

Article 22 of the Constitution of the ILO
Report for the period from 1 June 2012 to 31 May 2015
made by the Government of Finland
on the
EQUAL REMUNERATION CONVENTION, 1951
ratification of which was registered on 14 January 1963

Observation, 2012

Gender pay gap.

During the reporting period, the Government continued the tripartite Equal Pay Programme, launched in 2006, until the end of the Government's term of office (spring 2015). The objective of the programme was to narrow down the pay gap to 15% by 2015 (see further report chapters II and III, including pay statistics).

The Government has striven to influence the reform of pay systems and professional segregation through e.g. research and development projects. A project on strengthening equality in remuneration and contract policies (2013-2014) surveyed the development needs of pay systems in private service industries, for example. As the private sector is lagging somewhat behind in the development of pay systems, it was important to review the situation in that sector. A NaisUrat (female careers) project aimed at supporting women's opportunities in being employed in more demanding jobs (see direct request art. 3). A structural reform project examining the effects of changes in working life studied the significance of occupational structures, employment relationship types and structure of duties in remuneration (see report chapter II art. 2).

The objective of reforms concerning equality planning and pay surveys is also to promote equal remuneration. According to the Equality Act, an employer's actions are to be considered illegal discrimination, if the employer applies remuneration or other terms of employment in such a way that places an employee or employees in a less favourable position because of their gender than one or several other employees doing the same or same level of work for the same employer. The concept of pay in line with the prohibition of pay discrimination is broad; it includes all types of remuneration for work. The contents of the prohibition of pay discrimination have not been changed in the time period under review.

Women take family leave significantly more than men, which has been estimated to have had an effect on women's position in the labour market as well as their career and wage development. In order to encourage those on family leave - i.e. mainly women - to return to work faster and to facilitate the reconciliation of work and family life, a so-called flexible care allowance was introduced in 2014. It provides increased compensation to parents of under 3-year-old children who work reduced hours.

Equality plans and equal pay surveys.

Under the Equality Act (609/1986), employers must promote equality in working life and prevent discrimination based on gender, gender identity or gender expression. Under the act, employers with at least 30 persons in regular employment must prepare a gender equality plan concerning pay and other employment terms. (See further chapter I)

According to the Equality Act, the gender equality plan shall be prepared in cooperation with the shop steward, elected representative, occupational safety and health delegate or other personnel representatives. Personnel representatives shall have sufficient opportunities to participate in and influence the drafting of the plan. The provision gained its current form in an amendment, which entered into force on 1 Jan 2015, emphasising cooperation primarily with shop stewards, elected representatives and occupational safety and health delegates, as these individuals are usually best equipped to collaborate in equality planning. In any case, personnel representatives must be appointed by the personnel itself and they must comprehensively represent the entire personnel.

Sufficient opportunities to participate and influence pertain to the fact that personnel representatives must be secured actual opportunities to participate in the drafting and influence the contents of the gender equality plan at various stages of the planning process. The employer must make sure that all those participating in planning have sufficient information in order to handle the matter.

In future, the employer must account for reasons behind pay differences, if a review of groups based on job grade, duties or other grounds in the pay survey included in the gender equality plan reveals clear differences between pay for men and women. The pay survey thus includes an analysis obligation.

Direct Request, 2010

Article 3 of the Convention. Objective job evaluation.

Based on results of the SATU project (2008-2010) on equal pay, equality and new pay systems, women at the high end of income categories and in higher grades of jobs have benefited the most from new pay systems. According to recommendations of the SATU project, pay systems' means of narrowing down gender pay gaps should also be used on the lower end of income categories. Being selected for more demanding jobs is essential in terms of wage development. The type of company one works for and duties one is selected to do also clearly affects one's chances of receiving bonuses. There are differences in the application of bonuses between male and female-dominated industries. According to SATU project recommendations, the statistical monitoring and analysis of new pay systems should be continued.

The TAPAS project (2008-2011) on equal pay and the functioning of evaluation of job grades, competence and performance in Finland focused on equality in pay systems. It yielded information on the significance, application and problematics in development of pay systems. Fewer good practices in pay systems were achieved than pursued. The objective of the project was to create a practical guide based on good practices in project workplaces. The project produced a guide for equal pay, "Tasa-arvoa palkkaukseen. Havaintoja palkkausjärjestelmien kehittämisestä TAPAS -hankkeessa". The guide compiles observations from workplaces in the project and provides instructions and recommendations on a most general level.

The Government has disseminated results of the aforementioned projects through communication and presentations of results in various events. Labour market organisations are in a key position in the development of pay systems and in the dissemination of results. According to the overall assessment of the Equal Pay Programme, labour market organisations should promote the introduction of new pay systems (see II art. 2).

Pay surveys should cover all employees working for a particular employer, across personnel divisions. Employees can still be grouped or categorised in different ways in pay surveys. Selecting

the type of grouping or categorisation is part of preparing the gender equality plan, done in cooperation with personnel representatives appointed by the personnel (see above on strengthening cooperation in general). In selecting the type of grouping or categorisation, one should consider the fact that the pay survey aims to examine whether there are unfounded pay differences between men and women doing the same or same value of work for the same employer.

The contents of pay surveys were described in more detail in the latest reform of the Equality Act. In future, the employer must account for reasons behind pay differences, if a review of groups based on job grade, duties or other grounds in the pay survey reveals clear differences between pay for men and women. It was also specifically laid down in the act that if there are pay systems in use at the workplace, in which wages consist of pay elements, the most essential pay elements shall be reviewed to find out the reason behind the discovered differences.

According to a working conditions survey by Statistics Finland, 47% of wage earners in the municipal sector reported that their wages were based on their job grade. Evaluation of personal performance was applied to 33% of wage earners in the municipal sector (Art. 2). In municipalities, the introduction of new pay systems has slowed down in recent years. According to the overall assessment of the Equal Pay Programme, changing pay systems is often an extensive exercise and its preparations may take several collective agreement terms. It also requires financial investments.

According to the earnings index of Statistics Finland, differences in earnings levels decreased in different sectors in IV 2009-IV 2013 as follows:

All wage earners	1%
Private	-1%
Municipalities	1%
State	1%
Church	3%.

According to the Information Committee on Cost and Income Developments, measures noted in collective agreements and thereafter implemented, local solutions and structural factors have narrowed down differences in pay. The centralised framework agreement of 2011 and Pact for Employment and Growth of 2013 did not include separate equal pay items. General pay increases and both centralised and local pay arrangements have also been carried out in the municipal sector. The gender pay gap has not decreased in the municipal sector since 2011 (Art. 3). Statistics, see III.

Scope of comparison.

Please see chapter III of the report.

Collective agreements.

Please see chapter III of the report.

Parts III and IV of the report form.

As no separate statistics are kept on court cases pursuant to the Equality Act, they have to be looked into through separate inquiries. The most recent information is based on a review by the Finnish

League for Human Rights, covering cases in 2008-2011. During this period, there were 11 pay discrimination cases, with no amount of compensation imposed in any of them. In two cases, the parties reached a settlement in the Court of Appeal process and in three cases, plaintiffs were paid unpaid wages.

I LEGISLATION AND REGULATIONS

During the reporting period, the Government continued the tripartite Equal Pay Programme, launched in 2006 (more detail on the contents further).

The Government report on equality between men and women <http://www.julkari.fi/bitstream/handle/10024/112519/URN%3ANBN%3Afi-fe201504227008.pdf?sequence=1>, the first of its kind in Finland, and the Government Action Plan for Gender Equality (2012–2015) <https://www.julkari.fi/handle/10024/111853> which implements the policies in the report and the Government's equality targets, both contain important measures towards equal pay, such as decreasing segregation, specifying provisions on workplaces' equality plans and pay surveys, in particular, and initiating the publication of pay survey analyses in the State sector.

Gender equality is laid down in the Constitution and the Act on Equality between Women and Men (Equality Act, 609/1986). The purpose of the Equality Act is to prevent gender discrimination, including pay discrimination, and to promote gender equality and improve women's position at work, in particular.

The act was updated in 2015. It now includes the prohibition of discrimination based on gender identity and expression, makes equality plans mandatory in basic education, specifies provisions on employers' equality plans and pay surveys, affirms the independent status of the Ombudsman for Equality, and establishes a new Non-Discrimination and Equality Board.

The provisions outlawing discrimination based on gender identity and expression and on the prevention of such discrimination secure trans and intersex persons' protection against discrimination in line with the Constitution. The prohibition of discrimination was also reinforced by stipulating that discrimination is prohibited regardless of whether it is based on a reason concerning the victim of discrimination or another individual and whether it is based on fact or assumption.

Equality planning in educational institutions was extended to institutions that provide basic education. The purpose of equality plans is to ensure that schools engage in systematic equality efforts. The new plans must be drafted by 1 Jan 2017.

Employers with a regularly employed staff of at least 30 persons must prepare an annual equality plan. The equality plan shall include a review of the equality situation at the workplace, the necessary measures and an assessment of the implementation and results of measures included in the previous plan. The plan shall focus on remuneration, in particular, along with other terms of employment. Provisions on equality plans at work were specified to make them more effective in the promotion of equality between men and women at work.

The contents of the pay survey, included in the equality plan, were further detailed in the act. In future, pay surveys shall look into the reasons and grounds for pay differences, if there are clear

differences between men's and women's pay among employee groups. If no acceptable reason is found for differences in pay between men and women, the employer shall take appropriate corrective action. The amended act left the contents of the prohibition of pay discrimination unchanged.

An addition was included on the obligation to communicate the equality plan to personnel and the participation of personnel representatives was emphasised. In future, the equality plan at work can be drafted at least every other year.

The enforcement of the Equality Act will in future be regulated by the act on the Ombudsman for Equality (1328/2014) and the act on the Non-Discrimination and Equality Board (1327/2014). The independent status of the Ombudsman for Equality was further reinforced. The Equality Board merged with the Discrimination Board to form the new Non-Discrimination and Equality Board. The Ombudsman for Equality and the Non-Discrimination and Equality Board were transferred under the administration of the Ministry of Justice. No significant changes were made to the tasks and authority of enforcement authorities.

II LEGISLATION AND ADMINISTRATIVE REGULATIONS FOR THE FOLLOWING ARTICLES

Article 2

The Equality Act obligates all employers to promote gender equality purposefully and systematically. In order to promote gender equality at work, the employer shall, considering available resources and other factors, promote gender equality in e.g. terms of employment, particularly remuneration, and create equal opportunities for career advancement. Employers with an employed staff of at least 30 persons must promote gender equality in line with their equality plan. Provisions on the equality plan and pay survey included were updated on 1 Jan 2015 in order to be more effective. (See more in chapter I)

Prime Minister Jyrki Katainen's and further Alexander Stubb's Cabinet carried out the tripartite Equal Pay Programme, launched in 2006 (also see Article 4). Main focus areas during the review period included remuneration and contract policies, equality plans, pay surveys and the development of pay systems. Women's careers and the reconciliation of work and family life were also among priorities. Remuneration and contract policies were supported by intensive monitoring of the gender pay gap, by commissioning an assessment from the Ministry of Finance on the impact of collective agreements on women's and men's earnings and by carrying out extensive research and development projects. Equality plans and pay surveys were intensified by mapping out their coverage and quality and by training. New pay systems and knowledge were promoted through research and development projects and a communication campaign on talking about wages by the Ministry of Social Affairs and Health.

A Government project on the effects of changes in working life on women's and men's pay and position on the labour market yielded new information, based on extensive statistical material, on how structural changes affect the positions and wages of women and men. The project was carried out to specify measures towards equal pay and boost the positive change in working life. The reviews mainly concerned the private sector due to deficiencies in public sector statistics. Structural change does not seem to have a major impact on the equal pay objective. In spite of efforts to the contrary, professional segregation has remained strong irrespective of changes in occupational

structures. The changes in occupational structures have, in fact, slightly increased the gender pay gap - as has the increase of part-time work. The clearly higher level of education that younger women, in particular, have compared to men has not had a positive effect on women's professional placement and remuneration. Changes in duties and individual personnel have, in turn, slightly narrowed down pay differences in the short term in this millennium, but overall their effect is rather minor.

The effectiveness of the programme's measures was evaluated in the overall assessment of the Equal Pay Programme (2010-2014). The overall assessment, conducted by an external evaluator in spring 2015, reviewed the pay system situation. It states that there is no comprehensive, reliable data on the number of wage earners in the scope of new pay systems. Based on the working conditions survey by Statistics Finland, used as a basis for the overall assessment, 41% of private sector wage earners reported that their pay system was based on job grade in 2013. The corresponding figure in the municipal sector was 47% and 91% for State wage earners. As of 2003, the State has increased job grade evaluation the most. There has also been an increase in the municipal sector since 2003: from 28% to 47%, however, the situation has remained unchanged since 2008. The private sector remains on the same level as in 2003.

Based on the aforementioned working conditions survey, the evaluation of personal performance was applied to 36% of wage earners in the private sector, 33% in the municipal sector and 86% for the State in 2013. The evaluation of personal performance has slightly declined since 2008 both in municipalities and the private sector. The rapid development in the evaluation of personal performance of State wage earners is due to systematically implemented pay system reforms. There was also rapid development in municipalities after 2003, but it has slowed down since. Private sector figures have remained on the same level as in previous surveys from 2003 and 2008.

III

The Equal Pay Programme has promoted the development of new pay systems through a development project on strengthening equality in remuneration and contract policies in trade, accommodation, restaurant and leisure services in 2013-2014. The project included statistical reviews of women's and men's wages, assessed the gender implications of collective agreement provisions on pay, pay systems and the effect of job segregation on pay. In addition, the project looked into the state of affairs as regards equality plans and pay surveys. In the reviewed industries, gender segregation accounted for pay differences between men and women to a great extent. The project also highlighted some clear development needs. The coverage and quality of equality plans and pay surveys need to be improved and pay systems should be reformed to make them focus more on common principles based on job grade and personal performance.

As part of the Equal Pay Programme, a NaisUrat (female careers) development project was carried out from 1 Feb 2013 to 31 Jan 2015, funded by the European Social Fund (ESF Programme, Mainland Finland) and the Ministry of Social Affairs and Health. Eight target organisations participated in the project: four companies, one ministry, one municipality, one labour market organisation and one organisation. The project's goal was to develop leadership and leadership practices, examine organisational cultures and structures, expose gender-based structures and increase women's development opportunities and leadership positions. Research data customised for the target organisations' needs was disseminated into the organisations. In future, it would be important to strive to find new operating models and methods to affect recruiting practices and open up companies' and organisations' operating practices and cultures. As a result of the project, a

network was set up for those involved in equality promotion in the target organisations, which has continued its activities since the end of the project.

An extensive communication campaign on talking about wages was carried out by the Ministry of Social Affairs and Health in 2013 and 2014. The goal of the campaign was to increase knowledge on pay and to encourage employees, employers and labour market organisations to discuss remuneration openly and, if necessary, take action against unfounded pay differences. The campaign consisted of three different messages and target audiences and an animation, aiming to increase general awareness of inequality in remuneration. In one of them, young people were challenged to find information on the prestige and remuneration level of various occupations. The campaign had its own website. It had visibility in social media, traffic junctions, public transport, print media, movie theatre animations and on the TV channel of the national broadcasting company. It was estimated to have reached approximately two million people.

As part of the Equal Pay Programme, so-called equal pay forums, wide-ranging discussion events with labour market organisations and decision-makers, have been organised annually. The theme of the event in 2012 was knowledge of pay and the connection between career development and pay; in 2013, equal pay measures taken by the European Union, knowledge of pay and women's and men's pay in collective bargaining negotiations. The themes of the forum in 2014 were equal pay obligations and national means to promote equal pay. The forums were well covered by the major national media.

Labour market organisations signed a centralised framework agreement in autumn 2011, valid until 2013. Industry-specific collective agreements signed in autumn 2011 in line with the centralised framework agreement did not include separate equal pay items. The framework agreement included some entries on gender equality and equal pay. A tripartite report on the functioning and development needs of pay surveys was based on the framework agreement. A centralised Pact for Employment and Growth was signed in 2013, with very moderate wage increases. It is a two-year pact with an option for a third year. The first increase was in Euros, EUR 20, and the second in percentages, 0.4%. Industry-specific collective agreements signed in autumn 2013 in line with the Pact for Employment and Growth did not include separate equal pay items. However, local pay arrangements have increased and their relative share of pay increases has grown. According to the overall assessment of the Equal Pay Programme, gender equality has been taken into account in these arrangements to varying degrees in different industries.

Central labour market organisations mapped out the situation with equality plans and pay surveys at workplaces with an extensive survey in 2012. Based on questionnaires, the coverage of equality plans and pay surveys has increased. Wage earners reported fewer equality plans than employers; a significant number of shop stewards could not say whether a plan had been made. Based on a survey among employers, equality planning had promoted gender equality clearly or somewhat. A significant number of personnel representatives felt that equality plans had promoted gender equality. Some of the shop stewards found it difficult to assess the benefits of equality plans. Based on the results of the survey among employers, unfounded pay differences often lead to measures being taken. Based on the survey among shop stewards, SAK and Akava shop stewards reported on a plethora of measures taken in case of unfounded pay differences. STTK respondents were more critical in their appraisals.

The Ombudsman for Equality and the Non-Discrimination and Equality Board supervise compliance with the Equality Act. The Ombudsman for Equality can issue instructions and advice

for those who suspect discrimination in a matter concerning compliance with the law. The board can outlaw discriminatory practices at the threat of a fine.

If an employer neglects the equality plan, the Ombudsman for Equality must strive to ensure, through instructions and advice, that the employer makes the equality plan. If the employer still neglects their responsibility to draft an equality plan in spite of instructions and advice, the ombudsman can set a reasonable deadline by which the obligation must be fulfilled.

If the plan is not drafted by the deadline, the ombudsman can take the matter to the Non-Discrimination and Equality Board. The board can obligate the employer to make an equality plan by a certain deadline. The board can reinforce its demand with a conditional fine. If the employer still neglects the equality plan, the board will enforce the fine.

One who suspects discrimination can initiate District Court proceedings for compensation. In line with the principle of shared burden of proof, the one suspecting discrimination has a lesser burden of proof.

The Ministry of Justice, the Ministry of Employment and the Economy and the Ministry of Social Affairs and Health organised a round of training on amendments to the Non-Discrimination Act and the Equality Act in spring 2015. Training was organised in six locations and it involved almost 500 labour market operators and experts from companies and labour market organisations, among others.

During the reporting period, the Equal Pay Programme has been continued until the end of the Government's term of office in 2015. The objective of the programme is to narrow down the gender pay gap by at least 5% by 2015. The goal of the steering group is to ensure that this objective is reached. Talks on the continuation of the equal pay objective began in good time before the deadline. The overall assessment of the programme also contributed to this discussion.

The Ministry of Social Affairs and Health continues to coordinate the Equal Pay Programme. The steering group consists of representatives of the most essential ministries and labour market organisations. It is supported by a tripartite expert group.

Statistics

The Government has closely monitored the development of the gender pay gap. The Information Committee on Cost and Income Developments, established by the Ministry of Finance, compiled a report in late 2013 on the promotion of equal pay through collective agreements, and has assessed the effects of agreement increases on the gender pay gap in 2010-2012. The gender pay gap shrunk by one percentage point during this time period. The gender pay gap decreased to an average of 17 percentage points in the entire labour market by 2011. In 2012-2015, this development halted and the average gender pay gap has remained stagnant. The differences in remuneration level per sector were as follows:

Pay gap on an annual level. Share of women's earnings of men's earnings per sector in 2004-2014, percent.

Year	Private	Municipality	State	All
2004	81.1	84.7	81.3	80.5
2005	82.2	83.5	81.9	80.7
2006	82.3	83.2	82.0	80.9

2007	82.2	83.2	83.1	81.0
2008	82.4	83.4	83.8	81.2
2009	84.3	84.1	83.7	81.8
2010	83.6	85.1	84.4	82.8
2011	83.9	85.4	85.6	83.2
2012	83.8	85.4	86.0	83.1
2013	84.0	85.6	86.1	83.1
2014*	84.1	85.7	86.4	83.1

Average monthly earnings from regular working hours, Statistics Finland, Index of Wage and Salary Earnings.

The total figure covering all wage earners is not calculated directly from different sectors' figures, because the number of female and male wage earners in different sectors affects the total pay gap (covering all wage earners). In other words, the large number of women with low wages also increases the average pay gap.

*Preliminary information.

The overall assessment of the Equal Pay Programme states that the economic situation has been weak during the entire review period (2010-2014). The decrease of the gender pay gap has slowed down due to the deterioration of the Finnish economy and smaller wage increases compared to previous years. The problems are reflected in wage settlements or other cost-incurring measures that promote the implementation of the Equal Pay Programme. However, the overall assessment of the programme indicates that there has been progress in equal pay, albeit slower than attempted.

As regards horizontal segregation, the situation has remained similar: 13% of all wage earners are in even occupations with 40-59% male or female wage earners. The change in the share of those in even occupations has been almost non-existent from 2004 to 2012.

Share of those in even occupations (with 40-59% male or female wage earners) of all wage earners, percent.

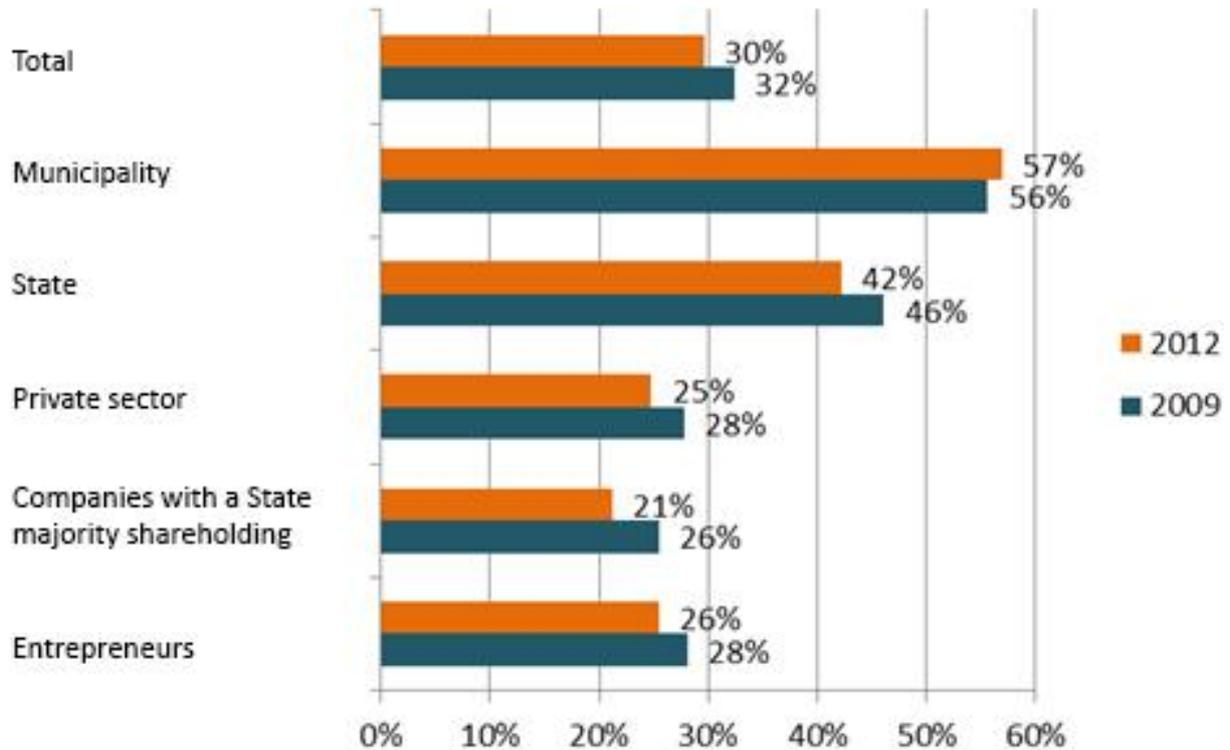
Year	All wage earners, number	Men/women in even occupations, number	Share of those in even occupations, %
2004	2,026,159	274,080	13.53
2006	2,074,629	273,477	13.18
2008	2,137,027	290,326	13.59
2010	2,085,779	264,819	12.70
2012	2,091,030	273,496	13.08

Source: Employment statistics, Statistics Finland

According to the working conditions survey by Statistics Finland, the share of women in management positions has gradually grown. In 2014, 41% of wage earners had a female manager. In 2008, the respective figure was one percentage point lower. However, there are significant differences between different sectors in this regard. 69% of wage earners working for municipalities had a female manager, whereas only 30% had a female manager in the private sector. The opposite development could in turn be detected in the share of women out of all those in management positions. According to employment statistics by Statistics Finland, the share of women in management positions has slightly decreased: from 32 to 30% between 2009 and 2012.

Occupational data in the employment statistics covers all wage earners and is based on information from the employer.

Table. Share of women of all managers in 2009 and 2012 (%)



Source: Employment statistics, Statistics Finland

IV-V

Matters of discrimination and concerns of the Ombudsman for Equality

The number of *matters of discrimination*, handled in writing by the Ombudsman for Equality in 2012 - 2014, varied between 152 and 211. About half of the cases related to discrimination in working life. Most of them concerned recruitment and pay as well as suspicion of discrimination in connection with pregnancy and parenthood. Also most requests for advice received by phone concerned the same topics, especially matters related to pregnancy and parenthood.

As in previous years, *suspected cases of pay discrimination* brought to the attention of the Ombudsman concerned both job-specific pay (basic pay) and various kinds of pay bonuses. Rather often they also concerned issues of how taking maternity or paternity leave or other types of family leaves may affect wages.

In supervising of the compliance with the prohibitions of pay discrimination it comes up that the principle of equal pay is understood in a very narrow way in many workplaces in Finland. Accordingly, the key issue in some pay cases handled by the Ombudsman has been the personnel scope of application of the prohibitions of pay discrimination. Employers may claim that it is not possible to compare wages between employees whose wages are placed to different pay levels, even though a comparison is needed precisely in order to assess, whether the pay differences may be justified or whether the work of these employees is of equal value.

Equality planning and pay surveys

The obligation to carry out a pay survey as part of the gender equality planning was incorporated into the Act on Equality between Men and Women in 2005. This obligation was reinforced by the 2015 reform, as more specific provisions on pay surveys came into force. A purpose of pay surveys and an obligation to make pay comparisons and analyze possible pay differences are now explicitly expressed in the Act.

It is reasonable to wait that these amendments will influence the quality of pay surveys. However, there are still many challenges concerning the implementation of this obligation in practice. It is important to follow up the practical impact of the law reform. It remains to be seen, for example, whether the personal scope of pay comparisons will be extended compared to the current situation. When pay surveys are carried out wages and salaries are usually only compared between employees with the same occupational title or employees in the same task groups. An effort has seldom been made to determine whether there are comparable tasks in different task groups. This kind of comparisons would be important in order to implement the equal pay legislation properly.

As to access to pay data, the Ombudsman for Equality was of opinion that it would have been important to provide, also in the private sector, the group responsible for carrying out the pay comparison with access to employees' pay data, even though the final comparison must not specify individual employees' wages or salaries. The restrictions pertaining to access to pay data make it more difficult to reveal any pay discrimination by way of a pay comparison.

Efficient monitoring of the obligation of carrying out equality planning is important for the enforcement of that obligation in practice. The Ombudsman for Equality is an authority in charge of the monitoring. The Ombudsman has very limited resources for carrying out this task and more resources would be needed. When the Ombudsman investigates an equality plan, she gives guidance and instructions concerning that particular plan. The monitoring is not quantitative by nature.

Cooperation between authorities

Cooperation between the Ombudsman for Equality and Occupational Health and Safety Authorities has continued during the period under review. After the amendments of the Gender Equality Act and Non-discrimination Act, which came into force in January 1st, 2015, there has been discussion about cooperation between these authorities concerning supervision of these acts. Discussion concerned cooperation both in relation to work-related discrimination cases and disseminating information about amended provisions on equality planning.

VI

A copy of this report has been sent to the following labour market organisations:

The Confederation of Finnish Industries (EK)
 The Central Organization of Finnish Trade Unions (SAK)
 The Finnish Confederation of Professionals (STTK)
 The Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA)
 The Commission for Local Authority Employers (KT)
 The State Employer's Office (VTML)
 The Federation of Finnish enterprises

Statements of the labour market organisations:

Confederation of Finnish Industries EK

In the view of the Confederation of Finnish Industries, EK, the central reason for the difference between women's and men's average earnings is still gender segregation in the Finnish labour market and jobs. This is well illustrated by e.g. the stagnation of the share of even occupations at approx. 13%. Dismantling segregation is the only sustainable, albeit slow, measure to tackle the difference in average earnings. However, the general direction in Finland has been the decrease of the gap. EK calls attention to the fact that Finland has decided to continue the tripartite Equal Pay Programme until 2025.

EK would also like to note that the amendments to the Equality Act, in force since the beginning of 2015, respond to the questions on equal pay of the ILO expert committee.

Central Organisation of Finnish Trade Unions (SAK)

The amended Equality Act, which came into force on 1 Jan 2015, contains new, more specific provisions on drafting equality plans and related pay surveys. This improves the chances of equal pay becoming a reality on a workplace level.

Akava

According to Akava, the difference in pay between women and men has long remained the same. Female Akava members earn an average of €3,600 per month, while men earn €4,520. Hence, women's pay is approximately 80% of that of men.

The difference in pay between highly educated women and men is largely explained by the fact that they work in different sectors and positions. Educational choices in particular influence this. Moreover, the person's position at work lies in the background of differences in pay: men more often work as supervisors and executives than women, even in sectors otherwise dominated by women.

In Akava sectors, the unjustified pay gap between women and men measures 5–14%. Differences are highest in the private sector.

In addition to actual pay, pay elements or other employee benefits may be unequally targeted. Only 11% of female Akava members received a performance bonus in 2010, while the corresponding figure for men was 27%.

The basis for determining wages has changed due to new pay systems becoming more common. The most commonly used pay elements include those based on the degree of competence required and personal performance. Within Akava, it is a positive development that, in the public sector, new pay systems have succeeded in reducing pay gaps, particularly in positions with the highest competence requirements. However, considerable differences remain between the wages of men and women working in middle management.

Furthermore, the assessment of competence requirements is not always objective and is sometimes used to justify a pay structure that favours one of the genders. Lack of information on the systems in use is a specific problem for Akava members. Employee representatives' access to information is deficient, making it impossible to rectify pay differences.

A survey on the classification of women and men's positions, pay and pay differences, to be conducted as part of the statutory equality plan, constitutes a key tool in the workplace for eliminating the pay gap. Employee representatives' right to participate in a pay survey throughout the process should be included in the Equality Act. In addition, sufficient rights to be informed of the following must be ensured for the employee representative: the criteria of the pay system in use, the basis for determining competence requirements, the various pay elements in question and the salaries of persons, itemised in such a way as to facilitate the identification of any pay gap.

To extirpate unjustified differences in pay, the obligation to analyse pay surveys should be included as a provision under legislation. Because individual employees fear they will lose their jobs and be characterised as difficult, pay discrimination could also be eliminated by enabling organisations to take legal action on behalf of employees.