EGGE – EC’s Expert Group on Gender and Employment

Assessment of the National Action Plan for Employment 2002 from a Gender Perspective

Finland

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Introductory note

The action plan has been prepared jointly by the Government, social partners, the Association of Finnish Local and Regional Authorities, and other organisations. Four Employment and Economic Development Centres (TE Centres), and employment offices under them, have participated in the preparatory work.

This time there were fewer subgroups involved in the preparation work, which has had a good influence on the outline of the NAP. It is better structured than the previous one, which was more a mixture of very specific details. However, the gender dimension is still largely missing from the NAP.

The gender equality bodies have not been much involved in the preparation of the NAP this year. There have been suggestions that the biggest final group of social partners should have a gender equality representative, but this has not materialised. However, one equality expert from the Ministry of Labour has participated in the preparation work. Previously, the office consulting the Council of Equality was more involved in the work.

A. National employment policy in context

This chapter addresses very little the gender gaps and gender developments on the Finnish labour market. It takes a broad overview of the employment targets, national economic context and achievements in employment, but says very few things about the developments according to gender. The only referred matters are: "The distribution of work and differences in pay between genders on the labour market are still being analysed. The Government and the labour market organisations are pursuing measures to reduce gender segregation and promote equal pay for equal work between men and women. All aspects of the NAP will take into account the mainstreaming of the equal opportunities policy and the development of the labour force and working life in accordance with the needs of the information society.”

B. National action to raise employment rates and improve quality at work

The main challenge to the raising of employment rates is early retirement. Achieving the target employment rate of 70% requires the average retirement age to go up by about two years, or to 61, by 2010. Over the past four years, the employment rate for people aged 55 to 64 has increased by about 10 percentage points. The next few years will be crucial for the raising of employment rates, since the baby-boom generation born after the Second World War will reach the retirement age between 2010 and 2015. It is essential to raise the average retirement age before this generation begins to take early retirement. Achieving the employment targets also requires extensive activation of the labour force reserves, discouraged workers and the unemployed.
The gender dimension has been forgotten in discussing these measures and phenomena. In Finland, the questions of active ageing and raising of the average retirement age are gender-bound, and they should be discussed in the gender context, too. Women in Finland have been longer in the labour force, and worked in full-time jobs more often than women in most other European countries. Measures to prevent early retirement should take this gender aspect into account.

The Finnish NAP 2002 is quite good what comes to dealing with the problem of quality of work and working life. This kind of discussion has earlier been missing. Now there is a comprehensive description of the main problems in the quality of work and also of the main measures and action programmes in this field. Only the gender dimension is absent from this review.

The aim of the Government and the social partners is to bring the employment rate to above 70% by 2010. The employment rate targets in 2010 for women and for people aged between 55 and 64 are 68% and 55%, respectively. Extensive employment of the labour market reserves requires implementation of the above-mentioned measures.

### Employment rate in 2001 and targets for employment rates in 2005 and 2010, %

<table>
<thead>
<tr>
<th>Age group</th>
<th>2001</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-64</td>
<td>68</td>
<td>69</td>
<td>&gt;70</td>
</tr>
<tr>
<td>15-64, men</td>
<td>70</td>
<td>71</td>
<td>72</td>
</tr>
<tr>
<td>15-64, women</td>
<td>65</td>
<td>67</td>
<td>68</td>
</tr>
<tr>
<td>55-64</td>
<td>46</td>
<td>53</td>
<td>55</td>
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</tbody>
</table>

C. **Response to recommendations**

1) Finland should continue to review tax and benefit schemes with a view to encouraging participation in the labour market and ensuring the availability of labour; in particular, strengthen efforts to reduce high marginal effective tax rates especially on low wage earners and to improve incentives in benefit schemes, especially pensions, for people to take up work and to stay in the labour force.

2) Finland should take appropriate action, in the context of a gender mainstreaming approach, to close the gender pay gap and continue taking action to improve the balance in representation between men and women across both occupations and sectors.

3) Finland should ensure the effectiveness of active labour market programmes with a view to combating unemployment and reducing regional disparities and labour market bottlenecks, focusing on the needs of the long-term and young unemployed.

The Finnish NAP for 2002 is very much concentrated on the Council policy recommendations. Special measures concerning the ageing of the labour force and gender segregation on the labour market, in particular, have received much attention.

The Council recommendations pay attention to very few aspects of the labour market. This can easily mean that national action plans also concentrate on only these aspects. Occupational segregation is an example of this. It has become the most important equality question in the action plan, neglecting other aspects.
A good point in the recommendations for 2002 is that the gender pay gap has been mentioned in addition to the old question of occupational segregation. This has meant that the Finnish NAP has also paid slightly more attention to gender pay differentials.

It is the aim of the Government to improve the employment rate and to increase the average age of leaving the labour market by 2-3 years by emphasising the importance of work and the economic incentive of accepting work, and by encouraging employers to keep and also hire ageing workers.

The overall tax rate is expected to drop further. Up to now, the Government’s targets on reducing taxes have been exceeded. The Finnish NAP also introduces numerous ways to encourage entrepreneurship by reducing the tax burden. From women’s point of view, the tax reductions also mean some contradictions. Women’s employment is much dependent on the public financing of welfare services, which needs a higher tax rate.

D. Progress report

Employability: The NAP has dealt with this pillar according to the guidelines for introducing measures that aim to ensure the availability of labour in the short and long term. Further targets are combating youth unemployment, prevention of long-term unemployment, elimination of discrimination and promotion of social inclusion. The horizontal guidelines have been taken into account. Especially the objectives of lifelong learning, partnership and the regional dimension have been dealt with in the pillar of employability.

As a new initiative for the availability of labour in the short term, co-operation will be intensified between the ministries and the labour market organisations to produce improved forecasts for labour and skills needs. The most important new initiatives in the long term are that «Employed people, particularly those who are older or who lack vocational training, will be encouraged to participate in labour market training. Training will be linked with regional and corporate development strategies and planned in cooperation between companies, authorities, labour market organizations and educational institutions.» Measures have only been presented in a gender-neutral way under these guidelines and under the guidelines concerning youth and long term unemployment.

In Finland, the gender gaps in employment (-4.6) and unemployment (1.1) are fairly small. Even full-time employment rates for men and women are very close to each other. However, the rates of unemployment are considerably high, at 8.6% for men and 9.7% for women. The NAP does not pay any attention to the fact that women’s unemployment rate has been above men’s since 1996. In practice, women attend more than men different measures like retraining for the unemployed. This has happened without any plans for it.

Entrepreneurship: This pillar has been given much attention and the horizontal objectives have been dealt with. However, gender equality is a rather marginal aspect here. Women business advisers have been appointed at all TE (regional) Centres to take a special interest in women’s business activity. They also form a network, through which women entrepreneurs can contact other women entrepreneurs in their
special field. The Centres also assign mentors for women entrepreneurs in the interest of improving their marketing, product design and the general running of the business. Pilot programmes have been started to improve entrepreneurship and management training by setting up networks of women entrepreneurs. In 2000, a total of EUR 16.5 million of so-called Finnvera loans specifically for women entrepreneurs were granted to over 1,200 companies. This helped create almost 1,300 new jobs.

In spite of these endeavours the number of female entrepreneurs has not increased. Their proportion of the employed, excluding primary production, has been around 6% among women and 12% among men, in ten years. One third of all entrepreneurs (206,000) are women. The care and nursing sector is a growth industry for women, as also are the media and content production.

**Adaptability:** Partnership has been very much emphasised in this pillar. This is promising, because labour organisations have paid quite a lot of attention to equality matters during the past few years. However, in the NAP and in the listed measures for 2002 none of the projects have equality as a manifested objective. In general, this pillar has received very little attention compared to the interest paid to quality at work at the beginning of the NAP.

The quality of employment, particularly the high rate of fixed-term employment among women, is a typical local employment feature. The Finnish action plan puts too much trust in the amended Employment Contract Act. It has not decreased the amount of women’s fixed-term contracts. Accordingly, women and men have different opportunities for coping with the ever-increasing pace of work. Reconciliation of work and family life is hard, especially for women who work full-time, and often overtime, and still shoulder the main responsibility for domestic work. The Finnish NAP does not deal with this problem at all.

**Equal opportunities:**

In spite of the fact that the Council has recommended measures for reducing both the gender pay gap and the occupational segregation, the gender pay gap is very sparsely represented. The Finnish speciality in this matter is that women in employment have more education than men, women have nearly as much work experience than men, they work almost as many hours as men do and still their pay is only about 80 per cent of men’s. This would need a stronger emphasis in the NAP.

**Main measures implemented:**

- A project on good and equality-conscious workplaces, launched on the initiative of the labour market organisations, has been implemented and will continue in the form of a three-year project called Mosaikkki.
- A second national equality barometer was published, giving an overview of Finnish people’s attitudes to and experiences of equality.
- In 2001, an ESF information campaign was also arranged as part of the implementation of equality-promoting projects.
New measures in 2002:

- Proposals for amendments to the Act on Equality between Men and Women should be ready by the end of 2002. The amendments will evaluate allocation of the burden of proof in cases of pay discrimination and clarify it where necessary.
- Work on changes to the parental leave system will continue, with the aim of introducing new provisions at the beginning of 2003. The labour market organisations have also started a campaign to encourage men to take parental leave.
- The labour market organisations have started negotiations on drawing up a set of regulations for workplaces in cases of sexual harassment and abuse.

These are all good initiatives. However, the rather modest space given to the forth pillar in the NAP reveals the amount of importance that is assigned to equal opportunity matters. Perhaps the small gender gaps in employment, good day care facilities, and Finnish women’s rather stable position on the labour market thanks to their high educational level have given rise to the common belief that equality matters are in order. The NAPs no longer pay much attention to them.

E. Statistical information

The requested indicators are mostly included in the Finnish NAP. Only the three last indicators are missing: structure of elderly care, transitions between non-employment and employment and within employment by pay level and also transitions between non-employment and employment and within employment by type of contract.

F. Example of good practice: Integration of immigrants

An Act on the Integration and Reception of Asylum Seekers (493/1999) was passed in Finland in 1999. The aim of the Act is to promote the immigrants’ integration, equality and freedom of choice through measures which ensure that immigrants can acquire the skills and knowledge they need in order to function in Finnish society.

The Government will report to the Parliament in May 2002 on the implementation of the Act on the Integration and Reception of Asylum Seekers. The only way the NAP addresses this question from the gender perspective is by way of the following sentence: «Government has approached this complex issue by evaluating not only the enforcement of the Act itself and related action by the authorities and general cooperation, but also aspects such as the employment rate, living conditions, education provision for both children and adults, the position of children and young people, the position of women, the position of ageing immigrants, the provision of special services for immigrants and the availability of ‘standard’ public sector services among immigrants.» As an employability question, the gender perspective would have deserved more attention.