Chapter 10

Finland: Trade unions struggling within a Ghent system

Markku Sippola and Tapio Bergholm

Since the year 2000, the Finnish trade union movement has witnessed four key trends: a significant fall in membership, the feminization of membership, a decline in strike activity and the growing assertiveness of employers’ organizations in pushing for the decentralization of collective bargaining. The most notable issue here is the fall in union membership. Finnish union membership peaked during the mid-1990s, when unemployment was high and the country was in a deep recession. The main reason for this – comparatively recent – success was the unemployment insurance system associated with unions, the so-called ‘Ghent system’. Simultaneously, the profiles of union members have changed since the 1990s, as many potential union members in core positions have opted to join an independent unemployment insurance fund rather than a union. As a consequence, union density declined from its absolute peak of 78.5 per cent in 1994 to around 60 per cent in 2017 (Ahtiainen 2019a). Meanwhile, the General Unemployment Fund (YTK, Yleinen työttömyys-kassa), which is not affiliated with trade unions, has gained around half a million members since its establishment in 1991. Paradoxically, because of the universally binding nature of collective agreements, collective bargaining coverage has increased, at the same time as union membership has declined (Ahtiainen 2019b; Table 10.1).
The second key trend is the feminization of the union movement and the decrease in male membership. Although Finland is a dual-earner society, men are in the majority as a proportion of the labour force and employment. Because of developments since the 1990s recession, however, the share of women has increased on both counts. The decrease in male union membership has been larger proportionally than the fall in female membership. Today, the majority of active union members in Finland are female (Table 10.1). The third feature of Finnish unionism is the declining trend of working days lost as a result of industrial action, which indicates less conflictual industrial relations. While during the 1970s and 1980s, Finland had one of the highest high strike rates in Europe, this picture started to change dramatically in the early 1990s when the number of strikes and working days lost decreased substantially and began to resemble average European strike figures (see Table 10.1).

Since 1991, the union movement has been on the defensive and the employers’ organizations have become more assertive. Concession bargaining about pensions, unemployment insurance and social security payments have dominated during this period. Whereas labour costs have decreased, social security payments for employees were introduced and have gradually increased. The strategy of employers’ organizations to decentralize collective bargaining gained momentum during the concession bargaining period of the 1990s and 2000s. Employers

<table>
<thead>
<tr>
<th>Table 10.1 Principal characteristics of trade unionism in Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1980</strong></td>
</tr>
<tr>
<td>Net union membership</td>
</tr>
<tr>
<td>Net union density</td>
</tr>
<tr>
<td>Women as a proportion of total membership</td>
</tr>
<tr>
<td>Number of confederations</td>
</tr>
<tr>
<td>Collective bargaining coverage</td>
</tr>
<tr>
<td>Principal level of collective bargaining</td>
</tr>
<tr>
<td>Days not worked due to industrial action per 1,000 workers</td>
</tr>
</tbody>
</table>

Notes: * 1998; ** 2013; *** 2017/2018; **** 1990 (there are great annual variations because of the bargaining situation, although the trend is declining).

Sources: Appendix A1; Ahtiainen (2019a: 38; 2019b: 76).
abandoned centralized agreements between confederations, first in prin-
offered employers an opportunity to push for more decentralization and
to shift the locus of bargaining to the local level. In autumn 2020, for-
estry employers decided to abandon collective agreements at the industry
level and to opt for company-level bargaining. This was followed by a
decision by an influential employers’ association, Technology Industries
in Finland, (Teknologiateollisuus ry) to split into two organizations in
March 2021. Since autumn 2021, Technology Industries of Finland has
represented only those employers who want to carry out collective bar-
gaining at the local level, while the Employers of Technology Industries
(Teknologiateollisuuden työnantajat ry) represents those employers who
wish to continue industry-level collective agreements. The decision might
serve as a precedent for other industries and exacerbate the erosion of the
system of centrally binding collective agreements in Finland.

**Historical background and principal features of the industrial relations system**

Finland’s trade union structure derives from a century-long labour
market trajectory, from the domination of industry to the proliferation
of white-collar professions. After the Second World War, there were three
trade union confederations in Finland: the Confederation of Finnish Trade
Unions (SAK, Suomen Ammattiliittojen Keskusjärjestö), the Confederation
of Intellectual Employment (HTK, Henkisen Työn Keskusliitto) and the
Finnish Confederation of Technical Salaried Employees (STTK, Suomen
Teknisten Toimihenkilöiden Keskusliitto). A fourth confederation was cre-
ated in 1950 to represent professional employees with relatively high lev-
els of education and training: the Confederation of Unions for Academic
Professionals (AKAVA, Korkeakoulutettujen Työmarkkinakeskusjärjestö).
In 1956, HTK changed its name to the Federation of Clerical Employees’
and Civil Servants’ Organizations (TVK, Toimihenkilö- ja virkamies-
järjestöjen Keskusliitto). TVK, which at the time was the second largest
confederation, went bankrupt in 1992 as a result of failed investments in
property and shares. Its largely female-dominated affiliates subsequently
joined the largely male-dominated and much smaller STTK. This move
not only changed the internal membership structure of STTK but also
increased the confederation’s influence under its new name the Finnish
Confederation of Professionals (preserving the previous acronym, STTK).
SAK, the largest and most powerful confederation, suffered a decade-long split in the 1960s when many unions left the confederation. Some unions remained independent, and some formed a breakaway confederation, the Finnish Trade Union Federation (SAJ, Suomen Ammattijärjestö). The division was short, however. In 1969 unification was made possible when SAK changed its statutes and name to become the Central Organization of Finnish Trade Unions (the acronym SAK remained the same). In the new organization the affiliated unions are more independent in taking decisions on collective bargaining and industrial action. Developments within AKAVA have been more stable because it has remained unified throughout its half-century long history. AKAVA is the youngest confederation and the one with the most dynamic membership development. While at the beginning of the 2000s AKAVA was till the smallest of the three confederations, today it represents more members than STTK (see Table 10.2).

The organization of Finnish employers mirrors the structure of Finnish trade unions, with a limited number of confederations to which industry-level associations are affiliated. The currently largest and most influential organization, the Confederation of Finnish Industries (EK, Elinkeinoelämän keskusliitto), consists of nineteen industry-level associations representing 15,300 companies, which employ around 900,000 people (EK 2021). EK was established in 2005 as a merger of the Employers’ Confederation of the Service Industries (PT, Palvelutyönantajat) and the Confederation of Industry and Employers (TT, Teollisuuden ja Työnantajain Keskusliitto). TT was itself the result of a merger between the Finnish Confederation of Employers (STK, Suomen työnantajain keskusliitto) and the Confederation of Industry (TKL, Teollisuuden Keskusliitto) in 1993, which illustrates the process of organizational consolidation on the employer side in the private sector. Today, there are three main employers’ (con)federations: EK, the Employers’ Organization of Local Authorities (KT, Kunta- ja hyvinvointialuetyönantajat) and the Office for the Government as Employer (VTML, Valtion työmarkkinalaitos). There is, furthermore, a lobbying organization, the Federation of Finnish Enterprises (SY, Suomen Yrittäjät), but this is not a party to collective bargaining (Jonker-Hoffrén 2019).

Finland can be characterized as a representative of the ‘Nordic class compromise’ prevailing among the labour market parties, manifested in the alliances between social democrats and agrarian parties, as well as the consolidation of collective agreements between employers’ and
workers’ representatives (Kettunen 2001: 145). In Finland, however, the compromise saw its complete fulfilment much later than in the other Nordic countries, where such compromises were reached during the 1930s (see Chapters 4 and 28). The two Employees’ Pension Acts in 1961 (Työntekijäin eläkelaki), agreed as a result of a tripartite process, laid the foundation of a class compromise between the labour market parties (Bergholm 2009). This can be seen as an overarching feature of unionism in Finland and Nordic societies more generally. The idea of party symmetry was naturally considered to be applied between the labour market parties, however, backed by political parties, the trade unions and employers’ associations. Therefore, unions achieved a strong and legitimate role alongside employers’ associations (Kettunen 2004: 295). In the heyday of this development, union representatives were even regarded as carriers of ‘universal’ interests against particular capitalist interests (Kettunen 2004: 295).

The notion of class compromise is reflected in the two central pillars of the Finnish model of industrial relations: national collective agreements and the strong involvement of unions and employers in policymaking on social security for employees. National collective agreements became common after the government wage resolution of 1945. This first pillar of the Finnish model is characterized by strong government involvement in wage formation and policy. During the early 1960s, negotiation relationships improved between labour market organizations and they gained influence. Social security reforms of unemployment insurance (1960), pension schemes for private-sector employees (1961) and guidelines for collective agreements for the years 1961 and 1962 were the result of compromises between STK and SAK. This created the basis for the second pillar of the Finnish model in which the social partners established a strong position in the design of the social security system.

The two pillars of the Finnish model were simultaneously in play after a significant internal devaluation policy was introduced. The first incomes policy agreements in the late 1960s strengthened Finland’s competitiveness and improved the operating conditions of the union movement. The incomes policy system can be seen as an institutionalized tripartite arrangement between government, unions and employers, leading to tripartite, centralized agreements (TUPO, Tulopoliittinen ratkaisu). In the 1990s, the Finnish state usually saw centralized agreements as a way to limit inflation (Kauppinen 2005), and after joining the euro in 1999 to keep a check on ‘competitiveness’. The centralized incomes policy system
was, furthermore, seen as a tool for ensuring more peaceful industrial relations and supporting a solidaristic wage policy (Jonker-Hoffrén 2019).

The strong trade union role in the social security system is reflected in the so-called ‘Ghent system’, under which unions are responsible for the administration of the public unemployment insurance system. This has important implications for unionization (Crouch 1993: 85; D’Agostino 1992: 40).\(^1\) The only countries among the twenty OECD members that managed to increase their union density between the 1970s and early 2000s were countries with a Ghent system: Belgium, Denmark, Finland and Sweden (see Chapters 2, 8 and 28) (OECD 2004: 144; Visser 2006).\(^2\) Since the late 1980s, however, it has been possible for people in Finland to affiliate to an unemployment insurance fund without joining a union. The emergence of independent employment funds was the major factor behind the 10 percentage point decline in union density in Finland between 1993 and 2002 (Böckerman and Uusitalo 2006). The establishment of the General Unemployment Fund in 1992, which was supported by some employers, has contributed to the erosion of union membership in Finland (Bergholm 2012).

**Structure of trade unions and union democracy**

Currently, there are three trade union confederations in Finland: the industrial union-based SAK, the profession/occupation-based STTK and the academic/occupation-based AKAVA. The union landscape thus has a more or less status-based structure. When it comes to organizational profile, both industrial and professional unions are represented.

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\(^1\) The union administered insurance fund system was adopted as Belgium’s national policy, and similar systems were introduced in several European countries prior to the First World War. With the Ghent system, unions were able to carry on the medieval tradition in which guilds assisted and supported their unemployed members by means of so-called gifts or travel benefits (D’Agostino 1992: 40).

\(^2\) The Ghent system was adopted in Nordic countries in the following sequence: Norway in 1906, Denmark in 1907, Finland in 1916 and Sweden in 1934, although Norway replaced its prior system with a state insurance system in 1938 (D’Agostino 1992: 40–41).
### Table 10.2 Organizational structure and membership of the main confederations, 2020

<table>
<thead>
<tr>
<th>Confederation</th>
<th>Members</th>
<th>Affiliates (membership)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAK</strong>*</td>
<td>880,574</td>
<td>PAM (207,326), Teollisuusliitto (211,801), JHL (181,881), Rakennusliitto (69,060), AKT (43,509), Sähköalojen ammattiliitto (34,663), Paperiliitto (33,826), SEL (30,047), PAU (25,004), Merimies-Unioni (9,056), KEY (7,901), Teme (4,976), IAU (3,939), RAU (3,853), Suomen Muusikkojen Liitto (3,605), SHU (1,625), SSSL (271), Yleinen Lehtimiesliitto (173)</td>
</tr>
<tr>
<td><strong>STTK</strong></td>
<td>ca. 500,000</td>
<td>Tehy (160,000), Pro (120,000), SuPer (90,000), Jyty (50,000), ERTO (15,000), Unio (9,000), MVL (3,000), SLPL (1,800), Kirkon alat ry (n.a.), METO (n.a.), RIA (n.a.), SKL (n.a.), SPAL (n.a.), VyL (n.a.), Yhteistyöjäsen Agrologien Liitto (n.a.)</td>
</tr>
<tr>
<td><strong>AKAVA</strong></td>
<td>ca. 600,000</td>
<td>Opetusalan Ammattijärjestö OAJ (117,351), Tekniikan akateemiset TEK (72,178), Insinööriiliitto IL (69,327), Suomen Ekonomit (53,311), Tradenomiliitto TRAL (31,441), Suomen Lääkäriliitto (27,399), Akavan Erityisalat (26,484), Sosiaalialan korkeakoulutettujen ammattijärjestö Talentia (25,994), Myynnin ja markkinoinnin ammattilaiset MMA (18,950), Suomen Lakimiesliitto (16,045), Luonnon-, ympäristö- ja metsätieteilijöiden liitto Loimu (14,282), Yhteiskunta-ala korkeakoulutettut (12,543), Esimiehet ja Asiantuntijat YTY (11,217), Suomen Poliisijärjestöjen Liitto SPJL (10,942), Kuntoutusalan asiuntijat (9,336), Suomen Farmasialiitto (7,961), KTK Tekniikan Asiantuntijat (7,835), Suomen Psykologiliitto (7,548), Suomen Hammaslääkäriliitto (7,426), Suomen Terveydenhoitajaliitto (7,143), Tieteentekijöiden liitto (7,130), Upseeriliitto (6,289), Agronomiliitto (6,016), Kirkon Akateemiset AKI (5,272), Ammattiliitto Ava (5,054), DIFF Ingenjörerna i Finland (3,269), Päällystöliitto (3,447), Suomen Eläinlääkäriliitto (2,876), Akavan sairaanhoitajat ja Taja (2,842), Suomen Arkkitehtiliitto SAFA (2,771), Professoriliitto (2,559), Suomen Puheterapeuttiliitto (1,740), Diakoniatyöntekijöiden Liitto DTL (1,685), Suomen Työterveyshoitajaliitto (1,327), Kasvatuksen ja nuorisotyön asiuntijat KNT (1,072), Akavan Yleinen Ryhmä AYR (749)</td>
</tr>
</tbody>
</table>

Note: * As of 1 January 2020.

Source: SAK [https://www.sak.fi/ammattiliitot/jasenliitot/jasenmaarat](https://www.sak.fi/ammattiliitot/jasenliitot/jasenmaarat)
As a result of mergers SAK and STTK are dominated by their three largest affiliates (see Table 10.2). In SAK, the Service Union United (PAM, *Palvelualojen ammattiliitto*), the Industrial Union (*Teollisuusliitto*), and the Trade Union for the Public and Welfare Sectors (JHL, *Julkisten ja hyvinvointialojen liitto*), each have about 200,000 members, which combined amounts to more than two-thirds of SAK’s membership. PAM was founded in 2000 as a merger of four unions (shop workers’ union, hotel and restaurant workers’ union, property maintenance workers’ union, and technical and special workers’ union).\(^3\) The Industrial Union *Teollisuusliitto* was founded in 2017 from three unions. The biggest of them was the Metalworkers Union, with around 140,000 members, second was Industrial Trade Union, with around 53,000 members (chemical, leather, shoe, rubber, textiles workers and printers), and third was the Wood and Allied Workers Union (*Puuliitto*), with around 33,000.

In STTK, the Union of Health and Social Care Professionals in Finland (*Tehy*) is by far the largest affiliate, with 160,000 members. Tehy, with Trade Union Pro (*Ammattiliitto Pro*), representing professionals, experts and managerial staff, and the Finnish Union of Practical Nurses (SUPER, *Suomen lähi- ja perushoitajaliitto*) combined account for about 73 per cent of the employees represented by STTK affiliates.

AKAVA’s structure is more heterogeneous. The four largest unions account for some 52 per cent of members represented by the confederation. The biggest union is the Trade Union of Education in Finland (OAJ, *Opettajien ammattijärjestö*), which has united all kinds of teachers under its roof, from kindergartens to vocational training and universities of applied sciences (polytechnics). No fewer than twenty-one unions are affiliated to Akava, with fewer than 10,000 members. With thirty-six affiliates, AKAVA is the confederation with the highest number of affiliated unions.

Many trade unions have abandoned big conferences at which all affiliated locals have at least one representative. Instead of these conferences there are elections to union councils (*edustajisto*) by secret ballot. Councils elect presidents and boards of unions. The biggest and most powerful unions in SAK, STTK and AKAVA have this council election system as their union democracy structure.

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\(^3\) Liikealan ammattiliitto, Hotelli- ja ravintolahrenkilökunnan liitto (HRHL), Kiinteistöyöntekijäin liitto (KTTL) and Teknisten- ja erikoisammattien liitto (Tekeri).
The three trade union confederations dominate the union landscape in Finland. Independent unions outside the confederations have a small proportion of total membership and miniscule influence over collective bargaining outcomes and other matters. The most notable independent union is the Union of Journalists (Journalistiliitto), which has nearly 14,000 members. It was formerly a member of the professional employees’ confederation (at that time TVK) but was expelled in 1974 because of its refusal to support a general strike.

### Unionization

Trade union membership peaked during the mid-1990s, when unemployment was high and the country was in a deep recession. The main reason for this comparatively recent success was the Ghent-style unemployment insurance system associated with unions. After this peak, union density declined from 78.5 per cent (1994) to around 60 per cent (2017). Another trend is the feminization of union membership. Finland is a dual-earner society. As a proportion of the labour force and employment men are in the majority, but since the recession in the 1990s the proportion of women has increased on both counts. The decrease of the male union membership rate has been proportionally larger than the decline of the female membership rate. Today, based on Finanssivalvonta’s (2020) figures, the majority of union members (57 per cent) active in the labour force are women.

<table>
<thead>
<tr>
<th>Table 10.3 Gender composition of union confederations, 2019</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>----------------</td>
</tr>
<tr>
<td>Women</td>
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<tr>
<td>Men</td>
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<tr>
<td>Women</td>
</tr>
<tr>
<td>Men</td>
</tr>
</tbody>
</table>

Note: Aggregate numbers are different from Table 10.2. These numbers concern trade union members in the labour force, while Table 10.2 presents total membership figures.

Source: Finanssivalvonta (2020).

In 2020, trade union membership was more female and more formally educated than 20 or 30 years previously. The decline in aggregate
membership has been greatest among blue-collar workers. This has particularly affected SAK, which mainly organizes blue-collar workers and therefore recorded a decrease in membership. STTK, by contrast, mainly has members with college or university of applied sciences degrees and a high proportion of female members (see Table 10.3). The share of total union membership organized by STTK has remained fairly stable even though actual numbers have declined. AKAVA, which was traditionally the confederation of people with university degrees has gained new strength as a consequence of the structural shift in employment (see Table 10.4). Today, AKAVA is competing with STTK for professionals with lower qualifications (Ahtiainen 2019a; Finanssivalvonta 2020).

Table 10.4 Members represented by confederations, 2006, 2009 and 2019

<table>
<thead>
<tr>
<th></th>
<th>SAK</th>
<th>STTK</th>
<th>AKAVA</th>
<th>Independent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>798,817</td>
<td>471,325</td>
<td>392,328</td>
<td>13,917</td>
<td>1,676,387</td>
</tr>
<tr>
<td>2009</td>
<td>757,250</td>
<td>468,431</td>
<td>415,479</td>
<td>13,694</td>
<td>1,654,854</td>
</tr>
<tr>
<td>2019</td>
<td>552,745</td>
<td>376,050</td>
<td>489,160</td>
<td>18,888</td>
<td>1,436,843</td>
</tr>
</tbody>
</table>

|       | 2006  |  |  |  |  |
| 2006  | 47.7 % |  |  |  |  |
| 2009  | 45.8 % |  |  |  |  |
| 2019  | 38.5 % |  |  |  |  |

Note: Trade union members in labour force.

Source: Finanssivalvonta (2020).

There are several reasons for the decreasing attachment to unions. While in the 1970s, union attachment coincided with a clear increase in union power in society and active participation of unions in strike movements and party politics, the attachment of subsequent generations of workers has been much more instrumental (Kevätsalo 2005: 34). Trade unions are not as attractive to young people. The problem is clearly seen in union membership statistics. Research on youth activity in Trade Union Pro shows that activities organized by the union compete with other uses of free time (Lönqvist-Ahven 2019). Long working hours

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4 Also Bruun (1990: 31) argues that membership of a union does not necessary imply any political inclination, for the trade unions have been transformed from a fighting organization (army) to a social security institution (church) and a defender of workers’ rights (solicitor’s office), and consequently, a worker can bear in mind any of these functions when affiliated to unions.
and family life need to be reconciled, which does not leave much room for other activities, except for particularly interesting ones; moreover, there appears to be little knowledge among workers of the events organized by the union.

In fact, the fall in trade union membership since the 1990s is partly the result of potential members opting for the independent unemployment insurance fund YTK rather than joining unions. For many wage-earners, unemployment insurance associated with union membership long provided an incentive for joining a union. There seems to be an overall trend of trade union membership falling, while membership of union-administered or other unemployment funds has remained at the same level (Ahtiainen 2019a: 12). Much of the diminishing commitment to unions is related to the establishment of the YTK in 1991, which made it possible to join an unemployment fund without joining a union. The declining trend in union membership since the mid-1990s, associated with the rising popularity of ‘independent unemployment funds’ has been noted in other studies (e.g. Böckerman and Uusitalo 2006). In 2019, the YTK had around 470,000 members, which corresponded to about 20 per cent of wage-earners (Finanssivalvonta 2020) and closely corresponds to the drop in union membership between 1994 and 2017 mentioned above.

Furthermore, unions have not been able to attract young workers (Ahtiainen 2019a: 49–50); nor have they been able to fully grasp the needs of marginal groups of workers, such as freelancers, zero-hours workers, agency workers, (bogus) self-employed and migrant workers, the kinds of groups utilized in outsourced labour processes and peripheral segments of the labour market. The unionization of migrant workers in Finland has remained low. For example, in the construction industry, which has been strongly unionized, with generally a 70 per cent unionization rate, union density among migrant workers was still at 12–14 per cent in 2012 (Alho 2013). As parts of work processes are outsourced and supply chains lengthened, the grip of grassroots shop stewards and work safety officials on workplaces has weakened in construction and manufacturing, while they have always been relatively weak in the service sector.

In previous decades, Finnish unions have benefitted from a high-density passive recruitment environment rather than unions actively organizing workers. To encourage more active union engagement, not just passive union membership, some Finnish unions have adopted the
‘organizing model’ typical of some other European countries. The organizing model entails stimulating activism and mobilizing existing union members, as well as targeted organizing campaigns in workplaces. For example, the Finnish Metalworking Union Metalliliitto has adopted organizing model tactics, while the Service Union PAM has arranged organizer training and activities in accordance with the principles of the organizing model (Kall et al. 2019).

**Union income and expenditure**

The decline in membership made affiliated unions more critical of spending by their confederations. A case in point is the decision at the SAK Congress in 2016 to cut the membership fee of affiliates to the confederation from 7 per cent of net membership fee income to 6 per cent. Trade union financial resources are concentrated within the nationally affiliated unions, not the confederations. The confederations are dependent on fees from affiliates, although in some years their capital gains or profits from investments can be substantial.

Unions have favourable tax treatment in two ways. First, membership fees of unions are tax-deductible because the state considers that unions by their very nature develop their members’ skills and professional ability. Second, the capital income of all non-governmental organizations (NGOs), non-profit foundations and common-good organizations is tax-free. This increases the income of unions, which are non-profit NGOs according to Finnish law.

Unions obtain their income mainly from membership fees. Some unions have large investment portfolios because they have accumulated strike funds over several decades. The profits from these investments vary quite a lot. For example, the Industrial Union, OAJ and Pro had good returns on their investments in 2018 when a social housing company originally owned by the unions went public on the stock exchange.

Membership fees normally have two components: first the fee for the union and second the fee to the unemployment fund. In many national unions this combined membership fee increased during the crisis of the 1990s but decreased gradually in later decades. This development was halted during the Finnish recession decade of 2008–2017. The basis of membership fees varies substantially. Unions affiliated to SAK collect about 1.2–1.6 per cent of members’ gross salary. Within AKAVA, OAJ
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has the same system, but membership fees in many other unions affiliated to AKAVA consist of a fixed sum instead. There are also mixed arrangements for membership fees. For example, Pro collects 1.25 per cent of income but a maximum of €49 per month, including the contribution to the unemployment insurance scheme.

The overview of the income and expenditure of TEHY, one of the largest unions, provided in Table 10.5 gives an example of union finances more generally. The union has increased its membership in recent decades and is one of the flagships of the feminization of the Finnish trade union movement. It is to some extent exceptional as it can cover all expenditures from its own general income. Some unions with declining membership use investment earnings to cover their running costs. Personnel, operations and office expenses are the biggest items of expenditure in TEHY’s accounts, as well as they are at other Finnish unions. As Table 10.5 illustrates, income from investments fluctuates strongly.

**Table 10.5** Income and expenditure (’000 euros), TEHY, 2018 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General income (mainly membership fees)</td>
<td>26,064</td>
<td>27,390</td>
</tr>
<tr>
<td>Income from activities</td>
<td>792</td>
<td>878</td>
</tr>
<tr>
<td>Personnel</td>
<td>–10,910</td>
<td>–11,464</td>
</tr>
<tr>
<td>Operation expenses</td>
<td>–10,115</td>
<td>–9,450</td>
</tr>
<tr>
<td>Office expenses</td>
<td>–2,846</td>
<td>–2,598</td>
</tr>
<tr>
<td>Office space expenses</td>
<td>–1,010</td>
<td>–1,007</td>
</tr>
<tr>
<td>Income from strike fund investment</td>
<td>6,479</td>
<td>25,654</td>
</tr>
<tr>
<td>Result for the financial year</td>
<td>7,850</td>
<td>28,790</td>
</tr>
</tbody>
</table>


**Collective bargaining and unions at the workplace**

Finland has a tradition of centralized bargaining, with negotiations at the cross-industry, confederalational level. Employers’ and trade union confederations have been active in a number of social policy areas, but one of the main activities was the negotiation of tripartite centralized income agreements (TUPOs, *Tulopoliittiset kokonaisratkaisut*). These were concluded regularly between 1968 and 2007 and were the
backbone of the Finnish bargaining model. The government introduced the first version of TUPOs in 1967 (Bergholm 2007: 391). TUPOs were essentially framework agreements for bargaining at the industry level (Böckerman and Uusitalo 2006; Malmberg 2002: 194).\(^5\) Besides serving as agreements between union confederations and employers’ associations, TUPOs involved the government and the Bank of Finland, and were aimed at coordinating wage policy, tax and other matters. TUPOs were a form of political exchange because, in addition to bargaining guidelines, they included state guarantees for farmers’ income development, government promises to introduce new social policy reforms and sometimes development projects in housing and day care for children below school age. As the era of centralized income policy agreements began, many features of the ‘Nordic model’ became a reality in Finland (Kettunen 2004: 299).

More recently, collective bargaining has become more decentralized. In 2015, EK made a unilateral decision that it would no longer take part in TUPOs. Although tripartite TUPOs have been buried, bipartite centralized income agreements have been concluded subsequently. In 2016, after being pressurized by a newly elected centre-right government, the peak-level unions and employers’ organizations agreed on a ‘competitiveness pact’, which de facto set up inferior labour conditions compared with earlier bargaining rounds. This was the first such occurrence in Finland’s industrial relations history. Centralized wage coordination is regarded as an important tool for maintaining price competitiveness among companies in Finland, which, as a member of the euro zone, cannot resort to currency devaluation. This means that wage drift in certain industries can harm the country’s price competitiveness. That is why the export industry–led ‘Finnish model’ of industrial bargaining has gained ground. The bargaining pattern is characterized nowadays as ‘centralized decentralization’, indicating that the dominant level of negotiations has shifted from the general confederal level to industry-level ‘pattern bargaining’, driven by export sector organizations (Jonker-Hoffrén 2019: 197).

The Finnish model of collective bargaining nowadays corresponds to the two-tier bargaining model typical of the other Nordic countries

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\(^5\) The Communist ‘minor wing’ of the Finnish trade union movement did not at first agree to generally binding centralized collective agreements. Their catchphrase was ‘Down with incomes policy, down with concessions of class!’ [Alas tulopolitiikka, alas luokkasopu!] (Koskela 2019: 7).
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(Đolvik and Marginson 2018). An industry-level collective agreement sets the national standard and wage increases, as well as laying down procedural and economic guidelines for local or firm-level pay arrangements. These higher-level ‘distributive’ negotiations run parallel with workplace-level ‘partnership’ codetermination processes (Sippola 2012). In other words, a single channel system – via trade unions and shop stewards – prevails in Finland, while workplace cooperation on technical and organizational issues is carried out with union shop stewards or other employee representatives.

There are some voices in employers’ associations that support shifting the locus of bargaining even further to the local level. A practical move towards this goal occurred in October 2020, when Finnish Forest Industries (Metsäteollisuus), the employers’ federation for forestry, which is not affiliated to any employers’ confederation, announced that it would shift negotiations from the industry to the local level. The federation’s decision came as a surprise to other labour market parties in Finland, including other employers’ associations. To some extent Technology Industries of Finland (Teknologiateollisuus) has made a similar move. These breaks have been warmly welcomed by the Federation of Finnish Enterprises (SY, Suomen Yrittäjät), which regarded such a development as natural and self-evident. It is yet to be seen whether and within what timeframe this decision will be followed by similar announcements by other employers’ associations. Forestry is, after all, an industry in which collective bargaining already largely takes place at the local level, whereas in other industries such a tendency has been less prominent.

Collective agreements in Finland are universally binding. In 1970, the extension mechanism – which makes an agreement generally applicable – was introduced into Finnish labour law. After the conclusion of a private-sector collective agreement, the parties are obliged to send it to an Extension Committee (yleissitovuuden vahvistamislautakunta), operating independently under the Ministry of Social and Health Affairs, whose task it is to judge whether the agreement can be extended to the whole industry (Jonker-Hoffrén 2019: 204). Public sector collective agreements are, by definition, already extended to all civil servants without such a procedure (Jonker-Hoffrén 2019: 250). Employers that are unorganized in terms of collective bargaining also have to comply with the national agreements of their industry. At around 89 per cent, the coverage of Finnish collective agreements is not only very high but also remarkably stable in European comparison (Ahtiainen 2019b).
In recent years, EK and the business-promoting lobbying organization SY have often criticized the extension mechanism. They have, for example, proposed the inclusion of continental European-style opening clauses in industry agreements. Such clauses have not been implemented directly, although it is now possible to introduce more limited ‘survival clauses’ with the consent of unions and employers at industry level (Jonker-Hoffrén 2019: 205). A survival clause can materialize in local-level negotiations, conditions for which are set up in the industry-level agreement, for a limited time period.

Topics open to local-level bargaining are stipulated in the industry-level agreement except for wages, which are regarded as minimum wages for the industry. Wage bargaining above the minimum level is possible and widely used in manufacturing (Jonker-Hoffrén 2019: 212). EK and, especially, SY have promoted extension of the scope of local bargaining to companies that are not members of employers’ associations and to non-unionized worker representatives. The goal of such proposals is to invest individual firms with the power to set local wage levels, and to eliminate the national minimum wage–setting mechanism based on industry-level agreements. Despite strong lobbying by SY, the proposals have not materialized in amendments to labour legislation.

Even though collective bargaining coverage is nearly 90 per cent, however, it is realistic to ask how the conditions of workers not covered by agreements are defended. These include workers who are insufficiently covered by agreements: for example zero-hours or posted workers. A step towards wider coverage of collective agreements for posted workers was the 2015 Sähköalojen ammattiliitto vs Elektrobudowa ruling by the European Court of Justice, which underscored the legitimacy of legally binding agreements to cover posted workers in Finland. On the other hand, clauses concerning zero-hours contracts have appeared belatedly in service sector collective agreements, which raises concerns that collective agreements are not keeping pace with the conditions prevailing in new forms of work (Sippola et al. forthcoming). The new types of work are so far of minor significance in the labour market, and the main types of worker not covered by collective agreements are in private-sector professional groups, such as accountants, fitness centre workers, beauticians/cosmeticians, commercial work and veterinary clinics.

International trade union initiatives concerning green jobs and just transition have gained some visibility by means of proclamations by
Finnish confederations and larger trade unions, but they have not really been integrated into the bargaining agenda. Similarly, the issue of the gender wage gap has not achieved a high profile, except for the health care unions in recent bargaining rounds. This may be explained partly by Finnish unions’ defensive posture, as employers have become more assertive in pushing their agendas. During this power struggle such ‘new’ issues have not achieved priority. When it comes to the labour market effects of digitalization, Finnish unions are likely to be pragmatic in the sense that industries affected by digital transformation have already been subject to restructuring; old jobs have been destroyed and new ones created, and the Finnish labour force has been sufficiently flexible and versatile.

**Industrial conflict**

During the term of an agreement, employers and unions are obliged to enforce industrial peace. Industrial action concerning matters settled in collective agreements represents a breach of the agreement and the Labour Court (Työtumioistuin) can impose fines on employers or trade unions in such cases. In extreme cases the Labour Court can annul the whole collective agreement if a party to the agreement continuously violates the peace obligation by taking industrial action. The national mediation system, which is peculiar to the Nordic industrial relations model more generally, deals with disputes over collectively bargained labour conditions. The Finnish National Mediator (Valtakunnansovittelija) is based on an analogous system of dispute settlement, although it holds somewhat wider powers than its Swedish counterpart (Elvander 2002). In Finland, if a dispute settlement procedure begins, the parties to the issue are obliged to participate, but there is no obligation to reach an agreement.

The 1970s saw a proliferation in the number of strikes in Finland. At the time, Finland was among those European countries with the most working days lost due to industrial action. Most of the strikes were ‘wild cat’ and locally based. Particularly sensitive to industrial action was the metal industry, which was under considerable pressure to raise wages as they lagged behind those in Sweden (Koskela 2019: 66). A prominent example of the wide effect of strikes was the seven-week 1971 metal industry strike, leading to implementation of holiday compensation
The dynamics of industrial relations have changed substantially since the 1970s and 1980s, when there were still some ‘low trust’ elements in Finnish industrial relations, leading to a high strike incidence compared with other Nordic countries (Kettunen 2004: 292). In the early 1990s, the number of strikes and working days lost decreased dramatically (Figure 10.1), largely corresponding to average European figures (Koskela 2019: 71). The economic crisis in the early 1990s and permanent high levels of unemployment even after the crisis prompted a ‘new realism’ in unions. Since the beginning of the 2000s, employers’ organizations have been more assertive and the unions mainly in a defensive position during bargaining rounds and in public debates about changes concerning the social wage, especially pensions. This low level of industrial conflict persists today. There is still some fluctuation in the number of strikes and lockouts and the number of working days lost, but the peaks are much lower than in the 1970s and 1980s (see Figure 10.1).

The patterns and tactics of industrial conflict have changed over the past twenty years. Most recent strikes have been short. Many strikes are demonstrations without any concrete demands. They are sympathy strikes, when employers start so-called ‘change negotiations’ about dismissals. At the end of these negotiations the number of redundancies is announced. Sympathy strikes also occur when employers close down factories or other workplaces for good. These sympathy strikes are a ritualistic way of showing solidarity with your workmates without any intention of influencing the outcome (Bergholm 2017).

As part of collective bargaining, trade unions have introduced German-style short warning strikes. Some of these have been successful, but when the Paper Workers Union (Paperiliitto) carried out a warning strike in 2005, employers in the paper industry responded with a long lockout. The employers have learned to respond to short warning strikes with equally short and painful targeted lockouts. Political demonstration strikes are legal in Finland and during the period of a right-wing government 2015–2019 there were several of them. Some involved masses of workers meeting in the capital Helsinki, although proper general strikes did not take place.
Since the 1990s, politically oriented strikes have generally been publicly condemned in Finland. A comparison of expressions of public opinion regarding two strikes – the 1991 Transport Workers’ Union’s (AKT, *Auto- ja Kuljetusalan työntekijäliitto*) dockworkers’ strike and TEHY’s 2007 industrial action in health and social care – shows that the majority, especially young people, supported the latter as long as it did not become associated with partisan politics (Koskela 2019: 31–32). The former, however, was perceived negatively by a majority of respondents mainly because of Finland’s poor economic situation and the overt rationale of the strike as a protest against the government. More recently, however, politically oriented strikes have received a more positive reception. A mass demonstration organized by SAK, STTK and many affiliates of AKAVA against the Finnish government’s allegedly worker-hostile policies in September 2015 gained wide public acceptance. The media coverage, which supported low-paid female-dominated occupations, was mainly positive towards the demonstrators. A similar phenomenon was witnessed in the mass demonstration called by SAK against the government-imposed ‘active employment model’ in February 2018.

Figure 10.1 Working days lost and number of conflicts, 1970–2019

Source: Statistics Finland.
 Political relations

All trade union confederations and their affiliates in Finland are officially politically independent. In practice this means that organizational structures are not based on party affiliation. Many unions and confederations, however, have historically had close direct links to various parties, which have gradually loosened over time. The de-politicization of union organizations has occurred at the level of the confederations more than at the affiliated union level; for example, SAK no longer recruits officials on a political basis but rather recruits professionals meritocratically. Simultaneously, political youth organizations have ceased to serve as talent pools for the unions.

Political division lines still matter when it comes to unions’ representative structures. Within SAK, the members of Social Democratic Party (Sosialidemokraatit) clearly dominate and the majority of SAK affiliates are led by Social Democrats. The Left Alliance (Vasemmistoliitto) is the other major player in SAK and its affiliates. According to recent surveys, the populist immigration-opposing party the Finns Party (Perussuomalaiset) has gained more union support than the Left Alliance measured as a proportion of the membership. In AKAVA the strongest party is the conservative National Coalition Party (Kokoomus). Until the 1990s, the social democrats and conservatives were nearly equally strong in STTK, but gradually the social democrats have gained the upper hand in the largest unions affiliated to STTK. As the membership of AKAVA has increased proportionally, the National Coalition Party has gained a stronger position within affiliated trade unions than the Left Alliance.

The strength of the National Coalition Party in the Finnish union movement is interesting. It has weakened ties between left-wing parties and union members. On the other hand, conservative union leaders and members have some influence on the policies of the National Coalition Party. For instance, employers were frustrated when ‘their own party’ supported special wage increases for nurses in 2007 and this very same party was then unwilling to support EK’s proposals to change labour law.

Since 1990 there have been a few moments when industrial relations in Finland were put to a test. At the beginning of the 1990s, the economic depression, the centre-right government and the fall of the Soviet Union inspired the employers’ federation to demand a complete revision of the whole industrial relations system. That time, the Finnish Employers’ Confederation (STK, Suomen Työnantajain Keskusliitto) proposed a new
agreement policy. Prime Minister Esko Aho (Centre Party, *Keskusta*) proposed replacing the tripartite model of cooperation between the government, the employers’ associations and trade unions with a new division of labour in which the Bank of Finland would be responsible for monetary policy and interest rates, the government for fiscal policy and the labour market organizations only for wages. The depth of the recession, the heterogeneity of the employers’ federations and the difference between export industry and domestic market prevented the STK from pushing through its proposed policy. In the pre-euro era, devaluations restored export competitiveness. A profound change in the labour market system seemed to disappear from the employers’ arsenal of strategic goals, as the Social Democratic Party returned to government in 1995 after success in the general elections.

The early 2000s saw relatively stable economic development in Finland, and trade union political relations remained relatively unchanged. Most trade union members identified with particular political parties, as was the case in previous decades: Social Democratic Party and Left Alliance members maintained relationships with SAK-affiliated unions, and National Coalition Party members with AKAVA (Tiihonen 2015). The Finns Party, a new party in the Finnish political arena, generated a strong attachment among members of unions affiliated to SAK and STTK. The government party coalition had a direct effect on whether employers’ organizations or trade unions were able to influence the government programme. An employers’ confederation EK managed to include many of their goals in the programme of the 2007 right-wing government, whereas SAK and STTK influenced the programme of the 2011 multiparty (so-called ‘sixpack’) coalition.

There were particular antagonisms between Finnish trade unions and the government under Juha Sipilä’s prime ministership in 2015–2019, as the right-wing government proposed emergency legislation if certain concessions were not made during the centralized bargaining round in 2015–2016. The government advocated ‘competitiveness’ and ‘austerity’ policies, which had repercussions for the industrial relations atmosphere (Jonker-Hoffré 2019: 200). In autumn 2015, the three trade union confederations SAK, STTK and AKAVA organized a mass demonstration against the proposed legislation, in which 300,000 workers gathered around Finland. Ultimately, Finnish trade union confederations and employers’ associations regarded it as a lesser evil to conclude a ‘competitiveness pact’ than to accept the government’s proposal to cut social and employment subsidies. The pact signified a 4 per cent decrease in labour
costs; it also included clauses alleviating company-level collective bargaining (ibid.). The tensions between the Sipilä government and unions remained until the end of the government. In spring 2018, when the government proposed a new unemployment subsidy scheme, SAK once again organized a demonstration of 10,000 workers against the proposal.

Union confederations still have much negotiating power concerning social policy: for example, on pensions, unemployment insurance and parental leave. This power is connected to the tradition of tripartite negotiations on legislation in these fields (Bergholm 2009). Although tripartite centralized incomes policy agreements, TUPOs, have been officially rejected by the employers’ associations, labour market parties engage in activities closely resembling TUPOs in times of crisis. The competitiveness pact of 2016 was a manifestation of that, and even more so the ‘crisis package’ in spring 2020. When the Covid-19 pandemic began in March 2020, the government asked union confederations and employers’ confederations to sketch a labour market policy package to avoid unemployment and bankruptcies. The resulting proposal that involved a temporary decrease in employers’ pension fees, postponing the payment of pension insurance fees, temporary flexibilization of dismissals, furlough procedures and temporary strengthening of the subsistence of laid-off persons, was in large part approved by the government.

**Societal power**

Especially in Anglo-Saxon countries, unions have sought revitalization by establishing new coalitions with other social movements, to compensate for the loss of power resources connected with national collective bargaining and policymaking (Ibsen and Tapia 2017). For Finnish unions policymaking in different arenas and collective bargaining still play a dominant role compared with the development of new forms of activity in the face of a declining membership base. Attention has been directed, however, towards retaining and gaining new members, particularly young people and male blue-collar workers.

Besides shaping the public image of institutions, media visibility and social media campaigns are capable of influencing public debates. Hence, public campaigning may influence the power positions of labour market parties, and eventually state-level regulation. Finnish trade unions have lately become active in publicizing their negotiation goals. One such campaign with broad publicity was the nurses’ industrial action in 2007,
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in which nurses made a strong argument against the low levels of wage compensation they saw as embedded in societal structures. The action made visible the vested interests of different stakeholders within the corporatist regime (Koskinen-Sandberg and Saari 2019).

While Finnish labour market parties have traditionally been regarded as backward in relation to gender equality issues, they have assumed a new role in enhancing gender equality by participating in debates on equality issues within and outside tripartite negotiations (Elomäki et al. 2019). Of the trade union confederations, SAK has pointed out structural biases and discrimination and AKAVA has paid attention to individuals and prevailing attitudes. On the employers’ side, proposals concerning gender equality have been rarer. A remarkable contribution to the debate on gender equality from the latter, however, was a 2017 EK model for reforming family leave schemes (ibid.).

In terms of themes or agendas in public campaigning, individual trade unions have been active in putting forward the interests of vulnerable groups, such as part-time workers, zero-hours workers and immigrants. One example is the cooperation between the service union PAM and an activist food couriers’ rights network ‘Justice for Couriers’ (Oikeutta läheteille). The network regards its interests as being close to the unions, with the consequence that it has expressed the aim of attracting couriers to labour unions such as PAM (Saksela-Bergholm 2021). Also, Finnish trade unions affiliated to AKAVA, SAK and STTK have established a network entitled ‘Itset’ with the aim of ensuring improved rights for self-employed workers, such as freelancers. The network aims to revise Finnish competition law to allow self-employed workers to negotiate their labour conditions and compensation collectively (Ilsoe et al. 2020).

Finnish unions have been active in collaboration with NGOs on the issue of corporate social responsibility (CSR). In 2018 the Trade Union Solidarity Centre of Finland SASK (on this organization, see next section) announced a campaign ‘To the Starting Lineup’ (Ykkösketjuun) with seventy other civil society organizations to highlight Finnish corporations’ CSR. Furthermore, SASK and a number of Finnish human rights and environmental NGOs support the work of a corporate global conduct reporting organization, Finnwatch. Although Finnish trade unions regard the concept of CSR itself as vague, they take the phenomena revolving around it seriously in their public campaigning, and they have managed to involve business partners in jointly organized media events on decent work (Lämsä and Viljanen 2014).
A new arena for societal discussion is participation in social media debates. A survey study of thirty-four trade unions on their use of social media found that it had not become a consolidated communication channel, nor had social media been taken as an element of strategic planning for union communication (Jouppi 2016). Nevertheless, social media and other media have played a role in various campaigns that unions have taken part in, such as ‘The Kingdom of Free People’ (Vapaiden valtakunta) the goal of which was to advocate more a worker-friendly political direction in Finland, and ‘Let’s Behave’ (Ollaan ihmisiksi) to change clients’ attitudes to become friendlier towards salespeople. Some progress has been evidenced since the beginning of the 2000s, when few initiatives were taken by unions to use Information and Communications Technology (ICT) to strengthen interaction and community spirit (Aalto-Matturi 2005). Clearly, the internet has not developed into a new ‘Workers’ Hall’ or ‘Community Hall’ of the union movement.

Trade unions are still in the phase of experimenting with the new channels of influence and making innovations in recruiting new members on these grounds. The involvement of the service sector union PAM in the Finnish Big Brother programme created a sensation in 2010, as a union official was prepared to drop young people from the Big Brother house for seeking employment. The idea for this came from the observation that the PAM’s potential membership base includes those who watch reality TV shows. Worth noting is also the Finnish industrial union’s ‘The Man from the Union’ campaign in 2019, a TV advertisement in which a trade union member defended a young shop customer ‘Niko’ in various situations. This campaign evoked massive criticism from EK affiliates. Similarly in 2020, when a few unions supported the ‘430 million’ campaign directed at preventing tax avoidance among Finnish firms, it provoked critical comments mainly among business circles. These examples illustrate that the unions have lately become involved in societal debates and have managed to provoke reactions from employers, in a manner that has made people recognize that there are divergent interests among the labour market parties.

Trade union policies towards the European Union

International cooperation among Finnish trade unions is at a modest level, focussing on Nordic, European Union and international arenas.
Nordic unions are passive in cross-national union action compared with their continental and Southern European counterparts (Larsson et al. 2012). This may be because of their sceptical stance towards the confederalist ambitions of giving power to the European Trade Union Confederation (ETUC) to negotiate on behalf of their members. Finnish, and overall Nordic, cooperation with the ETUC is at an average level, below that of Austria, Belgium, Germany and Spain. Confederations are the most frequent partners for influencing EU policies; also manufacturing sector unions are more engaged than the others in transnational cooperation (Larsson et al. 2012).

Union confederations have adopted different profiles in their attitudes towards workers’ transnational mobility. They have acted as gatekeepers in the country’s immigration politics, and SAK has sought to prevent labour immigration from non-EU or EEA countries (Alho 2015). Yet, STTK and AKAVA have pursued less protectionist policy attitudes towards labour immigration. The stance of Finnish union confederations towards EU-level labour mobility has thus been somewhat more conservative than in other Nordic countries. In another EU policy-related matter, the 2019/2020 European minimum wage initiative, Finnish confederations have assumed a deviant stance compared with their Nordic neighbours. Collective bargaining is seen in the Nordic countries as a more effective means of gaining better results for workers than statutory minimum wages (Furåker 2020). For example, SAK supported the minimum wage initiative as long as it acknowledges the features of the Finnish bargaining system, while other Nordic unions were more categorically against the idea. Therefore, the Finnish confederations do not consider the EU’s minimum wage initiative as being at odds with the Finnish system of collective bargaining.

A natural framework for cooperation has traditionally been the Nordic region, in which the Council of Nordic Trade Unions has played a major role. Nordic cooperation became even more coordinated in the aftermath of Denmark, Finland and Sweden joining the EU (Helander 2008). Finnish unions’ transnational cooperation in many international and European issues has occurred mainly within a Nordic framework. These issues were related to institutional cooperation within the International Labour Organization, World Trade Organization and matters concerning European Works Councils (ibid.).

In 1986, the SAK founded the Trade Union Solidarity Centre of Finland (SASK), which became the solidarity and development
cooperation organization for Finnish trade unions. Nowadays, two confederations (SAK and STTK), as well as thirty-five unions are affiliated members, paying either 1 per cent for confederations or 0.1 per cent of membership fees to SASK. Contrary to the union confederations of the other Nordic countries, the Finnish SAK urged its members to use their right to vote to join the EU in 1994 (Boldt 2008: 39–40). In general, SAK has been for multilateral trade systems and a gradual liberalization of global trade, while opposing protectionism (Boldt 2008: 43).

Finnish unions have also been active in Estonia. Their contacts with Estonian counterparts are probably as intense as with those from Denmark, Norway and Sweden (Helander 2008). In the 1990s, Finnish unions tended to regard their system as a superior model to be emulated by the weaker labour movements in the Baltic states. Finnish-Estonian cooperation evolved under various EU initiatives, the Baltic Sea Trade Union Network (BASTUN) and bilateral initiatives (Kall et al. 2019). Lately, cooperation has developed from ad hoc bilateral joint action into a more coherent organizing campaign in the context of the Baltic Organizing Academy (BOA). Activities in the Baltic area must be seen against the backdrop of the potential threat of the Baltic neoliberal regime and its labour market consequences for the future of Finnish industrial relations. The proximity of an almost trade union free zone in close proximity, combined with the expectation of a massive influx of Estonian immigrant workers in Finland after Estonia joined the EU in 2004 have, in all likelihood, contributed to Finnish-Estonian joint projects and organizing efforts.

Transnational solidarity, as essential as it would prove in the common European market, is difficult to embed among Finnish trade unions, as there is a historical trajectory of national compromise and a nation-level basis for union membership. Difficulties in engaging in transnational cooperation were seen at the Olkiluoto 3 construction site, operated by a French-German consortium Areva-Siemens, when Polish posted workers sought help from various organizations, including the Finnish Construction Trade Union (Rakennusliitto) and the European Migrant Workers’ Union. The inaction on the part of the Finnish union, as the Poles experienced it, raised questions concerning the ethnocentric character of Finnish unions (Lillie and Sippola 2011).

One possible answer to the inability of the Finnish unions to look after posted workers at the time was the European Court of Justice (ECJ) ruling on the Laval un Partneri case, which led to a hesitance to demand
wage increases for posted workers (Lillie and Sippola 2011). The 2015 ECJ ruling on the Sähköalojen ammattiliitto vs. Elektrobudowa case, however, prompted the Finnish unions to use their power to demand the extension of national collective agreements also to posted workers.

Conclusions

A Nordic-type ‘class compromise’ characterizes the Finnish trade union movement in the post-War era, although recent decades have witnessed signs of disintegration. In line with the other Nordic countries, Finland’s unions have been deeply involved in tripartite negotiations on various policy issues, most notably social policy. A distinctive feature of the Finnish industrial relations system was the era of TUPOs, high-level tripartite packages that not only included incomes policy, but also penetrated other areas of industrial, social and employment policies. Such agreements were concluded almost uninterruptedly from 1968 to 2007, when EK’s withdrawal marked the end of the system.

The societal power of the Finnish labour market parties has remained strong, although the forms of influence have changed: processes that were once carried out in a rather non-transparent way behind closed doors have become more visible. The power resources that the parties used to employ no longer remain unquestioned, but need to be legitimated in public discussions, lobbying and campaigning. One might wonder whether the unilateral arena of influence has taken precedence over the traditional bilateral and tripartite arenas (see Ilse 2017), as a result of which labour market parties increasingly seek to influence legislation from their own perspective, thereby undermining the processes of collective bargaining and social dialogue. This development is rather alarming from a trade union point of view. Business organizations’ lobbying networks at Finnish ministries and government bodies are denser than those of trade unions (Hirvola et al. 2021: 143).

The peak year of Finnish trade union power was 1990, when both blue-collar and white-collar unionism was at its peak. Since then, male blue-collar workers have become rarer as working age paying members of trade unions. Somewhat compensating this trend, although not fully, has been the increase in female, white-collar unionism. This tendency might be expressed as ‘more female, less male, white-collar, beyond-the-peak trade union movement’.
None of Visser’s (2019) possible futures for trade unions correspond to the Finnish trade union movement, but the future is likely to have elements of each of them. Visser’s scenarios include: (i) marginalization (fading away and losing relevance); (ii) dualization (unions end up promoting job security for their insider members at the expense of outsiders); (iii) substitution (unions will be replaced by other forms of social action and representation); and (iv) revitalization (unions regain their vitality and youthfulness).

Marginalization looks the most unlikely development. Finnish unions are by no means losing their relevance or fading away, and they will probably maintain their established role as defenders of labour interests in society. Unions have been blamed for preferring insiders at the expense of precarious workers. In fact, the fall in union membership since the 1990s is the result of potential members in core positions opting for the independent unemployment insurance fund YTK rather than joining a union. Therefore, unions have not been able to attract young full-time workers in permanent employment into membership. Neither they have been able to fully grasp the needs of marginal groups. Nevertheless, there are signs that unions are taking up a role as defenders of more vulnerable groups, such as zero-hours workers, platform workers and the (bogus) self-employed. The substitution argument is not really viable, although the independent unemployment fund YTK has taken a prominent role as unemployment insurance administrator, a role undertaken by unions during the 1970s and 1980s, since YTK cannot take over from the unions as defender of workers’ interests. A more likely scenario is that a void will open up if joining an unemployment insurance fund is not associated with union membership.

What about the revitalization scenario in relation to the Finnish union movement? Finland, as a Nordic country, can be characterized as ‘institutionally secure’ (Ibsen and Tapia 2017: 179). Unions can develop organizing strategies while defending their traditional strongholds of collective bargaining and corporatist policymaking. But how long will their strong power resources endure in the face of falling unionization rates or accusations of having an inclination to defend mainly the interests of male insiders? Revitalization is needed, but is a movement towards Anglo-Saxon type coalitions with other social movements the right direction? New efforts are needed to maintain the membership base, and for example, the potential of ICT and the internet have not been exhausted as forums for networking, support and exerting influence (Aalto-Matturi 2005).
One possible direction would be the ‘organizing model’, which has proved attractive to unions in the United States, the Netherlands, Germany and Denmark, as well as the Baltic states. It would represent a departure from Finnish unions’ previous strategies to maintain their membership base (Kall et al. 2019). The model encompasses strategic targeting of companies, one-on-one conversations with workers, recruiting ‘natural leaders’, following progress and – perhaps most importantly – engaging in an extended process of identity work, in which old national jurisdictions and partnerships are complemented or substituted by new forms of aggressive campaigning and cooperation. In a way, such a model is nothing new, but rather a return to the labour movement’s formative years before the Second World War, when organizers were used and new union structures were established.

References


Abbreviations

**AKAVA**  Confederation of Unions for Academic Professionals (Korkeasti koulutettujen työmarkkinakeskusjärjestö)

**AKT**  Transport Workers’ Union (Auto- ja kuljetusalan työntekijäliitto)

**EK**  Confederation of Finnish Industries (Elinkeinoelämän keskusliitto)

**HTK**  Confederation of Intellectual Employment (Henkisen työn keskusliitto)

**JHL**  Trade Union for the Public and Welfare Sectors (Julkisten ja hyvinvointialojen liitto)

**LTK**  Business Employers’ Confederation (Liiketyönantajain keskusliitto)

**OAJ**  Trade Union of Education in Finland (Opettajien ammattijärjestö)

**PAM**  Service Union United (Palvelualojen ammattiliitto)

**SAK**  Confederation of Finnish Trade Unions (Suomen ammattiliittojen keskusjärjestö)

**STK**  Finnish Employers’ Confederation (Suomen työnantajain keskusliitto)

**STTK**  Finnish Confederation of Professionals (Toimihenkilökeskusjärjestö)

**SUPER**  Finnish Union of Practical Nurses (Suomen lähi- ja perushoitajaliitto)

**SY**  Federation of Finnish Enterprises (Suomen Yrittäjät)

**TEHY**  Union of Health and Social Care Professionals in Finland

**TUPO**  Income policy agreement; bipartite or tripartite national agreement on salaries and other general terms and conditions of employment (Tulopoliittinen kokonaisratkaisu)

**TVK**  Federation of Clerical Employees’ and Civil Servants’ Organisations (Toimihenkilö- ja virkamiesjärjestöjen keskusliitto)

**YTK**  General unemployment fund (Yleinen työttömyyskassa)