time the minimum working periods laid down in sections 10 and 10a of the Annual Holidays Act were also shortened, and in the holiday definition year beginning on April 1, 1998 holiday compensation is earned on all work done for at least six hours in an employment relationship.

An amendment came into effect on January 1, 1997 clarifying section 6 of the Annual Holidays Act, on a continuing employment relationship. Paragraph 1 of the section, which states that the employment relationship is not considered interrupted when the owner or proprietor of an enterprise changes, remains unchanged. However, paragraph 2 now provides that the employment relationship is not considered interrupted when the worker transfers to the service of an enterprise where ownership, agreement or some other arrangement gives control to the former employer or one or more people closely connected to that employer as referred to in section 3 of the Act on Recovery of Property to a Bankrupt Person's Estate, or to these persons jointly.

B. and C. Coverage of the provisions

Nothing new to report.

Article 2, para 4: Additional paid holiday or reduced working hours for workers in dangerous or unhealthy occupations

A. Occupations regarded as dangerous or unhealthy

Nothing new to report.

B. Provisions in legislation and in collective agreements or elsewhere concerning reduced working hours and additional paid holidays

The collective agreements revised after the previous report have provisions on reduced working hours to the same effect as before.

The Act abrogating Section 72 of the Radiation Act (490/97) was issued on 23 May 1997, and came into force on April 1998. The decree on radiation leave, reference to which has been made in our previous reports, was

abrogated as from the same date. According to Section 10 in the valid collective agreement for municipal officials and workers, entitled to radiation leave are those employees who have the right to radiation leave during the period 1 Decempber 1997 - 31 March 1998.

C. Proportion or workers falling outside the scope of the provisions concerning reduced working hours in dangerous occupations

Nothing new to inform.

Article 2, para 5: Weekly rest period

A. Provisions concerning weekly rest periods

The legislation of working hours was amended by the Hours of Work Act that entered into force on 23 November 1996 (9.6.1998/605). This act is a general act applied in different branches. It abrogated the Hours of Work Act (604/46), the Act on Hours of Work in Commercial Establishments and in Offices (400/78), the Act on Hours of Work for Janitors (284/70), the Act on Hours of Work in Agriculture (407/89) and the Act on Hours of Work in Bakeries (302/61).

The Working Hours Act (605/96) contains provisions on weekly free time and divergences from it (Sections 31 and 32). Under section 31, workers must be given uninterrupted free time of at least 35 hours once a week, taken in conjunction with Sunday whenever possible. According to the Young Workers' Protection Act, young workers must be given an uninterrupted period of at least 38 hours. Weekly free time under the Working Hours Act can be arranged as an average of 35 hours over 14 days. However, there must be at least 24 hours of free time a week. In uninterrupted shift work, the weekly free time can be arranged in a way that provides a weekly average of 35 hours over not more than 12 weeks. However, there must be at least 24 hours of free time a week. The weekly free time can be given as an average when technical conditions or work arrangements so demand, if the worker so consents.

Section 31, paragraph 3, and section 32 of the Working Hours Act apply to divergences from the weekly free time. The former allows the provisions on weekly free time to be infringed in cases where the regular working hours do not exceed three per day, in the care of farm animals and in urgent sowing and harvesting work. Likewise, divergence is permitted under section 32, if a worker is needed temporarily during his free time in an enterprise, corporation or foundation in order to maintain the regular progress of

necessary work, or if the technical nature of the work does not allow certain workers to be completely freed.

If a worker is unable to take his weekly free time, he must be compensated for this as laid down in the Working Hours Act. Under section 32, paragraph 2, free time not taken must be primarily compensated by reducing the person's regular working hours by the hours that he was unable to take as free time. Working hours must then be reduced within at most three months of performing the work during weekly free time, unless otherwise agreed. Secondarily, with the worker's consent the weekly free time not taken can also be taken in money. The amount is then decided as laid down in section 25 of the Working Hours Act concerning the basic component of extra work or overtime compensation, in addition to which the worker is entitled to his normal pay. He may also be entitled to overtime or Sunday work compensation.

B. Action to safeguard weekly rest period

The Penal Code provides for infringements of the protection of working hours, but in addition the Working Hours Act includes a penal provision on an offence against working hours. Under chapter 8, section 42, of the Act, an employer or employer's representative who deliberately or negligently infringes rules or regulations issued in or under this Act concerning other than payment duty, agreements, form of legal action, working hour accounting or display is punishable with a fine for an offence against working hours.

C. Workers not covered by the provisions on weekly rest periods

The provisions apply to all workers covered by the working hours legislation. See under Article 2, paragraph 1E.

ARTICLE 3; THE RIGHT TO SAFE AND HEALTHY WORKING CONDITIONS

Article 3, paras 1 and 2: Issuing and supervising regulations

Finland has not declared to be bound by these paras.

Article 3, para 3: Consultations with employers' and workers' organisations

Labour protection administration with its tasks and measures of support was transferred from the administrative sector of the Ministry of Labour to that of the Ministry of Social Affairs and Health on 1 April 1997. The Occupational Safety and Health Division of the Ministry of Labour became a department in the Ministry of Social Affairs and Health. The personnel of the Occupational Safety and Health Division and the other persons carrying out the duties relating to occupational safety and health joined the staff of the Ministry of Social Affairs and Health. At the same time the district administration of occupational safety and health with its posts was transferred to be a part of the Ministry of Social Affairs and Health and the tasks remained unchanged.

The purpose of the transfer was to unite matters concerning occupational safety and health to the same Ministry. The organisational reform was carried out together with the most important labour market organisations by following the tripartite principle.

The Committee for labour protection in the chemical industry which used to operate at the Ministry of Labour, which deals with matters related to chemical and biological labour protection at the national level, was transferred to the Ministry of Social Affairs and Health on April 1, 1997. Its duties and composition have not changed.

The transfer of labour protection administration to the administrative sector of the Ministry of Social Affairs and Health was carried out by amending the Act on the Labour Protection Administration. Also the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection was amended.

Owing to the organisational reform, which entered into force on 1 April 1997, for instance the following statutes were issued:

- Act on the Amendment of the Act on the Labour Protection Administration (16/1993, amendment 9/1997);
- Act on the Amendment of the Act on the Supervision of Labour Protection and Appeal Procedure in Matters concerning Labour Protection (131/1993, amendment 10/1997);
- Decree on the Amendment of the Decree on the Labour Protection Administration (176/1993, amendment 261/1997);
- Decree on the Amendment of the Decree on the Supervision of Labour Protection (21.12.1973, amendment 260/1997);
- Decree on the Amendment of sections 5 and 8 of the Decree on the Ministry of Social Affairs and Health (21.11.1994, amendment 223/1997);
- Decree on the Amendment of the Decree on the Advisory Committee on Labour Protection (199/1993, amendment 262/1997);

- Decree on the Amendment of section 9 of the Decree on the Supervision of Labour Protection of Employees without Employment Relationship in Public Sector or Employment based on a Contract (324/1978, amendment 264/1997);
- Decree on the Amendment of sections 3 and 4 of the Decree on the Protection of Young Workers (508/1986, amendment 265/1997);
- Decree on the Amendment of the Decree on Chargers (409/1986, amendment 259/1997);
- Decree on the Amendment of the Decree on the Committee on Wage Statistics in Forestry (16/1992, amendment 263/1997);
- Decree on the Amendment of sections 2 and 3 of the Decree on the Advisory Committee on Seamen's Affairs (535/1989, amendment 257/1997);
- Decree on the Amendment of section 38 of the Decree concerning Crew Catering on Board Ships (601/1985, amendment 266/1997) and
- Decree on the Amendment of the Decree on Seamen's Medical Examinations (476/1980, amendment 258/1997).

Act on the Labour Council and Exceptional Permits in Labour Protection 608/1946 (title of the act amended by the act 26/1979)

With the Amendment of the Act on the Labour Council and Exceptional Permits in Labour Protection 566/1996, from 1 September 1996 decision-making about the composition of the section for exceptional permissions of the district board for labour protection of a district for occupational safety and health was transferred from the Ministry of Labour to the office of the district in question.

With the Amendment of the Act on the Labour Council and Exceptional Permits in Labour Protection 855/1996 and with the amendment of some other relating acts the position of the labour council to apply and to interpret laws was changed. The right of the labour council to settle matters concerning the scope of application of the given laws in a legally binding way

was abolished. Instead the labour council issues unbound statements on application and interpretation of laws.

At the same time the necessary amendments were made to the Annual Holidays Act, the Act on Codetermination in Companies, the Labour Protection Act, the Young Workers Act, the Act on Employment of Domestic Workers and the Hours of Work Act. The amendments of the laws entered into force simultaneously with the Hours of Work Act on 23 November 1996.

Act on Labour Protection Fund 407/1979

The amendments due to the transfer of the labour protection administration to the administrative sector of the Ministry of Social Affairs and Health were made to section 3 of the Act on Labour Protection Fund (13/1997). After the amendment the Ministry of Social Affairs and Health confirms the rules of the fund and nominates the members of the organ exercising supreme authority and their personal deputy members at the proposal of the most important employers' and workers' central organisations as well as from labour protection administration.

The Labour Protection Act 299/1958

The Labour Protection Act (299/1958) has been supplemented, to the effect that both age and ageing are taken into account when labour protection measures for workers are decided on. According to amended section 9, paragraph 1, which took effect on January 1, 1998, employers must carefully take into account everything that can be reasonably viewed as necessary in view of the type of work, working conditions, worker's age and ageing, gender, vocational skills and other preconditions, to protect that worker from becoming susceptible to accidents at work or from incurring hazard to the health from the work. To this end, the working environment must be continuously monitored and proper steps must be taken to foresee and prevent accidents, health hazards and dangerous situations.

A similar addition was made to section 9, paragraph 3, of the Labour Protection Act, providing for a labour protection action programme. The provision requires employer to have a programme for necessary action to promote safety and health and to maintain employee working capacities, meeting the need for improved working conditions at the workplace and covering the effects of factors related to the work environment. The targets derived from the programme for promoting safety and health and maintaining working capacities must be taken into account in workplace development and planning, and must be discussed by the employees and their representatives.

ARTICLE 4; THE RIGHT TO A FAIR REMUNERATION

Article 4, para 1: Adequate remuneration

Finland has not declared to be bound by this paragraph.

Article 4, para 2: Right to remuneration for overtime

A. Legal provisions applied to remuneration for overtime and calculation of the higher pay; types of work and workers governed by these provisions

The provisions of the Working Hours Act on overtime apply to all workers governed by this Act. In this respect, we refer to our reply to Article 2, paragraph 1 A.

The overall reform of the legislation on working hours aims to allow for more flexibility. In calculating maximum amounts of overtime, for instance, the division of overtime into daily and weekly overtime has been abolished. Nevertheless, overtime is restricted to 250 hours per year by the Working Hours Act; in addition, the employer and on the employee side a shop steward, staff representative, the entire personnel or a staff group can agree on a maximum of 80 hours of additional overtime.

The Working Hours Act contains provisions on the definition of overtime (section 17, paragraph 2), remuneration for overtime (section 22) and calculation of this remuneration (sections 22 and 25).

According to the broad definition in the Working Hours Act, overtime is work done at the employer's initiative in addition to the regular working hours provided for by the Working Hours Act (section 17, paragraph 2). The term 'regular working hours' refers to working hours as stipulated in chapter 3 of the Working Hours Act and defined in accordance with the Working Hours Act (sections 6 and 7), a collective agreement (section 9), a generally binding collective agreement (section 10) or a local agreement. According to section 14 of the Working Hours Act, the labour protection board of the labour protection district or the parties to a collective agreement may agree on exceptional regular working hours.

The remuneration payable for overtime above regular working hours is regulated by section 22, paragraph 2, of the Working Hours Act as follows: "When regular working hours are determined on the basis of the provisions of section 6, 9, 10, 12 or 13, the wage payable for the first two hours of overtime above the daily regular working hours shall be the regular wage plus 50 per cent, and for additional hours the regular wage plus 100 per

cent. The regular wage plus 50 per cent is payable on hours exceeding the regular weekly working hours." The rule for calculating overtime compensation corresponds with the provisions of the earlier Act on working hours, whenever regular working hours are determined as referred to in sections 6,9,10,12 or 13 (flexible working hours).

For periodic work, remuneration for overtime is based on section 22, paragraph 3, of the Working Hours Act: "In the case of periodic work which has continued for an entire two or three week period, the wage payable on the first 12 or 18 hours in excess of regular working hours, including preparation and completion work, shall be the regular wage plus 50 per cent, and that payable on any further hours is the regular wage plus 100 per cent. If the period has been interrupted because the employee's employment relationship has ended or because the employee has been unable to work due to leave, illness or some other valid reason, the average working hours in excess of 8 hours per work day during the interrupted period must be calculated. The wage payable on the first two of these average overtime hours is the regular wage plus 50 per cent and on the following hours, the regular wage plus 100 per cent."

The compensation for overtime above regular working hours in periodic work corresponds to the compensation paid in accordance with the stipulations of section 17, paragraphs 3 and 4, of the earlier Act. These concerned overtime compensation in periodic work (paragraph 3) and situations where periodic work had been interrupted for an acceptable reason (paragraph 4). The Act Respecting Hours of Work in Commercial Establishment and in Offices and a similar Act on the working hours of caretakers of buildings contained provisions equivalent to paragraph 4 of the earlier Act.

'Periodic work' refers to work where the working hours are grouped in periods of two or three weeks instead of hours per day or per week. If the work continues for the whole of a two-week period, compensation for overtime is paid by raising the wages for the first 12 hours of overtime by 50% and for the following hours of overtime by 100%. In the case of regular working hours arranged over a three-week period, the 50% rise applies to the first 18 hours of overtime. For regular working hours arranged in three periods of two weeks or two periods of three weeks, remuneration for overtime is not regulated by law, but is determined separately for each period.

In hotels and restaurants, for instance, the working hours may be arranged in periods. Most workers in this sector of employment have fixed wages, and are remunerated for overtime as described above. According to the collective agreement for this sector, the remuneration of waiters and doormen may be based on service charges, i.e. a waiter's wages consist of a percentage of the sales dealt with by the waiter - 14% from Monday to Wednesday and 15% from Thursday to Sunday. This percentage is collected as service charges on

customers. In any event, the collective agreement ensures for the employee a fixed guaranteed wage in case the amount of service charges collected is too small. This fixed guaranteed wage also means that employees receive compensation for overtime. According to a Labour Court decision, remuneration based solely on voluntary tips from customers is contrary to the collective agreement (Decision of the Labour Court 9/1995).

Remuneration for overtime in the case of exceptional regular working hours is stipulated in section 22, paragraph 4, of the Working Hours Act: "If regular working hours are based on the special permit referred to in section 14 or on a collective agreement, the permit or agreement must state how the increased wage payable on overtime is calculated." This provision corresponds with the stipulations of section 17, paragraph 5, of the earlier Act on working hours. The special permit is applied for from the exemptions sector of the labour protection board of the labour protection district. Exceptional regular working hours may be agreed on in a collective agreement as well.

The calculation of the basic amount of overtime compensation is stipulated in section 25, paragraph 1: "If an employee's wages are determined according to a unit longer than an hour, the wages payable per hour shall be calculated by dividing the agreed wages by the number of regular working hours. In the case of piece-work pay, the hourly wages shall be calculated by dividing the piece-work pay by the hours spent working."

Section 25, paragraph 1, of the Working Hours Act corresponds in essence to the second sentence of section 17, paragraph 5, of the earlier Act on working hours and provides that compensation for overtime shall in general be calculated on the basis of the hours worked, regardless of the form of remuneration. According to a Supreme Court decision, for example, a taxi driver employed by a taxi company whose pay was fixed as a percentage of the fares was entitled to compensation for overtime (Decision of the Supreme Court 1975 II 22). Also, according to a Labour Council decision, the basic amount of overtime compensation must be calculated in the same way for working hours subject to a special permit ('exceptional regular working hours'), even in cases where the regular working hours are longer than usual (Decision of the Labour Council 61-47).

The basic amount of overtime compensation for a salaried employee is calculated by dividing the monthly salary by the number of regular working hours during the month when the overtime was done. Practical application of this calculation may, however, be difficult, as the number of regular working hours varies each month. To avoid the need for new calculations for each month, collective agreements contain stipulations on simpler rules of calculation: for example, the divider may be fixed, or the overtime compensation can be based on the average hourly wages stated in the collective agreement.

The last sentence of section 25, paragraph 1, of the Working Hours Act provides for calculation of the basic amount in the case of piece-work remuneration, where the hourly pay is calculated by dividing the piece-work remuneration by the number of hours spent on the work. The hours spent on the work refer to the actual working hours, whether regular or overtime. In practice, the forms of piece-work remuneration vary a great deal, but the main feature is that the amount of wages is determined by completion of the work; accordingly, the basic amount of overtime compensation is calculated by dividing the piece-work remuneration by the hours spent completing the work. If it is possible to calculate the amount of work done during overtime, the basic amount of overtime compensation is calculated by dividing the amount earned from overtime by the number of hours spent on the overtime work. If such calculations are not feasible, the basic amount is calculated by dividing the overall piece-work remuneration by the number of hours spent on the work (the sum of regular working hours and overtime hours).

According to section 25, paragraph 2, of the Working Hours Act, wages which include fringe benefits must be taken into account in the calculation of wages referred to in this section. Profit bonuses or corresponding remuneration paid to the employee no more than twice a year, and which are not related to performance, are not included in income payable for regular working hours.

The first sentence of section 25, paragraph 2, of the Act corresponds to the earlier legislation on working hours. According to this provision, any fringe benefits included in the pay must be taken into account when the basic amount of compensation for additional work or overtime is calculated, as they may increase the basic amount. In this context, fringe benefits refer to benefits other than pecuniary remuneration which are subject to withholding tax. If no pecuniary value has been set for the fringe benefit, the value is that confirmed in taxation. If, on the other hand, the employer charges the employee for the fringe benefit, the basic amount of overtime compensation must be calculated from the employee's wages before deductions.

Any supplements or bonuses that must be considered remuneration and that the employee is entitled to from the period of overtime must be taken into account in calculating the basic amount of overtime compensation. According to the legal practice of the Labour Court, such supplements include:

- cost-of-living bonus
- increment and rent supplement
- production-based bonus
- shift work supplement based on a shift worked as overtime
- productivity bonus

- personal bonus to a civil servant and monthly language proficiency bonus
- heavy or dirty work bonus
- time-wage supplement

The bonuses to be included in pay may be agreed differently in a collective agreement.

Compensation for work-related costs incurred by the employee (compensation for travel expenses or cost of tools or working clothes, per-diem allowances, etc.) are not considered part of pay and are thus not included when the basic amount is calculated. Profit bonuses or other similar remuneration which is not related to the employee's performance or which is paid no more than twice a year are not considered remuneration for regular working hours. The decisive factor is whether the bonus is considered unrelated to the employee's performance; payment of the bonus no more than twice year is an additional condition.

According to section 25, paragraph 3, of the Working Hours Act, "by way of derogation from the provisions of paragraph 1 above, it can be agreed that hourly wages are calculated by dividing the income paid for regular working hours by an average divider derived from annual regular working hours or by some other divider which on average corresponds to the principles laid down in paragraph 1".

On the basis of this paragraph, employer and employee may agree to use an average divider (number of hours) to calculate the basic amount of overtime remuneration. The divider may be derived from the (theoretical) number of annual working hours. However, the employment contract must comply with the following restriction: the average divider must be based on the annual regular working hours or otherwise correspond on average to the basic amount calculated in accordance with section 25, paragraph 1.

The above provision corresponds to the earlier legislation and has been necessitated by the fact that the actual number of regular working hours varies from month to month. Accordingly, the basic amount of compensation for overtime or additional work paid to a salaried worker would vary each month if it were calculated according to the principles laid down in paragraph 1. In most collective agreements, the divider is based on the average number of hours calculated in accordance with the above principles.

Employment contracts and collective agreements may include a clause on a guaranteed amount of pay in piece-work remuneration, in which case the basic amount of overtime compensation must be calculated from the guaranteed pay if the actual amount of piece-work remuneration is lower than the guaranteed wages.

B. Proportion of employees not entitled to remuneration for overtime

Under section 23 of the new Working Hours Act, employer and employee may agree that compensation for overtime may be partly or completely converted into free time during regular working hours. In the earlier legislation, this was allowed only if the employment contract fell within the scope of the Act Respecting Hours of Work in Commercial Establishments and in Offices. The amount of free time corresponding to overtime is determined in accordance with the principles laid down in the provisions on overtime compensation. For example, one hour of overtime which would otherwise entitle the employee to a 50% increase in hourly pay entitles him to an hour and a half of free time. Furthermore, employer and employee may agree that free time given as compensation for overtime will be added to the accumulated holiday referred to in section 4 of the Annual Holidays Act. By way of derogation from section 25, paragraph 1, of the Working Hours Act, the workers referred to in section 39, paragraph 2, of the Working Hours Act may agree to receive the compensation referred to in sections 22 and 33 as separate, fixed monthly remuneration. The workers referred to in section 39 of the Working Hours Act are managerial employees and those whose primary duty is to directly supervise or oversee work, who do not participate or participate only temporarily in the work of those they supervise or oversee. Under the former Act Respecting Hours of Work in Commercial Establishment, for example, this procedure was not possible.

Article 4, para 3: Equal pay for work of equal value

In the case of sections A and B, we refer to the appended report submitted to the ILO on the implementation of Convention 100 in 1996 (annex 2).

A. Application of the principle of equal pay for work of equal value to all employees

Nothing new to report.

B. Progress made in applying the principle of Equal Pay

There has not been much change in wage differentials between women and men since the previous report. The comprehensive incomes policy agreement for 1998 - 1999, which was concluded on 12 December 1997, gives particular attention to the wage inequality between women and men. The first report submitted by Finland in 1995 already included a mention of a working group set up by the labour market central organisations in May 1990, assigned e.g. to study the possibilities of developing job evaluation systems and facilities for cross-sectoral job evaluation. The working group officially completed its work in the spring of 1994. The new incomes policy agreement, however, authorises the working group to continue its work with the task of e.g. promoting and monitoring the development of job evaluation systems, giving opinions relating to job evaluation at the request of central organisations, the Equality Ombudsman or unions. The working group has published a handbook called "From illusion ... to the real world. A guide for developing job evaluation schemes", Helsinki 1997 (annex 3). Methods are already being developed widely in industry and in the private and public sectors.

The comprehensive incomes policy agreement of 12 December 1997 also includes a so called female award, which will be devided in the way agreed upon by the unions. The purpose is to raise the pay of those women whose wages are not in harmony with the demands of the job and the education required. The measure is not enough to remove the wage gap between women and men, but in this way the parties recognise the problem relating to wage differentials. This measure can also be considered to contribute to evening out the wage differentials. Female award has been used several times even before.

In 1997 the labour market central organisations started together with the Equality Ombudsman and the Council for Equality so called round-table discussions in order to boost the dialogue and interaction between labour market organisations and equality authorities, and thus to promote gender equality on the labour market. It was decided that the cooperation referred to in the new incomes policy agreement will be continued e.g. with a view to

compiling data on wage differentials between genders. The parties shall also analyse the data and try to find means to eliminate unjustifiable wage differentials, as well as draw up a report on the issue by 31 March 1999.

Furthermore, the new incomes policy agreement includes a commitment to start an express development project for ”an equal work community”. The purpose is to encourage work communities to promote equality starting from their own needs and as a part of other development work. The parties also agreed to promote a more equal sharing of family responsibilities and parental leaves, as well as to encourage fathers to use their rights to these leaves. The possibilities for sharing and more flexible use of family leaves must be studied, too.

The Equality Ombudsman commissioned and funded in 1997 a study of wage differentials between women and men from an economic point of view (Mari Kangasniemi: Wage differentials between women and men -an economic point of view, Equality Publications 3/97, Helsinki 1997). The aim of the study was to outline what the economic approach to the problem of wage differentials involves, what are the reasons for the problem and the options to solve it.

Some conclusions from the study:

1. All wage differentials cannot be explained by education and training, work experience or other factors of human capital. The reasons for these differentials may be, besides or instead of direct discrimination, different work careers of women and men and in particular breaks in those careers, vocational choices and the tendency to seek different jobs, e.g. for institutional reasons. Women's so called negotiation power was considered to be of vital importance in those countries (e.g. Finland) where wage negotiations are conducted in a centralized way.

2. The experience has shown that the legislation on equal pay has not much reduced wage differentials. Neither is it possible possible to endlessly reduce wage differentials by measures facilitating the reconciliation of family life and employment unless men assume greater responsibility for the care of the family and avail themselves of the opportunities for taking leaves. These measures should thus include components furthering men's participation.

3. Active measures, such as an effective implementation of equality programmes, could both alleviate segregation and possibly change the wage differentials entailed by the careers typical of genders by increasing The probability of career advancement of women.

4. In the countries with centralized wage negotiation systems, such as Finland, collective agreements also provide a means of implementing an

active equality policy. Job evaluation as a basis for determining wages may also be of importance, provided that satisfactory evaluation methods can be developed.

The Equality Ombudsman has promoted awareness of equal pay issues, such as the existence of wage differentials, national and EU-legislation on equal pay, international conventions on equal pay and legal remedies available for individuals. For this purpose the Equality Ombudsman arranged in 1996 two national seminars on equal pay, by financial support from the European Commission. One of them was meant for court judges, the other for representatives and negotiators of labour market parties. The lectures given at the seminar for judges concerning equal pay law were compiled into a book dealing with both Finnish provisions on equal pay and the corresponding legislation and legal practice of the EU (Anja Nummijärvi - Jorma Saloheimo: Equal pay - Bases and legal safeguards, Equality Publications 2/96, Helsinki 1996). This book is the first Finnish study covering both the national and the community levels in the field of equal pay.

Jurisprudence of the Court of Law. The Supreme Court has not decided any cases concerning equal pay during the period covered by this report. By a judgement of 5 November 1997 it refused a leave to appeal a judgement rendered by the Kouvola Court of Appeal (No. 528 of 30 April 1997), where the district court's judgement concerning equal pay was affirmed. The district court had ordered the employer concerned to pay a compensation of FIM 35 000 to a male nurse who was employed in the anaesthetic ward of a hospital and who had been paid lower wages for work of equal value than the female nurses in the same ward. Both had similar basic education. The court had considered that there was an assumption of discrimination in regard to the male nurse that the employer could not disprove. The long duration of the violation and the fact that the employer in spite of requests and the Equality Ombudsman's opinion had not remedied the circumstance, was considered a factor raising the amount of the compensation. The employer was also sentenced to pay damages over FIM 23 000.

The Labour Court is at the moment considering a case regarding health care branch where the question is whether a provision concerning the system for wage supplement based on experience (seniority) in the general collective agreement is in compliance with the Equality Act. According to the collective agreement, when calculating the period of service entitling to this seniority supplement account is taken of the annual leave period, and leaves of absence or some other lawful absence during the calendar year totalling 30 calendar days at the most. This appeal has been filed by three employees' organisations which consider that the provision concerned assigns women an unequal status because of maternity leaves and since women actually use their right to parental leave more often than men.

Article 4, para 4: Period of notice for termination of employment

Finland has not declared to be bound by this para.

Article 4, para 5: Deductions from wages

A. Restrictions concerning deductions from wages

Nothing new to report.

B. Scope of the provisions

Nothing new to report.

ARTICLE 9; THE RIGHT TO VOCATIONAL GUIDANCE

A. Description of the vocational guidance system

i. Nothing new to report.

ii. The vocational guidance services have been improved by creating a customer database. The availability of vocational guidance will be improved by creating a computer-based programme which can be used for self-service and to support personal vocational guidance.

In order to provide career guidance and counselling for university graduates and to further graduates' placement, the labour administration and the education administration have together established career guidance and recruitment units in university towns. The labour administration has given the university consultants special training for these new tasks.

iii. For this item, we refer to our reply to Article 15, paragraph 1 A.

B. Promotion of vocational and social progress

The vocational guidance services have been expanded to identify the different needs of and options for job-seekers who have been unemployed for a very long time. The long-term unemployed are served by expert teams consisting of vocational guidance psychologists and labour consultants. Twenty psychologists have been appointed for this service, and have been given training in guidance for the long-term unemployed.

Group guidance methods have become more common in vocational guidance.

C. Providing easy access to the services for potential clients and their parents

A brochure on vocational guidance services has been published and distributed to potential customers at employment offices, educational institutions, fairs, etc.

D. Cost effects

a. Total expenditure from public funds on the vocational guidance service during the last financial year

According to a Ministry of Labour estimate, the total expenditure on vocational guidance incurred by the labour administration in 1997 was about FIM 63 000 000.

b. Number of professional employees engaged, full-time or part-time

In 1997, there were about 282 vocational guidance psychologists working full-time at a total of 128 employment offices.

c. Number of persons assisted:

i. Young persons
20,500 persons under the age of 25.

ii. Adults
22,500 adults.

ARTICLE 10; THE RIGHT TO VOCATIONAL TRAINING

Article 10, para 1: Providing training services

A. Functions, organizations, duties and funding related to the promotion of vocational training

For section A, please refer to the report on Article 15.

i. Vocational training is governed for instance by the Act on Vocational Institutions (487/87) and the Act on Vocational Adult Education Centres and National Special Educational Institutions (60/90). The latter was amended as of January 1, 1997 to include national special educational institutions in its title and to bring the educational institutions on the open market mentioned in the transition provisions under the Act. According to section 1 of this Act, the purpose of adult education centres and national special educational institutions is to provide and organize vocational adult education and other education supporting this. They can also organize other services, research and work supporting or related to vocational adult education. Other vocational special training institutions continue to follow the Decree on Special Vocational Institutions and the relevant Council of State decision.

An Act on Funding Additional Vocational Training came into effect on January 1, 1997; it organizes the funding system for additional vocational adult education into a coherent entity. The aim is to orient and expand complementary education to raise the level of training among the population. Section 1 of the Act specifically stipulates that its purpose is to improve the vocational competence of the adult population and to support lifelong learning. To this end, the supply of additional vocational training is to be guided by providing funding for it in accordance with this Act. In the Act, 'additional vocational training' is defined as work-related education following basic vocational training and the organization of examinations related thereto. The Act contains provisions on funding principles, the procurement system, training providers and training acquisition.

The Committee is also interested in training for those already working. In 1996 7,600 people started such training, and by 1997 the figure was already 24,300. The employer contributes 20-60% of the costs in these cases, and pays the participants' wages. Working people also seek labour market training on their own initiative, in addition to company-specific training; the figures were 3,500 in 1996 and 3,700 in 1997.

In 1996 52%, i.e. 62,630, of the 122,000 staff working for the government (within the budget) took part in staff training. There were altogether 454,253 training days and 7.3 days per participant. 850 people were given paid leave

for studies lasting on average of 20 working days. In 1996 wages and other costs during training totalled FIM 401.7 million, i.e. FIM 5,900 per person trained.

See also Article 10, para 3A.

ii. The number of vocational institutions was 467 in 1996, including adult education centres and vocational special education institutions. There were 9 polytechnics in 1996. (Statistics Finland Yearbook 1997)

iii. In 1995, there were 15,500 teachers at vocational institutions and other institutions discussed under point ii; the number of vocational institutions that year was 520. (Statistics Finland Yearbook 1997)

iv. In 1995, there were 252,600 full-time students at vocational institutions and other institutions discussed under point ii. The corresponding figure in 1996 was 251,600. Polytechnics had 17,900 students in 1996. (Statistics Finland Yearbook 1997)

B. Arrangements for vocational training by type of vocational training and number of starting places

Starting places at vocational institutions were distributed as follows in 1996:

1. Humanities and the arts	3 511
2. Teacher training	1 418
3. Commercial and office work	16 768
4. Technology	28 256
5. Transport and communications	867
6. Health and medical care	16 182
7. Agriculture and forestry	4 195
8. Other special fields	13 520

The data in the Statistics Finland Yearbook 1997 cover all education lasting at least 400 hours, including education provided by temporary polytechnics.

Starting places at polytechnics were distributed as follows in 1996, according to the Statistics Finland Yearbook 1997:

1. Humanities and the arts	341
2. Commercial and office work	1 110
3. Technology	2 147
4. Health and medical care	923
5. Agriculture and forestry	569
6. Other special fields	234

C. Access to higher education and to gaining a degree at university through vocational training

Finland is in the middle of a polytechnic reform. Once this has been carried out, by the year 2000, the higher education system will consist of universities and polytechnics. The polytechnics have been created by feasibly combining college-level and vocational higher education institutions and raising their standards. The reform is an ongoing process that began in 1991. The first regular polytechnics started in August 1996. In August 1998, there will be 32 polytechnics, 20 regular and 12 temporary. Polytechnics provide vocationally oriented university-level studies based on the demands and development needs of working life. Polytechnics also provide adult education and can engage in research and development that supports their educational work.

D. Guaranteeing equal opportunities for foreign citizens and their children to participate in vocational training

Foreign nationals residing in Finland are offered all-round vocational and university education. The educational institutes check that the applicants have adequate language and other skills enabling them to successfully complete their studies. Most of the labour market training intended for foreign nationals centres round orientation for work training in the case of refugee immigrants. At present, all refugees residing in Finland are entitled to immigrant education. Immigrant education takes about one school year (two terms), and aims at giving immigrants the chance to study the language of the country (Finnish or Swedish), to receive information on and an introduction to how Finnish society functions, and to complement their studies and vocational skills. The National Board of Education last confirmed the goals and guidelines of immigrant education in spring 1997. Labour market training is intended mainly for unemployed persons or those threatened by unemployment, including foreign national residing permanently in Finland.

The legislation on employment services applies to Finnish and foreign nationals alike. In 1996, about 9,300 foreign nationals (9% of the participant inflow) started labour market training, and 8,400 (9%) in 1995. Of those who started labour market training in 1996, the biggest foreign-born groups were Russians (3,100, i.e. 33% of all foreign nationals starting the training), Estonians (11%), and nationals of Bosnia-Herzegovina (6%), Somalia, the former Yugoslavia and Iraq (5%).

The committee has extensively discussed The Finnish study grant system. The issue of the requirement of two years' prior residence in Finland has been raised. However, things are different in labour market training. The subsistence of people in labour market training is safeguarded with a

training subsidy equal to unemployment benefit or with labour market support. Receiving The former requires an employment history of ten months (employment requirement) and the person must not have used up the maximum period (500 days) of unemployment benefit. Students who do not fulfill these criteria can receive labour market support. Two years of recidence in Finland is not a criterion for receiving labour market support; anyone living in Finland is eligible. Finland thus follows a policy of recidency-based social security. The labour market support comes to FIM 120 per day, or about FIM 2 500 per month. People in labour market training also receive a tax-free daily allowance of FIM 30 for travel expenses and food. Students requiring lodging can also get an accommodation grant of FIM 30 per day. In 1997, 8 900 foreign students started labour market training ; this constituted nearly 10 % of all starts. They were paid support for the duration of the training on exactly the same basis as Finnish students.

Article 10, para 2: Promotion of apprenticeship

A. and B. Encouraging young people to participate in apprenticeship training and labour market training, promoting the system and number of participants

The monitoring report on Finland's employment programme 1996-1999 discusses the development of apprenticeship training as one active measure related to changes in labour market support. The aim of the employment programme is to increase the proportion of apprenticeship training in starting places for education leading to a degree to 20% by 1999. At the end of 1995, there were 12,700 apprentices, and in 1996 an average of 15,925. In 1997, there were already 22,509 students, i.e. an increase of 41%. These figures include those whose training was funded with EU subsidies.

In apprenticeship training, a student is paid a salary in accordance with the relevant collective agreement and provided with practical job training. During their theoretical studies, and when performing a skills test for an examination, students are paid a daily allowance, compensation for accommodation and travel expenses, and a family allowance. Apart from the compensation for accommodation and travel expenses, these social benefits are not paid to students who are receiving a salary or other benefits during their theoretical studies.

Young people are encouraged to enter apprenticeship training through practical counselling. Employers, employment offices and educational institutions provide information on the training. There are also several apprenticeship agencies in each province, where training inspectors can assist with all questions related to apprenticeship training, such as signing an apprenticeship contract, and planning and implementing the training.

In order to further develop the apprenticeship system, it is proposed that the resources of the administrative organization should be augmented and the quality of training scrutinized.

C. and E. Division of vocational training by type of vocational activity and sex

In vocational training all students must do a compulsory period of trainee work, lasting 5-25 study weeks (=credits). For the breakdown of this training we refer to Article 10, paragraph 3B.

Trend in volume of apprenticeship training, 1993 - 1997

	1993	1994	1995	1996	1997
Basic training	4 100	4 700	7 200	11 600	17 700
Under 25s	(no	statistics)	2 800	4 300	6 400
Adults	(no	statistics)	4 400	7 300	11 300
Supplementary training	2 800	4 500	3 800	4 300	4 900
Under 25s	(no	statistics)	800	1 300	1 600
Adults	(no	statistics)	3 000	3 000	3 300
total	**6 900**	**9 200**	**11 000**	**15 900**	**22 600**

D. Public funding for private apprenticeship programme

Nothing new to report.

Article 10, point 3: Training and retraining facilities for adult workers

A. Retraining of the underemployed

Labour market training is governed by the Act on Labour Market Training (763/90) and the Decree on Labour Market Training (912/90). The purpose of the Act is to provide training for the adult population, in order to promote and maintain a balance between labour supply and demand, to combat unemployment and to eliminate labour shortages. The training procured consists mostly of vocational training. The employment authorities are

responsible for procuring adult labour market training — for instance, from vocational adult education centres, other vocational institutions, universities and other suitable training providers. Students are paid a training allowance equal to unemployment benefit or labour market support for the duration of the training, as well as other social benefits.

Funds spent on labour market training 1991-1996, in FIM million

	1991	**1992**	**1993**	**1994**	**1995**	**1996**
training procured	613.6	763.8	787.7	837.0	921.0	1,082
social benefits	768.6	1,164.7	1,239.4	1,074.2	10,561	1,195

Labour market training is linked as closely to working life as possible, so that employers can influence the content and planning of the training while also taking responsibility for implementing the training in cooperation with the educational institutions concerned. This model has been used widely to tailor specific training for company recruitment needs. The idea is to expand the workplace training model mainly in recruitment fields (metal and engineering, electricity, IT, construction), as a function of a more broad-based and qualification-oriented type of training. The aim of the model is to provide more economical and efficient training that matches the needs of the labour market. At the same time, it will increase teachers' and employment offices' knowledge of working life, and cooperation between companies and training providers. Workplace instructor training is also being organized, thus helping companies to evolve into learning organizations.

Labour market training can also be organized for those already employed, if there is a clear employment policy basis for doing so. Training can be used in development projects aimed at keeping ageing employees in working life. Company personnel can also be trained in projects promoting rotation. Labour market training can be used as an alternative to layoffs or, for instance, in introducing new technology. It can be linked to a more extensive company development project. The Employment and Economic Development Centres enable the expansion and enhancement of such work. Labour market training can also be incorporated into the National Working Life Development Programme as necessary. Operative models can be developed nationally or with ESF funding.

Applications and applicants accepted for labour market training

	1993	**1994**	**1995**	**1996**	**Change 1995/ 1996**	**%**
Applications	145,045	157,240	192,530	224,932	32,402	16.8
Applicants	105,678	119,128	134,499	147,893	13,394	10.0

Employment situation of people starting labour market training, 1994-1996

	1994	**1995**	**1996**
unemployed	63,967	77,213	88,781
laid-off	7,147	4,125	8,647
threatened by unemployment	1,998	2,402	3,028
outside the labour force	5,149	5,698	6,925
employed	3,422	3,618	11,124
number of starts	81,705	93,086	118,521

The proportion of unemployed people in the total number of starts dropped by about 8 percentage points in 1996, while that of those laid-off increased to slightly over 7 per cent in 1996, from just over 4 per cent in 1995. Training for the employed has increased from 4% to 9% due to the increase in ESF training.

Distribution of previous vocational training among people starting labour market training, 1995-1996

	1995		**1996**	
no vocational education	34,358	37.9%	41,135	39.5%
lower secondary	26,061	28.7%	30,327	29.1%
upper secondary	18,061	19.9%	20,506	19.7%
higher education	11,527	12.7%	11,589	11.1%
uneducated	722	0.8%	572	0.6%
number of starts	90,729	100.0	104,129	100.0

Despite the greater volume of training, the proportion of starts with previous vocational education remained at the 1995 level. Of those starting labour market training, 40% had no previous vocational education; this figure was 2 percentage points lower in 1995. In 1996, 20% of those starting labour market training had an upper secondary education, the same as the previous year. The proportion of those with higher education starting labour market training fell by almost 2 percentage points.

B. Distribution of training by field

Number of people who completed labour market training, by target sector, in 1995 and 1996

	1995 persons	%	1996 persons	%	Change %
technical and scientific work	4,602	6.3	6,692	6.5	45.5
health care and social work	2,921	4.0	4,506	4.3	54.3
administrative and office work	18,532	25.5	25,701	24.8	38.7
commerce	3,590	4.9	4,588	4.4	27.8
agriculture and forestry, fishing	707	1.0	2,055	2.0	190.7
transport and communications	1,547	2.1	1,402	1.4	-9.4
mining, quarrying and construction	4,748	6.5	5,014	4.8	5.6
industry	14,245	19.6	16,120	15.6	13.2
services	4,273	5.9	5,177	5.0	21.2
other work, unclassified	17,498	24.1	32,349	31.2	84.9
total	72,678	100.0	103,640	100.0	42.6

The major target sectors in 1996, in terms of the number of those completing labour market training, were other work (31%), administrative and office work (25%) and industry (16%). The category 'other work' includes preparation for working life and training, language training, immigrant training for refugees, and preparatory training. Compared with 1995, the number of people completing training increased in all other groups except transport and communications. There were 7,400 people completing entrepreneurial training, an increase of 900 on the previous year.

C. Effect of measures on groups needing training

All unemployed job-seekers have the right to apply for labour market training, but due to a shortage of resources this training can only be provided for about 50% of applicants. Applicants are selected by the employment offices, based primarily on the applicants' training needs. The duration of unemployment and the applicant's potential for employment without training are also considered.

All clients of the employment services can apply for labour market training, irrespective of nationality. There are courses specially designed for foreigners and immigrants. Similar projects are also being implemented under the ESF Objective 3 programme.

D. Number of adults participating in training

See Article 10, para 3, A.

Those completing labour market training, distribution by gender and target sector in 1996

	Total persons	%	**Men persons**	%	**Women persons**	%
technical and scientific work	5,346	5.8	3,419	7.4	1,927	4.2
health care and social work	4,192	4.6	448	1.0	3,744	8.2
administrative and office work	22,819	24.9	8,602	18.6	14,217	31.2
commerce	4,256	4.6	1,508	3.3	2,748	6.6
agriculture and forestry, fishing	1,261	1.4	864	1.9	397	0.9
transport and communications	1,377	1,5	1,284	2.8	93	0.2
mining, quarrying and construction	4,662	5.1	4,538	9.8	124	0.3
industry	13,532	14.7	11,214	24.3	2,318	5.1
services	5,079	5.5	1,515	3.3	3,564	7.8

other work, unclassified	29,240	31.9	12,750	27.6	16,490	36.1
total	91,764	100.0	46,142	100.0	45,622	100.0

E. Special measures targeted at women

The participation figures for women in labour market training corresponds to the percentage of women among all unemployed job-seekers. Women are particularly encouraged to become entrepreneurs. Equal opportunities are upheld when screening students, with the aim of increasing the number of women in traditional 'men's jobs', and vice versa.

Within the labour market organizations, a wide variety of training and activities are arranged for women members, some of which are intended specifically for the unemployed and women with lower education level.

The labour market organizations engage in 'round table' discussions on the promotion of equality in working life, which are explained in more detail in Article 4, paragraph 3B. They have also agreed on a 'equality in the work community' project and on cooperation to promote more balanced distribution of parental leave and to encourage fathers to use such leave.

Article 10, para 4; The right to vocational training

A. Description of measures encouraging the use of vocational training opportunities

a. and b. Reducing or abolishing fees and granting financial support Financial aid for students is provided for in the Act on Financial Aid (65/94) and the Decree on Financial Aid (260/94). According to section 1 of the Act, financial aid can be granted to a Finnish citizen engaged in full-time studies following compulsory education, lasting no less than two months. In certain cases, financial aid can also be granted for studying abroad or to a foreign national permanently residing in Finland.

Normally, financial aid for students consists of a study grant, a housing supplement and a State guarantee for a study loan. A person who is 30 or older can be granted an adult study grant instead of an ordinary study grant; this counts as a loss-of-earnings allowance. Furthermore, the outstanding interest on a study loan granted to a person who is unemployed or receiving a maternity or parental allowance can, under conditions specified in the Act, be paid from State funds with no payback requirement.

The size of the study grant depends on the age, form of housing and marital status of the applicant. The full monthly study grants for secondary-level studies in the term 1997-98 are as follows: FIM 1270 for a married person or liable parent, a person 19 or older living alone; FIM 500 for a person under 19 living alone; FIM 380 for a person 20 or older living with his or her parents; and FIM 130 for a person under 20 living with his or her parents. The income of the parents can influence the size of the study grant for all others except a married person or liable parent or a person 20 or older living alone. The corresponding monthly study grants for university-level students are: FIM 1540 for a married person or liable parent, a person 19 or older living alone; FIM 750 for a person under 19 living alone; FIM 630 for a person 20 or older living with his or her parents; and FIM 230 for a person under 20 living with his or her parents. The parents' income may affect the size of the study grant in the last three groupings mentioned; more support is granted if the parents' income is particularly low. The income of the parents can influence the size of the study grant in the three last-mentioned cases. The adult study grant is equal to 25% of the regular monthly income of the applicant prior to studying, with a minimum of FIM 1540 and a maximum of FIM 2800. In addition to the State adult study grant, an applicant aged 30 to 60 who has a job or a state or municipal post can apply for an employer-funded vocational training grant of FIM 1400 per month. A person on job alternation leave (switch leave) who is undergoing self-motivated vocational training can receive a partial vocational training grant of FIM 1000 per month in addition to the switch-leave compensation. An unemployed person aged 30 to 64 whose employment has been terminated for financial or production-related reasons can receive an adult vocational training supplement of FIM 1100 per month in addition to the redundancy payment. All these subsidies are tax-free; they are paid from the Education and Redundancy Payments Fund administered by the labour market organizations.

A student can also apply for a State-guaranteed study loan, the maximum monthly amounts being: FIM 1300 for students 18 and older; FIM 900 for students under 18; FIM 1800 for students receiving adult study grant; and FIM 2100 for students studying abroad. A student can also receive a monthly housing supplement that is 67% of an equitable rent, i.e. FIM 134 to 854.

Labour market training is free of charge to students. Also, their livelihood during training is safeguarded with a training allowance equal to unemployment benefit and with labour market support. The days in labour market training are not counted to the days of the unemployment allowance or to the maximum duration of it. In addition to the training allowance, students can be paid tax-free travel allowance and meal allowance amounting to FIM 30 per day. Students requiring accommodation can also be compensated for accommodation costs. If the training takes place abroad, 50% of the current daily allowance for trips abroad is paid. An Act on School

Travel Subsidies for Students in Upper Secondary Schools and Vocational Institutions (48/97) came into effect on July 1, 1997. It contains provisions on subsidies for the costs incurred by students in upper secondary or vocational education for daily travel between their lodgings and school. The subsidy can be granted to a student who has to travel at least 10 km one way and whose travel costs exceed the amount specified in the relevant decree. This subsidy is paid from State funds on application.

Receipt of unemployment security now depends more on activeness, and training opportunities for the unemployed have been expanded. An Act on Supporting Self-Motivated Studies of the Long-term Unemployed (709/97) came into effect on August 1, 1997. The purpose of the Act is to expand the opportunities available to the long-term unemployed for self-motivated studies. A training allowance equal to unemployment benefit can be paid to a long-term unemployed person for a maximum of two years. Receiving the training allowance requires an employment history of 12 years over a period of 18 years.

The new Act on Supporting Self-Motivated Studies by the Long-term Unemployed is the first phase in a scheme aimed at improving the financial potential for adult studies of those who have been in working life for a long time. There is a special fixed-term programme of training support under which the long-term unemployed can begin training up to the end of July 1998. The second stage of the reform will be launched on August 1, 1998, with the introduction of an Act on Supporting Self-motivated Studies by the Unemployed (1402/97). According to section 1 of the Act, an unemployed person resident in Finland and applying for self-motivated training improving his vocational skills will be paid a subsidy to guarantee subsistence for the duration of the training. The training allowance will be equal to the applicant's earnings-related unemployment allowance, basic unemployment allowance or labour market support. The essential difference compared with stage I will be that training days will count when days of unemployment allowance are calculated. To receive a training allowance, the applicant must have been employed for at least 10 years over the past 15 years. During the 12 months preceding training, the applicant must have been unemployed for at least four months or 86 full unemployment allowance days. A training allowance can be paid for a maximum of 500 days. Those receiving unemployment benefit who begin their studies before the end of 1998 are eligible for 600 days of training allowance. Government proposal estimates that about 6,600 people would start training in autumn 1998 and 11,000 in 1999.

c. Including time spent on complementary training in normal working time at the request of the employer

The Working Hours Act (605/96) contains a general definition of what is considered working time. Working time consists basically only of the time

spent by the employee performing his duties or the time the employee is required to be at the workplace or otherwise available to perform work specified by the employer. Participation in training can be considered such work only if it is deemed compulsory by the employer, and is necessary if the employee is to be able to carry out his work. It is also relevant to consider whether the training is organized at the workplace or otherwise under work-like conditions, and whether it takes place at a regular time entered in the working hours list. An employer can provide training for employees or outsource the training. The organizer of the training is irrelevant in assessing whether training time should be counted as working time.

d. Safeguarding the efficiency of, and sufficient labour protection in, apprenticeships and other training for young people, through supervision and in cooperation with labour market organizations

Nothing new to report.

B. The coverage of provisions in sub-para A

All measures referred to under A apply to all employees. See also the answer for Article 10, para 1 D.

ARTICLE 15; THE RIGHT OF PHYSICALLY OR MENTALLY DISABLED PERSONS TO VOCATIONAL TRAINING, REHABILITATION AND SOCIAL RESETTLEMENT

Article 15, para 1: Training opportunities for the disabled

A. The right of the physically and mentally disabled to vocational education, rehabilitation and social resettlement

The national programme of action for vocational rehabilitation and employment of disabled persons was revised in 1997 (Annex 4). The first programme of action was drawn up in 1987. The purpose of this programme is to ensure that disabled persons receive the rehabilitation they need and to advance their employment opportunities on the open labour market.

This programme of action was a collaborative project of the Ministry of Labour, the Ministry of Education, the Ministry of Social Affairs and Health, the labour market organisation and the organisations of disabled persons. It was created by the Advisory Board for Rehabilitation representing all these parties. The programme of action is distributed widely to all authorities and organisations promoting the rehabilitation and employment of disabled persons.

The rehabilitation legislation was reformed in 1991, making the Social Insurance Institution (SII) responsible for the organization of medical rehabilitation for the seriously handicapped and vocational rehabilitation for the disabled. The SII is required to organize the training designed to maintain and enhance work capacity required by a person whose working capacity and earning capacity has significantly decreased due to sickness, a handicap or an injury, for maintaining or improving his working capacity. The requirement is that no such training has been provided under the Employment Services Act, the Act on Labour Market Training, the pension acts or the regulations concerning special education. Rehabilitation includes basic training, vocational training and university studies.

The SII assists in preparing rehabilitation plans by organizing rehabilitation need assessments, rehabilitation studies and work and training experiments. The SII is required when necessary to establish the need for rehabilitation at latest when the number of days for which the person in question has received a daily allowance under the Sickness Insurance Act exceeds 60. The aim is to promote the early recognition of rehabilitation needs.

The SII implements training designed to maintain and enhance working capacity in cooperation with the workplace and with the occupational health care services. Vocational rehabilitation is also supported through special grants made, for instance, to set up a company or procure tools and equipment. The SII is also required to provide vocational rehabilitation by providing any expensive and complex appliances required for improving the working and earning capacity of a severely disabled person.

B. Statistics

a.-c. Vocational rehabilitation provided by the SII was received by a total of 14,865 clients in 1996 and 15,464 patients in 1997, showing an increase of 4%. A total of 4,010 clients were referred for examination to establish the needs and opportunities for rehabilitation or to aid in planning rehabilitation. The corresponding figure in 1997 was 4,140. The number of people receiving training was 6,643 in 1996 and 5,632 in 1997, a decrease of 15%. The number of people receiving training has decreased steadily since 1992, due, for instance, to the tighter criteria in the legislation enacted in 1991 and the lower level of the rehabilitation allowance, which was most recently reduced on January 1, 1996. On the other hand, the number of people receiving training designed to maintain and enhance working capacity has increased considerably every year. The figures for 1996 and 1997 were 4,391 and 5,591, respectively, showing an increase of about 27%. In both these years, slightly under 200 clients received a special grant as referred to above in A. Technically advanced equipment needed by the severely disabled for work or studies was procured for about 400 people both years.

Rehabilitation allowance to support the client during rehabilitation was paid to about 10,900 people in 1996 and 11,900 in 1997 in connection with vocational rehabilitation organized by the SII.

The majority of disabled persons receive training at public vocational institutes, which have some 200,000 students. The number of disabled students is 3% to 7% of the total. Public vocational training institutes provide training for disabled persons both together with other students and in special training groups. Between 60 and 70 special training groups with more than 600 starting places operate each year. In 1996-97, special training was given to some 5,800 students, 3,300 of whom studied at public vocational training institutes and 2,500 at special vocational training institutes.

Special vocational training establishments are intended for seriously disabled people of all ages who are difficult to train at regular vocational training institutes. Between 1996 and 1997, 2,500 people at special vocational training institutes received training in technology, commerce and

occupations in the catering and horticultural sectors. The number of starting places each year is some 900.

The special education establishments follow national syllabus criteria on the basis of which syllabuses and study plans are drawn up for individual students. The training institutes operate under the National Board of Education. The State maintains five special education institutes, one being municipal (Swedish-speaking), and nine maintained by organizations or foundations for the disabled.

In addition to the training provided by the special education establishments, vocational training for persons needing special support is provided as part of regular vocational training, both in separate groups and together with other students. During the academic year 1996-97, 3,300 students received special training, 2,300 of these in groups integrated with other students. Between 75 and 90 special training groups, of between 8 and 10 students each, operate each year in various fields.

Article 15, para 2; Placement in working life

A. Services provided by the manpower authorities for disabled persons

The rehabilitation organized by the labour administration is vocational rehabilitation. The legislation was reformed, effective January 1, 1994. According to the Employment Services Act (1005/93), the State must organize and develop employment services to support the vocational development and work placement of individual clients. The employment services referred to in the Act cover job exchange, vocational guidance, adult labour market training, a training and vocational information service, and vocational rehabilitation. The purpose of vocational rehabilitation is to promote the vocational planning, job-finding and continuous employment of the disabled. A 'disabled person' is defined by the labour administration as one whose potential for gaining suitable employment, maintaining employment or progressing in that employment has been significantly reduced through an identified injury, illness or disability. Financial benefits connected to the employment services referred to in the Employment Services Act include subsidies payable to support the placement and continued employment of the disabled by compensating for costs incurred through working capacity examinations, expert statements and consultations, job and training experiments, job coaching and work testing on the job; on application, employers can also be granted subsidies for providing suitable working conditions.

The number of disabled job-seekers registered with employment offices was 65,172 in 1996 and 70,573 in 1997. Of these, 54,800 in 1996 and 59,571 in

1997 were unemployed. The seriously disabled accounted for about 5% of all disabled job seekers. There were 14,748 disabled clients receiving vocational guidance in 1996, or 35% of the total. The corresponding figures for 1997 were 13,553 clients and 32%. Vocational guidance support measures such as health examinations, training experiments and work testing on the job were provided for 4,788 people in 1996 and 6,372 people in 1997. The number of disabled clients whose vocational counselling resulted in employment or training was 12,244 in 1996 and 11,327 in 1997.

Rehabilitation on the basis of accident or traffic insurance constitutes primary compensation for reduced working, functional and earning capacity. The accident and traffic insurance institutions have set up a counselling centre for their clients, called the Finnish Centre for Insurance Education and Training, whose vocational rehabilitation programmes catered to 883 clients in 1996 and 1,067 clients in 1997; these clients were vocational accident or traffic accident victims. Also, vocational rehabilitation under the employment pension acts was undertaken by about 1,500 disabled clients in 1996 and about 2,500 in 1997.

B. Number of disabled persons in work

A total of 19,093 disabled job-seekers in 1996 and 25,161 in 1997 gained employment in the open labour market through the employment services without subsidies. The employment situation of the disabled has clearly improved. Support measures in connection with employment services, such as health examinations and job and training experiments, were provided for 5,176 disabled job-seekers in 1996, the corresponding figure in 1997 being 6,992. About half of these measures were medical examinations to establish working and functional capacity, the other half consisting of work testing on the job.

In the Finnish employment programme, special attention has been focused on increasing vocational training and subsidized employment for disabled job-seekers. Due to the employment programme and projects implemented with money from the European Social Fund, the number of disabled job-seekers participating in active employment policy programmes increased considerably in 1996-97. The number of disabled job-seekers beginning labour market training was 7,388 in 1996 and 9,207 in 1997. The labour administration referred 1,375 disabled job-seekers to training other than labour market training in 1996, the corresponding figure for 1997 being 1,612.

Job-creation subsidies paid to employers were used to employ a total of 11,039 disabled job-seekers in 1996 and 11,516 in 1997, mainly in municipal and State jobs. A subsidy can be paid to an employer for no more than two years. Subsidies can also be combined with rehabilitation and

training. The maximum duration of such service packages for the disabled is two years. Additionally, a further 1,147 disabled job-seekers in 1996 and 1,643 in 1997 were placed through other labour administration support measures (work testing on the job, subsidies to provide suitable working conditions, entrepreneur's start-up subsidy and job training subsidy). The number of disabled job-seekers whose unemployment ended was about 49,000 in 1996 and 60,395 in 1997; about 52,000 of the figure for 1997 were people who began training or gained employment.

New forms of training and employment for the disabled have been developed in Finland in 1996-97 with ESF support, particularly in connection with the Employment Horizon programme. Such new service models and measures include peer support in job-search training, the supported employment method, club houses for mental health rehabilitation clients, socially-backed enterprises, co-operatives and individual pathways to employment. The Horizon projects involved a total of 3,900 clients by the end of April 1997, most of whom were disabled.

Productive sheltered work was provided for just under 3,000 people in 1996-97, most of them seriously disabled. The need for institutionalized sheltered work for which local authorities are responsible has been partly replaced with new measures developed in ESF Employment Horizon projects. These help the disabled to move from sheltered work to normal jobs on the open labour market.

ADDITIONAL PROTOCOL

ARTICLE 2; RIGHT TO INFORMATION AND CONSULTATION

A. Informing and consulting employees and their representatives, electing employee representatives

The object of the Act on Codetermination within Undertakings (725/78) is to develop the operations of companies and their working conditions by increasing the opportunities of workers and salaried employees to influence matters concerning their work and workplaces and by strengthening interaction between the employer and the personnel and among the personnel.

The parties to codetermination are the employer and the personnel of the undertaking. The codetermination takes place on two levels: between the workers and salaried employees and their superiors, and between the representatives of the personnel and the employer. The staff representative may be a shop steward or other representative who has been elected in accordance with the collective agreement, or a representative elected by non-union workers among themselves, if these form the majority of the personnel group concerned, or a labour protection delegate. In matters concerning the effects of the transfer, division or merger of a business, the transferee or receiving company can also participate in the codetermination process.

B. Structures, procedures and organizations of communication on all relevant levels, compulsory communications and frequency

The Codetermination Act is a procedural act. The content of matters to be handled in codetermination is determined according to other provisions and regulations.

The forms of codetermination are specified in detail in the Act, and depend on the matter under discussion. Before the employer decides a matter subject to the codetermination procedure, he must negotiate on the grounds for the measure, its effects and alternatives with the workers and salaried employees, or staff representatives, concerned.

Depending on the nature of the matter, matters under negotiation take effect
- by the employer's decision on the matter;
- after they have been agreed upon in the codetermination procedure (working orders and the like);
- as is agreed in the codetermination procedure (the content and extent of cooperation training);

- in matters within the scope of social issues the decision, if its content is not agreed, is made by the staff representatives.

The employer must submit a written proposal at least three days before the negotiations begin or, if the proposed action affects job security, at least five days before the negotiations begin. The proposal must indicate the issues to be dealt with in the negotiations. When a staff representative requests that a codetermination procedure be started in a matter subject to the procedure, the employer must make a proposal for negotiations, or provide written notice indicating the reasons why a codetermination procedure is not considered necessary.

Matters covered by the codetermination procedure:
- any essential changes in work tasks, working methods and the organization of work which affect the position of the staff, and any transfers from one job to another;
- any major acquisitions of machinery and equipment, rearrangements of the working premises and changes in the range of products and services provided, insofar as they affect the personnel;
- closure of the undertaking or any part of it, its transfer to another locality, or any major expansion or reduction of its activities;
- effects on personnel of a transfer of business or merger;
- personnel decisions due to production-related or financial reasons;
- personnel and training plans;
- periodical rationalization schemes;
- any arrangements required by the above measures if they concern the number of personnel in different tasks.

Codetermination also covers the times for the beginning and end of normal hours of work, and the times for breaks for rest and meals, as well as matters related to recruitment, information, working orders, training in codetermination, various social questions and use of outside labour.

The Act includes a special provision on fulfilment of the obligation to negotiate. The obligation to negotiate is fulfilled when the matter has been dealt with between the parties to codetermination, or when the matter concerns the conversion of jobs into part-time jobs, lay-off or termination of employment, when this has been settled in the codetermination procedure or a certain period of time has passed from the beginning of the negotiations.

In a matter concerning the conversion of jobs into part-time jobs, lay-offs or termination of employment affecting not more than ten employees, fulfilment of the obligation to negotiate requires that at least seven days have passed since the beginning of the negotiations. If the measure results in the conversion of jobs into part-time jobs, the termination of employment or lay-offs for more than 90 days and affects over ten employees, the obligation to negotiate is not considered to be fulfilled until six weeks have passed from

the beginning of the negotiations. In case of a business transfer, the corresponding period is two months and in a reorganization procedure one month or seven days.

The employer shall, on request, ensure that the outcome of the negotiations is recorded in a minute signed by the parties.

Before or after a business transfer, a codetermination procedure investigates whether the transfer will have any effects on the personnel. The employer must submit a proposal on such negotiations within a week of the transfer and three days before the beginning of the negotiations. In the negotiations, the grounds for staff arrangements in connection with the transfer, and their effects and alternatives, must be discussed with the employees concerned, or with their representatives.

The transferor or the transferee must inform the representatives of the employees concerned of
- the reasons for the transfer
- the legal, financial and social effects of the transfer on the employees
- the planned measures affecting the employees

This information must be given to the employees' representative in good time before the transfer takes effect.

In a Finnish group employing at least 500 people in Finland, an agreement must be made on group cooperation within the group companies and independent operational units which employ at least 30 workers. The agreement may include discussions on all arrangements necessary for group cooperation, such as the obligation to provide information, negotiation procedures, personnel representation, and arrangements for personnel interaction. If no agreement on group cooperation can be reached, the cooperation must be organized according to the minimum requirements of the Codetermination Act.

In accordance with the relevant EU Council Directive (94/45/EC), the Act contains provisions on the founding of a European work council or other arrangements for information and consultation procedures for employees in multinational companies.

The staff representatives must be released from work for the codetermination procedure, and must be paid compensation for any resulting loss of earnings. The employer must also pay compensation for any participation in the cooperation procedure outside working hours.

Codetermination has been adapted flexibly to the established negotiation system, and labour market organizations and their member unions may, as in collective agreements, conclude agreements on matters specified more

closely in the Act. According to the Act, an employer bound by an agreement is entitled to apply the agreement even to workers or salaried employees who are not members of the employee organizations concerned. The central labour market organizations and their member unions may also conclude agreements on the scope and content of group cooperation and on arrangements at the agreement and obligation stage.

Supervision of compliance with the Act rests with the Ministry of Labour and the associations of employers, workers or salaried employees which have concluded the national collective agreement binding on the undertaking.

Non-compliance with the Act may result in a fine. In addition, the Act provides for compensation to be paid to the employee in certain situations where a matter has been settled without following a codetermination procedure, and the employee has been given notice, laid off, or reduced to a part-time job for reasons related to the decision.

C. The nature of information and negotiation requirements provided for by law, collective agreements or other provisions at the workplace and company level

Refer to the Annex, Article 2, para B.

D. The maximum number of employees for which companies are not required to observe the information and negotiation procedures

The Codetermination Act applies to undertakings normally employing at least 30 persons. The Act also applies to undertakings employing at least 20 workers in cases where an undertaking is going to give at least 10 employees notice for financial or production-related reasons.

The Act does not apply to political, religious or other ideological organizations. The Codetermination Act does not concern the State or municipalities, which have their own systems. In the civil service, codetermination is provided for in the Act on Codetermination in Government Offices and Institutions (651/88). In municipalities and municipal federations, codetermination between employer and employees is based on the collective agreement between the Commission for Local Authority Employers and the main municipal contracting organizations.

When applying the Act, there may appear doubt as to whether the undertaking or institution has to be considered of the type to which application of this Act can be made. For this reason, it has been provided that the Work Council may deside such a matter.

E. The proportion of employees to whom the information and negotiation requirement specified by law, collective agreement or other procedure does not apply

Refer to Additional Protocol, Article 2, para D.

ARTICLE 3; RIGHT TO TAKE PART IN THE DETERMINATION AND IMPROVEMENT OF THE WORKING CONDITIONS AND THE 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

Labour Protection Act

By the Act on the Amendment of section 9 of the Labour Protection Act (1132/1997), which entered into force on 1 January 1998, the obligation of the employer to pay attention to, in addition to the age of the employee, the ageing of the employee when decisions on labour protection measures are made was added to the Labour Protection Act. Also the obligation was added that the action programme for the safety and health, drawn up by the employer, shall include activities to maintain the ability to work.

The concept of an activity to maintain the ability to work was earlier not mentioned in the Labour Protection Act. It was considered appropriate to make this activity a part of the action programme for the safety and health. The starting point of the action programme are the requirements of each workplace and the development aims to be derived from them. In that case for example the size of the enterprise or other workplace, the branch of industry and the personnel structure have an effect on the contents of the action programme. Thus the provision, according to which the action programme for the safety and health shall include also the activities to maintain the ability to work, was added to the Labour Protection Act. Co-operation with occupational health service is necessary in the planning, realisation and assessment of activities to maintain the ability to work.

Government Decision on Certain Labour Protection Requirements in Hired Work 782/1997

Government Decision on Certain Labour Protection Requirements in Hired Work (782/1997) entered into force on 1 September 1997. Its section 4 paragraph 2 prescribes that the orderer of the work is in a necessary extent obliged to inform the occupational health service of the workplace and the concerned safety representative of the beginning of hired work.

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

Act on Codetermination in Companies

Several amendments (337/1996, 614/1996, 906/1996, 723/1997) which entered into force in 1996 and 1997 have been made to the Act on Codetermination in Companies (725/1978).

The purpose of the amendment 337/1996 is, on the one hand, to adapt the Finnish legislation, as far as workers in an employment relationship in accordance with the Seamen's Act are concerned, to meet the requirements set in international commitments binding Finland and on the other hand to make seamen's legislation correspond to the decisions adopted otherwise in labour legislation.

The purpose of the amendment 614/1996 was to implement in Finland the Council Directive on the establishment of a European Works Council or a procedure in Community-scale undertakings or Community-scale groups of undertakings for the purposes of informing and consulting employees (94/45/EC, works council directive) and to provide international co-operation between groups of companies within the European Economic Area.

The amendment 906/1996 amended the Act on Codetermination in Companies according to the Government Resolution on measures required in the Finnish employment programme so that the amendment improves the opportunities of the representatives of the personnel to get information and to interact, clarifies the negotiation procedure and shortens the negotiation times of the co-operation procedure. The provision concerning the duty of disclosure, the proposal for negotiations and the contents of the obligation to negotiate was amended so that the matters to be informed of and negotiated about during the co-operation procedure are mentioned in the provisions when the number of personnel is decreased. As for the fulfilment of the obligation to negotiate, the employer is not considered to have fulfilled his obligation to negotiate when the number of personnel is decreased before the matter has been settled or the matter has been discussed, first about the reasons for and the effects of the measure and after that about the alternatives, and at least seven days have passed since the negotiations started or when at least ten workers or clerical employees are decreased, at least six weeks have passed since the negotiations started. In these situations the proposal for negotiations shall be made at least five days before the negotiations start.

The action programme for the safety and health as well as measures to speed up the realisation of equality of men and women at the workplace were added to fall within the scope of the co-operation procedure. A contact

man representing the higher clerical personnel was added to be a new party to the co-operation procedure.

By the act 448/1997 corresponding amendments were made to the Act on Codetermination in State Offices and Institutions as by the act 906/96 to the Act on Codetermination in Companies.

The amendment 723/1997 amended the Act on Codetermination in Companies and the act 724/1997 amended the Act on Personnel Representation in Company Administration. The purpose was to pay attention to special needs of ageing workers and clerical employees in the plans concerning the personnel and training according to Government Resolution on Measures necessary for improving Employment of ageing Employees. In addition, the Act on Codetermination in Companies and the Act on Personnel Representation in Company Administration were amended so that the division of a firm was added to the provision on the transfer and the merger of a firm.

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

Nothing new to report.

D. Employees falling outside the scope of labour protection provisions

Nothing new to report.

E. 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.