Collective bargaining in Finland

Pekka Pankkonen
Chief of negotiation, OAJ
1. Legislation

- Collective Agreements Act (1946)* → Employment contracts act
  - The first collective agreement 1890
- The municipal collective agreement law (1970)*
- State collective agreement law (1970)*
- Enactment of the Constitution*
  - Changing needs 5/6 majority in parliament
- Act on Mediation in Labour Disputes (1962)
- Acts of co-operation
- Act of equality
2. Settlement by arbitration

- The arbitration system is based on Finland’s Act on Mediation in Labour Disputes.
- The National Conciliator assists the negotiating partners if a collective agreement cannot be reached without outside help.
- The central labour market organisations can also be assisted by the National Conciliator when drawing up comprehensive incomes policy agreements.
- It is compulsory to participate in the mediation of labour disputes, but the different sides do not have to accept the Conciliator’s proposal.
3. Negotiations in three levels

National level
• Tripartite/sectoral

Regional and local level
• The teacher associations and local union representatives agree on locally negotiable matters concerning salaries and other aspects of the teachers’ situation and working conditions and ensure that agreements are upheld.
• Local shop stewards endeavour to resolve disputes concerning teachers’ terms of employment.
Tripartite/sectoral level

State

Employers  Employees
The Power Relationship between Employee and Employer

- the question is not, however, about the constant fight → agreed procedures to resolve disputes
- requires the organization of the parties and the recognition of each other → "regulated conflict"
Industrial relations in Finland

1. Local unions 1905 – 1917
2. Enterprise 1918 – 1939
- 1995 ”silent revolution”
- EU - EMU - ESSDE
- privatisation
Collective bargaining parties in education sector

- **Municipal**
  - Biggest sector
- **AFIEE with all levels**
  - Including higher education
- **AVAINTEA**
  - Multi industry
  - Polytechnic
  - VET
- **State**
  - Smallest sector