

REPORT

made by the Government of Finland on Unratified Conventions and Recommendations (Article 19 of the Constitution of the International Labour Organisation) concerning the following instruments of the ILO:

VOCATIONAL REHABILITATION AND EMPLOYMENT (DISABLED PERSONS) RECOMMENDATION, 1983 (No. 168)

EMPLOYMENT POLICY (SUPPLEMENTARY PROVISIONS) RECOMMENDATION, 1984 (No. 169)

HOME WORK RECOMMENDATION, 1996 (No. 184)

EMPLOYMENT RELATIONSHIP RECOMMENDATION, 2006 (No. 198)

TRANSITION FROM THE INFORMAL TO THE FORMAL ECONOMY RECOMMENDATION, 2015 (No. 204)

National policy for the promoting of full, productive and freely chosen employment

1. The strategic programme of the Government of Prime Minister Juha Sipilä focuses on supporting growth, employment and entrepreneurship. The Government's objectives are to bring the Finnish economy onto a path of sustainable growth and higher employment and to safeguard sufficient financial resources for public services and social protection. The Government's goal is to raise the employment rate to 72% and to increase the number of employed persons by 100,000.

With its five strategic priorities in the Government Programme (29 May 2015), the Government is taking steps to follow through with essential reforms. The strategic objectives are enshrined in 26 key projects followed by an action plan for the implementation of the key projects and reforms.

The first strategic priority 'Employment and competitiveness' covers the following key projects:

1. Strengthening competitiveness by improving conditions for business and entrepreneurship
2. Incentive traps preventing acceptance of work will be removed and structural unemployment reduced
3. Local agreement will be promoted and barriers to employment removed
4. Reform of employment service activities to support employment
5. Housing construction will be increased

In its midterm review, the Government decided on an employment package including concrete actions with employment impacts to be realised during the current governmental term ending in the spring 2019. The key contents of were positive structural change management, activating the unemployed, reinforcing the potential for entrepreneurship (incl. lowering the threshold for hiring the first employee), expertise development measures, reforms related to regional "growth services" and innovative experiments supporting employment. The package also brought together various government measures for promoting entrepreneurship and removing

obstacles to it taking account of new forms of entrepreneurship and employment such as the sharing economy, the platform economy, self-employment and combinations of entrepreneurship and paid employment.

The responsibility of the unemployed to seek work actively and to accept jobs offered has been emphasised, as a prerequisite for receiving unemployment benefits. The unemployed have been encouraged and supported to go further afield regionally to find work.

In addition to activation measures, support to the unemployed in job searches has increased. In spring 2017, the Government stated that an increasing number of periodical interviews with unemployed jobseekers have to be made face-to-face by the public employment services.

2. Pay subsidy

At the beginning of 2015, a new pay subsidy system entered into force, based on the policies outlined in the Government's structural policy programme. One of the purposes of the programme was to reduce structural unemployment and to extend working careers. The programme also includes long-term pay subsidy for aged long-term unemployed persons and the removal of a regional obligation, the latter having a connection to the reduction of the duties of local authorities.

The discretionary pay subsidy is for employing a person who has been unemployed for 12 months on condition that the public employment service considers that without the subsidy, the unemployment period would probably last for more than 12 months. However, this assessment is not required if the grounds is an injury or a long-term illness that substantially and permanently (or practically permanently) reduces the person's productivity in the job duties at hand.

Instead of the previous daily allowance, the pay subsidy is now a fixed percentage (30%, 40% or 50%) of the overall employment costs. The percentage and its maximum duration are dependent on how long the person has been unemployed. The largest percentage and longest duration are for those who have been unemployed longest. A pay subsidy is always 50% of the employment costs, if it is on the grounds of a substantial and permanent or essentially permanent reduction in productivity caused by an injury or illness.

An objective of the reform was to simplify the pay subsidy system and to improve its effectiveness, to promote employment of persons in a weak labour market position and to improve equality among employers and unemployed jobseekers. The objective was also to diminish administrative work and thereby to speed up the processing of the pay subsidy applications and payments of pay subsidies.

The Government wanted to secure the operating potential of the intermediate labour market, i.e. the efforts of associations and foundations offering employment opportunities. The subsidy can cover their employment costs fully for 12 months and for 65% of maximum working hours if they hire a person who has been unemployed for over two years for duties that are not business activities.

For persons aged 60 or over who have been consecutively unemployed for one year or more, a long-term pay subsidy can help them to find employment and to extend careers.

In 2017, an amendment entered into force, allowing the unemployment benefit paid by Government to be used to fund pay subsidies, start-up subsidies and mobility allowances. This amendment was a part of enforcing the Government Programme when dismantling incentive traps. The aim was to reduce the costs of unemployment by redirecting appropriations for income support during unemployment to promoting employment and thus taking a more active emphasis. It was equally important to revise the active labour market policy funding system to make it more flexible and better suited to clients' service needs.

In the future, the aim is to refocus pay subsidies on the prevention of long-term unemployment. The public employment services use an anticipatory profiling tool for assessing the risk of long-term unemployment.

The multi-sectoral joint services promoting employment

The Act on Multisectoral Joint Services Promoting Employment (1369/2014) entered into force on 1 January 2015. The main objective is to reduce long-term unemployment.

The Act lays down an operations model in which TE Offices (the public employment services), local authorities and the Social Insurance Institution (KELA) jointly appraise the service needs of an unemployed who requires multi-sectoral joint services, plan service packages feasible for the purposes of finding employment and take responsibility for the progress and monitoring of the employment process. The relevant authorities act jointly in a network within their respective authorisations. A multi-sectoral employment plan incorporates in a feasible package all the services that the customer needs. The statutory services include at least public employment services, health and social services as well as rehabilitation services.

Social Impact Bonds

The Social Investment Bond (SIB) is a funding model where investors finance experimental activities. If the activities result in a predetermined social impact and the Government ends up saving on costs, the profit is shared to the investors from the Government savings.

The Ministry of Economic Affairs and Employment has used the SIB model in cooperation with the Finnish Funding Agency for Innovation SITRA to create a rapid-employment model for immigrants, the purpose of which is to combine the brief initial period of integration training with subsequent training in the workplace. In spring 2017, the Government decided to launch an "Employment SIB" for supporting the employment of the young and the long-term unemployed and to prevent long-term unemployment.

Ohjaamo centres for the young

Under the Youth Guarantee scheme, the Ministry of Economic Affairs and Employment and other ministries developed 'one-stop-shop' service points. These *Ohjaamo* centres provide one-stop-shop guidance for young people while promoting the 4P Principle (Public-People-Private-Partnership). The aim of these service points has been to bring together service providers and to increase cooperation between administrative bodies.

The central concept is a low-threshold service providing guidance and support to young people under the age of 30. Within these services, young people can access a wide range of professional support. Apart from career guidance and training, this includes housing, welfare and social care provision.

Another important feature, shaped by input from young people, is a reliance on face-to-face relationships between the professionals and the clients. A high majority of the young drop in and receive support without any further intervention while some are in the need of further support, on the grounds of an informal light-touch assessment process by the guidance professionals. This will take note of for example on the young person's education and employment goals and the overall situation including money, health and social support networks. All the time the emphasis is on the young person being in control and steering the process in a way that he/she feels comfortable.

Osatyökykyisille tie työelämään –hanke:

In the ESF project 'Work Ability Coordinators to enhance employment of jobseekers with partial work capacity' there are regional pilot projects testing new models intended to support the employment of people with partial work ability and their return to work (please, see also the answers to questions nos. 21 and 25).

The government will establish a national Working Capacity Programme to enhance the working and functional capacity of long-term unemployed jobseekers and identification of individual rehabilitation needs using a multidisciplinary client service network. The aim is to rehabilitate jobseekers for return to the labour market while recognising that some people can no longer access the open labour market and also deserve a humane alternative. Part of this work will formulate a new employment exchange service concept applying the findings of working bank trials and other studies.

3. Government Programme

In Finland, economic policy and employment policy are closely linked with one another at the level of the union within the European Semester and the Government Programme and activities. In addition to legislation, the State budget is a key steering instrument, which fits together economic, employment and enterprise policy measures.

Employment and enterprise policy supports competence development based on the needs of companies and the workforce. It also supports company growth and enterprise in start-up companies as well as reduces unemployment and problems in the reconciliation of supply and demand in the labour markets. Important policy measures include, for example, the forms of support and services that promote employment and the reconciliation of supply and demand in the labour markets, training designed to meet the needs of companies and the workforce, and better financial incentives for employment. General economic policy has a central role in strengthening the demand for labour. The objectives of the Ministry of Economic Affairs and Employment with regard to employment and enterprise policy are related to the availability of competent labour force, the rapid employment of jobseekers, entrepreneurship, structural changes in business sectors and companies, and the reduction of youth unemployment and structural unemployment.

The aim of the Government Programme is to elevate Finland's economy to a path to sustainable economic growth and increased employment as well as to secure the funding of public services and social security. According to the Government Programme 2025 target, working and the commissioning of work in Finland will always be profitable. Finland will be a competitive country, where enterprise, ownership and investment are more profitable than at present. The objective of this government term is to implement reforms that will improve the incentive aspects of work, the appeal of employment, the efficiency of the labour administration and competitiveness to guarantee funding for wellbeing services and income transfers. The reforms will increase job opportunities, entrepreneurship and the diversification of the economic structure as well as strengthen the public economy by over one billion euros.

The Ministry of Economic Affairs and Employment is responsible for employment, entrepreneurship and labour policy and for immigrant integration policy. The ministry is responsible for the legislation that applies to public employment and business services and makes decisions on which development projects need to be accompanied by more extensive strategic projects.

Public employment and business services (TE Services) promote the functionality of the labour market by ensuring the availability of competent workforce and by improving the employment prospects and employability of jobseekers. TE Services assist new entrepreneurs and make it easier for enterprises to operate successfully. The ministry coordinates, manages and monitors TE Services to ensure that these are provided in a customer-focused and performance-oriented manner throughout Finland.

The employment and business services serve the needs of individual customers, enterprises and organisations. The organisations that provide TE Services for customers are industry and labour market experts. In addition to the Employment and Economic Development Offices (TE Offices), public employment and enterprise services are produced by e.g. companies, regional and national enterprise service organisations, educational institutions, municipalities, third sector actors, public sector joint service points, the employment and economic development administration's Customer Service Centre, which serves customers around the country, as well as recruitment agencies and other private service providers.

Nearly all the economic policy targets set by the Government will be achieved:

- ✓ The employment rate will rise to 72 per cent – achieved
- ✓ The number of people employed will rise by 110,000 – achieved
- ✓ The overall tax rate will not rise – it will drop by 2 percentage points during the government term.
- ✓ The growth of the public sector's debts in relation to the gross domestic product will come to a stop - stopped in 2016.
- ✓ Living on debts will end in 2021 – public finances will be balanced in 2019 produce a surplus in 2021.

During this parliamentary term, employment has risen to a record level and unemployment has decreased in all groups. According to an estimate, the positive economic and employment development as well as the adaptation measures listed in the Government Programme will

balance public finances in coming years. Economic growth has resulted in a drop in unemployment, but at the same time it has been increasingly difficult for employers to find competent workforce. Companies state that the shortage of qualified workforce and production capacity has become more common. Finland has often has to act due to cases in which a large number of people are made redundant due to structural changes. Now, we are faced with a new challenge: how to respond to the workforce needs of areas where there has been a positive structural change.

In order to resolve this problem, the Government has stepped up the effectiveness of company-centred labour market training and growth services as well as increased their volume. Additional resources have been reserved for further education that leads to a degree in the ICT sector and other sectors experiencing a shortage in workforce. The amount of labour market training offered as vocational training has been increased and, in addition to this, a pilot has been carried out the aim of which is to create a model for precise training in the event of career change. The purpose has been to develop the vocational training system so that it can meet with the needs of people changing careers more precisely than before. Liberal adult education institutions have increased part-time and flexible reading and writing studies as well as Finnish /Swedish language studies. Additionally resources have been allocated to improving the competence of those with poor basic skills.

Budget proposal for 2019

The Government's proposal for the 2019 budget aims to increase social justice, to fight against a shortage of competent workers and to speed up employment. When submitting the budget proposal, the Government agreed on measures that would promote the growth of employment and focus on efforts to improve the status of those who are hard to employ. The growth of employment is restricted for example, by problems in the availability of workforce as well as the poor employment of persons who have partial work ability.

The use of pay subsidies in companies will be increased, so that it would be easier for people with a long history of unemployment and people with partial work ability to find employment. Companies are paid a reward if a temporary employment relationship becomes a permanent employment relationship during the pay subsidy period or the company employs an unemployed person whose work is pay-subsidised into a permanent employment relationship. The potential of pay subsidies in the employment of people with partial work ability will be utilised more effectively than at present. The Government decided to increase the maximum amount of 100 per cent pay subsidies paid to organisations.

As part of the growth services pilot, personalised work ability processes will be developed to support the employment of those with a long history of unemployment. TE Offices will introduce a fixed term performance bonuses for personnel to promote the employment of people who have a long history of unemployment.

The Government decided to establish a national work ability programme the purpose of which was to develop the personalised identification of a long-term unemployed person's work ability and functional capacity and their rehabilitation needs using the customer's multidisciplinary service network. An effort will be made to speed up the development of the intermediate labour market with public procurements. In connection to this, it will be determined whether an obligation can be entered into legislation which would require municipalities and the future

counties to increase the use of the regional obligation to employ in public procurements and increase the employment of those who are difficult to employ by the State, the municipalities and the counties.

To guarantee a sufficient amount of resources for employment policy, the funding of pay-subsidised start grants will be continued from unemployment security funds for and 2019 as well as after the reform in 2021.

The Government will also extend the “bridge agreement model” for Southwest Finland to other areas that are experiencing the greatest shortage in workforce. The Government will focus on projects that will be quick to implement and will support the availability of competent workforce in regional cities. The region’s municipalities and companies will also commit to the funding of these projects.

The Government’s objective will be to ensure that the transition from employment trials to growth service pilots is seamless. The best practices from employment trails will be included in growth service pilots using, for example the alliance model.

The Government decided on the implementation of the one-time pension subsidy for unemployed older people. Anyone over the age of 60, who has been unemployed for a period of five years could be eligible for the subsidy and thus to wait for their transition to old age pension.

The shortage of competent workers will be eased by increasing the amount of measures that produce swift results. The unemployed will be offered short-term education, which will lead to a part of a degree, at vocational education and training institutions, universities and university of applied sciences. Voluntary studies financed with an unemployment subsidy will utilise the larger range of short-term workplace-oriented studies available better than previously.

The Government will promote the fast employment of immigrants. Practices are being developed so that the obligations to apply for and accept work are applied more comprehensively than at present and measures that will interrupt these are shortened during integration periods.

The entry of people with an immigrant background to the labour market will be sped up and eased with effective language studies and support services. Funds will be allocated to activities at Centres of Expertise in Integration as well as to providing guidance to students on suitable educational and career paths at universities committed to SIMHE and implementing short-term studies at higher education institutions. More resources will be given to language, reading and writing skills studies outside of working life.

4. –

5. The Ministry of Economic Affairs and Employment

The Ministry of Economic Affairs and Employment was established in 2008 and tasked with promoting growth and employment. The former Ministry of Trade and Industry, and Ministry of Labour were integrated into the new ministry as was regional development, which was previously the responsibility of the Ministry of the Interior. The ministry’s administrative

branch of activity includes, for example, industrial policy; innovation and technology policy and the internationalisation of companies; the functionality of the markets and promotion of competition; employment, unemployment and public employment services; as well as matters related to the working environment, equality in working life, collective agreements and mediation of labour disputes.

In 2018, the Employment and Well-Functioning Markets Department was established as part of the ministry. The department's main task is binding employment and industrial policy into a functional entity. Employment policy promotes employment and the functionality of the labour market, while industrial policy promotes policy work that advances well-functioning product and service markets. This means that the department's objective is functional markets that support employment and are based on competent workforce.

As part of the Government, the ministry implements the Government Programme, drafts legislation, monitors and develops issues falling within its remit and steers the agencies in its administrative branch.

Employment Programme for Growth Companies

The Employment Programme for Growth Companies is being carried out in 2016–2019 as part of the Government's key project to reform labour administration to support employment. The programme supports the business and growth opportunities of growth companies and business networks with the help of competent workforce and at the same time reduces unemployment. Its aim is to help companies recognise unemployed people with a higher education as a new strong competitiveness factor. The programme will highlight the services and operating models that will bring together key growth companies and competent, but unemployed workforce.

The measures included in the Employment Programme for Growth Companies aim to support the preparation of a growth service that will replace existing TE and Business Services and to test public growth services. Projects have been ongoing in numerous areas, and some of the projects are being implemented inter-regionally, for example measures in

- ✓ Pirkanmaa have comprised a growth programme for micro, small and medium-sized enterprises as well as a programme for the recruitment of highly educated experts;
- ✓ Southwest Finland the enhanced employment and business services project for maritime and automobile industry will react and respond to these positive structural changes.

Talent Boost

In its 2017 mid-term policy review, Prime Minister Juha Sipilä's Government decided to launch a cross-sectoral programme *Talent Boost – International talents boosting growth* for the Government. The Government specified the following objectives for the programme.

- ✓ Finland attracts international talents and uses their networks for attracting investments.

- ✓ Companies utilise international talents' networks and expertise in growth and internationalisation.
- ✓ The ecosystems and innovation platforms of the business sector as well as the labour market are accessible to international talents and encourage entrepreneurship.

The Talent Boost programme has extended the International Talents Boosting Growth Agenda implemented by the Ministry of Economic Affairs and Employment into cross-sectoral cooperation. Talent Boost is a joint programme for the whole Government, and the Ministry of Economic Affairs and Employment is responsible for its coordination.

6. See points 3 and 5 above.

TE Services assist employers in recruitment, competence development and change situations and help new entrepreneurs. Tailored services provide answers to the broad range of different service needs of enterprises and other employers. TE Offices and employers work together to assess and implement the services the employer needs. Section 2 above covers, for example the employer's right to receive a pay subsidy to cover the employment costs for hiring an unemployed jobseeker. It is also possible to train persons on open labour market expressly for an employer's needs.

7. In larger redundancy cases, in which more than 10 workers are being dismissed, workers left without work are normally offered change security services, which include opportunity to participate to counselling, training and other possible active measures aiming at re-employment.

If seen useful, these measures might include also developing of the digital skills of the workers, in order to enhance the re-employment possibilities of the workers.

While there has been many very large redundancy cases especially in the ICT-sector in Finland during the last decade, several European Globalisation Fund (EGF) -projects have been implemented. In these projects the updating of the skills of the ICT-professionals has naturally been essential.

National policy and protection for workers in an employment relationship

8. Similar operating policies are used in the assessment of labour laws as in the assessment of other legislation. The need to assess the timeliness of legislation and possible needs for changes can be monitored from the Government Programme, measures planned by government officials, tripartite preparation or labour market organisations or possibly other stakeholders, legal practices, legislative bills proposed by members of Parliament as well as citizens, for example, in the form of a citizens' initiative. Additionally, the need to assess legislation can be monitored from EU legislation and other international instruments to which Finland has committed. Labour legislation is assessed at regular intervals.

In Finland, the provision on scope of application contained in the [Employment Contracts Act \(55/2001\)](#) specifies how an employment contract is defined and whether a worker can be considered an employee:

Section 1 Scope of application

This Act applies to contracts (employment contract) with which a worker or a team of workers personally commit to carry out work on behalf of the employer under the supervision and management of the employer for a salary or other remuneration.

This Act applies regardless of the absence of any agreement on remuneration, if the facts indicate that the work was not intended to be performed without remuneration.

The application of this Act is not prevented by whether the worker carries out the work in his or her home or another place he or she has chosen or whether the work is carried out using the worker's own equipment or machines.

When the criteria for an employment relationship are met in the manner laid down in the Act also the rest of labour legislation will apply.

As laid down in the current Employment Contracts Act, for example, part-time employees, employees in temporary employment relationships and temporary agency workers are entitled to the protection provided by labour legislation. Occupational safety and health legislation as well as legislation that applies to vocational education and training and public employment services include provisions on, for example, occupational safety and other terms applied to "work" carried out at the workplace by workers who are not in an employment relationship, including volunteers, vocational training students and those on a work trial (also see point 12).

In June 2018, provisions that improved the position of workers with variable work hours entered into force. The limits for variable working hours refer to work time arrangements where the employee's work time varies between a minimum amount and maximum amount during a specific period pursuant to their employment contract, or a work time arrangement where the employee commits to carrying out work for the employer when separately called on to do so (see chapter 1, section 11 of the Employment Contracts Act). A press release on these amendments entering into force is available in [English](#).

Self-employment and the platform and sharing economies have been covered in the discussion concerning the future and transformation of work. With regard to these the conversation has also included, for example the topic of the compatibility of the unemployment security and social security system with work that falls in the middle ground between being an employee and being self-employed. Additionally, questions on whether labour and tax laws meet with the changes to work have been discussed. There are some recent reports on these topics: [Self-employment and the sharing economy in the changing working life](#) (Publications of the Ministry of Economic Affairs and Employment 13/2017) and the [Report on the needed changes to the unemployment security system in the intermediate area between employment and traditional self-employment](#) (Publications of the Ministry of Economic Affairs and Employment, Working life, 20/2016). The first publication includes an abstract in English, the second is only available in Finnish.

Once during each electoral period, the Government submits to Parliament a report on the future focusing on long-term perspectives. Each report is restricted to key strategic issues relative to policy decisions to be taken in a 10-20 year period. In addition to the Government, the

report process always involves Parliament. The aim is also to encourage broad debate in society.

The first part of the Report on the Future (A shared understanding of the transformation of work) by Prime Minister Juha Sipilä's Government was published on 8 June 2017 and the second part (Solutions in the Transformation of Work) on 11 October 2018. The theme of the report is the transformation of work and the future of Finnish work.

The Government Report on the Future serves to open discussion in the years ahead on potential solutions to the challenges posed by the transformation of work. The purpose is to generate information on the meaning of the transformation of work and how we can adapt to the changes successfully.

The Government Report on the Future covers for example changes to the content of work, the related practices, locations where work is carried out and the ways in which work is organised as well as possible changes to the employer – employee status as work goes through transformation.

The first and the second part of the Report on the Future can be found [here](#).

9. The scope of application provision in the Employment Contracts Act lays down the way in which the existence of an employment relationship is determined. (see previous answer to question 8). The enforcement of compliance with the labour legislation (incl. the Employment Contracts Act) is in great part the responsibility of the Occupational Safety and Health authorities of the Occupational Safety and Health Divisions at the Regional State Administrative Agencies, which come under the Ministry of Social Affairs and Health. When necessary, occupational safety and health authorities will help with interpreting legislation. Ultimately, if it is unclear whether an individual should be considered an employee in an employment relationship or as being self-employed and the matter is contested, it should be decided on by a court.
10. The scope of application provision in the Employment Contracts Act (chapter 1, section 1) and the definition of an employment contract in this section are mandatory. The parties to an employment contract (or parties to a collective agreement) cannot legally agree that the Employment Contracts Act should not apply to an employment relationship that meets with all the criteria specified for an employment relationship.

When all the criteria for an employment relationship provided in chapter 1, section 1 of the Employment Contracts Act are all met simultaneously, it must be accepted that the employee is in an employment relationship (criteria include a contract, the performance of work, the employer's right to direct, and the employee's right to remuneration). Ultimately, an assessment on whether the criteria for an employment relationship are met requires overall consideration of the following points: the objective of the contracting parties, the name of the contract, the conditions agreed on in the employment contract as well as the actual conditions for the work. Chapter 1, section 2 of the Employment Contracts Act includes exception to which the Act does not apply.

11. The worker's non-independent status in relation to the employer (the party that orders the work) as one of the criteria of an employment relationship is included in the provision in chap-

ter 1, section 1 of the Employment Contracts Act that work is carried out under the management and supervision of the employer (the employer's right to issue guidelines and orders). In practice, the non-independent status of the worker means that the employee is obligated to comply with the instructions and orders that the employer issues to them within the scope of the employer's authority. Under their right to manage and supervise work specify how, where and when work must be carried out. The employer also has the right to supervise the performance of work and the quality of its final result.

In relation to the employer's right to management and supervise work, Chapter 1, section 1, subsection 3 of the Employment Contracts provides that application of this Act is not prevented by whether the worker carries out the work in his or her home or another place he or she has chosen or whether the work is carried out using the worker's own equipment or machines.

Even when work is carried out outside the employer's premises, for example, in the employee's home or another place selected by the employee, this does not eliminate the employer's ability to use their right to direct. The use of the worker's own equipment or machinery does not prevent the application of the Act or demonstrate that the worker is working outside of the employment contract unless the conditions are such that it can be determined that the person performing the work in a contractual relationship holds a financial risk for the work and its quality, which is typical for a self-employed person. Ultimately, the nature of the legal relationship will be resolved with an overall assessment of the worker's status and whether it is independent or non-independent.

12. The scope of application provision contained in the Employment Contracts Act ensures all workers in an employment relationship have the same security and protection. Exceptions to the scope of application of the Act are laid down in Chapter 1, section 2 of the Act. Legislation on state and municipal-level public-services relationships includes provisions on public-service employment relationships. The same rights to work time protection, annual leave and family leave apply to civil servants and local government officials as to people in employment relationships. The Young Workers' Act (998/1993) includes provisions specifically on young workers. Additionally, there are separate laws on seafarers' employment relationships and, for example, on working as a home-carer.

As was stated above, the scope of application provision included in the Employment Contracts Act and the definition of an employment contract in the section are mandatory. Ultimately, the status of a worker in an individual instance as an employee or as independently self-employed (e.g. an entrepreneur or in a management position who is not considered to perform work in the manner required by the Employment Contracts Act under the management and supervision of an employer due to their position in an organisation or their ownership status) is resolved with an overall assessment. In practice, it may be challenging to determine the status of employment when work is performed as a freelancer or via the platform economy. Those who are self-employed are not provided the protection and rights provided for employees in labour legislation, but in place of this, other legislation provides protection for the self-employed person for example in the event of unemployment or illness.

The Occupational Safety and Health Act (738/2002) applies to work carried out under the terms of an employment contract and to work carried out in an employment relationship in the public sector or in comparable service relation subject to public law. The Act's scope of appli-

cation is extensive, and it also applies to the work of pupils or students work during their education, to the work of a person participating in labour policy measures, to work related to rehabilitation, to rehabilitative work activities, to the work carried out by a person serving a punishment, to the work or work activities of a person who is cared for or stays in a healthcare institution or comparable institution, the work of conscripts or women in voluntary military service with the restrictions laid down in section 6 and to the work of persons in non-military service. The Occupational Safety and Health Act also applies to work which an employee by agreement performs in his or her home or some other place he or she has chosen, in the employer's home or on the employer's assignment in some other person's home or under related conditions. With regard to some obligations the restrictions to operating conditions impacting the employer's work and working conditions will be taken into consideration, but even then, the employer must comply with what is provided in this Act on the use of machinery, work tools, personal protective equipment and other devices, as well as on the use of substances during work that are dangerous or hazardous to one's health. Section 7 of the Act includes provisions on the application of the law in certain situations and assignments as is provided in the section. The Occupational Safety and Health Act's scope of application is therefore very extensive, and it provides workers with extensive protection regardless of the form of the employment relationship. The occupational safety and health authority carries out inspections at workplaces and enforces compliance with, for example, the Occupational Safety and Health Act and other occupational safety and health provisions pursuant to the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces (44/2006).

Determination of the existence of an employment relationship

13. See above In Finland, the definition of an employment contract and existence of an employment relationship are determined by whether all the criteria (a contract, the performance of work, the employer's right to direct, and the employee right to remuneration) for an employment relationship laid down in the Employment Contracts Act are met.
14. Yes, please see above.
15. Yes. The application of the Employment Contracts Act and other labour laws requires that all the aforementioned criteria of an employment relationship are met at the same time.
16. Exceptions to the scope of application of the Employment Contracts Act are laid down in Chapter 1, section 2 of the Act. According to this section, for example, common hobbies fall outside the scope of application of this Act. Labour legislation does not apply to commercial or other contract law or civil liability activities that do not fall within the scope of application of labour legislation.
17. Legal disputes concerning employment relationships that are not linked to a collective agreement binding the employer pursuant to the Collective Agreements Act are dealt with as disputes by general courts. Litigations over the content or breaches of collective agreements can be referred to the Labour Court. The Labour Court's jurisdiction relates to a collective agreement's legitimacy, validity, content, scope and the correct interpretation of any of its clauses.

Courts use the judicial powers provided to them by the Constitution of Finland. Courts are independent and objective when using their judicial powers.

The Ministry of Justice is responsible for maintaining and developing the activities of the courts and other judicial authorities. Its task is to ensure that the courts and legal aid guarantee legal protection in practice from the viewpoints of their service capacity, the costs that they accrue for parties and their processing times as well as according to Finnish legislation and the international agreements to which Finland has committed.

In a dispute concerning an employment relationship, it is possible for the worker to seek public legal aid, for example, from the Public Legal Aid Office. Legal aid refers to a citizen being appointed an assistant entirely or partly with State funds to assist them in a legal matter. Legal aid covers all legal matters. Legal aid can be granted to people who live in Finland, but legal aid is not provided to companies or associations. An undertaking can be provided legal aid in court cases related to their business activities, but only in other business activities-related matters under special circumstances.

Legal aid is provided on the basis of the applicant's income, expenditure and their legal obligation to make financial provision for someone, in other words according to their finances they have available to them. The applicant's personal finances will determine whether the applicant will be provided legal aid free of charge or with a personal liability.

18. Each year, the Ministry of Economic Affairs and Employment produces a working life barometer, which describes the state of working life at Finnish workplaces. The barometer monitors the employees' views on their work and the results are based on interviews in which employees are asked questions about
- organisation of work
 - working hours and pay schemes
 - on-the-job learning and opportunities to influence
 - discrimination, harassment and violence in the workplace
 - work ability and health and
 - labour market prospects.

[The Labour Force Survey](#) collects statistical data on the participation in work, employment, unemployment and activity of persons outside the labour force among the population aged between 15 and 74. The Labour Force Survey data collection is based on a random sample drawn twice a year from the Statistics Finland population database. The monthly sample consists of some 12,000 persons and the data are collected with computer-assisted telephone interviews. The information provided by the respondents is used to produce a picture of the activities of the entire population aged between 15 and 74. A so-called ad hoc module with annually changing topics is also carried out in connection with the Labour Force Survey. The Labour Force Survey is made by Statistics Finland.

The Labour Force Survey produces monthly, quarterly and annual data on e.g. employment, unemployment, different employment relationships, working hours and work input. The activity of the population outside the labour force is also examined. Data are available by gender, level of education, age and area. In addition, the Labour Force Survey contains data reported annually on the employment of households. The majority of the data collected are required by the EU Regulation. The basic data are confidential.

In addition to the Labour Force Survey, Statistics Finland also conducts wider [the Quality of Work Life Survey](#), which is published every five years. By international comparison, the data obtained with the survey form an exceptionally long time series that will soon cover 41 years of working life in Finland. The sample size of the survey has varied from 3,800 to 7,000 persons.

The survey widely studies wage and salary earners' physical, mental and social work environments and gathers data on contents of work, labour market status, terms and conditions of employment, reconciliation between work and family life, occupational health and factors at the work organisation level. The data are collected with personal face-to-face interviews using a standardised questionnaire.

The [Employment Services Statistics](#) drawn up by the Ministry of Economic Affairs and Employment also illustrate the labour market.

Please see the answer to question 55, for more information on the labour market and methods for arranging work.

The Ministry of Economic Affairs and Employment and the Ministry of Social Affairs and Health, which are responsible for labour legislation and legislation concerning occupational safety and health, draw up guides on valid and up-to-date legislation. Occupational safety and health authorities oversee compliance with legislation and provide advice in matters related to occupational safety, occupational health and the conditions of an employment contract.

19. The [Act on Posting Workers \(447/2016\)](#) applies to worker posted on the basis of an employer's contract concerning cross-border provision of services. The Act applies to work carried out under the terms of an employment contract as referred to in chapter 1, section 1 of the Employment Contracts Act that a worker from another country is posted in Finland to perform on the basis of an agreement on provision of cross-border services, as a group-internal transfer or as a temporary agency worker. The Act applies to administrative cooperation between authorities from EU Member States in the enforcement of compliance with legislation that applies to posted workers and to the implementation of financial and administrative consequences and fines which is based on the Directive 2014/67/EU on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation').

Section 6 of the Act includes provisions on administrative cross-border cooperation. Financial and administrative consequences and fines in cross-border implementation is provided on in chapter 7 of the Act.

Persons with disabilities

20. Legal definition of persons with disabilities various in different contexts. In the last reforms we have used definition of UN Conventions on the Rights of persons with disability: Persons with disabilities include those who have long-term physical, mental, intellectual or sensory

impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (article 1).

The term “person with disabilities” is approached in legislation concerning social insurance income subsidies via provisions on being granted disability benefits and the definition of disability. Legislation concerning health insurance, earnings-related pension, national pension as well as industrial accident and occupational disease insurance all include their own provisions on the right to disability allowance and on when a person can be considered disabled i.e. unable to work. The interpretation of inability to work varies to some extent in different laws due to the objectives and purpose of each benefits system. Compensation for disability-related income losses is paid in Finland also on the basis of mandatory motor liability and patient insurance. In these cases, compensation is based on the Tort Liability Act and the principle of the legal right to compensation for damages.

Vocational rehabilitation is a priority in all systems in comparison to disability pension. Before a person can be granted a permanent disability allowance, their likelihood of being able to continue in their job or to gain employment through rehabilitation must be determined. Provisions on the right to vocational rehabilitation also vary in legislation that applies to different benefits systems.

A key condition for access to vocational rehabilitation within the earnings-related pension scheme is the risk of disability pension, which would likely within the next few years without rehabilitation. A second key condition is that this threat can be minimised with vocational rehabilitation (see more details on conditions, for example in section 25 of the Employees Pensions Act).

With regard to the insurance scheme for industrial accidents and occupational diseases, provisions on the right to vocational rehabilitation are laid down in sections 88 and 89 of the Workers' Compensation Act. According to section 88 of the Act, the injured person, whose ability to work or functional ability or opportunities for earning a living have deteriorated because of the damage, will be paid compensation for expenses resulting from rehabilitation. Costs will also be compensated if it is probable that the person's ability to work, functional capacity or earning potential could substantially deteriorate later on. Section 89 of the Act provides that the injured person will be compensated for reasonable costs of vocational rehabilitation involving measures, required as a result of the damage, to help the injured person continue in his or her previous work or occupation, or to transfer to new work or an occupation which can become the injured person's main source of earnings despite the limits imposed by the injury or illness. Points of consideration when evaluating the need for rehabilitation will include the injured person's age, occupation, previous activities, education, housing conditions, limitations caused by the injury or illness and the injured person's chances of securing work or an occupation at the end of the rehabilitation in the labour market under generally accepted terms. Similar provisions that apply to motor liability insurance are laid down in the Act on Rehabilitation Compensated Pursuant to the Motor Liability Insurance Act (sections 1, 3 and 5).

The Social Insurance Institution (Kela) arranges appropriate vocational rehabilitation for insured persons, who have been duly diagnosed with an illness, defect or injury that has caused or is expected to cause within the next few years a substantial deterioration of the person's ability to work or study and earn an income. When evaluating substantial deterioration the insured person's overall situation and condition will be taken into consideration. In addition to

an illness, defect or injury, also other factors have an effect on the evaluation. These factors include the insured person's physical, psychological and social functional capacity, life situation, their economic and social status, living conditions, formal training, profession, previous activities, age and other similar factors. The evaluation also takes into consideration the insured person's ability to acquire earnings by means of available work that the he or she can reasonably be expected to do. (Section 6 of the Act on the Social Insurance Institution of Finland's Rehabilitation Services and Rehabilitation Allowances)

Additionally, Kela arranges appropriate vocational rehabilitation for young insured people between the ages of 16 and 29, whose functional capacity has substantially deteriorated and who have a need for rehabilitation. When evaluating the deterioration of functional capacity, factors in the areas of performance, participation, individual aspects and environmental conditions will be taken into account comprehensively. A person's functional capacity has substantially deteriorated, if the deterioration of functional capacity in some area limits the insured person's future plans, prevents them from beginning studies or gaining employment or prevents the persons from continuing their studies. (section 7 a of the Act on the Social Insurance Institution of Finland's Rehabilitation Services and Rehabilitation Allowances).

Legislation on public employment and business services does not as such give a definition for persons with disabilities. However, chapter 7, section 2, subsection 1, paragraph 3 of the Act on Public Employment and Business Service (916/2012) provides that subsidised-pay can be granted when an assessment by the TE Office finds that the disability or illness of the person to be employed on the subsidy substantially and permanently or in a permanent manner lowers the productivity in the person in the offered job. Additionally, according to chapter 13, section 3, subsection 1, paragraph 7 of the Act, data on the health and other aspects of an individual customer may be saved in the TW Office's individual client register to the extent that the data is necessary for the provision of public employment and business services. This refers to a situation in which the disability or illness impedes the customer's chances of gaining employment, retain a job or advance in their job.

21. Finland ratified the UN Convention on the Rights of Persons with Disabilities in 2016. The first National Action Plan on the implementation of the CRPD (Right to social inclusion and equality. The National Action Plan on the UN Convention on the Rights of Persons with Disabilities 2018–2019) was published in March 2018. The Action Plan consists of 82 concrete measures on how the Government will advance the rights of persons with disabilities in various sectors. Measures numbers 56 – 62 concern employment of persons with disabilities. The Action Plan is also available in English at: <http://julkaisut.valtioneuvosto.fi/handle/10024/160834>.

In addition to the work done on the National Action Plan, the activities of the Advisory Board for the Rights of Persons with Disabilities in 2018 have focused on participation, awareness-raising, data collection, accessibility as well as on disability services.

Finland's current Government has started its key project by the name of Career opportunities for people with impaired work capacity. The key project aims to ensure that persons with partial work ability remain employed or gain employment on the open job market. The key project began in 2015 and will come to an end at the beginning of 2019. It has been estimated that 1.9 million Finns of working age have some type of disability or chronic disease. Of these people, 600,000 estimated that the disability or disease affects their work and work opportunities. The

key project is extensive in scope and has included legislative reforms, training for work ability coordinators and the creation of seamless paths to treatment and rehabilitation.

The key project consists of eight subprojects. Two of the subprojects include regional pilot projects testing new models intended to support the employment of people with partial work ability and their return to work, to direct them to care and rehabilitation services and to improve their social inclusion. The subproject 3 is called “Entrepreneurship for people with disabilities” and its aim is to have more people with disabilities and people with partial work ability as entrepreneurs.

An effort has been made in the earnings-related pension scheme to cut down the number of obstacles that prevent the employment of persons with partial work ability by guaranteeing that the possible disability pensions of employees with partial work ability will not have an impact on the employer’s insurance contributions. The key requirement is that at the start of their employment relationship the person with partial work ability has been registered in the Employment and Economic Development Office’s customer data system as a jobseeker whose chances of gaining suitable employment, retaining employment or advancing in their job is substantially reduced by their disability or illness and that a period of at most five years has passed from the time the certificate was given.

The [Non-Discrimination Act](#) (1325/2014) includes provisions on, for example, the prohibition of discrimination, as well as reasonable adjustments to adapt working conditions to make them suitable for persons with disabilities, see sections 8 and 15 of the Act. The Employment Contracts Act includes provisions on, for example pay for the duration of sick leave and part-time sick leave (chapter 2, sections 11 and 11 a). Also see section 12, subsection 1, paragraph 5 of the Occupational Health Care Act (1383/2001), according to which the employer is responsible according to good occupational health care practices for monitoring and supporting the ability of a disabled employee to cope at work, having regard to the health requirements of the employee, provision of advice on rehabilitation and directing for treatment or medical or vocational rehabilitation.

22. Vocational rehabilitation measures in the earnings-related pension scheme include work trials, preparation for work, and training leading to work or a profession and support for the initiation or continuation of business activities. Unavoidable and necessary costs resulting from rehabilitation can also be compensated. Before the start of vocational rehabilitation the person must have a plan for vocational rehabilitation. Kela can support the drafting of this plan. For the rehabilitation measure period the income of the rehabilitee is based on the sum of a full disability pension with a 33 per cent increase. A discretionary rehabilitation subsidy can also be paid from the earnings-related pension scheme (e.g. section 31 of the Employees’ Pensions Act).

A statutory accident insurance (above all else an industrial accident and occupational disease insurance including agricultural workers and motor liability insurance) provides that vocational rehabilitation measures also be compensated. For example, section 89 of the Workers’ Compensation Act includes provisions on which vocational rehabilitation measures will be compensated: 1) investigations to establish the need and opportunities for rehabilitation

2) work and training trials;

- 3) job coaching in the former or new work;
- 4) education and training appropriate for the work or occupation, and the basic training to complete such education and training;
- 5) grant or interest-free loan for the acquisition of equipment and machinery and the creation or modification of the injured person's own business in order to support the ability to pursue a trade or occupation
- 6) aids and equipment for the use of the injured person and similar structures necessary for performing work assignments, taking into account the functional limitations caused by the injury or illness;
- 7) grant or interest-free loan to acquire a vehicle for commuting between home and work, if the vehicle is necessary due to the limited ability to use public transport as a result of the injury or illness;
- 8) costs of studying and learning tools for the education and training defined in paragraph 4. Additionally, the travel and accommodation costs related to vocational rehabilitation will be compensated (section 98). The person undergoing rehabilitation will be paid a rehabilitation allowance for loss of income during the rehabilitation period. The rehabilitation allowance can also be paid for an evaluation and waiting period. A rehabilitation allowance can also be paid to support employment for a period of six months after the vocational education and training, which is compensated pursuant to section 4 above, comes to an end (see more in section 92).

Motor liability insurance provides compensation for similar vocational rehabilitation measures as provided in the Act on Rehabilitation Compensated Pursuant to the Motor Liability Insurance Act. In the future, vocational rehabilitation that is necessary after patient injuries would also be covered (Government proposal 298/2018, response requested; section 26 of the proposal for the new Patient Insurance Act, in which the provisions for vocational rehabilitation measures are laid down and section 27, which provides on the payment of compensation for income losses). Rehabilitation measures are with the exception of some minor details the same in content as for motor liability insurance and industrial accident and occupational disease insurance. It has been proposed that the Act enter into force on 1 January 2021.

Kela arranges investigations for the determination of rehabilitation needs and opportunities, work and study trials, preparation for employment, training that maintains and improves work ability, basic, further and re-education for a profession or job, and necessary comprehensive education and training for the completion of higher education or training as well as other measures that are essential with regard to studies and work. Additionally, the rehabilitee is granted a livelihood subsidy for the procurement of work equipment and machinery as well as for establishing their own company and making changes to it. The subsidy is at most 17,000 euros. Kela arranges services for the determination and evaluation of the need and opportunities for a young person's vocational rehabilitation and their opportunities for studies and employment as well as coaching services. A person undergoing rehabilitation will be compensated for expenses resulting from travel to rehabilitation. The rehabilitee will be paid a rehabilitation benefit for the duration of their rehabilitation to secure their income. (Sections 7, 7 a

and 15 as well as chapters 3 and 4 of the Act on the Social Insurance Institution of Finland's Rehabilitation Services and Rehabilitation Allowances)

Kela arranges and covers the costs for expensive and demanding aids for insured persons, who due to harm caused by illness, defect or disability cannot complete their studies or perform their work tasks if these are necessary for improving or maintaining work ability and earning potential without these being unreasonably difficult or stressful. These aids include personalised aids that require a high technological standard and are used due to an illness, defect or disability. (section 8 of the Act on the Social Insurance Institution of Finland's Rehabilitation Services and Rehabilitation Allowances)

23. The [Non-Discrimination Act](#) contains provisions on, for example, the obligations of authorities and employers to promote non-discrimination (sections 5 and 7), a prohibition on discrimination (section 8), positive discrimination and the justified reasons for dissimilar treatment (sections 9 and 12). Section 15 of the Act also includes provisions on the obligation specified for authorities, education providers, employers or providers of goods and services to make due and appropriate adjustments necessary in each situation for a person with disabilities to be able, equally with others, to deal with the authorities and gain access to education, work and generally available goods and services, as well as to manage their work tasks and to advance their career.

The Employment Contracts Act includes provisions on part-time sick leave as well as on a person's salary during their sick leave (chapter 2, sections 11 and 11 a).

With regard to the Occupational Health Care Act, please also see the answers to question 21.

Provisions that apply to disability and rehabilitation benefits paid from social insurance secure a person's equality and their opportunities when an illness, defect or disability weakens their work and functional abilities and their ability to earn an income. The aim of benefits based on compensation for damages in turn is to help the person regain the status they had before the damages occurred. All persons in the scope of application of the Act and who meet with the conditions for granting benefits are equally entitled to benefits. (Legislation does not include, for example sector-specific provisions). Kela organises vocational rehabilitation and vocational rehabilitation for young people non-discriminatorily for all insured persons in the manner laid down in legislation.

24. See point 22 above. The same measures and covered costs apply to all people within the scope of application of the laws. The ability of persons who live in sparsely-populated/rural areas to participate in rehabilitation is guaranteed by reimbursing them for the cost of travel to rehabilitation. The possibility for granting business subsidies and national rehabilitation service providers, which parties that arrange rehabilitation can utilise are also noteworthy. The possibilities afforded by remote rehabilitation will also be utilised, determined and developed.
25. The Career opportunities for people with impaired work capacity key project has trained 700 work ability coordinators throughout Finland. Coordinators help persons with partial work ability get the help, support and customised service system services they need. An effort is being made to disseminate the work ability coordinator model extensively to as many organisations, and workplaces as possible and to, for example, TE Offices.

Homeworkers

26. In Finland, the Convention Concerning Home Work (177) and its related recommendation (168) are applied to homeworkers who are in employment relationship pursuant to the scope of application provision in the Employment Contracts Act (chapter 1, section 1, see above). The definition of an employment contract contained in the provision also applies to homeworkers. The provision states in further detail that the application of this Act is not prevented due to the worker carrying out the work in his or her home or another place he or she has chosen or because the work is carried out using the worker's own equipment or machines. An employment relationship (and thus the status of employee and employer) is defined through this provision.
27. See previous answer 26. The scope of application for the Employment Contracts Act also applies to home workers. Other legislation that also contain special provisions on homeworking include the [Working Hours Act](#) (605/1996 see section 2, subsection 1, paragraph 3) the [Annual Holidays Act](#) (162/2005, see section 2, subsection 2) and legislation that applies to occupational safety and health (see e.g. Section 5 of the [Occupational Safety and Health Act](#) (738/2002)).

Please also see the answers questions 10 and 11 with regard to the determination of the employee – employer status.

The timeliness of legislation on homeworkers is evaluated in the same manner as other labour legislation, please see the answer to question 8.

28. The same rights and protection guaranteed by legislation apply to homeworkers as to other employees in employment relationships. Freedom of association, including the to form trade unions are protected by the Constitution of Finland. Protection against discrimination in working life is guaranteed in the Constitution, as well as in the provisions contained in the Act on Equality Between Men and Women. Workplace discrimination has been criminalised in the Criminal Code of Finland (39/1889).

According to section of the Occupational Safety and Health Act, the Act also applies to work which an employee by agreement performs in his or her home or some other place he or she has chosen, in the employer's home or on the employer's assignment in some other person's home or under related conditions. Consideration will be given to the employer's restricted ability to influence the work and working conditions with regard to compliance with the obligations laid down in sections 9, 10 and 12 and chapters 3 and 5 of the Act. The application of the Occupational Safety and Health Act has been limited in the home or in comparable circumstances protected by privacy. The employer cannot be required to carry out obligations, which are not possible legally or in practice. Even then, the employer must comply with provisions in the Occupational Safety and Health Act on the use of machines, tools, personal protective equipment and other devices as well as on the use of substances in one's work that are dangerous or hazardous to one's health. The nature of the work is not specified; work carried out in the employee's home can be anything from work on a computer to the production of products. Work carried out in an employer's home can be, for example, domestic work, and work carried out in a third party's home can be, for example, nursing work, acting as an agricultural stand-in or cleaning work, etc. Alternatives also include construction, repair and maintenance work.

The salary paid to homeworkers is determined in the same manner as that of people working in any other employment relationship. In Finland there is no law on minimum wage. Rather the minimum wage and other minimum terms applied in an employment relationship are determined by sectoral collective agreements.

An employer belonging to an employers' association must apply the collective agreement to its employees on the basis of the Collective Agreements Act. An employer that is not a member of the employers' association must at least observe the provisions of a generally applicable collective agreement when its employees perform work that fall within the scope of application of the collective agreement.

In Finland, national collective agreements deemed to have a representative scope of application are considered generally applicable.

An employer and an employee may always agree on terms of employment that are better than those laid down in the collective agreement.

If there are no collective agreements in the employer's sector, the employer and the employee can agree on the remuneration paid to the employee between themselves. However, the pay clause in the employment contract must be reasonable. According to chapter 2, section 10 of the Employment Contracts Act, if neither a collective agreement binding under the Collective Agreements Act nor a generally binding collective agreement is applicable to an employment relationship, and the employer and the employee have not agreed on the remuneration to be paid for the work, the employee shall be paid a reasonable normal remuneration for the work performed.

Homeworkers have the right to social security and benefits during illnesses, injuries, disability or unemployment in the same way as other employees working under an employment contract. The Young Workers' Act (998/1993) is applied to homeworkers under the age of 18.

According to the Employment Contracts Act, employer shall ensure that employees are able to carry out their work even when the enterprise's operations, the work to be carried out or the work methods are changed or developed. The employer must strive to further the employees' opportunities to develop themselves according to their abilities so that they can advance in their careers. Provisions on the employer's obligation to offer training required by new work duties as an alternative to termination are laid down in chapter 7, section 4 of the Employment Contracts Act. An employee may also take study leave to participate in studies subject to public supervision in Finland or abroad. Provisions on study leave and its conditions are laid down in the [Study Leave Act](#) (273/1979) and Statute (864/1979).

Homeworkers have the right to protection during their pregnancy and to family leave and income during these periods as is provided in the Employment Contracts Act, the Occupational Safety and Health Act and the Health Insurance Act (1224/2004).

29. See the answer to question 28.

30. Provisions that apply to the minimum conditions for employment relationships of subcontractors' employees and the right of subcontractors' employees to the services and arrangements of the user company are laid down in chapter 2, sections 9 and 9 a of the Employment Contracts Act. Agencies pay the salaries of temporary agency workers and see to all their other employer obligations, but the user company's task is to provide guidance and instruction for the worker. The user company also supervises the work carried out by temporary agency workers. Finland's legislation on temporary agency workers has been used to implement the EU Directive on temporary agency work (2008/104/EC).
31. In Finland, every company and association must submit a notification Finnish Patent and Registration Office and the Tax Administration on establishing the company or association, on all the changes that take place in the company or association while it is active and on its discontinuation.
32. Chapter 2, section 4 of the Employment Contracts Act includes provisions on information on principal terms of work that must be given to an employee. When paying a salary, the employer must give the employee a calculation showing the amount they are being paid and the grounds for how their pay was determined.
33. See answer 28 on how the salary paid to a homemaker is determined. The employee's right to pay security is laid down in the Pay Security Act (866/1998).
34. See the answer to question 28. It is possible that the employer and employee agree on a salary also piece rate for homeworking. Even when a homemaker's salary is based solely on a contract (there is a no binding collective agreement in the sector in question), the salary paid for the work must be normal and reasonable.
35. According to the exceptions to its scope of application laid down in section 2, subsection, paragraph 3, the Working Hours Act does not apply (with the exception of section 15, subsection 3) to work that the worker carries out in his or her home or in other conditions where the employer cannot be obligated to supervise the use of work time. However, the employer must see to the homemaker's occupational safety and health as is laid down in the Occupational Safety and Health Act, taking into consideration provisions in section 5 on the application of the Act to homeworking. Section 13 of the Occupational Safety and Health Act, also applies to homeworking and states that in designing and planning work, the physical and *mental* capacities of employees shall be taken into account in order to avoid or reduce hazards or risks from the workload factors to the safety and health of the employees.

Section 2, subsection 2 of the Annual Holidays Act contains provisions on the homemakers right to the leave referred to in section 8, subsection 1 and to the holiday compensation referred to in section 16. Provisions on the homemaker's right to pay during sick leave as well as for part-time sick leave are laid down in chapter 2, sections 11 and 11 a.

36. According to section 9 of the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces, an inspection may be carried out on premises within the sphere of domestic peace, if there is reasonable cause to suspect that the work performed on the premises or the working conditions endanger an employee's life or present an obvious detriment or hazard to an employee's health, and enforcement actions cannot otherwise be carried out satisfactorily. For example, in the work of a home nurse or

an agricultural stand-in or in repair or installation work that the resident has requested in their home. The scope of domestic peace has in practice already been narrowed. Domestic peace applies to the person's actual home residence but also to other premises where the person lives, so the concept of the home must be interpreted in a broad-scoped manner. On the other hand, an amount of information sufficient for enforcement on work and working conditions is often available without an inspection of the residence. An inspection can be carried out if it is essential to prevent a danger to the employee's life or substantial danger and hazard to their health. A justified reason for an inspection to someone's home can include, for example, an industrial accident. Section 46 includes provisions on inspections carried out on account of a death or serious injury. In this case, the Police carry out a pre-trial investigation on location.

Chapter 47 of the Criminal Code of Finland (39/1889) includes provisions on the penalties handed out for employment offences. Section 1 of the chapter in question provides that an employer or their representative will be sentenced to a fine or to imprisonment for at most one year for a work safety offence. Section 63 of the Occupational Safety and Health Act provides that a violation of occupational safety and health, which is not as serious as an offence can lead to a fine.

Transitioning from the informal to the formal economy

37. The scope of our labour legislation in the Employment Contracts (Chapter 1, Section 1) is wide and the exclusion of the scope is very limited. Our legislation is in this sense very gender neutral and inclusive. This also applies to our social security legislation.

The scope of application provision in the Employment Contracts Act (chapter 1, section 1) and the definition of an employment contract in this section are mandatory. The parties to an employment contract (or parties to a collective agreement) cannot legally agree that the Employment Contracts Act should not apply to an employment relationship that meets with all the criteria specified for an employment relationship (please also see the answers to questions 10 and 12).

38. General remarks

One of our main goal in working life is to promote equal treatment of workers and fair competition between companies. In this respect we have developed our legislation and supervisory systems which support these aims and gives tools supervisory authorities to tackle violations of labour and social security legislation.

The Action plan to combat the grey economy and economic crime

The Finnish approach to fighting the grey economy, economic crime and undeclared work includes a political commitment in the form of special action programmes which have been ratified by the government, such as proposals for legislation, resources for economic crime investigation, training of authorities, research and information campaigns. These include legislative amendments to reduce the potential for co-operation between the black economy and

criminal businesses, modernizing the powers of the authorities to increase efficiency, enhancing the processing of economic crime to better enforce criminal liability and making currently confidential official information public to increase transparency in business and to enable self-monitoring by enterprises. In addition co-operation both between different authorities and between authorities and representatives of the private sector, in particular with business and trade unions.

Since 1996, the Government has issued seven resolutions on an action plan to reduce economic crime and the shadow economy. The first action plan covered the years 1996–1998. The resolutions were prepared in cooperation between different ministries and government agencies, and the preparations were coordinated by the Ministry of the Interior.

The ongoing Action plan to combat the grey economy and economic crime for 2016-2020 contains 20 projects (within different ministries), which are grouped in accordance with the key projects laid out in the strategy. The measures that are central to achieving the objectives set out in the national strategy for tackling the grey economy and economic crime and those with the widest impact are included in the action plan. The action plan will set out the concrete measures, their objectives, parties responsible for the measures, timetables and the tools for assessing the impact of the measures. The Steering Group will ensure the implementation of the action plan and coordinate the plans made by different authorities to combat economic crime and the shadow economy. It will also monitor and report to the Ministerial Committee on progress made in the implementation of the strategy, and propose new measures if necessary.

The Grey Economy Information Unit

In Finland we have the Grey Economy Information Unit which was established in 2011. It operates within the Tax Administration (Ministry of Finance). The Information Unit promotes the fight against the grey economy by producing and sharing information regarding the grey economy and its control through producing general reports without identifying specific actors (information gathering and dissemination task). The Information Unit also creates compliance reports on organizations and people connected to organizations producing compliance reports on specific actors (organisations or individuals within organisations) at the request of other authorities (not by private parties). These compliance report helps different authorities in their supervisory work.

39. a and b) Deregulation is one of the key projects of Prime Minister Sipilä's Government. The overall responsibility for the project lies with Ms Anne Berner, Minister of Transport and Communications. Its aim is to make everyday life of people and businesses easier by lighter and reformed regulation thus supporting Finland's growth, strengthening its competitiveness and promoting digitalisation. The key project is part of the Digitalisation, Experimentation and Deregulation priority area.

The deregulation work is on the agenda of all ministries and it is coordinated by an executive group of the administrative branches. Deregulation applies to both current and new regulation, national and EU legislation and international commitments.

A further aim of the project is to make permit and complaint processes smoother. The number of complaints between authorities will also be minimised.

The Government aims at improved effectiveness of legislation. The impact assessment of legislation projects should in particular cover the financial aspects, and duties and responsibilities of municipalities.

Measures (many of these are already done):

- Provisions will be amended, deregulated and reformed as necessary. Implementation by ministries (operational sectors) under the leadership and responsibility of the Minister in charge.
- Permit and complaint processes will be made smoother and a public service promise will be made on such processes.
- The number of complaints between authorities will be minimised, for example through advance negotiations.
- A body charged with the task of ensuring the high-quality impact assessment of legislation will be established within the Government.

c) The national procurement act (1397/2016) has been amended in compliance with the EU Directives 2014/23/EU, 2014/24/EU and 2014/25/EU. This was a total reform of the national procurement legislation. One of the Act's objectives is to allow small and medium-sized enterprises and other associations to have an equal opportunity to take part in tendering with other tenderers (see section 2 of the Act).

d) Start-up grants are intended for new entrepreneurs with the aim of promoting new business and employment. The start-up grant should ensure the income of a new entrepreneur during the estimated time required to get the business up and running, up to a maximum of 12 months. Start-up grants are awarded by the Employment and Economic Development Offices (TE Offices).

The eligibility criteria for a start-up grant include:

- being a full-time entrepreneur
- having adequate skills for the intended business
- the grant is necessary for the entrepreneur's subsistence
- the business activity has the potential for continuous profitable activity

The competitive situation of companies in the relevant sector and the need for new enterprising in the area are also taken into consideration when deciding whether or not to award the grant.

The amount of the start-up grant is at least equal to the basic unemployment allowance, and it is paid for a maximum of five days per week. In 2017, the start-up grant was €32.40 per day and around €700 per month. The start-up grant is counted as the entrepreneur's personal, taxable income. It is paid every month retroactively against an application for payment submitted by the entrepreneur.

e) Since the beginning of 2018, if an unemployed person starts a business, he/she will stay eligible for the unemployment benefit at least for 4 months. During the 4 months, the PES will not evaluate whether the entrepreneurial activity is part-time or full-time. Only after 4 months, the PES will evaluate the situation. Part-time entrepreneur may be eligible for unemployment benefits but full-time entrepreneur is not. The aim of the amendment was to make it easier to start a

business (part-time or full-time) as an unemployed jobseeker. See: Unemployment Security Act; Chapter 2, section 5 a.

f) The right of entrepreneurs to sickness allowance has been improved by shortening the waiting period. In 2018, an entrepreneur's waiting period before they were eligible for sickness allowance was cut down to one day, meaning the day on which the entrepreneur falls ill is part of the waiting period. Previously, the waiting period was the day on which a person fell ill and the three following work days. The right to sickness leave begins after the waiting period comes to an end.

The status of family member who works in a family enterprise will be improved should they become unemployed. The right of a non-owner family member to earnings-related unemployment security will be improved with an amendment that will enter into force on 1 July 2019. The amendment will reduce the economic risks of related to finding employment and becoming unemployed when working in a family business. The status of a family member, who is employed by a family business, but does not hold ownership will change in the unemployment security system to that of a wage earner.

40. Please, see the answers to questions 10, 37 and 38.

41. People who work in employment relationships are always entitled by legislation to family leave and maternity protection. The right to social security is determined according to legislation concerning social security. If the person is in an employment relationship, the Occupational Safety and Health Act also applies as was described above in point 12.

Please also see the answers to questions 10 and 37.

42. The scope of application for labour legislation is broad-scoped and applies to everyone in an employment relationship regardless of their sex, age, background, state of health or other personal factors.

The employer must promote their employees' equality and cannot show discrimination to any of their employees or job applicants. Under the Non-Discrimination Act (1325/2014), no one may be discriminated against on the basis of age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics. Section 28 of the Occupational Safety and Health Act provides that if harassment or other inappropriate treatment of an employee occurs at work and causes hazards or risks to the employee's health, the employer shall, after becoming aware of the matter, by available means, take measures for remedying this situation. If harassment or inappropriate treatment is due to a characteristic that is related to the target's person or their social or religious activities, the harassment or inappropriate treatment can be considered workplace discrimination. Chapter 47, section 3 includes provisions on this and an employer or their representative responsible of discrimination can be sentenced to a fine or an imprisonment for a maximum of six months.

Finnish integration policy is based on the Act on the Promotion of Immigrant Integration (Integration Act) and Government Integration Programme which is drawn up for each government term. Current Integration Act entered into force on 1 September 2011. The aim of the Act is to promote immigrant integration and help them to play an active role in the Finnish

society and labour market. In addition, act aims to promote positive interaction between different ethnic groups. Act defines responsibilities of the authorities and services offered to immigrants. Purpose of the different activities defined in the law is to offer information and relevant measures to facilitate immigrant's paths' to labour market and active citizenship.

Current Government Integration Programme for years 2016-2019 has a strong emphasis on fastening immigrants paths to labour market and relevant services and education. Programme in currently being implemented.

With regard to the immigrants, please also see the answer to question 3.

Equality of opportunity and treatment Special categories of workers

43 – 45. See answers to section 8 and 10. In Finland the scope of application for the Employment Contracts Act is quite broad-scoped and it covers all the persons who are employed under an employment contract within the scope of application of the Act. The employment relationships of young people under the age of 18 must also comply with what is provided on young employees in the Act. The employer must also promote their employees' equality and equal treatment. Workplace discrimination has been criminalised in the Criminal Code of Finland. Provisions on non-discrimination and the prohibition of discrimination are laid down in the Non-Discrimination Act. The prohibited reasons for discrimination listed in the Non-Discrimination Act include age, origin, nationality, language, state of health, or other personal characteristics. The Act on Equality between Women and Men (the Equality Act) contains provisions on non-discrimination on the basis of gender.

46. No such agreements exist.

Dialogue and the role of employers of employers' and workers' organizations

47. a and b) Legislation concerning public employment services is prepared on a tripartite basis with employers' and workers' organisations. The aforementioned organisations as well as other stakeholders are also heard when the bill is put in circulation for comments during its drafting. Various hearings can also be organised. Organisations are also heard at other times when employment policy is being developed.

Part of the co-operation with employers and employees is the local Employment and Business Service Advisory Council, which is appointed by the PES. The council co-operates with working life organisations including e.g. social partners and regional entrepreneur organisations. These councils e.g. monitor and predict the changes in the labour market and plan the measures required due to the changes.

In addition to labour market organisations, the stakeholders that are of key importance to a given project will be heard during its preparation; for example, in projects concerning integration policy organisations representing immigrants will be heard and in projects concerning equality the Ombudsman for Equality and the National Non-Discrimination and Equality Tribunal of Finland, etc. will be heard.

48. The provision (section 1) concerning the Employment Contracts Act's scope of application is mandatory. No exceptions can be made to this provision even with a separate agreement between the employer and employee or an employment contract. The Employment Contracts Act including the aforementioned provision on scope of application has been prepared on a tripartite basis with labour market organisations. Social dialogue can be held on for example the status and conditions of persons who fall within the criteria of an employment relationship.

Collective agreement activities have been/are supported by ensuring that the regulation framework for collective agreements is in place. Provisions on collective agreements and their binding nature are laid down in the Collective Agreements Act and provisions on the general applicability of collective agreements are laid down in the Employment Contracts Act. A system has also been created for the mediation of labour disputes.

49. See the previous section.

50. (a) Labour legislation applies in the same manner also to small companies with the exception of derogations that are included in some laws.

(b) The preparation of Structural Fund programmes (incl. the European Social Fund) is important for the promotion of not only social and economic cohesion, but also the promotion of regional cohesion. Due to the partnership principle required by EU legislation, labour market parties participate closely in all the different phases of work on programmes, including the programme's monitoring committee and the regions' cooperation groups.

51. The Työkaari (work code) model created by labour market organisations will take into consideration the manner in which a person's work ability varies as they age and adjustments to the work tasks and the work environment which will make it possible for a person to work for as long a time as possible.

52. Legislation that applies to homeworking is being drafted in tripartite cooperation the same way as other labour legislation.

53. (a) In our country policies and legislation to tackle "informality" are mostly connected to our policies and measures on grey economy and economic crime, labour and social security laws as well as general labour market policies where inclusive labour market is one important goal.

Our labour laws and social security systems are wide in scope. Due to this we do not have specific formalization measures as such.

At the EU-level policies European Platform on Undeclared Work has produced a factsheet on national policies and measures where the relevant information is described.

- More information on the European Platform Undeclared Work, Member State Factsheets, 2017 – In the annex, Factsheet on Undeclared Work - FINLAND (September 2017) (**Annex I**)

(b) Labour and social legislation as well as policies that aim to develop working life are prepared in tripartite talks. The equality of employees and the promotion of participation in working life are key aspects in the preparation of all legislation and policies on the functionality of the labour market.

Additionally, improvements to public services will be fundamental, if Finland is to improve the participation of those who are disadvantaged in working life.

The Constitution of Finland guarantees freedom of association and the right to collective bargaining for all people and even actors in the informal economy have the right to these.

Actions that will improve the authorities' ability to enforce and methods for supervising the observance of working life regulations are essential in Finland if we are to tackle the information and grey economy.

Please, see also the answers to the questions 10, 37 and 39.

Statistical data

54. We do not have this kind of information. See the previous answer to the question 53 and the annex where following information is available:

In Finland, the main type of undeclared work is “envelope wages” (hidden employment) in the construction, accommodation and catering sectors. Also entertainment and real estate sectors have been identified as fields of hidden employment. A particular area is household renovation work obtained from the small construction companies or self-employed individuals, which often remains undeclared. Illegal migrant work is not a problem in Finland but related underpaid work amongst migrant workers is, and mostly in connection to the construction and catering sectors.

Shadow wages are most frequently found in the construction sector (7.1 per cent of total wages) and real estate (6.7 per cent). The accommodation and catering industry, as well as the entertainment sector, are also mentioned as an increasing proportion of the shadow economy.

Statistics are not available for the distribution of undeclared work by employer size. Most often undeclared work refers to SMEs, while in larger companies the problems relate more to different kinds of income tax roving advantages for personnel.

55. Finland has a large variety of different kinds of statistical information and research regarding the patterns of work/employment. There is standard EU survey data (e.g. LFS) but also national survey data and a wide range of register-based data. Most important sources of information are:

- Labour Force Survey (Eurostat) (English version available <https://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey>)
 - National version (Statistics Finland) with some additional data of this database available in English https://tilastokeskus.fi/til/tyti/tau_en.html
- European Working Condition Survey (Eurofound) (English version available <https://www.eurofound.europa.eu/surveys/european-working-conditions-surveys>)
- Finnish Working Life Barometer (Ministry of Economic Affairs and Employment, Finland) (Data available only in Finnish by request. Publications available in Finnish <https://tem.fi/tyoolobarometri>)
- Quality of work life survey (Statistics Finland) (English version available http://www.stat.fi/til/tyoolot/tup_en.html)
- Employment statistics (Statistics Finland) (English version available https://www.stat.fi/til/tyokay/tau_en.html)

- a collection of administrative data from different sources
- Finnish Longitudinal Employer–Employee Data / FOLK modules (Statistics Finland) (English version available by request https://www.tilastokeskus.fi/tup/mikroaineistot/aineistot_en.html)
 - individual-level register data for research purposes
- Employment Service Statistics (Ministry of Economic Affairs and Employment, Finland) (Data available only in Finnish <http://tyonvalitystilasto.vyv.fi/>)
- Other Labour Market data sources (Statistics Finland) (English version available http://www.tilastokeskus.fi/til/tym_en.html)
 - Job vacancy survey
 - Occupational accidents survey
 - Statistics on labour disputes

In addition to the aforementioned, the Treasury’s Report on State Personnel 2017 includes information on the budget-financed government agencies institutions staff numbers and structure as well as changes to these. The report is available in Finnish.

56. Statistical data on homeworkers has been published every five years in Statistics Finland’s Working Conditions Survey. However this information is very narrow in scope, as the amount of people who work solely in their homes is very small. The publication Työolojen muutokset 1977–2013 “Changes in working conditions 1977–2013” (Hanna Sutela, Anna-Maija Lehto), which compiled the results from the 2013 Working Conditions Survey observed that approximately 1 per cent of wage earners reported that they worked solely in the home. http://www.stat.fi/tup/julkaisut/tiedostot/julkaisuluettelo/ytmv_197713_2014_12309_net.pdf (page 152, only in Finnish).

Monitoring and implementation

57. The Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces (44/2006) provides on inspections carried out by occupational safety and health authorities. Section 5 of the Act provides that occupational safety and health inspections must be carried out as often and as efficiently as is necessary to guarantee the effectiveness of enforcement. Especially effective enforcement must be implemented at workplaces where there are serious risks to life or health. Where necessary, inspections must be carried out at all times of the day or night when people are working. An inspection or another enforcement measure necessary for the investigation of the matter must be carried out immediately if the occupational safety and health authority has received a notification that there is a suspicion that the provision, which the occupational safety and health authority enforces, has been violated at a workplace or when an employer or an occupational safety and health committee or a cooperation body responsible for this requests an inspection, if the circumstances mentioned in the request or notice give cause for it. According to section 13, if an employer does not fulfil obligations imposed on him by provisions that are enforced by occupational safety and health authorities, the inspector shall issue to the

employer written advice to eliminate or remedy the non-complying conditions. According to section 13, subsection 2, if the hazard or harm arising from non-complying conditions in regard to matters

referred to in subsection 3 is greater than minimal, instead of written advice, the inspector shall issue an improvement notice obliging the employer to eliminate or remedy the non-complying conditions. Likewise the inspector may issue an

improvement notice, if the employer does not follow written advice in accordance with subsection 1. However, an improvement notice can be issued only for the reasons listed in subsection 3.

According to section 13, subsection 3 of the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces an improvement notice may be issued in matters concerning:

- 1) conditions related to the work environment and the state of the work community that affect the safety and health of employees;
- 2) records of working hours or annual holidays or an obligation to keep other similar records;
- 3) issuance of such a pay calculation or work certificate as referred to in the Employment Contracts Act or in some other act to be enforced by occupational safety and health authorities
 - a. a written report on the key conditions for working and additional information required on these;
 - b. a written report on the reasons on the basis of which variable working hours meet with the employer's workforce needs;
 - c. a payslip;
 - d. a written certificate on being laid off;
 - e. a written notice on the reasons for terminating an employment contract;
 - f. employment certificate;
- 4) provision of occupational health care;
- 5) the prohibition on discrimination, the prohibition of victimisation or the prohibition of discriminatory job advertising laid down in the Non-Discrimination Act (1325/2014) or the obligation to draw up a plan for the promotion of equality referred to in section 7, subsection 3 of the Act or the right of staff representatives to access information referred to in section 7, subsection 3 of the Act.
- 6) supervision of direct supplementary pension schemes
- 7) this Act contains provisions on obligations:
- 8) provisions on providing information to staff representatives laid down in section 12 of the Act on Posting Workers (447/2016) or the right of occupational safety and health authorities to information referred to in section 17, subsections 1, 2, 4 and 5 of the Act.

If an employer does not comply with an improvement notice, the occupational safety and health authority can in matters specified in section 13, subsection 2 require with a mandating decision that the employer is obligated to correct or eliminate the condition that violates provisions in a specified amount of time. The decision can be enforced with a conditional fine or a threat of action and suspension to ensure that the employer must comply with this even if they have appealed the matter.

Impact of ILO instruments/prospects of ratification

58. Legislation on services for persons with disabilities will be reformed when the current legislation will be consolidated into one act on special services for persons with disabilities. The new legislation would apply to all persons with disabilities equally. The act is due to come into force on 1 January 2021. The new act on services for persons with disabilities would safeguard all persons with disabilities access to services in accordance with their individual needs. The new act would ensure sufficient and appropriate services to all persons with disabilities equally and strengthen their participation and right to self-determination. The Government submitted a proposal on the matter to Parliament on 27 September 2018. The act is due to come into force on 1 January 2021.

With regard to recommendation 168, please also see answer 21 on reasonable adjustments and changes pursuant to the Non-Discrimination Act.

59. –

60. The following labour market organizations have been consulted before finalizing this report:

1. The Confederation of Finnish Industries (EK)
2. The Central Organization of Finnish Trade Unions (SAK)
3. The Finnish Confederation of Salaried Employees (STTK)
4. The Confederation of Unions for Academic Professionals in Finland (Akava)
5. The Commission for Local Authority Employers (KT)
6. The State Employer's Office (VTML)
7. The Federation of Finnish Enterprises (SY)

Statements of the labour market organisations:

Joint statement by SAK, STTK and Akava:

Recommendation (No 168) Concerning Vocational Rehabilitation and Employment (Disabled Persons)

The Central Organization of Finnish Trade Unions (SAK), the Confederation of Unions for Professional and Managerial Staff in Finland Akava and the Finnish Confederation of Salaried Employees (STTK) refer to Akava's and the SAK's statement from 2015 on the application of Convention 159 with some updates. Additionally, the Finnish trade union confederations state the following:

“Taking into consideration, that over the past few years Finland has kept the themes of rehabilitation and employees with partial work ability in the spotlight in its policies in various projects, such as the Career opportunities for people with impaired work capacity project, the rehabilitation reform committee or as part of the development of the pension scheme and occupational health care, persons with disabilities do not at this time have equal employment opportunities in Finland in the open jobs market and there are also problems with the availability of vocational rehabilitation.

Even now, not everyone who is on partial disability pension are able to gain employment even if they wanted to. This leads to the notable drop in their income, as they will be forced to get by on just a partial disability pension.

The attitudes of employers is an equally significant factor that weakens people's ability to gain employment. These attitudes are described in Markku Lehto's report *Come along! PERSONS WITH PARTIAL WORK ABILITY IN THE LABOUR MARKET*" (Reports of the Ministry of Social Affairs and Health 2011:5). Additionally, the conditions for employment of the people with partial work ability is the fact that workplaces do not know how to utilise the different support forms available for employing them.

Although the Non-Discrimination Act requires the employer to make reasonable accommodation in the workplace and the Occupational Safety and Health Act includes provisions on the safety and

healthiness of work, employers are often unwilling to make adjustments to work or working conditions in the workplace so they meet with the employee's health requirements. The employer can come to the conclusion during work ability talks at a workplace that making adjustments or changes to the working conditions is impossible.

The availability of vocational rehabilitation for is substantially diminished by the heterogeneity and fragmentation of the Finnish rehabilitation system. A special problem arises when a person with partial work ability becomes unemployed. The responsibility for the rehabilitation and the support for the work ability of a person with partial work ability is divided between various authorities, employment services and public health care services, and possibly for some parts also to Kela and/or a pension insurance company. The coordination of this responsibility in its entirety is still lacking.

As was already stated, due to the fragmentation of the rehabilitation system and the problems concerning availability of services, there are situations in practice, where one must wait to receive medical rehabilitation, which is a condition for vocational rehabilitation. This means that the beginning of vocational rehabilitation is delayed. In terms of the success of rehabilitation and the prognosis, these delays are likely to weaken the achieved outcome.

The responsibility for vocational rehabilitation is divided among numerous actors, and, over the past few years, the occupational safety and health authority has in great part withdrawn from organising rehabilitation. People with partial work ability are often classified in employment services in the group with low employment potential, and they are not offered active measures to support their employment. Additionally, many unemployed people who have applied for a disability pension would have already been entitled to vocational rehabilitation organised by employment pension providers during their unemployment, but no competent authority has directed them to rehabilitation.

Various organisations and associations also participate in the production of different workshop-like services for the long-term unemployed and partly also for disabled people. In this respect, we must act in accordance with the strict interpretation of competition legislation so as not to be accused of distorting competition.

The tool most commonly selected from the range of vocational rehabilitation continues to be the work trial. However, from the point of view of the rehabilitation effectiveness, the tool range should be widened to better answer the needs of the rehabilitated person, such as the disability or illness limiting the work capacity, or the remaining work capacity. Also the education, training and skills of the person undergoing rehabilitation as well as any possible further education should be emphasised in the selection of the form of rehabilitation.

Finland's largest unions the Central Organization of Finnish Trade Unions (SAK), the Confederation of Unions for Professional and Managerial Staff in Finland Akava and the Finnish Confederation of Salaried Employees (STTK) state that in order for Finland to meet with the objectives outlined in the recommendation, Finland needs development measures in vocational rehabilitation and the employment of persons with partial work ability.

Recommendation (No 169) Concerning Employment Policy

The trend of Finland's employment policy has not been a positive one over the last few years. Finland's Government has begun to strongly emphasise an increase in labour supply. The tools used for achieving this have been very questionable as and effort has been made to increase the supply of

labour with measures that weaken the status, unemployment security and employment security of employees. Instead of concentrating on overall supply, Finland's Government has focused on increasing the cost competitiveness of companies. The same trend has also dominated the development of labour legislation; instead of ensuring the rights and principle of protection afforded to employees, promoting the competitiveness of companies and the employer's interests have been set as the premise for legislative work. An example of this trend is the weakening of employees' protection from termination.

Recommendation 169 states that the preparation of operating policies that promote employment should be done in cooperation with employee and employer organisations. Finland's Government has partly challenged the tripartite preparation of work and employment-related legislation. Tripartite cooperation has in certain cases been very minimal and at its worst has involved announcements in ready-made decisions. The drafting of work-related legislation has been too swift and intermittent. Additionally, the impact assessments on bills have been inadequate far too often.

Finland's Government made an effort to improve employment with the activation model which entered into force as part of unemployment security legislation at the beginning of 2018; the activation model has meant that unemployed jobseekers must fulfil new activeness requirements to receive their unemployment security in full. However, the activation model has proved to be ineffective and it treats people unequally taking into consideration the availability of services intended for the unemployed, the available jobs and their regional variation. Also, the model does not measure the genuine activeness of a jobseeker and does not adequately take into consideration the unemployed jobseeker's own actions to prove activeness. Instead of promoting employment the activation model has proved to be a way of cutting unemployment security, as it has reduced the amount of unemployment benefits paid to more than half of benefit recipients since it entered into force. According to trade unions, employee representative were not able to have any real impact on the content of the amendment during its preparation, and they this did not approve the amendment. Additionally, trade unions state that some of the conditions related to the activation model have already been changed.

There have also been problems in Finland in the organisation of services for the unemployed. Re-sourcing for employment services has been notably weaker in Finland than in other Nordic countries, when examining the number of personnel working in employment services. Also funding for employment services in relation to our gross domestic product is far lower than in other Nordic countries.

Shortcomings in employment policy are especially evident in the guidance given to unemployed people and in the organisation of training that promotes employment. Problems in the reconciliation the supply and demand of workforce in part due to these shortcomings. The employment services growth service reform currently under preparation will cause uncertainties in the development of services and their future funding.

According to its Government Programme, the aim of Prime Minister Sipilä's Government is to steer Finland's economy onto a path of sustainable growth and growing employment. According to the Government Programme, the target is to guarantee that working and the contracting of work in Finland will always be profitable. The Government has already aimed to achieve these objectives in addition to its other work by implementing cuts to job security, vocational education and training and unemployment security. During the Government term, the cuts to employee benefits have been prepared in detail, but proposals for improving the status of employees have been left unfinished. Wage earners have not approved these cuts.

Key legislative amendments and proposals by the Finnish Government, which will diminish the benefits and status of wage earners

Prime Minister Sipilä's Government (cabinet) was formed in spring 2015. The Government Programme was criticised for discriminating against society's underprivileged and vulnerable as well as for violating the Constitution of Finland. Numerous measures for saving costs were entered into the Government Programme, and many of these directly affect wage earners. For example, proposals were made to cut 200 million euros from earnings-related unemployment security, 50 million from job alternation leave and 190 from vocational education and training.

The Government Programme also includes "conditional additional measures" which is also called Sipilä's list of additional cuts. The list of additional cuts was used to extort parties into accepting the drafting of the Competitiveness Pact: the cuts would be discarded, if the parties entered into the Competitiveness Pact. The list included 120 million euros in additional cuts from earnings-related unemployment security.

In spring 2015, the Government also published its proposal on entering into a Social Contract with labour market organisations. The contract's measures were to improve competitiveness and change security. However, the contract negotiations fell through in winter 2015.

In autumn 2015, the Government proposed an alternative to social agreement, a mandatory law package, meaning bills that threaten to diminish terms of employment and substantially cut the income of wage earners as well as restrict the collective right of negotiation for the benefit of the employer using legislation.

- The bills proposed, for example, that the length of annual leave be cut from 38 to 30 work days (predominantly in the public sector), that employees' working hours be extended by 100 hours a year, that cuts be implemented to pay during sick leave, changing the first day of sick leave to unpaid leave and the payment of only 80 per cent of the employee's salary for the following eight days, that the Epiphany and Ascension Day be changed to unpaid holidays and that the maximum length of annual leave be set at six weeks.
- Additionally, the package included the halving of overtime pay and cutting Sunday compensation, but these were cancelled after a few weeks and replaced with a 30 per cent cut to holiday pay.
- In the end, not one of the bills were realised, because the Competitiveness Act entered into force in early 2016. The constitutionality of these mandating laws was questionable, because they would have limited the right of employers' and employees' organisations to decide freely on terms of employment to the detriment of employees.

When the social agreement talks fell through in December 2015, talks on an alternative package began in order to avoid the Government's mandating laws package. In February 2016, the Competitiveness Pact was created as an alternative to previously proposed mandatory legislation. The Government confirmed the outcome of talks in June 2016 and committed to cancelling, for example, additional cuts to unemployment security included in the Government Programme. However, this commitment did not hold as the activation model, which cut unemployment security entered into force at the beginning of 2018.

- The holiday pay of public sector employees was cut by 30 per cent between 2017 and 2019. Planned cuts of the same amount to holiday pay in the private sector were never implemented.

- At the beginning of 2017, the annual worktime of workers was extended by 24 unpaid hours instead of the original 100 hours.
- The pay burden of wage-earners increased when responsibility for the payment of social security contributions was transferred from the employer to wage earners. On the other hand, this was compensated to wage earners in their taxes.
- As part of the agreement, the Government, gave up its proposed list of additional cuts.

In spring 2016, the Government presented its new employment package in April. Sore points included that the obligation to accept offered work was tightened and a proposal for the implementation of a work demonstration.

- The idea of a work demonstration was for unemployed jobseekers to go work voluntarily for 3 to 4 months without with employment relationship. The worker would be paid unemployment benefits for the duration of the work demonstration. Some labour unions stated that they would drop out of the Competitiveness Pact if this proposal was implemented.
- A tripartite working group finally agreed that a work demonstration would be regulated as part of the existing work trials, and can be carried out as a recruitment trial to assess suitability and it can be at most a month in length. This period will also be reduced from the employee's test period.

The stricter obligation for unemployed jobseekers to accept offered work entered in force at the beginning of 2017.

- An unemployed person shall not have a valid reasons for refusing full time work after the professional skill protection period even if their salary is smaller than an unemployment benefit.
- The number of days for which a jobseeker receives no subsidies after they have refused sure employment was increased from 60 days to 90 days. The probationary period only begins 30 days after the jobseeker has refused employment.
- As a rule, the unemployed jobseeker must take part in all offered services and use their own car for commutes also outside their commuting area.
- A person can no longer quit a job outside their commuting area (80 km from their home) without losing their unemployment benefit, if commutes took no longer than 3 hours on average each day.

The conditions for alternation leave were made more stringent, when the amendment to alternation leave was entered in the Government Programme entered into force.

- The employment history requirement for alternation leave was extended from 16 years to 20 years.
- The maximum length of alternation leave was reduced from 360 days to 180 days.
- The possibility to phase alternation leave was eliminated, meaning the person must now take the leave in one go.
- The higher alternation compensation for people with a long history of employment was removed. The level of the compensation is now the same for everyone, 70 per cent of an unemployment benefit.

The allowance for parental leave was cut.

- The 30 days of an increased allowance for the parental leave period was removed. The change only applies to parental leave periods that began in 2016 and thereafter.

The Government cut sick leave from annual leaves by returning the personal contribution days.

- If an employee falls ill during their annual leave, which is longer than four weeks, the annual leave can be postponed to a later time pursuant to law. However, in future there will be a personal contribution of six days before an employee can postpone annual holiday if he or she falls ill during the holiday. No sick leave allowance will be paid for this period either. The amendment is currently being assessed by the CJEU.

The right to annual leave that accumulated from family leave was reduced. The amendment to the Annual Holidays Act will reduce the amount of annual leave that accumulates during maternity, paternity and parental leave.

- Whereas previously, annual leave accumulated over the entire leave period, after the amendment it will only accumulate for a period of six months. The amendment applies to family leaves that begin starting 1 April.

The Government aimed to enact legislation to increase local agreements, which would replace collective agreements.

- An agreement was reached in the Competitiveness Pact on the main principles for local agreements, which prevented the replacement of collective agreements. Ultimately, the preparation of this legislation was suspended.

The 200 million euros in cuts to unemployment security decided on unilaterally in the Government Programme entered into force in spring 2017. The length of income security was cut, increments were cut and the number of personal contribution days were increased.

- The maximum period for unemployment benefits was reduced from 500 days to 400 days. If the person had an employment history of less than three years, the maximum period for the benefit was reduced to 300 days. However, the maximum period for unemployment benefits remained at 500 days for those unemployed people who were at least 58 years old when they met the conditions for previous employment.
- The uncompensated personal contribution days for unemployment benefits were increased from five to seven days.
- The increased benefits paid for 90 days to those with an employment history of at least 20 years were eliminated completely. Additionally, the increased earnings-related portion paid for the period of services that promote employment was reduced from 58 per cent to 55 per cent.

Amendments to the Employment Contracts Act would undermine the employment relationship security of employees.

- From the beginning of 2017, employers were provided the right to employ a person who is long-term unemployed (unemployed for 12 months) in a temporary employment relationship without a requirement for special grounds.
- The employment relationship's trial period was extended from four months to at most six months,
- The employer's obligation to rehire an employee shortened from nine months to four months in the event the employee's employment was terminated. However, the obligation to re-employ a former employee for employment relationships that had lasted 12 years lasts for a period of six months.

Cuts were made to adult education and vocational education and training.

- The maximum length for adult study subsidy was cut from 19 to 15 months and the basic portion was cut by 15 per cent. The amendments agreed on in connection with the Competitiveness

Pact prevented the Government's proposal to change the adult education benefit to a load-based option, which would have in practice eliminated the use of the subsidy completely.

- The Government initiated the vocational education and training reform and cut its funding by 190 million euros. The cuts reduced the number of starting places and the amount of studies offered.

In summer 2017, the Government sent a proposal on a model for independent job-seeking i.e. the activation model for a round of statements, but did not send the proposal to Parliament at that time. Instead, in December 2017, Parliament approved the Government proposal on the activation model, which cut unemployment benefits, if a jobseeker did not meet with the so-called level of activeness. According to statistics published by Kela and the Financial Supervisory Authority on 14 August 2018, 150,000 people received a reduced unemployment benefit in April to June 2018 after the activation model, which cut unemployment security, entered into force on 1 January 2018.

Additionally, the Government brought a bill to the spending limits discussion for allowing the unfounded temporary employment of workers under the age of 30. The bill was thwarted later in July, when it was not sent out for a round of comments. Instead, the Government brought a bill to the table on weakening protection against termination in companies that employed fewer than 20 people, which was approved later on without the size of a company limiting its scope of application.

In summer 2018, an amendment entered into force according to which the employer's obligation to re-employ former employees and obligation to offer additional work no longer apply to situations where apprentices come to work for the employer. The amendment has had a negative impact on the income, equality and personnel training of workers.

The Government (cabinet) has justified the aforementioned legislative reforms that have undermined the status of workers by stating that they improve the competitiveness of companies and lower the threshold for hiring new workers. However, there is no proof of this happening.

Recommendation Concerning Home Work (No 184)

Work in the employer's home is mentioned in the Employment Contracts Act's provision on scope of application. However, the definition of a home worker in the Employment Contracts Act differs somewhat from the definition given in the recommendation. For example, remote work is completely excluded from the definition given in the recommendation.

Sections 23 and 24 of the recommendation cover matters related to hours of work and rest periods. Section 23 states that a deadline to complete a work assignment should not deprive a homemaker of the possibility to have daily and weekly rest comparable to that enjoyed by other workers.

According to section 2, subsection 1 and 3 of the Working Hours Act, the Act does not apply to work performed by the employee at home or in other such conditions where the employer cannot be obliged to supervise the working time arrangements for such work. Because people who work from home are not in the scope of the Finland's Working Hours Act, the protection of rest periods referred to in the recommendation is not met from the legislative perspective.

Section 24 of the recommendation guarantees the right of home workers to paid public holidays, annual holidays with pay

and paid sick leave. As pay for national public holidays is at least in part based on the Working Hours Act, the situation is not in this respect pursuant to the recommendation.

Employment Relationship Recommendation (No 198)

The aim of the International Labour Organization's (ILO) Employment Relationship Recommendation (198) is to promote the national determination of the existence of an employment relationship and to develop legislation that is related to the protection of employees. According to the recommendation, Member States must promote the protection of employees with national operating policies that will improve, for example, guidance related to the identification and determination of an existing employment relationship, prevent the use of disguised employment relationships, help in the resolution of disputes related to employment relationships, improve compliance with laws and statutes that apply to employment relationships and increase labour legislation training.

The recommendation emphasises, in particular, that guidance should be provided on establishing whether an employment relationship exists and on how the status of those employed in employment relationships and those who are self-employed differ from one another. Finland's legal system recognises the definitions for an employment relationship and self-employment. Other forms of working are not recognised by Finland's legal system.

Working life and the various forms of contracting of work have changed in Finland in a manner that has substantially weakened the protection of employees. More and more often, work is carried out in situations where the worker's status is blurred or the line between an employment relationship and self-employment is unclear. Various forms of performing work and contracting work seem to have developed in the intermediate area between an employment relationship and self-employment. Work that was characterised as untypical as recently as the 1990s has become increasingly common and it has caused the protection afforded to employees by an employment relationship to crumble. An example of this change is the continuously expanding platform economy, which has resulted in people working in an employment similar to an employment relationship but without the protection afforded by one. Also other forms of contracting work defined in contracting and subcontracting agreements are similar in that they aim to circumvent employer obligations and transfer these to the worker.

People who work without an employment contract but in an employment relationship-like context can be directly or indirectly under the supervision of management without any actual possibility of independently deciding on the time or pay for their work, their income is uncertain and completely dependent on the work opportunities available to them. They have no employment security and their contract can be terminated without grounds and without advance warning or a notice period. In addition to this, their employment does not give them the right to earnings-related social security, such as the earnings-related benefits for health insurance and unemployment security, occupational health care or statutory industrial accident and occupational disease insurance, not to mention advancing and developing one's skills, their right of participation and the protection afforded by collective agreements.

The ILO Employment Relationship Recommendation requires that in addition to everything else national measures for combatting the disguising of other contracts as employment relationships, for example, in conditions where other contracts can be used to hide a worker's true legal status. The recommendation thus draws attention to the work arrangement that is becoming more common,

where the criteria for an employment relationship are met, but the contracting of work is intentionally disguised into another legal status such as a contract on a commission.

In practice, in the aforementioned situations, the worker legal remedies are non-existent. However, according to section 17 of the recommendation, Member States must develop as part of the national policy effective measures aimed at removing incentives to disguise an employment relationship. Finland does not have such measures.

Although the criteria for an employment contract (employment relationship) is laid down as mandatory in the Employment Contracts Act, various authorities and administrative branches do not interpret the criteria consistently. Within the scope of application of Finland's existing national Employment Contracts Act, Working Hours Act and unemployment security legislation the existence of an employment relationship can be assessed divergently. The same applies to taxation. For example, in matter related to unemployment security the interpretation has been more stringent than the "generally accepted interpretation", which has caused problems in the availability of unemployment security.

Although Parliament has decided (EV 28/2007 vp - HE 29/2007 vp) that the ILO Employment Relationship Recommendation will be taken into consideration where necessary in upcoming legislative drafts, the situation has yet to be corrected. On the contrary, the status of workers seems to have deteriorated in some sectors and it is feared that this phenomenon will spread. Employment relationships are disguised into different types of commissions contracts and it is not always clear when a worker is in a genuine employment relationship. In some cases, workers carry out the same work for the same employer but some have an employment relationship with its related rights and obligations while others do not. Examples of types of companies that have been reported for these types of activities include companies in the food courier and cleaning service sectors. Young workers, in particular, may well assume they are in an employment relationship, but when problems arise they notice that they are not. The true nature of matters often only comes out after employment comes to an end. It seems that there is currently a situation in Finland where persons whose work meets the criteria for an employment relationship are actually outside the scope of the protection specified in the recommendation.

Referencing Finland's situation as described above, Finland's unions AK, Akava and STTK feel that Finland's labour legislation and its interpretation are not in concord with the ILO Employment Relationship Recommendation.

The Federation of Finnish Enterprises (SY)

The Federation of Finnish Enterprises state in general that its view is that Finland's currently existing labour legislation covers in its present form the content of the recommendations for which statements have been requested. The Federation of Finnish Enterprises states the following on the Recommendation Concerning Employment Policy (169) and the Employment Relationship Recommendation (198):

Recommendation (No 169) Concerning Employment Policy

“With regard to the Recommendation Concerning Employment Policy and, in particular, to question 5 on the report form, we find that the rigid nature of the Finnish labour market system is its weakness and this is reflected on the ability of, in particular, smaller companies to employ people and create new jobs. The Finnish labour market system also places organised and unorganised employers and employees on unequal footing with one another.

Finland’s labour market is rigid and there is very little contractual freedom. In Finland, local agreements are still in their starting block although adding these would be the key reform for improving the functionality of the labour market. This is due in part to the fact that no clauses allowing for local agreements have been added to collective agreements for decades. The situation varies of course by sector, but the general picture is that which is stated above.

The automatic possibility to deviate from certain provisions laid down in legislation with a collective agreement is a key element of labour and employment legislation, the Employment Contracts Act, the Working Hours Act and the Annual Holidays Act. Thus, the content of laws and collective agreements can contradict one another, but in this case priority is given to the collective agreement. In addition to this, it should be noted that the broad-scoped general applicability of collective agreements is a unique characteristic of the Finnish system. A collective agreement that has been declared generally applicable must be observed by all employers that operate in the sector covered by the collective agreement, irrespective of whether they are members of the associations that have joined the agreement. A generally applicable collective agreement is thus a source for legal standards equal to laws, as everyone must comply with it. The provisions laid down in the collective agreements cannot be observed in all companies in the same manner. If under a collective agreement, for example, the application of a working hour provision requires a workplace agreement at local level, such provisions are not, as a rule, available to employers outside the employer organisations. These easements in collective agreements can thus be used only by companies that are member of the employer organisation that has entered into the collective agreement.

An unorganised employer’s prohibition to local agreements is based directly on legislation. The structure of regulation is the same in all key pieces of labour legislation in which the possibility to deviate from the content of the law with a collective agreement has been given. Legislation lists the provisions from which it is possible to deviate with a collective agreement, and after this provisions banning unorganised companies from taking part in local agreements (chapter 13, sections 7 and 8 of the Employment Contracts Act, sections 40 and 40 a of the Working Hours Act, sections 30 and 31 of the Annual Holidays Act). Legislation puts employers on unequal footing, depending on whether or not they are members of the employer organisations.

Due to this structure, even though legislation would allow, for example, the use of easements to work time in collective agreements, these could not directly pursuant to law be available for use by unorganised employers. Of Finland’s approximately 90,000 employer companies around 50,000 comply with collective agreements as binding and are therefore banned from entering other agreements. These companies employ on average five (5) employees. On the other hand, only around 20,000 companies, which employ on average 50 employees, are members of employer organisations. There are approximately 20,000 companies completely outside of collective agreements. In these companies, terms of employment are based directly on labour legislation.

In other words:

- Collective agreements between unions can deviate from certain provisions laid down in labour legislation.

- A collective agreement can leave decisions on such provisions to local agreements.
- If a collective agreement allows for local agreements in these topics, the agreement can only be reached in an organised company.
- According to legislation non-organised companies are automatically in a weaker position than organised companies.

What is possible for organised companies is forbidden in law for non-organised companies. Thus, Finland has legislation place that discriminates and distorts competition. Non-organised employers must fulfil the obligations laid down in collective agreements but cannot utilise the flexibility that the agreement allows for. This also makes it more difficult to for the smallest companies to adapt to changes in the market.

Correcting discriminatory legislative structures is now a key element of developing regulation in working life in a more flexible and fair direction. Society's structures which have been established and will be established with legislation thus cannot be in a static state at the same time as the operating practices for carrying out work and development of technology change.

Instead of creating legislation for new phenomena, we must be prepared in general to dismantle rigid norms. This is a matter of strategic choices with regard to whether we regulate the phenomena caused by the transformation of work that are becoming more complicated and faster more or less. Although, and hopefully when we choose the latter option, it will not mean that we have to relinquish the principles for protecting employees, but a better balance of regulation than at present between improving the functionality of the labour market and employment and the principle of protection for employees.

Employment Relationship Recommendation (No 198)

The report form includes questions on national practices and regulations related to the definition of an employment relationship and the protection of workers (in particular questions 8-19). In this respect, we want to emphasise that Finland's employment and social insurance legislation provide a very clear distinction between work under employment contracts and other activities that aim to produce financial gain i.e. entrepreneurial work. The Employment Contracts Act defines the requirements and conditions according to which an employer and worker enter into an employment contract. The conditions are well defined and very clear. All work outside of civil servant employment relationships can be defined according to existing limitations in one of the two aforementioned categories after which the person's rights and obligations comply with this status. It is evident that the entrepreneur-like way of working in employment relationships, which has increased over the past few years and decades can make it challenging for workers to draw the line in their daily lives, especially if some actors in the labour market are knowingly making to effort to obscure this line. However, this has yet to cause any problems from a legal standpoint. We do not believe that this will happen in the near future.

In relation to this it should also be noted that at this time we in Finland have a strong dichotomy in the regulation of contractual freedom. On one hand, contractual freedom is nearly limitless in entrepreneurial work (with the exception of unreasonable terms of contract) and, on the other, it is very limited in employment relationships. This divisions drive the market to function in a way that gives preference to entrepreneurial work. This is already evident in the growth of entrepreneur numbers and in the decrease of employer companies.

Additionally, it should be noted that the new ways of delivering work and invoicing expertise brought about with the development of technology may have made it difficult for some people to discern the status under which they have working. It is our view, as stated above, that the matter is not all that problematic from a legal standpoint. We should keep in mind that, for example, the platform economy, which has become more commonplace in recent years, and the solutions it offers are, as a rule, digitally realised solutions that people and companies can use to buy and sell work input, either in an employment relationship or B2B or to private persons.

However, the dichotomy described above will also cause a growing number of legal challenges in general. We must ask whether it will be possible in the long run to maintain a system in which contractual freedom is extensive in a certain type of work and nearly non-existent in another type of work. In this respect we emphasise that the answer to the question is not that we must reduce contractual freedom for entrepreneurial work but that we must develop regulation in a more liberal direction specifically with regard to work in employment relationships.

As was stated above, Finland's legislation and collective agreements as a rule meet with the standards of the ILO's conventions and recommendations. In our answer to the question in the report form (question 61), we find that it is not necessary to create new standards that apply to the areas being commented on, as there are notable differences in for example structures related to employment policy in different countries around the world. Regulation must also take into account the change to the character of the work and the significant differences between work in different sectors. Regulation must continue to facilitate the commissioning of work in an appropriate manner, which must also be able to take into consideration the requirements for competitiveness. Additionally, Member States must be able to create regulation supported by the general principles for employment relationships, which include flexibility and the possibility for sector-specific and workplace centred applications."

The State Employer's Office (VTML)

The statement submitted by the State Employer's Office has been taken into consideration in part in the content of this report.

In its statement on Recommendation 168 the State Employer's Office states the following:

"The State has carried out long-term development work for the good of the wellbeing and functionality of work communities. The State Employer's Office started early rehabilitation in the 1980s and on the basis of this has developed the Kaiku working life service to support the government's work communities in their own development work. Today, Keva acts as the State pension insurance provider, whose role includes the development of work ability management and the prevention of work ability risks together with employers. At the beginning of 2019, the State will introduce Keva's Working Life Services' strategic work ability management package, which will further improve efforts by State workplaces to prevent the inability to work. With regard to disability pensions, the emphasis is on partial disability pensions and supporting workers with partial work ability so they can continue working at least part time.

IV Possible needs for standard-related action and for technical cooperation

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